Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity	**New Energy Minerals Limited**
ACN	**090 074 785**

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	Class of securities issued or to be issued	(i) Shares (ii) Unquoted Options
2	Number of securities issued or to be issued (if known) or maximum number which may be issued	(i) 13,798,701 (ii) 5,000,000
3	Principal terms of the securities (eg, if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion)	(i) Fully paid ordinary shares (ii) 5,000,000 Unquoted options issued to the Company's Incentive Plan of behalf of managing director Christiaan Jordaan following shareholder approval 12 November 2019 with the following vesting conditions; a. 2,500,000 Options vesting after 12 months' continuous service by Mr Jordaan, and exercisable at a 25% premium to the 30-day Volume Weighted Average Price (VWAP) each on or before that date which is 3 years after the date of appointment (being 10 June 2019); and b. 2,500,000 Options vesting after the successful completion of a new acquisition by the Company, and exercisable at a 25% premium to the 30-day VWAP each on or before that date which is 3 years after the date of appointment (being 10 June 2019).

4	Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	(i) Yes – the Shares issued will rank equally with the existing fully paid Shares on issue. (ii) No – upon the exercise of the Options, fully paid Ordinary Shares issued will rank equally with the existing fully paid Ordinary Shares on issue.
5	Issue price or consideration	(i) Nil consideration. (ii) Nil consideration.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(i) 4,571,428 issued in lieu of directors fees to P Ching and J Lee as approved by shareholders 12 11 2019 as part of a Director Share Plan in accordance with ASX Listing Rule 7.2 (Exception 9(b)). 9,227,273 shares issued to convertible note holders as consideration for the extension of the convertible notes for a period of 6 months from 12 December 2019 to 12 June 2020. (ii) Issue of Options to key personnel via the Mustang Resources Long Term Incentive Plan Trust as part of the Company's performance linked incentive strategy.
6a	Is the entity an eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the securities the subject of this Appendix 3B*, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of securities issued without security holder approval under rule 7.1	9,227,273
6d	Number of securities issued with security holder approval under rule 7.1A	Nil

6e	Number of securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	(i) 4,571,428 shares as part of a Director Share Plan approved by shareholders 12 November 2019 (ii) 5,000,000 Options as part of a performance linked incentive strategy approved by shareholders 12 November 2019
6f	Number of securities issued under an exception in rule 7.2	Nil
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Not Applicable
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not Applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<u>ASX Listing Rule 7.1</u> 14,392,758 Securities <u>ASX Listing Rule 7.1A</u> N/A
7	Dates of entering securities into uncertificated holdings or despatch of certificates	(i) 11 December 2019 (ii) 11 December 2019

8 Number and class of all securities quoted on ASX (*including* the securities in section 2 if applicable)

Number	Class
166,694,143	Fully paid ordinary shares
6,193,827	Listed Options (MUSOA) exercisable at $0.35 on or before 25 January 2020
17,103,348	Listed Options exercisable at $0.20 on or before 26 November 2020

	Number	Class
9 Number and class of all securities not quoted on ASX (*including* the securities in section 2 if applicable)	266,288	Unlisted Options exercisable at $0.273 on or before 23 January 2020
	72,978	Unlisted Options exercisable at $0.273 on or before 25 January 2020
	151,956	Unlisted Options exercisable at $1.00 on or before 9 March 2020
	300,000	Unlisted Options exercisable at $1.50 on or before 31 March 2020
	300,000	Unlisted Options exercisable at $2.00 on or before 31 March 2020
	218,182	Unlisted Options exercisable at $0.715 on or before 20 July 2020
	1,333,333	Unlisted Options exercisable at $1.17 on or before 20 July 2020
	1,276,596	Unlisted Options exercisable at $1.222 on or before 20 July 2020
	333,333	Unlisted Options exercisable at $1.17 on or before 15 Sept 2020
	180,000	Unlisted Options exercisable at $1.30 on or before 16 October 2020
	750,000	Unlisted Options exercisable at $0.307 on or before 15 January 2021
	500,000	Unlisted Options exercisable at $0.356 on or before 13 March 2021
	2,572,347	Unlisted Options exercisable at $0.323 on or before 13 March 2021
	4,174,950	Unlisted Options exercisable at $0.262 on or before 29 May 2021
	600,000	Unlisted Options exercisable at $0.273 on or before 22 May 2021
	308,759	Unlisted Options exercisable at $0.178 on or before 25 October 2021
	23,076,923	Unlisted Options exercisable at $0.14 on or before 20 December 2021
	5,000,000	Unlisted Options exercisable at a 25% premium to the 30-day Volume Weighted Average Price (VWAP) each on or before that date which is 3 years after the date of appointment of C Jordaan (being 10 June 2019) subject to vesting conditions.
	1,400,000	Class E Performance Rights expiring 31 December 2019 (vesting on proving a JORC compliant inferred graphite resource of a minimum of 50 million tonnes at >5% total graphite content on or before 31 December 2019 on any of the licences comprising the Balama Project at the date of issue of the Class E Performance Rights (5873L, 6527L, 6678L).
	16,500,000	(A) 1,500,000 Performance Rights vesting upon the Company receiving written confirmation of the pilot plant funding structure in relation to the Caula Project (**Class A Performance Rights**); (B) 6,000,000 Performance Rights vesting upon completion of the commissioning handover by the plant installers at the Company's Caula Project to the Company (**Class B Performance Rights**); (C) 2,000,000 Performance Rights vesting upon completion and announcement of a JORC-compliant resource upgrade to 50mt graphite & vanadium at the Company's Caula Project (**Class C Performance Rights**); (D) 2,000,000 Performance Rights vesting upon completion to pre-feasibility standards of an initial study to demonstrate profitable production at the Company's Caula Project (**Class D Performance Rights**); and (F) 5,000,000 Performance Rights vesting upon of the Company generating gross revenue of A$2,000,000 or more (**Class F Performance Rights**).
	100,000	Convertible Notes with a face value of $10.00 and a conversion price equal to the higher of: the lowest one (1) day Volume Weight Average Price (VWAP) as published by Bloomberg selected by Arena over the twenty (20) trading days prior to the conversion of the Convertible Notes and a floor price of $0.18 and a maturity date of 10 July 2019.
	150,000	Convertible Notes with a face value of $10.00 and a conversion price equal to the lowest one (1) day Volume Weight Average Price (VWAP) as published by Bloomberg selected by Arena over the twenty (20) trading days prior to the conversion of the Convertible Notes and a maturity date of 29 October 2019.
	406,000	Convertible Notes face value of $1.00 convertible at $0.022 per share

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue

Questions 11 to 33 are not applicable

Part 3 - Quotation of the Unlisted Options is not sought

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) ☒ Securities described in Part 1 – Shares Only

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Questions 35 to 42 are not applicable

Quotation agreement

1 Quotation of our additional securities is in ASX's absolute discretion. ASX may quote the securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those securities should not be granted quotation.
- An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
- If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 11 December 2019

Print name: **Robert Marusco**
Company Secretary

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12

Part 1 **Rule 7.1 – Issues exceeding 15% of capital**	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	133,985,741
Add the following: • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	10,000,000 Fully paid ordinary shares (approved by shareholders on 19 Dec 2018 GM) issued on 20/12/18lly paid ordinary shares (as approved by shareholders on 19 Dec 2018 GM) issued on 9 /11/18 & 25/10/18 2,000,000 Fully paid ordinary shares upon Class E Performance milestone achieved (as approved by shareholders on 28 Nov 2018 AGM) issued on 3 /04/18 5,600,522 Fully paid ordinary shares (as approved by shareholders on 28 Nov 2018 AGM) issued on 23/11/18 1,309,179 Fully paid ordinary shares (as approved by shareholders on 12 Nov 2019 AGM) issued on 20/12/18 4,571,428 Fully paid ordinary shares per Director Share Plan (as approved by shareholders on 12 Nov 2019 AGM) issued on 13/11/19
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
"A"	157,466,870

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	23,620,031

Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	9,227,273 fully paid ordinary shares in consideration of convertible notes 6 month term extension
"C"	9,227,273

Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	23,620,031
Subtract "C" *Note: number must be same as shown in Step 3*	9,227,273
Total ["A" x 0.15] – "C"	14,392,758

*** This is the remaining placement capacity under rule 7.1*

Part 2 Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	N/A
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	
"E"	-
Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	-
Subtract "E" *Note: number must be same as shown in Step 3*	-
Total ["A" x 0.10] – "E"	- *Note: this is the remaining placement capacity under rule 7.1A*