

New Energy Minerals Ltd

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Mustang Resources given funding discretion after Arena Investors agrees to amendments

Mustang Resources Ltd (ASX:MUS) has been given funding discretion after major institutional investor Arena Investors LP agreed to amend key approvals and waivers of a \$19.95 million investment agreement.

The Arena amendment deed follows Mustang last month agreeing to merge its ruby assets with Fura Gems Inc (CVE:FURA) so it can focus on its Caula Vanadium-Graphite Project in Mozambique.

READ: Mustang Resources secures \$2.4 million for vanadium graphite project

In the deed, Arena has provided the required approvals for the merger agreement and has agreed to waive the 15% termination fee on amounts not drawn under the agreement.

This gives Mustang the discretion to decide to which extent it wishes to draw on Arena's \$19.95 million in finance, if at all.

Managing director Bernard Olivier said: "Given the company's renewed focus on the Caula project and the fact that the agreement with Arena was entered into only in January 2018, it is important that Arena has been willing to waive the termination fee.

"This allows Mustang to decide whether or not to continue using this source of funding going forward."

On January 8, 2018, Arena, entered into an agreement with Mustang, committing to invest \$19.95 million into the company, under a multi-tranche convertible note facility.

Last month Mustang entered into a merger agreement with Fura Gems for \$10 million in Fura shares over three tranches and a \$25 million funding commitment from Fura.

\$2.5 million in convertible notes held

As at August 1, 2018, Arena held \$2.5 million of convertible notes in Mustang, of which \$1 million is in tranche I notes issued in January 2018 with an 18-month term and \$1.5 million is in Tranche IIA notes issued in July 2018, also with an 18-month term.

At the end of these terms, Mustang has the option to repay these convertible notes in cash or in shares at their election.

Price: 0.008

Market Cap: \$1.33 m

1 Year Share Price Graph



February 2019 August 2019 February 2020

Share Information

Code: NXE

Listing: ASX

52 week	High	Low
	0.032	0.007

Sector: Rare earths & specialist minerals

Website: www.newenergyminerals.com.au

Company Synopsis:

New Energy Minerals Ltd (ASX:NXE), formerly known as Mustang Resources Ltd, is focused on the development of the Caula Vanadium-Graphite Project in Northern Mozambique, located along strike from the Syrah Resources Ltd (ASX:SYR) Balama Project. New Energy is listed on the Australian Securities Exchange. .

action@proactiveinvestors.com.au

Prior to expiry Arena is able to convert its notes to shares at the higher of the floor price of 1.6 cents and 1.8 cents respectively or the lowest preceding 20-day VWAP.

READ: Mustang Resources begins feasibility drilling at Caula Vanadium-Graphite Project

In July 2018 Mustang announced a maiden vanadium mica-hosted JORC measured resource for Caula of 22 million tonnes at 0.37% V₂O₅ for 81,600 tonnes of contained vanadium pentoxide.

It also announced a 317% increase in its graphite resource to 21.9 million tonnes at 13.4% total graphitic carbon, for almost 3 million tonnes of contained graphite, all in the measured category.

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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