

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

9 December 2024

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

Transformational Acquisition of the Beatrix 4 Shaft Complex and Beisa Uranium Project from Sibanye-Stillwater

Existing mine, major underground shaft complex and processing plant to be used to fast-track both the re-commencement of uranium and gold mining operations and the development of the Beisa North and Beisa South Uranium Projects

Neo Energy Metals plc ('Neo Energy' or the 'Company') is pleased to announce that its wholly owned South African subsidiary, Neo Uranium Resources Beisa Mine (Pty) Limited has entered into a sale and acquisition agreement ("the Transaction") with a wholly owned subsidiary of Sibanye Stillwater Limited ('Sibanye-Stillwater'), to acquire a 100% interest in the Beatrix 4 mine and shaft complex, the processing plant complex and associated infrastructure located in the Witwatersrand Basin, in the Free State Province of South Africa ("the Beisa Uranium Project").

The Sibanye-Stillwater Group is listed on the New York and Johannesburg Stock Exchanges, with a market capitalisation of about R51 billion (approximately US\$ 2.77 billion). It is one of the world's largest primary producers of platinum, palladium, and rhodium, and a top tier gold producer. The Group has also recently begun to diversify its asset portfolio into battery metals mining and processing and increase its presence in the circular economy by growing its recycling and tailings reprocessing exposure globally.

On completion of the Transaction, Sibanye-Stillwater will become the Company's largest shareholder and have the right to appoint directors to the Board. Sibanye-Stillwater will also hold pre-emption rights of first refusal in respect of any proposed new equity issuance by the Company, in order to maintain its significant and strategic shareholding in the Company.

The Beisa Uranium Project, which has total SAMREC Code Compliant measured uranium and gold resources of 8.5Mlbs and 0.4Mozs respectively and further indicated resources of 18.3Mlbs of uranium and 0.8Mozs of gold, has been subject to various pre-feasibility and development studies. These various studies have concluded that there were "no fatal flaws in the technical aspects and that the construction timelines and the capital and operational expenditure required to re-commence operations at the Beisa Uranium Project and build-up of production were well-defined."

The acquisition of the Beisa Uranium Project completes the Company's immediate goal to acquire and consolidate the entire resource base of the Beatrix 4 Shaft Complex and Beisa North and South Uranium Projects, and with the existing mine and processing infrastructure look to rapidly implement the Company's strategy to pursue low cost, near-term uranium production from the Beisa Uranium Project and look to establish itself as South Africa's leading uranium mining company.

Highlights:

- Agreements signed with Sibanye-Stillwater to acquire a 100% interest in the Beisa Uranium Project
- Sibanye-Stillwater to become the Company's largest shareholder with up to an approximate 40% shareholding
- Sibanye-Stillwater to have the right to appoint an initial two representatives to the Company's Board and have the right to a pro rata right of first refusal in respect of any proposed new issuance by the Company of new shares to ensure it maintains its strategic shareholding in the Company
- The Beisa Uranium Project is situated between, and adjoins the Beisa North and Beisa South Uranium Projects which, as announced on 27 September 2024, were recently acquired by the Company
- Operations commenced in the early 1980s and both uranium and gold were produced from the Beatrix 4 Shaft Complex and adjoining processing facilities up until the facilities being placed on care and maintenance in 2023
- The Beatrix 4 Shaft Complex is fully permitted, with all licenses, permits and authorisations to be transferred to the Company's operating subsidiary ahead of operations recommencing

- Total current SAMREC Code Compliant measured and indicated resources at the Beisa Uranium Project are 26.9Mlbs of uranium and 1.2Mozs of gold

	SAMREC Code Compliant Mineral Resources (31 December 2023)		
	Mt of Ore	Grade	Contained Metal
Uranium			
Measured	3.6	1.1 kg/t	8.5 Mlbs
Indicated	7.8	1.1 kg/t	18.3 Mlbs
Total	11.4	1.1 kg/t	26.9 Mlbs
Gold			
Measured	3.6	3.2 g/t	0.4 Mozs
Indicated	7.8	3.3 g/t	0.8 Moz
Total	11.4	3.3 g/t	1.2 Mozs

- Based on current uranium and gold prices, these measured and indicated resources have significant in situ value
- Uranium and gold resource are contained in the Beisa Reef, which also extends across the Company's Beisa North and Beisa South Uranium Projects
- With the acquisition and consolidation of the Beisa Uranium Project and the Beisa North and South Uranium Projects, the Company will now have over 117Mlbs of uranium and 5.4 Mozs of gold resources extending across over 25km of strike length of the Beisa Reef
- The acquisition of the Beisa Uranium Project provides access to these uranium resources contained in the Beisa Reef from development in the upper levels of the Beatrix 4 underground mine and shaft complex that can be extended from new decline development to also access the significant Beisa North and Beisa South resources also contained in the Beisa Reef.
- The Beatrix 4 Shaft Complex has a hoisting capacity of 140,000 t per month of ore and extends down to a total depth of approximately 2.5 km
- The shallow uranium resources in the Beisa Reef at the Beisa Uranium Project will be mined by lateral development from the main Beatrix 4 shaft at depths of only 350m to 450m
- Historic development into approximately 300,000ozs of gold resources has already been completed and provides the opportunity for early cashflow from operations
- The Beatrix 4 Shaft Complex is also supported by a well-established infrastructure, including well-maintained roads, power lines, and nearby towns. Mining Equipment, services and a well skilled workforce required for mining is readily available. There are also several services and supply centers. These include compressed air supply stations and workshops for small repairs to plant and equipment, surface fridge plant and pumping stations
- An independent valuation of the Beatrix 4 Shaft Complex, and movable and immovable assets as well as an independent intangible asset valuation on the in situ uranium and gold resources of the Beisa Uranium Project will be completed in Q1 2025
- The existing tailings storage facility, which contains an estimated 40 million tonnes of material, has been reviewed and deemed to be appropriate for any future tailings' deposition up to 2045, subject to final environmental approvals
- In addition, there are a number of areas within the tailings storage facility, which have the potential to be reprocessed to recover both uranium and gold and this is under review by the Company as a means of generating early cashflow from the Beisa Uranium Project
- The Company has assumed the rehabilitation costs associated with the tailings storage facility and Beatrix 4 Shaft Complex as part of its acquisition,
- Several previous pre-feasibility and development studies have been completed for the re-commencement of uranium and gold mining activities at the Beisa Uranium Project
- These studies were based on a 20-year underground mining operation of the uranium and gold resources contained in Beisa Reef with annual underground mining rates in excess of 1.4 million tonnes of

combined ore and waste

- These studies have confirmed the technical robustness of the planned mining and processing operation, confirmed that there are no fatal flaws with the planned operations and, given current uranium and gold prices, the underlying project economics support both an accelerated and a long-term mining operation that is forecast to generate significant operating cashflow and profits

Neo Energy Metals Executive Chairman Jason Brewer said,

"This transaction with Sibanye-Stillwater is a landmark one for Neo Energy Metals and its shareholders.

"To have secured such a strategic asset, which consolidates our position in the Witwatersrand Basin, the heart of South Africa's uranium industry, is a major accomplishment and I believe truly sets us apart from many other uranium development companies and further sets us firmly on the path to being one of the next uranium production companies in the world.

"Sibanye-Stillwater is a multi-billion dollar multinational mining company, with a dynamic management team that has very quickly established itself as one of the world's leading producers of platinum group metals, of gold and also a significant producer and refiner of other critical minerals. This transaction positions them with a strategic shareholding in Neo Energy Metals, creates value for both our shareholders bases, and gives them exposure to a new and fast moving uranium company that has aspirations to grow significantly in South Africa in 2025.

"I believe this is a win-win transaction for both ours and Sibanye's shareholders. We are acquiring substantial and strategic uranium resources and mine and processing plant assets, whilst Sibanye is securing a significant and strategic shareholding in us and is able to participate in our planned accelerated production and growth strategy at both the Beisa Uranium Project and our broader uranium portfolio in South Africa.

"I look forward to working with the Sibanye-Stillwater team and the representatives that they will appoint to the Board of Directors at Neo Energy Metals, as I believe this will bring major benefits to each of us and our shareholders.

"This acquisition gives Neo Energy Metals underground mine and processing plant and associated infrastructure that would take years to construct. With this acquisition, we have not only consolidated our position in the Witwatersrand Basin with over 117 Mlb of uranium resources and 5.4Mozs of gold, but we have now secured the necessary infrastructure to access and develop these resources and quickly bring the Beisa Uranium Project back into production.

"This transaction will also have a far broader impact on the communities and key stakeholders in and around the Beisa Uranium Project. Our planned investment will create job opportunities and will hopefully have wider and far-reaching economic impacts through the various initiatives under the social and development plans that will be implemented to promote human resources development programs, employment equity plans and local economic development programs.

"I look forward to 2025 and all the work that will now be accelerated across our exciting portfolio of uranium mines and projects in South Africa."

Next Steps:

- The Company's executive management team has already commenced work on updating the previous development studies for the Beisa Uranium Project and this work will continue in 2025
- This work includes updating the operating and capital cost aspects associated with the recommencement of operations at the Beisa Uranium Project
- This work also includes capital cost estimates and detailed timelines associated with any refurbishment and upgrade work to the Beatrix 4 shaft complex and the installation of a uranium processing plant alongside the existing gold plant at the Beatrix 4 Shaft Complex
- The Company anticipates releasing an updated development plan for the Beatrix Uranium Project in H2 2025 which will target annual production of between 1-3 Mlb of uranium and up to 100,000zs of gold over an initial 20 year mine life
- The Company will also review and update the additional development studies that incorporate

operations extending into the Beisa North Uranium Project and which have the potential to extend the estimated mine life well beyond 20 years

- In addition, the Company will look to materially expand its executive management team with the appointment of key positions to allow its planned acceleration and recommencement of mining and processing operations at the Beisa Uranium Project
- These key appointments are planned to be announced from early in Q1 2025
- The acquisition is conditional upon, amongst other things, a Rule 9 Waiver being obtained in accordance with the City Code on Takeovers and Mergers and shareholder approval at a forthcoming general meeting ("General Meeting") of the Company.
- The Company continues to work with its advisors and lawyers in preparing the documentation for this, and a General Meeting is scheduled to be held in Q1 2025
- Sibanye-Stillwater and the Company will also continue to work together in seeking all the necessary regulatory approvals and transfers of permits and authorisations in South Africa and anticipates that these will be obtained in H2 2025

Key Terms of the Acquisition:

- The Company and Sibanye-Stillwater have signed all formal sale and acquisition documentation for the purchase by the Company's wholly owned South African subsidiary, Neo Uranium Resources Beisa Mine (Pty) Limited of the Beisa Uranium Project
- This formal documentation, which includes a Sales of Assets Agreement, an Option Agreement, a Royalty Payment Agreement, and a Relationship Agreement, was signed in South Africa on 6 December 2024
- On settlement of the acquisition of the 100% interest in the Beisa Uranium Project, which is expected to occur in H2 2025, the Company will pay a cash fee of ZAR250,000,000 (approx. £11 million) and issue loan notes valued at ZAR250,000,000 ('Loan Notes') under a loan note instrument ('Loan Note Instrument').
- Under the Option Agreement, the Loan Notes will be transferred from Sibanye-Stillwater to the Company, following exercise of the option by either party and the issue of 995,454,544 new ordinary shares to Sibanye-Stillwater at an issue price of 1.10 pence per share. Exercise of the option and issuance of these new ordinary shares is conditional upon obtaining a Rule 9 Waiver, admission to the Financial Conduct Authority's Official and the publication of a prospectus by the Company
- The Loan Note Instrument will remain as an inter-company debt between the Company and South African subsidiary, Neo Uranium Resources Beisa Mine (Pty) Limited and allow the efficient distribution of future profits from the Beisa Uranium Project through to the Company and its shareholders
- The Relationship Agreement sets out the terms of the relationship between, the Company, Neo Uranium Resources Beisa Mine (Pty) Limited and Sibanye-Stillwater, under which Sibanye-Stillwater has the right to appoint directors to the Company's Board and also holds a pro rata right of first refusal in respect of any proposed new issuance by the Company of new shares
- Under the Royalty Payment Agreement, Sibanye-Stillwater has been granted a royalty on all uranium sold from the Beisa Uranium Project, with the percentage rate payable based on prevailing uranium spot price
- Settlement of the acquisition and satisfaction of all outstanding conditions, which are predominantly South Africa regulatory approvals and UK shareholder and regulatory approvals, are expected to be completed in late H2 2025

Update on Company's Debt and Commodity Based Funding:

- With the formal acquisition documentation completed on the Beisa Uranium Project, the Company can now finalise its previously announced debt and commodity-based funding
- This funding is proposed to fund the acquisition costs of both the Beisa Uranium Project, the Beisa North and Beisa South Uranium Projects and the Company's working capital costs to complete the various updates to the development studies needed to recommence mining and processing, additional exploration and development work at the Beisa South Uranium Project and at the Henkries Uranium Project

project

- This funding is to be available for settlements of these acquisitions in 2025 upon receipt of the necessary regulatory approvals
- The Company is advancing these funding discussions positively with several parties and will provide further updates on them in due course
- As part of Sibanye-Stillwater's due diligence on the Company, they completed a review of our financing plans and were satisfied with what was proposed and our ability to complete the financial settlement once all conditions are satisfied

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.

END

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 also holds a 100% interest in the Beisa North and Beisa South Uranium and Gold Projects in the Witwatersrand Basin, located in the Free State Province of South Africa. The combined projects record a total SAMREC Code compliant resources of 90.24 million pounds ('Mlbs') of U₃O₈ and 4.17 million ounces ('Mozs') of gold.

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.

For Enquiries Contact:

Jason Brewer	Executive Chairman	jason@neoenergymetals.com
Sean Heathcote	Chief Executive Officer	sean@neoenergymetals.com
Faith Kinyanjui	Investor Relations	faith@neoenergymetals.com
Michelle Krastanov	Corporate Advisor - Acacia Cap Advisors	michelle@acaciacap.co.za

Tel: +27 (0) 11 480 8500

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

ACQBDDBDCUGDGSC