

Board Restructure & Capital Raising

12 June 2019

HIGHLIGHTS

- **UbezTT International Investment Holdings has appointed Mr. Paul Ching and Mr. Jackie Lee to the Board of Directors**
- **The Company has secured commitments for short-term funding from sophisticated and professional investors in the form of unsecured convertible notes totalling A\$406,000**
- **Dr. Bernard Olivier has stepped down as Managing Director of New Energy Minerals Limited and Mr Cobus van Wyk has resigned from Chief Operations Director of the Company**
- **The Company thanks Dr Bernard Olivier and Mr Cobus van Wyk for their service to New Energy and their efforts in advancing the Caula Vanadium/Graphite project**
- **Mr. Christiaan Jordaan has been appointed as full-time Managing Director of the Company**

New Energy Minerals

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APPOINTMENT OF DIRECTORS

New Energy Minerals Limited (“**New Energy**” or the “**Company**”) (**ASX:NXE FRA:GGY**) is pleased to announce the appointment of Non-Executive Directors Mr. Paul Ching and Mr. Jackie Lee.

The Company announced on 7 November 2018 that it had entered into a binding agreement (“**Agreement**”), with Hong Kong-based investor group UBezTT International Investment Holdings (BVI) Limited (“**UbezTT**”, the “**Investor**”), in relation to a strategic equity placement, asset level investment and incorporated joint venture in respect of the Caula Vanadium-Graphite project.¹

Under the Agreement, and as previously announced, the Investor has the right to appoint up to two (2) directors to the Board of New Energy and in this regard, UbezTT has now exercised this right by nominating Mr. Ching and Mr. Lee to join the Board.

¹ See NXE ASX release dated 7 November 2018 for full details.

Mr. Ching holds a degree from Monash University and has over 21 years' experience in the finance industry. He is also the President of PT Investment Corporation Limited and Managing Director of China-Bao Sheng (Shanghai) Trading Company both of which are subsidiaries of Hong Kong listed PT International Development Corp.

Mr. Lee is a Chartered Accountant with over 14 years' experience in accounting, finance and financial management. He obtained his bachelor's degree with Honours in Commerce, majoring in finance and accounting, from the University of British Columbia in Canada in 2003. Mr. Lee is also currently the CFO of PT International Corporation Limited, a Company listed on the Hong Kong stock exchange (HKEX:0372).

New Energy Chairman Ian Daymond commented: "We are very pleased to welcome Mr. Ching and Mr. Lee to the New Energy Board of Directors. Both are based in Hong Kong and bring a wealth of commercial, financial and vast entrepreneurial experience, which will be highly beneficial to the Company going forwards."

To minimise cash outgoings for the Company, both Mr. Ching and Mr. Lee will each be paid director's fees of \$48,000 per annum, with payment to be made in fully paid ordinary shares in the Company, subject to future specific approval of such share payments by shareholders.

SHORT-TERM FUNDING

The Company is also pleased to announce it has secured commitments for short-term funding from sophisticated and professional investors in the form of unsecured convertible notes totalling A\$406,000 with the following key terms:

Use of funds	New project evaluation and due diligence costs, legal and other expenses related to the Balama sale & for general working capital purposes
Interest Rate	Coupon rate of 12% per annum with all interest payable upon maturity or convertible upon conversion
Conversion	Conversion price at \$0.022 per share
Maturity Date	6 months from the date of payment to the Company
Security	The Convertible Notes are unsecured. The money owing to each Noteholder by the Company shall rank pari passu and pro rata between each noteholder without any priority or preference between them.
Approvals	The Convertible Notes are issued under the Company's current 15% placement capacity.

RESIGNING DIRECTORS

As the Company approaches the closing of the Fura and Balama transactions, New Energy Minerals' operational activities (including the management and technical services arrangements with Regius Resources Group Ltd) in relation to the Caula Graphite and Vanadium project and the Montepuez Ruby project, will be brought to an end, with the focus remaining on the legal dispute with Arena Investors and the containment of expenditures.

Subsequently, Dr. Bernard Olivier has resigned as Managing Director, and Mr. Cobus van Wyk has stepped down as Chief Operations Director. Both have also resigned from the Company's Board of Directors. In addition, Dr. Evan Kirby has resigned as Non-Executive Director.

The Company thanks Dr. Olivier for the critical technical role he has performed since January 2018 in the advancement of the Company's Caula Vanadium-Graphite Project. Through the Scoping Study stage he has

added substantial value to this project. The Company also thanks Mr. van Wyk for his operational management of the project team in Mozambique and management of exploration service providers to the Company, for the five years from when the Company first acquired the mineral interests in Mozambique in 2014. Finally, the Company also thanks Dr. Kirby for his contributions to New Energy and for his wisdom and sterling technical expertise, which have been invaluable in the technical advancement of the Caula Project.

New Energy Chairman Ian Daymond commented: “On behalf of the Company, I thank these gentlemen for their great contributions and dedication to New Energy and wish them well in their future endeavours. The number of Directors being reduced to four after these Board changes is currently considered more appropriate as the Company moves forward to consider potential new projects.”

As each of Dr Olivier and Mr van Wyk is an executive of the Company, material items relating to their employee entitlements payable on resignation are disclosed in **Annexure A** hereto.

NEW MANAGING DIRECTOR

Concurrent with these Board changes, the Company has appointed Mr. Christiaan Jordaan (formerly Non-Executive Director) as full-time Managing Director to be based in Sydney, Australia. Mr Jordaan holds a Law Degree and is fully acquainted with the details and history of the legal dispute with Arena Investors, hence he is well suited to oversee the ongoing activities and business development of the Company.

Mr. Jordaan will be paid an initial base salary of A\$200,000 per annum gross (plus 9.5% compulsory superannuation) until a new project is acquired and approved by shareholders. Following the successful acquisition, his annual base salary will be increased to A\$230,000 per annum gross (plus 9.5% superannuation). The base salary will increase to A\$250,000 per annum gross (plus 9.5% superannuation) if and when the ASX market capitalisation of the Company reaches A\$50,000,000 and remains above that level for at least 20 consecutive trading days. The annual base salary will be increased to A\$275,000 per annum gross (plus 9.5% superannuation), if and when the ASX market capitalisation of the Company reaches A\$100,000,000 and remains above that level for at least 20 consecutive trading days. The annual base salary will be increased to A\$300,000 per annum gross (plus 9.5% superannuation) if and when the ASX market capitalisation of the Company reaches A\$150,000,000 and remains above that level for at least 20 consecutive trading days.

He will also receive private health insurance with premiums covered by the Company.

Mr Jordaan will be granted 2,500,000 share options through the Company’s incentive plan which requires approval by shareholders at the next EGM or the 2019 AGM. The options will vest after 12 months’ continuous service and have a 3-year term and a strike price at a 25% premium to the 30-day VWAP at the date of appointment (10 June 2019). Furthermore, and subject to shareholder approval at the AGM later this year, he will be granted an additional 2,500,000 share options on the same terms and these will vest once the Company successfully acquires a new project.



Ian Daymond
Non-Executive Chairman

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FORWARD-LOOKING STATEMENTS AND DISCLAIMERS:

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This announcement has been prepared by New Energy Minerals Limited (ASX:NXE), this document contains background information about NXE that is current at the date of this announcement. This announcement is in a summary format and should not be seen as all-inclusive or complete.

ANNEXURE A

This is Annexure A to the ASX Announcement dated 12 June 2019 by New Energy Minerals Ltd.

Executive Entitlements on resignation as follows²;

BERNARD OLIVIER		
Unused Annual Leave	Executive Entitlement Payment equal to 3 months' base salary of \$220,000	Performance Rights vesting as Ordinary Shares in the Company
\$6,630	\$55,000	4,000,000
COBUS VAN WYK		
Unused Annual Leave	Executive Entitlement Payment equal to 3 months' base salary of \$230,000	Performance Rights vesting as Ordinary Shares in the Company
\$6,931	\$57,500	4,486,000

² The Company has agreed with Dr Olivier & Mr van Wyk to defer the payment of all cash-related executive entitlements until completion of either the Fura or Balama transactions.

The vesting of performance rights into fully paid ordinary shares will occur upon achievement of any vesting conditions prior to the Balama sale completion. All remaining performance rights will automatically vest into fully paid ordinary shares in the Company following completion of the Balama sale and capital reduction in accordance with the approval received by shareholders at the 14 May 2019 EGM and will accordingly not participate in the capital reduction.