

New Energy Minerals Ltd

13:14 22 Oct 2018

New Energy Minerals' scoping study reveals exceptional economics for Caula Vanadium Graphite Project

New Energy Minerals Ltd (ASX:NXE) has demonstrated the viability of an open pit vanadium and graphite mining operation with a completed scoping study at its 80%-owned Caula project in Mozambique.

The study was undertaken by mining consultant group Bara International and examined all facets of geology, mining, processing and supporting infrastructure, including a consultant site visit in June.

Results indicate the potential to generate substantial financial returns through a two-phase development schedule with life-of-mine based on the large JORC measured resource and a strip ratio of 1:1.

The company aims to implement phase I production in the second half of next year as well as the concurrent completion of definitive feasibility studies and development activities for phase II.

READ: New Energy Minerals' rebrand reflects focus on vanadium and graphite

New Energy managing director Bernard Olivier said the results of the study clearly show the potential financial benefits of the unique Caula project.

"With its low 1:1 strip ratio, large high-grade JORC measured resource and simple, fully-integrated process flowsheet design using flotation and magnetic separation to extract graphite and vanadium concentrates, this project is truly remarkable.

"We are currently busy with metallurgical test work with the aim of producing 98% vanadium pentoxide which we believe will improve the project's potential even further.

"We are currently in off-take and associated project finance discussions and ... given the current level of financing interest for our phased development approach with a peak funding requirement for both phases of US\$77.5 million for a pre-tax net present value and internal rate of return of US\$673 million and 78% respectively, that the project finance for phase I and phase II can be secured."

READ: New Energy Minerals granted trading halt ahead of scoping study release

The scoping study outlines a phase I graphite concentrate production of 10,000-15,000 tonnes a year and 14,000-18,000 tonnes a year of 1.7% vanadium concentrate.

Price: \$0.02

Market Cap: \$3.52 m

1 Year Share Price Graph



Share Information

Code: NXE

Listing: ASX

52 week High Low
0.115 0.014

Sector: Mining

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

Phase II will see graphite production up to 120,000 tonnes per year at 97.5% total graphitic carbon (TGC) and 204,200 tonnes per year of 1.7% vanadium concentrate.

Economic outcomes are based on a graphite basket price assumption of US\$1,103.50 a tonne and a vanadium price assumption of US\$40,785 per tonne of 98% vanadium pentoxide.

Operating cost per tonne processed is US\$50.87 and revenue per tonne US\$135.52.

Minimum 26-year mine life

The operation's total life of mine is 26 years based on the current JORC resource which is expected to increase after the completion of a recent 4,000-metre drilling program.

New Energy is also undertaking additional metallurgical test work on the optimal beneficiation process for vanadium and graphite concentrates to refine flowsheet processes and improve concentrate grades.

Geotechnical and rheological test work and studies are underway to support the current pit design and tailings deposition methods.

Caula's implementation schedule

READ: New Energy Minerals produces high-grade vanadium concentrate from Caula ore

Caula consists of two exploration licences totalling more than 16,790 hectares and is along strike from the Balama Graphite Project owned by Syrah Resources Ltd (ASX:SYR).

New Energy announced in July Caula's maiden vanadium JORC measured mineral resource of 22 million tonnes at 0.37% vanadium pentoxide for 81,600 tonnes of contained vanadium.

The project's upgraded graphite JORC measured mineral resource is 21.9 million tonnes at 13.4% TGC for a total of 2.93 million tonnes of contained graphite.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

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

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of New Energy Minerals Ltd named herein, including the promotion by the Company of New Energy Minerals Ltd in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to

Twenty	Five	Thousand	dollars	(\$25,000).
--------	------	----------	---------	-------------