

Fura Transaction Update

11 February 2020

New Energy Minerals Limited (“**New Energy**”, the “**Company**”) (**ASX:NXE FRA:GGY**) announces it has entered into a Revised and Restated Merger of Ruby Assets Agreement dated 7 January 2020 (the “**Revised MRAA**”) with Fura Gems Inc. (“**Fura**”).¹

Pursuant to the Revised MRAA, the new terms for completion of the transaction are as follows:

- Consideration for the acquisition of the New Energy Assets (defined below) has been reduced from A\$2,800,000 (as set out in the initial merger of ruby assets agreement dated 14 July, 2018, as amended, most notably by an amending agreement dated 27 November 2018) to a cash payment of A\$1,400,000.
- The \$2.8m Loan Agreement between Fura and NXE is formally terminated noting that no draw-down under the Loan Agreement was possible due to the non-satisfaction of its conditions precedent.

With more than 18 months having elapsed in satisfying the outstanding conditions precedent to closing since the signing of the initial merger of ruby assets agreement, New Energy has used its best efforts to keep the transaction alive and for the benefit of the Company. Many extensions of time have been agreed with Fura. However, considerable financial pressures have been experienced by the Company which compelled the Company to look at ways and means of receiving some or all of the cash consideration without further delays and whilst keeping the transaction attractive to Fura.

The reduced consideration was negotiated after months of intense discussions in exchange for Fura agreeing to an accelerated closing and to assisting New Energy in the closing process with the Ministry of Mineral Resources and Energy of Mozambique, the Ministry of Finance and the National Institute of Mines. The Company notes that the binding tax opinions issued by the Mozambique Ministry of Finance, which are required for the transfer of the New Energy Assets to Fura, have now been obtained. Significantly, as part of the Revised MRAA the Company and Fura have agreed that Fura will pay, on behalf of New Energy, all capital gains taxes levied by the Mozambique Government in connection with the sale of the New Energy Assets.

The Revised MRAA contemplates the purchase and sale by Fura of interests in three ruby licenses/concessions in Mozambique as follows: (i) a 70% interest in ruby mining license 5030L through the acquisition of 70% of the issued and outstanding shares of Rubi Resources SA, (ii) a 80% interest in ruby mining concession 8921C through the acquisition of 80% of the issued and outstanding shares of Ibra Moz SA; and (iii) a right to earn a 65% interest in mining concession 8955C under a joint venture agreement (collectively, the “**New Energy Assets**”).

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¹ Refer to ASX Announcement dated 28 November 2018 for details of the Amending Agreement and the ASX Announcement dated 17 July 2018 for details of the original MRAA



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The Company confirms that this announcement has been authorised and approved by its Board.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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