Annual Report
30 June 2020

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
REGISTERED OFFICE	Level 1, 9 Bowman Street South Perth, Western Australia 6151 Telephone: +61 8 9217 2400 Facsimile: +61 8 9217 2401 Email: info@newenergyminerals.com.au Website: www.newenergyminerals.com.au
SYDNEY OFFICE	111 Flinders Street Surry Hills, New South Wales 2010
SOLICITORS	Steinepreis Paganin Level 4, 16 Milligan Street Perth, WA 6000
AUDITORS	HLB Mann Judd Level 4, 130 Stirling Street Perth, Western Australia 6000
SHARE REGISTRY	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth, Western Australia 6000 Phone: 1300 850 505 (within Australia) +61 3 9415 4000 (outside Australia) Facsimile: +61 3 9473 2500

AUSTRALIAN SECURITIES EXCHANGE CODE NXE (Ordinary Shares)

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CHAIRMAN'S LETTER

30 September 2020

Dear valued shareholder

The past financial year and the current financial year to date have witnessed substantial changes in New Energy Minerals Ltd ("New Energy" or "the Company") with the sales of the Company's Montepuez Ruby and Balama Graphite-Vanadium Projects in Mozambique both having been completed, resulting in the Company's activities now being focussed on the search for new projects.

Montepuez Ruby Project

Having originally entered into a Merger of Ruby Assets Agreement ("MRAA") for its Montepuez ruby assets in July 2018 with TSXV-listed Fura Gems Inc. ("Fura") (TSXV.FURA), a number of variation agreements since that date were entered into as significant delays were experienced in satisfying essential conditions precedent to closing of the sale transaction.

Under the terms of the last amending agreement dated 7 January 2020, the consideration payable to New Energy upon closing of the transaction was reduced from $2.8 million to $1.4 million in cash. All conditions precedent for closing (including the receipt of a final tax opinion and Ministerial approval from the Government of Mozambique) were eventually satisfied to enable closing to be achieved by the end of the financial year with cash of $1.25 million (net of pre-completion loans being repaid) being received by the Company and with Fura as the purchaser assuming the responsibility for paying related capital gains tax in Mozambique.

Caula Graphite-Vanadium Project

The sale of the remaining 50% of Balama Resources Pty Ltd, being the company which held the Company's interest in the Caula graphite and vanadium project, to Auspicious Investment Holding Limited, a company associated with Mr Louis Ching was similarly affected by substantial delays in satisfying the specified conditions precedent to closing. On 28 January 2020 it was agreed by the parties that the consideration payable for the remaining 50% interest would be reduced from $7 million to $3.5 million and that the equal capital reduction originally contemplated would be dispensed with.

All conditions precedent to closing were satisfied following the end of the reporting period and closing was announced to ASX on 17 July 2020. Cash of $634,476 net of pre-completion loans and other expenses incurred in consequence of the delays in closing was received. The disposal represented the sale of the Company's main undertaking.

Termination of Management & Technical Services Agreements with Regius Resources Group Ltd

With the sales of the two projects in Mozambique the activities of the Company were wound down and during the year the provision of management & technical services under separate agreements by Regius Resources Group Ltd in respect of the ruby and graphite/vanadium projects upon which the Company had depended since project acquisition from Regius as vendor was terminated. However, several matters remained in dispute with Regius until a settlement agreement between the parties was signed (as announced on 19 February 2020).

CHAIRMAN'S LETTER

The Company's experience in Mozambique through Regius as manager proved to be a very challenging one coping with difficult conditions and intolerable bureaucratic delays but was marked with some technical successes but commercial successes regrettably were lacking.

Arena Investors

In July 2019 the Company announced that the Master of the Supreme Court of Western Australia had set aside the statutory demand from Arena Investors arising from debts allegedly owed by the Company under the terms of the Unsecured Convertible Note Deed between the Company and Arena. Arena Investors was ordered 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.

However, on 24 December 2019 Arena (not unexpectedly) commenced proceedings in the WA Supreme Court claiming a total of $5.11 million from the Company. At present the Company continues taking further legal advice in relation to both Arena's claims and the Company's counterclaim.

The Future

This past financial year has been an incredibly challenging one for the Company, but the Company has managed to complete the sale of its 2 projects in Mozambique, albeit at reduced prices, and has wound down all operational activities in that country and cut overheads to the bone. The Company has also managed to stay afloat, to keep streamlined management in place, to defend the major litigation with Arena and to settle various disputes with Regius Resources Group Ltd. All these things enable the Company as an entrepreneurial, junior mineral exploration company to re-invent itself by taking on fresh mineral projects and by adding to our own management team, all with the aim of adding value for shareholders.

My thanks go to all our shareholders for their support through the trials and tribulations of the last financial year. Management is to be applauded for their dedication and hard work. Board and management are intact and very optimistic about the future, notwithstanding the project disappointments suffered in Mozambqiue and the current Covid-19 pandemic.

We have already reviewed numerous project acquisition opportunities and expect to be in a position to make a relevant announcement in the very near future.

Yours faithfully,

Ian C Daymond

New Energy Minerals Ltd

Chairman

Review of Operations

During the financial year under review the Company's primary focus was on the settlement of the sale of its Montepuez ruby assets to TSXV-listed Fura Gems Inc. ("**Fura Transaction**") (TSXV.FURA) and the sale of the remaining 50% of Balama Resources Pty Ltd ("Balama"), the entity which held the Company's interest in the Caula graphite to Auspicious Investment Holding Limited ("**Auspicious**") ("**Balama Transaction**").

No further exploration work was undertaken by the Company in Mozambique during the financial year under review.

Fura Transaction

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**"), for 10.5 million 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 annual report for the financial year ended 30 June 2019 the Group reported the Montepuez Ruby Project as a 'held for sale asset'.

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**") concurrently with a Loan Agreement for a pre-completion loan from Fura to New Energy of up to $2.8 million.

Under the terms of the Amending Agreement, consideration payable to New Energy on closing of the transaction was to be $2,800,000 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 agreed on numerous occasions to extend the "drop-dead date" of the agreement resulting in an extended date of 29 February 2020, 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, with this being further extended to 31 March 2020 by virtue of the Revised and Restated Merger of Ruby Assets Agreement.

On 7 January 2020 New Energy entered into the Revised and Restated Merger of Ruby Assets Agreement (the "**Revised MRAA**") with Fura. Pursuant to the Revised MRAA, the new terms for completion of the transaction were as follows:

- Consideration for the acquisition of the New Energy Assets (being the interests in three ruby licenses/concessions in Mozambique as follows: (i) a 70% interest in ruby mining license 5030L through the acquisition of 70% of the issued and outstanding shares of Rubi Resources SA; (ii) an 80% interest in ruby mining concession 8921C through the acquisition of 80% of the issued and outstanding shares of Ibra Moz SA; and (iii) a right to earn a 65% interest in mining concession 8955C under a joint venture agreement), was reduced from $2,800,000 (as set out in the Amending Agreement) to a cash payment of $1,400,000, with Fura to bear the cost of any applicable capital gains tax in Mozambique.

- The $2.8m Loan Agreement dated 26 November 2018 between Fura and New Energy was formally terminated noting that no draw-down under the Loan Agreement was possible due to the non-satisfaction of its conditions precedent.

On 31 March 2020 the Company announced it has agreed with Fura to yet another extension of the settlement date to 30 June 2020.

On 24 June 2020 the Company announced that it had successfully completed the Company's sale of interests in ruby licenses/concessions in Mozambique under the Revised and Restated Merger of Ruby Assets Agreement for $1,400,000.

All final settlement conditions having been met, Fura made payment of the purchase consideration to New Energy which in turn effectively concluded the Fura transaction.

Balama Transaction

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, would become the sole shareholder of Balama, holding 100% of the shares on issue, an increase from its 50% holding of the issued capital in Balama.

On 27 January 2020 the Company announced the variation of some terms of the SSPA dated 8 February 2019 whereby New Energy and Auspicious agreed to vary the SSPA through the execution of a second deed of variation dated 24 January 2020 ("**Variation Deed**").

Under the Variation Deed, the Parties agreed to amend the Purchase Price to $3,500,000 (from $7,000,000), for the sale by New Energy of its 50% shareholding in Balama. Furthermore, Auspicious agreed to provide New Energy with an additional $1,000,000 pre-completion loan ("**Additional Loan**") on or before 5 February 2020 (which was completed), which was in addition to the $600,000 loan provided in September 2019 ("**Loan**"). On closing of the SSPA, both the loan and the additional loan, plus interest, were agreed to be deducted from the Purchase Price.

The Company was required to obtain a new, updated Independent Expert Report and seek new shareholder approval at an Extraordinary General Meeting for the disposal of the Company's main undertaking, which was approved by shareholders on 13 May 2020.

Variation of Balama Share Sale Agreement

On 14 July 2020 New Energy announced the execution of a third deed of variation of the SSP dated 8 February 2019, as varied on 26 September 2019 and 28 January 2020, with Auspicious.

In accordance with the third variation deed New Energy and Auspicious agreed to include New Energy's Mozambican subsidiary (New Energy Minerals Lda) as part of the sale, as well as Auspicious withholding the amount of $100,000 as security for the safe return of the drill core samples removed from the Caula project site by the former project manager.

Furthermore, the Company agreed to indemnify Auspicious from any liability incurred by Balama or its subsidiaries as a result of the loss or damage of, and failure to recover the drill core samples capped in the amount of $500,000. New Energy also agreed to provide any information and co-operation reasonably requested by Auspicious for the purpose of recovering the drill core samples.

Completion of Balama Share Sale

Subsequent to financial year end, on 17 July 2020 the Company announced the closing of the Balama transaction. Net proceeds of $634,476 were received following agreed deductions from the purchase price for the first and second pre-completion loans plus interest ($1,710,000), outstanding Caula project laboratory assay costs ($280,000), agreed management fees for Mozsino ($360,000), as well as surface taxes and historical and outstanding Mozambican legal and advisory costs for Balama.

The Company notes that with the closing of the Balama Transaction it has no further operations in Mozambique and the closing also represents disposal of its main undertaking previously approved by shareholders at the general shareholder meeting on 13 May 2020.

Corporate

Pre-Completion Loan for Caula Project

New Energy announced the variation of some of the terms of the SSPA dated 8 February 2019 between New Energy and Auspicious.

New Energy and Auspicious agreed the extension of the Conditions Precedent End Date to 1 December 2019. Furthermore, the parties agreed to vary the SSPA through the execution of a Deed of Variation dated 25 September 2019 ("**Variation Deed**").

Under the Variation Deed, Auspicious agreed to advance $0.6m ("**Advance**") to New Energy as a pre-completion loan secured against New Energy's 50% share in Balama Resources Pty Ltd ("**Balama"**). The loan bore interest at 12% pa and on closing of the Balama transaction the loan plus interest would be deducted from the Purchase Price. In the event that completion under the SSPA did not occur, New Energy would have 30 days to repay the loan (plus interest). Furthermore, the parties agreed to include certain moveable assets (vehicles, accommodation, generators etc) in the definition of the assets being acquired by Auspicious under the SSPA.

Following this Variation Deed New Energy and Auspicious agreed to vary the SSPA through the execution of a second deed of variation dated 24 January 2020 ("**Second Variation Deed**").

Under the Second Variation Deed, the Parties agreed to amend the Purchase Price to $3.5m (from $7.0m), for the sale by New Energy of its 50% shareholding in Balama. Furthermore, Auspicious agreed to provide New Energy with an additional $1.0m pre-completion loan ("**Additional Loan**") which was completed on 5 February 2020, which was in addition to the $0.6m loan provided in September 2019 ("**Loan**") and was also secured against New Energy's 50% share in Balama. On closing of the SSPA, both the loan and the additional loan, plus interest, were to be deducted from the Purchase Price.

On 13 May 2020 the Company obtained shareholder approval at its EGM for the disposal of its main undertaking.

Following the Second Variation Deed New Energy and Auspicious agreed to vary the SSPA through the execution of a third deed of variation dated 14 July 2020 ("**Third Variation Deed**").

Under the Third Variation Deed New Energy and Auspicious agreed to include New Energy's Mozambican subsidiary (New Energy Minerals Lda) as part of the sale, as well as Auspicious withholding the amount of AU$100,000 as security for the safe return of the drill core samples removed from the Caula project site by the former project manager Regius Resources Group Ltd ("**Regius**") . New Energy, through its lawyers, exchanged correspondence with Regius regarding the return, prior to closing, of the Caula project site and drill core samples, which drill core samples Regius had removed from site without approval, consent or instructions from New Energy or any of its subsidiaries. The Company continues to liaise with and support Auspicious on these issues.

Subsequent to financial year end, on 17 July 2020 the Company announced the closing of the Balama transaction as noted above.

Incentive Scheme – Performance Rights to Directors

At the Company's AGM on 28 November 2018 shareholders approved the issue of 16,500,000 incentive Performance Rights to the trustee of the Mustang Long Term Incentive Plan for the benefit of Directors and 2,000,000 incentive Performance Rights for the benefit of advisors, with the following vesting conditions:

(A) 1,500,000 Performance Rights vesting upon the Company receiving written confirmation of the pilot plant funding structure in relation to the Caula Project (**Class A Performance Rights**);

(B) 6,000,000 Performance Rights vesting upon completion of the commissioning handover by the plant installers at the Company's Caula Project to the Company (**Class B Performance Rights**);

(C) 2,000,000 Performance Rights vesting upon completion and announcement of a JORC-compliant resource upgrade to 50mt graphite & vanadium at the Company's Caula Project (**Class C Performance Rights**);

(D) 2,000,000 Performance Rights vesting upon completion to pre-feasibility standards of an initial study to demonstrate profitable production at the Company's Caula Project (**Class D Performance Rights**);

(E) 2,000,000 Performance Rights vesting upon the conversion of the exploration license held by the Company (being exploration license 6678L) to a mining licence (**Class E Performance Rights**); and

(F) 5,000,000 Performance Rights vesting upon of the Company generating gross revenue of $2,000,000 or more (**Class F Performance Rights**).

On 1 August 2019 the Company announced the issue of Mining Concession 9407C by the Mozambican Ministry of Mineral Resources & Energy (previously prospecting & exploration license 6678L). The concession was issued to Tchaumba Minerais S.A (in which Balama, holds an 80% shareholding) and is valid until 26 March 2044.

As outlined above, the Company has on issue various Performance Rights under its Long-Term Incentive Plan that have performance hurdles that related to the performance and development of the Caula Project which was disposed of by the Company.

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.

The Company obtained shareholder approval on 14 May 2019 to authorise the Directors to deal with the Performance Rights on issue under the Long Term Incentive Plan and to determine that the vesting hurdles be waived to enable those Performance Rights to be converted into Shares following the completion of the Disposal.

The Company also notes that as a result of the issuing of Mining Concession 9407C 2 million Performance Rights vested under the Company's Long-Term Incentive Plan, being the Class E Performance Rights. Consequently, 2 million fully paid ordinary New Energy shares were issued to the respective holders of the Class E Performance Rights.

On 11 September 2020, the Company issued 13,110,811 in satisfaction of conversion of 13,110,811 Performance Rights as approved by shareholders 14 May 2019. Of these Performance Rights conversion the following ordinary shares were issued to Key Management Personal being, 3,389,189 ordinary shares issued to managing director Christiaan Jordaan, 1,783,784 ordinary shares issued to non-executive chairman Ian Daymond and 1,783,784 ordinary shares issued to company secretary Robert Marusco. A remaining total of 3,389,189 Performance Rights are held Mustang Long Term Incentive Plan as at the date of the report.

Convertible Notes

On 12 June 2019 the Company announced that it had secured short-term funding from sophisticated and professional investors in the form of unsecured convertible notes totalling $406,000. The Convertible Note Agreements which were due to mature on 12 December 2019 were extended for 6 months with the following key terms:

Extension Period	6 months
Interest Rate	Interest will be paid on the Maturity Date. A Coupon rate of 12% per annum with all interest payable upon maturity or convertible into shares upon conversion will continue to apply.
Conversion	The existing Conversion price at $0.022 per share will remain.
New Maturity Date	12 June 2020.
Security	The Convertible Notes remain unsecured. The money owing to each Noteholder by the Company shall rank pari passu and pro rata between each noteholder without any priority or preference between them.
Extension Bonus share issue	As a bonus for accommodating the Company with the extension, New Energy will issue a total of 9,227,273 ordinary fully paid bonus shares in the Company calculated by reference to an implied conversion at $0.022 per share on 1 new bonus share for every 2 implied conversion shares. The shares were issued under the Company's existing ASX LR 7.1 capacity.

On 10 March 2020 the Company announced that $42,000 of the Convertible Notes had been converted to 4,666,667 shares in the New Energy, thereby reducing the convertible note to $364,000.

On 25 June 2020 the Company paid out the Convertible Notes of $364,000 plus all accrued interest of $24,735 at the agreed 12% rate.

Capital Raising & Share Issues

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

(i) On 5 August 2019 the Company issued 2,000,000 shares at $Nil consideration in satisfaction of vesting condition for Class E Performance Rights being achieved.
(ii) On 11 December 2019 the Company issued 9,227,273 shares at $Nil consideration in satisfaction of extension of the Convertible Note Facility entered into 12 June 2019.
(iii) On 11 December 2019 the Company issued 2,285,714 shares to Director Jackie Lee at an issue price of $0.021 in lieu of cash payment of directors' fees.
(iv) On 11 December 2019 the Company issued 2,285,714 shares to Director Paul Ching at an issue price of $0.021 in lieu of cash payment of director's fees.
(v) On 11 March 2020 the Company issued 4,666,667 shares for partial payout of convertible notes to the value of $42,000.

Cancellation of certain Performance Rights

On 2 January 2020 the Company announced the cancellation of 1,400,000 Performance Rights resulting from a performance milestone having failed to be achieved by 31 December 2019 in relation to the Caula Project.

Expiry of Listed Options

On 25 January 2020 6,193,827 listed options (NXEOA) expired.

Expiry of Unlisted Options

As at the date of this report the following Unlisted Options have expired;

(i) 300,000 Unlisted Options exercisable at $1.50 on or before 31 March 2020
(ii) 300,000 Unlisted Options exercisable at $2.00 on or before 31 March 2020
(iii) 218,182 Unlisted Options exercisable at $0.715 on or before 20 July 2020
(iv) 1,333,333 Unlisted Options exercisable at $1.17 on or before 20 July 2020
(v) 1,276,596 Unlisted Options exercisable at $1.222 on or before 20 July 2020
(vi) 333,333 Unlisted Options exercisable at $1.17 on or before 15 Sept 2020

Arena Convertible Note Facility

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 $21,000,000 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. Arena paid Tranche 2A on 29 May 2018 but failed to pay Tranche 2B which was expected to be received in late June 2018.

As at the date of this Annual Report the Company and Arena are in dispute as outlined below. 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 was available from Arena.

As at 30 June 2020 Arena held a total of $2.5 million (face value) of convertible notes in the Company, of which $1 million is in Tranche 1 notes issued in January 2018 with an 18-month term and $1.5 million is in Tranche 2A notes issued in July 2018, also with an 18-month term.

Dispute with Arena Investors

In August 2018 New Energy announced that it had obtained key approvals and waivers from 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 had 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 had 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 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 announced that the Master of the Supreme Court of Western Australia had set aside the statutory demand from Arena Investors. Arena Investors was 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.

On 24 December 2019 the Company was given notice that a Writ of Summons and Statement of Claim had been filed in the Supreme Court of Western Australia by Arena Structured Private Investments (Cayman), LLC, arising from debts allegedly owed by the Company under the terms of the Unsecured Convertible Note Deed between the Company and Arena.

Arena's claim under the Writ of Summons totals approximately $5.11 million and includes a claim for principal of $2.5 million, a termination payment of $2.535 million and interest.

The Company announced it would be defending the claim and was considering counterclaims against Arena. As notified in its ASX Announcement dated 21 November 2018 the Company considered it has claims for damages arising from Arena's breach of the Unsecured Convertible Note Deed, unconscionable conduct and economic duress. The Company's preliminary estimate of its damages was approximately $17.03m. The Company also considered the termination payment is not payable, as result of it having been waived by Arena, or was void by reason of being a penalty. The Company continued to take further legal advice in relation to both Arena's claims and the Company's counterclaims.

On 27 February 2020 the Company advised that directions had been made in the Supreme Court of Western Australia regarding New Energy's dispute with Arena. Arena was required to provide security in respect of New Energy's costs up to and including the close of pleadings, discovery and mediation in the amount of $25,000 to be paid to Arena's solicitors' trust account by 28 February 2020.

Subject to Arena's compliance with the security for costs order, New Energy was obliged to file and serve its defence by 27 March 2020 and continues to take legal advice in relation to this matter.

Dispute with Regius

On 19 February 2020 New Energy announced that it had reached a complete settlement with Regius Resources Group Ltd ("**Regius**"), the former manager of the Company's projects in Mozambique, following mediation held as part of arbitration proceedings in Perth, Western Australia.

The settlement of all claims by both New Energy and Regius had been reached without admissions as to liability. A legally binding Settlement Heads of Agreement was executed with the terms of the settlement summarised as follows:

- The parties release one another and their respective officers and agents from all claims whatsoever;

- Appointment of Regius as consultants in relation to advising with regard to and facilitating the completion of the Fura and Balama asset sale transactions in Mozambique, with payment as remuneration for such consultancy services in the amount of $120,000;

- Subject to the prior completion of the Fura and Balama asset sale transactions, the payment of a further amount to Regius of up to $600,000 inclusive of consideration for a 100% reduction in the shareholding of Regius in New Energy by way of a selective buyback to be approved by NXE shareholders in accordance with Section 257D of the Corporations Act.

On 2 July 2020 the Company announced that, through its lawyers, it has exchanged correspondence with the former manager of the project, Regius, regarding the return, prior to closing, of the Caula project site and drill core samples, which drill core samples Regius has removed from site without approval, consent or instructions from New Energy or any of its subsidiaries. The Company is liaising with and supporting Auspicious in respect of these issues following the closing of the Balama sale.

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.

Ian Daymond BA LLB – Non-Executive Director, Chairman (Appointed 30 July 2014)

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 as Managing Director 12 June 2019)

Mr Jordaan has extensive experience in managing mining and energy projects and a close knowledge of the New Energy projects from their inception. He holds a Commercial Law Degree, and 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.

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

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 option of the company and related bodies corporate

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

	Ordinary Shares	Options
Ian Daymond[1]	2,250,000	450,000
Christiaan Jordaan[2]	3,800,000	5,000,000
Paul Ching[3]	25,362,637	-
Jackie Lee[3]	25,362,637	-

Note 1: 450,000 options are held via the Mustang Long Term Incentive Plan Trust on behalf of Ian Daymond subject to vesting conditions being 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 .
Note 2: 5,000,000 options are held via the Mustang Long Term Incentive Plan Trust on behalf of Christiaan Jordaan subject to vesting conditions.
Note 3: 23,076,923 Shares held indirectly via UBezTT International Investment Holdings (BVI) Ltd and 2,285,714 held directly.

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	8	8
Christiaan Jordaan	8	8
Paul Ching	8	8
Jackie Lee	8	8

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

Closing of both the Balama Transaction on 17 July 2020 and the Fura Transaction on 24 June 2020 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. The Company has disposed of its main undertaking and will be seeking out new project opportunities.

Significant Events after Balance Date

Subsequent to financial year end, on 17 July 2020 the Company announced the closing of the Balama transaction as noted above.

On 11 September 2020, the Company issued 13,110,811 ordinary shares in satisfaction of conversion of 13,110,811 Performance Rights as approved by shareholders 14 May 2019. Of these Performance Rights conversion the following ordinary shares were issued to Key Management Personnel being, 3,389,189 ordinary shares issued to Managing Director Christiaan Jordaan, 1,783,784 ordinary shares issued to non-executive chairman Ian Daymond and 1,783,784 ordinary shares issued to Company Secretary Robert Marusco. A remaining total of 3,389,189 Performance Rights are held Mustang Long Term Incentive Plan as at the date of the report

Likely Developments and Expected Results

The Company will continue to manage and assess its options with Arena. Furthermore, the Company will also give consideration to and evaluate potential new opportunities or projects. As at the date of this Annual Report the Company's securities are trading on ASX however since 17 July 2020 the Company has been without a main undertaking. ASX listing rules allow a company to remain quoted on the ASX for a period of up to 6 months following disposal of main undertaking at which point if no new opportunities or projects are secured by the Company the ASX may suspend the Company's shares from trading on the ASX platform. As noted above, the Company is continuing to seek out new opportunities or projects.

Environmental Regulations & Performance

The Group was previously a party to various exploration and development licenses or permits in the countries in which it previously operated. Whilst there were no significant known breaches of the environmental obligations of the Group's licenses during its ownership of the ruby assets and the Caula graphite and vanadium project obligations and responsibility for environmental obligations now rest with the respective purchasers under the Fura and Balama Transactions.

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 $40,921 (2019: $41,157) 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 2020 and is included on page 20.

OPERATING AND FINANCIAL REVIEW

Overview of the Group and Operations

The Company continued to work towards satisfying the outstanding conditions precedent to closing both the Fura transaction and the Balama transaction since the signing of both initial agreements which culminated in the closing of the Fura transaction on 24 June 2020 and the closing of the Balama transaction subsequent to financial year end on 17 July 2020.

The Company's primary focus is to manage and assess its options with Arena including giving further consideration to a damages claim against Arena and also give consideration to and evaluate potential new opportunities or projects.

Financial

The consolidated net loss for the Group for the year ended 30 June 2020 was $10,492,887 (2019: $9,941,936).

Total assets declined from $16,663,230 in 2019 to $7,513,598 in 2020 as a result of held for sale assets, and net assets decreased from $12,023,893 in 2019 to net assets of $1,321,149 in 2020. The Group's working capital surplus is $1,321,149 as at 30 June 2020 (2019: working capital surplus $11,208,731).

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 $10,492,887 (2019: $9,941,936) and had net cash outflows from operations of $1,829,193 (2019: $4,663,448) for the year ended 30 June 2020. At 30 June 2020 the Group had cash at bank totalling $399,678 and working capital surplus of $1,321,149 (2019: surplus of $11,208,731).

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.

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; 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 2020 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 2020 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

Historically, the principal activities of the entities within the Group during have been exploration and viability assessment, and development of its previous tenements. Following the closing of both the Fura transaction on 24 June 2020 and the Balama transaction on 17 July 2020, the Company's primary focus is to manage and assess its options with Arena and also give consideration to and evaluate potential new opportunities or projects.

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 (2019: $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 2020 was 6.49 (2019: 7.42) 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 this report, there were unissued ordinary shares under option.

Number of Options	Listed / Unlisted	Exercise Price	Expiry Date
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
5,000,000	Unlisted	$0.023	10/06/2022

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 this report, there were unissued ordinary shares under performance rights

Class	Number of Rights	Listed / Unlisted
A	308,108	Unlisted
B	1,232,432	Unlisted
C	410,811	Unlisted
D	410,811	Unlisted
F	1,027,027	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
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.

On 1 August 2019 the Company announced the issue of Mining Concession 9407C by the Mozambican Ministry of Mineral Resources & Energy (previously prospecting & exploration license 6678L). The concession was issued to Tchaumba Minerais S.A (in which Balama, currently the 50% subsidiary of New Energy, holds an 80% shareholding) and is valid until 26 March 2044. This concession was disposed of as part of the Balama transaction completed 17 July 2020.

As a result of the issuing of Mining Concession 9407C 2 million Performance Rights vested under the Company's Long-Term Incentive Plan being the Class E Performance Rights. Consequently, 2 million fully paid ordinary New Energy shares were issued to the respective holders of the Class E Performance Rights.

On 11 September 2020, the Company issued 13,110,811 in satisfaction of conversion of 13,110,811 Performance Rights as approved by shareholders 14 May 2019. Of these Performance Rights conversion the following ordinary shares were issued to Key Management Personal being, 3,389,189 ordinary shares issued to managing director Christiaan Jordaan, 1,783,784 ordinary shares issued to non-executive chairman Ian

Daymond and 1,783,784 ordinary shares issued to company secretary Robert Marusco. A remaining total of 3,389,189 Performance Rights are held Mustang Long Term Incentive Plan as at the date of the report.

On 2 January 2020 the Company announced the cancellation of 1,400,000 Performance Rights resulting from a performance milestone having failed to be achieved by 31 December 2019 in relation to the Caula Project.

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

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

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 has been disposed of by the Company and settlement completed 14 July 2020.

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.

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 which was completed on 11 September 2020. A total of 1,783,784 Performance Rights where converted to ordinary shares for non-executive chairman Ian Daymond and a total of 3,389,189 Performance Rights where converted to ordinary shares for managing director Christiaan Jordaan. As at the date of this report no directors hold performance rights in the Company.

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 94.49% were 'yes' votes on its Remuneration Report for the financial year ending 30 June 2019. 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.

	2020	2019	2018	2017	2016
Product sales ($)	-	-	-	-	481,753
Net loss attributable to members of New Energy Minerals Ltd ($)	10,492,887	9,941,936	43,251,407	11,229,405	10,282,313
Basic EPS (cents)	(6.49)	(7.42)	(57.76)	(2.77)	(8.33)
Closing share price as at 30 June	$0.007	$0.014	$0.017	$0.042	$0.041

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 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 (Appointed as Managing Director 12 June 2019)

- Mr Jordaan received a managing director fee of $200,000 plus statutory superannuation (2019: non-executive director fee of $55,342).
- In addition, up until the 1 August 2019 he was a director and minor shareholder of Regius Resources Group Limited which holds shares in the Company. Mr Jordaan is no longer a director or shareholder of Regius Resources Group Limited resigning from the company on 1 August 2019.
- 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.

At the 2019 AGM of the Company, Mr Jordaan was granted shareholder approval for 2,500,000 share options through the Company's incentive plan. The options will vest after 12 months' continuous service and expire 10 June 2022 with an exercise price of $0.023. Furthermore, he was 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 $27,000 (including $18,000 annual consulting fee for November 2018 to November 2019 plus 6 months' consulting fee paid in July 2020) in additional consulting services (2019: $60,000 plus $17,500 annual consulting fee).

Paul Ching, Non-Executive Director

- 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

- 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.

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 $	Share based payments as % of Total
Key Management Personnel – Directors and Executives								
Current Directors								
Ian Daymond, Non-Executive Chairman (i)								
2020	60,000	-	27,000	5,700	-	-	92,700	-
2019	60,000	-	17,500	5,700	-	102,000	185,200	55
Christiaan Jordaan, Managing Director (ii)								
2020	220,000	32,742	-	20,900	-	19,552	293,194	7
2019	55,342	20,796	-	5,257	-	193,800	275,195	70
Paul Ching, Non-Executive Director (iii)								
2020	-	-	-	-	-	48,000	48,000	100
2019	-	-	-	-	-	-	-	-
Jackie Lee, Non-Executive Director (iv)								
2020	-	-	-	-	-	48,000	48,000	100
2019	-	-	-	-	-	-	-	-
Previous Directors								
Bernard Olivier, Managing Director								
2020	-	-	-	-	-	-	-	-
2019	209,865	7,208	-	29,262	61,630	204,000	511,965	40
Cobus van Wyk, Non-Executive Director								
2020	-	-	-	-	-	-	-	-
2019	239,190	-	-	-	64,430	193,800	497,420	39
Evan Kirby, Non-Executive Director								
2020	-	-	-	-	-	-	-	-
2019	45,000	-	95,400	4,275	-	147,900	292,575	51
Total 2020	**280,000**	**32,742**	**27,000**	**26,600**	**-**	**115,552**	**481,894**	**-**
Total 2019	609,397	28,004	112,900	44,494	126,060	841,500	1,762,355	-

(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 $27,000 (excluding GST) including $18,000 as an annual consulting fee for the period November 2018-November 2019 plus 6 months' consulting fees for the period November 2019-May 2020 paid in July 2020) due to the ongoing project disposal program and various capital raising processes.

(ii) Mr Jordaan was appointed as managing director on 12 June 2019 by way of an executive service agreement. During the year Mr Jordaan was overpaid by $20,000, this has been recorded as a receivable owing to the Company which will be repaid. Other short term non-monetary benefits include health insurance and motor vehicle.

At the 2019 AGM of the Company, Mr Jordaan was granted shareholder approval for 2,500,000 share options through the Company's incentive plan. The options will vest after 12 months' continuous service and expire 10 June 2022 with an exercise price of $0.023. Furthermore, he was granted an additional 2,500,000 share options on the same terms and these will vest once the Company successfully acquires a new project.

(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.

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.

2020	Held at 1 July 2019	Granted	Expired	Exercised /Sold	Other Changes	Held at 30 June 2020	Exercisable/ Vested
Key Management Personnel							
Mr I Daymond	450,000	-	-	-	-	450,000	-
Mr C Jordaan	-	5,000,000	-	-	-	5,000,000	-
Mr P Ching	-	-	-	-	-	-	-
Mr J Lee	-	-	-	-	-	-	-
Total	**450,000**	**5,000,000**	**-**	**-**	**-**	**5,450,000**	**-**

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**	**-**

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 5,450,000 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.

2020	**Held at 1 July 2019**	**On Exercise of Options**	**Other changes**	**Held at 30 June 2020**
Key Management Personnel				
Mr I Daymond	466,216	-	-	466,216
Mr C Jordaan	410,811		-	410,811
Mr P Ching	23,076,923	-	2,285,714	25,362,637
Mr J Lee	23,076,923	-	2,285,714	25,362,637
Total	**47,030,873**	**-**	**4,571,428**	**52,602,301**

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**

(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:

2020	Held at 1 July 2019	Other changes	Converted to Shares/Disposed	Held at 30 June 2020
Key Management Personnel				
Mr I Daymond[(i)]	1,783,784	-	-	1,783,784
Mr C Jordaan[(i)]	3,389,189	-	-	3,389,189
Mr P Ching	-	-	-	-
Mr J Lee	-	-	-	-
Total	**5,172,973**	**-**	**-**	**5,172,973**

(i) On the 11 September 2020 a total of 1,783,784 Performance Rights where converted to ordinary shares for non-executive chairman Ian Daymond and a total of 3,389,189 Performance Rights where converted to ordinary shares for managing director Christiaan Jordaan. As at the date of this report no directors hold performance rights in the Company.

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**

(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.

Transactions	2020 $	2019 $
Directors & Executives		
Mr I Daymond	-	-
Mr C Jordaan	-	-
Mr P Ching	-	-
Mr J Lee	-	-
Dr B Olivier (resigned 12 Jun 19)	-	-
Mr C van Wyk (resigned 12 Jun 19)	-	812,903[(i)]
Dr E Kirby (resigned 12 Jun 19)	-	-
Total	**-**	**812,903**

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

Auditor's independence declaration

The auditor's independence declaration is set out on page 32 and forms part of the directors' report for financial year ended 30 June 2020.

Non-audit services

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

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

Christiaan Jordaan
Managing Director
New Energy Minerals Ltd
30 September 2020

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 2020 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 2020.

On behalf of the Board of Directors

Christiaan Jordaan

Managing Director

New Energy Minerals Ltd

30 September 2020

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 2020, 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	**N G Neill**
30 September 2020	**Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Consolidated 2020 $	2019 $
Other income	2	191,792	3,079
Debt forgiveness		-	62,836
Write off of exploration and evaluation		(16,009)	-
Administration costs	3(a)	(1,510,877)	(4,021,742)
Depreciation		(18,202)	(138,285)
Gain on sale of assets		59,969	232,723
Foreign exchange (loss)/gain		(28,219)	(2,374,546)
Finance (expense)/income	3(b)	(446,690)	(364,826)
Loss from continuing operations before income tax expense		**(1,768,236)**	**(6,600,761)**
Income tax expense	4	-	-
Net loss from continuing operations		**(1,768,236)**	**(6,600,761)**
Net loss from discontinued operations	10	**(8,724,651)**	**(3,341,175)**
Net loss for the period		**(10,492,887)**	**(9,941,936)**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign currency translation (loss)/gain		(484,750)	2,727,486
Other comprehensive (loss)/gain for the period net of tax		(484,750)	2,727,486
Total comprehensive loss for the period		**(10,977,637)**	**(7,214,450)**

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 2020

	Notes	Consolidated 2020 $	2019 $
Loss from continuing operations for the period attributable to:			
Non-controlling interest		-	-
Owners of the parent		(1,768,236)	(6,600,761)
		(1,768,236)	**(6,600,761)**
Loss from discontinued operations for the period attributable to:			
Non-controlling interest		(195,832)	673,077
Owners of the parent		(8,528,819)	(2,668,098)
		(8,724,651)	**(3,341,175)**
Loss for the period attributable to:			
Non-controlling interest		(195,832)	673,077
Owners of the parent		(10,297,055)	(10,615,013)
		(10,492,887)	**(9,941,936)**
Total comprehensive loss for the period is attributable to:			
Non-controlling interest		(195,832)	(1,186,998)
Owners of the parent		(10,781,805)	(6,027,452)
		(10,977,637)	**(7,214,450)**
Loss per share			
Continuing operations			
Basic loss per share (cents per share)	14	(1.09)	(4.93)
Diluted loss per share (cents per share)	14	(1.09)	(4.93)
Discontinued operations			
Basic loss per share (cents per share)	14	(5.40)	(2.49)
Diluted loss per share (cents per share)	14	(5.40)	(2.49)
Total			
Basic loss per share (cents per share)	14	(6.49)	(7.42)
Diluted loss per share (cents per share)	14	(6.49)	(7.42)

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 2020

	Notes	Consolidated 2020 $	Consolidated 2019 $
Current assets			
Cash and cash equivalents	16(b)	399,678	288,862
Trade and other receivables	5	82,748	1,402,452
Held for sale assets	10	7,016,047	14,013,890
Prepayments	6	15,125	27,822
Total current assets		**7,513,598**	**15,733,026**
Non-current assets			
Trade and other receivables	5	-	347,077
Property, plant and equipment	8	-	509,716
Exploration and evaluation assets	9	-	73,411
Total non-current assets		**-**	**930,204**
Total assets		**7,513,598**	**16,663,230**
Current liabilities			
Trade and other payables	11(a)	801,031	1,519,248
Liabilities associated with assets held for sale	10	2,873,437	99,047
Interest bearing loans and borrowings	11(b)	2,500,000	2,906,000
Provisions	12	17,981	-
Total current liabilities		**6,192,449**	**4,524,295**
Non-current liabilities			
Provisions	12	-	115,042
Total non-current liabilities		**-**	**115,042**
Total liabilities		**6,192,449**	**4,639,337**
Net assets		**1,321,149**	**12,023,893**
Equity			
Contributed equity	13	177,308,204	176,950,863
Reserves	15	21,154,226	26,057,107
Accumulated losses		(199,193,763)	(193,232,391)
Parent interests		**(731,333)**	**9,775,579**
Non-controlling interests		2,052,482	2,248,314
Total equity		**1,321,149**	**12,023,893**

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 2020

		Consolidated	
		2020	**2019**
	Notes	**$**	**$**
Cash flows from operating activities			
Payments to suppliers and employees		(1,959,712)	(4,586,896)
Government grants and tax incentives received		183,026	-
Interest received		1,364	7,164
Interest paid		(53,871)	(83,716)
Net cash outflows used in operating activities	**16(a)**	**(1,829,193)**	**(4,663,448)**
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(647,657)	(3,313,333)
Proceeds from sale of exploration asset		1,400,000	-
Transfer of cash to held for sale assets		-	(274,426)
Proceeds from sale of plant & equipment		-	529,433
Net cash inflows/(outflows) used in investing activities		**752,343**	**(3,058,326)**
Cash inflows from financing activities			
Proceeds from the issue of shares and options		-	7,293,945
Proceeds from the issue of convertible loans		-	406,000
Proceeds from borrowings		1,600,000	-
Repayment of convertible loans		(364,000)	-
Share issue costs		(2,614)	(327,082)
Net cash inflows from financing activities		**1,233,386**	**7,372,863**
Net increase/(decrease) in cash and cash equivalents		156,536	(348,911)
Cash and cash equivalents at the beginning of the year		288,862	879,394
Effect of exchange rate changes on cash and cash equivalents		(45,720)	(241,621)
Cash and cash equivalents at the end of the year	**16(b)**	**399,678**	**288,862**

Non-cash investing and financing activities are disclosed in Note 16(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 2020

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 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**
At 1 July 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**
Loss for the period	-	(10,297,055)	-	-	-	-	(10,297,055)	(195,832)	(10,492,887)
Other comprehensive (loss)/gain	-	-	-	-	(484,750)	-	(484,750)	-	(484,750)
Total comprehensive loss for the period	-	(10,297,055)	-	-	(484,750)	-	(10,781,805)	(195,832)	(10,977,637)
Expiry of options	-	1,535,683	(1,535,683)	-	-	-	-	-	-
Issue of options	-	-	19,552	-	-	-	19,552	-	19,552
Cancellation of performance rights	-	2,800,000	-	(2,800,000)	-	-	-	-	-
Conversion of performance rights	102,000	-	-	(102,000)	-	-	-	-	-
Issue of share capital (net of issue costs)	255,341	-	-	-	-	-	255,341	-	255,341
Balance at 30 June 2020	**177,308,204**	**(199,193,763)**	**8,964,261**	**7,159,782**	**3,256,062**	**1,774,121**	**(731,333)**	**2,052,482**	**1,321,149**

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 2020 was authorised for issue in accordance with a resolution of the directors on 30 September 2020. 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

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 under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases
The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases

and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption
AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The Group was not party to any leases meeting the definition of the standard during the year, hence there was no impact on the adoption of AASB 16.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)
The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the group's financial statements.

(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 $10,492,887 (2019: $9,941,936) and had net cash outflows from operations of $1,829,193 (2019: $4,663,448) for the year ended 30 June 2020. At 30 June 2020 the Group had cash at bank totalling $399,678 and working capital surplus of $1,321,149 (2019: surplus of $11,208,731).

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.

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 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.
- The Company resolving its dispute with Arena's in relation to their claims and the Company's counterclaim.

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 2020 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 2020. 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 are accounted for at cost less impairment charges in the parent entity information in Note 27. 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.

(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) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(o) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(p) 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:

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.

(q) 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.

(r) 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.

(s) 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.

(t) 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.

(u) Foreign currency translation

Both the functional and presentation currency of New Energy Minerals Ltd is Australian Dollars ($). 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), Mozambican Metical (MZN), Thai Baht (THB) and Mauritian Rupee (MUR). 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.

(v) 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).

(w) 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.

(x) 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.

(y) 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".

(z) Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(aa) Comparative figures

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

(ab) 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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

2. OTHER INCOME

	2020	2019
	$	$
Interest income	1,364	3,079
Government grants	55,515	-
R&D tax rebate	134,913	-
	191,792	3,079

EXPENSES AND LOSSES/GAINS

	2020	2019
	$	$
(a) Administration costs		
Consulting fees	266,700	110,988
Employee benefits	403,359	985,745
Defined contribution superannuation	26,600	15,232
Employee benefit / consulting fees expense	696,659	1,111,965
Compliance costs	101,315	330,281
Accounting & Audit	304,792	385,267
Legal	275,248	314,771
Travel	44,520	283,477
Rent	25,399	49,455
Marketing	20,698	392,911
Insurance	51,758	62,690
Share based payments	19,552	943,500
Other	(29,064)	147,425
	1,510,877	**4,021,742**
(b) Finance costs		
Interest expense	335,019	8,550
Convertible note finance costs	111,671	356,276
	446,690	**364,826**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

4. INCOME TAX

The major components of income tax expense are:

	Consolidated	
	2020 $	2019 $
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	9,932	(2,321,573)
Deferred tax asset not brought to account	(9,932)	2,321,573
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	
	2020 $	2019 $
Loss before tax	(10,492,887)	(9,941,936)
Prima facie tax receivable at 30% (2019:30%)	(3,147,866)	(2,982,581)
Tax effect of:		
Non-deductible expenses	5,394	18,000
Non-deductible share based payments	5,866	283,050
Tax effect on temporary differences	(9,932)	(2,321,573)
Deferred tax asset not brought to account	3,146,538	5,003,104
Income tax expense	-	-

Deferred income tax

Deferred income tax at 30 June relates to the following:

	Consolidated	
	2020 $	2019 $
Deferred tax assets and (liabilities)		
Exploration expenses & Property, Plant & Equipment	-	(174,938)
Provisions	5,394	34,513
Prepayments	5,394	8,347
Deferred tax assets - carried forward losses	(9,932)	132,078
	-	**-**

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.

4. INCOME TAX - continued

New Energy Minerals Ltd and its Australian subsidiaries have not formed a tax consolidated Group for the year ended 30 June 2020.

The potential deferred tax asset of $32,886,245 (2019: $29,739,707) 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.

5. TRADE & OTHER RECEIVABLES

	Consolidated	
	2020	**2019**
	$	**$**
Current		
Trade debtors	1,892	242,927
	1,892	242,927
Other receivables	74,807	914,785
GST/VAT Receivable	6,049	138,724
Security deposits	-	106,016
	82,748	**1,402,452**
Non-Current		
VAT Receivable	-	347,077
	-	**347,077**

6. PREPAYMENTS

	Consolidated	
	2020	**2019**
	$	**$**
Other prepayments	15,125	27,822
	15,125	**27,822**

7. INVESTMENTS IN CONTROLLED ENTITIES

	Country of Incorporation	Percentage of equity Interest held by the Group	
		2020	2019
Investments in subsidiaries		%	%
Golden Gate Resources Ltd	Canada	100	100
GGP Exploration LLC	USA	0	100
Cathie Energy Texas, LLC	USA	0	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	0	50
Montepuez Minerals Pty Ltd	AUS	0	75
Ibra Moz S.A	MZ	0	60
Rubies Resources S.A	MZ	0	52.5
Mustang Resources (Pty) Ltd	SA	0	100
Mustang Graphite (Pty) Ltd*	SA	0	100
Mustang Resources Lda	MZ	100	100
Mustang Graphite Lda*	MZ	0	100
Mozvest Mining Lda	MZ	53	53
Tchuamba Minerais S.A*	MZ	0	40
RQL Graphite S.A*	MZ	0	50
Montepuez Mineral Resources S.A*	MZ	0	50
Mustang Resources Co, Ltd	Thai	100	100
Mustang Resources (Mauritius) Ltd	MZ	100	100

	Country of Incorporation	Percentage of equity Interest held by the Group	
		2020	2019
Investments in Joint Operation		%	%
SLR Mining Lda	MZ	0	65
Cosec Lda*	MZ	0	30

* The Balama Transaction settled following financial year ended 30 June 2020 on 17 July 2020 and as such the entities associated with the Balama settlement have been reflected as 0% holding by the Company.

8. PROPERTY, PLANT & EQUIPMENT

a) Office Equipment

	Consolidated	
	2020 $	2019 $
Office equipment at cost	-	1,534
Accumulated depreciation	-	(1,534)
Total office equipment	**-**	**-**

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

	Consolidated	
	2020 $	2019 $
Office equipment at cost		
Balance at start of year	-	9,529
Movement in carrying value as a result of foreign currency movements	-	(84)
Depreciation	-	(9,445)
Balance at end of year	**-**	**-**

b) Buildings

	Consolidated	
	2020 $	2019 $
Buildings	-	376,559
Accumulated depreciation	-	(150,624)
Total buildings	**-**	**225,935**

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

	Consolidated	
	2020 $	2019 $
Buildings		
Balance at start of year	225,935	298,711
Impairment	(226,369)	-
Movement in carrying value as a result of foreign currency movements	434	1,241
Depreciation	-	(74,017)
Balance at end of year	**-**	**225,935**

8. PROPERTY, PLANT & EQUIPMENT - continued

c) Mining plant & equipment

	Consolidated	
	2020 $	2019 $
Mining plant & equipment	-	767,100
Accumulated depreciation	-	(483,319)
Total mining plant & equipment	**-**	**283,781**

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

	Consolidated	
	2020 $	2019 $
Mining plant & equipment		
Balance at start of year	283,781	807,319
Impairment	(126,692)	-
Disposals	(91,846)	(296,710)
Movement in carrying value as a result of foreign currency movements	(6,327)	480
Depreciation expense	(58,916)	(227,308)
Balance at end of year	**-**	**283,781**

d) Total Property, plant & equipment

	Consolidated	
	2020 $	2019 $
Total property, plant & equipment	-	1,145,193
Accumulated depreciation	-	(635,477)
Total property, plant & equipment	**-**	**509,716**

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

	Consolidated	
	2020 $	2019 $
Property, plant & equipment		
Balance at start of year	509,716	1,115,559
Impairment	(353,061)	-
Disposals	(91,846)	(296,710)
Movement in carrying value as a result of foreign currency movements	(5,893)	1,637
Depreciation expense	(58,916)	(310,770)
Balance at end of year	**-**	**509,716**

9. EXPLORATION AND EVALUATION ASSETS

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

	Consolidated	
	2020	**2019**
	$	**$**
Exploration and evaluation	-	73,411

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	
	2020	**2019**
	$	**$**
Carrying amount at beginning of period	73,411	7,375,217
Movement in carrying value as a result of foreign currency movements	(857)	43,820
Additions – capitalised exploration & evaluation costs	415,875	4,261,225
Sale of rubies net of costs	-	(134,989)
Transfer to held for sale asset	(410,233)	(10,620,424)
Write off capitalised exploration and evaluation expenditure	(78,196)	(851,438)
Carrying amount at end of period	**-**	**73,411**

10. ASSETS AND LIABILITIES HELD FOR SALE

a) Fura Transaction

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 for approximately (subject to exchange rate) 10.5 million 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 would now be $2,800,000 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.

10. ASSETS AND LIABILITIES HELD FOR SALE - continued

The parties also agreed to extend on numerous occasions the "drop-dead date" of the agreement resulting in an extended date of 29 February 2020, 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, with this being further extended to 31 March 2020 by virtue of the Revised and Restated Merger of Ruby Assets Agreement.

On 7 January 2020 New Energy entered into a Revised and Restated Merger of Ruby Assets Agreement (the "**Revised MRAA**") with Fura. Pursuant to the Revised MRAA, the new terms for completion of the transaction were as follows:

- Consideration for the acquisition of the New Energy Assets (being the interests in three ruby licenses/concessions in Mozambique as follows: (i) a 70% interest in ruby mining license 5030L through the acquisition of 70% of the issued and outstanding shares of Rubi Resources SA; (ii) an 80% interest in ruby mining concession 8921C through the acquisition of 80% of the issued and outstanding shares of Ibra Moz SA; and (iii) a right to earn a 65% interest in mining concession 8955C under a joint venture agreement), was reduced from $2,800,000 (as set out in the Amending Agreement) to a cash payment of $1,400,000, with Fura to bear the cost of any applicable capital gains tax in Mozambique.

- The $2,800,000 Loan Agreement dated 26 November 2018 between Fura and New Energy was formally terminated, noting that no draw-down under the Loan Agreement was possible due to the non-satisfaction of its conditions precedent.

On 24 June 2020 the transaction settled.

b) Balama Transaction

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 $7,000,000 ("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, would become the sole shareholder of Balama, holding 100% of the shares on issue, an increase from its 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.

On 27 January 2020 the Company announced the variation of some terms of the SSPA dated 8 February 2019 whereby New Energy and Auspicious agreed to vary the SSPA through the execution of a second deed of variation dated 24 January 2020 ("**Variation Deed**").

10. ASSETS AND LIABILITIES HELD FOR SALE - continued

Under the Variation Deed, the Parties agreed to amend the Purchase Price to $3,500,000 (from $7,000,000), for the sale by New Energy of its 50% shareholding in Balama. Furthermore, Auspicious agreed to provide New Energy with an additional AU$1,000,000 pre-completion loan ("**Additional Loan**") on or before 5 February 2020 (which was completed), which is in addition to the $0.6m loan provided in September 2019 ("**Loan**"). On closing of the SSPA, both the loan and the additional loan, plus interest, were to be deducted from the Purchase Price.

The Company was required to obtain a new updated Independent Expert Report and seek new shareholder approval at an Extraordinary General Meeting, which was held and approved 13 May 2020.

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

The Company has been undertaking both ruby and vanadium-graphite exploration activities on a number of licenses and concessions, the cost of which has been previously reflected as exploration and evaluation assets where reclassified to assets held for sale. The Fura transaction settled on 24 June 2020 and the Balama transaction settled following the financial year end on 17 July 2020.

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

	Consolidated	
	2020 $	**2019 $**
Asset classified as held for sale		
Opening balance	14,013,890	3,992,222
Exploration and evaluation expenditure asset	410,233	10,620,424
Proceeds received on disposal	(1,400,000)	-
Cash and cash equivalents	(272,278)	274,426
Trade and other receivables	(301,075)	319,040
Movement in carrying value as a result of foreign currency movements	(246,218)	-
Impairment of assets classified as held for sale	(5,188,505)	(1,192,222)
Total assets held for sale	**7,016,047**	**14,013,890**
Liabilities with assets classified as held for sale		
Opening balance	99,047	**-**
Trade and other payables	1,071,552	99,047
Interest bearing loans and borrowings	1,702,838	-
Total Liabilities held for sale	**2,873,437**	**99,047**

10. ASSETS AND LIABILITIES HELD FOR SALE - continued

DISCONTINUED OPERATIONS

	Consolidated	
	2020 $	2019 $
Other income	-	4,085
Administration costs	(2,959,845)	(580,000)
Foreign exchange loss	(17,501)	(549,104)
Depreciation	(40,715)	(172,485)
Finance expense	(102,838)	(11)
Impairment of held for sale asset	(5,188,505)	(1,192,222)
Write off of exploration and evaluation	(62,186)	(851,438)
Impairment of property, plant and equipment	(353,061)	-
Loss from discontinued operations before tax	(8,724,651)	(3,341,175)
Income tax (expense) / benefit	-	-
Loss from discontinued operations attributable to the owner	(8,528,819)	(1,670,588)
Loss from discontinued operations attributable to NCI	(195,832)	(1,670,588)

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

	Consolidated	
	2020 $	2019 $
Operating activities	(1,809,062)	(580,000)
Investing activities	989,767	(1,563,744)
Financing activities	1,600,000	3,500,000
Cash flows from discontinued operations	780,705	1,356,256

11. FINANCIAL LIABILITIES

a) Trade creditors

	Consolidated	
	2020 $	2019 $
Current		
Trade creditors and accruals	736,204	1,297,331
Other creditors	64,827	221,917
Total	**801,031**	**1,519,248**

Aggregate amount payable to related parties included in the above:
Directors and director-related entities:
- Director-related entity $Nil (2019: $718,466). Refer note 21 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.

11. FINANCIAL LIABILITIES - continued

b) Interest bearing loans and borrowings

	Consolidated	
	2020 $	2019 $
Convertible notes	2,500,000	2,906,000
Total	**2,500,000**	**2,906,000**

	Consolidated	
	2020 $	2019 $
Opening balance	2,906,000	3,400,000
Issue of convertible notes	-	406,000
Repayment of convertible notes	(364,000)	-
Conversion to shares	(42,000)	(900,000)
Closing balance	**2,500,000**	**2,906,000**

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 $1,995,000 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.

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.

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. The Convertible Note Agreements which were due to mature on 12 December 2019 were extended for 6 months to 12 June 2020, by way of 9,227,273 shares issued to the Convertible Note Holders. On 10 March 2020, the Company announced that $42,000 of the Convertible Notes had been converted to 4,666,667 shares in the New Energy thereby reducing the convertible note to $364,000.

On 25 June 2020 the Company paid out the Convertible Notes of $364,000 plus interest of $24,735 at the agreed 12% rate.

11. FINANCIAL LIABILITIES - continued

Finance costs of the convertible notes:

	Consolidated	
	2020 $	2019 $
Convertible note interest	321,977	350,771
Costs of convertible note	69,672	5,505
Shares issued in connection with convertible note	42,000	-
	433,649	**356,276**

12. PROVISIONS

	Consolidated	
	2020 $	2019 $
Current		
Annual leave	17,981	-
	17,981	**-**
Annual leave		
Carrying amount at beginning of period	-	-
Annual leave expense	17,981	-
Carrying amount at end of period	**17,981**	**-**
Non-Current		
Restoration costs	-	115,042
	-	**115,042**
Restoration		
Carrying amount at beginning of period	115,042	109,121
Reversal of provision	(120,290)	-
Foreign exchange movement on provision	5,248	5,921
Carrying amount at end of period	**-**	**115,042**

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.

The restoration provision relates to the plugging of wells in the USA, which has been completed, resulting in the provision being reversed.

13. CONTRIBUTED EQUITY

(a) Issued and paid up share capital

	Consolidated	
	2020 $	2019 $
Ordinary shares fully paid	177,308,204	176,950,863

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

	2020		2019	
	Number of Shares	$	Number of Shares	Restated $
Balance at the beginning of the year	150,895,441	176,950,863	940,111,308	171,818,894
Conversion of convertible notes	4,666,667	42,000	57,580,961	913,381
Equity issued for cash	-	-	151,382,825	2,073,944
Share consolidation 1:10	-	-	(1,034,166,919)	-
Equity issued in lieu of payment	13,798,701	215,955	11,309,179	762,841
Equity issued for cash	-	-	24,678,087	1,720,000
Conversion of performance rights	2,000,000	102,000	-	-
Less transaction costs	-	(2,614)	-	(338,197)
Balance at the end of the year	**171,360,809**	**177,308,204**	**150,895,441**	**176,950,863**

14. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share for the year ended 30 June 2020 was based on the loss attributable to ordinary shareholders of $10,492,887 (2019: $9,941,936) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2020 was 161,793,450 (2019 134,001,691), calculated as follows:

	Consolidated	
	2020	2019
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July	150,895,441	94,011,131
Effect of shares issued during the period	10,898,009	39,990,560
Weighted average number of ordinary shares at 30 June	161,793,450	134,001,691
Loss attributable to ordinary shareholders from continuing operations	(1,768,236)	(6,600,761)
Loss per share (cents) continuing operations	**(1.09)**	**(4.93)**
Loss attributable to ordinary shareholders from discontinued operations	(8,724,651)	(3,341,175)
Loss per share (cents) overall	**(5.40)**	**(2.49)**
Loss attributable to ordinary shareholders	(10,492,887)	(9,941,936)
Loss per share (cents) overall	**(6.49)**	**(7.42)**

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

15. RESERVES

	Consolidated	
	2020	2019
	$	$
Option reserve	8,964,261	10,480,392
Foreign exchange translation reserve	3,256,062	3,740,812
Performance rights reserve	7,159,782	10,061,782
Minority contribution reserve	1,774,121	1,774,121
Balance at end of the year	**21,154,226**	**26,057,107**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

15. RESERVES - continued

(a) Option reserve

(i) Nature and purpose of reserve

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

(ii) Movements in reserve

	Consolidated	
	2020	**2019**
	$	**$**
Balance at the beginning of the year	10,480,392	10,469,277
Expiration of options	(1,535,683)	-
Issue of options	19,552	11,115
Balance at end of the year	**8,964,261**	**10,480,392**

(iii) Movements in options on issue

2020	**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	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
	25-Oct-18	308,759	-	308,759	$0.178	25-Oct-21	11,115
	20-Dec-18	23,076,923	-	23,076,923	$0.14	20-Dec-21	-
Issue of options		**Issued**					
Issue of unquoted options	11-Dec-19	5,000,000	-	5,000,000	$0.023	10-Jun-22	39,104
Total unquoted options at the end of the year		**42,165,645**	**(1,841,222)**	**40,324,423**			

15. RESERVES - continued

2020	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
		17,103,348	-	17,103,348	$0.20	26-Nov-20	-
Total quoted options at the end of the year		**23,297,175**	**(6,193,827)**	**17,103,348**			

Options issued to director

On 11 December 2019 5,000,000 unlisted options were issued under the Company's Incentive Plan on behalf of managing director Christiaan Jordaan following shareholder approval on 12 November 2019, with the following vesting conditions:

- ***Tranche 1*** – 2,500,000 unlisted options vesting after 12 months' continuous service by Mr Jordaan, and exercisable at a 25% premium to the 30-day Volume Weighted Average Price (VWAP) after date of appointment (10 June 2019) being $0.023 expiring 10 June 2022.
- ***Tranche 2*** – 2,500,000 unlisted options vesting after the successful completion of a new acquisition by the Company, and exercisable at a 25% premium to the 30-day Volume Weighted Average Price (VWAP) after date of appointment (10 June 2019) being $0.023 expiring 10 June 2022.

The following inputs were used in the measurement of the fair values of options issued during the current period using the Black-Scholes option pricing model:

	Tranche 1	Tranche 2
Dividend yield	-	-
Share price at date of grant	$0.0150	$0.0150
Exercise price	$0.0230	$0.0230
Volatility	165%	165%
Risk free rate	0.80%	0.80%
Valuation date	12 November 2019	12 November 2019
Expiration date	10 June 2022	10 June 2022
Valuation per option	$0.0078	$0.0078
Total value	$19,552	$19,552

The expected volatility reflects the assumption that the historical volatility is indicative of future trends which may also not necessary be the actual outcome. $19,552 was expensed to share-based payments expense during the year, with the remaining $19,552 to be expensed in future periods.

15. RESERVES - continued

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**	**(2,200,000)**	**37,165,645**			

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**			

15. RESERVES - continued

Unquoted options issued during the 2019 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

(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	
	2020 $	**2019 $**
Balance at the beginning of the year	3,740,812	(846,903)
Conversion of functional currency	-	154
Currency translation differences	(484,750)	4,587,561
Balance at end of the year	**3,256,062**	**3,740,812**

(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.

15. RESERVES - continued

(ii) Movements in reserve

	Consolidated	
	2020 $	2019 $
Balance at the beginning of the year	10,061,782	8,305,379
Cancellation of performance rights	(2,800,000)	-
Conversion of performance rights to ordinary shares	(102,000)	-
Amortisation of performance rights	-	1,756,403
Balance at end of the year	**7,159,782**	**10,061,782**

2020	Number
Unlisted performance rights	
Balance at the beginning of the year	**19,900,000**
Cancellation of Class E unlisted performance rights	(1,400,000)
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
Vesting of Class E unlisted performance rights	(2,000,000)
Balance at the end of the year	**16,500,000**

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
F	Upon of the Company generating gross revenue of $2,000,000 or more

16. CONSOLIDATED STATEMENT OF CASH FLOWS

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

	Consolidated	
	2020 $	2019 $
Net loss after tax for the period	**(10,492,887)**	**(9,941,936)**
Add/(less) non-cash items:		
Write off of exploration & development assets	78,196	851,438
Share based payments	19,552	954,615
Shares issued in lieu of payment	215,955	762,841
Interest expense – convertible loan	275,000	281,121
Interest expense – held for sale liability	102,838	-
Foreign currency gains	45,720	2,919,219
Gain on sale of assets	(59,969)	(232,723)
Impairment of property, plant and equipment	504,876	-
Impairment of held for sale assets	5,188,505	1,192,222
Depreciation	58,916	310,770
Net cash used in operating activities before change in assets and liabilities	**(4,063,298)**	**(2,902,433)**
Decrease/(increase) in receivables	1,319,704	(927,569)
Decrease/(increase) in prepayments	12,697	19,296
Decrease/(increase) in non-current receivables	347,077	745,049
Decrease/(increase) in held for sale asset	573,354	(593,466)
Increase/(decrease) in held for sale liability	1,071,553	99,047
Increase/(decrease) in provisions	(97,062)	5,921
Increase/(decrease) in payables	(993,218)	(1,109,293)
Net cash flow used in operating activities	**(1,829,193)**	**(4,663,448)**

(b) Reconciliation of cash and cash equivalents

Cash balance comprises:		
Cash at bank		
Held in AUD funds	353,213	191,596
Held in USD funds	46,465	56,571
Held in ZAR funds	-	25,087
Held in MUR funds	-	319
Held in MZN funds	-	15,289
Total cash and cash equivalents	399,678	288,862

16. CONSOLIDATED STATEMENT OF CASH FLOWS - continued

(c) Non-cash investing and financing activities

	Consolidated	
	2020 $	2019 $
Shares issued on conversion of convertible notes	42,000	913,381
Options issued to directors	19,552	-
Shares issued in lieu of payment	215,955	762,841
Issue of performance rights	-	1,756,403
Options issued to advisors	-	11,115
Total	**277,507**	**3,443,740**

17. INTEREST IN EXPLORATION & PROSPECTING LICENSES

At 30 June 2020 the Group was a participant in the following exploration & prospecting licenses:

	Consolidated	
	2020 Interest %	2019 Interest %
Graphite Licenses[1]		
5873L Balama Graphite Project	0%	30.0%
6363L Balama Graphite Project	0%	50.0%
9407C (previously known as 6678L) Caula Graphite Project	0%	40.0%
7560L Balama Graphite Project	0%	50.0%
Ruby Licenses[2]		
4143L/8921C Montepuez Ruby Project	0%	60%
5030L Montepuez Ruby Project	0%	52.5%
8245L/8955C Montepuez Ruby Project	0%	65%

1. The Company settled the Balama transaction following financial year end on 17 July 2020 and as such interest in the licenses held by the Company have been reflected at 0%.

2. The Company entered into a Merger of Ruby Assets Agreement for its Montepuez ruby assets with Fura Gems Inc and the transaction was completed and settled on 24 June 2020.

18. COMMITMENTS

Exploration and Evaluation Commitments

	Consolidated	
	2020 $	2019 $
Less than one year	-	80,432
Between one and five years	-	-
More than five years	-	-
Total	**-**	**80,432**

19. CONTINGENT LIABILITIES

Under a settlement agreement dated 14 February 2020 between the Company and Regius Resources Group Ltd and related parties and following the completion of the Fura and Balama transactions, the payment of a further amount to Regius was provided for of up to an amount of $600,000 inclusive of consideration for a 100% reduction in the shareholding and securities of Regius in New Energy by way of a selective buyback to be approved by NXE shareholders in accordance with Section 257D of the Corporations Act may arise.

The payment of the potential Regius Settlement Sum is deemed to be inclusive of consideration for a 100% reduction in the shareholding of Regius in New Energy and all options and other securities.

There are no other contingent liabilities (2019: $1,165,506).

20. AUDITOR'S REMUNERATION

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

	Consolidated	
	2020 $	**2019 $**
Audit or review of the financial reports of the company		
Audit Services – HLB Mann Judd	49,456	65,300
Audit Services - PricewaterhouseCoopers	-	121,746
Total	**49,456**	**187,046**

21. KEY MANAGEMENT PERSONNEL REMUNERATION AND RELATED PARTY TRANSACTIONS

Directors and Executives

	Consolidated	
DISCLOSURES	**2020 $**	**2019 $**
Short term	280,000	609,397
Short term – non-monetary	32,742	28,004
Additional fees paid to non-executive directors	27,000	112,900
Termination benefits	-	126,060
Share based payments	115,552	841,500
Post-employment	26,600	44,494
Total	**481,894**	**1,762,355**

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

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.

The following transactions occurred with Regius Resources Group Ltd:

	Consolidated	
	2020 $	2019 $
Provision of exploration services	-	1,961,532
Settlement of dispute	120,000	-
Total	**120,000**	**1,961,532**

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

	Consolidated	
	2020 $	2019 $
Current payables (purchases of goods and services)		
Regius Resources Group Ltd	-	718,466
Current net receivables	-	(1,343,323)
Total	**-**	**624,857**

REGIUS DISPUTE & SETTLEMENT

On 19 February 2020 New Energy announced that it had reached a complete settlement with Regius Resources Group Ltd ("Regius"), the former manager of the Company's projects in Mozambique, following mediation held as part of arbitration proceedings in Perth, Western Australia.

The settlement of all claims by both New Energy and Regius has been reached without admissions as to liability. A legally binding Settlement Heads of Agreement was executed with the terms of the settlement summarised as follows:

- The parties release one another and their respective officers and agents from all claims whatsoever;
- Appointment of Regius as consultants in relation to advising with regard to and facilitating the completion of the Fura and Balama asset sale transactions in Mozambique, with payment as remuneration for such consultancy services in the amount of $120,000;

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

- Subject to the prior completion of the Fura and Balama asset sale transactions, the payment of a further amount to Regius of up to $600,000 inclusive of consideration for a 100% reduction in the shareholding of Regius in New Energy by way of a selective buyback to be approved by NXE shareholders in accordance with Section 257D of the Corporations Act.

On 2 July 2020 the Company had exchanged correspondence with the former manager of the project, Regius, regarding the return, prior to closing, of the Caula project site and drill core samples, which drill core samples Regius has removed from site without approval, consent or instructions from New Energy or any of its subsidiaries. The Company is liaising with and supporting Auspicious in respect of these issues following the closing of the Balama sale.

RELATED PARTY LOAN - AUSPICIOUS

New Energy and Auspicious agreed the extension of the Conditions Precedent End Date to 1 December 2019 and agreed to vary the SSPA through the execution of a Deed of Variation dated 25 September 2019 ("**Variation Deed**").

Under the Variation Deed Auspicious agreed to advance $600,000 ("**Advance**"), to New Energy as a pre-completion loan secured against New Energy's 50% share in Balama Resources Pty Ltd (**Balama**). The loan bore interest at 12% pa and on closing of the Balama transaction the loan plus interest was deducted from the Purchase Price.

Under a Second Variation Deed, New Energy and Auspicious agreed to amend the Purchase Price to $3,500,000 (from $7,000,000), for the sale by New Energy of its 50% shareholding in Balama. Furthermore, Auspicious agreed to provide New Energy with an additional $1.0m pre-completion loan ("**Additional Loan**") which was completed on 5 February 2020, which is in addition to the $0600,000 loan provided in September 2019 and is also secured against New Energy's 50% share in Balama. On closing of the SSPA, both the loan and the additional loan, plus interest, were deducted from the Purchase Price.

Transaction	2020 $	2019 $
Directors & Executives		
Mr I Daymond	-	-
Mr C Jordaan	-	-
Mr P Ching	-	-
Mr J Lee	-	-
Mr B Oliver (resigned 12 June 19)	-	-
Mr C van Wyk (resigned 12 June 19)	-	812,903 (i)
Mr E Kirby (resigned 12 June 19)	-	-

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

22. SHARE-BASED PAYMENTS

(a) Recognised share-based payments

	Consolidated	
	2020 $	2019 $
Shares issued on conversion of Convertible Notes	42,000	913,381
Options issued to Director	19,552	-
Shares issued to settle various professional services	215,955	273,246
Performance rights issued	-	943,500

(b) Details of options granted and vested during the year ended 30 June 2020

During the year, the Company issued incentive options to the managing director following shareholder approval at the 2019 AGM. 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 Manager Director Agreement					
Christiaan Jordaan	2,500,000	10-Jun-22	$0.023	Unvested	19,552
Christiaan Jordaan	2,500,000	10-Jun-22	$0.023	Vested	19,552

(c) 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.

22. SHARE-BASED PAYMENTS - continued

Details of options granted and vested during the year ended 30 June 2020

(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:

	2020 No.	2020 WAEP	2019 No.	2019 WAEP
Outstanding at the beginning of the year	59,712,819	0.277	22,173,789[1]	0.59
Granted during the period	5,000,000	0.023	40,489,030	0.17
Exercised during the period	-	-	-	-
Expired during the period	(8,035,049)	-	(2,950,000)	-
Outstanding at the end of the year	**56,677,770**	**0.258**	**59,712,819**	**0.277**
Exercisable at the end of the year	**56,677,770**	**0.258**	**59,712,819**	**0.277**

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 2020 is 0.89 years (2019: 1.75 years).

(e) Range of exercise prices

The range of exercise prices for options outstanding at the end of the year was $0.023 to $1.30. The exercise price of options outstanding at the end of the previous year was $0.14 to $2.00. 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 options.

(f) Weighted average fair value

The weighted average fair value price of options issued during the year was $0.023 (2019: $0.17).

(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 16.

(h) Shares issued

On 10 December 2019 the Company announced an extension of the convertible notes under the Convertible Note Agreements dated 12 June 2019, for a further 6 months. As a bonus for accommodating the Company with the extension, 9,227,273 ordinary fully paid shares were issued to the convertible note holders on 11 December 2019, at $0.013 per share on a 1 new bonus share for every 2 implied conversion shares. $119,955 was expensed.

22. SHARE BASED PAYMENTS – continued

On 11 December 2019 the Company issued 4,571,428 shares to non-executive directors in lieu of payment of directors' fees, and as a result, $96,000 was expensed. Shares were issued as follows:

	Paul Ching	Jackie Lee
Number of shares	2,285,714	2,285,714
Share price	$0.021	$0.021
Total value	$48,000	$48,000

23. SUBSEQUENT EVENTS

Balama Transaction

On 17 July 2020 New Energy completed and settled the Balama transaction.

Dispute with Arena Investors

In October 2018 Arena provided notice to New Energy that the Company had 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 had 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 was set aside on the basis that the Master considered that New Energy had 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.

23. SUBSEQUENT EVENTS - continued

The Company previously informed the market on 21 November 2018 that it considered it had 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 awarded 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 the statutory demand from Arena.

The Company will continue to manage and assess its options with Arena. At present the Company continues taking further legal advice in relation to both Arena's claims and the Company's counterclaim.

On 11 September 2020, the Company issued 13,110,811 in satisfaction of conversion of 13,110,811 Performance Rights as approved by shareholders 14 May 2019. Of these Performance Rights conversion the following ordinary shares were issued to Key Management Personal being, 3,389,189 ordinary shares issued to managing director Christiaan Jordaan, 1,783,784 ordinary shares issued to non-executive chairman Ian Daymond and 1,783,784 ordinary shares issued to company secretary Robert Marusco. A remaining total of 3,389,189 Performance Rights are held Mustang Long Term Incentive Plan as at the date of the report.

24. 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 South Africa and Mozambique 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 Group will have no further operations in USD, ZAR (South African Rand) and MZN (Mozambican Metical) with the settlement of the Fura and Balama transactions. 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.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

(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 and graphite exploration and production the Group and the parent is exposed to the fluctuations in the prices of rubies 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. With the settlement of the Fura and Balama transactions the Group is no longer exposed to this risk.

(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.

25. 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 $
2020					
Financial assets					
Cash assets *	0.25%	-	399,678	-	399,678
Trade and other receivables – current *	-	-	-	82,748	82,748
Security deposits *	-	-	-	-	-
			399,678	**82,748**	**482,426**
Financial liabilities					
Trade and other payables – current*	-	-	-	819,196	819,196
			-	**819,196**	**819,196**

* Maturing in 1 year or less

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

25. FINANCIAL INSTRUMENTS - continued

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. The Group does not undertake any hedging at this stage, but will continually evaluate the risk. With the settlement of the Fura and Balama transactions the Group is no longer exposed to this 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.

(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.

25. FINANCIAL INSTRUMENTS - continued

The following are the contractual maturities of financial liabilities:

Consolidated 30 June 2020	Carrying amount $	Contractual cash flows $	<3 months $	3-6 mths $	6-24 mths $	>2 years $
Trade and other payables	801,031	801,031	801,031	-	-	-
Interest bearing loans and borrowings (1)	2,500,000	2,500,000	-	-	2,500,000	-
	3,301,031	**3,301,031**	**801,031**	**-**	**2,500,000**	**-**

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

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**	**-**

(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.

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.

26. 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 ceased its operations in the rubies, diamond and graphite exploration business in Mozambique and Mauritius (Africa). 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:

2020	Africa	Other	Total
	$	$	$
Sales revenue	-	-	-
Non-current assets	-	-	-

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

Other includes Australia, South Africa and USA.

27. PARENT ENTITY INFORMATION

As at, and throughout, the financial year ended 30 June 2020, the parent entity of the Group was New Energy Minerals Ltd.

	Parent	
	2020 **$**	**2019** **$**
Result of the parent entity		
Loss of the parent entity	(2,474,005)	(7,103,162)
Total comprehensive income of the parent entity	**(2,474,005)**	**(7,103,162)**
Financial position of the parent entity at year end		
Current assets	3,609,835	8,203,666
Non-current assets	-	-
Total assets	**3,609,835**	**8,203,666**
Current liabilities	6,092,204	4,151,240
Non-current liabilities	-	-
Total liabilities	**6,092,204**	**4,151,240**
Net assets/(liabilities)	**(2,482,369)**	**4,052,426**
Contributed equity	177,308,204	176,950,863
Accumulated losses	(195,914,616)	(193,440,611)
Option reserve	8,964,261	10,480,392
Performance share reserve	7,159,782	10,061,782
Total shareholders' equity	**(2,482,369)**	**4,052,426**

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of New Energy Minerals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss, 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 2020 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 and discontinued operations Note 10	
As at 30 June 2020 the Group held $7,016,047 as an asset held for sale. There were also liabilities with assets classified as held for sale of $2,873,437. These are all part of the Graphite project Balama – which was disposed of subsequent to year end. The loss from discontinued operations for the period was $8,724,651. This includes losses associated with both the Fura (Ruby) – which was disposed of during the period - and Balama (Graphite) projects. The determination of the fair value less costs to sell Graphite project has 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. In addition, the disposal of the Ruby project as well as the classification of Balama as a discontinued operation was also considered to be fundamental to users understanding of the financial statements.	Our procedures included, but were not limited to: • We considered the Directors' assessment of potential indicators of impairment; • We obtained signed agreements with both Fura (Ruby) 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 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 2020, 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 2020.

In our opinion, the Remuneration Report of New Energy Minerals Limited for the year ended 30 June 2020 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

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Western Australia
30 September 2020

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 15 September 2020

UbezTT International Investment Holdings (BVI) Ltd (associated with current directors Mr Paul Ching and Mr Jackie Lee) – 13.75%.

Regius Resources Group Ltd (associated with former director Mr Cobus van Wyk) - 9.47%.

CLASS OF SHARES AND VOTING RIGHTS

At 15 September 2020 there were 3,133 holders of 184,471,620 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 15 September 2020)

Range	Total Holders	Units	% Issued Capital
1 - 1,000	805	260,308	0.14%
1,001 - 5,000	930	2,565,500	1.39%
5,001 - 10,000	443	3,443,656	1.87%
10,001 - 100,000	767	25,247,557	13.69%
100,001 - Over	188	152,954,599	82.91%
Total	**3,133**	**184,471,620**	**100.00%**

There were 2,551 shareholders holding less than a marketable parcel at 15 September 2020.

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.

TWENTY LARGEST SHAREHOLDERS (as at 15 September 2020)

	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>	36,595,644	19.84%
2	Regius Resources Group Ltd	17,477,694	9.47%
3	Mr Wing Yiu Kan	8,530,303	4.62%
4	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retail client Drp>	5,377,275	2.91%
5	Mr Bernard Olivier	4,145,560	2.25%
6	Mrs Stefni Jordaan	3,800,000	2.06%
7	Plato Holdings Pty Ltd <The RM A/C>	3,479,080	1.89%
8	J P Morgan Nominees Australia Pty Limited	3,340,187	1.81%
9	Kirby Gold Pty Ltd <E & A Kirby S/F>	2,900,000	1.57%
10	Mr Paul Ching	2,285,714	1.24%
11	Jackie Lee	2,285,714	1.24%
12	My Ian Cunynghame Daymond	2,050,000	1.11%
13	Dr Brendan James Travers Vote	2,000,000	1.08%
14	M & K Korkidas Pty Ltd <M&K Kordikas P/L S/Fund A/C>	1,874,568	1.02%
15	Mr Paul Sze Yuen Cheung + Mrs Pauline Kwok Sim Cheung	1,466,952	0.80%
16	Nicolas Daniel Resources (Pty) Ltd	1,441,462	0.78%
17	Willow Bend Station Pty Ltd	1,354,375	0.73%
18	Neweconomy Com Au Nominees Pty Ltd <900 Account>	1,278,579	0.69%
19	HSBC Custody Nominees (Australia) Limited <Euroclear Bank Sa Nv A/C>	1,276,490	0.69%
20	HSBC Custody Nominees (Australia) Limited	1,234,908	0.67%
		104,194,505	**56.48%**

TWENTY LARGEST LISTED OPTION HOLDERS NXEOB (as at 15 September 2020)

	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*	0%	51.8%
Balama Graphite Project**		
5873L – Unincorporated JV with license holder	0%	30%
7560L – Incorporated JV with license holder	0%	50%
6363L – Incorporated JV with license holder	0%	50%
9407C – Incorporated JV with license holder (changed from 6678L as a result of an application for a Mining Concession)	0%	40%
Ruby Licenses***		
8245L/8955C Montepuez Ruby Project	0%	65%
4143L/8921C Montepuez Ruby Project	0%	60%
5030L Montepuez Ruby & Gold Project	0%	52.5%

* The Save Diamond License 4525L lapsed 26 November 2016

** The Balama transaction was completed and settled 17 July 2020 and as such following financial year end the Company no longer holds Balama Graphite Project tenements.

*** The Fura transaction was completed and settled 24 June 2020.