

Neo Energy Metals plc / LSE: NEO, A2X: NEO / Market: Main Market of the London Stock Exchange

28 June 2024

Neo Energy Metals plc
('Neo Energy' or 'the Company')

Interim Consolidated Results for the Six-Month Period Ended 31 March 2024 (the Period)

Neo Energy Metals plc ('Neo' or the 'Company'), the near term, low-cost uranium developer, is pleased to announce the publication of its half year unaudited financial accounts.

The Directors present their report on the consolidated entity consisting of Neo Energy Metals Plc and the entities it controlled (the 'Group') at the end of, or during, the half-year ended 31 March 2024 (the 'Period').

On 1 November 2023 the at a General Meeting of the Company, resolutions were passed approving the Reverse Take Over of the Company by Neo Energy Metals, as outlined in the FCA approved Prospectus issued on the 5 October 2024. As part of this transaction the Company raised GBP4.9 million, with certain subscriptions being paid in agreed instalments, gross of fees and costs through a Subscription for Shares and a Placing of Shares at 1.25 pence per Ordinary Share. Subsequently, on 10 November 2023, the company raised a further £500,000 via a placing at 1.25p per share. The Company was readmitted to trading on the 9 November 2023.

The largest proportion of the funds (£3.5 million) was provided by Q Global Commodities Ltd (QGC) via its affiliate AUO Commercial Brokerage LLC (AUO). QGC, headed up by Quinton van der Burgh, is one of South Africa's largest privately owned mining houses, that has established more than 45 mines throughout Sub-Saharan Africa from greenfield status through to production and exports of materials to the global commodity markets. QGC is actively expanding its metal mining interests throughout Southern and East Africa through direct equity investments and partnership and co-development agreements with several emerging mining and exploration companies including Neo Energy.

Neo Energy is a Uranium developer and mining company listed on the main market of the London Stock Exchange (LSE: NEO). The company holds up to a 70% stake in the Henkries Uranium Mine, an advanced, low-cost shallow resource located in South Africa's Northern Cape Province. It has been estimated by some that the historical investment in the project was over US\$30 million in exploration and feasibility studies, Neo Energy aims to increase the project's mineral resources and complete an updated feasibility study ahead of a determination of the development schedule at the end of 2024 to bring Henkries into production.

Directors' Report

The following comprises the Board changes during the Period:

Existing Directors

James Longley	- Non-Executive Director
Charles Tatnall	- Non-Executive Director

New Directors

Sean Heathcote	- Executive Director, CEO (appointed on 9 November 2023)
Jason Brewer	- Executive Chairman (appointed on 9 November 2023)
Bongani Raziya	- Non-Executive Director (appointed on 9 November 2023)
Jacqueline Muchai	- Non-Executive Director (appointed on 9 November 2023)
Quinton van der Burgh	- Non-Executive Director (appointed on 8 March 2024)

In addition to the above, a regional management team at the project site were engaged and local community interaction has been significantly advanced during the period. At site over 2000 surface samples from Henkries North were collated and prepared for transport and have been moved to Johannesburg in preparation for analysis once the new drilling program commences, these samples have the potential to increase the resource base of Henkries by over 1 million lbs of U3O8.

The Company received its updated National Nuclear Regulator COR license for the site and radiometric training of several employees to comply with the ongoing compliance requirements. year.

Erudite Strategies were engaged at the end of March 2024 to update the Capital and Operating Cost estimates of the 1979 AOL Feasibility Study, the results of which were released in May. The report confirms that Henkries is a low capital and operating cost project that will yield significant returns in the buoyant uranium market.

Moving into the second half of the year, Neo will kick off the exploration drilling program of at least 6500m, with the aim of:

- Confirming the CPR indications that Henkries has at least 7 million pounds of U3O8 in the resource base
- Define the measured resource for the first years of operation
- Upgrading the total resource base by at least another 3 million pounds of U3O8 to the target case of 10 million lbs

In addition, the Company will start the environmental impact assessment (EIA), progress the engineering design of the project and apply for the Mining Rights.

During the Period, the Company advanced discussions with AUO in respect to a restructuring of the tranches of payment due from AUO under its subscription agreement. This will result in an acceleration of the payments, with the last tranche of

due from AEC under its subscription agreement. This will result in an acceleration of the payments, with the last tranche of funds being received six (6) months earlier than stated in the Listing Prospectus, enabling the Company to fast track the engagement of the contracts required to develop the project. The Directors continued to increase their shareholding in the Company with both on market and off market purchases of shares and introduced an option scheme for Directors to further support the Company with share purchases, no options were exercised in the period.

In line with the broader strategy of increasing the Company's uranium resource base, there have been significant negotiations around future acquisitions, which are now at an advanced stage.

Outlook

The increasing global demand for electricity and the global shift towards low carbon energy sources will require a significant increase in nuclear power generation and uranium demand. At COP 28 in November the 21 nuclear power generating nations pledged to triple their installed capacity by 2050, and many nations have already announced new reactor projects, all of which will drive the demand for uranium well above the already robust levels outlined in the WNA forecast of September 2023. We have already seen the spot U3O8 price increase from US\$65/lb in 2023 to the current US\$90/lb, with market experts predicting significant rises above this level in the coming years. Offtake discussions have continued with several parties in the backdrop of the strongly appreciating uranium spot market, alongside project funding discussions.

Financial Review

The main feature of these interim condensed consolidated financial statements is the first-time consolidation of the two subsidiaries of Neo Energy Metals PLC, being an initial 50.1% interest in Desert Star Trading 130 Proprietary Limited ("Desert Star") and Neo Uranium South Africa Proprietary Limited ("NURSA"). The overall consolidated loss of £3.15million is made up primarily of administrative expenses of £1.041 million incurred on the run up to and during the RTO process together with the actual costs of the takeover of £3.378m. These costs are partly offset by the write back to Profit and loss of the gain on the settlement of the bonds of £1.401 million. The interest costs in the Profit and loss relate to the final interest payments on the bonds. As these are now fully settled and the debenture charge over the company's assets is now fully satisfied. The ongoing running costs of the company will now normalise and will be primarily administrative and costs in connection with the development and preparation of the Henkries Uranium resource and mine together with the exploration costs in connection with enhancing the company's resource at Henkries.

Risks and uncertainties

The Company has only a brief operating history, and therefore, investors have a limited basis on which to evaluate the Company's operations to date. Nevertheless, it has met all the targets it set out in the published prospectus by the half year end reported herewith and discussed above in the Executive Chairmans Report.

Going Concern

The interim condensed consolidated financial statements have been prepared on a going concern basis. The Group's assets are not currently generating revenues and therefore an operating loss has been reported, comprising largely ongoing administrative expenses and expenses of the Reverse Takeover, together with a gain on the settlement of the bond. An operating loss is expected in the 12 months after the date of these financial statements. As a result, the Group will raise equity funding, which has already been provided for in the published prospectus and as detailed above and will not provide further dilution beyond that already disclosed, to provide additional working capital within the next 12 months. The ability of the Group to meet its projected expenditure is dependent on these further equity injections and / or the raising of cash through bank loans or other debt instruments.

Responsibility Statement

The Directors confirm that the condensed interim financial information has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that the Interim Report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely: an indication of important events that have occurred during the first twelve months and their impact on the condensed interim financial information, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and material related-party transactions in the first twelve months and any material changes in the related-party transactions described in the last Annual Report.

Cautionary statement

This Interim Management Report (IMR) has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose.

Sean Heathcote
Director

28 June 2024

NEO ENERGY METALS PLC INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	6 months ended 31 March 2024 £'000 (unaudited)	12 months ended 28 February 2023 £'000 (audited)
Continuing operations			
Administrative expenses		(1,041)	(3)
Operating loss before finance costs		(1,041)	(3)
Finance costs		(132)	-

Gain on settlement of Bonds	1,401	-
Reverse acquisition expense	(3,378)	-
Loss before taxation	(3,150)	(3)
Taxation	-	-
Loss for the period	(3,150)	(3)
Other comprehensive income - items that may be reclassified subsequently to profit and loss account		
Gains/(losses) on intangible asset revaluation	-	248
Deferred tax effect relating to items that may not be reclassified to profit or loss	-	(259)
		(11)
Translation of foreign operations	-	(44)
Total other comprehensive loss	-	(55)
Total comprehensive loss for the period attributable to the owners of the Parent Company	(3,150)	(58)
Loss per share - basic and diluted (pence)	(0.26p)	(58p)

NEO ENERGY METALS PLC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 March 2024 £'000 (unaudited)	As at 28 February 2023 £'000 (audited)
Non-Current Assets			
Intangible assets		3,522	1,099
Property, plant and equipment		980	-
Total Non-Current Assets		4,502	1,099
Current assets			
Trade and other receivables		569	-
Cash and cash equivalents		41	4
Total Current Assets		610	4
Non-current Assets			
Deferred tax		4	-
Total Assets		5,116	1,103
Equity and Liabilities			
Share capital		1,217	1
Share premium		10,500	-
Non-distributable Reserve			673
Retained earnings		(7,480)	(14)
Total Equity		4,237	660
Non-Current Liabilities			
Loans and borrowings - interest bearing		98	162
Deferred Tax		-	255
Total Non-Current Liabilities		98	417
Current Liabilities			
Trade and other payables		771	26
Loans and borrowings - interest bearing		10	-
Total Current Liabilities		781	26
Total Liabilities		879	443
Total Equity and Liabilities		5,116	1,103

NEO ENERGY METALS PLC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Non distributable reserve	Revaluation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance @ 1 March 2022	1			729	(12)	718
Loss for the year					(2)	(2)
Other comprehensive income			(44)	(11)		(55)
Balance @ 28 February 2023	1	-	(44)	718	(14)	660
Total Comprehensive loss for the period					(3,150)	(3,150)
Issue of shares on reverse acquisition	1,216	10,500				11,716
Movement on reserves following reverse acquisition			44	(718)	(4,316)	(4,990)
Balance @ 31 March 2024	1,217	10,500	-	-	(7,480)	4,237

NEO ENERGY MERTALS PLC
INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	6 months ended 31 March 2024	12 months ended 28 February 2023
	£'000 (unaudited)	£'000 (unaudited)
Cash flows from operating activities		
Operating loss - continuing operations	(3,150)	(8,412)
Adjustments for:		
Finance costs (net)	133	46
Reverse acquisition costs	3,377	3,393
Operating cash flow before working capital movements	360	(455)
(Increase)/decrease in trade and other receivables	(573)	(1,628)
Increase/(decrease) in trade and other payables	436	(2,522)
Net cash flows from operating activities	223	(5,258)
Net cash flows from investing activities		
Cash acquired on acquisition	-	96
Expenditure on fixed assets	(980)	-
Expenditure on intangible assets	(2,423)	(642)
Net cash flows from investing activities	(3,403)	(546)
Net cash flows from financing activities		
Interest paid on loan notes	(133)	(46)
Net proceeds from issue of share capital	6,727	6,053
Cost of Reverse acquisition	(3,377)	(18)
Net cash flows from financing activities	3,217	5,664
Net increase in cash and cash equivalents	37	(140)
Cash and cash equivalents at the beginning of the period	4	121
Effect of exchange rates on cash	-	54
Cash and cash equivalents at the end of the period	41	35

1. General Information

Neo Energy Metals Plc ('the Company' or 'MEM') (formerly Stranger Holdings plc) is a public limited company with its shares traded on the Main Market of the London Stock Exchange. The address of the registered office is 27-28 Eastcastle Street, London, W1W 8DN. The Company was incorporated and registered in England and Wales on 22 October 2015 as a private limited company and re-registered on 14 November 2016 as a public limited company. It changed its name to Neo Energy Metals Plc on 8 November 2023. The Company's registered number is 09837001.

These interim condensed consolidated financial statements were approved for issue by the Board of directors on 28 June 2024.

The Company's auditors have not reviewed these interim condensed consolidated financial statements.

2. Basis of preparation

This condensed consolidated interim financial report for the interim period ended 31 March 2024 has been prepared in accordance with the UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the financial statements for the year ended 30 September 2023, which has been prepared in accordance with both "International Accounting Standards in conformity with the requirements of the Companies Act 2006" and "International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union" and any public announcements made by Neo Energy Metals Plc during the interim reporting period.

The interim financial statements present the results for the Group for the 6 months ended 31 March 2024. The profit and loss and cashflow comparative periods are for the period from 1 March 2022 to 28 February 2023 and the balance sheet is for the period ended 28 February 2023.

No taxation charge has arisen for the period and the Directors have not declared an interim dividend.

The financial information has been prepared under the historical cost convention, as modified by the accounting standard for financial instruments at fair value.

The business is not considered to be seasonal in nature.

The accounting policies applied by the Group in these interim condensed consolidated financial statements are the same as those applied by the Group in its audited financial statements for the year ended 30 September 2023. There were no new or amended accounting standards adopted or introduced that required the Group to change its accounting policies. The directors also considered the impact of standards issued but not yet applied by the Group and do not consider that there will be a material impact of transition on the financial statements.

Copies of the interim report can be found on the Company's website at: www.neoenergymetals.com

3. Critical Estimate and Judgements

The preparation of these interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results might differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements of Neo Energy Metals Plc for the year ended 30 September 2023.

4. Earnings per share (EPS)

Basic and diluted loss per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

	6 months ended 31 March 2024 £'000 (unaudited)	12 months ended 28 February 2023 £'000 (unaudited)
Loss for the period	(3,150)	(58)
Weighted average number of shares in issue	1,216,371,468	100,000
Basic and Diluted earnings per share	(0.26p)	(58p)

There is no difference between the diluted loss per share and the basic loss per share presented. Share options, convertible loan notes, deferred share consideration and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the period presented.

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About NEO Energy Metals Plc

Neo Energy Metals plc is a Uranium developer and mining company listed on the main market of the London Stock Exchange (LSE: NEO). The Company holds up to a 70% stake in the Henkries Uranium Project, an advanced, low-cost mine located in South Africa's Northern Cape Province. It has been estimated by some that

the historical investment in the project was over US\$30 million in exploration and feasibility studies, Neo Energy Metals aims to increase the project's mineral resources and complete an updated feasibility study ahead of a determination of the development schedule at the end of 2024 to bring Henkries into production.

The company is led by a proven board and management team with experience in uranium and mineral project development in Southern Africa. Neo Energy Metals' strategy focuses on an accelerated development and production approach to generate cash flow from Henkries while planning for long-term exploration and portfolio growth in the highly prospective Uranium district of Africa.

The Company's shares are also listed on the A2X Markets (A2X: NEO), an independent South African stock exchange, to expand its investor base and facilitate strategic acquisitions of uranium projects, particularly within South Africa.

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