ASX : NAE

NEW AGE Exploration Limited

ABN 65 004 749 508

ANNUAL REPORT

For the year ended 30 June 2014

New Age Exploration Limited is an Australian company focused on coking coal exploration and development. Its flagship project is the Lochinvar Coking Coal Project in the UK which is ideally located to supply domestic UK and European steel mills with immediate access to existing rail and port infrastructure. The Indicated and Inferred Resource estimate of 111Mt was released in August 2014 and the Company is targeting development of the project by 2018.

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CORPORATE DIRECTORY

Directors	Mr A Broome (Non-Executive Chairman) Mr G Fietz (Managing Director) Mr G L Rice (Non-Executive Director) Mr M Amundsen (Non-Executive Director)
Company Secretary	Mr A M Wing
Registered Office	Level 17 500 Collins Street Melbourne 3000 +61 3 9620 9931
Principal Place of Business	Level 17 500 Collins Street Melbourne 3000
Share Register	Link Market Services Limited Level 4 Central Park 152 St George Terrace Perth WA 6000 +61 8 9211 6670
Auditor	DFK Collins Level 4 30 Collins Street Melbourne VIC 3000
Solicitors	Quinert Rodda & Associates Suite 1, Level 6 50 Queen Street Melbourne VIC 3000
Stock Exchange Listing	New Age Exploration Limited shares are listed on the Australian Securities Exchange (ASX code: NAE)

CHAIRMAN’S LETTER

Dear Shareholders,

I am very pleased by the progress we have made this year on advancing the Company’s flagship Lochinvar Coking Coal Project in the UK. Importantly, a maiden Indicated Resource has recently been defined following completion of the 2014 drilling program at Lochinvar, marking a major milestone for the project.

The past year has been a challenging one for all coal exploration, development and mining companies, including NAE, with the price of coking coal at an 8-year cyclical low for most of 2014 which has adversely impacted share prices. In response, the Board have implemented a cost reduction program including a reduction in Directors and Senior Management fees and salaries (savings of ~$80,000 p.a) along with a consistent focus on reducing expenditure whilst still effectively delivering the Lochinvar Scoping Study.

Notwithstanding current difficult market conditions, the NAE Directors and I remain confident that coking coal prices will recover in the medium to long term and before the expected commencement of production from Lochinvar in 2018. Currently, around half of the global seaborne coking coal cost curve is operating at a loss notwithstanding cost reductions having implemented by most producers world-wide and more than 15 million tonnes of high cost coking coal supply closures in the US have occurred this year. Current coking coal prices are clearly not sustainable and must recover in the medium to long term as more high cost suppliers are forced to close and to induce investment in new supply projects to meet future demand growth.

Lochinvar is uniquely positioned with costs of production expected to be at the low end of the cost curve and being ideally located to supply UK and Europe’s steel mills at lower delivered costs than competing coking coal suppliers from Australia and the US. When markets do recover, I am confident that Lochinvar will emerge as one of the more attractive new coking coal projects to be developed.

We are now approaching completion of the Lochinvar Scoping Study which is showing encouraging results that I look forward to sharing following completion of the study expected during October.

Yours faithfully,

Alan Broome AM
Non-executive Chairman

PRINCIPAL ACTIVITIES

The Company has continued to focus its activities this year on further exploration and development of the Lochinvar Coking Coal Project, located on the Scottish / English border in the United Kingdom.

Significant progress has been made at Lochinvar this year with major highlights being the successful completion of a 6-hole drilling program and the determination of a maiden Inferred Resource and a maiden Indicated Resource.

The Lochinvar Scoping Study is now nearing completion and the Company is approaching an exciting time with the Scoping Study results expected during October 2014.

LOCHINVAR COKING COAL PROJECT, UK (100% NAE)

Key milestones achieved by the Company on the Lochinvar Coking Coal Project during the year and post period-end include:

Completion of Phase 1a drilling program (4 holes)	July 2013
Site-based office and exploration team established	July 2013
Maiden 112Mt[1] Inferred Resource defined	October 2013
Grant of Lochinvar South Licence	March 2014
Completion of Phase 1b extended drilling program (6 holes)	July 2014
Selection of Priority Development Case for Scoping Study	July 2014
Revised Structural Interpretation	August 2014
Maiden 49Mt[2] Indicated Resource defined	August 2014
Coal quality results from Phase 1b drilling program	August 2014
Indicative Lochinvar product quality defined	August 2014
Scoping Study nearing completion	

Exploration Manager Appointment and Opening of Site Office

The company appointed Ms Donna Sheehy as Exploration Manager for the Lochinvar project and opened an office on site in Scotland in July 2013.

Maiden Inferred Resource (October 2013) [1]

Following the completion of the Phase 1a drilling program, a maiden Inferred Resource of 112Mt was defined for Lochinvar in October 2013. The October 2013 Inferred Resource has now been replaced by the August 2014 Indicated and Inferred Resource statement.

Grant of Lochinvar South Licence

In March 2014, the Company was granted an Exploration Licence and Conditional Underground Mining Licence ("Lochinvar South") over an area of 51km² adjoining and to the south west of the existing Lochinvar Licence (see Figure 1).

The Lochinvar South Licence provides NAE with the opportunity to explore for coal seams within the Solway Basin, which is situated southwest of the existing Lochinvar Licence. Importantly, Lochinvar South represents almost double the Lochinvar Licence area over the Solway Basin and potentially extends the coal deposit by 5km strike to the southwest.

Completion of Phase 1b Drilling Program(3)

The key activity for NAE this year has been the completion of the Lochinvar Phase 1b drilling program. The initial four-borehole Phase 1b drilling program (LCL-003, LCL-019, LCL-033 and LCL-006) was completed on 16 May 2014. Based on the success of the initial 4-hole program, a decision was then made to extend the program to include an additional 2 holes (LCL-032 and LCL-037) which were completed on 2 July 2014. The locations of the Phase 1b boreholes are shown in Figure 1.

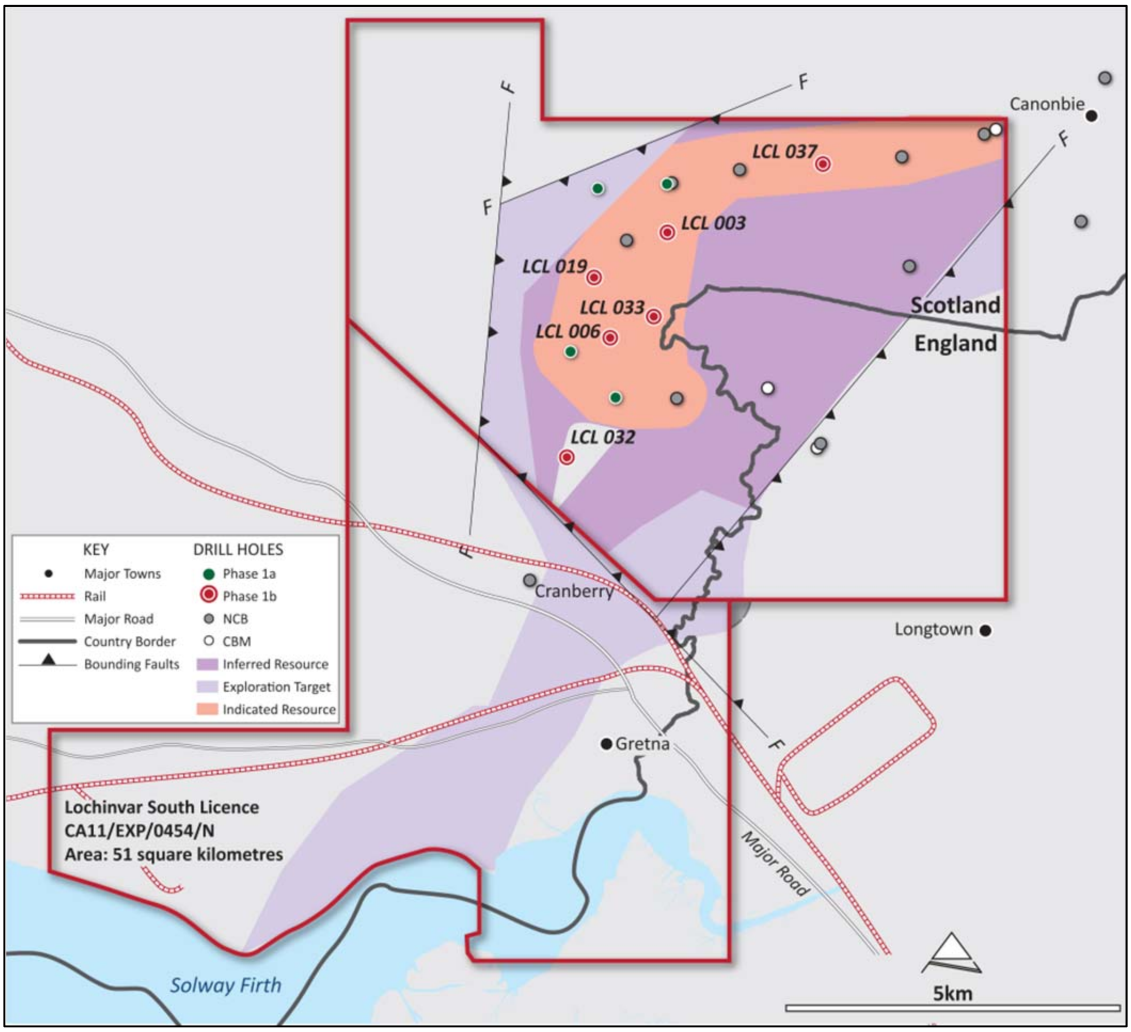

Figure 1: Phase 1b Drilling and August 2014 Resource Areas

All six of the Phase 1b boreholes intersected the target Nine Foot Seam. The Six Foot Seam was only intersected in two of the boreholes (LCL-033 and LCL-037). The Six Foot Seam is well developed in the northern part of the resource but absent or thinner within the central part of the resource.

Lochinvar Drill Site LCL-033

Indicated and Inferred Resource (August 2014)[2]

Following the completion of the extended Phase 1b drilling program (6 holes), a revised Structural Interpretation and updated Resource Estimate were completed. In August 2014, a 49Mt maiden Indicated Resource and 62Mt Inferred Resource was defined for the Nine Foot and Six Foot Seams as shown in Table 1.

Table 1: Lochinvar Indicated and Inferred Resource Summary (August 2014)

Coal Seam *(Air Dried Basis)*	Indicated Resource (Mt)	Inferred Resource (Mt)	Total Resource (Mt)
Nine Foot Seam	37	49	86
Six Foot Seam	13	13	26
Total	**49**	**62**	**111**

Note: totals may not add up due to rounding

The 49Mt Indicated Resource represents a 44% conversion of the October 2013 Inferred Resource (112Mt) to Indicated status.

The Nine Foot Seam has an average seam thickness of 2.2m in the Indicated and Inferred Resource areas. In the northern part of the resource, the upper and lower plies of the Nine Foot Seam are coalesced into a single seam with an average thickness of 2.7 metres. In the southern part of the resource, the average Nine Foot Seam thickness is 1.6 metres which excludes the upper plies of the Nine Foot Seam because they are either not present or are split away from the main lower part of the seam. The Six Foot Seam has an average seam thickness of 1.8m in the Indicated and Inferred Resource areas.

An additional Exploration Target of 31 – 64Mt[2] was identified in areas where there is insufficient information to define a resource.

The Indicated Resource, Inferred Resource and the Exploration Target have been reported in accordance with the JORC Code (2012) and have been independently estimated by Palaris Australia Pty Ltd (“Palaris”), an internationally recognised mining consultancy specialising in coal exploration and mining.

Indicative Product Quality[(2)]

In August 2014, an indicative Lochinvar Coal product quality was determined based on coal quality results from Phase 1b and previous drilling as shown in Table 2.

Table 2: Indicative Lochinvar Coal Product Quality

	Indicative Target Specification	Unit (Basis)
Yield	75	%
Moisture	3.0	% (Air Dried)
Ash	5.0	% (Air Dried)
Volatile Matter	34.0	% (Air Dried)
Total Sulphur	1.4	% (Air Dried)
CSN	7	
Gray - King Coke Type	G6	
Phosphorous	0.007	% (Air Dried)
Gross Calorific Value	7,775	Kcal/kg (Air Dried)
Vitrinite Content	70	%
Vitrinite Reflectance	0.84	% R_oMax

These results confirm the potential for Lochinvar to produce a low ash high volatile coking coal product at high yields that will be attractive to the UK and European steel industry and provide a strong platform for the completion of the Lochinvar Scoping Study.

Scoping Study Progress[(4)]

The Lochinvar Scoping Study has been a key activity for NAE this year and post reporting period-end with the study now approaching completion and results expected to be announced during October 2014.

In July 2014, the Options Selection Stage of the Lochinvar Scoping Study was completed. This has involved a technical and economic assessment of a number of alternative development options for the project and selection of the most attractive case (the Priority Development Case). The final stage of the Scoping Study, which is now nearing completion, focuses on a more detailed technical and economic evaluation of the Priority Development Case.

Initially, a 90m wide miniwall was selected as the primary underground mining unit in the Priority Development Case; however, subsequent studies have shown improved economics by increasing the wall width to 200m. Key components of the Priority Development Case are summarised in Table 3.

Table 3: Lochinvar Scoping Study - Priority Development Case Summary

Coal Mining	• Main coal production via a single bi-directional longwall shearer mining up to 200m panels • Gas drainage via in seam drilling in advance of development
Coal Access	• 6m diameter single drift, 1:8 gradient to a depth of ~225m developed using Tunnel Boring Machine • Conveyor suspended from roof of drift • Vertical shaft for ventilation and as second means of egress • Coal development by 3 x continuous miner units
Coal Processing	• Wash Plant - single stage dense media separators with teeter bed separator and flotation • 70% - 80% yield to produce clean saleable coal • Pasting of fine rejects and co-disposal with coarse rejects
Logistics and Infrastructure	• Short connection from coal processing and stockpile area to main rail line
Marketing	• Sales to UK domestic steel mills (Teesside, Scunthorpe and Port Talbot) and coke plants via existing rail • Remainder sold to European markets via rail and ship loading at Hunterston or Blyth ports

Typical longwall as selected for Lochinvar Priority Development Case

Forward work Program

The major activities planned during 2015 following Scoping Study completion are shown in Table 4.

Table 4: Lochinvar 2015 Work Program

Scoping Study Completion	**October 2014**
Indicated and Measured Resource drilling	**2015**
Seismic program to improve structural definition	
Probable Reserve statement	
Pre-Feasibility Study	
Commence planning and regulatory approvals	

COLOMBIA

During the reporting period, the Company continued to reduce the holding costs in Colombia while maintaining a presence in the country and to preserve the long term options over the Terranova project (Concession 887T). NAE now has only one full time employee in Colombia and continues to be supported by Aurora Energy S.A ("Aurora"), the Company's joint venture partner in Colombia, under a reduced and very modest retainer arrangement.

Terranova Coking Coal Project

Concession 887T

NAE holds an option to expand the existing Terranova coking coal mine on Concession 887T where a total resource of 3.6Mt[(5)] has been defined.

Activities for Concession 887T have focused on gaining an extension to the mining concession for the Terranova project where there has been some progress with the regulatory authorities agreeing to a Paramo boundary definition study being undertaken by the Von Humboldt Institute.

During the March 2014 quarter, the Company reached an agreement with Aurora, whereby Aurora will cover all costs for the Terranova Coking Coal Project (concession 887T) until an extension of the mining concession and the environmental permit for the project is obtained. In return, Aurora will increase its interest in the Terranova project from 10% to 20%.

Concession FL2-151

In Q3 2013, the Company terminated the agreement to acquire coking coal concession FL2-151 (which is adjacent to concession 887T in the Terranova area).

Cesar Thermal Coal Project (concessions GHN-121 and GIK-103)

In March 2014, the Company announced its decision to terminate the agreement over the Cesar thermal coal project due to the adverse market outlook for thermal coal. Transfer of the concessions back to the original owner is in progress and NAE now has no ongoing costs in relation to the Cesar project.

REDMOOR TIN PROJECT

NAE holds the Redmoor Tin and Tungsten project in the historic mining district of Cornwall, United Kingdom under a 15-year exploration licence with modest annual payments.

An initial Inferred Resource of 9.1Mt at 0.69% Sn (equivalent)[(6)] was defined in February 2013; however, there has been no material new activity this year due to the focus on the Lochinvar Coking Coal Project.

NAE continues to look at future options for the Redmoor Project, which may include exploration and studies, strategic partnership or divestment. Discussions with interested parties are continuing but remain at an early stage. A review of the potential for other tin / tungsten occurrences within the mineral rights area will be completed in Q4 2014. Tin and tungsten prices have remained strong, underpinning the value of the project.

CORPORATE

This year, the Company raised a total of $2,198,500 through the placement of 54,962,500 shares at 4.0 cents per share as follows:

- Placement of 25,000,000 shares ($1,000,000) to Resource Capital Fund V.L.P ("RCF"), increasing RCF's ownership level from 28.99% to 31.89%.
- Placement of 12,500,000 shares ($500,000) to Mr Chee Siew Yaw, increasing his ownership level from 10.96% to 13.03%.
- Placement of 11,225,000 shares ($449,000) to other new and existing institutional and sophisticated investors.
- Issue of 6,237,500 shares ($249,500) under a Share Purchase Plan.

In April 2014, the Company implemented a cost reduction program due to difficult market conditions. In addition to a range of cost reduction initiatives, the Directors and Senior Management agreed to reductions in fees / salaries resulting in savings of ~$80,000 p.a.

Endnotes *(Announcements released by NAE on the Company Announcements Platform – ASX)*

(1) NAE Announcement, 1 October 2013 – Lochinvar Initial Inferred Resource Defined

(2) NAE Announcement, 29 August 2014 – Lochinvar Resource Upgrade and Product Quality

(3) NAE June 2014 Quarterly Report, 31 July 2014

(4) NAE Announcement, 7 July 2014 – Lochinvar Scoping Study Update

(5) NAE Announcement, 9 November 2011 – Maiden JORC Resource of 3.6Mt defined at Terranova

(6) NAE Announcement, 27 February 2013 – Redmoor Tin Tungsten Project Maiden Inferred Resource

The Directors present their report, together with the consolidated financial statements of the Group comprising of New Age Exploration Limited (the Company) and its subsidiaries, for the financial year ended 30 June 2014 and the auditor's report thereon.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr A Broome AM (Non-Executive Chairman)
Mr G Fietz (Managing Director)
Mr A M Wing (Executive Director and Company Secretary) – resigned as Director on 15 July 2013
Mr G L Rice (Non-Executive Director)
Mr M Amundsen (Non-Executive Director)

Meetings of directors

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2014, and the number of meetings attended by each director were:

	Full Board		Audit Committee	
	Held	**Attended**	**Held**	**Attended**
Mr A Broome AM	11	11	-	-
Mr G Fietz	11	11	-	-
Mr A M Wing	1	1	2	2
Mr G L Rice	11	11	2	2
Mr M J Amundsen	11	11	2	1

'Held' represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Information on directors as at 30 June 2014

Name:	**Mr Alan Broome AM (I.Eng, F.AusIMM, FAICD, FICME, MInstD (NZ))**
Title:	Non-Executive Director and Chairman
Experience and expertise:	Mr Broome is a metallurgist with over 40 years' experience in mining and metals. A well-known figure in the Australian mining industry, Alan has extensive board experience, both as a director and chairman, of a number of listed and unlisted mining and mining technology companies. Over the past 20 years, Alan has had in-depth experience in coal mining, mining technology, equipment, services and research sectors, both in Australia and abroad.
Other current directorships:	Nil
Former directorships (in the last 3 years):	Buccaneer Energy Ltd (ASX) (Chairman) – July 2007 to July 2013 Endocoal Ltd (ASX) (Chairman) – July 2008 to July 2012 Jatenergy Ltd (ASX) (Chairman) – April 2011 to May 2012 Nimrodel Resources Ltd (ASX) (Chairman) – July 2006 to August 2011
Special responsibilities:	Chairman of the Board
Interests in shares:	475,000 ordinary shares
Interests in options:	1,250,000 unlisted options

Name:	**Mr Gary Fietz (BSc (Hons), AusIMM)**
Title:	Managing Director
Experience and expertise:	Mr Fietz holds a degree in geology and is a senior resources industry executive with over 28 years' experience in all aspects of exploration, business development and project evaluation. His extensive international experience includes 21 years with BHP Billiton, primarily working in the iron ore business group. Mr Fietz has also worked on coal, base metals and gold projects. He held the position of Project Director, West Africa for BHP Billiton Iron Ore where he was responsible for the direction of exploration programs and project development of an advanced tier one project within the region. He was also the Vice President, Iron Ore Business Development with responsibility for assessing global iron ore business development opportunities for BHP Billiton. Since joining New Age Exploration as MD and CEO in 2010, Mr Fietz has led the Company's growth as an emerging coking coal producer focused on development it's Lochinvar project in the UK.
Other current directorships:	Nil
Former directorships (in the last 3 years):	Nil
Special responsibilities:	Managing Director
Interests in shares:	445,000 ordinary shares
Interests in options:	13,000,000 unlisted options

Name:	**Mr Adrien Wing (B.Bus, CPA)**
Title:	Executive Director (resigned 15 July 2013) and Company Secretary
Experience and expertise:	Mr Adrien Wing is CPA qualified. He practised in the audit and corporate divisions of a chartered accounting firm before working with a number of public companies listed on the Australian Securities Exchange as a corporate/accounting consultant and company secretary.
Other current directorships:	Arunta Resources Limited (formerly Transol Corporation Ltd) -appointed 5 May 2011 Red Sky Energy Limited – appointed 7 March 2014
Former directorships (in the last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	750,000 ordinary shares
Interests in options:	1,250,000 unlisted options

Name:	**Mr Gavan Leonard Rice (LL.B, B.Juris)**
Title:	Non-Executive Director
Experience and expertise:	Mr Gavan Rice is a practising barrister at law for the Supreme Court of Victoria for over 28 years and a nationally-accredited Mediator. Mr Rice has had considerable previous experience as a director of public companies listed on the Australian Securities Exchange.
Other current directorships:	Nil
Former directorships (in the last 3 years):	Nil
Special responsibilities:	Chairman of Audit Committee
Interests in shares:	400,000 ordinary shares
Interests in options:	1,250,000 unlisted options

Name:	**Mr Michael John Amundsen (FAICD, M.AusIMM)**
Title:	Non-Executive Director
Experience and expertise:	Mr Mike Amundsen provides corporate advisory services and has had over 30 years' experience in the global resource sector. Mr Amundsen was previously CEO and Managing Director at FerrAus Limited, a company listed on the ASX. Prior to that, Mr Amundsen held senior business roles at BHP Billiton Carbon Steels Materials Group, including coking coal and iron ore businesses. During his 28 years with BHP Billiton, Mr Amundsen held numerous positions in business development, finance, planning and strategy. While at BHP Billiton, Mr Amundsen spent 7 years on the Board of the Brazillian iron ore producer Samarco (a 50:50 joint venture between Vale and BHP Billiton).
Other current directorships:	Nil
Former directorships (in the last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	450,000 ordinary shares
Interests in options:	2,000,000 unlisted options

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Principal activities

During the financial year, the principal activities of the Group consisted of exploration activities with the view to identifying attractive mineral deposits of sufficient grade and size to provide sustainable returns to shareholders.

Dividends

There were no dividends paid or declared during the current or previous financial year.

Review of operations

The loss for the Group after providing for income tax and non-controlling interests amounted to $3,811,871 (30 June 2013: $5,709,368). During the year, $2.19 million of exploration assets for the Group's projects was written off.

Additional information on the Company's operations is included in the detailed Activities Report preceding this Directors' report.

Significant changes in the state of affairs

During the year, the Company completed its capital raising of $2.2 million, before issue costs, via Share Purchase Plan (SPP) and private placement of 54,962,500 ordinary shares at 4.0 cents per share with institutional and sophisticated investors.

- Placement of 25,000,000 shares ($1,000,000) to Resource Capital Fund V.L.P ("RCF"), increasing RCF's ownership level from 28.99% to 31.89%.
- Placement of 12,500,000 shares ($500,000) to Mr Chee Siew Yaw, increasing his ownership level from 10.96% to 13.03%.
- Placement of 11,225,000 shares ($449,000) to other new and existing institutional and sophisticated investors.
- Issue of 6,237,500 shares ($249,500) under a Share Purchase Plan.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

On 1 August 2014, the Company granted 1.05 million options to employees under the existing Employee Share Scheme. The options have an exercise price of 4.5 cents each and expire on 26 June 2017.

No other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The consolidated entity will continue to pursue its objectives of exploring and advancing the Lochinvar Project. The key activities proposed for FY2015 will be the completion of the scoping study (due in October 2014) and then further exploration through both drilling and seismic which will provide greater confidence on the geology of Lochinvar. This will lead to the commencement of a pre-feasibility study in the first half of FY2016.

To fully complete the work program for FY2015, the consolidated entity will need to raise further capital. The Directors are still to identify the levels of finance required.

Environmental regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia as at this date.

The Group's exploration activities in Colombia and the United Kingdom are subject to environmental regulations in those countries. The Board maintains responsibility that the Group is in compliance with all relevant environmental legislation and maintains a high standard of environmental care. During the year, there were no known breaches of tenement conditions, and no such breaches have been notified by any government agencies.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the director and other key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:
A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation
E Additional information

A Principles used to determine the nature and amount of remuneration

Remuneration Policy

The Board practice for determining the nature and amount of remuneration of directors and other key management personnel is agreed by the Board of Directors as a whole. The Board obtains professional advice where necessary to ensure that the Group attracts and retains talented and motivated Directors and employees who can enhance Group performance through their contributions and leadership.

Remuneration consists of a fixed remuneration, performance-based bonuses and long term share options as considered appropriate. The Board believes that options are an effective remuneration tool which preserves the cash reserves of the Group whilst providing valuable remuneration.

Executive Director Remuneration

Due to the limited size of the Group and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. In determining the level and make-up of the Executive Director remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience.

Remuneration is periodically compared to relevant external market conditions. This is done based on surveys of peer companies' Managing Director remuneration and also taking into account the increase in consumer price index. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

No external consultant was engaged during the year for the purpose of remuneration review.

Non-Executive Director Remuneration

Non-executive Directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act at the time of the Directors retirement or termination. Non-Executive Directors remuneration may include an incentive portion consisting of bonuses and/or options, as considered appropriate by the Board, which may be subject to shareholder approval in accordance with the ASX Listing Rules.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers the amount of Director fees being paid by comparable companies with similar responsibilities and the experience of the Non-Executive Directors when undertaking the annual review process.

The Group determines the maximum amount for remuneration, including thresholds for share-based remuneration, for Directors by resolution. At the Annual General Meeting held on 28 November 2012, shareholders approved $300,000 as the annual maximum amount of remuneration that may be allocated to all Non-Executive Directors. Further details regarding components of Director and executive remuneration are provided in the following tables.

Group performance, shareholder wealth and director and other key management personnel remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and other key management personnel through successfully achieving its primary objectives. During exploration project development phase, these objectives are not linked to earnings. Instead, the successful discovery or acquisition of mineral resources and progress with project development are the primary means of value creation and thus, are the primary objectives of the Company. The achievement of this aim has been through the issue of options to Directors to encourage the alignment of personal and shareholder interests. The recipients of the options are responsible for growing the Group and increasing shareholder value. If they achieve this goal, the value of the options granted to them will also increase. Therefore, the options provide an incentive to the recipients to remain with the Group and to continue to work to enhance the Group's value.

B Details of remuneration

Details of the remuneration of the Directors and other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the Group) of the Group are set out in the following tables.

	Short-term benefits		Post-employment benefits			
	Salary/Fees	Bonus	Superannuation	Options	Total	Performance Related
2014	$	$	$	$	$	%
Non-Executive Directors:						
Mr A Broome AM	69,500	-	-	-	69,500	-
Mr G L Rice	48,208	-	-	-	48,208	-
Mr M Amundsen	48,208	-	-	-	48,208	-
Executive Directors:						
Mr G Fietz (3)	320,000	-	25,000	-	345,000	-
Mr A M Wing (4)	94,909	-	346	-	95,255	-
	580,825	-	25,346	-	606,171	-
2013						
Non-Executive Directors:						
Mr A Broome AM (1)	26,250	-	-	17,500	43,750	-
Mr E F Stoyle (2)	66,800	-	-	-	66,800	-
Mr G L Rice (3)	51,775	-	-	17,500	69,275	-
Mr M Amundsen (3)	49,050	-	-	30,250	79,300	-
Executive Directors:						
Mr G Fietz (3)	313,505	100,000	26,495	167,000	607,000	16%
Mr A M Wing (3)	134,000	-	3,375	17,500	154,875	-
	641,380	100,000	29,870	249,750	1,021,000	10%

(1) Mr Broome was appointed 18 February 2013.
(2) Mr Stoyle resigned as director on 24 October 2012.
(3) Refer to Note 19 of the financial statements for related party transactions.
(4) Mr Wing resigned as director on 15 July 2013 but remains in his position as Company Secretary.

Cost reductions

In April 2014, as part of a cost reduction program, the Directors agreed to a reduction in their fees/remuneration as follows:

- Chairman - reduced to $67,000 p.a.
- Managing Director's package - reduced to $295,000 salary plus $25,000 superannuation p.a
- Non-executive Directors – reduced to $44,000 p.a.
- Company Secretary - reduced to $82,000 p.a.

C Service agreements

NAE has an Executive Service Agreement (ESA) with its Managing Director, Mr Gary Fietz, which commenced on 11 March 2010. The agreement stipulates an annual remuneration of $290,000 plus superannuation of $30,000 per annum. The ESA allows for Mr Fietz to receive a one-off cash bonus equivalent to one year's annual remuneration upon the Group successfully completing the acquisition of a Material Project. The Group may terminate the ESA without cause at any time by the payment of 6 months annual remuneration.

On 20 September 2012, the Board resolved to increase Mr Fietz annual remuneration to $325,000 plus $25,000 superannuation per annum.

Pursuant to the terms of the ESA, the Board approved on 26 November 2012 the payment of a $100,000 performance bonus to Mr Fietz reflecting the substantive progress in a primary project in Lochinvar. The amount paid will be deducted from any future one-off cash bonus equivalent to one year's salary per the ESA with Mr Fietz.

In May 2013, 13 million options were granted to Mr Fietz as part of his remuneration (refer to the Share-based compensation disclosure which follows for the option terms). The Board believes that these options are an effective remuneration and incentive tool which is aligned with increasing shareholder value while preserving the cash reserves of the Group.

On 14 April 2014, as part of NAE's cost reduction program, Mr Fietz agreed to an adjustment to his remuneration, with his annual salary reduced to $295,000 plus superannuation of $25,000.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

D Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2014.

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel, including their personally related parties, is set out below:

2014	**Balance at the start of the year**	**Received as part of remuneration**	**Additions**	**Disposals/ Other**	**Balance at the end of the year**
Ordinary shares					
Alan Broome AM	-	-	475,000	-	475,000
Gary Fietz	50,000	-	395,000	-	445,000
Gavan Rice	400,000	-	-	-	400,000
Michael Amundsen	200,000	-	250,000	-	450,000
Adrien Wing	-	-	750,000	-	750,000
	650,000	-	1,870,000	-	2,520,000
2013					
Ordinary shares					
Gary Fietz	50,000	-	-	-	50,000
Edwin Stoyle	4,645,000	-	-	(4,645,000)	-
Gavan Rice	300,000	-	100,000	-	400,000
Michael Amundsen	-	-	200,000	-	200,000
Adrien Wing	-	-	-	-	-
	4,995,000	-	300,000	-	650,000

Options

There were no options issued to key management personnel as part of compensation during the year ended 30 June 2014.

Options holdings
The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel, including their personally-related parties, is set out below:

2014	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at the end of the year	Vested and exercisable
Options over ordinary shares						
Alan Broome AM	1,250,000	-	-	-	1,250,000	1,250,000
Adrien Wing	1,250,000	-	-	-	1,250,000	1,250,000
Gavan Rice	1,250,000	-	-	-	1,250,000	1,250,000
Gary Fietz	13,000,000	-	-	-	13,000,000	3,000,000
Michael Amundsen	2,000,000	-	-	-	2,000,000	2,000,000
	18,750,000	-	-	-	18,750,000	8,750,000

2013	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year	Vested and exercisable
Options over ordinary shares						
Alan Broome AM (1)	-	1,250,000	-	-	1,250,000	1,250,000
Edwin Stoyle	750,000	-	-	(750,000)	-	-
Adrien Wing (1) (2)	1,000,000	1,250,000	-	(1,000,000)	1,250,000	1,250,000
Gavan Rice (1) (2)	750,000	1,250,000	-	(750,000)	1,250,000	1,250,000
Gary Fietz (2) (3)	12,950,000	13,000,000	-	(12,950,000)	13,000,000	3,000,000
Michael Amundsen (1) (4)	-	2,000,000	-	-	2,000,000	2,000,000
	15,450,000	18,750,000	-	(15,450,000)	18,750,000	8,750,000

(1) 5,000,000 options granted as part of remuneration on 28 May 2013, vesting immediately and exercisable at 10 cents on or before 27 May 2016. Each director received 1,250,000 options.
(2) Options lapsed were exercisable at 10 cents on or before 31 March 2013.
(3) 13,000,000 options granted as part of remuneration on 28 May 2013, exercisable at 10 cents on or before 27 May 2016, with 3,000,000 vesting immediately, 3,333,333 options vesting upon the Company's share price reaching 10 cents for more than 15 days from any consecutive 20 business days, 3,333,333 vesting upon the Company's share price reaching 12 cents for more than 15 days from any consecutive 20 business days and 3,333,334 vesting upon the Company's share price reaching 18 cents for more than 15 days from any consecutive 20 business days.
(4) 750,000 options granted as part of remuneration on 11 December 2012, vesting immediately and exercisable at 14 cents on or before 6 February 2015.

E Additional information

The earnings of the Group for the five years to 30 June 2014 are summarised below:

	2010 $	2011 $	2012 $	2013 $	2014 $
Revenue	304,515	458,513	1,248,747	114,110	97,155
Net profit/(loss) before tax	(1,718,043)	(2,159,528)	(1,465,990)	(5,943,761)	(4,052,230)
Net profit/(loss) after tax	(1,718,043)	(2,159,528)	(1,465,990)	(5,943,761)	(4,052,230)

The factors that are considered to affect total shareholders return (TSR) are summarised below:

	2010	2011	2012	2013	2014
Share price at start of year	0.05	0.08	0.12	0.08	0.03
Share price at end of year	0.08	0.12	0.08	0.03	0.02
Basic loss per share (cents per share)	(3.08)	(2.24)	(1.20)	(2.97)	(1.42)
Diluted loss per share (cents per share)	(3.08)	(2.24)	(1.20)	(2.97)	(1.42)

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
1 July 2012	1 July 2015	$0.12	2,000,000
1 September 2012	31 August 2015	$0.10	500,000
11 December 2012	6 February 2015	$0.14	750,000
28 May 2013	27 May 2016	$0.045	550,000
28 May 2013 (1)	27 May 2016	$0.10	18,000,000
1 August 2014	26 June 2017	$0.045	1,050,000
			22,850,000

All options are unlisted.

(1) 5,000,000 options were granted as part of remuneration and vesting immediately. Each non-executive director and Mr Adrien Wing received 1,250,000 options. A further 13,000,000 options were granted to Mr Gary Fietz, executive director, as part of remuneration with the following vesting conditions: 3,000,000 options vesting immediately, 3,333,333 will vest upon the Company's share price reaching 10 cents for more than 15 days from any consecutive 20 business days, 3,333,333 will vest upon the Company's share price reaching 12 cents for more than 15 days from any consecutive 20 business days and 3,333,334 will vest upon the Company's share price reaching 18 cents for more than 15 days from any consecutive 20 business days.

Shares issued on the exercise of options

No shares of the Company were issued during the year ended 30 June 2014 on the exercise of options granted.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives for costs incurred in their capacity as a Director or executive for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Non-audit services

Details of amounts paid or payable to the auditor of the Company and its related practices for audit and non-audit services provided during the year are outlined in Note 17 in the Notes to the Financial Statements.

The Directors are of the opinion that the services as disclosed in Note 17 to the financial statements do not compromise the external auditor's independence for the following reasons:

- All non-audit services have been reviewed and approved by the Audit Committee to ensure that they do not impact the integrity and objectivity of the auditors, and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Profession and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

G. C. Fietz

Gary Fietz
Director

25 September 2014
Melbourne

dfk collins
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**DECLARATION OF INDEPENDENCE BY MICHAEL PORT
TO THE DIRECTORS OF NEW AGE EXPLORATION LIMITED**

As lead auditor for the audit of the financial report of New Age Exploration Limited for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

M L Port
Partner

DFK Collins
Chartered Accountants

25 September 2014
Melbourne

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Revenues	4	97,155	114,110
Expenses			
Corporate expenses		(241,633)	(389,760)
Occupancy expenses		(95,578)	(112,751)
Employee benefits expenses	5	(1,163,023)	(1,612,676)
Share-based payments – consulting fees	5	-	(18,500)
Exploration and evaluation expenses	10	(2,187,684)	(3,464,105)
Administrative expenses		(275,928)	(288,583)
Legal expenses		(11,802)	(36,104)
Impairment of plant and equipment	9	(76,015)	-
Travel and accommodation		(97,722)	(135,392)
Loss before income tax expense		(4,052,230)	(5,943,761)
Income tax expense	6	-	-
Loss after income tax expense		(4,052,230)	(5,943,761)
Other comprehensive income/(loss) for the year			
Items that may be reclassified subsequently to profit or loss			
- Exchange differences on translation of foreign operations		215,730	339,445
Other comprehensive income/(loss) for the year net of tax		215,730	339,445
Total comprehensive loss for the year		(3,836,500)	(5,604,316)
Loss for the year attributable to:			
Non-controlling interests		(240,359)	(234,393)
Owners of New Age Exploration Limited		(3,811,871)	(5,709,368)
		(4,052,230)	(5,943,761)
Total comprehensive loss for the year attributable to:			
Non-controlling interests		(246,927)	(230,422)
Owners of New Age Exploration Limited		(3,589,573)	(5,373,894)
		(3,836,500)	(5,604,316)
Loss per share from continuing operations attributable to the owners of New Age Exploration Limited			
		Cents	**Cents**
Basic loss per share	22	(1.42)	(2.97)
Diluted loss per share	22	(1.42)	(2.97)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

	Note	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Current assets			
Cash and cash equivalents	7	2,416,554	4,967,880
Trade and other receivables	8	182,114	131,758
Prepayments		83,655	85,552
Total current assets		2,682,323	5,185,190
Non–current assets			
Property, plant and equipment	9	60,740	143,415
Exploration and evaluation assets	10	5,179,145	4,857,540
Total non-current assets		5,239,885	5,000,955
Total assets		7,922,208	10,186,145
Current liabilities			
Trade and other payables	11	653,468	1,166,554
Provisions	12	52,064	47,484
Deferred lease liability		10,418	10,418
Total current liabilities		715,950	1,224,456
Non-current liabilities			
Deferred lease liability		2,199	12,617
Total non-current liabilities		2,199	12,617
Total liabilities		718,149	1,237,073
Net assets		7,204,059	8,949,072
Equity			
Equity attributable to members of the parent:			
Contributed equity	13	23,168,682	21,082,695
Reserves	14	969,539	848,541
Accumulated losses		(16,946,018)	(13,175,030)
Total parent entity interest		7,192,203	8,756,206
Non-controlling interests		11,856	192,866
Total equity		7,204,059	8,949,072

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 June 2014

Consolidated	**Attributable to owners of New Age Exploration Limited**				
	Contributed Equity $	**Reserves $**	**Accumulated Losses $**	**Non-Controlling Interests $**	**Total $**
At 1 July 2013	21,082,695	848,541	(13,175,030)	192,866	8,949,072
Loss for the period	-	-	(3,811,871)	(240,359)	(4,052,230)
Other comprehensive income	-	222,298	-	(6,568)	215,730
Total comprehensive loss for the period	-	222,298	(3,811,871)	(246,927)	(3,836,500)
Transactions with owners in their capacity as owners:					
Issue of shares	2,198,500	-	-	-	2,198,500
Issue costs	(112,513)	-	-	-	(112,513)
Share-based payments	-	5,500	-	-	5,500
Expiry of options	-	(106,800)	106,800	-	-
Non-controlling interest in exploration projects	-	-	(65,917)	65,917	-
As at 30 June 2014	23,168,682	969,539	(16,946,018)	11,856	7,204,059
At 1 July 2012	13,800,154	1,047,962	(8,338,230)	404,111	6,913,997
Loss for the period	-	-	(5,709,368)	(234,393)	(5,943,761)
Other comprehensive income	-	335,474	-	3,971	339,445
Total comprehensive loss for the period	-	335,474	(5,709,368)	(230,422)	(5,604,316)
Transactions with owners in their capacity as owners:					
Issue of shares	7,500,000	-	-	-	7,500,000
Issue costs	(217,459)	-	-	-	(217,459)
Share-based payments	-	356,850	-	-	356,850
Expiry of options	-	(891,745)	891,745	-	-
Non-controlling interest in exploration projects	-	-	(19,177)	19,177	-
As at 30 June 2013	21,082,695	848,541	(13,175,030)	192,866	8,949,072

The above statement of changes in equity should be read in conjunction with the accompanying notes.

	Note	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,106,721)	(2,338,146)
Interest received		84,167	113,952
Net cash flows used in operating activities	21	(2,022,554)	(2,224,194)
Cash flows from investing activities			
Payments for property, plant and equipment		(15,401)	(53,715)
Payments for exploration and evaluation assets		(2,641,583)	(3,663,775)
Net cash flows used in investing activities		(2,656,984)	(3,717,490)
Cash flows from financing activities			
Proceeds from issue of shares		2,198,500	7,500,000
Share issue costs		(73,392)	(211,627)
Net cash flows provided by financing activities		2,125,108	7,288,373
Net (decrease)/increase in cash and cash equivalents held		(2,554,430)	1,346,689
Cash and cash equivalents at beginning of the year		4,967,880	3,580,567
Effects of foreign exchange rate changes on cash		3,104	40,624
Cash and cash equivalents at the end of the year	7	2,416,554	4,967,880

The above statement of cash flows should be read in conjunction with the accompanying notes.

General information

The consolidated financial report of New Age Exploration Limited as at and for the year ended 30 June 2014 comprises the Company and its subsidiaries (together referred to as the "Group").

The financial report is presented in Australian dollars, which is New Age Exploration Limited's functional and presentation currency.

New Age Exploration Limited is a listed for-profit public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 17
500 Collins Street
Melbourne VIC 3000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report.

The financial report was authorised for issue, in accordance with a resolution of directors, on the date of the signing of the Directors' declaration.

Note 1 Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

In the year ended 30 June 2014, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. The following is a summary of these Standards and Interpretations that have had a material impact on the Group.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements
This standard removes the individual key management personnel disclosure requirements in AASB 124 'Related Party Disclosures'. As a result, the Group only discloses the key management personnel compensation in total and for each of the categories required in AASB 124 (see Note 19).

In the current year the individual key management personnel disclosure previously required by AASB 124 (Note 18 in the 30 June 2013 financial statements) is now disclosed in the Remuneration Report in the Directors' Report due to an amendment to Corporations Regulations 2001 issued in June 2013.

Note 1 Significant accounting policies (cont'd)

New Accounting Standards and Interpretations not yet mandatory or early adopted

At the reporting date, the accounting standards issued but not yet effective that may impact the consolidated group in the future are listed below.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2017	30 June 2018
AASB 1031 'Materiality' (2013)	1 January 2014	30 June 2015
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015
AASB 2013-3 'Amendments to AASB 135 – Recoverable Amount Disclosures for Non- Financial Assets'	1 January 2014	30 June 2015
AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'	1 January 2014	30 June 2015
AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'	1 January 2014	30 June 2015
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	1 January 2014	30 June 2015
INT 21 'Levies'	1 January 2014	30 June 2015

The Group has determined the eventual effect of the above standards, amendments to standards and interpretations at this stage to be immaterial.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared on an accruals basis under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

Note 1 Significant accounting policies (cont'd)

Going Concern

The Consolidated Group has incurred a net loss after tax of $4,052,230 for the year ended 30 June 2014 (30 June 2013: $5,943,761) and had cash outflows from operating and investing activities of $4,679,538 (30 June 2013: $5,941,684). As at the reporting date, the Group had working capital, being current assets less current liabilities, of $1,966,373 (30 June 2013: $3,960,734). While the directors are satisfied that there is sufficient working capital to enable the Group to continue to meet its operational costs and financial obligations in a timely manner over the next 12 months, they are also aware that to continue to advance the exploration projects, significant capital expenditure will be required.

The financial report has been prepared on a going concern basis which assumes the realisation of assets and extinguishment of liabilities in the normal course of business at the amounts stated in the financial report, for the following reasons:

- At 30 June 2014, the consolidated entity had cash and cash equivalents of $2,416,554.
- The Company has prepared cash flow budgets which include significant cash outflows for project expenditure, which can be deferred wholly or in part if insufficient capital is raised to fund that activity.
- The Board is of the opinion that the Company will be able to access equity capital markets for working capital, as has been demonstrated in the past via share issues.

On the basis that sufficient cash inflows are expected to be raised through future capital raising to fund the planned further expansion of the exploration and development programs for at least 12 months after the date of this report, the Directors consider that the Group remains a going concern and these financial statements have been prepared on this basis. Although the Directors believe that they will be successful in these measures, this material uncertainty may cast significant doubt on the Company and its controlled entities' ability to continue as a going concern and therefore their ability to realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Principles of Consolidation

The consolidated financial statements are those of the consolidated entity, comprising the company (the 'parent entity') and its controlled entities (the 'Group'). Details of the controlled entities are contained in Note 19.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Financial statements for controlled entities are prepared for the same reporting period as the parent entity, using consistent accounting policies. Controlled entities are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

Note 1 Significant accounting policies (cont'd)

Foreign Currency

Functional and Presentation Currency
The financial statements of each group entity are measured using its functional currency, which is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, as this is the parent entity's functional and presentation currency.

Transactions and Balances
Transactions in foreign currencies of entities within the consolidated entity are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of financial year.

Resulting exchange differences arising on settlement or re-statement are recognized as revenues and expenses for the financial year.

Group Companies
The financial statements of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period where this rate approximates the rate at the date of the transaction; and
- All resulting exchange differences are recognized as a separate component of equity.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve as a separate component of equity in the statement of financial position.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Interest Revenue
Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and under and over provision in prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Note 1 Significant accounting policies (cont'd)

Income tax (cont'd)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any allowance for impairment.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Exploration, Evaluation, Development and Production Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward as an asset only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- (i) such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- (ii) exploration and evaluation activities in the area of interest have not, at reporting date, resulted in booking economically recoverable reserves, and active operations in, or relating to, this area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Note 1 Significant accounting policies (cont'd)

Exploration, Evaluation, Development and Production Expenditure (cont'd)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development. Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Exploration and evaluation expenditure is reclassified to development expenditure once the technical feasibility and commercial viability of extracting the related mineral resource is demonstrable. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life according to the rate of depletion of the economically recoverable reserves. Changes in factors such as estimates of proved and probable reserves that affect the calculations are dealt with on a prospective basis.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit or loss in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Wages and salaries, annual leave and sick leave
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Note 1 Significant accounting policies (cont'd)

Employee benefits (cont'd)

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 1 Significant accounting policies (cont'd)

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of New Age Exploration Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case, it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows from investing or financing activities which are recoverable from, or payable to, the tax authority are presented as operating cash flows.

Commitments and contingencies are disclosed net of the GST recoverable from, or payable to, the tax authority.

Note 2 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, which management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and evaluation
The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether economically recoverable minerals are proven and whether the consolidated entity decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that would impact the future recoverability include the level of reserves and resources, future technological changes (which would impact the cost of mining), future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Note 2 Critical accounting judgements, estimates and assumptions (cont'd)

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if the activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

Note 3 Operating segments

The Group operated predominately as an explorer with the view to identify attractive mineral deposits of sufficient grade and size to provide sustainable returns to shareholders.

The directors do not believe that there are any reportable segments that meet the requirements of Accounting Standard AASB 8 Segment Reporting, on the basis that the chief operating decision maker, being the Board of Directors, review geological results and other qualitative measures as a basis for decision making. Financial results are reviewed on a consolidated group basis.

Note 4 Revenues

	Consolidated 2014 $	Consolidated 2013 $
Other revenue		
Interest	97,155	114,110
Revenues	97,155	114,110

Note 5 Expenses

	Note	Consolidated 2014 $	Consolidated 2013 $
Loss before income tax includes the following expenses:			
Employee Benefits			
Wages and salaries – key management		320,000	413,505
Wages and salaries – others		483,027	378,140
Directors and company secretary fees		260,826	327,875
Superannuation expense (defined contribution)		64,320	55,569
Share based payments	14	5,500	338,350
Other employee benefits and taxes		29,350	99,237
		1,163,023	1,612,676
Depreciation	9	22,061	17,902
Share-based payments expense - Consultants fees	14	-	18,500

Note 6 Income tax expense

	Consolidated 2014 $	Consolidated 2013 $
(a) Components of Tax expense		
Current tax expense	-	-
Deferred tax expense	-	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	(4,052,230)	(5,943,761)
Tax at the Australian tax rate of 30%	(1,215,669)	(1,783,128)
Share-based payments	1,650	107,055
Non-deductible items	200,543	524,732
	(1,013,476)	(1,151,341)
Current year tax losses not recognised	1,013,476	1,151,341
Income tax expense	-	-

Deferred tax assets not recognised

	Consolidated 2014 $	Consolidated 2013 $
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses	2,849,596	2,306,204
Temporary differences	102,454	187,041
Total deferred tax assets not recognised	2,952,050	2,493,245

The above potential tax benefit has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:
(i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
(ii) the Group continues to comply with the conditions for deductibility imposed by law; and
(iii) no change in tax legislation adversely affects the Group in realising the benefits from deducting the losses.

Note 7 Current assets - cash and cash equivalents

	Consolidated 2014 $	Consolidated 2013 $
Cash at bank	348,994	1,202,542
Short-term deposits	2,067,560	3,765,338
	2,416,554	4,967,880

Note 8 Current assets - trade and other receivables

	Consolidated 2014 $	Consolidated 2013 $
Interest receivable	4,609	7,213
GST and VAT receivable	163,209	112,158
Other receivables	14,296	12,387
	182,114	131,758

Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value. Given the nature of the receivables as detailed, exposure to credit risk is not considered material.

Note 9 Non-current assets - property, plant and equipment

	Consolidated 2014 $	Consolidated 2013 $
Plant and equipment - at cost	108,307	168,921
Less: Accumulated depreciation	(47,567)	(25,506)
Total property, plant and equipment	60,740	143,415

Reconciliations
Reconciliations of the written down values are set out below:

	Plant and Equipment $	Total $
Balance at 1 July 2012	96,361	96,361
Additions	64,956	64,956
Depreciation expense	(17,902)	(17,902)
Balance at 30 June 2013	143,415	143,415
Additions	15,401	15,401
Depreciation expense	(22,061)	(22,061)
Impairment expense	(76,015)	(76,015)
Balance at 30 June 2014	60,740	60,740

Note 10 Non-current assets - Exploration and evaluation assets

	Consolidated 2014 $	Consolidated 2013 $
Exploration and evaluation assets	5,179,145	4,857,540

Reconciliations
Reconciliations of the written down values are set out below:

	Exploration and evaluation $	Total $
Balance at 1 July 2012	3,890,058	3,890,058
Additions	4,431,587	4,431,587
Write off of exploration costs	(3,464,105)	(3,464,105)
Balance at 30 June 2013	4,857,540	4,857,540
Additions	2,509,289	2,509,289
Write off of exploration costs	(2,187,684)	(2,187,684)
Balance at 30 June 2014	5,179,145	5,179,145

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the continuation of the Group's rights to tenure of the interests, results of future exploration and successful development or alternatively, sale of the respective areas of interest.

Exploration costs written off during 2013 and 2014 relate to the Group's Colombian projects.

Note 11 Current liabilities - trade and other payables

	Consolidated 2014 $	Consolidated 2013 $
Trade and other payables	653,468	1,166,554

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value. Trade payables are non-interest bearing and are normally settled on 30-day terms.

Note 12 Current liabilities – provisions

	Consolidated 2014 $	Consolidated 2013 $
Employee benefits	52,064	47,484

A provision has been recognised for employee entitlements relating to annual leave.

Note 13 Equity - contributed

	Consolidated 2014 Number	Consolidated 2013 Number	Consolidated 2014 $	Consolidated 2013 $
Ordinary shares – fully paid	313,249,943	258,287,443	23,168,682	21,082,695

Movements in Ordinary Share Capital

	No. of Shares	Issue Price	$
Balance 1 July 2012	142,902,828		13,800,154
Issue of shares – placement	115,384,615	$0.065	7,500,000
Issue costs			(217,459)
Balance 30 June 2013	258,287,443		21,082,695
Issue of shares – placement	54,962,500	$0.040	2,198,500
Issue costs			(112,513)
Balance 30 June 2014	313,249,943		23,168,682

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and, upon a poll, each share shall have one vote.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital risk management policy remains unchanged from the 30 June 2013 Annual Report.

Options
Refer to Note 24 for detailed disclosures of options on issue.

Note 14 Equity - reserves

	Consolidated 2014 $	Consolidated 2013 $
Share-based payments reserve (a)	449,950	551,250
Foreign exchange reserve (b)	519,589	297,291
	969,539	848,541

(a) Share-based payments reserve
The share-based payment reserve is used to recognise the fair value of options issued as consideration for services provided to the Group.

Note 14 Equity – reserves (cont'd)

Movements in reserve

	Number	$
Balance 1 July 2012	19,150,000	1,086,145
Options issued to employees (1)	2,550,000	88,600
Options issued to directors	18,750,000	249,750
Options issued to consultants	500,000	18,500
Expiry of options – transfer to accumulated losses	(16,450,000)	(891,745)
Balance 30 June 2013	24,500,000	551,250
Options issued to employees (1)		5,500
Expiry of options – transfer to accumulated losses	(1,900,000)	(106,800)
Balance 30 June 2014	22,600,000	449,950

(1) Options were granted to employees in 2013 with a vesting period completed in the 2014 financial year.

(b) Foreign exchange reserve

The foreign exchange reserve is used to record exchange differences arising on translation of foreign controlled subsidiaries with functional currency different from the Groups' presentation currency.

Movements in reserve

	Consolidated 2014 $	Consolidated 2013 $
Balance at beginning of the year	297,291	(38,183)
Foreign currency translation differences for foreign operations	222,298	335,474
Balance at end of the year	519,589	297,291

Note 15 Equity - dividends

Dividends
There were no dividends paid or declared during the current or previous financial year.

Note 16 Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the Board. The policies employed to mitigate risk include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. The Board identifies risk and evaluates the effectiveness of its responses.

Note 16 Financial instruments (cont'd)

Market risk

Interest rate risk
The Group's main exposure to interest rate risk is in relation to deposits held. Deposits are held with reputable banking financial institutions.

As at the reporting date, the Group had the following variable rate cash balances.

	Consolidated 2014 $	Consolidated 2013 $
Cash at bank	2,416,554	4,967,880

An increase/decrease in interest rate of 1 percent would have a favourable/adverse effect on loss before tax of $24,166 per annum (2013: $49,679). The percentage change is added on the expected volatility of interest rates using market data and analysts forecasts.

Credit risk
Credit risk is managed on a Group basis. Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has minimal exposure to credit risk as its only receivables relate to security deposits, interest receivable, and GST refunds due.

Foreign Currency Risk
As a result of operations in Colombia and the United Kingdom, the Group's Statement of Financial Position can be affected significantly by movements in the Colombian Peso (COP)/Australian Dollar (AU$) exchange rate as well as British Pound (GBP)/ Australian Dollar (AU$) exchange rate. Additionally, the Company holds assets in Spain, and is therefore impacted by the Euro (EUR)/AU$ exchange rate. The Group does not have a formal policy or strategy implemented to mitigate the effects of its foreign currency exposure. As the majority of the Group's operations occur within subsidiaries located in foreign countries, foreign currency risk is considered to be an inherent risk of the Group.

At 30 June, the Group had the following exposure to COP, EUR and GBP foreign currency that is not designated as cash flow hedges:

	Assets		Liabilities		Net Exposure	
	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $
GBP	312,835	855,689	(440,604)	(923,873)	(127,769)	(68,184)
COP	10,927	32,446	(52,222)	(93,715)	(41,295)	(61,269)
EUR	6,353	16,531	(816)	(10,987)	5,537	5,544

Note 16 Financial instruments (cont'd)

Foreign Currency Risk (cont'd)

The following sensitivity is based on the foreign currency risk exposures in existence at reporting date.

At 30 June, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements:	**Post Tax Profit Higher/(Lower)**		**Equity Higher/(Lower)**	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
A$/COP +10%	4,130	6,127	4,130	6,127
A$/EUR +10%	(554)	(554)	(554)	(554)
A$/GBP +10%	12,777	6,818	12,777	6,818
A$/COP -10%	(4,130)	(6,127)	(4,130)	(6,127)
A$/EUR -10%	554	554	554	554
A$/GBP -10%	(12,777)	(6,818)	(12,777)	(6,818)

Management believes the balance date risk exposures are representative of the risk exposure inherent in the financial instruments. A movement of + and – 10% is selected because a review of recent exchange rate movements and economic data suggests this range is reasonable.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2014	**1 year or less**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Remaining contractual maturities**
	$	**$**	**$**	**$**	**$**
Non-derivatives					
Non-interest bearing					
Trade and other payables	653,468	-	-	-	653,468
Total non-derivatives	653,468	-	-	-	653,468
2013					
Non-derivatives					
Non-interest bearing					
Trade and other payables	1,166,554	-	-	-	1,166,554
Total non-derivatives	1,166,554	-	-	-	1,166,554

Note 17 Remuneration of auditors

During the financial year, the following audit and non-audit fees were paid or payable:

	Consolidated 2014 $	Consolidated 2013 $
Audit or review of the financial reports		
DFK Collins	46,500	41,000
Other overseas auditor (Grant Thornton)	9,039	12,856
	55,539	53,856
Taxation services – other DFK network firm	-	26,300
	55,539	80,156

Note 18 Commitments for expenditure

	Consolidated 2014 $	Consolidated 2013 $
Various mining tenements and permits expenditure committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	109,493
One to five years	-	3,230,045
	-	3,339,538

The expenditure commitments at 30 June 2013 were related to the Group's agreement to acquire the coking coal concession FL2-151 in Colombia. On 3 September 2013, the Company announced its decision to terminate this agreement, and therefore extinguished its commitments, given the difficulties in obtaining legal rights to undertake drilling activities for the project as well as the tough market conditions.

	Consolidated 2014 $	Consolidated 2013 $
Operating lease commitments as at the reporting date but not recognised as liabilities for its office premises:		
Within one year	86,713	83,378
One to five years	14,545	101,258
	101,258	184,636

Note 19 Related party disclosures

Key Management Personnel Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated 2014 $	Consolidated 2013 $
Short-term employee benefits	580,825	741,380
Post-employment benefits	25,346	29,870
Share-based payments	-	249,750
	606,171	1,021,000

Note 19 Related party disclosures (cont'd)

Controlled entities

Name of entity	Country of incorporation	Class of shares	Equity holding % 2014	Equity holding % 2013
NAE Resources NL	Spain	Ordinary	100	100
NAE Aurora JV Cesar SAS (2)	Colombia	Ordinary	90	90
NAE Aurora JV La Miel SAS (1) (2)	Colombia	Ordinary	-	90
NAE Aurora JV Subachoque SAS (2)	Colombia	Ordinary	90	90
NAE Resources (UK) Ltd	United Kingdom	Ordinary	100	100
Lochinvar Coal Limited	United Kingdom	Ordinary	100	100

(1) As a result of the Group's withdrawal from the La Miel Coal Project in December 2012, NAE Aurora JV La Miel SAS was merged with NAE Aurora JV Cesar SAS. The merge was completed on 15 August 2013.

(2) The Colombian subsidiaries are each owned 90% by New Age Exploration Limited with Aurora Energy S.A. owning 10% of the companies. Additional disclosure of financial information in respect to the 10% non-controlling interest in the controlled entities is not considered necessary based on materiality levels.

Transactions with related parties

	Consolidated 2014 $	Consolidated 2013 $
Services provided to the Group made on normal commercial terms and conditions and at market rates:		
Mike Amundsen, director, for consulting services	-	101,635
Gavan Rice, director, for legal and consultancy services	-	9,973
Adrien Wing, company secretary, for consulting services	-	3,600
Widerange Mining Projects Pty Ltd, a company associated with Gary Fietz, for administrative services	20,600	14,640
Gary Fietz's wife, for administrative and investor relations support services	18,354	-
Payments to Aurora Energy S.A., for consultancy services (1)	64,269	374,383

(1) Aurora Energy S.A. owns 10% of NAE Aurora JV Cesar SAS and NAE Aurora JV Subachoque SAS.

Receivable from and payable to related parties
There were no loans to or from related parties at the reporting date.

Note 20 Events occurring after the reporting date

On 1 August 2014, the Company granted 1.05 million options to employees under the existing Employee Share Scheme. The options have an exercise price of 4.5 cents each and expire on 26 June 2017.

No other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 21 Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2014 $	Consolidated 2013 $
Loss after income tax expense for the year	(4,052,230)	(5,943,761)
Adjustments for:		
Depreciation and amortisation	22,061	17,902
Unrealised foreign exchange losses/(gains)	9,134	(10,725)
Share-based payments	5,500	356,850
Impairment of fixed assets	76,015	-
Write off of exploration assets	2,187,684	3,464,105
Change in operating assets and liabilities:		
Increase in trade and other receivables	(50,356)	(75,116)
Decrease in prepayments	1,897	196,146
Decrease in trade and other payables	(216,421)	(267,063)
Increase/(decrease) in deferred lease liability	(10,418)	23,035
Increase in employee benefits	4,580	14,433
Net cash used in operating activities	(2,022,554)	(2,224,194)

Note 22 Earnings per share

	Consolidated 2014 $	Consolidated 2013 $
Loss after income tax attributable to the owners of New Age Exploration Limited	(3,811,871)	(5,709,368)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	267,856,279	192,411,997
Weighted average number of ordinary shares used in calculating diluted earnings per share	267,856,279	192,411,997
	Cents	**Cents**
Basic loss per share	(1.42)	(2.97)
Diluted loss per share	(1.42)	(2.97)

The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS. The rights to options are non-dilutive as the Group is loss generating.

Note 23 Parent entity information

	2014	2013
	$	$
Financial position		
Current assets	2,279,333	4,244,057
Non–current assets	5,154,460	4,277,827
Total assets	7,433,793	8,521,884
Current liabilities	218,795	192,280
Non-current liabilities	2,199	12,617
Total liabilities	220,994	204,897
Net assets	7,212,799	8,316,987
Contributed equity	23,168,682	21,082,695
Reserves	449,950	551,250
Accumulated losses	(16,405,833)	(13,316,958)
Total equity	7,212,799	8,316,987
Financial performance		
Total revenue	347,752	649,923
(Loss) for the year	(3,195,677)	(5,841,923)
Comprehensive (loss) for the year	(3,195,677)	(5,841,923)

The parent entity, New Age Exploration Limited, has not entered into any guarantees in respect to its controlled entities.

Capital Commitments
There are no commitments for the acquisition of plant and equipment contracted for at the reporting date.

Finance Leases
There are no commitments in relation to finance leases.

Contingent Liabilities
The parent entity is not subject to any liabilities that are considered contingent upon events known at reporting date.

Note 24 Share-based payments

A share option plan has been established by the Company and approved by shareholders at a general meeting, whereby the Company may, at the discretion of the Board, grant options over ordinary shares in the Company to certain key management personnel of the Company. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

Set out below are summaries of options on issue as at 30 June 2014.

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at the end of the year	Vested and exercisable
22/07/11	11/07/14	$0.19	600,000	-	-	-	600,000	600,000
01/09/11	01/09/14	$0.14	200,000	-	-	-	200,000	200,000
06/12/11	06/12/13	$0.25	1,500,000	-	-	(1,500,000)	-	-
14/02/12	02/02/14	$0.125	400,000	-	-	(400,000)	-	-
01/07/12	01/07/15	$0.12	2,000,000	-	-	-	2,000,000	2,000,000
01/09/12	31/08/15	$0.10	500,000	-	-	-	500,000	500,000
11/12/12	06/02/15	$0.14	750,000	-	-	-	750,000	750,000
28/05/13	27/05/16	$0.045	550,000	-	-	-	550,000	550,000
28/05/13	27/05/16	$0.10	18,000,000	-	-	-	18,000,000	8,000,000
			24,500,000	-	-	-	22,600,000	12,600,000
Weighted average exercise price			$0.13	-	-	$0.24	$0.11	$0.11
Weighted average contractual life							3 years	

No share-based payment arrangements occurred during the current financial year.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors, made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors

G. C. Fietz

Gary Fietz
Director

25 September 2014
Melbourne

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NEW AGE EXPLORATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of New Age Exploration Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory information and the directors' declaration for the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements* that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NEW AGE EXPLORATION LIMITED (CONT'D)

Auditor's Opinion

In our opinion:

(a) the financial report of New Age Exploration Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the company will need to seek additional funding in the coming year in order to meet its planned further expansion of the exploration and development programs for the next twelve months from the date of signing these financial statements. Any inability to raise further funding through a capital raising will create a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of New Age Exploration Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

DFK Collins

DFK Collins
Chartered Accountants

M L Port
Partner

25 September 2014
Melbourne

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in the annual report are set out below. The information was applicable as at 15 September 2014.

1. Shareholdings – Ordinary Shares

a. Distribution of Shareholders

Analysis of number of equitable security holders by size of holding:

	Number of holders
1 to 1,000	355
1,001 to 5,000	47
5,001 to 10,000	92
10,001 to 100,000	252
100,001 and over	181
	927
Holdings less than a marketable parcel	597

b. Substantial Shareholders

Substantial holders in the Group are set out below.

	Number held	% of total shares issued
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	99,884,975	31.89%
MR CHEE SIEW YAW	40,816,667	13.03%

c. Voting rights

The voting rights attached to ordinary shares are set out below.

Ordinary shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and, upon a poll, each share shall have one vote.

1. Shareholdings – Ordinary Shares (cont'd)

d. Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below.

	Number held	% of total shares issued
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	99,884,975	31.89%
MR CHEE SIEW YAW	40,816,667	13.03%
GEARED INVESTMENTS PTY LTD	14,000,000	4.47%
PAND JR PTY LTD	9,889,283	3.16%
MRS JACLYN STOJANOVSKI & MR CHRIS RETZOS & MRS SUSIE RETZOS	5,420,560	1.73%
MR LESLIE THOMAS KING & MRS HEATHER KING	4,910,000	1.57%
J A ADVISORY SERVICES PTY LTD	4,500,000	1.44%
PENLEIGH BANNER PTY LTD	4,000,000	1.28%
J P MORGAN NOMINEES AUSTRALIA LIMITED	3,913,174	1.25%
STOYLE HOLDINGS PTY LTD	3,893,000	1.24%
CLARIDEN CAPITAL LIMITED	3,550,000	1.13%
FITEL NOMINEES LIMITED	3,544,012	1.13%
COAL INDUSTRY SERVICES PTY LTD	3,093,352	0.99%
I E PROPERTIES PTY LTD	2,597,576	0.83%
H LOUEY PANG & CO PTY LTD	2,591,968	0.83%
MR J MATTHEW FIFIELD & MRS ELIZABETH FIFIELD	2,500,000	0.80%
LT KING PTY LTD	2,460,000	0.79%
RETZOS INVESTMENTS PTY LTD	2,292,352	0.73%
AFRICAN IRON LIMITED	2,136,824	0.68%
T E & J PASIAS PTY LTD	2,000,000	0.64%
SAM GOULOPOULOS PTY LTD	2,000,000	0.64%
	219,993,743	70.23%

2. Unquoted Securities

a. Distribution of Option Holders

	Number of Holders				
	6/02/15 options	1/07/15 options	31/08/15 options	27/05/16 options	26/07/17 options
1 to 1,000	-	-	-	-	-
1,001 to 5,000	-	-	-	-	-
5,001 to 10,000	-	-	-	-	-
10,001 to 100,000	-	-	-	-	-
100,001 and over	1	1	1	7	2
Total holders	1	1	1	7	2

b. Voting rights

Holders of options have no voting rights.

Licence No.	Project	Country	Area (km^2)	Licence Type	NAE Group % Interest
887T	Terranova	Colombia	2.9	Concession	80% [(a)]
CA11/EXP/0515/N	Lochinvar	United Kingdom	67.5	Exploration Licence	100%
CA11/UND/0515/N	Lochinvar	United Kingdom	67.5	Conditional Underground Mining Licence	100%
CA11/EXP/0545/N	Lochinvar	United Kingdom	51.0	Exploration Licence	100%
CA11/UND/0182/N	Lochinvar	United Kingdom	51.0	Conditional Underground Mining Licence	100%
CL132803	Redmoor	United Kingdom	23.0	Mineral Rights	100% [(b)]

(a) NAE holds mining rights over Terranova licence (887T) under a contractual arrangement with a third party who holds the licence title. New Age Exploration Limited has an 80% interest in the concession and 20% is held by Aurora Energy S.A.

(b) The Mineral Rights for Title CL132803 is currently being re-registered with the Land Registry for England and Wales.

	Principles and Recommendations	Compliance
Principle 1 – Lay solid foundations for management and oversight		
1.1	Companies should establish the functions reserved for the Board and those delegated to manage and disclose those functions.	The Board has adopted a Board Charter that formalises its roles and responsibilities and defines matters that are reserved for the Board and specific matters that are delegated to management.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Given the size and scale of the Company, the Board meets regularly to review the performance of executives. The senior executive's performance is assessed against performance of the Company as a whole.
1.3	Provide the information indicated in Guide to reporting on Principle 1.	Yes.
Principle 2 – Structure the Board to add value		
2.1	A majority of the Board should be independent directors.	The Board has three non-executive independent directors and one executive director.
2.2	The Chair should be an independent director.	Mr Alan Broome AM is the Chairman and is considered by the Board to be independent.
2.3	The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	Mr Alan Broome AM is the Chairman and Mr Gary Fietz is the Chief Executive Officer.
2.4	The Board should establish a Nomination Committee.	Given the size and scale of NAE, the role of a Nomination Committee is carried out by the full Board.
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual directors	The full Board assumes responsibility for the ongoing evaluation of the performance of the Board individual directors and, where applicable, its committees.
2.6	Provide the information indicated in the Guide to reporting on Principle 2.	Yes.
Principle 3 – Promote ethical and responsible decision making		
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code.	The Board has adopted a Corporate Code of Conduct Policy and Executive Code of Conduct Policy. The policies establish a clear set of values that emphasises a culture encompassing strong corporate governance, sound business practices and good ethical conduct. A copy of the policies is available at www.nae.net.au.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.	The Company's objective is to have a workforce that is representative of the countries and communities in which it operates. Our workforce is employed based on the right person for the right job regardless of their gender, age, nationality, race, religious beliefs, cultural background, sexuality, physical appearance or ability.
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity	The Company currently has 3 female employees.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	Yes. The Company has: 3 female employees in the whole organisation (43%). 1 female employee in senior executive positions (33%). 0 female employees on the Board.
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	Yes.

Principles 4 – Safeguard integrity in financial reporting		
4.1	The Board should establish an Audit Committee.	The Board has adopted an Audit Committee Charter to independently verify and safeguard the integrity of the Company's financial reporting.
4.2	The Audit Committee should be structured so that it consists only of non-executive directors, a majority of independent directors, is chaired by an independent chair who is not chair of the Board and have at least three members.	Given the size and scale of the Company, the Audit Committee consists of two non-executive directors and the company secretary. The Chair of the Audit Committee is Mr Gavan Rice who is considered to be independent.
4.3	The Audit Committee should have a formal charter.	Yes.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	Yes.
Principle 5 – Make timely and balanced disclosure		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	The Board has designated the Managing Director (or Chairman or Company Secretary in the event of the Managing Director's absence) as the person responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules, the Company immediately notifies the ASX of information concerning the Company: 1. that a reasonable person would, or may expect to, have a material effect on the price or value of the Company's securities; and 2. that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities. Ultimately, the Board is responsible for compliance with continuous disclosure requirements.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	Yes. Refer to 5.1 above.
Principle 6 – Respect the rights of shareholders		
6.1	Companies should design a communication policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Board has adopted a Communication Policy which details ways the Company communicate with its Shareholders effectively. The Company uses its website, annual reports, market announcements, media disclosures and newsletter to communicate with its Shareholders, as well as encourages participation at general meetings.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	A copy of the Communication Policy is available at www.nae.net.au.
Principle 7 – Recognise and manage risk		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Company has adopted a Business Risk Policy to identify and manage business risks. The Managing Director is responsible for managing risk, reporting risks to the Board and determining strategies to mitigate risks. Ultimate responsibility for risk oversight and risk management rests with the Board.

7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Management have implemented a risk management and control process which has been approved by the Audit and Risk Committee and the Board. The risk assessment process ranks major risks along with mitigation actions to control identified risks.
7.3	The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Board has received a statement from the Managing Director that the declaration provided in accordance with section 295A of the Corporations Act 2001.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	A copy of the Business Risk Policy is available at www.nae.net.au.
Principle 8 – Remunerate fairly and responsibly		
8.1	The Board should establish a remuneration committee.	Given the size and scale of the Company, the Board undertakes the role of the Remuneration Committee. When assessing remuneration for the Board and its executives, the Board considers: 1. setting the remuneration and conditions of service for all Executive and Non-Executive Directors, Officers and employees of NAE with the aggregate of Non-Executive Director remuneration being approved by Shareholders at General Meetings from time to time; 2. approving the design of Executive & Employee incentive plans (including equity-based plans and options) and proposed payments or awards under such plans; 3. reviewing performance hurdles associated with incentive plans; 4. consulting appropriately qualified Consultants for advice on remuneration and other conditions of service; 5. succession planning for Senior Executives; and 6. performance assessment of Senior Executives. NAE is committed to remunerating its Senior Executives in a manner that is market-competitive and consistent with the Corporate Governance Principles and Recommendations while supporting the interests of Shareholders. Senior Executives may receive a remuneration package based on fixed and variable components, determined by their position and experience. The granting of shares/options to Directors is subject to approval by Shareholders. Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by Shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses and do not participate in Equity Schemes of the Company without prior Shareholder approval. Current remuneration is disclosed in the Remuneration Report contained in the Directors' Report.

8.2	The remuneration committee should be structured so that it consists of a majority of independent directors, is chaired by an independent director and has at least three members.	Refer to 8.1 above.
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Refer to 8.1 above.
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	Refer to 8.1 above.

New Age Exploration Limited's corporate governance practices were in place for the financial year ended 30 June 2014 and to the date of signing the Directors' Report. The Board has also undertaken to conduct a full review of its corporate governance policies with the view to adopting revised versions during the new financial year.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by New Age Exploration Limited, please refer to our website: www.nae.net.au.