

Amendment to the Fura Gems Merger of Ruby Assets Agreement with Pre-Completion Loan

29 November 2018

New Energy Minerals Limited (“**New Energy**”, the “**Company**”) (**ASX:NXE FRA:GGY**) announces that the terms of the Merger of Ruby Assets Agreement dated 14 July 2018 (“**MRAA**”) with Fura Gems Inc. (“**Fura**”), have been amended between the parties with an amendment agreement dated 26 November 2018 (“**Amending Agreement**”).¹

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Under the terms of the Amending Agreement, the consideration payable to New Energy upon closing of the transaction will now be A\$2.8 million in cash, rather than the originally agreed 10.5 million Fura shares to be issued to the Company over a 20-month period from closing.

The parties have also agreed to extend the closing date of the agreement from 30 November 2018 to 28 February 2019, to allow for the satisfaction of the remaining conditions precedent, principally being a binding tax opinion from the tax authorities in Mozambique, and Ministerial approval. In the event that the Company has not obtained and supplied all the outstanding documents and approvals required for closing to occur on or before the closing date, Fura may exercise a unilateral right to extend the closing date until all conditions are met. Fura may also terminate the MRAA if the conditions precedents are not met by the closing date.

Concurrently with the Amending Agreement, New Energy has also entered into a Loan Agreement (“**Loan Agreement**”) with Fura for the aggregate amount of A\$2.8 million (the “**Commitment**”). In terms of the Loan Agreement, the Company will be able to draw down funds prior to completion of the MRAA, for purposes of settling any claims or disputes with Arena Investors, should this be required². Any funds drawn under the Loan Agreement will bear capitalised interest at 15% per annum and the loan is unsecured. Upon Fura closing the MRAA, the Loan Agreement will automatically terminate, and the payment of all accrued capitalised interest waived by Fura.

If the MRAA is terminated and closing did not occur under the MRAA, then all advances made by Fura to New Energy under the Loan Agreement will be repayable by New Energy with interest.

The Loan Agreement is conditional on Fura obtaining TSX Venture Exchange approval for the loan within 21 business days and any advance by Fura under the Loan Agreement is conditional on either (i) Arena withdrawing its Statutory Demand, or (ii) Arena agreeing to withdraw the Statutory Demand conditional upon

¹ Refer to ASX Announcement dated 17 July 2018 for details of the original agreement with Fura

² Refer to ASX Announcement dated 6 November 2018

receiving an amount of money from the Company not exceeding the amount of the Commitment.

Further conditions to advances being made under the Loan Agreement to the Company include warranties regarding solvency, no security being registered over the Company or its assets and the Company entering into the MRAA Amending Agreement.

The Company has also agreed to sell certain gemstone processing related plant and equipment to Fura for A\$489,439.86 independently of the advances under Loan Agreement. These funds are expected to be received by the Company within 3 business days and are not repayable if the MRAA as amended is terminated in accordance with its terms.

New Energy Minerals Managing Director Bernard Olivier Commented: “The amendment to the Merger of Ruby Assets Agreement and the cash consideration was specifically re-negotiated due to the statutory demand received from Arena Investor and now places New Energy in an advantageous position in the dispute process. It is also particularly important as the Company enters the financing stage of its pilot plant development at the Caula Vanadium-Graphite project”.

“The board of New Energy would like to thank Fura for renegotiating the terms of the MRAA at the request of the Company”.

For and on behalf of the Company.



Dr. Bernard Olivier
Managing Director

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