



**NEW ENERGY METALS ANNOUNCES LETTER OF INTENT  
TO ACQUIRE EXPLORADORA NORTH PROJECT (CHILE)  
AND STOCK OPTION GRANT**

**NR19-07**

**June 6, 2019**

**Vancouver, B.C. – New Energy Metals Corp. ("New Energy Metals" or the "Company")** (TSX.V:ENRG) (OTC:NEMCF) announces that it has entered into a letter of intent dated June 3, 2019 with certain arm's length vendors (the "**Vendors**"), whereby New Energy Metals will be granted the exclusive right and option (the "**Option**") to acquire an initial 70% royalty-free interest in and to certain exploration and exploitation mineral concessions (the "**Concessions**") referred to as the "Exploradora North project" ("**Exploradora North**" or the "**Project**"). The Project has a total area of approximately 84,750 hectares (40 km in length north-south) and is located in the II and III Regions of Northern Chile along the prolific West Fissure fault system between the open-pit Escondida mine, the largest copper mine in the world, to the north of the Exploradora district and CODELCO's El Salvador underground copper mine, approximately 60 km to the south of the district ("**El Salvador (CODELCO)**").

***Exploradora North Details***

Exploradora North is located immediately north and east of the current Exploradora deep drilling project of CODELCO ("**Exploradora (CODELCO)**") within a cluster of porphyry copper deposits and prospects first discovered in the 1990's. To date, the cluster of porphyry copper (plus/minus gold and molybdenum) and skarn occurrences have only been explored to shallow depths (mostly to less than 600 meters), most recently by BHP Billiton approximately 10 years ago. In its 2018 Annual Report, CODELCO reported that its exploration activities conducted at Exploradora (CODELCO) were its most significant activity of the year, with primarily deep drill holes (with unpublished results) being carried out (see CODELCO's 2018 Annual Report, page 104). A previous near-surface resource for Exploradora (CODELCO) reported 100 Mt of 0.3 Cu and 0.2 g/t gold (Society of Economist Geologists, Special Publication 11, 2004, pages 97-111). Recently, CODELCO has also been drilling along the common boundary of the Exploradora (CODELCO) and Exploradora North (New Energy Metals) land positions.

The land positions of New Energy Metals are surrounded by most of the major copper corporations of the world (see Figure 1 below). Minera Activa, a private Chilean company, recently announced positive results in the Exploradora district, and VALE is also actively drilling to the west of Exploradora North. Another large porphyry system has also been recognized in the nearby Juncal district.

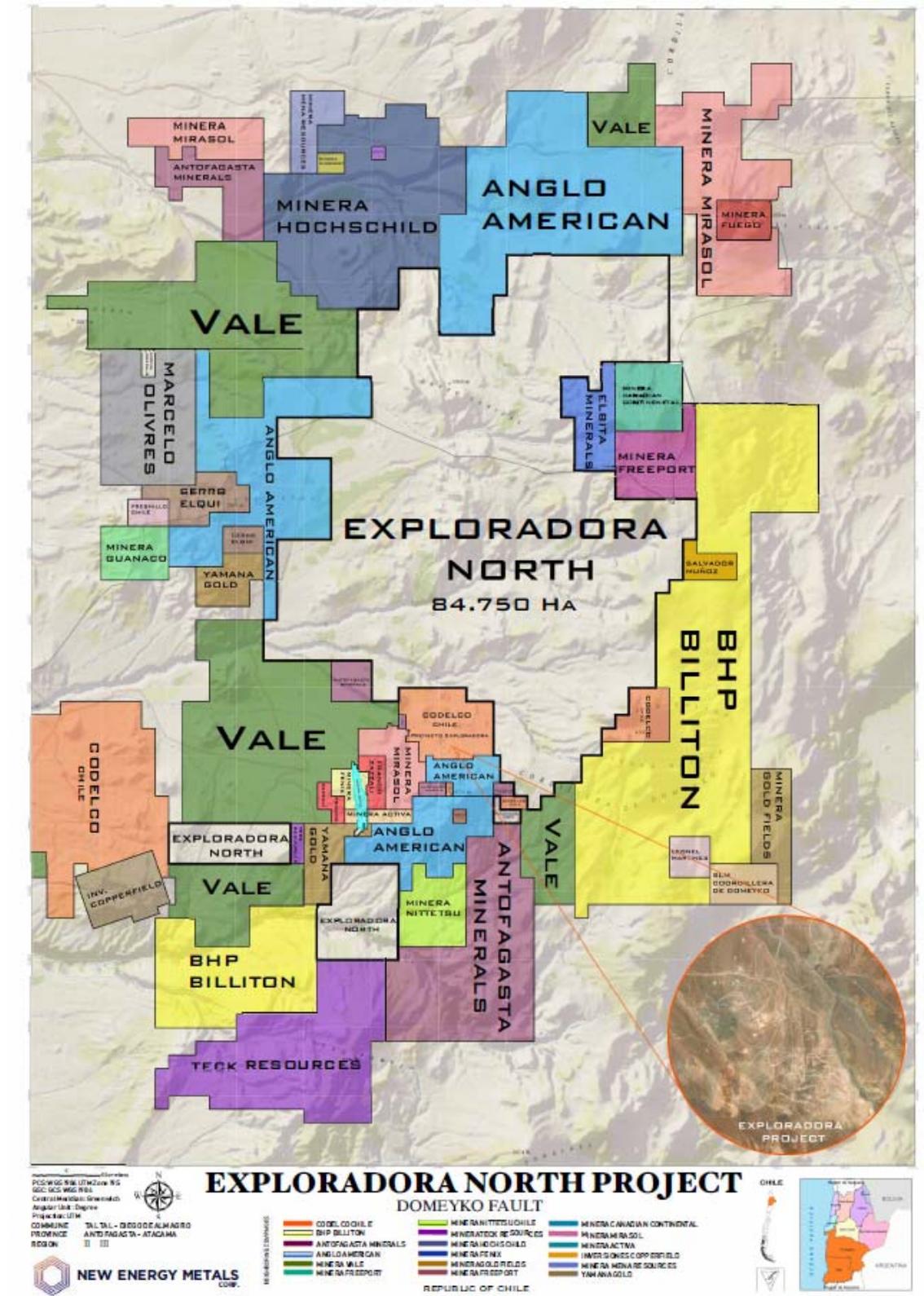


Figure 1 – Location of Project and Surrounding Properties

Exploradora North contains several porphyry copper system opportunities, some exhibiting lithocaps, possibly above a deeply concealed porphyry system; more than 50% of these prospects are covered with post-mineral gravels and volcanic rocks. Deep-seeking induced polarization (IP), metal earth magnetotellurics (MT) and magnetics are planned to be initiated by New Energy Metals to help define initial drill targets, with initial drilling proposed to start in August or September, 2019.

The Company believes that a comparable model for the Project in the Exploradora district is El Salvador (CODELCO). A reconstructed model of El Salvador (CODELCO) shows that the secondary blanket started about 600 meters below the original uneroded surface. The original underground reserves at El Salvador (CODELCO), which began operation in 1959, were approximately 300 MT of 1.6% copper, mostly secondarily enriched ore (Economic Geology and the Bulletin of the Society of Economist Geologists, Vol. 70, No. 5 August 1975, page 857-912).

### **Commercial Terms**

Subject to satisfactory completion of due diligence, New Energy Metals, through a wholly-owned Chilean subsidiary, intends to enter into a formal option to purchase agreement (the "**Option Agreement**") with the Vendors, whereby the Vendors would grant to New Energy Metals the exclusive option (the "**Stage 1 Option**") to purchase from the Vendors 70% of the right, title and interest of the Vendors in and to the Concessions, free and clear of all liens, charges and encumbrances, in consideration of (i) exploration expenditures on the Project of at least USD 15,000,000 within 48 months of the Effective Date (the "**Option Period**"), (ii) the payment of the sum of USD 8,500,000 and (iii) the delivery of an aggregate of 11,500,000 common shares of New Energy Metals, to be incurred, paid and delivered as follows:

| <b>Date</b>  | <b>Cash (USD)</b>  | <b>New Energy Metals<br/>Common Shares</b> | <b>Exploration<br/>Expenditures<br/>(USD)</b> |
|--|--------------------|--|---|
| Within 5 days of TSXV approval after signing of the Option Agreement (the " <b>Effective Date</b> ") | \$500,000          | 500,000 shares                             | --  |
| 6 months from Effective Date   | --                 | 750,000 shares                             | --  |
| 12 months from Effective Date  | \$1,000,000        | 1,000,000 shares                           | --  |
| 18 months from Effective Date  | \$1,000,000        | 1,250,000 shares                           | --  |
| 18 months from Effective Date  | \$1,500,000        | 1,500,000 shares                           | --  |
| 24 months from Effective Date  | \$2,000,000        | 2,500,000 shares                           | --  |
| 36 months from Effective Date  | \$2,500,000        | 4,000,000 shares                           | --  |
| 48 months from Effective Date  | --                 | --   | \$15,000,000                                  |
| <b>Total:</b>  | <b>\$8,500,000</b> | <b>11,500,000 shares</b>                   | <b>\$15,000,000<sup>(1)</sup></b>             |

Note:

(1) There are no annual or monthly requirements in respect of the exploration expenditures, provided that the total USD \$15,000,000 in exploration expenditures must be incurred by New Energy Metals within the Option Period.

Upon the exercise of the Stage 1 Option by New Energy Metals, New Energy Metals and the Vendors would be deemed to have formed a joint venture (the "**Joint Venture**") for the continued exploration and development of Exploradora North and will form a joint venture company, in which the initial participating interests of the parties will be 70% for New Energy Metals and 30% for the Vendors. The Vendors will also grant to New Energy Metals the first right of refusal (the "**Right of First Refusal**") to acquire up to an additional 30% of the right, title and interest of the Vendors in and to the Concessions. Pursuant to the Right of First Refusal, if at any time during the 36 months following the exercise of the Stage 1 Option, the Vendors receive a *bona fide* offer from a third party to purchase all or part of their participating interest in the Joint Venture (the "**Subject Interest**") that they intend to accept, then the Vendors must notify New Energy Metals of the terms of any proposed sale. New Energy Metals will then have 30 days to decide whether it wishes to purchase such Subject Interest at the price and on the terms set forth in the notice provided by the Vendors.

During the Option Period, New Energy Metals will be responsible for maintaining the Concessions in good standing and paying all fees and assessments, and for taking such other steps required in order to do so, including making the 2019 annual license payments for the Concessions that were due on or before June 3, 2019 in the approximate amount of USD \$162,000. There will be no other work commitments, and any work carried out on the Concessions will be at the sole discretion of New Energy Metals. All New Energy Metals' common shares issued in connection with the Option will be subject to a hold period in Canada of 4 months and one day from the date of issuance. In connection with entry into the Option Agreement, the Company has agreed to issue to Asesorías y Servicios ZT Partners SpA, an arm's length party, 500,000 common shares in the capital of the Company, which shares will be issued as fully paid and non-assessable, as a finder's fee (the "**Finder's Fee**").

The Option Agreement and the payment of the Finder's Fee in connection therewith are subject to the acceptance for filing thereof by the TSX Venture Exchange (the "**TSXV**").

### ***Option Grant and Cancellation***

Pursuant to the Company's 2018 Incentive Stock Option Plan, the Company has granted incentive stock options to directors, officers, employees, consultants and advisors of the Company and its affiliates to purchase up to an aggregate of 2,100,000 common shares in the capital of the Company. The options all 100% vested on grant and are exercisable on or before June 5, 2022 at a price of \$0.24 per common share.

The Company also announces that it has cancelled an aggregate of 226,250 previously granted incentive stock options.

### ***Cautionary Note Regarding Adjacent Properties***

Exploradora (CODELCO) and Exploradora North are adjacent properties, located approximately 60 km north of El Salvador (CODELCO). The Company has no interest in or right to acquire any interest in either Exploradora (CODELCO) or El Salvador (CODELCO). Mineral deposits on adjacent or similar properties, and any production therefore or economics with respect thereto, are not in any way indicative of mineral deposits on New Energy Metals' properties or

the potential production from or cost or economics of, any future mining of any of New Energy Metals' mineral properties.

### ***Qualified Person***

Dr. Thomas A. Henricksen, a qualified person as defined by National Instrument 43-101 has reviewed the scientific and technical information that forms the basis of this news release and has approved the disclosure herein. Dr. Henricksen is not independent of the Company as he is the Company's chief geologist and holds incentive stock options of the Company.

### **About the Company**

New Energy Metals is focused on the exploration and development of *energy metals* in Chile. The Company's assets include several prospective cobalt projects in Chile's past producing San Juan cobalt district.

### **On behalf of New Energy Metals Corp.**

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

### ***Cautionary Note Regarding Forward-Looking Statements***

*This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation, including the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included herein including, without limitation, the entry into of the Option Agreement, the earn-in and exercise by the Company of the Option (including the Stage 1 Option, the formation of the Joint Venture and subsequent Right of First Refusal), the payment of the Finder's Fee, the expectation the Company will be able to enter into the Option Agreement or exercise the Option, commencement of exploration activities on the Project, the anticipated exploration program results from exploration activities on the Company's mineral projects, the discovery and delineation of mineral deposits/resources/reserves, and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: "believes", "will", "expects", "anticipates", "intends", "estimates", "plans", "may", "should", "potential", "scheduled", or variations of such words and phrases and similar expressions, which, by their nature, refer to future events or results that may, could, would, might or will occur or be taken or achieved. In making the forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, that: it will successfully conclude its due diligence on the Project and the Vendors, it will be able to successfully negotiate and enter into the Option Agreement and that it will obtain TSXV acceptance for the filing of same, market fundamentals will result in sustained precious metals, cobalt and copper demand and prices, the receipt of any necessary permits, licenses and regulatory approvals in connection with the future development of the Company's Chilean mineral projects in a timely manner, the availability of financing on suitable terms for the development, construction and continued operation of the Company's projects and the Company's ability to comply with environmental, health and safety laws.*

*Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, results from the Company's due diligence on the Project and the Vendors, actual results of exploration activities, the fact that the Company's interests in its mineral properties (including the Project) are only options and there is no guarantee that the interests, if earned, will be certain, requirements for additional capital, future prices of precious metals, cobalt and copper, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities, other risks of the mining industry, the inability to obtain any necessary governmental and regulatory approvals (including TSXV acceptance for filing of the Option Agreement and the Finder's Fee), changes in laws, regulations and policies affecting mining operations, hedging practices and currency fluctuations, as well as those factors discussed under the heading "Risks and Uncertainties" in the Company's most recent management's discussion and analysis and other filings of the Company with the Canadian Securities Authorities, copies of which can be found under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).*

*Readers are cautioned not to place undue reliance on forward-looking statements. Except as otherwise required by law, the Company undertakes no obligation to update any of the forward-looking information in this news release or incorporated by reference herein.*