

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

13 August 2024

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

Major Uranium Acquisition Adds 90 Mlbs of Uranium and 4.2 Mozs of Gold Resources
Neo on Path to Become one of South Africa's Leading Uranium Companies

Neo Energy Metals plc ('Neo Energy' or the 'Company') is pleased to announce that its newly established and wholly owned South African subsidiary, Neo Uranium Resources Beisa Mine (Pty) Limited ('NURB'), has signed a binding agreement ('Agreement') to acquire a 100% interest in the multi-million pound uranium and multi-million ounce gold resources of the Beisa North and Beisa South Uranium and Gold Projects (together the 'Beisa Projects').

The Beisa Projects comprise total SAMREC Code compliant resources of 90.24 million pounds ('Mlbs') of U_3O_8 and 4.17 million ounces ('Mozs') of gold.

The Beisa Projects, which comprise two granted Prospecting Rights, extending over an area of approx. 80km² in the Witwatersrand Basin, located in the Free State Province of South Africa. This region is South Africa's primary uranium producing region, where uranium has been mined continuously for over 70 years. The Witwatersrand Basin, is historically one of the richest gold-producing regions in the world, having produced about 2 billion ounces of gold over more than a century.

The Beisa Projects lie immediately north and south of the previous producing high-grade Beisa Uranium Mine and adjoins existing multi-million ounce gold mining operations of Harmony Gold Mining Company Limited and Sibanye Stillwater Limited.

The acquisition is in line with the Company's strategy to establish itself as South Africa's leading uranium mining company and one of Africa's major uranium mine operators and developers. The Beisa Projects is the first of several potential acquisitions being advanced by the Company to strategically position and consolidate itself in one of the world's significant uranium resource regions.

Highlights:

- Agreement signed with Sunshine Mineral Reserve (Pty) Limited ('Sunshine') to acquire a 100% interest in the Beisa Projects.
- The Beisa Projects contains one of the largest undeveloped uranium resources in South Africa.
- The Beisa Projects are in the Witwatersrand Basin, South Africa's primary producing uranium region with over 70 years of continuous uranium production.
- The Beisa Projects lie on two granted Prospecting Rights, FS 30/5/1/1/2/10575PR and FS 30/5/1/1/2/10603PR, which extend over an area of approx. 80 km² and are located immediately north and south of the previous producing high-grade Beisa Uranium Mine and existing Beatrix 4 Shaft, processing plant and associated infrastructure.
- SAMREC Code (South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves) compliant Total Inferred Resources have been reported by Sunshine in August 2023 of 90.24 Mlbs of U_3O_8 and 4.17 Mozs of gold.
- The uranium and gold resources are contained primarily in the Beisa Reef, which extends across both the Beisa Projects and the Beatrix Reef which only occurs in Beisa South.
- Total inferred resources in the Beisa Reef comprise 53.57 million tonnes ('Mt') at an average grade of 780

ppm U₃O₈ for 89.23 Mlb of contained U₃O₈ and with several large zones of well-mineralised and high-grade uranium occurring at both Beisa North and Beisa South at grades of up to 3,400 ppm U₃O₈ and 2,200 ppm U₃O₈ respectively.

- The Beisa Reef is unique in the sense that besides uranium, it also contains relatively high concentrations of gold, at an average grade of 2.03 g/t on the Beisa North Uranium Project, with Inferred Resources of 2.05 Mozs of gold. On the Beisa South Uranium Project, a well-developed channel occurs over 4 kilometres ('km') wide, with gold grades of up to 5.0 g/t and an average grade of 0.76 g/t for a further 0.58 Mozs of inferred resources, giving Total Inferred Resources of 2.63 Mozs of 'by-product' gold.
- An additional ore body, the Beatrix Reef, is present on the Beisa South Uranium Project and contains inferred resources of 1.54 Mozs of gold. This gold-bearing reef is well-known in the area and is currently being successfully mined by multiple neighbouring mines.
- The total in situ value of the inferred uranium and gold resources is over US\$17 billion based on the prevailing spot uranium and gold prices.
- A summary of the total resources across the Beisa Projects is provided below.

Project	Category	Ore Tonnes at 35% Loss	Uranium (cut-off at 50cmkg/t)		Gold (By-Product)	
		Mt	ppm	Mlb	g/t	Moz
Beisa Reef						
Beisa North	Inferred	31.36	830	57.23	2.03	2.05
Beisa South	Inferred	22.21	720	32.00	0.76	0.58
TOTAL		53.57	780	89.23	1.51	2.63

Project	Category	Ore Tonnes at 45% Loss	Uranium (By-Product)		Gold (cut-off 250cmg/t)	
		Mt	ppm	Mlb	g/t	Moz
Beatrix Reef						
Beisa South	Inferred	15.21	30	1.01	3.14	1.54

- The Beisa Projects have been extensively explored since 1936 with multiple diamond drilling resource programs having been completed by a number of major South African mining companies. There have been several National Instrument 43-101 Compliant and SAMREC Code Compliant resource statements previously released on the deposits (refer to Schedules).
- The uranium-bearing Beisa Reef, on both the Beisa North Uranium Project and Beisa South Uranium Project, is considered the shallowest of all mineralisation in the well-known Welkom Goldfield in the Witwatersrand Basin.
- On the Beisa North Uranium Project, the Beisa Reef is present from a depth of 350 metres ('m') to the north of the Beisa Uranium Mine.
- The shallow depths and steep configuration of the Beisa Reef favour the typical narrow underground mining methods of the Witwatersrand Basin, which are considered the most appropriate for reducing dilution of the uranium-gold ore.
- The Beisa North Uranium Project has the potential of being a standalone mining operation with its SAMREC Code Compliant total resources of 31.36 Mt of ore and 57.23 Mlb of U₃O₈ at an average grade of 830 ppm and with a gold by-product at an average grade of 2.03 g/t.
- The Beisa North Uranium Project could easily be accessed and developed from existing nearby mine, shaft and underground infrastructure in the region.
- At the Beisa South Uranium Project, where a 4km wide, well-mineralised channel has been identified with very high grades of up to 2200 ppm U₃O₈ and 5.02 g/t of gold, further infill-drilling is planned to increase the resource confidence levels across the large 56 km² project area.
- The Company has already successfully completed its initial legal and technical due diligence review, which has confirmed the robust uranium and by-product gold resources and initial technical merits of the Beisa Projects.
- Confirmation and finalization of the Company's detailed technical, financial and legal due diligence on the Beisa Projects is scheduled to be completed by 31 August 2024.
- The formal acquisition documentation with Sunshine is scheduled for completion by 30 September 2024.

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- Under the commercial terms of the Agreement, the Company will initially pay Sunshine a cash exclusivity fee of ZAR2,500,000 (approx. £107,500) and issue 20,000,000 new ordinary shares at an issue price of 0.75 pence per share ('Acquisition Shares').
- On settlement of the acquisition of the 100% interest in the Beisa Projects, the Company will pay a cash fee of ZAR175,000,000 (approx. £7,500,000) and issue new ordinary shares to the value of ZAR200,000,000 (approx. £8,500,000) at an issue price of 1.25 pence per share and on the basis that Sunshine will not have a shareholding exceeding 29.9% in the Company and they will further enter into a lock-up agreement with 12 month trading restrictions on any share sales.
- The Company will also grant Sunshine a royalty on uranium and gold produced and sold by the Company from the Beisa Projects, between US\$3.00/lb and US\$5.00/lb when the uranium spot price is between US\$100/lb and US\$150/lb and a gold royalty of US\$7.50/oz.
- Total up-front cash and share based acquisition costs are approximately US\$0.09 per pound of equivalent uranium resource (when including the 4.17 Mozs of by-product gold resources as equivalent uranium resources at prevailing spot prices). This could be considered one of the lowest advanced uranium resource acquisition costs currently available globally.
- The acquisition of the Beisa Projects is supported by the Company's major shareholder, Dubai based AUO Commercial Brokerage LLC ('AUO'), and director Mr. Quinton van der Burgh.
- The Company is pleased to confirm that it is negotiating a non-dilutive debt facility with AUO and several other parties, that it proposes to utilise to further fund its working capital requirements, accelerate the development of its Henkries Uranium Project and further assist with its growth strategy in South Africa.
- The acquisition of the Beisa Projects is considered a major step by the Board in advancing its strategy to position Neo Energy as South Africa's leading uranium mining company and one of Africa's major uranium mine operators and developers.
- The acquisition of the Beisa Projects provides the Company with additional advanced projects that comprise some of South Africa's largest undeveloped uranium resources, strategically located in the country's primary and long-standing uranium producing region, close to existing mining infrastructure.
- The Company is also advancing other potential complementary uranium mine acquisitions in the region and anticipates being able to make further announcements on this before the end of the current quarter.

Neo Energy Metals Chief Executive Officer Sean Heathcote said,

"This acquisition marks a major milestone for Neo Energy Metals, and significantly expands our footprint in one of the richest and long-standing uranium producing regions in the world.

"The Beisa North and Beisa South Uranium Projects not only bolster our uranium resource base but also further strengthens the Company's ability to achieve its strategic goal of becoming a major player in global uranium market and as South Africa's leading uranium company.

"Together the Beisa North and Beisa South Uranium Projects add an additional 90Mlbs of uranium resources and a further 4.17Mozs of gold resources - the project has a potential combined in situ value of over US\$17billion, equivalent to over 210Mlbs of uranium, based on current uranium and gold prices.

"We are very excited about the potential these projects hold and look forward to advancing them towards production, leveraging off the existing infrastructure that surrounds these projects and off our team's expertise.

"In the coming weeks, we will look to finalise the formal documentation and regulatory approvals for the acquisition with the team at Sunshine Mineral Reserves and in parallel with that finalise the debt funding arrangements.

"We look forward to completing all of these steps and updating our shareholders and key stakeholders on our progress in South Africa at both the Henkries Uranium Project and now the Beisa North and Beisa South Uranium Projects."

Admission

Application has been made for the Acquisition Shares to be admitted to trading on the London Stock Exchange on or around

20 August 2024 ('Admission') and will rank pari passu with the ordinary shares of the Company in issue.

Total voting rights

Following Admission, the Company's issued share capital will comprise 1,450,171,468 ordinary shares of 0.01p each, with each share carrying the right to one vote, therefore the total number of voting rights in the Company will be 1,450,171,468.

This figure may be used by shareholders as the denominator for calculations by which they will determine if they are required to notify their interest in the Company, or a change to their interest in the Company, under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

This announcement contains inside information for the purposes of the UK Market Abuse Regulation, and the Directors of the Company are responsible for the release of this announcement.

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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 aims to increase the project's mineral resources and complete an updated feasibility study with the aim of bringing Henkries into production in the shortest possible timeframe.

The Company is led by a proven board and management team with experience in uranium and mineral project development in Southern Africa. Neo Energy's 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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SCHEDULE 1

Exploration History of the Beisa North and Beisa Uranium Projects in the Southern Welkom Goldfield

1. Pre-Sunshine (1936 to 2020)

- a. Between 1936 and 2010, a total of 61 surface boreholes were drilled by exploration companies on Beisa North and Beisa South, with an additional 43 boreholes within a 1.5 km distance from the two properties.
- b. 2D seismic survey on Beisa North and adjacent properties by African Selection Trust (1979).
- c. 3D seismic survey across Beisa North and Beisa Central by Gencor (1984).
- d. National Instrument 43-101 compliant resource declarations, such as:
 - Beisa Reef uranium and gold resources by ExplorMine on behalf of Witwatersrand Cons. Gold Resources Ltd. (Wits Gold) on Beisa North (2009).
- e. Non-code compliant resource statements were declared, such as:
 - Wits Gold's in-house uranium and gold resource declaration for Beisa South (2010).
- f. SAMREC compliant resource declarations, such as:
 - Beisa Reef uranium and gold resources by Minxcon for Beisa North (2012).
- g. Scoping Study conducted by Rand Gold on several of Sunshine's properties (2014).

2. Activities carried out by Sunshine since 2021

- a. SAMREC Compliant uranium resources for Beisa North and Beisa South as well as for a contiguous prospecting licence held by Sunshine (CJM Consulting, July 2021 and updated on 2 December 2021).
- b. SAMREC Compliant uranium resources for Beisa North and Beisa South as well as for a contiguous prospecting licence held by Sunshine (CJM Consulting, updated 30 September 2022).
- c. SAMREC Compliant uranium resources for Beisa North and Beisa South (Protek Consulting, 31 August 2023).

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