Annual Report 30 June 2019

ABN 34 090 074 785

CORPORATE DIRECTORY

DIRECTORS	Ian Daymond (Non-Executive Chairman) Christiaan Jordaan (Managing Director) Paul Ching (Non-Executive Director) Jackie Lee (Non-Executive Director)
SECRETARY	Robert Marusco
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AUDITORS	HLB Mann Judd Level 4, 130 Stirling Street Perth, Western Australia 6000
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CHAIRMAN'S LETTER

27 September 2019

Dear valued shareholder

The past financial year has seen the start of a period of significant transformation for New Energy Minerals Ltd ("New Energy" or "the Company"). Such a period of transformation is never easy, nor without its challenges, but as a responsible Board we Directors have to make difficult decisions based on the careful analysis and consideration of all the information and facts for the long-term benefit of the Company and its shareholders. The decisions to divest the Company's Montepuez Ruby and Balama Graphite-Vanadium Projects, during the reporting period, were not taken lightly and the decisions were only reached after careful analysis of all available data which in the case of the Balama Graphite-Vanadium project also included an Independent Expert's Report (IER) prior to being put to shareholders for a vote in May 2019.

Montepuez Ruby Project

With regard to the Ruby project, it was always appreciated that the Company would encounter many market challenges and that there were many marketing and sales risks in what is still a highly competitive and rather opaque industry which is not at all well understood, with many difficulties for a new entrant gathering market intelligence on pricing and on quantities and qualities of stones in demand.

Therefore, on 17 July 2018 the Company announced that it had entered into a Merger of Ruby Assets Agreement ("MRAA") for its Montepuez ruby assets with TSXV-listed Fura Gems Inc. ("Fura") (TSXV.FURA), for $10 million in shares. Under the MRAA, the shares were to be issued to New Energy in three tranches over 20 months, resulting in New Energy owning approximately an 8% stake in Fura, excluding percentage equity dilution from capital raised.

The Company originally intended to conduct an in-specie distribution of the Fura shares to New Energy shareholders when released from escrow with the holding in Fura aimed at providing New Energy shareholders with exposure to the rapidly growing ruby market via a specialist gem company.

However, on 29 November 2018 New Energy announced that the terms of the MRAA with Fura were amended between the parties with an amendment agreement dated 26 November 2018 ("Amending Agreement").

Under the terms of the Amending Agreement, the consideration payable to New Energy upon closing of the transaction will now be $2.8 million in cash, rather than the originally agreed 10.5 million Fura shares to be issued to the Company over a 20-month period from closing. At present, the only remaining conditions precedent that remain to be satisfied for the transaction to close are the receipt of a final tax opinion and Ministerial approval from the Government of Mozambique.

Caula Graphite-Vanadium Project

The quality and potential of both the graphite and vanadium hosted in the Caula deposit became increasingly clear as the assay results of the Scoping Study and resource drilling campaign as well as the vanadium assay results of the previous drilling were returned. Vanadium assay results of 0.4% V2O5 over 125m intersection as well as multiple intersections from 0.7% to 1.02% V2O5 were reported together with graphite assay results of up to 24.2% TGC and 14.1% TGC average over 125m. A total of 11 holes were completed for 1,421.5m as part of the Scoping Study and resource infill and extension drilling campaign. The assays results include intersections of up to 1.9% vanadium (V2O5) and 28.9% Total Graphitic Carbon (TGC). The results further contained multiple high-grade intersections over extensive widths, including 215m at 14.72% TGC average and 0.51% V2O5 average (MODD018).

The Board's confidence in the potential of the Caula project was validated during the financial year with the announcement of New Energy's maiden Vanadium Mineral Resource and upgraded Graphite Mineral Resource. The maiden Vanadium Resource, all in the Measured Category, is 22Mt at 0.37% vanadium pentoxide (V2O5) (0.2% cut-off) for a total of 81,600 tonnes of contained vanadium pentoxide. The upgraded Graphite Resource, all in the Measured Category is 21.9Mt at 13.4% TGC (8% cut-off) for a total of 2,933,100 tonnes of contained graphite.

Strategic Investor, Equity Placement and Joint Venture Partner for Caula Project

On 7 November 2018 New Energy Minerals entered into a binding agreement with UBezTT International Investment Holdings (BVI) Ltd, the private investment vehicle of Mr Louis Ching (the "Investor"). Mr Ching has extensive experience in commodity trading and business development in the People's Republic of China, as well as several other countries in both Asia and Africa. Mr Ching is a committee member of the Chinese People's Political Consultative Conference of Liuzhou City in the PRC and is the largest shareholder, Chairman and Managing Director of PT International Development Corporation Ltd ("PT International"), a Hong Kong listed company (00372:HK). PT International is a diversified investment holding company with interests in a registered Hong Kong regulated asset manager, property investments and other high growth companies. Mr Ching is also the Director and Deputy President of STX Corporation a South Korean listed trading and investment holding company, with activities in the trading of non-ferrous metals including zinc, nickel and stainless steel, as well as the provision of shipping and logistics services on a global basis.

Balama Transaction & Capital Reduction

On 8 February 2019 New Energy announced that it entered into a Share Sale and Purchase Agreement ("SSPA") with Auspicious Investment Holding Limited ("Auspicious"), to sell the remaining 50% of Balama Resources ("Balama"), the entity which holds the Company's interest in the Caula graphite and vanadium Project for $7m in cash. As part of the SSPA, New Energy agreed to conduct an equal access capital reduction ("Capital Reduction"), under which the Company intends to provide a return of capital to its shareholders of an aggregate amount being not less than 60% of the Purchase Price, less the costs incurred by the Company in executing and completing the sale transaction. An independent expert report (IER) completed by BDO Corporate Finance Pty Ltd found that the transaction was both fair and reasonable to New Energy's shareholders following which the transaction was approved at an EGM in May 2019.

During the Financial Year, the Company announced that, following consultation with the independent expert and the Company's legal advisors, the Equal Capital Reduction is to only be made after (and subject to) the completion of the Fura Transaction. During the June quarter, New Energy reiterated the importance that shareholders were aware of this requirement and the potential impact on the timing of the Equal Capital Reduction. Through the Capital Reduction, the Board of New Energy aims to return some monetary value to shareholders, whilst allowing them to retain their shares in the Company.

Board Restructure

On 12 June 2019 the Company announced that UbezTT International Holdings had nominated Mr Paul Ching and Mr Jackie Lee for appointment to the Board of Directors. Concurrently, Dr Bernard Olivier stepped down as Managing Director of New Energy Minerals Limited and Mr Cobus van Wyk also resigned from Chief Operations Director of the Company. Mr Christiaan Jordaan was appointed as full-time Managing Director of the Company. New Energy Minerals thanked the former Board members for their service to the Company.

Arena Investors

As announced on 8 January 2018, Arena entered into an Agreement ("Agreement") with New Energy whereby it committed to invest $19.95 million into the Company, under a multi-tranche convertible note facility.

In October 2018, Arena provided notice to New Energy that the Company allegedly breached the terms of the Convertible Note Deed between Arena and the Company. New Energy disputed the circumstances in which such notice has been given to it as well as the quantum of Arena's claim (which included a claim for a termination fee of $2.5 million).

As announced on 15 August 2018 it was the Company's view that Arena waived the termination payment as defined in the main deed announced on 8 January 2018 and therefore a termination payment was not due to Arena and the Company stated its intention to vigorously defend this position.

During November 2018, the Company announced that it has lodged an application pursuant to Section 459G of the Corporations Act, to set aside the statutory demand by Arena, arising from debts allegedly owed by the Company under the terms of the Unsecured Convertible Note Deed between the Company and Arena. New Energy Minerals, in consultation with its legal counsel, lodged the application to the Supreme Court of Western Australia on 19 November 2018, to have the statutory demand set aside.

In July 2019, the Company was pleased to announce that the Master of the Supreme Court of Western Australia had set aside the statutory demand from Arena Investors. Arena Investors will be required to pay the Company's costs of the application to set aside the statutory demand, to be assessed according to the Supreme Court scale of costs. The Master declined to make any indemnity costs or special cost orders.

On 4 September 2019 the Company announced that Arena had discontinued with its appeal against the decision by the Master of the Supreme Court of Western Australia to set aside a statutory demand from Arena.

The Future

As Chairman, I fully realise that this past financial year, like FY2018, has been another difficult and frustrating one for shareholders.

I would like to thank all our shareholders for their loyalty, patience and understanding despite the disappointments. I wish to reassure shareholders that the Board and management take their responsibilities seriously and I emphasise that the difficult decisions taken during the last 12 months were made only after very careful consideration of all the data and the realities.

Following conclusion of the ruby and graphite asset sales and the planned capital return to shareholders, the Board will seek to identify and acquire a suitable new project.

Yours faithfully,

Ian C Daymond

New Energy Minerals Ltd

Chairman

Review of Operations

During the financial year under review the Company continued with the development of its vanadium and graphite exploration projects in Mozambique with a principal focus on the Caula Vanadium-Graphite Project. The Caula Vanadium-Graphite Project is being developed by New Energy under an operational management agreement with Regius Resources Group Ltd which has a long history of operating in Mozambique. No further exploration work was undertaken in relation to the Montepuez Ruby Project in Mozambique.

Montepuez Ruby Project, Mozambique

Merger of Ruby Assets Agreement

On 17 July 2018 the Company announced that it had entered into a Merger of Ruby Assets Agreement ("MRAA") for its Montepuez ruby assets with TSXV-listed Fura Gems Inc. ("Fura") (TSXV.FURA), for $10 million in shares. Under the MRAA, the shares were to be issued to New Energy in three tranches over 20 months, resulting in New Energy owning approximately an 8% stake in Fura, excluding percentage equity dilution from capital raised. In the report for the financial year ended 30 June 2018 the Group has reported the Montepuez Ruby Project as a discontinued operation.

The Company intended to conduct an in-specie distribution of the Fura shares to New Energy shareholders when released from escrow with the holding in Fura aimed provide New Energy shareholders with exposure to the rapidly growing ruby market via a specialist gem company.

Amendment to Ruby Assets Agreement

On 29 November 2018 New Energy announced that the terms of the MRAA with Fura were amended between the parties with an amendment agreement dated 26 November 2018 ("Amending Agreement").

The parties agreed to extend the closing date of the agreement from 30 November 2018 to 28 February 2019, to allow for the satisfaction of the remaining conditions precedent, principally being a binding tax opinion from the tax authorities in Mozambique, and Ministerial approval.

Under the terms of the Amending Agreement, the consideration payable to New Energy upon closing of the transaction will now be $2.8 million in cash, rather than the originally agreed 10.5 million Fura shares to be issued to the Company over a 20-month period from closing.

Concurrently with the Amending Agreement, New Energy also entered into a Loan Agreement ("Loan Agreement") with Fura for the aggregate amount of $2.8 million. Under the terms of the Loan Agreement, the Company is able to draw down funds prior to completion of the MRAA, for purposes of settling any claims or disputes with Arena Investors or for legal and working capital expenses. Any funds drawn under the Loan Agreement were to bear a capitalised interest at 15% per annum and the loan is unsecured. Upon Fura closing the MRAA, the Loan Agreement will automatically terminate, and the payment of all accrued capitalised interest waived by Fura.

MRAA Drop Dead Date

During March 2019 the Company announced the extension of the Drop Dead Date under the MRAA as dated 26 November 2018, as amended with Fura ("Amending Agreement"). As announced, Fura gave the Company notification of the extension of the Drop Dead Date, for closing of the ruby assets sale transaction with Fura, under the Amending Agreement from 28 February 2019 to 31 March 2019, to allow further time for the satisfaction of the outstanding conditions precedent, principally being the receipt of a binding tax opinion from the tax authorities of Mozambique, and ministerial approval.

On 3 April 2019 New Energy announced a further extension of the Drop Dead Date, under the Amending Agreement dated 26 November 2018. New Energy announced that Fura had provided the Company written notification of the extension of the Drop Dead Date from 31 March 2019 to 30 April 2019 for closing of the Ruby Assets sale transaction with Fura under the Amending Agreement. The Company confirmed that all required documents in relation to the binding tax opinion had been lodged and that the application for Ministerial approval was well advanced. The timing of receipt of this opinion (and therefore the satisfaction of this condition) is outside the control of the Company and Fura. However, the Company announced that it was working with the Mozambican authorities to assist where required.

On 3 May 2019 the Company announced a further extension of the Drop Dead Date from the 30 April 2019 to 31 May 2019 for closing of the MRAA. The Company updated the market again on 3 June 2019 in relation to the extension of the Drop Dead Date from 31 May to 30 June 2019, with the most recent announcement allowing for further extension of the Drop Dead Date to 31 October 2019.

For further details of the Ruby Assets sale, please see ASX announcements dated 17 July 2018, 29 November 2018, 5 March 2019, 3 April 2019, 3 May 2019, June 2019, 28 June 2019, 1 July 2019, 27 July 2019, 2 September 2019 and 27 September 2019. The Company continues to work closely with the Mozambican Government and tax authorities to close the transaction as soon as practicable.

Caula Vanadium-Graphite Project

Maiden Vanadium Mineral Resource

On 20 July 2018 New Energy announced that the Caula Vanadium-Graphite project in Mozambique had completed its maiden JORC-compliant vanadium Mineral Resource estimate. As announced, the Mineral Resource, was entirely in the Measured category, and was 22Mt at 0.37% vanadium pentoxide (V2O5) for a total of 81,600 tonnes of contained vanadium pentoxide. This was in addition to the existing graphite Resource at Caula of 5Mt at 13% Total Graphitic Carbon (TGC).

Graphite Resource

On 24 July 2018 New Energy announced that its Caula Vanadium-Graphite project in Mozambique had also received an upgraded JORC-compliant Graphite Mineral Resource estimate. As per the announcement, The Mineral Resource, which is all in the Measured category, is 22Mt at 13.4% Total Graphitic Carbon ("TGC") (8% cut-off) for a total of 2,933,100 tonnes of contained Graphite. The Mineral Resource was an update from the previous Inferred Graphite Resource of 5Mt at 13% TGC for 702,600 of contained Graphite, based upon the completion of eleven additional cored boreholes during November and December 2017. The upgraded Mineral Resource represented a 317% increase in the size of the Mineral Resource from 702,600 tonnes of contained graphite to 2,933,100 tonnes of contained graphite.

Feasibility Study Drilling

In August 2018 New Energy announced that the feasibility study drilling program at its flagship Caula Vanadium-Graphite project in Mozambique was well underway. The Company planned 4,075m of diamond (DD) and reverse circulation (RC) drilling.

On 6 September 2018 the Company announced that the feasibility study drilling program at its flagship Caula project had been successfully completed ahead of schedule. A total of 3,025m of diamond (DD) drilling and 1,130m of reverse-circulation (RC) drilling over 34 holes were completed for a total of 4,155m, with the core and chips being cut and sampled on site.

Metallurgical Testwork

On 3 October 2018 New Energy announced that preliminary vanadium testwork had produced outstanding recovery and concentrate results, from bench-scale metallurgical testwork, on ore from the Fresh Zone of the Caula Vanadium-Graphite Project. Through the integrated graphite and vanadium flowsheet, the testwork utilised Wet High Intensity Magnetic Separation (WHIMS) on composite samples, which resulted in a Cleaner Concentrate grade of 1.66% V_2O_5, with a recovery rate of 80.6%. Results were achieved from an overall feed grade of 0.401% V_2O_5, before graphite extraction.

In March 2019 the Company announced the results of the first set of specialised independent tests conducted by German Based NGS Trading and Consulting GmbH ("NGS"), on its 40% owned Caula project, had achieved excellent expansion volumes for all flakes sizes with an average expansion volume of 295 mL/g achieved.

Scoping Study

In October 2018 the Company reported the results of an independent Scoping Study completed by mining consultant group Bara International ("Bara") on the Company's 80% owned Caula Project.

The Scoping Study was undertaken to an overall ±35% level of accuracy and examined all facets of geology, mining, processing and supporting infrastructure and included a site visit by the consultants in June 2018. The Scoping Study was prepared on the project level and assumed 100% project ownership.

Corporate

Strategic Investor, Equity Placement and Joint Venture Partner for Caula Project

On 7 November 2018 New Energy Minerals entered into a binding agreement with UBezTT International Investment Holdings (BVI) Ltd, the private investment vehicle of Mr Louis Ching (the "Investor"). Mr Ching has extensive experience in commodity trading and business development in the People's Republic of China, as well as several other countries in both Asia and Africa. Mr. Ching is a committee member of the Chinese People's Political Consultative Conference of Liuzhou City in the PRC and is the largest shareholder, Chairman and Managing Director of PT International Development Corporation Ltd ("PT International"), a Hong Kong listed company (00372:HK). PT International is a diversified investment holding company with interests in a registered Hong Kong regulated asset manager, property investments and other high growth companies. Mr Ching is also the Director and Deputy President of STX Corporation, a South Korean listed trading and investment holding company, with activities in the trading of non-ferrous metals including zinc, nickel and stainless steel, as well as the provision of shipping and logistics services on a global basis.

Balama Transaction and Capital Reduction

On 8 February 2019 New Energy announced that it entered into a Share Sale and Purchase Agreement ("SSPA") with Auspicious Investment Holding Limited ("Auspicious"), to sell the remaining 50% of Balama Resources ("Balama"), the entity which holds the Company's interest in the Caula graphite and vanadium Project for a total cash consideration of $7m. As part of the SSPA, New Energy agreed to conduct an equal access capital reduction ("Capital Reduction"), under which the Company will provide a return of capital to its shareholders of an aggregate amount being not less than 60% of the Purchase Price, less the costs incurred by the Company in executing and completing the sale transaction.

During the Financial Year, the Company announced that, following consultation with the independent expert and the Company's legal advisors, the Equal Capital Reduction is to only be made after (and subject to) the completion of the Fura Transaction. During the June quarter, New Energy reiterated the importance that shareholders were aware of this requirement and the potential impact on the timing of the Equal Capital Reduction. Through the Capital Reduction, the Board of New Energy aims to return some monetary value to shareholders, whilst allowing them to retain their shares in the Company.

Conditions Precedent End Date

During the June quarter, in relation to the SSPA, New Energy and Auspicious agreed to the extension of the Conditions Precedent End Date to 30 September 2019 and on 26 September 2019 the Company announced the extension of the Drop Dead Date to 1 December 2019 in conjunction with a Deed of Variation agreed between the parties. Balama is the subsidiary through which New Energy holds its interest in the Caula graphite and vanadium Project. Following completion of the SSPA, New Energy will have no further interest in the Caula Project, which was the Company's former main undertaking.

Company Changes Name to 'New Energy Minerals Limited'

During the Financial Year, the company stated its intention to change the Company name to 'New Energy Minerals Limited', to reflect its focus on vanadium and graphite exploration and mining, critical commodities for the rapidly growing New Energy Market. The name change was subsequently approved by shareholders on 2 October 2018 and the Company commenced trading under the ASX ticker code ASX:NXE.

Board Restructure

As announced on 7 November 2018, the Company entered into a Strategic Investment Agreement ("**Agreement**") with Mr Louis Ching, whereby he acquired 50% of the shares on issue in Balama, via his investment vehicle, Auspicious, a company incorporated in the British Virgin Islands. Under the Agreement, Mr. Louis Ching also entered into a private placement with the New Energy via his secondary investment vehicle, UbezTT International Holdings ("**UbezTT**"), which resulted in UbezTT becoming a substantial shareholder in New Energy, currently holding 15.09% of the issued shares in the Company. Under this Agreement, Mr Louis Ching held the right to appoint two board members to the Company Board of Directors.

On 12 June 2019 the Company announced that UbezTT International Holdings had appointed Mr Paul Ching and Mr Jackie Lee to the Board of Directors. Concurrently, Dr Bernard Olivier stepped down as Managing Director of New Energy Minerals Limited and Mr Cobus van Wyk also resigned as Chief Operations Director of the Company. Mr Christiaan Jordaan was appointed as full time Managing Director of the Company. New Energy Minerals thanked the former Board members for their service to the Company.

New Energy Board member, Mr Paul Ching holds a degree from Monash University and has over 21 years' experience in the finance industry. He is also the President of PT Investment Corporation Limited and Managing Director of China-Bao Sheng (Shanghai) Trading Company, both of which are subsidiaries of Hong Kong listed PT International Development Corp.

Mr Jackie Lee is a Chartered Accountant with over 14 years' experience in accounting, finance and financial management. He obtained his bachelor's degree with Honours in Commerce, majoring in finance and accounting, from the University of British Columbia in Canada in 2003. Mr Lee is also currently the CFO of PT International Corporation Limited, a Company listed on the Hong Kong stock exchange (HKEX:0372).

Capital Raise & Share Issues

Coinciding with the restructure of the Company Board, New Energy announced on 12 June 2019 that the Company had secured short term funding from sophisticated and professional investors in the form of unsecured convertible notes "(Convertible Notes") totalling $406,000. As announced, the funds were to be used for new project evaluation and due diligence costs, legal and other expenses relating to the Balama sale and for general working capital purposes. The Convertible Notes incurred an interest rate of 12% per annum and the Conversion Price is at $0.022 per share, with the maturity date 6 months from the date of payment to the Company.

The Company raised capital progressively and issued shares during the period under review as follows:

(i) On 5 July 2018 the Company issued 18,719,431 pre-consolidation shares at $0.0162 each to satisfy the Company's obligation to issue shares following the partial conversion of $300,000 convertible notes and a $3,255 interest payment.
(ii) On 25 July 2018 the Company issued 38,861,530 pre-consolidation shares at $0.0157 each to satisfy the Company's obligation to issue shares following the partial conversion of $600,000 convertible notes and a $10,126 interest payment.
(iii) On 21 August 2018 the Company issued 151,382,825 pre-consolidation shares at $0.01374 each to raise $2,080,000 before costs.
(iv) On 25 September 2018 the Company consolidated shares on issue on a basis of 1 share for every 10 shares held.
(v) On 25 October 2018 the Company issued 1,601,164 post-consolidation shares at $0.1374 each to raise $220,000 before costs.
(vi) On 9 November 2018 the Company issued 17,476,401 post-consolidation shares at $0.065 cents per share to raise $1,500,000 before costs.
(vii) On 23 November 2018 the Company issued 5,600,522 post-consolidation shares at $0.065 cents per share to raise $364,034 before costs.
(viii) On 20 December 2018 the Company issued 11,309,179 post-consolidation shares of which 10,000,000 were issued at $0.07 per share to related party Regius Resources Group Ltd ("Regius") in exchange for a $700,000 debt owning by the Company to Regius and 1,309,179 post-consolidation shares issued at $0.048 per share in exchange for professional services.

<u>Arena Investors</u>

In August 2018 New Energy announced that it had obtained key approvals and waivers with Arena Investors L.P ("Arena") in an amendment deed dated 14 August 2018 ("Amendment Deed"). As announced on 8 January 2018, Arena entered into an Agreement ("Agreement") with New Energy whereby it committed to invest $19.95 million into the Company, under a multi-tranche convertible note facility.

In October 2018 Arena provided notice to New Energy that the Company allegedly breached the terms of the Convertible Note Deed between Arena and the Company. New Energy disputed the circumstances in which such notice has been given to it as well as the quantum of Arena's claim (which included a claim for a termination fee of $2.5 million).

As announced on 15 August 2018, it was the Company's view that Arena waived the termination payment as defined in the main deed announced on 8 January 2018 and therefore a termination payment was not due to Arena and the Company stated its intention to vigorously defend this position.

During November 2018 the Company announced that it has lodged an application pursuant to Section 459G of the Corporations Act, to set aside the statutory demand by Arena, arising from debts allegedly owed by the Company under the terms of the Unsecured Convertible Note Deed between the Company and Arena. New Energy Minerals, in consultation with its legal counsel, lodged the application to the Supreme Court of Western Australia on 19 November 2018, to have the statutory demand set aside.

On 14 December 2018 New Energy Minerals announced that the Company's application to have the statutory demand set aside would not be heard until 21 March 2019. Prior to this, both parties agreed to mediation of their disputes on 31 January 2019. A mediation between the Company and Arena was held on 18 January 2019 and did not result in any form of settlement between the parties. As the parties did not settle their disputes through mediation, the Company's application in the Supreme Court of Western Australia proceeded and the matter was heard by the Master of the Supreme Court of Western Australia on 27 March 2019.

In July 2019 the Company was pleased to announce that the Master of the Supreme Court of Western Australia had set aside the statutory demand from Arena Investors. Arena Investors will be required to pay the Company's costs of the application to set aside the statutory demand, to be assessed according to the Supreme Court scale of costs. The Master declined to make any indemnity costs or special cost orders.

On 4 September 2019 the Company announced that Arena had discontinued its appeal against the decision by the Master of the Supreme Court of Western Australia to set aside the statutory demand from Arena.

Director Relationships

In November 2018 New Energy advised the market of a family relationship between Managing Director Dr Bernard Olivier and Non-Executive Director Dr Evan Kirby. Both Dr Olivier and Dr Evans resigned from the Company on 12 June 2019.

Directors and Company Secretary

The Directors of the Company at any time during or since the end of the financial year are as follows. Directors were in office for the entire period unless otherwise stated.
<u>Ian Daymond BA LLB – Non-Executive Director, Chairman (Appointed 30 July 2014)</u>

Mr Daymond practised as a solicitor for more than 41 years as an external or in-house lawyer and as a consultant in the mining and resources area. He was General Counsel and Company Secretary of Delta Gold Ltd for over 11 years which saw the company grow from a small gold explorer into one of the largest gold producers in Australia with significant platinum and gold mining interests in southern Africa. Mr Daymond has significant independent director experience, having served as a non-executive director of International Base Metals Ltd with substantial copper interests in Namibia and is the former chairman of ElDore Mining Corporation Ltd (ASX: EDM), ActivEX Ltd (ASX: AIV) and Copper Range Ltd (ASX: CRJ) and a former non-executive director of Hill End Gold Ltd. Mr Daymond was the national chairman of the Australia-Southern Africa Business Council from 2002 to 2005 and has substantial business, legal and corporate government experience. He has experience in precious, base metals and diamond projects, not only in Australia but also in southern Africa for more than 25 years. He has been the Honorary Consul for the Republic of Botswana in NSW since May 2007.

During the last three years, Mr Daymond has not served as a director of any other listed company.

Christiaan Jordaan – Managing Director (Appointed 10 December 2015, appointed as Managing Director 12 June 2019)

Mr Jordaan is the former Chief Executive Officer and Co-Founder of Regius Resources Group Ltd (UK), the Mozambican-focused mining and exploration company that has been operating in Mozambique since 2004 and former Chief Executive Officer of Regius Resources Group (Australia) Ltd resigning from these companies on 1 August 2019.

Mr Jordaan has extensive experience in managing mining and energy projects and an intimate knowledge of the New Energy projects from their inception. He holds a Commercial Law Degree, and prior to co-founding Regius, he was a director of a financial services Group in South Africa where he was responsible for risk management. He is based in New Energy's Sydney office.

During the last three years, Mr Jordaan has not served as a director of any other listed company.

Paul Ching – Non-Executive Director (Appointed 12 June 2019)

Mr Ching holds a degree from Monash University and has over 21 years' experience in the finance industry. He is also the President of PT Investment Corporation Limited and Managing Director of China-Bao Sheng (Shanghai) Trading Company both of which are subsidiaries of Hong Kong listed PT International Development Corp.

During the last three years, Mr Ching has not served as a director of any other listed company.

Jackie Lee – Non-Executive Director (Appointed 12 June 2019)

Mr Lee is a Chartered Accountant with over 14 years' experience in accounting, finance and financial management. He obtained his bachelor's degree with Honours in Commerce, majoring in finance and accounting, from the University of British Columbia in Canada in 2003. Mr Lee is also currently the CFO of PT International Corporation Limited, a Company listed on the Hong Kong stock exchange (HKEX:0372).

During the last three years, Mr Lee has not served as a director of any other listed company.

Bernard Olivier – Managing Director (Appointed 12 January 2018, resigned 12 June 2019)

Dr Olivier holds a PhD in Economic Geology from the University of Stellenbosch, South Africa. He has been working as a geologist since 1998 and has worked throughout various African, Asian and South American countries, including Tanzania, South Africa, Burundi, Swaziland, Argentina, Colombia, Australia and the Philippines. He is a dual Australian and South African national and a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). He has worked on a variety of exploration and development projects as well as in mining operations across a spread of commodities, including, gemstones, gold, graphite, diamonds, PGEs, base metals and coal. He has over 10 years' experience as a quoted company director.

Dr Olivier's agreement is between the Company's wholly owned subsidiary Mustang Resources (Mauritius) Ltd and Dr Olivier.

During the past three years Dr Olivier has served as the Chief Executive Officer of Richland Resources PLC (formerly Tanzanite One) since March 2010 and as an Executive Director of AIM listed Bezant Resources PLC since March 2007.

Cobus van Wyk – Executive Director (Appointed 10 June 2015, appointed to Chief Operating Officer 15 January 2018, resigned 12 June 2019)

Mr van Wyk is the Chief Executive Officer and co-founder of the Regius group of companies and obtained his Bachelor of Marketing at the Tshwane University of Technology and his MBA at the University of Wales. Mr van Wyk started his career in the financial industry and capital markets in the Bankorp Group in South Africa. He commenced work on the Johannesburg Stock Exchange ("JSE") in 1994 and is a qualified portfolio manager and Stockbroker. Mr van Wyk was accepted as a member of the JSE in January 1996, became a member of the South African Futures Exchange (Safex) in 1996 in the derivatives market. Since 1999 Mr van Wyk has been involved in corporate finance as part of his duties as a member of the JSE. Mr van Wyk has more than 23 years' experience in the financial services industry which he is applying to the mining sector. Mr van Wyk has more than 10 years' experience in mining and exploration ventures in Mozambique (tantalite & coal) as well as South Africa (platinum group metals).

During the last three years, Mr van Wyk has not served as a director of any other listed company.

Evan Kirby – Non-Executive Director (Appointed 7 March 2018, resigned 12 June 2019)

Dr Kirby is a metallurgist with more than 40 years' experience and has extensive corporate and technical expertise. Dr Kirby worked for 16 years in South Africa with Impala Platinum, Rand Mines and then Rustenburg Platinum Mines. In 1992, he moved to Australia and was employed by Minproc Engineers and then Bechtel Corporation, where he had management and technical responsibilities. In 2002, Dr Kirby established his own Australian-based consulting business, Metallurgical Management Services. He has held leading roles in numerous metals and minerals projects, including many world-class developments, and has been a director of several ASX and AIM-listed mining companies. His hands-on experience includes diamonds, coloured gemstones, graphite, gold and platinum group metals, mineral sands and base metals.

During the last three years, Dr Kirby has served as a director of AIM listed Ferrum Crescent Limited and AIM-listed Bezant Resources PLC.

Robert Marusco B.Bus, CPA SA FIN ACSA GradDip ACG Dip FS (FP), Company Secretary (Appointed 4 March 2016)

Mr Marusco has developed experience and competence in equity capital markets, debt advisory and operational knowledge in relation to capital raising support and facilitation, corporate management including company secretarial, governance and compliance dealing with the ASX, ASIC and other authorities for both ASX listed public and private corporations.

Interests in the shares and performance rights of the company and related bodies corporate

As at the date of this report, the interests of the current directors in the shares, options & performance rights of the Company were:

	Ordinary Shares	Options	Unlisted Performance Rights
Ian Daymond[1]	466,216	450,000	1,783,784
Christiaan Jordaan[2]	410,811	-	3,389,189
Paul Ching (appointed 12 June 2019)[3]	23,076,923	-	-
Jackie Lee (appointed 12 June 2019)[3]	23,076,923	-	-
Bernard Olivier (resigned 12 June 2019)[4]	577,992	500,000	3,567,568
Cobus van Wyk (resigned 12 June 2019)[5]	18,395,468	727,802	4,075,189
Evan Kirby (resigned 12 June 2019)[6]	365,741	-	2,586,486

Note 1: 466,216 shares are held by Ian Daymond and 1,783,784 performance rights and 450,000 options are held via the Mustang Long Term Incentive Plan Trust on behalf of Ian Daymond subject to vesting conditions.
Note 2: 410,811 shares are held by Christiaan Jordaan and 3,389,189 performance rights are held via the Mustang Long Term Incentive Plan Trust on behalf of Christiaan Jordaan subject to vesting conditions.
Note 3: Shares held via UBezTT International Investment Holdings (BVI) Ltd.
Note 4: 577,992 shares are held by Bernard Olivier and 3,567,568 performance rights and 500,000 options are held via the Mustang Long Term Incentive Plan Trust on behalf of Bernard Olivier subject to vesting conditions.
Note 5: 18,395,468 shares, 727,802 options and 686,000 performance rights are held by Regius Resources Group Ltd and 3,389,189 performance rights are held via the Mustang Long Term Incentive Plan Trust on behalf of Cobus van Wyk subject to vesting conditions.
Note 6: 365,741 shares are held by Evan Kirby and 2,586,486 performance rights are held via the Mustang Long Term Incentive Plan Trust on behalf of Evan Kirby subject to vesting conditions.

Directors' Meetings

The number of directors' meetings held during the financial year each director held office and the number of meetings attended by each director is:

Director	A	B
Ian Daymond	12	12
Christiaan Jordaan	12	12
Paul Ching (appointed 12 June 19)	1	1
Jackie Lee (appointed 12 June 19)	1	1
Bernard Olivier (resigned 12 June 19)	11	11
Cobus van Wyk (resigned 12 June 19)	9	9
Evan Kirby (resigned 12 June 2019)	11	11

A – Number of meetings attended
B – Number of meetings held during the time the director held office during the year

The Group does not have separate audit, remuneration, ethical standards or diversity committees and these matters are addressed at board meetings when required.

Significant Changes in the State of Affairs

As previously noted, on 8 February 2019 New Energy entered into a binding Share Sale and Purchase Agreement ("SSPA"), with Auspicious Virtue Investment Holding Limited, for the sale by New Energy of all its remaining shares (the "Shares") in Balama Resources Pty Limited ("Balama"), for a total cash consideration of $7,000,000 ("Purchase Price"). On completion of the SSPA ("Completion"), Auspicious Virtue Investment Holding Limited, an investment vehicle of Mr Louis Ching ("Auspicious") being a company incorporated in the British Virgin Islands, will be the sole shareholder of Balama, holding 100% of the shares on issue, an increase from its current 50% holding of the issued capital in Balama. Shareholder approval was granted on 14 May 2019 and as such following completion, the Company will have no further interest in the Caula project, which is currently the Company's main undertaking.

The Balama transaction along with the Fura transaction means that there has been a significant change in the state of affairs of the Company in the reporting period whereby the Company will no longer be undertaking ruby, graphite and vanadium exploration activities.

Significant Events after Balance Date

Both the Fura and Balama transaction require for the satisfaction of the outstanding conditions precedent, principally the receipt of a binding tax opinion from the tax authorities in Mozambique, and Ministerial approval. As at the date of this report both the binding tax opinion and Ministerial approval remain outstanding.

The Company has extended the Fura agreement on 1 July 2019, 29 July 2019, 2 September 2019 and 27 September 2019 and also extended the Balama agreement on 30 July 2019, 2 September 2019 and 26 September 2019 to accommodate the outstanding conditions precedent noted above. Furthermore in accordance with the Variation Deed between the Company and Auspicious announced on 26 September 2019, Auspicious has agreed to advance AU$0.6m to New Energy as a pre-completion loan secured against New Energy's 50% share in Balama Resources Pty Ltd. The loan bears interest at 12% p.a and on closing of the Balama transaction the loan plus interest will be deducted from the Purchase Price. In the event that completion under the SSPA does not occur, New Energy will have 30 days to repay the loan (plus interest).

Likely Developments and Expected Results

Following the Merger Agreement with Fura and the sale of the remaining 50% of Balama the Company has effectively ceased development of the ruby project and vanadium-graphite exploration & mining in Mozambique. As at the date of this report the Company is focussing on settling both these transactions and working closely with the Mozambican taxation authorities to assist in the finalisation of taxation clearance signoff required as part of the settlement process. The Company also will continue to manage and assess its options with Arena including giving further consideration to a damages claim against Arena. Furthermore, the Company will also give consideration to and evaluate potential new opportunities or projects.

Environmental Regulations & Performance

The Group is a party to various exploration and development licenses or permits in the countries in which it operates. In most cases, these contracts and licenses specify the environmental regulations applicable to ruby, diamond and graphite mining in the respective jurisdiction. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. There have been no significant known breaches of the environmental obligations of the Group's licenses.

Risk Management

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board. The Group believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee.

The Board has a number of mechanisms in place to ensure that management objectives and activities are aligned with the risks identified by the Board. These include the following;

- Board approval of a strategy plan, which encompasses strategy objectives designed to meet stakeholders needs and manage business risk.
- Implementation of a Board-approved operating plans and budgets and board monitoring of progress against these budgets

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that the Company is in compliance with those guidelines which are of importance to the commercial operation of a junior listed resources company. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company. Due to the size of the Board currently there is no separate audit committee. These matters are considered by the full Board.

Proceedings on behalf of the Company

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 Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Indemnification and Insurance of Officers

An indemnity agreement has been entered into with each of the Directors and company secretary of the Company named earlier in this report. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities. There is no monetary limit to the extent of this indemnity. The Company has paid insurance premiums of $41,157 (2018: $37,466) in respect of directors' and officers' liability and legal expenses insurance contracts, for current directors and officers of the Company.

The insurance premiums relate to costs and expenses incurred in by the relevant officers in defending legal proceedings, whether civil or criminal and whatever the outcome; and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Remuneration Report

The remuneration report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for key management personnel of New Energy Minerals Limited for the year ended 30 June 2019 and is included on page 22.

OPERATING AND FINANCIAL REVIEW

Overview of the Group and Operations

During the financial period the Company ceased the exploration work and assessment of the Montepuez Ruby Project as a result of entering into an agreement with Fura however the Company continued with exploration and assessment work on the Caula Graphite and Vanadium Project, both located in Northern Mozambique.

Capital raisings along with the strategic investment from UBezTT International Investment Holdings (BVI) Ltd have allowed the Company to continue the exploration and development of its vanadium and graphite asset.

Financial

The consolidated net loss for the Group for the year ended 30 June 2019 was $9,941,936 (2018: $43,251,407).

Total assets increased from $14,976,518 in 2018 to $16,663,230 in 2019 as a result of held for sale assets, and net assets increased from $8,838,856 in 2018 to net assets of $12,023,893 in 2019. The Group's working capital surplus is $14,086,909 as at 30 June 2019 (2018: working capital surplus $2,717,957).

During the year the Company raised $6,966,862 (net of costs).

Going Concern

The Group's consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities, including the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss after tax of $9,941,936 (2018: $43,251,407) and had net cash outflows from operations of $4,663,448 (2018: $4,963,176) for the year ended 30 June 2019. At 30 June 2019 the Group had cash at bank totalling $288,862 and working capital surplus of $14,086,909 (2018: surplus of $2,717,957).

Based on the Group's cash flow forecast, the Group may require additional funding in the next 12 months to enable the Group to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due. This assumes the Group will be able to complete settlement of both the Fura and Balama transactions.

The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due is therefore dependent upon:

- the Group's operating cash requirements not exceeding its historical levels;
- the Group settling the Fura transaction which will result in a $2.8m cash injection into the Group before costs;
- the Group settling the Balama transaction which will result in a $7m cash injection into the Group before costs; and
- the Directors being successful in obtaining future funding (if required) to meet the Group's objectives and payment obligations as and when they fall due by engaging with parties in raising additional capital or issuing debt in which the Group has demonstrated a history of success in this regard.

As a result of the above matters, there exists a material uncertainty that may cast doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors are of the opinion that, the Group is a going concern and, as a result, the financial report for the year ended 30 June 2019 does not include any adjustments relating to the recoverability and classification of the recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Included in the Consolidated Financial Statements for the year ended 30 June 2019 is an independent auditor's report which includes and Emphasis of Matter paragraph in regard to the existence of material uncertainty on the Group's ability to continue as a going concern.

Principal Activities

The principal activities of the entities within the Group during the financial year were the continued exploration and viability assessment, exploration and development of the Caula Vanadium and Graphite project, management of the process for both the Fura and Balama transactions in order to achieve settlement. Following the settlement of both the Fura and Balama transactions the Company's core focus will be on assessment and managing of a damages claim against (and other litigation with) Arena and the evaluation of new projects and opportunities.

Results

The net loss after income tax of the Group for the financial year ended 30 June 2019 totalled $9,941,936 (2018: $43,251,407).

Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of dividend since the end of the previous financial year, or to the date of this report (2018: $Nil).

Corporate Structure

The Company is a company limited by shares that is incorporated and domiciled in Australia. The Company has prepared a consolidated report incorporating the entities that it controlled during the financial year.

Earnings per Share

The basic loss per share for the Company for the year 2019 was 7.42 (2018: 57.76) cents per share from continuing operations.

Share Options

Shares issued as a result of the exercise of options

No options were exercised either in the current or previous year.

Unissued Shares

As at the date of the report, there were unissued ordinary shares under option.

Number of Options	Listed / Unlisted	Exercise Price	Expiry Date
6,193,827	Listed	$0.35	25/01/2020
17,103,348	Listed	$0.20	26/11/2020
266,288	Unlisted	$0.273	23/01/2020
72,978	Unlisted	$0.273	25/02/2020
151,956	Unlisted	$1.00	09/03/2020
300,000	Unlisted	$1.50	31/03/2020
300,000	Unlisted	$2.00	31/03/2020
218,182	Unlisted	$0.715	20/07/2020
1,333,333	Unlisted	$1.17	20/07/2020
1,276,596	Unlisted	$1.222	20/07/2020
333,333	Unlisted	$1.17	15/09/2020
180,000	Unlisted	$1.30	16/10/2020
750,000	Unlisted	$0.307	15/01/2021
500,000	Unlisted	$0.356	13/03/2021
2,572,347	Unlisted	$0.323	13/03/2021
4,174,950	Unlisted	$0.262	29/05/2021
600,000	Unlisted	$0.273	22/05/2021
308,759	Unlisted	$0.178	25/10/2021
23,076,923	Unlisted	$0.14	20/12/2021

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company. All options (if exercised) would convert at a ratio of 1 fully paid ordinary share for every 1 option.

As at the date of the report, there were unissued ordinary shares under performance rights.

Class	Number of Rights	Listed / Unlisted
A	1,500,000	Unlisted
B	6,000,000	Unlisted
C	2,000,000	Unlisted
D	2,000,000	Unlisted
E	1,400,000	Unlisted
F	5,000,000	Unlisted

The non-market vesting conditions of the performance rights, which need to be satisfied for conversion to ordinary shares in the Company, are as follows:

Class	Non-market vesting conditions
A	Upon the Company receiving written confirmation of the pilot plant funding structure in relation to the Caula Project
B	Upon completion of the commissioning handover by the plant installers at the Company's Caula Project to the Company
C	Upon completion and announcement of a JORC-compliant resource upgrade to 50mt graphite & vanadium at the Company's Caula Project
D	Upon completion to pre-feasibility standards of an initial study to demonstrate profitable production at the Company's Caula Project
E	Upon proving a JORC Compliant Inferred Resource of a minimum of 50 Million tonnes @ >5% total graphitic content, on any of the Balama licenses on or before 31 December 2019.
F	Upon of the Company generating gross revenue of $2,000,000 or more

Performance Right holders do not have any right, by virtue of the performance right, to participate in any share issue of the Company. All performance rights (if vesting conditions achieved) would convert at a ratio of 1 fully paid ordinary share for every 1 performance right.

As at the date of the report, there were un-issued ordinary shares under a Convertible Note Agreement.

Class	Number of Notes	Listed / Unlisted
Convertible Note 1	100,000	Unlisted
Convertible Note 2A	150,000	Unlisted
Convertible Note Series 3	406,000	Unlisted

The conversion conditions for the conversion to ordinary shares in the Company are as follows:

Class	Conversion conditions
Convertible Note 1	Convertible Notes with a face value of $10.00 and a conversion price equal to the higher of: the lowest one (1) day Volume Weighted Average Price (VWAP) as published by Bloomberg selected by Arena over the twenty (20) trading days prior to the conversion of the Convertible Notes and a floor price of $0.18 and a maturity date of 10 July 2019 with a face value as follows: (noting that the Unsecured Convertible Note Deed between Arena and the Company was terminated by the Company in November 2018) • Note 1 liability: $1,000,000
Convertible Note 2A	Convertible Notes with a face value of $10.00 and a conversion price equal to the lowest one (1) day Volume Weighted Average Price (VWAP) as published by Bloomberg selected by Arena over the twenty (20) trading days prior to the conversion of the Convertible Notes and a maturity date of 29 October 2019 with a face value as follows: (noting that the Unsecured Convertible Note Deed between Arena and the Company was terminated by the Company in November 2018) • Note 2A liability: $1,500,000
Convertible Note Series 3	Convertible Notes face value of $1.00 convertible at $0.022 per share with a face value as follows: • Note 3 liability: $406,000

Remuneration Report (audited)

This report outlines the remuneration arrangements in place for directors, executives and key management personnel of the Group in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report key management personnel (KMP) of the group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

The remuneration report is set out under the following main headings:

A. Principles of compensation
B. Service agreements
C. Details of remuneration
D. Share based compensation

Principles of compensation

The remuneration policy of the company has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel and directors to run and manage the Group. The key management personnel of the Company are the executive and non-executive directors, and officers of the parent entity. For the purposes of this report, the term 'executive' encompasses the executive directors and officers of the Group. The Board's policy for determining the nature and amount of remuneration for board members and key management personnel of the Group is as follows:

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Fixed remuneration

The remuneration policy, setting the terms and conditions for the executive directors and key management personnel, was developed by the board. All key management personnel are remunerated either as an employee or on a consultancy basis based on services provided by each person. The Board reviews key management personnel packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of director fees that can be paid to non-executive directors is subject to approval by shareholders at the annual general meeting (currently $400,000). Fees for non-executive directors are not linked to the performance of the Group.

However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in employee share and option plans that may exist from time to time.

Variable remuneration – short term incentive (STI)

There are currently no variable short-term incentives provided to management in the form of an STI or bonus program. The Board is of the opinion that the variable long-term remuneration provided to directors and executives is sufficient to align the interests of management with shareholders.

Variable remuneration – long term incentive (LTI)

Currently, this is facilitated through the issue of options to key management personnel to encourage the alignment of personal and shareholder interests. There are no long-term incentives provided to management. The Board as a whole agrees upon an appropriate level of remuneration incentive for each director, which then requires shareholder approval, relative to their involvement in the management of the Group. The main performance criteria of the LTI remuneration is increasing shareholder value through aligning the company with high quality exploration assets, which in turn should increase share price. There are no specific performance hurdles attached to options issued to directors, however, the exercise price of options is set at a level that encourages the directors to focus on share price appreciation. The Company believes this policy will be effective in increasing shareholder wealth. On the resignation of directors, the options issued as remuneration are retained by the relevant party for a period of 21 days, following which if they are unexercised the options terminate. For details of directors and key management personnel interests in options at year end, refer section B.

Executive remuneration is not linked to either long term or short-term performance conditions. The Board will continue to monitor this to ensure that it is appropriate for the Company in future years. Consequently, remuneration of executives is determined with reference to the operations of the Company.

The Board may exercise discretion in relation to approving incentives such as bonuses or options. The policy is designed to attract the highest calibre of key management personnel and reward them for performance that results in long-term growth in shareholder wealth.

The Company has no policy on executives and directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

Long Term Incentive Plan (Plan)

On 24 November 2017 shareholders approved the Long Term Incentive Plan (the "Plan"). The Plan is intended to assist the Company to attract and retain key staff, whether employees or contractors. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the Plan will:

(a) enable the Company to incentivise and retain existing key management personnel and other eligible participants needed to achieve the Company's business objectives;
(b) enable the Company to recruit, incentivise and retain additional Key Management Personnel and other eligible participants needed to achieve the Company's business objectives;
(c) link the reward of key staff with the achievement of strategic goals and the long-term performance of the Company;
(d) align the financial interest of participants of the Plan with those of shareholders; and
(e) provide incentives to participants of the Plan to focus on superior performance that creates shareholder value.

Following shareholder approval of the Plan the following shares and options were issued to the Plan on behalf of the Key Management Personnel with vesting conditions and expiry dates noted below.

Furthermore, on 14 May 2019 shareholders approved the disposal of main undertaking of the Company being its interest in the Caula Graphite and Vanadium Project held within Balama. As a result of this disposal shareholder approval was also granted in relation to the performance rights issued to the directors under its long term incentive plan that have performance hurdles that relate to the performance and development of the Caula Project which is being disposed of by the Company which will see a return of capital paid to shareholders.

The terms of the Company's long term incentive plan provide that upon the occurrence of transactions such as a change of control or similar, the Board may determine that the performance rights issued under the long term incentive plan should vest.

Given some of the current and past directors hold performance rights under the long term incentive plan, they would all have a material personal interest in any consideration of whether the performance rights on issue should vest where the disposal is completed and the capital return is paid out to existing Shareholders.

As a result, the vesting of these rights was put to shareholder approval. Shareholders approved that the vesting hurdles be waived to enable those performance rights to be converted into Shares following the completion of the disposal and completion of the return of capital.

The number of performance rights held by each director is set out below.

Key Management Personnel	Role	Performance Rights	Unlisted Options	Vesting Conditions
Ian Daymond	Non-Executive Chairperson	-	450,000	Subject to the Company's market capitalisation being not less than $100,000,000 over a period of 20 consecutive trading days within 18 months with the Options exercisable at $0.0307 with expiry date 15 Jan 2021.
		162,162	-	Upon the Company receiving written confirmation of the pilot plant funding structure in relation to the Caula Project (Class A Performance Rights)
		648,649	-	Upon completion of the commissioning handover by the plant installers at the Company's Caula Project to the Company (Class B Performance Rights)
		216,216	-	Upon completion and announcement of a JORC-compliant resource upgrade to 50mt graphite & vanadium at the Company's Caula Project (Class C Performance Rights)
		216,216	-	Upon completion to pre-feasibility standards of an initial study to demonstrate profitable production at the Company's Caula Project (Class D Performance Rights)
		540,541	-	Upon of the Company generating gross revenue of $2,000,000 or more (Class F Performance Rights).
Christiaan Jordaan	Managing Director	308,108	-	Upon the Company receiving written confirmation of the pilot plant funding structure in relation to the Caula Project (Class A Performance Rights)
		1,232,432	-	Upon completion of the commissioning handover by the plant installers at the Company's Caula Project to the Company (Class B Performance Rights)

		410,811	-	Upon completion and announcement of a JORC-compliant resource upgrade to 50mt graphite & vanadium at the Company's Caula Project (Class C Performance Rights)
		410,811	-	Upon completion to pre-feasibility standards of an initial study to demonstrate profitable production at the Company's Caula Project (Class D Performance Rights)
		1,027,027	-	Upon of the Company generating gross revenue of $2,000,000 or more (Class F Performance Rights).
Paul Ching (appointed 12 June 2019)	Non-Executive Director	-	-	-
Jackie Lee (appointed 12 June 2019)	Non-Executive Director	-	-	-
Bernard Olivier (resigned 12 June 2019)	Managing Director	-	500,000	250,000 Options issued to the Mustang Long Term Incentive Plan Trust on behalf of Bernard Olivier vesting after 12 months continuous service by Bernard Olivier to the Company with the Options exercisable at $0.356 with expiry date 13 March 2021. 250,000 Options issued to the Mustang Long Term Incentive Plan Trust vesting subject to the Company's market capitalisation being not less than $100,000,000 over a period of 20 consecutive trading days within 18 months with the Options exercisable at $0.356 with expiry date 13 March 2021.
		324,324	-	Upon the Company receiving written confirmation of the pilot plant funding structure in relation to the Caula Project (Class A Performance Rights)
		1,297,297	-	Upon completion of the commissioning handover by the plant installers at the Company's Caula Project to the Company (Class B Performance Rights)
		432,432	-	Upon completion and announcement of a JORC-compliant resource upgrade to 50mt graphite & vanadium at the Company's Caula Project (Class C Performance Rights)

		432,432	--	Upon completion to pre-feasibility standards of an initial study to demonstrate profitable production at the Company's Caula Project (Class D Performance Rights)
		1,081,081	-	Upon of the Company generating gross revenue of $2,000,000 or more (Class F Performance Rights).
Cobus van Wyk (resigned 12 June 2019)	Executive Director	324,324	-	Upon the Company receiving written confirmation of the pilot plant funding structure in relation to the Caula Project (Class A Performance Rights)
		1,297,297	-	Upon completion of the commissioning handover by the plant installers at the Company's Caula Project to the Company (Class B Performance Rights)
		410,811	-	Upon completion and announcement of a JORC-compliant resource upgrade to 50mt graphite & vanadium at the Company's Caula Project (Class C Performance Rights)
		410,811	-	Upon completion to pre-feasibility standards of an initial study to demonstrate profitable production at the Company's Caula Project (Class D Performance Rights)
		1,081,081	-	Upon of the Company generating gross revenue of $2,000,000 or more (Class F Performance Rights).
		686,000	-	Upon proving a JORC Compliant Inferred Resource of a minimum of 50 Million tonnes @ >5% total graphitic content, on any of the Balama licenses on or before 31 December 2019.
Evan Kirby (resigned 12 June 2019)	Non-Executive Director	235,135	-	Upon the Company receiving written confirmation of the pilot plant funding structure in relation to the Caula Project (Class A Performance Rights)
		940,541	-	Upon completion of the commissioning handover by the plant installers at the Company's Caula Project to the Company (Class B Performance Rights)
		313,514	-	Upon completion and announcement of a JORC-compliant resource upgrade to 50mt graphite & vanadium at the Company's Caula Project (Class C Performance Rights)
		313,514	-	Upon completion to pre-feasibility standards of an initial study to

			demonstrate profitable production at the Company's Caula Project (Class D Performance Rights)
	783,784	-	Upon of the Company generating gross revenue of $2,000,000 or more (Class F Performance Rights).

The Board considers that the grant of incentive securities is a cost effective and efficient reward for the Company to make to appropriately incentivise continued performance and is consistent with the strategic goals and targets of the Company.

Voting and comments made at the Company's last Annual General Meeting

The Company received valid proxies of which approximately 88% were 'yes' votes on its Remuneration Report for the financial year ending 30 June 2018. The resolution to approve the Remuneration Report was carried by a show of hands. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

Company performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

Shareholder returns

The following table shows the last five years' financial performance against shareholder returns.

	2019	2018	2017	2016	2015
Product sales ($)	-	-	-	-	481,753
Net loss attributable to members of New Energy Minerals Ltd ($)	9,941,936	43,251,407	11,229,405	10,282,313	6,620,704
Basic EPS (cents)	(7.42)	(57.76)	(2.77)	(8.33)	(29.20)
Closing share price as at 30 June	$0.014	$0.017	$0.042	$0.041	$0.22

In 2019 the Company's securities underwent a 10:1 consolidation.

Service arrangements

Details of key management personnel

Directors

Ian Daymond - Non-Executive Director (appointed 30 July 2014)

Christiaan Jordaan - Managing Director (appointed 10 December 2015; changed from non-executive director to Managing Director 12 June 2019)

Paul Ching - Non-Executive Director (appointed 12 June 2019)

Jackie Lee - Non-Executive Director (appointed 12 June 2019)

Details of executives & non-executives

Remuneration and other terms of employment for the following key management personnel are set out below:

Christiaan Jordaan, Managing Director (Non-Executive director and then appointed as Managing Director 12 June 2019)

- Mr Jordaan received a non-executive director & managing director fee of $55,342 plus statutory superannuation (2018: $229,936).
- In addition, up until the 1 August 2019 he was a director and minor shareholder of Regius Resources Group Limited which holds shares and various Performance Rights in the Company. Mr Jordaan is no longer a director or shareholder of Regius Resources Group Limited.

- The Company entered into an executive service agreement with Mr Jordaan commencing 12 June 2019.
- Starting gross salary of $200,000 p.a. plus 9.5% statutory superannuation benefits.
- Salary will increase to $230,000 p.a. plus 9.5% statutory superannuation benefits following acquisition of a new project.
- Salary will increase to $250,000 p.a. plus 9.5% statutory superannuation benefits when market capitalisation of $50m is achieved and maintained or exceeded for at least 20 consecutive trading days.
- Salary will increase to $275,000 p.a. plus 9.5% statutory superannuation benefits when market capitalisation of $100m is achieved and maintained or exceeded for at least 20 consecutive trading days.
- Salary will increase to $300,000 p.a. plus 9.5% statutory superannuation benefits when market capitalisation of $150m is achieved and maintained or exceeded for at least 20 consecutive trading days.
- Benefits include private health insurance premiums.
- Employment agreement can be terminated by Mr Jordaan by providing 3 months' notice and the Group can terminate Mr Jordaan's employment agreement by providing 3 months' notice to him.
- Termination benefits to Mr Jordaan will not exceed and are capped at the average annual base salary he receives from the Group during the last three (3) years of employment or such lesser amount as the Group may be permitted to pay under the ASX Listing Rules.
- Upon termination all options allocated to Mr Jordaan under the Company's ESOP will be treated as follows: (a) all options which have vested but are not yet exercised may be exercised within the period of three (3) months from the date of termination; and (b) all options which have not yet vested will immediately lapse and become incapable of exercise.

Mr Jordaan will be granted 2,500,000 share options through the Company's incentive plan which requires approval by shareholders at the next EGM or the 2019 AGM. The options will vest after 12 months' continuous service and have a 3-year term and a strike price at a 25% premium to the 30-day VWAP at the date of appointment (12 June 2019). Furthermore, and subject to shareholder approval at the AGM later this year, he will be granted an additional 2,500,000 share options on the same terms and these will vest once the Company successfully acquires a new project.

Ian Daymond, Non-Executive Chairman

- Mr Daymond was paid at the rate of $60,000 p.a. plus statutory superannuation plus $17,500 in additional consulting services (2018: $60,000 plus $17,500 consulting fee).

Paul Ching, Non-Executive Director (appointed 12 June 2019)

- Mr Ching will receive a non-executive director's fee of $48,000 p.a. with payment to be made in fully paid ordinary shares in the Company, subject to future specific approval of such share payments by shareholders.

Jackie Lee, Non-Executive Director (appointed 12 June 2019)

- Mr Lee will receive a non-executive director's fee of $48,000 p.a. with payment to be made in fully paid ordinary shares in the Company, subject to future specific approval of such share payments by shareholders.

Cobus van Wyk, Chief Operating Director (appointed 15 January 2018 from position of non-executive director, then resigned 12 June 2019)

- Chief Operating Officer and Director fee of $239,187 for the period 1 July 2018 to 12 June 2019 was paid or payable during the financial year (2018: $141,813).
- In addition, he is a director and shareholder of Regius Resources Group Limited which holds shares and various Performance Rights in the Company.

Bernard Olivier, Managing Director (resigned 12 June 2019)

- Managing Director fee of $239,127 including retirement benefits for the period 1 July 2018 to 12 June 2019 was paid or payable during the financial year (2018: $92,624).

Evan Kirby, Non-Executive Director (resigned 12 June 2019)

- Mr Kirby received a non-executive director's fee of $45,000 plus statutory superannuation plus $94,500 in additional consulting services (2018: $17,520 plus $18,600 consulting fees).

Retirement benefits

Other retirement benefits may be provided directly by the Company if approved by shareholders.

Details of Remuneration

The following table sets out remuneration paid to directors and senior executives of the Group during the reporting period.

	Salary , fees & short term compensated absences $	Short-term non-monetary benefits $	Additional fees $	Post employment super-annuation $	Termin-ation payments $	Share- based payments $	Total $	Performance Rights as % of Total
Key Management Personnel – Directors and Executives								
Current Directors								
Ian Daymond, Non-Executive Chairman (i)								
2019	60,000	-	17,500	5,700	-	102,000	185,200	55
2018	120,000	-	17,500	11,400	-	80,250	229,150	35
Christiaan Jordaan, Managing Director (ii)								
2019	55,342	20,796	-	5,257	-	193,800	275,195	70
2018	161,186	45,111	30,000	21,175	68,750	-	326,222	-
Paul Ching, Non-Executive Director (iii)								
2019	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
Jackie Lee, Non-Executive Director (iv)								
2019	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
Previous Directors								
Bernard Olivier, Managing Director (v)								
2019	209,865	7,208	-	29,262	61,630	204,000	511,965	40
2018	89,330	3,294	-	-	-	43,750	136,374	32
Cobus van Wyk, Non-Executive Director (vi)								
2019	239,190	-	-	-	64,430	193,800	497,420	39
2018	141,813	-	-	-	-	-	141,813	-
Evan Kirby, Non-Executive Director (vii)								
2019	45,000	-	95,400	4,275	-	147,900	292,575	51
2018	16,000	-	18,600	1,520	-	-	36,120	-
Peter Spiers, Non-Executive Director								
2019	-	-	-	-	-	-	-	-
2018	28,000	-	-	2,660	-	-	30,660	-
Total 2019	**609,397**	**28,004**	**112,900**	**44,494**	**126,060**	**841,500**	**1,762,355**	
Total 2018	556,329	48,405	66,100	36,755	68,750	124,000	900,339	-

(i) Mr Ian Daymond commenced as a non-executive director on 30 July 2014. Mr Daymond earned additional consulting fees (in addition to his director's fee) during the year of $17,500 (excluding GST), due to the ongoing project disposal program and various capital raising processes.

In addition, the Company issued Mr Daymond via the Mustang Long Term Incentive Plan Trust (or his nominated entity), following shareholder approval on 28 November 2018 (see tables pages 25 to 28).

(ii) Mr Christiaan Jordaan was non-executive director of the Company to 12 June 2019.

Mr Jordaan was then appointed as managing director on 12 June 2019 by way of an executive service agreement.

In Mr Jordaan's executive service agreement it was agreed by the Company Mr Jordaan will be granted 2,500,000 share options through the Company's incentive plan which requires approval by shareholders at the next EGM or the 2019 AGM. The options will vest after 12 months' continuous service and have a 3-year term and a strike price at a 25% premium to the 30-day VWAP at the date of appointment (12 June 2019). Furthermore, and subject to shareholder approval at the AGM later this year, he will be granted an additional 2,500,000 share options on the same terms and these will vest once the Company successfully acquires a new project.

In addition, the Company issued Mr Jordaan via the Mustang Long Term Incentive Plan Trust (or his nominated entity), following shareholder approval on 28 November 2018 (see tables pages 25 to 28).

Other short term non-monetary benefits include health insurance.

(iii) Mr Ching was appointed as non-executive director on 12 June 2019 and will receive a non-executive director's fee of $48,000 p.a. with payment to be made in fully paid ordinary shares in the Company, subject to future specific approval of such share payments by shareholders.

(iv) Mr Lee was appointed as non-executive director on 12 June 2019 and will receive a non-executive director's fee of $48,000 p.a. with payment to be made in fully paid ordinary shares in the Company, subject to future specific approval of such share payments by shareholders.

(v) Dr Bernard Olivier appointed as managing director on 15 January 2018 by way of an executive service agreement. On 12 June 2019 he resigned as managing director. Dr Olivier's managing director fees to the date of his resignation includes a number of elements as follow:

- Managing director's fees in accordance with this executive service agreement of $209,495 plus retirement benefits of $29,262.
- Upon resignation payment of unused leave entitlements of $6,630.
- Upon resignation a termination payment of $55,000 equal to 3 months' salary based on his salary at the time of resignation of $220,000.

In addition, the Company issued Dr Olivier via the Mustang Long Term Incentive Plan Trust (or his nominated entity), following shareholder approval on the 28 November 2018 (see tables pages 25 to 28).

(vi) Mr Cobus van Wyk commenced work on a consulting basis commencing in December 2014. He was appointed as a non-executive director on 10 June 2015. On the 15 January 2018 he became Chief Operating Officer.

He was appointed as Chief Operating Officer and director on 15 January 2018. On 12 June 2019 he resigned as chief operating officer and as a director. Mr van Wyk's chief operating officer and director's fees to the date of his resignation includes a number of elements as follow:

- Chief operating officer and directors fees in accordance with this executive service agreement of $239,190.
- Upon resignation payment of unused leave entitlements of $6,931.

- Upon resignation a termination payment of $57,500 equal to 3 months' salary based on his salary at the time of resignation of $230,000.

In addition, the Company issued Mr van Wyk via the Mustang Long Term Incentive Plan Trust (or his nominated entity), following shareholder approval on the 28 November 2018 (see tables pages 25 to 28).

In addition, he is a director and chief executive officer of Regius Resources Group Limited which holds shares and various Performance Rights in the Company.

(ix) Dr Evan Kirby commenced as a non-executive director on 7 March 2018 and resigned 12 June 2019. Dr Kirby earned additional consulting fees (in addition to his director's fee) during the year of $95,400 (excluding GST), due to the ongoing project metallurgical and assay support work.

In addition, the Company issued Dr Kirby via the Mustang Long Term Incentive Plan Trust (or his nominated entity), following shareholder approval on the 28 November 2018 (see tables pages 25 to 28).

Share based compensation

(a) Shares issued on exercise of remuneration options

No remuneration options were exercised during the year.

(b) Option holdings of key management personnel

The movement during the reporting period in the number of options over ordinary shares in New Energy Minerals Ltd held, directly, indirectly or beneficially, by each director and executive, including their personally-related entities. Note that in 2019 the Company's securities underwent a 10:1 consolidation. The amounts shown pre consolidation have been restated.

2019	Held at 1 July 2018	Granted	Expired	Exercised / Sold	Other Changes	Held at 30 June 2019	Exercisable / Vested
Key Management Personnel							
Mr I Daymond	450,000	-	-	-	-	450,000	-
Mr C Jordaan	-	-	-	-	-	-	-
Mr P Ching	-	-	-	-	-	-	-
Mr J Lee	-	-	-	-	-	-	-
Mr B Olivier (resigned 12 June 2019)	500,000	-	-	-	-	500,000	-
Mr C van Wyk (resigned 12 June 2019)	-	727,802	-	-	-	727,802	-
Mr E Kirby (Resigned 12 June 2019)	-	-	-	-	-	-	-
Total	**950,000**	**727,802**	**-**	**-**	**-**	**1,677,802**	**-**

2018	Held at 1 July 2017	Granted	Expired	Exercised / Sold	Other Changes	Held at 30 June 2018	Exercisable/ Vested
Key Management Personnel							
Mr I Daymond	-	450,000	-	-	-	450,000	-
Mr C Jordaan	-	-	-	-	-	-	-
Mr B Olivier (resigned 12 June 2019)	-	500,000	-	-	-	500,000	-
Mr C van Wyk (resigned 12 June 2019)	-	-	-	-	-	-	-
Mr E Kirby (resigned 12 June 2019)	-	-	-	-	-	-	-
Mr P Spiers (resigned 31 Dec 2017)	-	-	-	-	-	-	-
Total	**-**	**950,000**	**-**	**-**	**-**	**950,000**	**-**

No options were granted since the end of the year. No terms of equity settled share-based payment transactions have been altered or modified during the year. No options were exercised by directors or executives for shares in the Company during the year.

A total of 950,000 options granted (via the Mustang Long Term Incentive Plan Trust) as remuneration subject to vesting conditions as outlined in the section entitled Long Term Incentive Plan.

(c) Shareholdings of key management personnel

The movement during the reporting period in the number of ordinary shares of New Energy Minerals Ltd, directly, indirectly or beneficially, by each specified director and specified executive, including their personally-related entities is as follows, noting that in 2019 the Company's securities underwent a 10:1 consolidation, amounts that relate to pre-consolidation amounts have been restated.

2019	Held at 1 July 2018	On Exercise of Options	Other changes	Held at 30 June 2019
Key Management Personnel				
Mr I Daymond(i)	250,000	-	216,216	466,216
Mr C Jordaan(ii)	6,529,052	-	(6,118,241)	410,811
Mr P Ching(iii) (appointed 12 Jun 19)	-		23,076,923	23,076,923
Mr J Lee(iii) (appointed 12 Jun 19)	-		23,076,923	23,076,923
Dr B Olivier(iv) (resigned 12 Jun 19)	-		577,992	577,992
Mr C van Wyk(v) (resigned 12 Jun 19)	6,529,052	-	11,866,416	18,395,468
Dr E Kirby(vi) (resigned 12 Jun 19)	52,227	-	313,514	365,741
Total	**13,360,331**	**-**	**52,793,527**	**66,370,074**

2018	Held at 1 July 2017	On Exercise of Options	Other changes	Held at 30 June 2018
Key Management Personnel				
Mr I Daymond	50,000	-	200,000	250,000
Mr B Olivier	-	-	-	-
Mr C Jordaan	5,972,530		556,521	6,529,052
Mr C van Wyk	5,972,530	-	556,521	6,529,052
Mr E Kirby	41,782	-	10,445	52,227
Mr P Spiers	-	-	-	-
Total	**12,036,842**	**-**	**1,323,487**	**13,360,331**

(i) Includes 216,216 shares issued as the result of satisfaction of vesting conditions attached to Class E performance rights held in the Mustang Long Term Incentive Plan Trust.

(ii) Mr Jordaan was a director and minor shareholder of Regius Resources Group Ltd. On 1 August 2019 Mr Jordaan disposed of his minority shareholding in Regius Resources Group Limited and also resigned as a director of that company. As a result, Mr Jordaan has no further interest in Regius and therefore no further indirect interest in the Company shares, options and performance rights held by Regius.

Includes 410,811 shares issued as the result of satisfaction of vesting conditions attached to Class E performance rights held in the Mustang Long Term Incentive Plan Trust.

(iii) Shares in the Company are held by UbezTT International Investment Holdings (BVI) Ltd of which Mr Paul Ching and Mr Jackie Lee are employees of an associated entity of the owner being Auspicious Virtue Investment Holding Limited.

(iv) Includes 577,992 shares issued as the result of satisfaction of vesting conditions attached to Class E performance rights held in the Mustang Long Term Incentive Plan Trust.

(v) Includes 410,811 shares issued as the result of satisfaction of vesting conditions attached to Class E performance rights held in the Mustang Long Term Incentive Plan Trust.

(vi) Includes 313,514 shares issued as the result of satisfaction of vesting conditions attached to Class E performance rights held in the Mustang Long Term Incentive Plan Trust.

(d) Performance Rights holdings of key management personnel

The movement during the reporting period in the number of performance rights of New Energy Minerals Ltd, directly, indirectly or beneficially, by each specified director and specified executive, including their personally-related entities is as follows:

2019	Held at 1 July 2018	Other changes	Converted to Shares/Disposed	Held at 30 June 2019
Key Management Personnel				
Mr I Daymond	-	2,000,000	216,216	1,783,784
Mr C Jordaan	686,000	3,800,000	1,096,811	3,389,189
Mr P Ching	-	-	-	-
Mr J Lee	-	-	-	-
Mr B Olivier (resigned 12 Jun 19)	-	4,000,000	432,432	3,567,568
Mr C van Wyk (resigned 12 Jun 19)	686,000	3,800,000	410,811	4,075,189
Mr E Kirby (resigned 12 Jun 19)	-	2,900,000	313,514	2,586,486
Total	**1,372,000**	**16,500,000**	**2,469,784**	**15,402,216**

2018	Held at 1 July 2017	Other changes	Held at 30 June 2018
Key Management Personnel			
Mr I Daymond	-	-	-
Mr B Olivier (resigned 12 Jun 19)	-	-	-
Mr C Jordaan	686,000[(i)]	-	686,000
Mr C van Wyk (resigned 12 Jun 19)	686,000[(i)]	-	686,000
Mr E Kirby (resigned 12 Jun 19)	-	-	-
Mr P Spiers (resigned 31 Dec 17)	-	-	-
Total	**1,372,000**	**-**	**1,372,000**

(i) Acquired as part of the consideration paid by the Company for acquiring Save River Diamonds Pty Ltd, Sese Diamonds Pty Ltd and Balama Resources Pty Ltd to Regius Resources Group Limited in which Mr Jordaan and Mr van Wyk are directors and shareholders. Subsequently on the 1 August 2019 Mr Jordaan resigned as director of Regius Resources Group Limited and disposed of his shareholding therein.

(e) Other transactions and balances with key management personnel

No loans have been made during the financial period or at the date of this report to any specified directors or specified executives. A number of specified directors and specified executives, or their personally-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Company in the reporting period. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

Transaction	2019 $	2018 $
Directors & Executives		
Mr I Daymond	-	-
Mr C Jordaan	-	265,548[(i)]
Mr P Ching (appointed 12 Jun 19)	-	-
Mr J Lee (appointed 12 Jun 19)	-	-
Dr B Olivier (resigned 12 Jun 19)	-	-
Mr C van Wyk (resigned 12 Jun 19)	812,903[(i)]	265,548[(i)]
Dr E Kirby (resigned 12 Jun 19)	-	-
Total	**812,903**	**531,096**

(i) Amortisation for the performance rights Class E previously issued

Auditor's independence declaration

The auditor's independence declaration is set out on page 40 and forms part of the directors' report for financial year ended 30 June 2019.

Non-audit services

During the year HLB Mann Judd, the Company's auditor did not perform other services in addition to its statutory duties.

Further PWC, the Company's previous auditor, did not perform other services in addition to its statutory duties in the prior year.

This report is made in accordance with a resolution of the directors.

Christiaan Jordaan
Managing Director
New Energy Minerals Ltd

27 September 2019

Competent Persons' Statement

Information in this report that relates to the Balama Graphite Project's Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Johan Erasmus, a Competent Person who is a registered member of the South African Council for Natural Scientific Professions (SACNASP) which is a Recognised Professional Organisation (RPO) included in a list posted on the ASX website. Mr Erasmus is a consultant of Sumsare Consulting, Witbank, South Africa who was engaged to undertake this work. Mr Erasmus has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results. Mr Erasmus consents to the inclusion of the data in the form and context in which it appears.

Information in this report that relates to the metallurgical aspects of the Caula Graphite & Vanadium Project is based on information compiled by Dr Evan Kirby, a Competent Person who is a registered member of the South African Institute for Mining and Metallurgy

(SAIMM), which is a Recognised Professional Organisation (RPO) included in a list posted on the ASX website. Dr Kirby is a Non-Executive Director of the company. Dr Kirby has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Kirby consents to the inclusion of the data in the form and context in which it appears.

New Energy confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements referenced throughout this announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. New Energy confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward-Looking Statements

This report contains forward-looking statements that are subject to risk factors associated with resources businesses. It is considered that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of New Energy Minerals Ltd, we state that in the opinion of the directors:

1. The financial statements, comprising the consolidated Statement of Profit or Loss and other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and accompanying notes of the Group, are in accordance with the Corporations Act 2001; and

   a) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

   b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Group; and

   c) the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in note 1.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2019.

On behalf of the Board of Directors

Christiaan Jordaan

Managing Director

New Energy Minerals Ltd

27 September 2019

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of New Energy Minerals Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
27 September 2019

N G Neill
Partner

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Consolidated 2019 $	2018 $
Interest income		7,164	5,165
Debt forgiveness		62,836	-
Impairment of held for sale assets		(1,192,222)	-
Write off of exploration and evaluation	8(b)	(851,438)	(9,328,467)
Administration costs	2(a)	(4,337,245)	(3,809,282)
Fair value loss on financial asset held at fair value through profit or loss		-	(159,658)
Depreciation		(310,770)	(210,303)
Gain on sale of assets		232,723	20,770
Foreign exchange (loss)/gain		(2,871,030)	(241,248)
Finance (expense)/income	2(b)	(364,837)	(6,321,440)
Loss from continuing operations before income tax expense		**(9,624,819)**	**(20,044,463)**
Income tax expense	3	-	-
Net loss from continuing operations		**(9,624,819)**	**(20,044,463)**
Net loss from discontinued operations	9	**(317,117)**	**(23,206,944)**
Net loss for the period		**(9,941,936)**	**(43,251,407)**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign currency translation (loss)/gain		2,727,486	(304,933)
Other comprehensive (loss)/gain for the period net of tax		2,727,486	(304,933)
Total comprehensive loss for the period		**(7,214,450)**	**(43,556,340)**

The above consolidated statement should be read in conjunction with the accompanying notes to these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

		Consolidated	
	Notes	2019 $	2018 $
Loss from continuing operations for the period attributable to:			
Non-controlling interest		673,077	(29)
Owners of the parent		(10,291,896)	(20,044,434)
		(9,624,819)	**(20,044,463)**
Loss from discontinued operations for the period attributable to:			
Non-controlling interest		-	(1,833,332)
Owners of the parent		(317,117)	(21,373,612)
		(317,117)	**(23,206,944)**
Loss for the period attributable to:			
Non-controlling interest		673,077	(1,833,361)
Owners of the parent		(10,615,013)	(41,418,046)
		(9,941,936)	**(43,251,407)**
Total comprehensive loss for the period is attributable to:			
Non-controlling interest		(1,186,998)	(1,747,991)
Owners of the parent		(6,027,452)	(41,808,349)
		(7,214,450)	**(43,556,340)**
Loss per share			
Continuing operations			
Basic loss per share (cents per share)	13	(7.18)	(26.77)
Diluted loss per share (cents per share)	13	(7.18)	(26.77)
Discontinued operations			
Basic loss per share (cents per share)	13	(0.24)	(30.99)
Diluted loss per share (cents per share)	13	(0.24)	(30.99)
Total			
Basic loss per share (cents per share)	13	(7.42)	(57.76)
Diluted loss per share (cents per share)	13	(7.42)	(57.76)

The above consolidated statement should be read in conjunction with the accompanying notes to these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	Consolidated 2019 $	Consolidated Restated 2018 $
Current assets			
Cash and cash equivalents	15(b)	288,862	879,394
Trade and other receivables	4	1,402,452	474,882
Held for sale assets	9	14,013,890	3,992,222
Prepayments	5	27,822	47,118
Total current assets		**15,733,026**	**5,393,616**
Non-current assets			
Trade and other receivables	4	347,077	1,092,126
Property, plant and equipment	7	509,716	1,115,559
Exploration and evaluation assets	8	73,411	7,375,217
Total non-current assets		**930,204**	**9,582,902**
Total assets		**16,663,230**	**14,976,518**
Current liabilities			
Trade and other payables	10(a)	1,519,248	2,628,541
Liabilities associated with assets held for sale	9	99,047	-
Interest bearing loans and borrowings	10(b)	2,906,000	3,400,000
Total current liabilities		**4,524,295**	**6,028,541**
Non-current liabilities			
Provisions	11	115,042	109,121
Total non-current liabilities		**115,042**	**109,121**
Total liabilities		**4,639,337**	**6,137,662**
Net assets		**12,023,893**	**8,838,856**
Equity			
Contributed equity	12	176,950,863	171,818,894
Reserves	14	26,057,107	17,927,753
Accumulated losses		(193,232,391)	(182,617,224)
Parent interests		**9,775,579**	**7,129,423**
Non-controlling interests		2,248,314	1,709,433
Total equity		**12,023,893**	**8,838,856**

The above consolidated statement should be read in conjunction with the accompanying notes to these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

		Consolidated	
		2019	**2018**
	Notes	**$**	**$**
Cash flows from operating activities			
Payments to suppliers and employees		(4,586,896)	(3,993,265)
Interest received		7,164	5,165
Interest paid		(83,716)	(975,076)
Net cash outflows used in operating activities	**15(a)**	**(4,663,448)**	**(4,963,176)**
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(3,313,333)	(12,335,704)
Payments for plant & equipment		-	(764,572)
Transfer of cash to held for sale assets		(274,426)	-
Proceeds from sale of plant & equipment		529,433	46,181
Net cash outflows used in investing activities		**(3,058,326)**	**(8,600,999)**
Cash inflows from financing activities			
Proceeds from the issue of shares and options		7,293,945	6,170,661
Proceeds from the issue of convertible loans		406,000	12,395,000
Proceeds from Lanstead Capital LP		-	44,328
Share issue costs		(327,082)	(129,180)
Net cash inflows from financing activities		**7,372,863**	**9,305,090**
Net increase/(decrease) in cash and cash equivalents		(348,911)	463,538
Cash and cash equivalents at the beginning of the year		879,394	510,169
Effect of exchange rate changes on cash and cash equivalents		(241,621)	(94,343)
Cash and cash equivalents at the end of the year	**15(b)**	**288,862**	**879,394**

Non-cash investing and financing activities are disclosed in Note 15(c).

The above consolidated statement should be read in conjunction with the accompanying notes to these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

Group	Contributed Equity	Accumulated Losses	Option Reserve	Performance Rights Reserve	Foreign Currency Translation Reserve	Minority Contribution Reserve	Owners of the Parent	Non-controlling Interest	Total Equity
	$	$	$	$	$	$	$	$	$
At 1 July 2017	**155,013,532**	**(141,199,178)**	**6,441,048**	**7,763,444**	**(456,600)**	**-**	**27,562,246**	**3,457,424**	**31,019,670**
Loss for the period	-	(41,418,046)	-	-	-	-	(41,418,046)	(1,833,361)	(43,251,407)
Other comprehensive (loss)/gain	-	-	-	-	(390,303)	-	(390,303)	85,370	(304,933)
Total comprehensive loss for the period	-	(41,418,046)	-	-	(390,303)	-	(41,808,349)	(1,747,991)	(43,556,340)
Issue of options	-	-	4,028,229	-	-	-	4,028,229	-	4,028,229
Issue of share capital (net of issue costs)	16,805,362	-	-	-	-	-	16,805,362	-	16,805,362
Amortisation of performance rights	-	-	-	541,935	-	-	541,935	-	541,935
Balance at 30 June 2018 (Restated)	**171,818,894**	**(182,617,224)**	**10,469,277**	**8,305,379**	**(846,903)**	**-**	**7,129,423**	**1,709,433**	**8,838,856**
At 1 July 2018	**171,818,894**	**(182,617,224)**	**10,469,277**	**8,305,379**	**(846,903)**	**-**	**7,129,423**	**1,709,433**	**8,838,856**
Loss for the period	-	(10,615,013)	-	-	-	-	(10,615,013)	673,077	(9,941,936)
Other comprehensive (loss)/gain	-	-	-	-	4,587,561	-	4,587,561	(1,860,075)	2,727,486
Total comprehensive loss for the period	-	(10,615,013)	-	-	4,587,561	-	(6,027,452)	(1,186,998)	(7,214,450)
Issue of options	-	-	11,115	-	-	-	11,115	-	11,115
Issue of share capital (in subsidiary)	-	-	-	-	-	1,774,121	1,774,121	1,725,879	3,500,000
Issue of share capital (net of issue costs)	5,131,969	-	-	-	-	-	5,131,969	-	5,131,969
Conversion of functional currency	-	(154)	-	-	154	-	-	-	-
Amortisation of performance rights	-	-	-	1,756,403	-	-	1,756,403	-	1,756,403
Balance at 30 June 2019	**176,950,863**	**(193,232,391)**	**10,480,392**	**10,061,782**	**3,740,812**	**1,774,121**	**9,775,579**	**2,248,314**	**12,023,893**

The above consolidated statement should be read in conjunction with the accompanying notes to these financial statements.

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of New Energy Minerals Ltd and its subsidiaries ("the Group") for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 27 September 2019. New Energy Minerals Ltd is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The address of the registered office is 9 Bowman Street, South Perth, Western Australia, 6151 and its principal place of business is 111 Flinders Street Surry Hills, New South Wales, 2000. The principal activity of New Energy Minerals Ltd during the financial year was the exploration of rubies, vanadium and graphite in Mozambique.

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of New Energy Minerals Ltd and its subsidiaries.

(a) Significant accounting policies

Basis of preparation and compliance with IFRS

The financial statements are general purpose financial statements which have been prepared for a for-profit entity in accordance with Australian Accounting Standards (AASB) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- financial assets and liabilities (including derivative instruments) - measured at fair value.
- assets held for sale - measured at fair value less cost to sell, and
- defined benefit pension plans – plan assets measured at fair value.

Adoption of new and revised standards

In the year ended 30 June 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. Those which have a material impact on the Group are set out below.

AASB 9 Financial Instruments

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and makes changes to a number of areas including classification of financial instruments, measurements, impairment of financial assets and hedge accounting model.

The Group has adopted AASB 9 from 1 July 2018.

The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).

New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Group has applied AASB 9 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information accordingly, the information presented for 30 June 2018 has not been restated. There was no material impact on the Group's financial statements

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 *Revenue* and it applies to all revenue arising from contract with customers, unless those contracts are in the scope of other standards.

The Group has adopted AASB 15 from 1 July 2018.

The Group does not currently have any contracts with customers in place.

The Group does not consider there to be any material impact from the adoption of *AASB 15 Revenue from Contracts with Customers* and, therefore, no material change is necessary to Group accounting policies.

Standards and interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2019. Those which may have a material impact on the Group are set ou below::

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019 and introduces a new framework for accounting for leases and will replace AASB 117 *Leases.* The new standard will primarily affect the accounting by lessees and will result in the recognition of almost all leases on the consolidated statement of financial position. The standard removes the current distinction between operating and financing leases and requires the recognition of an asset and a financial liability to pay rentals for almost all lease contracts.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future periods and on foreseeable future transactions.

(b) Going Concern

The Group's consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities, including the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss after tax of $9,941,936 (2018: $43,251,407) and had net cash outflows from operations of $4,663,448 (2018: $4,963,176) for the year ended 30 June 2019. At 30 June 2019 the Group had cash at bank totalling $288,862 and working capital surplus of $14,086,909 (2018: surplus of $2,717,957).

Based on the Group's cash flow forecast, the Group may require additional funding in the next 12 months to enable the Group to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due. This assumes the Group will be able to complete settlement of both the Fura and Balama transactions.

The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due is therefore dependent upon:

- the Group's operating cash requirements not exceeding its historical levels;
- the Group settling the Fura transaction which will result in a $2.8m cash injection into the Group before costs;
- the Group settling the Balama transaction which will result in a $7m cash injection into the Group before costs;
- the directors being successful in obtaining future funding (if required) to meet the Group's objectives and payment obligations as and when they fall due by engaging with parties in raising additional capital or issuing debt in which the Group has demonstrated a history of success in this regard.

As a result of the above matters, there exists a material uncertainty that may cast doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors are of the opinion that, the Group is a going concern and, as a result, the financial report for the year ended 30 June 2019 does not include any adjustments relating to the recoverability and classification of the recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(c) Principles of consolidation

The financial statements consolidate those of the parent entity and its subsidiaries as at 30 June 2019. The parent entity controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-Group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Subsidiaries 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.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that are not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Investments in subsidiaries held by New Energy Minerals Ltd are accounted for at cost less impairment charges in the parent entity information in Note 26. Dividends received from subsidiaries are recorded as a component of other revenues in the separate income statement of the parent entity, and do not impact the recorded cost of the investment.

Upon receipt of dividend payments from subsidiaries, the parent entity will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

The acquisition of subsidiaries that are carrying on a business are accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss.

If the Group considers that an acquisition is not carrying on a business then the identifiable assets are capitalised as exploration assets in accordance with AASB 6 when no other identifiable assets and liabilities have been identified in the entities acquired at acquisition date. Acquisition costs are calculated based on the fair value of the consideration at the date of purchase.

(d) Plant and equipment

Mining plant and equipment

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

Depreciation

Mining plant and equipment, other than freehold land, is depreciated to its residual values on a straight-line basis to write-off the net cost of each item over its expected useful life as follows:

• Buildings	2.5% to 10% per annum
• Mining plant & equipment	25% per annum
• Motor vehicles	25% per annum
• Office equipment	10% to 25% per annum

Depreciation on property, plant and equipment used for exploration is capitalised.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate the carrying value may be impaired. The recoverable amount of plant and equipment is the greater of fair value less costs of disposal and value in use. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value. Impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For property, plant and equipment, impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income.

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

(e) Exploration and evaluation costs

Expenditure on exploration and evaluation is accounted for in accordance with the "area of interest" method. Exploration licence acquisition costs are capitalised and subject to annual impairment assessment or more frequent if there is an indicator of impairment. All exploration and evaluation costs, including general permit activity, geological and geophysical costs and new venture activity costs, are capitalised provided the rights to tenure of the area of interest are current and either:

- The expenditure relates to an exploration discovery that, at balance date, has not reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant activities in relation to the area of interest are continuing; or
- It is expected that the expenditure will be recouped through successful exploitation of the area of interest, or alternatively, by its sale.

Each potential or recognised area of interest is reviewed half yearly to determine whether economic quantities of resources have been found or whether further exploration and evaluation work is underway or planned to support the continued carry forward of capitalised costs. The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever the facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

A write-off exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any write-off charges are recognised in the consolidated statement of profit or loss and other comprehensive income.

Ruby Sales

As outlined in the Directors Report the Group notes that the Montepuez Ruby Project has been reported in the previous financial report for the year ended 30 June 2018 as a discontinued operation resulting from transaction with Fura. Notwithstanding as at the date of this report the Fura transaction has not settled, no exploration activities where undertaken by the Group on the Montepuez Ruby Project.

Any sales proceeds of rubies produced that remained as inventory are credited to capitalised exploration and development.

(f) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication of impairment exists, or when annual impairment testing for an asset is required, the Group makes a formal estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of fair value less costs of disposal and its value in use. It 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. 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 are recognised in the consolidated statement of profit or loss and other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of recoverable amount, but only if there has been a change in the estimates used to determine the assets recoverable amount and 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 (cash generating unit).

(g) Provision for restoration

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities and restoration of affected areas. Typically, the obligation arises when the asset is installed at the production location. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount. Over time, the liability is increased for the change in the present value based on a risk adjusted pre-tax discount rate appropriate to the risks inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The capitalised carrying amount is depreciated over the useful life of the related asset (refer Note 1(d)). Costs incurred that relate to an existing condition caused by past operations, and do not have future economic benefit, are expensed.

(h) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are initially recognised at fair value and are subsequently carried at amortised cost less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when there is objective evidence that the Group will not be able to collect the full debt. Bad debts are written off when identified. Objective evidence is defined as when the debt is more than 120 days old. This is a base case scenario, other prevailing circumstances like payment history and payment arrangements may override the 120 day rule.

(i) Cash and cash equivalents

Cash and short term deposits in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, including bank overdrafts.

(j) Financial assets at fair value through profit or loss

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit or loss and other comprehensive income.

Interest income from financial assets at fair value through profit or loss is included in the net gains/ (losses).

(k) Trade and other payables

Trade payables and other payables are initially carried at fair value and subsequently at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) 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 an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated Statement of Profit or Loss and other comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(m) Employee entitlements

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Wages, salaries, bonus payments, annual leave and sick leave

Liabilities for wages and salaries, bonus payments, including non-monetary benefits, annual leave and accumulating sick leave due to be settled within 12 months of the reporting date are recognised in current provisions in respect of employees' services up to the reporting date. They are measured at the amounts due to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wages and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(n) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the consolidated Statement of Profit or Loss and other comprehensive income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated Statement of Profit or Loss and other comprehensive income on a straight-line basis over the lease term. Lease incentives are recognised in the consolidated Statement of Profit or Loss and other comprehensive income as an integral part of the lease expense.

(o) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sales revenue

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

In determining the amount of revenue and profits to record, and related balance sheet items (such as contract fulfilment assets, capitalisation of costs to obtain a contract, trade receivables, accrued income and deferred income) to recognise in the period, management is required to form a number of key judgements and assumptions. This includes an assessment of the costs the Group incurs to deliver the contractual commitments and whether such costs should be expensed as incurred or capitalised.

Revenue is recognised either when the performance obligation in the contract has been performed, so 'point in time' recognition or 'over time' as control of the performance obligation is transferred to the customer.

Interest

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income 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 the assets' net carrying amount on initial recognition.

(p) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on relevant temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences; except:

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised; except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; or
- When the deductible temporary difference is associated with investments in subsidiaries, associates and interests in joint ventures, in which case the deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(q) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated Statement of Financial Position. Cash flows are included in the consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

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

(r) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

(s) Earnings per share ("EPS")

Basic EPS is calculated as net profit or loss attributable to members of the parent entity, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as the net profit or loss attributed to members of the parent entity, adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with the dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenue and expenses during the period that would result from the dilution of potential ordinary shares.

Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares; adjusted for any bonus element.

(t) Foreign currency translation

Both the functional and presentation currency of New Energy Minerals Ltd is Australian Dollars ($). The Australian subsidiary's functional currency is United States Dollars (US$). Functional currency for foreign operations has been determined based on the requirements of AASB 121 "The Effects of Changes in Foreign Exchange Rates". Each entity in the Group uses its specific functional currency to measure the items included in the financial statements of that entity.

The functional currencies of overseas subsidiaries are United States Dollars (USD), South African Rand (ZAR) or Mozambican Metical (MZN). As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of New Energy Minerals Ltd at the rate of exchange ruling at the balance date and their Statement of Profit or Loss and Other Comprehensive Income items are translated at the average exchange rate for the year.

Transactions in foreign currency are initially recorded in the functional currency by applying the exchange ruling at the date of the transaction or the average for the period when translating a large number of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance date. Non-monetary items that are measured in terms of historic cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items are measured at fair value in a foreign currency are translated using the exchange rate as at the date when fair value was determined.

The exchange differences arising on the translation are taken directly to the foreign currency translation reserve. On disposal of a foreign entity, the exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(u) Share based payment transactions

The Group may provide benefits to directors and employees of the Group in the form of equity, whereby directors and employees render services in exchange for options to acquire shares or rights over shares.

The fair value of options granted to employees is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

The fair value of the options granted is measured using an appropriate model, taking into account the terms and conditions upon which the options were granted. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than (if applicable):

- Non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment in equity or cash; and

- Conditions that are linked to the price of the shares of New Energy Minerals Ltd (market conditions).

The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due to market conditions not being met.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the grant date fair value of the award, (ii) the extent to which the vesting period has expired and (iii) for non-market based hurdles the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for changes in the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of the fair value at grant date. The consolidated Statement of Profit or Loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 14).

(v) Convertible notes

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the consolidated Statement of Financial Position, net of transaction costs. On issuance of the convertible notes, the fair value of the liability component is determined using an estimated market rate for an equivalent non-convertible bond and this amount is carried as a long-term liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. Interest on the liability component of the instruments is recognised as an expense in the consolidated Statement of Profit or Loss and other comprehensive income. The increase in the liability due to the passage of time is recognised as a finance cost if material.

(w) Interests in joint arrangements

Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Where the Group's activities are conducted through joint operations, the Group recognises its assets (including its share of assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Where the Group's activities are conducted through a joint venture, the Group recognises its interests in the joint venture using the equity method.

Under the equity method, the investment in the joint venture is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The profit or loss reflects the Group's share of the results of operations of the joint venture. Where there has been a change recognised directly in other comprehensive income or equity of the joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of profit or loss and other comprehensive income or the consolidated statement of changes in equity, as appropriate.

Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The share of the joint venture's net profit/ (loss) is shown on the consolidated statement of profit or loss and other comprehensive income. This is the profit/ (loss) attributable to venturers in the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the venturer. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

(x) Segment reporting

An operating segment is a component of an Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same Group), whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services,
- Nature of the production processes,
- Type or class of customer for the products and services,
- Methods used to distribute the products or provide the services, and if applicable
- Nature of the regulatory environment

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(y) Comparative figures

Where necessary, prior year comparatives have been adjusted to be consistent with the classification applied in the current year.

(z) Critical accounting estimates, assumptions and judgements

Estimates and assumptions are periodically evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Equally, the Group continually employs judgement in the application of its accounting policies.

(i) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The 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:

Write off capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could 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 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 resources. To the extent 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 with directors and employees by reference to the fair value of the equity instruments at the date at which they are granted. Equity settled transactions include options and performance rights. The fair value of an option is determined by using an appropriate option-pricing model which incorporates critical estimates such as the volatility of share price and life of the options.

VAT Receivable

Judgement is required in determining whether tax assets or liabilities should be recognised on the statement of financial position. VAT receivable, including those arising from VAT paid by the Group in the past, require management to assess the likelihood that the group will generate VAT payable in future periods, in order to utilise recognised VAT receivable. Additionally, future changes in tax laws in jurisdictions in which the group operates could limit the ability of the group to obtain tax deductions in future periods

(ii) Critical judgements in applying the Group's accounting policies

Exploration and evaluation

The Group's accounting policy for exploration and evaluation is set out at Note 1(e). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves have been or will be found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under our policy, it is determined that the Group is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the consolidated Statement of Profit or Loss and other comprehensive income.

Restoration provision

The Group's accounting policy for restoration provisions is set out at Note 1(g). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular the forecast costs of the restoration and remediation of prospects to their pre-drilling state. Any such estimates and assumptions may change as new information becomes available. Any change in the estimated level of restoration provision will be written off or written back to the consolidated Statement of Profit or Loss and other comprehensive income.

Financial assets at fair value through profit or loss

The Group's accounting policy for financial assets at fair value through profit or loss is set out at Note 1(j). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the future share price of the company compared to the benchmark price in the sharing agreement. Any such estimates and assumptions may change as new information becomes available.

2. EXPENSES AND LOSSES/GAINS

	2019	2018
	$	$
(a) Administration costs		
Consulting fees	204,937	367,115
Employee benefits	995,667	839,884
Defined contribution superannuation	15,232	38,475
Employee benefit / consulting fees expense	1,215,836	1,245,474
Compliance costs	330,281	222,229
Accounting & Audit	385,267	329,096
Legal	396,129	195,129
Travel	292,232	497,950
Rent	107,326	138,387
Marketing	392,911	510,915
Insurance	82,240	85,047
Share based payments	943,500	459,146
Other	191,523	125,909
	4,337,245	**3,809,282**
(b) Finance costs		
Interest expense/(income)	8,561	5,049
Convertible note finance costs	356,276	6,316,391
	364,837	**6,321,440**

3. INCOME TAX

The major components of income tax expense are:

	Consolidated	
	2019	**2018**
	$	**$**
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Current income tax	-	-
Current income tax charge	-	-
Deferred income tax		
Relating to origination and reversal of temporary differences	(2,321,573)	(7,075,887)
Deferred tax asset not brought to account	2,321,573	7,075,887
Income tax benefit reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**-**	**-**

The aggregate amount of income tax attributed to the financial period differs from the amount calculated on the loss before tax. The differences are reconciled as follows:

	Consolidated	
	2019	**2018**
	$	**$**
Loss before tax	(9,941,936)	(43,251,407)
Prima facie tax receivable at 30% (2018:30%)	(2,982,581)	(12,975,422)
Tax effect of:		
Non-deductible expenses	18,000	18,000
Non-deductible share based payments	283,050	137,744
Fair value loss on financial assets held at fair value	-	47,897
Tax effect on temporary differences	(2,321,573)	(7,075,887)
Deferred tax asset not brought to account	5,003,104	19,847,668
Income tax benefit	-	-

Deferred income tax

Deferred income tax at 30 June relates to the following:

	Consolidated	
	2019	**2018**
	$	**$**
Deferred tax assets and (liabilities)		
Exploration expenses & Property, Plant & Equipment	(174,938)	(2,472,252)
Provisions	34,513	32,736
Prepayments	8,347	(14,135)
Deferred tax assets - carried forward losses	132,078	2,453,651
	-	**-**

3. INCOME TAX - continued

No deferred tax assets have been recognised in excess of deferred tax liabilities in the consolidated statement of financial position in respect of previous losses.

New Energy Minerals Ltd and its Australian subsidiaries have not formed a tax consolidated Group for the year ended 30 June 2019.

The potential deferred tax asset of $29,739,707 (2018: $24,736,603) will only be obtained if:

- assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised or the benefit can be utilised by the Group in accordance with the income tax laws relevant to an entity within the Group;
- conditions for the deductibility imposed by the laws are complied with; and no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

4. TRADE & OTHER RECEIVABLES

	Consolidated	
	2019	**2018**
	$	**$**
Current		
Trade debtors	242,927	278,514
	242,927	278,514
Other receivables [1]	914,785	85,190
GST/VAT Receivable	138,724	94,375
Security deposits	106,016	16,803
	1,402,452	**474,882**
Non-Current		
VAT Receivable [2]	347,077	1,092,126
	347,077	**1,092,126**

Terms and conditions relating to the above financial instruments:

1 Trade debtors and other receivables are owing to the Company by related party Regius Resources Group Limited and should be read in conjunction with note 18 Contingent Liabilities.

2 VAT is reflected as a non-current receivable. The Group is engaged with government tax authorities in Mozambique on a regular basis in relation to its exploration activities in the country. Management is confident that VAT tax assets are highly likely to be recovered over the next 12 to 18 months and as such the VAT receivable is reflected as non-current. The Group expects to either receive VAT refunds or that it will generate VAT payable in future periods, in order to utilise recognised VAT receivable.

5. PREPAYMENTS

	Consolidated	
	2019 $	2018 $
Corporate advisor prepayments	-	16,043
Other prepayments	27,822	31,075
	27,822	47,118

6. INVESTMENTS IN CONTROLLED ENTITIES

	Country of Incorporation	Percentage of equity Interest held by the Group	
Investments in subsidiaries		2019 %	2018 %
Golden Gate Resources Ltd	Canada	100	100
GGP Exploration LLC	USA	100	100
Cathie Energy Texas, LLC	USA	100	100
Kindee Oil & Gas Louisiana, LLC	USA	100	100
Kindee Oil & Gas Texas, LLC	USA	100	100
Long Flat Ltd	USA	100	100
Yarras Texas, LLC	USA	100	100
Save River Diamonds Pty Ltd	AUS	78	78
Sese Diamonds Pty Ltd	AUS	74	74
Balama Resources Pty Ltd	AUS	50	100
Montepuez Minerals Pty Ltd	AUS	75	75
Ibra Moz S.A	MZ	60	60
Rubies Resources S.A	MZ	52.5	52.5
Mustang Resources (Pty) Ltd	SA	100	100
Mustang Graphite (Pty) Ltd	SA	100	100
Mustang Resources Lda	MZ	100	100
Mustang Graphite Lda	MZ	100	100
Mozvest Mining Lda	MZ	53	53
Tchuamba Minerais S.A	MZ	40	80
RQL Graphite S.A	MZ	50	95
Montepuez Mineral Resources S.A	MZ	50	90
Mustang Resources Co, Ltd	Thai	100	-
Mustang Resources (Mauritius) Ltd	MZ	100	-

6. INVESTMENTS IN CONTROLLED ENTITIES - continued

	Country of Incorporation	Percentage of equity Interest held by the Group	
		2019	**2018**
Investments in Joint Operation		**%**	**%**
SLR Mining Lda	MZ	65	65
Cosec Lda	MZ	30	60

7. PROPERTY, PLANT & EQUIPMENT

a) Office Equipment

	Consolidated	
	2019	**2018**
	$	**$**
Office equipment at cost	1,534	15,335
Accumulated depreciation	(1,534)	(5,806)
Total office equipment	**-**	**9,529**

Reconciliation of the carrying amounts of office equipment at the beginning and end of the financial year:

	Consolidated	
	2019	**2018**
	$	**$**
Office equipment at cost		
Balance at start of year	9,529	10,957
Movement in carrying value as a result of foreign currency movements	(84)	299
Depreciation	(9,445)	(1,727)
Balance at end of year	**-**	**9,529**

b) Buildings

	Consolidated	
	2019	**2018**
	$	**$**
Buildings	376,559	373,389
Accumulated depreciation	(150,624)	(74,678)
Total buildings	**225,935**	**298,711**

7. PROPERTY, PLANT & EQUIPMENT - continued

Reconciliation of the carrying amounts of buildings at the beginning and end of the financial year:

	Consolidated	
	2019 $	2018 $
Buildings		
Balance at start of year	298,711	359,982
Additions	-	-
Movement in carrying value as a result of foreign currency movements	1,241	9,003
Depreciation	(74,017)	(70,274)
Balance at end of year	**225,935**	**298,711**

c) Mining plant & equipment

	Consolidated	
	2019 $	2018 $
Mining plant & equipment	767,100	1,933,157
Accumulated depreciation	(483,319)	(1,125,838)
Total mining plant & equipment	**283,781**	**807,319**

Reconciliation of the carrying amounts of mining plant & equipment at the beginning and end of the financial year:

	Consolidated	
	2019 $	2018 $
Mining plant & equipment		
Balance at start of year	807,319	755,842
Additions	-	744,277
Disposals	(296,710)	(25,411)
Movement in carrying value as a result of foreign currency movements	480	9,997
Transfer to held for sale asset	-	(286,940)
Depreciation capitalised to exploration & evaluation expenditure	-	(252,144)
Depreciation expense	(227,308)	(138,302)
Balance at end of year	**283,781**	**807,319**

d) Total Property, plant & equipment

	Consolidated	
	2019 $	2018 $
Total property, plant & equipment	1,145,193	2,321,881
Accumulated depreciation	(635,477)	(1,206,322)
Total property, plant & equipment	**509,716**	**1,115,559**

7. PROPERTY, PLANT & EQUIPMENT - continued

Reconciliation of the carrying amounts of property, plant & equipment at the beginning and end of the financial year:

	Consolidated	
	2019	**2018**
	$	**$**
Property, plant & equipment		
Balance at start of year	1,115,559	1,126,781
Additions	-	744,277
Disposals	(296,710)	(25,411)
Movement in carrying value as a result of foreign currency movements	1,637	19,299
Transfer to held for sale asset	-	(286,940)
Depreciation transferred to exploration & evaluation expenditure	-	(252,144)
Depreciation expense	(310,770)	(210,303)
Balance at end of year	**509,716**	**1,115,559**

8. EXPLORATION AND EVALUATION ASSETS

a) Expenditure carried forward in respect of vanadium & graphite areas of interest

	Consolidated	
	2019	**2018**
	$	**$**
Exploration and evaluation	73,411	7,375,217

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective ruby, vanadium and graphite interests.

b) Reconciliation:

	Consolidated	
	2019	**2018**
	$	**$**
Carrying amount at beginning of period	7,375,217	30,581,065
Movement in carrying value as a result of foreign currency movements	43,820	(17,425)
Additions – capitalised exploration & evaluation costs	4,261,225	14,599,049
Depreciation of property, plant & equipment	-	252,144
Sale of rubies net of costs	(134,989)	(1,798,923)
Transfer to held for sale asset	(10,620,424)	(26,912,226)
Write off capitalised exploration and evaluation expenditure	(851,438)	(9,328,467)
Carrying amount at end of period	**73,411**	**7,375,217**

8. EXPLORATION AND EVALUATION ASSETS - continued

Ruby licenses comprising the Montepuez Ruby Project were impaired down to $3.5m as at 30 June 2018 and reclassified as discontinued operations and asset held for sale by virtue of the Fura transaction agreed 17 July 2018, refer to notes 9 & 22. Balama Graphite license 6636L was fully impaired in 2018. The Graphite and Vanadium licenses comprising the Caula Project were impaired to $nil as at 31 December 2018 and reclassified as discontinued operations and asset held for sale by virtue of the Balama transaction agreed 8 February 2019, refer to Notes 9 & 22.

9. ASSETS AND LIABILITIES HELD FOR SALE

On 17 July 2018, New Energy announced that it had entered into a Merger of Ruby Assets Agreement ("MRAA") for its Montepuez ruby assets with Fura Gems Inc ("Fura") for approximately (subject to exchange rate) 10.5 million in shares in Fura. Under the terms of that agreement, the shares were to be issued to New Energy in three tranches over 20 months from closing. The agreement contained a commitment by Fura to invest $25 million in further exploration and resource definition work on its expanded Montepuez Project over 3 years, subject to continued exploration success.

On 29 November 2018 New Energy announced that the terms of the MRAA with Fura had been amended by an agreement by the parties dated 26 November 2018 ("Amending Agreement"). Under the terms of the Amending Agreement, consideration payable to New Energy on closing of the transaction will now be $2.8 million in cash, rather than the originally agreed 10.5 million Fura shares to be issued to the Company over a 20-month period from closing.

The parties also have agreed to extend the "drop-dead date" of the agreement from 30 November 2018 to 30 September 2019 and on 27 September 2019 the announced the extension of the drop-dead date to 31 October 2019 to allow for the satisfaction of the remaining conditions precedent, principally being a binding tax opinion from the tax authorities in Mozambique and Ministerial approval. In the event that the Company has not obtained and supplied all the outstanding documents and approvals required for closing to occur on or before the drop-dead date, the MRAA will thereupon terminate provided that the parties may mutually agree to extend the closing date or Fura may exercise a unilateral right to extend the closing date until all conditions are met. As of the date of the publication of this report Fura and New Energy were still finalising satisfaction of the remaining conditions precedent, mainly relating to approval for the transaction from the Mozambican authorities and the receipt of a binding tax opinion being received by New Energy.

On 8 February 2019 New Energy announced that it had entered into a binding Share Sale and Purchase Agreement ("SSPA"), with Auspicious Virtue Investment Holding Limited, for the sale by New Energy of all its remaining shares (the "Shares") in Balama Resources Pty Limited ("Balama"), for a total cash consideration of $7 million ("Purchase Price").

On completion of the SSPA ("Completion"), Auspicious Virtue Investment Holding Limited, an investment vehicle of Mr Louis Ching ("Auspicious") being a company incorporated in the British Virgin Islands, will be the sole shareholder of Balama, holding 100% of the shares on issue, an increase from its current 50% holding of the issued capital in Balama. Auspicious has the right to nominate 2 directors to the Board of the Company, with these nominees having been appointed in June 2019.

9. ASSETS AND LIABILITIES HELD FOR SALE - continued

Balama is the subsidiary company through which New Energy holds its interest in the Caula graphite and vanadium project. Following Completion, New Energy will have no further interest in the Caula project, which is the Company's main undertaking.

The Company has been undertaking vanadium-graphite exploration activities on a number of licenses and concessions held in Balama, the cost of which has been previously reflected as exploration and evaluation assets now reclassified to assets held for sale.

The major classes of assets and liabilities comprising the operations classified as held for sale at balance date are as follows:

	Consolidated	
	2019 **$**	**2018** **$**
Asset classified as held for sale		
Opening balance	3,992,222	-
Exploration and evaluation expenditure asset	10,620,424	26,912,226
Cash and cash equivalents	274,426	-
Trade and other receivables	319,040	-
Property, plant & equipment	-	286,940
Impairment of assets classified as held for sale	(1,192,222)	(23,206,944)
Total assets held for sale	**14,013,890**	**3,992,222**
Liabilities with assets classified as held for sale		
Opening balance	**-**	-
Trade and other payables	99,047	-
Total Liabilities held for sale	**99,047**	**-**

DISCONTINUED OPERATIONS

	Consolidated	
	2019 **$**	**2018** **$**
Administration costs	(264,496)	-
Foreign exchange loss	(52,621)	-
Impairment of exploration	-	(22,920,004)
Impairment of property, plant and equipment	-	(286,940)
Loss from discontinued operations before tax	(317,117)	(23,206,944)
Income tax (expense) / benefit	-	-
Loss from discontinued operations attributable to the owner	(317,117)	(21,373,612)
Loss from discontinued operations attributable to NCI	(317,117)	(1,833,332)

9. ASSETS AND LIABILITIES HELD FOR SALE - continued

Cash flows generated for the reporting periods under review until the disposal are as follows:

	Consolidated	
	2019 **$**	**2018** **$**
Operating activities	(264,496)	-
Investing activities	(1,563,744)	(11,416,748)
Financing activities	3,500,000	-
Cash flows from discontinued operations	1,671,760	(11,416,748)

10. FINANCIAL LIABILITIES

a) Trade creditors

	Consolidated	
	2019 **$**	**2018** **$**
Current		
Trade creditors and accruals	1,297,331	2,045,586
Other creditors	221,917	333,021
Total	**1,519,248**	**2,378,607**

Aggregate amount payable to related parties included in the above:
Directors and director-related entities:
- Director-related entity $718,466 (2018: $754,388). Refer note 20 for further details.

Terms and conditions
1) Trade creditors are non-interest bearing and generally on 30 - 60 day terms.
2) Other creditors are non-interest bearing and have no fixed repayment terms.

b) Interest bearing loans and borrowings

	Consolidated	
	2019 **$**	**Restated (i)** **2018** **$**
Opening balance	**3,400,000**	**-**
Issue of convertible notes	406,000	12,395,000
Interest	-	1,705,000
Conversion to shares	(900,000)	(12,950,000)
Closing balance	2,906,000	3,400,000

(i) Refer to Note 27

10. FINANCIAL LIABILITIES - continued

Previously on 8 January 2018 the Group announced that it had secured a funding package from Arena Structured Private Investments (Cayman) LLC ("Arena"), a major US institutional investor, for face value of $21 million in the form of a convertible note facility. The issued Convertible Notes attracted interest at 11% per annum. The funds were to be drawn down in seven Tranches with Tranche 2 subsequently split into Tranche 2A and 2B on 22 May 2018 following a refusal by Arena to fund the full Tranche 2 in accordance with the Convertible Note Deed terms. Following the amended split Arena paid Tranche 2A of net $1.995 million on 29 May 2018 but has failed to pay Tranche 2B which was expected by the Company to be received in late June 2018.

The Convertible Note conditions for Tranche 2A also included shareholder approval granted on 2 March 2018 for the issue of 41,749,503 options to be issued at a price equal to 130% of the 5 day VWAP prior to the date of issue of the respective notes, with a 3 year term.

As at the date of this Financial Report the Company and Arena are in dispute. As a result, the Unsecured Convertible Note Deed between Arena Structured Private Investments (Cayman) LLC and New Energy was terminated in November 2018 and as such no further funding is available from Arena. The Company is continuing to manage and assess its options with Arena including giving further consideration to a damages claim against Arena and the Company has sought further legal advice in this regard.

Prior to termination the Company had issued the following shares and options to Arena as part of its convertible note funding agreement:

- On 5 July 2018 the Company issued 18,719,431 pre-consolidation shares at $0.0162 each to satisfy the Company's obligation to issue shares following the partial conversion of $300,000 convertible notes and a $3,255 interest payment.
- On 25 July 2018 the Company issued 38,861,530 pre-consolidation shares at $0.0157 each to satisfy the Company's obligation to issue shares following the partial conversion of $600,000 convertible notes and a $10,126 interest payment.

The notes were converted at variable strike prices based on the lowest 1 day VWAP of the 20 trading days prior to conversion.

On 12 June 2019 the Company issued unsecured convertible notes totalling $406,000 with a coupon rate of 12% per annum and 6-month term with all interest payable upon maturity or convertible upon conversion with a conversion price of $0.022 per share.

Finance costs of the convertible notes:

	Consolidated	
	2019 **$**	**2018** **$**
Convertible note interest	350,771	1,744,956
Costs of convertible note	5,505	1,113,073
Options issued in connection with convertible note	-	3,458,362
	356,276	**6,316,391**

11. PROVISIONS

	Consolidated	
	2019 **$**	**2018** **$**
Non-Current		
Restoration costs	115,042	109,121
	115,042	**109,121**
Restoration		
Carrying amount at beginning of period	109,121	105,110
Foreign exchange movement on provision	5,921	4,011
Carrying amount at end of period	**115,042**	**109,121**

A provision for restoration is recognised in relation to the exploration and production activities for costs associated with the restoration of the various sites. Estimates of the restoration obligations are based on anticipated technology and legal requirements and future costs. In determining the restoration provision, the Group as assumed no significant changes will occur in the relevant federal and state legislation in relation to restoration in the future.

12. CONTRIBUTED EQUITY

(a) Issued and paid up share capital

	Consolidated	
	2019 **$**	**2018** **$**
Ordinary shares fully paid	176,950,863	174,068,894

Ordinary shares

Ordinary shares are classified as equity with no par value and have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. No dividends were declared during the current year or the prior year.

(b) Movements in ordinary shares

	2019		2018	
	Number of Shares	**$**	**Number of Shares**	**Restated $**
Balance at the beginning of the year	940,111,308	171,818,894	565,618,436	155,013,532
Conversion of convertible notes	57,580,961	913,381	184,417,861	10,739,956
Equity issued for cash	151,382,825	2,073,944	-	-
Share consolidation 1:10	(1,034,166,919)	-	-	-
Equity issued in lieu of payment	11,309,179	762,841	9,658,669	365,746
Equity issued for cash	24,678,087	1,720,000	132,446,739	3,246,665
Conversion of options	-	-	47,969,603	2,923,996
Less transaction costs	-	(338,197)	-	(471,001)
Balance at the end of the year	**150,895,441**	**176,950,863**	**940,111,308**	**171,818,894**

13. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share for the year ended 30 June 2019 was based on the loss attributable to ordinary shareholders of $9,941,936 (2018: $43,251,407) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2019 was 134,001,691 (2018 74,884,310), calculated as follows:

	Consolidated	
	2019	**2018**
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July	94,011,131	56,561,844
Effect of shares issued during the period	39,990,560	18,322,466
Weighted average number of ordinary shares at 30 June	134,001,691	74,884,310
Loss attributable to ordinary shareholders from continuing operations	(9,624,819)	(20,044,463)
Loss per share (cents) continuing operations	**(7.18)**	**(26.77)**
Loss attributable to ordinary shareholders from discontinued operations	(317,117)	(23,206,944)
Loss per share (cents) overall	**(0.24)**	**(30.99)**
Loss attributable to ordinary shareholders	(9,941,936)	(43,251,407)
Loss per share (cents) overall	**(7.42)**	**(57.76)**

Potential ordinary shares are not considered dilutive and accordingly diluted earnings per share are the same as basic earnings per share.

14. RESERVES

	Consolidated	
	2019	**2018**
	$	**$**
Option reserve	10,480,392	10,469,277
Foreign exchange translation reserve	3,740,812	(846,903)
Performance rights reserve	10,061,782	8,305,379
Minority contribution reserve	1,774,121	-
Balance at end of the year	**26,057,107**	**17,927,753**

(a) Option reserve

(i) Nature and purpose of reserve

The option reserve is used to record the value of options.

14. RESERVES - continued

(ii) Movements in reserve

	Consolidated	
	2019	**2018**
	$	**$**
Balance at the beginning of the year	10,469,277	6,441,048
Issue of options	11,115	4,028,229
Balance at end of the year	**10,480,392**	**10,469,277**

(iii) Movements in options on issue

2019	**Grant Date**	**Opening Number**	**Exercised/ Lapsed**	**Closing Number**	**Exercise Price**	**Expiry Date**	**Fair Value at Grant Date $**
Unquoted options							
Balance at the beginning of the year	22-Jun-16	800,000	(800,000)	-	$1.50	14-Jun-19	74,527
	22-Jun-16	1,400,000	(1,400,000)	-	$0.75	21-Jun-19	253,041
	4-Aug-17	750,000	(750,000)	-	$0.6	4-Aug-19	121,711
	25-Jan17	266,288	-	266,288	$0.273	25-Jan-20	286,938
	31-Mar17	300,000	-	300,000	$1.50	31-Mar-20	31,394
	31-Mar17	300,000		300,000	$2.00	31-Mar-20	24,526
	31-Jul-17	151,956	-	151,956	$1.00	9-Mar-20	26,533
	31-Jul-17	218,182	-	218,182	$0.715	20-Jul-20	50,902
	15-Sept-17	1,333,333	-	1,333,333	$1.17	20-Jul-20	680,725
	12-Oct-17	1,276,596	-	1,276,596	$1.222	20-Jul-20	678,191
	15-Sept-17	333,333	-	333,333	$1.17	15-Sept-20	143,046
	16-Oct-17	180,000	-	180,000	$1.30	16-Oct-20	181,957
	31-Jul-17	72,978	-	72,978	$0.273	25-Jan-20	24,175
	15-Jan-18	750,000	-	750,000	$0.307	15-Jan-21	41,250
	15-Mar-18	500,000	-	500,000	$0.356	13-Mar-21	43,750
	15-Mar-18	2,572,347	-	2,572,347	$0.323	13-Mar-21	350,476
	29-May-18	4,174,950	-	4,174,950	$0.262	29-May-21	483,027
	8-Jun-18	600,000	-	600,000	$0.273	22-May-21	58,253
Issue of options		**Issued**					
Issue of unquoted options to advisors for capital raising	25-Oct-18	308,759	-	308,759	$0.178	25-Oct-21	11,115
Issue of unquoted options	20-Dec-18	23,076,923	-	23,076,923	$0.14	20-Dec-21	-
Total unquoted options at the end of the year		**39,365,645**	**(2,950,000)**	**36,415,645**			

14. RESERVES - continued

2019	Grant Date	Opening Number	Exercised/ Lapsed	Closing Number	Exercise Price	Expiry Date	Fair Value at Grant Date $
Quoted options							
Balance at the beginning of the year		6,193,827	-	6,193,827	$0.35	25-Jan-20	1,020,406
Issue of options							
Issue of quoted options		17,103,348	-	17,103,348	$0.20	26-Nov-20	-
Total quoted options at the end of the year		**23,297,175**	**-**	**23,297,175**			

Unquoted options issued during the year were valued using the Black Scholes option valuation methodology taking into account the terms and conditions on which the options were granted. Details of the assumptions used in the valuation of these options issued are as follows:

Item	Unquoted options
Number of Options	308,759
Exercise price ($)	0.178
Valuation (grant) date	25 Oct 2018
Expiry Date	25 Oct 2021
Vesting date	25 Oct 2018
Volatility (%)	101.0
Value per option	$0.036

14. RESERVES - continued

2018	Grant Date	Opening Number	Exercised/ Lapsed	Closing Number	Exercise Price	Expiry Date	Fair Value at Grant Date $
Unquoted options							
Balance at the beginning of the year	1-Jul-14	149,254	(149,254)	-	$0.2412	10-Nov-17	107
	22-Jun-16	8,000,000	-	8,000,000	$0.15	14-Jun-19	74,527
	22-Jun-16	2,000,000	(2,000,000)	-	$0.15	31-Dec-17	8,028
	22-Jun-16	1,000,000	(1,000,000)	-	$0.06	31-Dec-17	9,688
	22-Jun-16	2,000,000	(2,000,000)	-	$0.09	31-Dec-17	13,751
	22-Jun-16	19,000,000	(5,000,000)	14,000,000	$0.075	21-Jun-19	253,041
	4-Aug-17	7,500,000	-	7,500,000	$0.06	4-Aug-19	121,711
	25-Jan17	5,922,805	(3,259,926)	2,662,879	$0.0273	25-Jan-20	286,938
	31-Mar17	3,000,000	-	3,000,000	$0.15	31-Mar-20	31,394
	31-Mar17	3,000,000		3,000,000	$0.20	31-Mar-20	24,526
Issue of options		**Issued**					
Issue of unquoted options to advisors for capital raising	31-Jul-17	1,519,559	-	1,519,559	$0.10	9-Mar-20	26,533
Issue of unquoted options as part of convertible note funding	20-Jul-17	38,709,677	(38,709,677)	-	$0.062	20-Jul-20	1,265,942
Issue of unquoted options to advisors for capital raising	31-Jul-17	2,181,818	-	2,181,818	$0.0715	20-Jul-20	50,902
Issue of unquoted options as part of convertible note funding	15-Sept-17	13,333,333	-	13,333,333	$0.117	20-Jul-20	680,725
Issue of unquoted options as part of convertible note funding	12-Oct-17	12,765,957	-	12,765,957	$0.1222	20-Jul-20	678,191
Issue of unquoted options as part of convertible note funding	15-Sept-17	3,333,333	-	3,333,333	$0.117	15-Sept-20	143,046
Issue of unquoted options to advisors for capital raising	16-Oct-17	1,800,000	-	1,800,000	$0.13	16-Oct-20	181,957
Issue of unquoted options to advisors for capital raising	31-Jul-17	729,771	-	729,771	$0.0273	25-Jan-20	24,175
Issue of unquoted options to key management personnel	15-Jan-18	7,500,000	-	7,500,000	$0.037	15-Jan-21	41,250
Issue of unquoted options to key management personnel	15-Mar-18	5,000,000	-	5,000,000	$0.0356	13-Mar-21	43,750
Issue of unquoted options as part of convertible note funding	15-Mar-18	25,723,472	-	25,723,472	$0.0323	13-Mar-21	350,476
Issue of unquoted options as part of convertible note funding	29-May-18	41,749,503	-	41,749,503	$0.0262	29-May-21	483,027
Issue of unquoted options to advisors for capital raising	8-Jun-18	6,000,000	-	6,000,000	$0.0273	22-May-21	58,253
Total unquoted options at the end of the year		**211,918,482**	**(52,118,857)**	**159,799,625**			

14. RESERVES - continued

2018	Grant Date	Opening Number	Exercised/ Lapsed	Closing Number	Exercise Price	Expiry Date	Fair Value at Grant Date $
Quoted options							
Balance at the beginning of the year		61,938,095	-	61,938,095	$0.035	25-Jan-20	1,020,406
Total quoted options at the end of the year		**61,938,095**	**-**	**61,938,095**			

Unquoted options issued during the year were valued using the Black-Scholes option valuation methodology taking into account the terms and conditions on which the options were granted. Details of the assumptions used in the valuation of these options issued are as follows:

Item	Unquoted options	Unquoted options	Unquoted options	Unquoted options	Unquoted options
Number of Options	1,519,559	38,709,677	2,181,818	13,333,333	12,765,957
Exercise price ($)	0.01	0.062	0.0715	0.117	0.1222
Valuation (grant) date	31 Jul 2017	20 Jul 2017	31 Jul 2017	15 Sept 2017	12 Oct 2017
Expiry Date	9 Mar 2020	20 Jul 2020	20 Jul 2020	20 Jul 2020	20 Jul 2020
Vesting date	31 Jul 2017	20 Jul 2017	31 Jul 2017	15 Sept 2017	12 Oct 2017
Volatility (%)	118.8	100.0	118.8	100.0	100.0
Value per option	$0.0175	$0.0327	$0.0233	$0.0511	$0.0531

Item	Unquoted options	Unquoted options	Unquoted options	Unquoted options	Unquoted options
Number of Options	3,333,333	1,800,000	729,771	7,500,000	Tranche 1- 2,500,000 Tranche 2 – 2,500,000
Exercise price ($)	0.117	0.13	0.0273	0.037	0.0356
Valuation (grant) date	15 Sept 2017	16 Oct 2017	31 Jul 2017	15 Jan 2018	15 Mar 2018
Expiry Date	15 Sept 2020	16 Oct 2020	25 Jan 2020	15 Jan 2021	13 Mar 2021
Vesting date	15 September	16 October	31 July 2017	15 January	Various
Volatility (%)	116.6	116.7	118.8	100.0	100.00
Value per option	$0.0429	$0.1011	$0.0331	$0.0055	Tranche 1 - $0.0140 Tranche 2 - $0.0035

14. RESERVES - continued

Item	Unquoted options	Unquoted options	Unquoted options
Number of Options	25,723,472	41,749,503	6,000,000
Exercise price ($)	0.0323	0.0262	0.0273
Valuation (grant) date	15 Mar 2018	29 May 2018	8 Jun 2018
Expiry Date	13 Mar 2021	29 May 2021	22 May 2021
Vesting date	15 Mar 2018	29 May 2018	8 Jun 2018
Volatility (%)	100.0	100.0	124.1
Value per option	$0.0136	$0.0109	$0.0097

(b) Foreign currency translation reserve

(i) Nature and purpose of reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(ii) Movements in reserve

	Consolidated	
	2019 $	2018 $
Balance at the beginning of the year	(846,903)	(456,600)
Conversion of functional currency	154	-
Currency translation differences	4,587,561	(390,303)
Balance at end of the year	**3,740,812**	**(846,903)**

(c) Performance rights reserve

(i) Nature and purpose of reserve

The performance rights reserve is used to record the value of the performance rights issued, which are being amortised over their vesting period. These performance rights have the ability to convert to ordinary shares upon the non-market vesting conditions being met and in accordance with the accounting standards the entire instrument has been classified as equity.

(ii) Movements in reserve

	Consolidated	
	2019 $	2018 $
Balance at the beginning of the year	8,305,379	7,763,444
Amortisation of performance rights	1,756,403	541,935
Balance at end of the year	**10,061,782**	**8,305,379**

14. RESERVES - continued

2019	Number
Unlisted performance rights	
Balance at the beginning of the year	1,400,000
Total unlisted performance rights – Class E	**1,400,000**
Issued to 30 June 2019	
Class A unlisted performance rights	1,500,000
Class B unlisted performance rights	6,000,000
Class C unlisted performance rights	2,000,000
Class D unlisted performance rights	2,000,000
Class F unlisted performance rights	5,000,000
Balance at the end of the year	**17,900,000**

Class	Non-market vesting conditions
A	Upon the Company receiving written confirmation of the pilot plant funding structure in relation to the Caula Project
B	upon completion of the commissioning handover by the plant installers at the Company's Caula Project to the Company
C	Upon completion and announcement of a JORC-compliant resource upgrade to 50mt graphite & vanadium at the Company's Caula Project
D	Upon completion to pre-feasibility standards of an initial study to demonstrate profitable production at the Company's Caula Project
E	Upon proving a JORC Compliant Inferred Resource of a minimum of 50 Million tonnes @ >5% total graphitic content, on any of the Balama licenses on or before 31 December 2019.
F	Upon of the Company generating gross revenue of $2,000,000 or more

15. CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of the net loss after tax to the net cash flows from operations

	Consolidated	
	2019 $	2018 $
Net loss after tax for the period	**(9,941,936)**	**(43,251,407)**
Add/(less) non-cash items:		
Write off of exploration & development assets	851,438	32,248,470
Fair value loss on financial asset held at fair value through profit or loss	-	159,658
Share based payments	954,615	85,000
Shares issued in lieu of payment	762,841	341,820
Interest expense – convertible loan	281,121	5,346,364
Foreign currency gains	2,919,219	159,174
Gain on sale of assets	(232,723)	(20,770)
Impairment of property, plant and equipment	-	286,940
Impairment of held for sale assets	1,192,222	-
Depreciation	310,770	210,303
Net cash used in operating activities before change in assets and liabilities	**(2,902,433)**	**(4,434,448)**
Decrease/(increase) in receivables	(927,569)	(1,017,406)
Decrease/(increase) in prepayments	19,296	140,339
Decrease/(increase) in non-current receivables	745,049	-
Decrease/(increase) in held for sale asset	(593,466)	-
Increase/(decrease) in held for sale liability	99,047	-
Increase/(decrease) in provisions	5,921	(21,053)
Increase/(decrease) in payables	(1,109,293)	369,392
Net cash flow used in operating activities	**(4,663,448)**	**(4,963,176)**

(b) Reconciliation of cash and cash equivalents

Cash balance comprises:		
Cash at bank		
Held in AUD funds	191,596	100,512
Held in USD funds	56,571	315,246
Held in ZAR funds	25,087	319,293
Held in MUR funds	319	24,535
Held in MZN funds	15,289	119,808
Total cash and cash equivalents	288,862	879,394

15. CONSOLIDATED STATEMENT OF CASH FLOWS - continued

(c) Non-cash investing and financing activities

	Consolidated	
	2019 $	2018 $
Options issued in settlement of interest on convertible notes	-	3,458,362
Shares issued on conversion of convertible notes	913,381	12,989,956
Shares issued to the Long Term Incentive Plan	-	92,500
Shares issued in lieu of payment	762,841	273,246
Issue of performance rights	1,756,403	-
Options issued to advisors	11,115	341,820
Total	**3,443,740**	**17,155,884**

16. INTEREST IN EXPLORATION & PROSPECTING LICENSES

At 30 June 2019 the Group was a participant in the following exploration & prospecting licenses:

	Consolidated	
	2019 Interest %	2018 Interest %
Diamond Licenses		
4525L Save River Diamond Project	51.8%	51.8%
Graphite Licenses		
5873L Balama Graphite Project[1]	30.0%	60.0%
6363L Balama Graphite Project	50.0%	90.0%
9407C (previously known as 6678L) Caula Graphite Project	40.0%	80.0%
7560L Balama Graphite Project	50.0%	95.0%
Ruby Licenses		
4143L/8921C Montepuez Ruby Project	60%	60.0%
5030L Montepuez Ruby Project	52.5%	52.5%
8245L/8955C Montepuez Ruby Project[2]	65%	65.0%

The Company owns 50% of Balama Resources Pty Ltd noting that the remaining 50% interest in Balama Resources Pty Ltd has been sold to UBezTT International Investment Holdings (BVI) Ltd and is pending settlement subject to satisfaction of final conditions precedent. The Company is a party to the agreements with five existing licence holders covering the seven licenses. The Company's shareholding in each of the license-specific special purpose companies incorporated in Mozambique is shown in the table above.

16. INTEREST IN EXPLORATION & PROSPECTING LICENSES - continued

The Company owns 75% of Montepuez Minerals Pty Ltd noting that the Company has entered into a Merger of Ruby Assets Agreement ("MRAA") for its Montepuez ruby assets with Fura Gems Inc and is pending settlement subject to satisfaction of final conditions precedent. As part of the MRAA the Company no longer has any responsibilities in relation to these ruby assets. The Company is a party to the agreements with existing license holders covering the four licenses. The Company's net shareholding (accounting for local Mozambican joint venture shareholders) in each of the license-specific special purpose companies incorporated in Mozambique is shown in the above table.

Note 1: 5873L: On 23 March 2017 the Company signed a new joint venture agreement with Cosec Lda, the local partner for license 5873L, whereby the Company acquired the right to earn a 60% initial interest in the license with a call option to acquire a further 15% interest.

Note 2: 8245L: On 6 June 2017 the Company concluded the acquisition of a right to earn a 65% interest in ruby license 8245L. On the 1 March 2018 the Government of Mozambique issued mining concession 8955C over the Prospecting and Exploration License 8245L.

17. COMMITMENTS

Exploration and Evaluation Commitments

	Consolidated	
	2019 $	2018 $
Less than one year	80,432	193,712[2]
Between one and five years [1]	-	4,200,444
More than five years	-	-
Total	**80,432**	**4,394,156[2]**

Note 1: As part of the acquisition of Montepuez Minerals Pty Ltd, the Company assumed contingent acquisition payments for license 5030L to the local partner of US$750,000 6 months after bulk sampling startup and US$750,000 12 months after bulk sampling startup. Payment is contingent on the license being transferred to Mozambican SPV (in process) and the time period only starts upon bulk sampling activities starting on the particular license area (current bulk sampling focused on deposit on license 4143L, bulk sampling has not started on 5030L). As part of the original acquisition of a 65% interest in ruby license 8245L the Company assumed a contingent acquisition payment to the local partner of US$1,500,000 payable upon conclusion of a 18-month bulk sampling program on license 8245L. Bulk sampling on license 8245L started in July 2017.

Note 2: Under an agreement with Fura, Fura has assumed the future commitments of $ 4,276,869 and this is no longer a commitment of the Company. The commitments noted to 30 June 2019 relate to the vanadium and graphite licenses held by Balama which in turn is subject to the Share Sale and Purchase Agreement ("SSPA"), with Auspicious Virtue Investment Holding Limited as noted in the Corporate Summary in this report.

17. COMMITMENTS - continued

Non-cancellable lease rentals are payable as follows:

	Consolidated	
	2019 $	2018 $
Less than one year	29,500	29,416
Between one and five years	-	28,768
More than five years	-	-
Total	**29,500**	**58,184**

The lease of the office in Maputo, Mozambique is on a monthly tenancy basis.

18. CONTINGENT LIABILITIES

The Company recognises an invoice for historic costs to the amount of AUD 1,165,506 (USD 818,571) that it received from Regius Resources Group Ltd (Regius) in April 2019 as a contingent liability. The Company has received legal advice that the invoice is not consistent with the terms of the Management & Technical Services Agreement between the Company and Regius and accordingly that it is not legitimately due and payable by the Company. The Company's legal position is however disputed by Regius and therefore the Company has disclosed the amount of the contested invoice as a contingent liability. The Company is in ongoing discussions with Regius in relation to this invoice as well as further services required from Regius in Mozambique to close off operations in conjunction with the disposal of its projects in Mozambique.

There are no other contingent liabilities (2018: $Nil).

19. AUDITORS' REMUNERATION

Amounts received or due and receivable by the Company's Statutory Auditor for:

	Consolidated	
	2019 $	2018 $
Audit or review of the financial reports of the company		
Audit Services – HLB Mann Judd	65,300	-
Audit Services - PricewaterhouseCoopers	121,746	93,131
Total	**187,046**	**93,131**

20. KEY MANAGEMENT PERSONNEL REMUNERATION AND RELATED PARTY TRANSACTIONS

Directors and Executives

	Consolidated	
	2019 $	2018 $
DISCLOSURES		
Short term	609,397	556,329
Short term – non-monetary	28,004	48,405
Additional fees paid to non-executive directors	112,900	66,100
Termination benefits	126,060	68,750
Share based payment options	841,500	124,000
Post-employment	44,494	36,755
Total	**1,762,355**	**900,339**

Other transactions and balances with related parties

No loans have been made during the financial period or at the date of this report to any specified directors or specified executives. A number of specified directors and specified executives, or their personally-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Company in the reporting period. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

Mr van Wyk is a former director of the Company having resigned on 12 June 2019 and also a director of Regius Resources Group Ltd. Mr van Wyk is major shareholder in Regius Resources Group Ltd and furthermore Mr Jordaan was a director and shareholder in Regius Resources Group Ltd having resigned as director and sold his shareholding therein 1 August 2019. Regius Resources Group Ltd has commercial agreements in place with the Company whereby it provides the Company management and technical services for exploration operations in Mozambique. Regius Resources Group Ltd continues to provide the Company with additional services in relation to matters pertaining to both the Fura and Balama transactions to assist in the settlement process.

The following transactions occurred with Regius Resources Group Ltd:

	Consolidated	
	2019 $	2018 $
Provision of exploration services	1,961,532	6,635,379
Reimbursement of administration expenses	-	(60,107)
Total	**1,961,532**	**6,575,272**

20. KEY MANAGEMENT PERSONNEL REMUNERATION AND RELATED PARTY TRANSACTIONS - continued

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	Consolidated	
	2019 $	**2018 $**
Current payables (purchases of goods and services)		
Regius Resources Group Ltd	718,466	754,388
Current net receivables	(1,343,323)	-
Total	**624,857**	**754,388**

In addition, the Company acquired a 65% interest in ruby license 8245L from Regius Resources Group Ltd via an unincorporated joint venture with consideration being the payment of US$100,000 plus the issue of 30,000,000 fully paid ordinary shares in the Company (subject to 24 month voluntary escrow) which was approved by shareholders on 22 May 2017.

Transaction	**2019 $**	**2018 $**
Directors & Executives		
Mr I Daymond	-	-
Mr B Olivier	-	-
Mr C Jordaan	-	270,968 (i)
Mr C van Wyk	812,903 (i)	270,968 (i)
Mr E Kirby (appointed 27 May 2018))	-	-

(i) Amortisation for the performance rights class E previously issued

21. SHARE BASED PAYMENTS

(a) Recognised share based payments

	Consolidated	
	2019 $	**2018 $**
Shares issued on conversion of Convertible Notes	913,381	12,989,956
Shares issued to Long Term Incentive Plan	-	92,500
Shares issued to settle various professional services	273,246	273,246
Performance rights issued	943,500	-

21. SHARE BASED PAYMENTS - continued

(b) Details of options granted and vested during the year ended 30 June 2019

During the year the Company did not issue any incentive options to directors and executives. Unquoted options where issued to advisors and consultants that assisted the Company in raising capital. No options vested during the year.

During the year the Company granted options to:

Quoted & Unquoted Options					
Name	**Amount**	**Expiry Date**	**Exercise Price**	**Vested / Unvested**	**Fair Value at Grant Date $**
Pursuant to capital raising					
Jett Capital Advisors (unquoted)	308,759	25-Oct-21	$0.178	Vested	11,115
Sophisticated & Professional Investors (quoted)	17,103,348	26-Nov-20	$0.20	Vested	-
UBezTT International Investment Holdings (BVI) Ltd (unquoted)	23,076,923	20-Dec-21	$0.14	Vested	-

Unquoted options were issued for services and represent fair consideration.

Details of options granted and vested during the year ended 30 June 2018

During the year the Company did not issue any incentive options to directors and executives. Unquoted options were issued to advisors and consultants that assisted the Company in raising capital. No options vested during the year.

21. SHARE BASED PAYMENTS - continued

During the year the Company granted options to:

Unquoted Options					
Name	**Amount**	**Expiry Date**	**Exercise Price**	**Vested / Unvested**	**Fair Value at Grant Date $**
Pursuant to convertible note					
Arena Structured Private Investments (Cayman) LLC	38,709,677	20-Jul-20	$0.062	Vested	1,265,942
Arena Structured Private Investments (Cayman) LLC	13,333,333	20-Jul-20	$0.117	Vested	680,725
Arena Structured Private Investments (Cayman) LLC	12,765,957	20-Jul-20	$0.1222	Vested	678,191
Arena Structured Private Investments (Cayman) LLC	25,723,472	13-Mar-21	$0.0323	Vested	350,476
Arena Structured Private Investments (Cayman) LLC	41,749,503	29-May-21	$0.0262	Vested	483,027
Pursuant to acquisition and capital raising					
Jett Capital Advisors	3,333,333	15-Sept-20	$0.117	Vested	143,046
Jett Capital Advisors	1,519,559	09-Mar-20	$0.10	Vested	26,533
Jett Capital Advisors	2,181,818	20-Jul-20	$0.0715	Vested	50,902
Jett Capital Advisors	1,800,000	16-Oct-20	$0.1300	Vested	181,957
Jett Capital Advisors	729,771	25-Jan-20	$0.0273	Vested	24,175
Jett Capital Advisors	6,000,000	22-May-21	$0.0273	Vested	58,253
Pursuant to incentive scheme					
Mustang Incentive Pty Ltd <The Mustang Resource Long Term Incentive Plan A/C>	7,500,000	15-Jan-21	$0.0370	Unvested	41,250
Mustang Incentive Pty Ltd <The Mustang Resource Long Term Incentive Plan A/C>	5,000,000	13-Mar-21	$0.0356	Unvested	43,750

21. SHARE BASED PAYMENTS - continued

Details of options granted and vested during the year ended 30 June 2019

(c) Summaries of options granted

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:

	2019 No.	2019 WAEP	2018 No.	2018 WAEP
Outstanding at the beginning of the year	22,173,789[1]	0.59	113,510,154	0.062
Granted during the period	40,489,030	0.17	160,346,423	0.0562
Exercised during the period	-	-	(47,969,603)	-
Expired during the period	(2,950,000)	-	(4,149,254)	-
Outstanding at the end of the year	**59,712,819**	**0.277**	**221,737,720**	**0.059**
Exercisable at the end of the year	**59,712,819**	**0.277**	**221,737,720**	**0.059**

1. In 2019 the Company's securities underwent a 10:1 consolidation

(d) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 June 2019 is 1.75 years (2018: 2 years).

(e) Range of exercise prices

The range of exercise prices for options outstanding at the end of the year was $0.14 to $2.00. The exercise price of options outstanding at the end of the previous year was $0.0262 to $0.15. Refer to section (c) above for further information in assessing the number and timing of additional shares that may be issued and the cash that may be received upon exercise of the those options.

(f) Weighted average fair value

The weighted average fair value price of options issued during the year was $0.17 (2018: $0.021).

(g) Summary of performance rights granted

During the year the Company did not issue any performance rights. Details of the non-market vesting conditions for the remaining performance rights are stated in Note 14.

22. SUBSEQUENT EVENTS

Fura Gems Inc Asset Merger Transaction

On 17 July 2018 the Company announced that it had entered into a merger agreement for its Montepuez ruby assets with TSXV-listed Fura Gems Inc. (TSXV: FURA).

The Company has been working on the completion of the customary conditions precedent conditions which include the provision of legal opinions concerning the title to the assets being in good standing, as well as approvals from the ASX, New Energy shareholders, the Mozambican Minister of Mineral Resources and Energy and Mozambican taxation office.

All conditions precedent have been satisfied other the clearance from the Mozambican Minister of Mineral Resources and the Mozambican taxation office. As a result, the Company and Fura have entered into a number of extension agreements which will allow for the satisfaction of the outstanding conditions precedent, principally the receipt of a binding tax opinion from the tax authorities in Mozambique, and Ministerial approval. The timing of receipt of the tax opinion and Ministerial approval (and therefore the satisfaction of these conditions) are outside the control of the Company and Fura. The Company updated the market on a number of occasions in relation to the extension of the Drop Dead Date with the most recent announcement allowing for further extension of the Drop Dead Date to 31 October 2019.

Balama Transaction

On 7 November 2018 New Energy Minerals entered into a binding agreement with Auspicious Virtue Investment Holdings (BVI) Ltd to sell 50% of its interest in Balama Resources Pty Ltd the entity which holds the Company's interest in the Caula graphite and vanadium Project. Further on 8 February 2019, New Energy announced that it entered into a Share Sale and Purchase Agreement ("SSPA") with Auspicious Investment Holding Limited ("Auspicious"), to sell the remaining 50% of Balama Resources Pty Ltd for a total cash consideration of $7m.

The Company has been working on the completion of the customary conditions precedent conditions which include the provision of legal opinions concerning the title to the assets being in good standing, as well as approvals from the ASX, New Energy shareholders, the Mozambican Minister of Mineral Resources and Energy and Mozambican taxation office.

All conditions precedent has been satisfied other the clearance from the Mozambican Minister of Mineral Resources and the Mozambican taxation office. As a result, the Company and Auspicious have entered into a number of extension agreements which will allow for the satisfaction of the outstanding conditions precedent, principally the receipt of a binding tax opinion from the tax authorities in Mozambique, and Ministerial approval. The timing of receipt of the tax opinion and Ministerial approval (and therefore the satisfaction of these conditions) are outside the control of the Company and Auspicious. The Company updated the market on a number of occasions in relation to the extension of the Balama Agreement with the most recent announcement allowing for further extension of the Drop Dead Date to 1 December 2019.

22. SUBSEQUENT EVENTS - continued

Dispute with Arena Investors

In October 2018 Arena provided notice to New Energy that the Company allegedly breached the terms of the Convertible Note Deed between the Company and Arena. The Company disputed the circumstances in which such notice has been given to it as well as the quantum of Arena's claim (which totals around $5.1 million and includes a claim for payment of a termination fee of $2.5 million). The Company informed the market on 6 November 2018 that Arena had issued a statutory demand under the Corporations Act.

During November 2018 the Company announced that it has lodged an application pursuant to Section 459G of the Corporations Act, to set aside the statutory demand by Arena, arising from debts allegedly owed by the Company under the terms of the Unsecured Convertible Note Deed between the Company and Arena. New Energy, in consultation with its legal counsel, lodged the application to the Supreme Court of Western Australia on 19 November 2018, to have the statutory demand set aside.

The Unsecured Convertible Note Deed between Arena Structured Private Investments (Cayman) LLC and New Energy was terminated by the Company in November 2018.

On 18 January 2019 the Company entered into mediation with Arena but this did not result in any form of settlement. As a result, the application in the Supreme Court of Western Australia to have the statutory demand set aside was heard on 27 March 2019.

On 8 July 2019 The Master of the Supreme Court of Western Australia made orders setting aside the statutory demand and has published his reasons for so doing. The statutory demand has been set aside on the basis that the Master considers that New Energy has an arguable offsetting claim for economic duress against Arena arising from its refusal or threatened refusal to further fund the Company as required under the Convertible Note Deed.

The Company previously advised the market on 21 November 2018 that it considers it has an offsetting claim, being damages for Arena's failure to fund the Company amounting to a breach of contract by Arena and amounting to unconscionable conduct on Arena's part in the order of $17.03 million.

On 30 July 2019 Arena notified of its intention to appeal the decision of the Master to set aside the Statutory Demand.

On 21 August 2019 the Company was award costs against Arena. The Court has provisionally assessed the Company's costs in the sum of $71,445.39.

On 4 September 2019 Arena formally discontinued its appeal against the decision by the Master of the Supreme Court of Western Australia to set aside a statutory demand from Arena.

The Company will continue to manage and assess its options with Arena including giving further consideration to a damages claim against Arena.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash, trade receivable and payables, and convertible notes. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk.

Historically, the Group has not implemented strategies to mitigate these financial risks. As the Group's activities were mainly in the USA the majority of funds held were held in US$ to mitigate foreign currency risk. Accordingly, no hedging policies have been put in place. The directors will review this policy during the 2020 financial year given that the Company will have no further operations in USD, ZAR (South African Rand) and MZN (Mozambican Metical) once the Fura and Balama transactions settle. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(a) Interest rate risk

Cash flow interest rate risk
The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing or bear fixed interest rates (the convertible notes). The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

(b) Foreign currency risk

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. The Group currently does not engage in any hedging or derivative transactions to manage foreign currency risk.

(c) Commodity price risk

Due to the nature of the Group's and parent's principal operations being ruby, diamond and graphite exploration and production the Group and the parent is exposed to the fluctuations in the prices of rubies, diamonds and graphite. Although the Group and parent entity is economically exposed to commodity price risk of the abovementioned inputs, this is not a recognised market risk under the accounting standards as the risk is embedded within normal purchase and sales and are therefore not financial instruments. Once the Fura and Balama transactions settle the Company will no longer be exposed to this risk.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

(d) Credit risk

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group. With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Since the Group trades only with recognised third parties, there is no requirement for collateral.

(e) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans if required. The Company does not currently have any bank loans.

24. FINANCIAL INSTRUMENTS

a. Interest rate risk

Interest rate risk exposures

The Group's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

Consolidated	**Weighted Average Interest rate**	**Fixed Interest Rate $**	**Floating Interest Rate $**	**Non-Interest Bearing $**	**Total $**
2019					
Financial assets					
Cash assets *	1.2%	-	288,862	-	288,862
Trade and other receivables – current *	-	-	-	1,296,436	1,296,436
Security deposits *	0.5%	-	106,016	-	106,016
			394,878	**1,296,436**	**1,691,314**
Financial liabilities					
Trade and other payables – current*	-	-	-	1,519,248	1,519,248
			-	**1,519,249**	**1,519,248**

* Maturing in 1 year or less

24. FINANCIAL INSTRUMENTS - continued

Consolidated	Weighted Average Interest rate	Fixed Interest Rate $	Floating Interest Rate $	Non-Interest Bearing $	Total $
2018					
Financial assets					
Cash assets *	0.7%	-	879,394	-	879,394
Trade and other receivables – current *	-	-	-	474,882	474,882
Security deposits *	0.5%	-	16,803	-	16,803
			896,197	**474,882**	**1,371,079**
Financial liabilities					
Trade and other payables – current*	-	-	-	2,381,507	2,381,507
			-	**2,381,507**	**2,381,507**

* Maturing in 1 year or less

Sensitivity analysis

(a) Interest rate risk

Changes in interest rate have an insignificant effect on the Group's results.

(b) Foreign currency risk

The Group's exploration and evaluation cash costs are principally denominated in South African Rand and Mozambican Metical. The foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has transactional currency exposures that arise from sales and purchases in currencies other that the respective functional currencies. It is expected that revenue generated upon the commencement of commercial production will be denominated in US dollars. The Group does not undertake any hedging at this stage, but will continually evaluate the risk.

(c) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date in portion to each class of recognised financial asset, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the consolidated statement of financial position and notes to the financial statements.

The Group does not have any material risk exposure to any single debtor or Group of debtors, under financial instruments entered into by it.

24. FINANCIAL INSTRUMENTS - continued

(d) Liquidity risk and capital management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. Capital is defined as total equity and borrowings, as disclosed in the consolidated Statement of Financial Position. 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 Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The following are the contractual maturities of financial liabilities:

Consolidated 30 June 2019	Carrying amount $	Contractual cash flows $	<3 months $	3-6 mths $	6-24 mths $	>2 years $
Trade and other payables	1,519,248	1,519,248	1,519,248	-	-	-
Interest bearing loans and borrowings (1)	2,906,000	2,906,000	-	-	2,906,000	
	4,425,248	**4,425,248**	**1,519,248**	**-**	**2,906,000**	**-**

(1) The convertible note can be converted to equity at the company's option.

Consolidated 30 June 2018	Carrying amount $	Contractual cash flows $	<3 months $	3-6 mths $	6-24 mths $	>2 years $
Trade and other payables	2,378,607	2,378,607	2,378,607	-	-	-
Interest bearing loans and borrowings (1)	1,150,000	1,150,000	-	-	1,150,000	
	3,528,607	**3,528,607**	**2,378,607**	**-**	**1,150,000**	**-**

24. FINANCIAL INSTRUMENTS - continued

(e) Fair values

Methods and assumptions used in determining net fair value

For financial assets and liabilities, the fair value approximates their carrying value. Accounts receivable, accounts payable, cash and cash equivalents approximate fair value due to their short term nature. The Group has no financial assets where carrying amounts exceed net fair values at balance date.

Cash and cash equivalents

The carrying amount is fair value due to the liquid nature of these assets.

Financial assets held at Fair Value through Profit and Loss

As a result of the embedded derivative within the Subscription Agreement and Sharing Agreement outlined in Note 9, the financial asset held at fair value will increase or decrease based on the Company's share price at the end of each month during the 5 day VWAP calculation period. A sensitivity is provided below:

Consolidated		Effect On:		Effect On:	
Risk variable	Sensitivity*	Profit and Loss 2019	Financial Assets held at fair value 2019	Profit and Loss 2018	Financial Assets held at fair value 2018
Financial assets held at fair value	+0.02	-	-	-	-
	-0.02	-	-	-	-

*Change in Company share price compared to the 30 June 2019 VWAP of $0.025

This is a level 2 financial instrument as it is not traded in an active market but its fair value is determined through observable market data (the Company's share price).

Held for sale financial assets

The held for sale financial assets have been impaired down to its fair market value therefore there is no difference between the fair value and the carrying value.

25. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal management reporting that is reviewed and used by the executive management team (the chief operating decision makers ("CODM") in assessing performance and in determining the allocation of resources.

The Group operates in the rubies, diamond and graphite exploration business in Mozambique and Mauritius (Africa). It has ceased its oil and gas exploration and development in the USA. The financial information reviewed by the CODM is only prepared on a consolidated basis and no discrete financial information is available, hence no business segments and no segment information is presented.

Group-wide disclosures

Geographical information

Revenues and non-current assets by geographical location are as follows:

2019	Africa	Other	Total
	$	$	$
Sales revenue	-	-	-
Non-current assets	930,205	-	930,205

2018	Africa	Other	Total
	$	$	$
Sales revenue	-	-	-
Non-current assets	8,240,841	-	8,240,841

Other includes Australia, South Africa and USA.

26. PARENT ENTITY INFORMATION

As at, and throughout, the financial year ended 30 June 2019, the parent entity of the Group was New Energy Minerals Ltd.

	Parent	
	2019 **$**	**2018** **$**
Result of the parent entity		
Loss of the parent entity	(7,103,162)	(37,624,584)
Total comprehensive income of the parent entity	**(7,103,162)**	**(37,624,584)**
Financial position of the parent entity at year end		
Current assets	8,203,666	4,192,088
Non-current assets	-	5,087,753
Total assets	**8,203,666**	**9,279,841**
Current liabilities	4,151,240	2,773,740
Non-current liabilities	-	-
Total liabilities	**4,151,240**	**2,773,740**
Net assets	**4,052,426**	**6,506,101**
Contributed equity	176,950,863	174,068,894
Accumulated losses	(193,440,611)	(186,337,449)
Option reserve	10,480,392	10,469,277
Performance share reserve	10,061,782	8,305,379
Total shareholders' equity	**4,052,426**	**6,506,101**

27. CORRECTION OF PRIOR PERIOD ERRORS

	30 June 2018 **$**	**Adjustment** **$**	**Restated 30 June 2018** **$**
Interest bearing loans and borrowings	1,150,000	2,250,000	3,400,000
Contributed equity	174,068,894	(2,250,000)	171,818,894

The error is a result of an incorrect share price used for the conversion of the convertible note to share capital. The share price of $0.19 was used whereas the correct share price is $0.019.

There is no impact on earnings per share.

INDEPENDENT AUDITOR'S REPORT
To the members of New Energy Minerals

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of New Energy Minerals ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 1(b) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Assets held for sale **Note 9**	
At 30 June 2019, the Group determined that the requirements to reclassify exploration and evaluation expenditure assets as assets held for sale had been satisfied under Australian Accounting Standards and as such has reclassified all expenditure in relation to their Ruby and Graphite projects to held for sale. The determination of the fair value less costs to sell (FVLCS) of the Ruby and Graphite projects have been classified as held for sale, which was a key audit matter because of the judgement related to the valuation and the financial size of the impairment charge incurred to record the assets at fair value. The fair value less costs to sell (FVLCS) is the amount that a market participant would pay for the asset or CGU, less costs of sale.	Our procedures included but were not limited to: • We obtained an understanding of the key processes associated with management's review of the carrying value of the capitalised exploration project acquisition costs; • We considered the Directors' assessment of potential indicators of impairment; • We obtained signed agreements with both Fura (Rubies) and Auspicious (Graphite) to confirm the purchase price of each project; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We reviewed additions to exploration expenditure during the year; • We enquired with management, reviewed ASX announcements and minutes of Directors' meetings to ensure that the Group had not decided to discontinue exploration and evaluation at any of its areas of interest; and • We examined the disclosures made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of New Energy Minerals Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Western Australia
27 September 2019

ASX ADDITIONAL INFORMATION

New Energy Minerals Ltd shares are listed on the Australian Securities Exchange. The Company's ASX code is NXE for ordinary shares.

SUBSTANTIAL SHAREHOLDERS (holding not less than 5%) at 4 September 2019

UbezTT International Investment Holdings (BVI) Ltd (associated with current directors Mr Paul Ching and Mr Jackie Lee) – 15.09%.

Regius Resources Group Ltd (associated with former director Mr Cobus van Wyk) - 11.62%.

CLASS OF SHARES AND VOTING RIGHTS

At 4 September 2019 there were 3,442 holders of 152,895,442 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

a) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;

b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

There are no voting rights attached to the options in the Company. Voting rights will be attached to the unissued ordinary shares when options have been exercised.

DISTRIBUTION OF SHAREHOLDERS (as at 4 September 2019)

Range	Total Holders	Units	% Issued Capital
1 - 1,000	820	264,048	0.17%
1,001 - 5,000	1,024	2,855,447	1.87%
5,001 - 10,000	501	3,905,644	2.55%
10,001 - 100,000	910	29,476,181	19.28%
100,001 - Over	187	116,394,122	76.13%
Total	**3,442**	**152,895,442**	**100.00%**

There were 2,787 shareholders holding less than a marketable parcel at 4 September 2019.

DISTRIBUTION OF LISTED OPTION HOLDERS EXPIRING 25 FEBRUARY 2020 @ $0.35 (as at 4 September 2019)

Range	Total Holders	Units	% Issued Capital
1 - 1,000	6	3,125	0.05%
1,001 - 5,000	30	88,954	1.44%
5,001 - 10,000	36	294,005	4.75%
10,001 - 100,000	61	1,900,850	30.69%
100,001 - Over	12	3,906,893	63.08%
Total	**145**	**6,193,827**	**100.00%**

There was 123 listed option holders of this class holding less than a marketable parcel at 4 September 2019.

DISTRIBUTION OF LISTED OPTION HOLDERS EXPIRING 26 NOVEMBER 2020 @ $0.20 (as at 4 September 2019)

Range	Total Holders	Units	% Issued Capital
1 - 1,000	0	0	0.00%
1,001 - 5,000	1	3,739	0.02%
5,001 - 10,000	2	14,556	0.09%
10,001 - 100,000	27	1,335,032	7.81%
100,001 - Over	15	15,750,021	92.09%
Total	**45**	**17,103,827**	**100.00%**

There were 35 listed option holders of this class holding less than a marketable parcel at 4 September 2019.

There is no current on-market buy back taking place.

Cash usage

Since the time of listing on ASX, the entity has used its cash resources and assets in a form readily converted to cash that it had at the time of admission to the official list of ASX in a manner which is consistent with its business objectives.

NEW ENERGY MINERALS LIMITED

TWENTY LARGEST SHAREHOLDERS (as at 4 September 2019)

	Name of Ordinary Shareholder	Number of Shares Held	Percentage of Shares Held
1.	BNP Paribas Noms Pty Ltd <Uob Kh P/L Ac Uob Kh Drp>	35,830,199	23.43%
2.	Regius Resources Group Ltd	17,760,340	11.62%
3.	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retail client Drp>	5,441,235	3.56%
4.	J P Morgan Nominees Australia Pty Limited	2,943,021	1.92%
5.	HSBC Custody Nominees (Australia) Limited	1,418,197	0.93%
6.	Willow Bend Station Pty Ltd	1,354,375	0.89%
7.	Ecapital Nominees Pty Limited <Accumulation A/C>	1,278,579	0.84%
8.	HSBC Custody Nominees (Australia) Limited <Euroclear Bank Sa Nv A/C>	1,276,495	0.83%
9.	Mr Ian George Knight	1,200,000	0.78%
10.	Citicorp Nominees Pty Limited	1,194,473	0.78%
11.	Mr Julien Andrew Francia <Franciaret Super Fund A/C>	1,125,000	0.74%
12.	Plato Holdings Pty Ltd <The RM A/C>	1,013,478	0.66%
13.	Mr Bruce Graham	1,000,000	0.65%
14.	Mr Timothy Brent Hartmann	1,000,000	0.65%
15.	Hongkong Ausino Investment Limited	1,000,000	0.65%
16.	Leet Investments Pty Limited	1,000,000	0.65%
17.	Mr Samuel Rotstein	900,000	0.59%
18.	Mr Mansoor Jamal	800,000	0.52%
19.	Nicolas Daniel Resources (Pty) Ltd	800,000	0.52%
20.	Morgan Stanley Australia Securities (Nominee) Pty Limited <No 1 Account>	730,852	0.48%
		79,066,244	**51.71%**

TWENTY LARGEST LISTED OPTION HOLDERS NXEOA (as at 7 September 2019)

	Name of Listed Option Holder	Number of Options Held	Percentage of Options Held
1	Andium Pty Limited	1,140,477	18.41%
2	Mr Cheng Tong Lei	733,926	11.85%
3	Willow Bend Station Pty Ltd	679,500	10.97%
4	Mr Alfred Krendl	348,980	5.63%
5	CS Third Nominees Pty Limited <HSBC Cust Nom Au Ltd 13 A/C>	161,526	2.61%
6	D & R Properties Pty Ltd <Dorian Business A/C>	156,194	2.52%
7	Mr Rodney Alan Webb + Mrs Deirdre Estelle Webb <Rdjb Webb Family Account>	130,000	2.10%
8	Mr Sven Banton	126,200	2.04%
9	Mr Yuan-Hsiang Chung	116,590	1.88%
10	Mr Simon William Tritton <Investment A/C>	105,500	1.70%
11	Mr Gregory Francis Ryan + Mrs Carolyn Jane Ryan <The Ryan Family S/F A/C>	105,000	1.70%
12	Larkdale Pty Ltd	103,000	1.66%
13	Ms Anne Maree Ryan	100,000	1.61%
14	Mr Geoffrey Paul Hadley	90,000	1.45%
15	BWS Pty Ltd	75,000	1.21%
16	Mr Tobias Silas Carter	60,000	0.97%
17	Ms Suzanne Mae Sloan + Miss Sarah Mae Sloan + Mr Lachlan Craig Melrose <SSl Superannuation Fund A/C>	59,664	0.96%
18	Miss Lan Dai	56,200	0.91%
19	Jannarn Pty Ltd <Prabhakar Family A/C>	53,000	0.86%
20	Mr Owen Patrick Williams	52,700	0.85%
		4,453,457	**71.90%**

NEW ENERGY MINERALS LIMITED

TWENTY LARGEST LISTED OPTION HOLDERS NXEOB (as at 7 September 2019)

	Name of Listed Option Holder	Number of Options Held	Percentage of Options Held
1	DJ Carmichael Pty Ltd	5,984,576	34.99
2	Jett Capital Advisors Llc	2,565,502	15.00
3	Mr Peter Armstrong	2,065,961	12.08
4	Citicorp Nominees Pty Limited	1,091,703	6.38
5	CS Third Nominees Pty Limited <HSBC Cust Nom Au Ltd 13 A/C>	818,777	4.79
6	CS Fourth Nominees Pty Limited <HSBC Cust Nom Au Ltd 11 A/C>	727,802	4.26
7	Regius Resources Group Ltd	727,802	4.26
8	Mr Alfredo Varela	390,205	2.28
9	Mr Paul Ainsworth	350,000	2.05
10	Mr Ralph Manno + Mrs Christine Anne D'ahremberg <Ecdm Investments A/C>	325,000	1.90
11	Zero Nominees Pty Ltd	181,951	1.06
12	Mrs Luye Li	167,569	0.98
13	Quid Capital Pty Ltd	139,170	0.81
14	Mr Bradley J Neill	109,170	0.64
15	Mr Beau Talbot	104,833	0.61
16	Mr Kevin Daniel Leary + Mrs He Len Patricia Leary <Kevin & Helen Leary S/F A/C>	100,000	0.58
17	DRM Technologies Pty Ltd	90,975	0.53
18	Mr Kwok Wai Kin Viking	90,975	0.53
19	Mr Mark Andrew Tkocz	75,000	0.44
20	Extreme Roofing Pty Ltd <De Bie Family A/C>	74,782	0.44
		16,256,535	**95.05%**

Corporate Governance Statement

The Company's 2019 Corporate Governance Statement has been released as a separate document and is located on our website at https://newenergyminerals.com.au/investor-dashboard/?tab=governance

Tenement Summary

Tenement	NXE Interest	NXE Effective Net Interest/Right to Earn
Diamond License		
4525L Save River Diamond Project	51.8%	51.8%
Balama Graphite Project*		
5873L – Unincorporated JV with license holder	30%	30%
7560L – Incorporated JV with license holder	50%	50%
6363L – Incorporated JV with license holder	50%	50%
9407C – Incorporated JV with license holder (changed from 6678L as a result of an application for a Mining Concession)	40%	40%
Ruby Licenses**		
8245L/8955C Montepuez Ruby Project	65%	65%
4143L/8921C Montepuez Ruby Project	60%	60%
5030L Montepuez Ruby & Gold Project	52.5%	52.5%