

FE COMMENT

Neo Energy Metals plc* (NEO.L)

13 Feb 2024

- **Ticker:** NEO.L
- **Mid Price:** 0.70p
- **Listing:** LSE - SL
- **Market Cap:** £10m.
- **Geo:** South Africa
- **Comm:** Uranium

Operations Update.

Update from **Neo Energy Metals plc** (NEO.L) this morning on its advanced Henkries uranium project. From this we learnt that 2,000 surface samples from the former Niger Uranium drilling programme are being prepared for transport to be sent for analysis. This could add potentially another **1.1 to 1.3 mlbs** uranium to the existing resource of **4.7 mlbs**, if the analysis results follow the existing mineralisation trend in the Henkries North Deposit.

Neo Energy also said it had been recently awarded a 'Certificate of Registration' - COR-302 licence for the Prospecting Right which will enable exploration and sampling at site to start. The full RNS, which includes details of new management appointments and moves to reduce site costs by leasing a new core shed can be read via the button link below.

FE Comment.

It is encouraging that the resource estimate can be increased by around 25% in very short order from the analysis of up to 2,000 surface samples, along with the other news today announced in the update that shows the project is continuing to move ahead towards a feasibility study and mine decision.

Neo Energy continues to trade at around 0.70p, representing a significant discount of almost 50% to the RTO price of 1.25p last November. This is against the backdrop of surging uranium market demand, with prices around \$106 per lb, an increase of over 40% since the RTO, when the commodity traded at \$74 per lb, and over 100% increase since this time last year.

Shares in Neo Energy also trade at a significant discount to our target price of **2.2p** per share as explained in our initiation research note (1 Dec '23), which analysed the Company's Henkries uranium project in a peer group analysis valuation. To this end, we continue to recommend Neo Energy Metals as a '**Buy**'.

**First Equity Limited acts as Corporate Broker to Neo Energy Metals plc.*

The logo consists of a solid olive-green square with the letters 'RNS' in white, bold, sans-serif font centered within it.

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