



NEW ENERGY METALS ANNOUNCES SIGNING OF DEFINITIVE OPTION TO PURCHASE AGREEMENT TO ACQUIRE EXPLORADORA NORTH PROJECT (CHILE)

NR19-09

July 2, 2019

Vancouver, B.C. – New Energy Metals Corp. ("New Energy Metals" or the "Company") (TSX.V:ENRG) (OTC:NEMCF) announces that, further to its news release dated June 6, 2019 and subject to acceptance for filing by the TSX Venture Exchange (the "TSXV"), it has entered into definitive option to purchase agreements (the "**Option Agreements**") with certain arm's length vendors (the "**Vendors**"), whereby New Energy Metals has been granted the exclusive right and option (the "**Option**") to acquire an initial 70% royalty-free interest in (the "**Stage 1 Interest**") and to certain exploration and exploitation mineral concessions (the "**Concessions**") comprising the Carmen, Elvira, Gran Elbita and Nevenka projects located in the II and III Regions of Northern Chile along the prolific West Fissure fault system, having a combined area of approximately 84,750 hectares, collectively referred to as the "Exploradora North project" ("**Exploradora North**" or the "**Project**").

New Energy Metals President and CEO, César López, stated, "Exploradora North is located in one of the world's most prolific copper districts. In addition, it is within close proximity of Codelco's current deep-drilling project. With that in mind, the signing of these definitive option agreements for Exploradora North is a major milestone for the Company and an active step towards our goal of serving the green energy market.

By structuring the option earn-in on the Project as a series of independently vesting earn-in interests, the Company is able to retain its earned ownership interest in the Project even if it elects not to exercise the Option in full."

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 (see Figure 1). 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). Recently, CODELCO has also been drilling along the common boundary of the Exploradora (CODELCO) and Exploradora North (New Energy Metals) land positions.

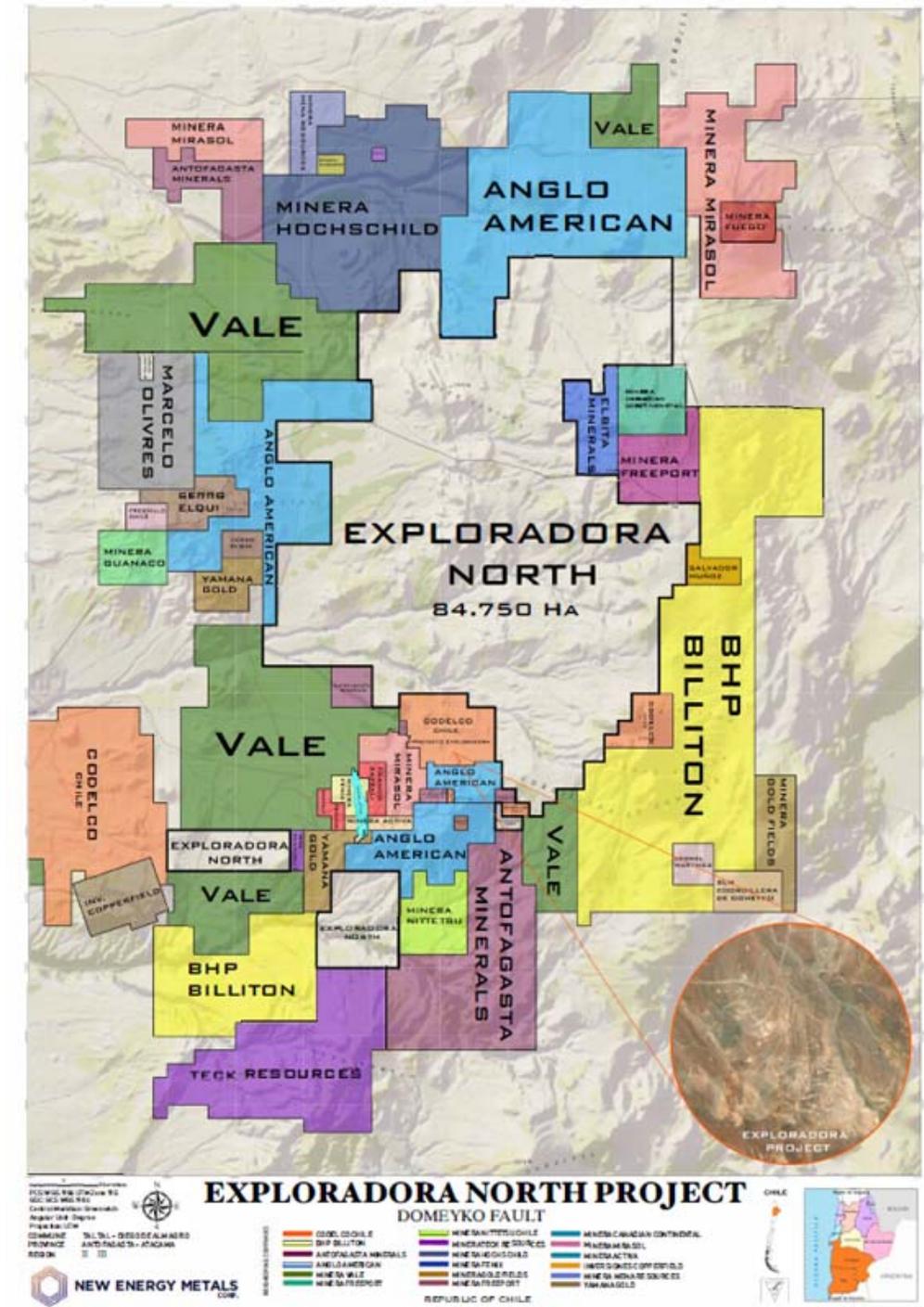


Figure 1 – Location of Project and Surrounding Properties

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.

Commercial Terms

In order to earn the Stage 1 Interest, being an initial 70% interest in the Project, New Energy Metals will be required to: (i) incur exploration expenditures on the Project of at least USD 15,000,000 within 48 months of the Effective Date (the "**Option Period**"), (ii) make cash payments to the Vendors in the aggregate amount of USD \$8,500,000, and (iii) deliver to the Vendors an aggregate amount of 11,500,000 common shares of New Energy Metals, to be incurred, paid and delivered as set out below. Pursuant to the terms of the Option Agreements, the Company will earn the Stage 1 Interest in a series of stepped earn-ins on the Project, as set out below. ***This stepped earn-in allows the Company to retain any interests it has in the Project, even if only a portion of the Option is exercised by the Company.***

Date	Cash (USD)	New Energy Metals Common Shares (#)	Exploration Expenditures (USD)	Earned Interest (%)
Within 5 days of TSXV approval after signing of the Option Agreements (the " Effective Date ")	\$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	--	10%
18 months from Effective Date	\$1,000,000	1,250,000 shares	--	--
24 months from Effective Date	\$1,500,000	1,500,000 shares	--	Additional 15% (total of 25%)
30 months from Effective Date	\$2,000,000	2,500,000 shares	--	Additional 15% (total of 40%)
36 months from Effective Date	\$2,500,000	4,000,000 shares	--	--
48 months from Effective Date	--	--	\$15,000,000	Additional 30% (total of 70%)
Total:	\$8,500,000	11,500,000 shares	\$15,000,000⁽¹⁾	70%

(1) The earn-in of the 10%, 25% and 40% interests in the Project have no exploration expenditure requirements, which are only applicable to the 70% interest earn-in that requires that USD \$15 million have been spent on the Project within 48 months of the Effective Date.

With the exception of the initial cash payment of USD \$500,000 and the initial issuance of 500,000 common shares of the New Energy Metal to the Vendors, all of the foregoing exploration expenditures, payments and share issuances are optional and New Energy Metals will not be obligated to make any such expenditures, payments or share issuances.

There are no annual or monthly requirements in respect of exploration expenditures, provided that an aggregate amount of USD \$15,000,000 in exploration expenditures must be incurred by New Energy Metals within 48 months of the Effective Date to complete the earn-in of the Stage 1 Interest, and New Energy Metals will be responsible for maintaining the Concessions in good standing and paying all fees and assessments during the Option Period. All shares of New Energy Metals 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 and in accordance with TSXV policies, 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**").

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.

Relinquishment of Properties

The Company also announces that it has relinquished its options to acquire the Victoria and Tres Salares cobalt properties. The Victoria and Tres Salares properties no longer align with the Company's strategic plan for its mineral asset portfolio. By relinquishing the options to such properties, New Energy will not be not subject to any further obligations in respect of either property, allowing the Company to focus its resources on other value generating projects.

The Company's interests in the Victoria and Tres Salares properties were acquired in 2018, subject to TSXV acceptance, pursuant to separate assignment agreements. In determining to relinquish the properties, the Company has elected not to complete its application to the TSXV for final acceptance for the acquisition of such 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.

César López, President & CEO

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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 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 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 obtain TSXV acceptance for the filing of the Option Agreements, 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 Agreements and the Finder's Fees), 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.

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.