

# Balama Transaction Update

4 November 2019

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New Energy Minerals Limited (“**New Energy**”, the “**Company**”) (**ASX:NXE FRA:GGY**) announces the appointment of KPMG as tax advisors and CGA Advogados as legal advisors in Mozambique. KPMG and CGA will be assisting New Energy with closing matters relating to the Balama sale agreement<sup>1</sup>.

Furthermore, the Company also wishes to confirm that Balama Resources Pty Ltd (“**Balama**”) has terminated the Management and Technical Services Agreement (**MTSA**) with Regius Resources Group Ltd (“**Regius**”), following actions and omissions by Regius that the Company considers fundamental breaches of the MTSA, including the refusal by Regius to hand over documents and records of Balama’s Mozambican subsidiaries and the misappropriation of Balama assets.

The Company also wishes to confirm that as set out in Note 20 of its FY2019 Annual Report, Regius owes New Energy a net amount of A\$624,857, and also that as set out in Note 18, New Energy and Regius are in dispute regarding an invoice issued by Regius to New Energy for historic costs, which the Company’s legal advisors confirmed is not in line with the terms of the relevant MTSA.

Balama and the Company have instructed its lawyers in Australia and Mozambique to take further legal steps against Regius to enforce its rights, protect its assets in Mozambique and recover funds owing to it.

The closing of the Balama sale remains on course with the only outstanding conditions precedent being the approvals from the Mozambique authorities. New Energy is working closely with the buyer and the Company’s newly appointed advisors (KPMG and CGA) to ensure closing of the transaction on/before 1 December 2019.

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Christiaan Jordaan  
Managing Director

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<sup>1</sup> Refer to ASX Announcements dated 8 February 2019 and 26 September 2019 for details of the Balama sale agreement

# FOR FURTHER INFORMATION, PLEASE CONTACT:

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