NEW AGE Exploration Limited

ANNUAL REPORT

For the year ended 30 June 2015

CONTENTS

CORPORATE DIRECTORY

Directors	Mr A Broome AM (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 3 480 Collins Street Melbourne 3000 +61 3 8610 6494
Principal Place of Business	Level 3 480 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 Kidsons Partnership Level 6 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 pleased by the progress we have made this year on advancing the Company's flagship Lochinvar Coking Coal Project in the UK. This has included defining an Indicated Resource and completion of a Scoping Study which confirms the potential for a low cost, long life underground mining operation producing a low ash, high volatile coking coal to supply domestic UK and European steel mills.

The October 2014 Scoping Study showed attractive economics for Lochinvar (US$263M NPV at a long term hard coking coal price of US$165/t). However, coking coal prices have fallen significantly since we completed the study. Over the past year, there have been many mine closures worldwide, yet coking coal prices remain at cyclical lows with CY2015 Q4 hard coking coal contract prices recently being settled at US$89/t.

As a result of current low coking coal prices and market conditions, the Board has decided to curtail work on the Lochinvar project until coking coal prices improve. The licences will be maintained in good standing and we will continue to maintain the strong community and stakeholder relationships we have established on the project.

The Board is confident that the medium to long term outlook for coking coal remains strong due to the shortage of good new supply projects which we expect will struggle to meet medium to long term demand growth driven principally by China and India (albeit at reduced growth rates).

With FOB costs of US$70/t in the lowest quartile of the global seaborne coking coal cost curve, Lochinvar is extremely well positioned to take advantage of the next market upturn and the Board remains confident in the value of Lochinvar. We will continue to monitor market conditions and it is our intention to re-commence activity at Lochinvar when coking coal prices improve sufficiently.

The Board has acted quickly to substantially reduce costs to an absolute minimum level in order to preserve cash and we ended the financial year ending 30 June 2015 with $531,748 in cash plus approximately $606,000 undrawn under the funding facility in place with RCF (a total of approximately $1.138 million available).

Recently, we commenced a detailed review of our Redmoor tin and tungsten project in the UK aimed at more accurately understanding the value of the project. This work is expected to be completed in CY2015 Q4 and will help determine how the project can best add value to shareholders. This may include pursuing further exploration and evaluation activities on the project, a farm-in arrangement, or an asset sale. The Board believes that the outlook for tin and tungsten is reasonably positive in the short to medium term.

Finally, we have also commenced an evaluation of other opportunities targeting new projects which may be attractive to shareholders in current market conditions.

Yours faithfully,

Alan Broome AM
Non-executive Chairman

OUR YEAR IN REVIEW

The Company continued to focus its activities this year on the Lochinvar Coking Coal Project, located on the Scottish/English border in the United Kingdom. Following definition of a JORC Indicated and Inferred Resource in August 2014, the major highlight for the year was the completion of the Lochinvar Scoping Study in October 2014.

In May 2015, a US$600,000 funding facility agreement was finalised with the Company's largest shareholder, Resource Capital Fund V L.P ("RCF"). RCF's continued support during a period of difficult market conditions further highlights the value of the Lochinvar project.

Recently, the Company commenced a review of its Redmoor Tin and Tungsten project aimed at more accurately understanding the value of the project and determining the way forward for the project.

Additionally, since April 2015, the Company has been evaluating other project opportunities which may be attractive to shareholders in current market conditions.

Key Milestones

Lochinvar Indicated Resource defined	Aug 2014
Lochinvar Scoping Study completion	Oct 2014
Lochinvar forward exploration program developed	Dec 2014
Implementation of further cost reduction initiatives	Jan 2015
Completion of US$0.6M funding facility with RCF	May 2015
Lochinvar Stakeholder and investor meetings in the UK	June 2015
Redmoor project review commencement	July 2015

LOCHINVAR COKING COAL PROJECT, UK

Tenure and Location

All licences are in good standing and are 100% owned by NAE.

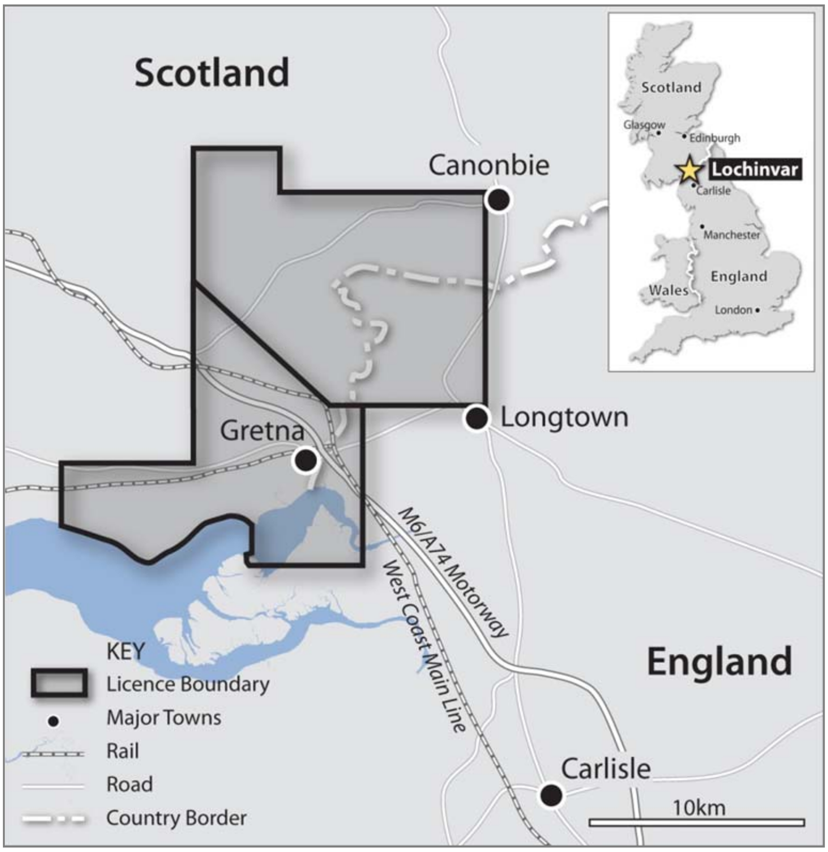

Figure 1: Location of the Lochinvar Licences

Lochinvar Indicated and Inferred Resource (August 2014)

Following the completion of the extended Phase 1b drilling program, a revised structural interpretation and updated resource estimate were completed in August 2014[(1)]. 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**

An additional Exploration Target of 31 – 64Mt[1] 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.

Lochinvar Scoping Study

The Lochinvar Scoping Study was completed in October 2014 and a detailed announcement of the Scoping Study results was made on 27th October 2014[2].

The Lochinvar Scoping Study confirmed the potential for a long life underground mining operation producing a low ash, high volatile coking coal to supply domestic UK and European steel mills, with operating costs in the lowest quartile of the global seaborne coking coal cost curve. Lochinvar benefits from immediate access to existing rail and port infrastructure and locally available utilities required to develop the project.

Key Highlights

Key highlights of the Lochinvar Scoping Study include:

Table 2: Lochinvar Scoping Study Key Results

Attractive Economics [*]	**NPV9 US$263M (real, after tax, unleveraged)** **IRR 20%** **4.9 year payback period (undiscounted)**
Low Operating Cost	**US$70/t FOB** (lowest quartile of global seaborne coking coal supply due to short rail transport distances, low labour costs, royalties and taxes)
High Margin	US$73/t
Strong Cash Flow	US$75M p.a.
Capital Cost	US$284M
Clean Coal Production	1.4 Mtpa
Long Life	26 Years
Product	Low Ash High Volatile Coking Coal

[*] *Based on a realised long term coking coal sales price of US$143/t (87% of US$165/t hard coking coal benchmark price)*

Project Overview

The Scoping Study identified the following base case for the Lochinvar project:

- An underground longwall mine (200m wide longwall face) with drift access to the surface
- Development roadways constructed by 3 continuous miners
- 1.9 Mtpa ROM coal mined underground and conveyed to ROM stockpile on surface
- Coal Processing Plant producing 1.4Mtpa clean saleable coking coal (71% yield) – fed by front end loader
- Clean coal conveyed from the Coal Processing Plant to nearby final product stockpiles next to rail siding
- Short rail siding connecting to the West Coast Main Line (WCML)
- Coal loaded from final product stockpiles into rail wagons by front end loader for direct delivery to UK steel mills or exported to European mills via Hunterston or Blyth ports
- Rejects trucked to nearby reject storage area that will be contoured into surrounding landscape.
- Ventilation will be a single vertical shaft, with the drift completing the ventilation circuit. The ventilation shaft will also be utilised as the second means of egress for emergency evacuation.

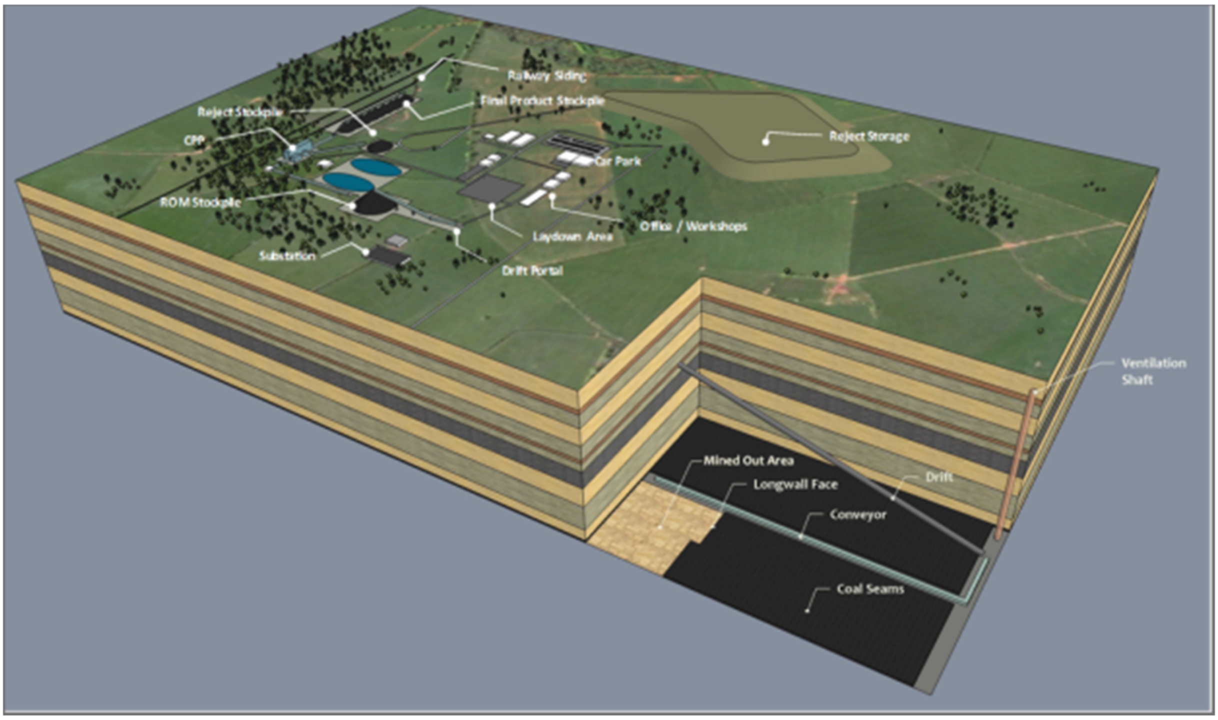

Figure 2: Schematic Lochinvar Mine ad Surface Layout

Product Quality

An indicative target specification for Lochinvar coking coal has been determined by QCC Resources based on drilling and washability test results. Table 3 shows the Lochinvar indicative product quality specification.

Lochinvar is expected to produce a high volatile coking coal product with very low ash content for sale to UK and European steel mills.

Table 3: Lochinvar Indicative Product Quality

	Lochinvar Target Specification
Inherent Moisture (%)	3.0
Ash (%)	5.0
Volatile Matter (%)	34.0
Fixed Carbon (%)	59.2
Total Sulphur (%)	1.2 - 1.4
Phosphorus (%)	0.007
CSN	7.0
Gray – King Coke Type	G6
CSR (Predicted)	50
Gross Calorific Value (Kcal/kg)	7,775
Vitrinite Content (%)	70
Vitrinite Reflectance R_oMax (%)	0.84
Max Fluidity (ddpm)	100 - 11,000

Project Risks

Key project risks have been recognised as part of the Scoping Study. These include:

- Geological structure and mine productivity
- Product market
- Coal quality and yield
- Planning, environment and community
- Funding
- Exchange rates
- Gas management

Lochinvar Forward Exploration Program

An exploration program up until the commencement of project construction was developed in CY2014 Q4 and was further advanced during CY2015 Q1 with detailed planning for the following activities being completed: infill drilling, seismic surveys, installation of piezometers for groundwater testing, gas testing, geotechnical testing and a coking test.

While the pre-construction work program was planned to be implemented over a 2-year period, various options exist to progress the work at a rate which matches available funding. Work on the project has now been curtailed due to poor market conditions. However, the Company continues to monitor market conditions and plans to re-commence further exploration and evaluation activities when and as market conditions improve.

Lochinvar Stakeholder and Investor Meetings (UK)

During the year, a number of meetings were held in the UK with landowners, local community members, other stakeholders, potential customers and investors for the Lochinvar project.

The Company has appointed a part-time, locally-based Community Liaison Officer to assist in maintaining strong community relations on the project whilst exploration activities remain curtailed.

Coking Coal Prices

Notwithstanding the decline in hard coking coal price that has occurred in the market since the Scoping Study was completed in October 2014, the majority of price forecasts published by the major investment banks and market researchers still have the hard coking coal price recovering well in the long term (US$135/t – US$160/t real).

Recent work we have undertaken shows that Lochinvar continues to have attractive economics at a long term hard coking coal price of $140-$150 /t (real) which is in line with the majority of current forecasts.

COLOMBIA

Closure of Colombian Activities

Due to difficult market conditions, the joint venture agreement between Aurora Energy SA and the Company was allowed to lapse on 31 December 2014. NAE now has no ongoing activities or personnel in Colombia and no further material costs are expected to be incurred in relation to Colombian activities.

Terranova Coking Coal Project

On 12 January 2015, NAE and its joint venture partner, Aurora Energy, gave notice of termination of the agreement to expand the Terranova coking coal mine on Concession 887T. Under its agreement with the mine owners and operators, NAE and Aurora had a unilateral right of termination for convenience at no cost which was exercised on 12 January 2015.

REDMOOR TIN PROJECT, UK

NAE holds a 15-year exploration licence with modest annual payments over the Redmoor Tin and Tungsten project in the historic mining district of Cornwall, United Kingdom. The licence is in good standing and is 100% owned by NAE.

An initial Inferred Resource of 9.1Mt at 0.69% Sn equivalent[3] was defined for Redmoor by SRK in February 2013.

Since the February 2013 Inferred Resource statement, limited work has been conducted at Redmoor by the Company due to its focus on the Lochinvar Coking Coal Project.

Following the decision this year to curtail activities at Lochinvar, the Company commenced a detailed technical and economic review the Redmoor Project. The review is aimed at more accurately understanding the value of the project and is expected to be completed in CY2015 Q4 including the following:

- Re-validation of the historic drilling data
- Updated geological interpretation and orebody model
- Updated SRK resource statement
- Review of Redmoor processing options
- Other internal studies

Whilst there is ongoing interest from third parties in acquiring the Redmoor asset, the Company intends to firstly complete its technical and economic review to determine how the project can best add value to shareholders. This may include pursuing further exploration and evaluation activities on the project, a farm-in arrangement or an asset sale.

The Directors believe that outlook for tin and tungsten is reasonably positive in the short to medium term.

Figure 3: Typical wolframite mineralisation

CORPORATE

Cost Reduction Initiatives

As a result of challenging market conditions, the Company has taken several steps during the year to significantly reduce costs and conserve cash. These include:

- Ceasing on the ground exploration activity on the Lochinvar Project in the UK and reducing UK staff to only one part-time Community Liaison Officer (3 full time positions made redundant)
- Significant reduction in corporate office management (2 full time positions made redundant)
- Significant reduction of $151,000 p.a in Directors fees and key management remuneration:
  - Managing Director's remuneration reduced by $30,000 p.a. (8%) since April 2014
  - Chairman's fees reduced by $20,000 p.a. (28%) since April 2014
  - Non-Executive Directors' fees reduced by average $19,000 p.a each (average 35%) since April 2014
  - Company Secretary costs reduced by $63,000 p.a. (68%) since April 2014
- Relocation of the Melbourne office to a smaller, lower cost office
- Ceasing all Colombian activities
- Minimising travel

Whilst the above changes have been difficult, the Company has acted swiftly to reduce its costs to a minimal level in order to preserve cash.

Completion of US$0.6M funding facility with RCF

On 18th May 2015, the Company entered into a funding facility agreement with its largest shareholder, Resource Capital Fund V L.P ("RCF") with a total funding facility limit of US$600,000.

Under the funding facility, for a period of 19 months, the Company may, at its option, request that RCF subscribe for the placement of NAE shares at a fixed subscription price of 1.5 cents per share. The number of shares subscribed for under the funding agreement will be issued pursuant to Chapter 7 of ASX Listing Rules and be within the 3% creep exception set out in Item 9 of the table in Section 611 of the Corporations Act 2001 (of acquisitions that are exempt from the prohibitions in Section 606 of the Corporations Act 2001).

On 5th June 2015, the first 14,427,494 shares were issued to RCF under the funding facility at a price of 1.5 cents per share raising A$216,412. The placement resulted in an increase in RCF's ownership of NAE from 31.887% to 34.886%. There is currently US$426,589 (A$605,931 at 25 September 2015 exchange rate) remaining undrawn on the RCF funding facility.

For a period of 12 months from 18th May 2015, the Company may also, at its option, request that RCF provide part or all of the available funding facility balance as an unsecured loan. If NAE elects to draw part or all of the funding facility as an unsecured loan, the loan will have an 8% interest rate and a 1-year term. Any principal repayments may be repaid either in cash or from the proceeds of a later equity subscription by RCF under the funding agreement, at the Company's option. Any interest repayments may be repaid either in cash or shares at the lesser of 1.5 cents per share subscription price or the 20-day VWAP, at the Company's option.

The proceeds from the funding agreement, together with existing cash reserves, will be applied to corporate and working capital costs associated with maintaining NAE's Lochinvar and Redmoor projects.

Change of Auditor

On 29 May 2015, the Company announced a change of its auditor from DFK Collins to DFK Kidsons. The Directors decided the change appropriate since the previous engagement Partner for NAE audits departed from the DFK Collins partnership and commenced a new practice as DFK Kidsons. This change allows the Company to retain an audit team with knowledge and experience relevant to NAE audits. The Australian Securities and Investments Commission (ASIC) consented to the resignation of DFK Collins.

Endnotes *(Announcements released by NAE on the Company Announcements Platform – ASX)*
(1) NAE Announcement, 29 August 2014 – Lochinvar Resource Upgrade and Product Quality
(2) NAE Announcement, 27 October 2014 – Lochinvar Scoping Study Announcement
(3) 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 2015 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 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 2015, and the number of meetings attended by each director were:

	Full Board		**Audit Committee**	
	Held	**Attended**	**Held**	**Attended**
Mr A Broome AM	8	8	-	-
Mr G Fietz	8	8	-	-
Mr G L Rice	8	8	2	2
Mr M J Amundsen	8	8	2	2

'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 2015

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:	Strategic Minerals plc (Chairman) – August 2015 to date
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
Special responsibilities:	Chairman of the Board
Interests in shares:	475,000 ordinary shares
Interests in options:	1,250,000 unlisted options
First appointed to the Board:	18 February 2013

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 the development of the 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
First appointed to the Board:	6 May 2010

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:	1,250,000 unlisted options
First appointed to the Board:	9 February 2012

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 30 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
First appointed to the Board:	16 August 2008

'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 defining an Indicated Resource and completion of a Scoping Study for the Lochinvar Coking Coal Project along with commencing an evaluation of the Redmoor Tin and Tungsten project and other project opportunities which may 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 $3,068,524 (30 June 2014: $3,811,871). During the year, $1.76 million of exploration assets for the Group's projects was impaired.

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

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.

On 18 May 2015, the Company announced that it entered into a binding agreement with the Company's largest shareholder, Resource Capital Fund V L.P ("RCF"), to raise up to a total of US$600,000 in funding for the Company. Under the funding facility, the Company can call for RCF to subscribe for ordinary NAE shares at an issue price of 1.5 cents per share during the next 19 months. The Company may also elect to take part or all of the funding facility via an unsecured loan from RCF. On 5 June 2015, the Company issued 14,427,494 shares to RCF and received $216,412 (or US$173,411) under this facility.

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

No matter or circumstance has arisen since 30 June 2015 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

Work on the Lochinvar Coking Coal project has been curtailed due to poor market conditions and low coking coal prices. However, all licences are being maintained in good standing and the Company will continue to have a locally-based part-time Community Liaison Officer and focus on maintaining strong community and stakeholder relationships. Market conditions will continue to be monitored and, subject to being able to raise further funding, the Directors plan to re-commence further exploration and evaluation activities on the Lochinvar project in the future.

The Company has commenced a detailed technical and economic review of its Redmoor Tin and Tungsten project which is expected to be completed in CY2015 Q4. Following completion of the review, the Directors will determine how the project can best add value to shareholders. This may include pursuing further exploration and evaluation activities on the project, a farm-in arrangement or an asset sale.

The Company has also commenced a review of other project opportunities targeted at identifying new projects which may be attractive to shareholders in current market conditions.

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
2015	$	$	$	$	$	%
Non-Executive Directors:						
Mr A Broome AM	58,500	-	-	-	58,500	-
Mr G L Rice	30,000	-	-	-	30,000	-
Mr M Amundsen	30,000	-	-	-	30,000	-
Executive Director						
Mr G Fietz (1)	295,000	-	25,000	-	320,000	-
Company Secretary:						
Mr A M Wing (2)	60,504	-	-	-	60,504	-
	474,004	-	25,000	-	499,004	-
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 (1)	320,000	-	25,000	-	345,000	-
Mr A M Wing (2)	94,909	-	346	-	95,255	-
	580,825	-	25,346	-	606,171	-

(1) Refer to Note 19 of the financial statements for related party transactions.
(2) 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 from $70,000 p.a. to $67,000 p.a.
- Managing Director's package - reduced from $325,000 salary plus $25,000 superannuation p.a. to $295,000 salary plus $25,000 superannuation p.a.
- Non-executive Directors – reduced from $49,050 p.a. to $44,000 p.a.
- Company Secretary - reduced from $93,000 p.a. to $82,000 p.a.

In January 2015, the Directors agreed to further reductions as follows:

- Chairman - reduced from $67,000 p.a. to $50,000 p.a.
- Non-executive Directors – reduced from $44,000 p.a. to $30,000 p.a.
- Company Secretary - reduced from $82,000 p.a. to $30,000 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 2015.

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:

2015	**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	445,000	-	-	-	445,000
Gavan Rice	400,000	-	-	-	400,000
Michael Amundsen	450,000	-	-	-	450,000
Adrien Wing	750,000	-	-	-	750,000
	2,520,000	-	-	-	2,520,000
2014					
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

Options

There were no options issued to Directors or other key management personnel as part of compensation during the year ended 30 June 2015.

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:

2015	**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 (3)	2,000,000	-	-	(750,000)	1,250,000	1,250,000
	18,750,000	-	-	(750,000)	18,000,000	8,000,000
2014						
Options over ordinary shares						
Alan Broome AM (1)	1,250,000	-	-	-	1,250,000	1,250,000
Adrien Wing (1)	1,250,000	-	-	-	1,250,000	1,250,000
Gavan Rice (1)	1,250,000	-	-	-	1,250,000	1,250,000
Gary Fietz (2)	13,000,000	-	-	-	13,000,000	3,000,000
Michael Amundsen (1)	2,000,000	-	-	-	2,000,000	2,000,000
	18,750,000	-	-	-	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) 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.
(3) 750,000 expired options were 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 2015 are summarised below:

	2011	**2012**	**2013**	**2014**	**2015**
	$	**$**	**$**	**$**	**$**
Revenue	458,513	1,248,747	114,110	97,155	23,014
Net profit/(loss) before tax	(2,159,528)	(1,465,990)	(5,943,761)	(4,052,230)	(3,074,884)
Net profit/(loss) after tax	(2,159,528)	(1,465,990)	(5,943,761)	(4,052,230)	(3,074,884)

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

	2011	**2012**	**2013**	**2014**	**2015**
Share price at start of year	0.08	0.12	0.08	0.03	0.02
Share price at end of year	0.12	0.08	0.03	0.02	0.004
Basic loss per share (cents per share)	(2.24)	(1.20)	(2.97)	(1.42)	(0.98)
Diluted loss per share (cents per share)	(2.24)	(1.20)	(2.97)	(1.42)	(0.98)

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
28 May 2013	27 May 2016	$0.045	550,000
28 May 2013	27 May 2016	$0.10	18,000,000
1 August 2014	26 June 2017	$0.045	1,050,000
			19,600,000

All options are unlisted.

Shares issued on the exercise of options

No shares of the Company were issued during the year ended 30 June 2015 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.

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

30 September 2015
Melbourne

dfk kidsons
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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 2015, 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 Kidsons Partnership
Chartered Accountants

30 September 2015
Melbourne

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 30 June 2015 $	Consolidated 30 June 2014 $
Revenues	4	23,014	97,155
Expenses			
Corporate expenses		(177,705)	(241,633)
Occupancy expenses		(75,910)	(95,578)
Employee benefits expenses	5	(887,953)	(1,163,023)
Exploration and evaluation expenses	10	-	(2,187,684)
Impairment of exploration and evaluation assets	10	(1,759,920)	-
Administrative expenses		(154,167)	(275,928)
Legal expenses		(578)	(11,802)
Impairment of plant and equipment	9	(3,950)	(76,015)
Travel and accommodation		(37,715)	(97,722)
Loss before income tax expense		(3,074,884)	(4,052,230)
Income tax expense	6	-	-
Loss after income tax expense		(3,074,884)	(4,052,230)
Other comprehensive income/(loss) for the year			
Items that may be reclassified subsequently to profit or loss			
- Exchange differences on translation of foreign operations		728,190	215,730
Other comprehensive income/(loss) for the year net of tax		728,190	215,730
Total comprehensive loss for the year		(2,346,694)	(3,836,500)
Loss for the year attributable to:			
Non-controlling interests		(6,360)	(240,359)
Owners of New Age Exploration Limited		(3,068,524)	(3,811,871)
		(3,074,884)	(4,052,230)
Total comprehensive loss for the year attributable to:			
Non-controlling interests		(6,762)	(246,927)
Owners of New Age Exploration Limited		(2,339,932)	(3,589,573)
		(2,346,694)	(3,836,500)

Loss per share from continuing operations attributable to the owners of New Age Exploration Limited

		Cents	Cents
Basic loss per share	22	(0.98)	(1.42)
Diluted loss per share	22	(0.98)	(1.42)

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

	Note	Consolidated 30 June 2015 $	Consolidated 30 June 2014 $
Current assets			
Cash and cash equivalents	7	531,748	2,416,554
Trade and other receivables	8	19,931	182,114
Prepayments		19,833	83,655
Total current assets		571,512	2,682,323
Non–current assets			
Property, plant and equipment	9	19,771	60,740
Exploration and evaluation assets	10	4,653,037	5,179,145
Total non-current assets		4,672,808	5,239,885
Total assets		5,244,320	7,922,208
Current liabilities			
Trade and other payables	11	105,863	653,468
Provisions	12	30,696	52,064
Deferred lease liability		-	10,418
Total current liabilities		136,559	715,950
Non-current liabilities			
Deferred lease liability		-	2,199
Total non-current liabilities		-	2,199
Total liabilities		136,559	718,149
Net assets		5,107,761	7,204,059
Equity			
Equity attributable to members of the parent:			
Contributed equity	13	23,404,378	23,168,682
Reserves	14	1,612,481	969,539
Accumulated losses		(19,909,483)	(16,946,018)
Total parent entity interest		5,107,376	7,192,203
Non-controlling interests		385	11,856
Total equity		5,107,761	7,204,059

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 2015

Consolidated	**Attributable to owners of New Age Exploration Limited**				
	Contributed Equity $	**Reserves $**	**Accumulated Losses $**	**Non-Controlling Interests $**	**Total $**
At 1 July 2014	23,168,682	969,539	(16,946,018)	11,856	7,204,059
Loss for the period	-	-	(3,068,524)	(6,360)	(3,074,884)
Other comprehensive income	-	728,592	-	(402)	728,190
Total comprehensive loss for the period	-	728,592	(3,068,524)	(6,762)	(2,346,694)
Transactions with owners in their capacity as owners:					
Issue of shares	216,412	-	-	-	216,412
Reversal of issue costs	19,284	-	-	-	19,284
Share-based payments	-	14,700	-	-	14,700
Expiry of options	-	(100,350)	100,350	-	-
Non-controlling interest in exploration projects	-	-	4,709	(4,709)	-
As at 30 June 2015	23,404,378	1,612,481	(19,909,483)	385	5,107,761
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

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

STATEMENT OF CASH FLOWS
For The Year Ended 30 June 2015

	Note	Consolidated 30 June 2015 $	Consolidated 30 June 2014 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,248,310)	(2,106,721)
Interest received		27,374	84,167
Net cash flows used in operating activities	21	(1,220,936)	(2,022,554)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(15,401)
Proceeds from sale of property, plant and equipment		8,282	-
Payments for exploration and evaluation assets		(877,360)	(2,641,583)
Net cash flows used in investing activities		(869,078)	(2,656,984)
Cash flows from financing activities			
Proceeds from issue of shares		216,412	2,198,500
Share issue costs		(27,500)	(73,392)
Net cash flows provided by financing activities		188,912	2,125,108
Net (decrease)/increase in cash and cash equivalents held		(1,901,102)	(2,554,430)
Cash and cash equivalents at beginning of the year		2,416,554	4,967,880
Effects of foreign exchange rate changes on cash		16,296	3,104
Cash and cash equivalents at the end of the year	7	531,748	2,416,554

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 2015 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 3
480 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 2015, 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. There has been no material impact on the Group.

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 2018	30 June 2019
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016

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

Note 1 Significant accounting policies (cont'd)

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.

Going Concern

The Group has incurred a net loss after tax of $3,074,884 for the year ended 30 June 2015 (30 June 2014: $4,052,230) and had cash outflows from operating and investing activities of $2,090,014 (30 June 2014: $4,679,538). As at the reporting date, the Group had working capital, being current assets less current liabilities, of $434,953 (30 June 2014: $1,966,373). 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 2015, the Group had cash and cash equivalents of $531,748;
- During the year, the Company entered into a binding agreement with its largest shareholder, Resource Capital Fund V L.P ("RCF"), to raise up to a total of US$600,000 in funding for the Company. Under the funding facility, the Company can call for RCF to subscribe for ordinary NAE shares at an issue price of 1.5 cents per share. As at 30 June 2015, only US$173,411 (or A$216,412) of the facility has been called upon, with US$426,589 (or A$605,931 at 25 September 2015 exchange rate) still available;
- The Group has prepared cash flow budgets which include cash outflows which can be deferred, wholly or in part, if insufficient capital is raised to fund that activity; and
- 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 Company's planned activities 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.

Note 1 Significant accounting policies (cont'd)

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.

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.

Note 1 Significant accounting policies (cont'd)

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.

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.

Note 1 Significant accounting policies (cont'd)

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.

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.

Note 1 Significant accounting policies (cont'd)

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.

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.

Note 1 Significant accounting policies (cont'd)

Employee benefits (cont'd)

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.

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.

Note 1 Significant accounting policies (cont'd)

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.

Impairment of tangible and intangible assets other than goodwill

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

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.

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

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.

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.

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.

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 2015 $	Consolidated 2014 $
Other revenue		
Interest	23,014	97,155
Revenues	23,014	97,155

Note 5 Expenses

	Note	Consolidated 2015 $	Consolidated 2014 $
Loss before income tax includes the following expenses:			
Employee Benefits			
Wages and salaries – key management		295,000	320,000
Wages and salaries – others		340,602	483,027
Directors and company secretary fees		179,004	260,826
Superannuation expense (defined contribution)		53,895	64,320
Share based payments	14	14,700	5,500
Other employee benefits and taxes		4,752	29,350
		887,953	1,163,023
Depreciation	9	19,691	22,061

Note 6 Income tax expense

	Consolidated 2015 $	Consolidated 2014 $
(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	(3,074,884)	(4,052,230)
Tax at the Australian tax rate of 30%	(922,465)	(1,215,669)
Share-based payments	4,410	1,650
Non-deductible items	186	200,543
	(917,869)	(1,013,476)
Current year tax losses not recognised	917,869	1,013,476
Income tax expense	-	-
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses	3,062,135	2,849,596
Temporary differences	63,766	102,454
Total deferred tax assets not recognised	3,125,901	2,952,050

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 2015 $	Consolidated 2014 $
Cash at bank	115,296	348,994
Short-term deposits	416,452	2,067,560
	531,748	2,416,554

Note 8 Current assets - trade and other receivables

	Consolidated 2015 $	Consolidated 2014 $
Interest receivable	188	4,609
GST and VAT receivable	11,254	163,209
Other receivables	8,489	14,296
	19,931	182,114

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 2015 $	Consolidated 2014 $
Plant and equipment - at cost	63,498	108,307
Less: Accumulated depreciation	(43,727)	(47,567)
Total property, plant and equipment	19,771	60,740

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

	Plant and Equipment $	Total $
Balance at 1 July 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
Additions	-	-
Depreciation expense	(19,691)	(19,691)
Disposals	(17,328)	(17,328)
Impairment expense	(3,950)	(3,950)
Balance at 30 June 2015	19,771	19,771

Note 10 Non-current assets - exploration and evaluation assets

	Consolidated 2015 $	Consolidated 2014 $
Exploration and evaluation assets	4,653,037	5,179,145

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

	Exploration and evaluation $	Total $
Balance at 1 July 2013	4,857,540	4,857,540
Additions	2,289,314	2,289,314
Effect of foreign currency movements	219,975	219,975
Write off of exploration costs	(2,187,684)	(2,187,684)
Balance at 30 June 2014	5,179,145	5,179,145
Additions	560,945	560,945
Effect of foreign currency movements	672,867	672,867
Impairment of exploration costs (Lochinvar)	(1,759,920)	(1,759,920)
Balance at 30 June 2015	4,653,037	4,653,037

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.

The Group’s exploration costs for its Colombia projects were written off during 2014.

In the current year, the Directors conducted a review of the capitalised exploration and evaluation assets and determined that, in light of current market conditions, there are indications of impairment relevant to the carrying value of the Lochinvar exploration asset. An independent asset valuation was undertaken by Palaris Australia Pty Ltd (“Palaris”) in September 2015 in accordance with the Valmin Code 2005. To determine the asset value, Palaris used the Yardstick Methods approach which is a market-based valuation technique and considered appropriate for the project’s current stage. Inputs under level 2 of the fair value hierarchy within Accounting Standard AASB 13 ‘Fair Value Measurement’ were used for the valuation whereby observed similar market transaction multiples were considered. The valuation supported a fair value of $4,500,000 and, as a result, an impairment expense of $1,759,920 was incurred during the year. The remaining balance of $153,037 relates to exploration and evaluation costs on the Redmoor project.

Note 11 Current liabilities - trade and other payables

	Consolidated 2015 $	Consolidated 2014 $
Trade and other payables	105,863	653,468

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 2015 $	Consolidated 2014 $
Employee benefits	30,696	52,064

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

Note 13 Equity - contributed

	Consolidated 2015 Number	Consolidated 2014 Number	Consolidated 2015 $	Consolidated 2014 $
Ordinary shares – fully paid	327,677,437	313,249,943	23,404,378	23,168,682

Movements in Ordinary Share Capital

	No. of Shares	Issue Price	$
Balance 1 July 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
Issue of shares – funding facility	14,427,494	$0.015	216,412
Reversal of issue costs			19,284
Balance 30 June 2015	327,677,437		23,404,378

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 2014 Annual Report.

Funding facility
The Company entered into a binding agreement with the it's largest shareholder, Resource Capital Fund V L.P ("RCF"), to raise up to a total of US$600,000 in funding for the Company. Under the funding facility, the Company can call for RCF to subscribe for ordinary NAE shares at an issue price of 1.5 cents per share during the next 19 months beginning May 2015. The Company may also elect to take part or all of the funding facility via an unsecured loan from RCF. On 5 June 2015, the Company issued 14,427,494 shares to RCF and received $216,412 (or US$173,411) under this facility.

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

Note 14 Equity - reserves

	Consolidated 2015 $	Consolidated 2014 $
Share-based payments reserve (a)	364,300	449,950
Foreign exchange reserve (b)	1,248,181	519,589
	1,612,481	969,539

(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.

Movements in reserve

	Number	$
Balance 1 July 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
Options issued to employees	1,050,000	14,700
Expiry of options – transfer to accumulated losses	(1,550,000)	(100,350)
Balance 30 June 2015	22,100,000	364,300

(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 2015 $	Consolidated 2014 $
Balance at beginning of the year	519,589	297,291
Foreign currency translation differences for foreign operations	728,592	222,298
Balance at end of the year	1,248,181	519,589

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.

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 2015 $	Consolidated 2014 $
Cash at bank	531,748	2,416,554

An increase/decrease in interest rate of 1 percent would have a favourable/adverse effect on loss before tax of $5,317 per annum (2014: $24,166). 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$) exchange rate as well as British Pound (GBP)/AU$ 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	
	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $
GBP	136,840	312,835	(610)	(440,604)	136,230	(127,769)
COP	10,349	10,927	(17,616)	(52,222)	(7,267)	(41,295)
EUR	3,659	6,353	(13,240)	(816)	(9,581)	5,537

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)	
	2015 $	2014 $	2015 $	2014 $
A$/COP +10%	727	4,130	727	4,130
A$/EUR +10%	958	(554)	958	(554)
A$/GBP +10%	(13,623)	12,777	(13,623)	12,777
A$/COP -10%	(727)	(4,130)	(727)	(4,130)
A$/EUR -10%	(958)	554	(958)	554
A$/GBP -10%	13,623	(12,777)	13,623	(12,777)

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.

2015	**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	105,863	-	-	-	105,863
Total non-derivatives	105,863	-	-	-	105,863

2014					
Non-derivatives					
Non-interest bearing					
Trade and other payables	653,468	-	-	-	653,468
Total non-derivatives	653,468	-	-	-	653,468

Note 17 Remuneration of auditors

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

	Consolidated 2015 $	Consolidated 2014 $
Audit or review of the financial reports		
DFK Collins	16,000	46,500
DFK Kidsons Partnership	22,000	-
Other overseas auditor (Grant Thornton)	-	9,039
	38,000	55,539

Note 18 Commitments for expenditure

	Consolidated 2015 $	Consolidated 2014 $
Operating lease commitments as at the reporting date but not recognised as liabilities for its office premises:		
Within one year	15,849	86,713
One to five years	-	14,545
	15,849	101,258

The Group pays minimal annual licence and lease fees related to its Lochinvar and Redmoor tenements. These payments are discretionary; however, the company intends to make these payments and maintain the licences in good standing.

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 2015 $	Consolidated 2014 $
Short-term employee benefits	474,004	580,825
Post-employment benefits	25,000	25,346
	499,004	606,171

Controlled entities

Name of entity	Country of incorporation	Class of shares	Equity holding % 2015	Equity holding % 2014
NAE Resources NL	Spain	Ordinary	100	100
NAE Aurora JV Cesar SAS (1)	Colombia	Ordinary	90	90
NAE Aurora JV Subachoque SAS (1)	Colombia	Ordinary	90	90
NAE Resources (UK) Ltd	United Kingdom	Ordinary	100	100
Lochinvar Coal Limited	United Kingdom	Ordinary	100	100

(1) 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.

Note 19 Related party disclosures (cont'd)

Transactions with related parties

	Consolidated 2015 $	Consolidated 2014 $
Services provided to the Group made on normal commercial terms and conditions and at market rates:		
Widerange Mining Projects Pty Ltd, a company associated with Gary Fietz, for administrative services	-	20,600
Gary Fietz's wife, for administrative and investor relations support services	41,479	18,354
Payments to Aurora Energy S.A., for consultancy services (1)	25,484	64,269

(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

No matter or circumstance has arisen since 30 June 2015 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 2015 $	Consolidated 2014 $
Loss after income tax expense for the year	(3,074,884)	(4,052,230)
Adjustments for:		
Depreciation and amortisation	19,691	22,061
Unrealised foreign exchange losses	8,654	9,134
Share-based payments	14,700	5,500
Impairment of fixed assets	3,950	76,015
Loss on sale of fixed assets	9,046	-
Impairment of exploration assets	1,759,920	-
Write off of exploration assets	-	2,187,684
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	162,183	(50,356)
Decrease in prepayments	63,822	1,897
Decrease in trade and other payables	(154,033)	(216,421)
Increase/(decrease) in deferred lease liability	(12,617)	(10,418)
Increase/(decrease) in employee benefits	(21,368)	4,580
Net cash used in operating activities	(1,220,936)	(2,022,554)

Note 22 Earnings per share

	Consolidated 2015 $	Consolidated 2014 $
Loss after income tax attributable to the owners of New Age Exploration Limited	(3,068,524)	(3,811,871)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	314,238,128	267,856,279
Weighted average number of ordinary shares used in calculating diluted earnings per share	314,238,128	267,856,279
	Cents	**Cents**
Basic loss per share	(0.98)	(1.42)
Diluted loss per share	(0.98)	(1.42)

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

	2015 $	2014 $
Financial position		
Current assets	412,378	2,279,333
Non–current assets	4,804,350	5,154,460
Total assets	5,216,728	7,433,793
Current liabilities	105,093	218,795
Non-current liabilities	-	2,199
Total liabilities	105,093	220,994
Net assets	5,111,635	7,212,799
Contributed equity	23,404,378	23,168,682
Reserves	364,300	449,950
Accumulated losses	(18,657,043)	(16,405,833)
Total equity	5,111,635	7,212,799
Financial performance		
Profit/(Loss) for the year	(2,351,560)	(3,195,677)
Comprehensive profit/(loss) for the year	(2,351,560)	(3,195,677)

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 2015.

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)	-	-
01/09/11	01/09/14	$0.14	200,000	-	-	(200,000)	-	-
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)	-	-
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
01/08/14	26/06/17	$0.045	-	1,050,000	-	-	1,050,000	1,050,000
			22,600,000	1,050,000	-	(1,550,000)	22,100,000	12,100,000
Weighted average exercise price			$0.11	-	-	$0.24	$0.10	$0.10
Weighted average contractual life							3 years	

The following share-based payment arrangements occurred during the current financial year:

Number	Grant date	Expiry date	Exercise price $	Fair Value at grant date (Black-Scholes) $
1,050,000	01/08/2014	26/06/2017	0.045	0.014

The following were used for the valuation of the options:

Grant date share price ($)	0.025
Exercise price ($)	0.045
Expected volatility	90.84%
Option life	1,060 days
Risk-free interest rate	2.74%

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 2015 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

Gary Fietz
Director

30 September 2015
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 2015, 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 Group 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 Group's financial position as at 30 June 2015 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 activities 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 Group'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 2015. 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 2015 complies with section 300A of the *Corporations Act 2001*.

DFK Kidsons Partnership

DFK Kidsons Partnership
Chartered Accountants

M L Port
Partner

30 September 2015
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 25 September 2015.

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	352
1,001 to 5,000	46
5,001 to 10,000	91
10,001 to 100,000	228
100,001 and over	173
	890
Holdings less than a marketable parcel	734

b. Substantial Shareholders

Substantial holders in the Group are set out below.

	Number held	% of total shares issued
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	114,312,469	34.89%
MR CHEE SIEW YAW	40,816,667	12.46%

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.

d. Restricted Securities

There are no restricted securities at 25 September 2015.

1. **Shareholdings – Ordinary Shares (cont'd)**

   e. **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	114,312,469	34.89
MR CHEE SIEW YAW	40,816,667	12.46
GEARED INVESTMENTS PTY LTD	14,000,000	4.27
PAND JR PTY LTD	9,889,283	3.02
MRS JACLYN STOJANOVSKI & MR CHRIS RETZOS & MRS SUSIE RETZOS	7,420,560	2.26
MR LESLIE THOMAS KING & MRS HEATHER KING	6,920,174	2.11
SML CONTRACTING PTY LTD	4,249,433	1.30
PS CONSULTING PTY LTD	4,000,000	1.22
STOYLE HOLDINGS PTY LTD	3,893,000	1.19
COAL INDUSTRY SERVICES PTY LTD	3,093,352	0.94
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,088,000	0.94
J P MORGAN NOMINEES AUSTRALIA LIMITED	2,813,174	0.86
MR JOHN CAMPBELL SMYTH	2,670,000	0.81
I E PROPERTIES PTY LTD	2,597,576	0.79
SAM GOULOPOULOS PTY LTD	2,500,000	0.76
T E & J PASIAS PTY LTD	2,500,000	0.76
MR GLENN THOMAS CONNOR & MRS ANNETTE MARGARET CONNOR	2,500,000	0.76
COLONEL WEST PTY LTD	2,292,352	0.70
MR J MATTHEW FIFIELD & MRS ELIZABETH FIFIELD	2,211,044	0.67
SANLIRRA PTY LTD	2,140,000	0.65
AFRICAN IRON LIMITED	2,136,824	0.65
MR BRETT JOHN HARRIS	2,102,491	0.64
	23,8146,399	72.68

2. **Unquoted Securities**

   a. **Distribution of Option Holders**

	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	7	2
Total holders	7	2

   b. **Voting rights**

Holders of options have no voting rights.

3. **Other**

   a. The name of the Company Secretary is Adrien Wing.
   b. The principal registered address in Australia is Level 3, 480 Collins Street, Melbourne Victoria 3000.
   c. Registers of securities are held at the following address: Link Market Services, Level 4, Central Park, 152 St Georges Terrace, Perth WA 6000.
   d. Stock Exchange Listing: Quotation has been granted for all ordinary shares on all Member Exchanges of the ASX Limited
   e. Corporate Governance: A copy of the Company's Corporate Governance Statement is available on the Company's website at http://www.nae.net.au.

Licence No.	Project	Country	Area (km^2)	Licence Type	NAE Group % Interest
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% [(a)]

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