2013 / ANNUAL REPORT

for the year ending 30 June 2013

ABN 65 004 749 508

NEW AGE Exploration Limited

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CORPORATE DIRECTORY

DIRECTORS

Mr Alan Broome AM
Non-executive Chairman

Mr Gary Fietz
Managing Director

Mr Gavan Rice
Non-Executive Director

Mr M Amundsen
(Non-Executive Director)

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Melbourne 3000
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SHARE REGISTER

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STOCK EXCHANGE LISTING

New Age Exploration Limited shares are listed on the Australian Securities Exchange (ASX code: NAE)

Lochinvar is an attractive low ash coking coal project, ideally located to supply domestic UK and Western European steel mills with immediate access to existing rail and port infrastructure.

CHAIRMAN'S LETTER

Dear Shareholders,

Having been invited to join New Age Exploration(NAE) as its Chairman in February, I readily agreed since I believe our Lochinvar Coking Coal Project in the UK is unique with many advantages over other coal projects internationally. It was that aspect that initially attracted my attention.

Lochinvar is a large attractive low ash coking coal project, ideally located to supply both domestic UK steel mills and the steel mills of Western Europe. We believe it should have a significantly lower delivered costs than competing imported coking coals from Australia and the US. Lochinvar has immediate access to existing rail and port infrastructure, required to deliver coal to market, and this is critical as it reduces capital investment and delivery time for the project.

The UK location is favourable for investment given its very low country risk and low cost structure. Taxes, royalty, labour and construction costs are all significantly lower in the UK than they are in Australia.

Lochinvar is located within an undeveloped coal basin and will be the first major coking coal project in the UK in some time. This provides the opportunity to bring modern mechanised underground mining and processing technology to the UK – and once again establish a modern underground mining operation in a country with a proud history in coal mining generally.

I had the pleasure of visiting the project recently and this served to strengthen my view regarding the many advantages of the Lochinvar project, which have the potential to generate significant value for shareholders. Importantly, I met with landowners and members of the local and national government in Scotland, all of whom are very supportive about the project. We believe the project is of national importance and have recently made an application to the Scottish Government to grant the project this status.

Of course the other key element necessary for success is the right management to advance such a uniquely valuable project as Lochinvar. I am confident that the NAE management team, supported by its Board of Directors, is focused and has the right experience to take the project forward as efficiently and cost effectively as possible.

The company is close to finalising an initial Inferred Resource Estimate and this will be a major milestone for the Lochinvar Project. The next stage of drilling is due to start in Q4 and will support an Indicated Resource and scoping study for the project expected at the end of Q1 next year. We therefore look forward to the coming year with great expectation for the Lochinvar project, a project which promises to add significant value to the Company as it is progressed.

Yours Faithfully,

Alan Broome AM
Non-executive Chairman

The Lochinvar Coking Coal Project in the UK has been the Companies principal focus this year.

ACTIVITIES REPORT

PRINCIPAL ACTIVITIES

The Company was granted an exploration license and conditional underground mining license over the Lochinvar Coking Coal Project, located on the Scottish / English border in the United Kingdom in June 2012. Since this time, the Lochinvar Coking Coal Project has been the Company's principal focus.

NAE has substantially advanced the Lochinvar project this year with the first phase of drilling completed in July 2013 and a scoping study now commenced. Work on the initial Lochinvar resource evaluation is currently underway with an Inferred Resource Statement expected to be announced in late September 2013.

The Company acquired a tin-tungsten project in Cornwall, UK in October 2012 and also holds coking and thermal coal projects in Colombia.

LOCHINVAR COKING COAL PROJECT, UK

Key milestones achieved by the Company on the Lochinvar Project this year, and post period end, have included:

UK Based Project Team Established	September 2012
Review of Historical Drilling Data	October 2012
$7.5M Capital Raising Completed	October 2012
Seismic Data Acquisition and Reprocessing	January 2013
Structural Interpretation Completed	June 2013
Lochinvar Project Team Strengthened	July 2013
Phase 1a Drilling Program Completed	July 2013
Clean Coal Analysis Results (LOI-001)	July 2013
Inferred Resource Estimate Commenced	July 2013
Scoping Study Commenced	July 2013
Phase 1b/2 Drilling Tender	August 2013
Phase 1b/2 Land Access Agreements	August 2013

Initial Drilling Program Completion

The Lochinvar Phase 1a drilling program comprising of 4 drill holes was completed between January 2013 and July 2013.

Three of the four holes intersected the target seams demonstrating continuity of the key Nine Foot Seam and extending the drilling coverage over the western side of the deposit.

The Nine Foot Seam ranged in thickness from 1.42m to 2.81m (coal thickness) and occurs at depths between 312m and 327m. All significant seam intersections are presented in Table 1 with hole locations and geological interpretation shown in Figure 1.

Table 1: Composited Sample Intervals.

Hole		From (m)	To (m)	Interval (m)	Coal Thickness (m)	Coal Type
LOI-001	Six Foot Seam	295.0	296.8	1.78	1.66	Coal
	Nine Foot Seam (entire seam)	311.6	315.1	3.41	2.81	Coal
LOI-004	Six Foot Seam (lower section)	313.2	313.8	0.54	0.54	Coal
	Nine Foot Seam (entire seam)	322.0	323.9	1.91	1.86	Coal
LOI-005	Six Foot Seam (upper section)	317.1	317.4	0.31	0.31	Inferior Coal
	Six Foot Seam (lower section)	318.8	319.5	0.62	0.62	Inferior Coal
	Nine Foot Seam (entire seam)	327.1	328.5	1.42	1.42	Coal
LOI-030	No coal intercept					

Hole LOI-001 successfully 'twinned' the adjacent National Coal Board ("NCB") 'Bogra' hole enabling inclusion of all 8 of the historic NCB holes on NAE's Lochinvar license into the JORC compliant resource evaluation currently underway.

In holes LOI-004 and LOI-005 the target seams were intersected at shallower depths than predicted. The potential for shallower coal presents an opportunity to improve the economics of the project.

Due to the shallower than anticipated intersections, the Six Foot and Nine Foot Seams were not cored in hole LOI-005 and the Six Foot Seam was not cored in hole LOI-004. Seam depths and thicknesses in these holes have however been confirmed by downhole geophysics. The Nine Foot Seam was cored in hole LOI-004.

Hole LOI-030 did not intersect coal, but has improved the definition of the basin margin.

Raw Coal Analysis Results

In April 2013, NAE reported that it had completed the analysis of the raw coal from both the Nine Foot and Six Foot Seams in hole LOI-001 at Lochinvar. Subsequently the raw coal analysis of the Nine Foot Seam in hole LOI-004 has been completed.

The raw analysis from holes LOI-001 and LOI-004 demonstrate that Lochinvar coal is a low ash, high volatile coking coal.

Clean Coal Analysis Results

Clean coal analysis from washability tests undertaken on borehole LOI-001 announced in July, further demonstrate the potential for Lochinvar to produce an attractive low ash, high volatile coking coal for supply to UK and European markets. As shown in Table 2 the clean coal analysis results show high yields of low ash coal (under 5%) are achievable with attractive metallurgical properties (CSN of 7.0 to 7.5).

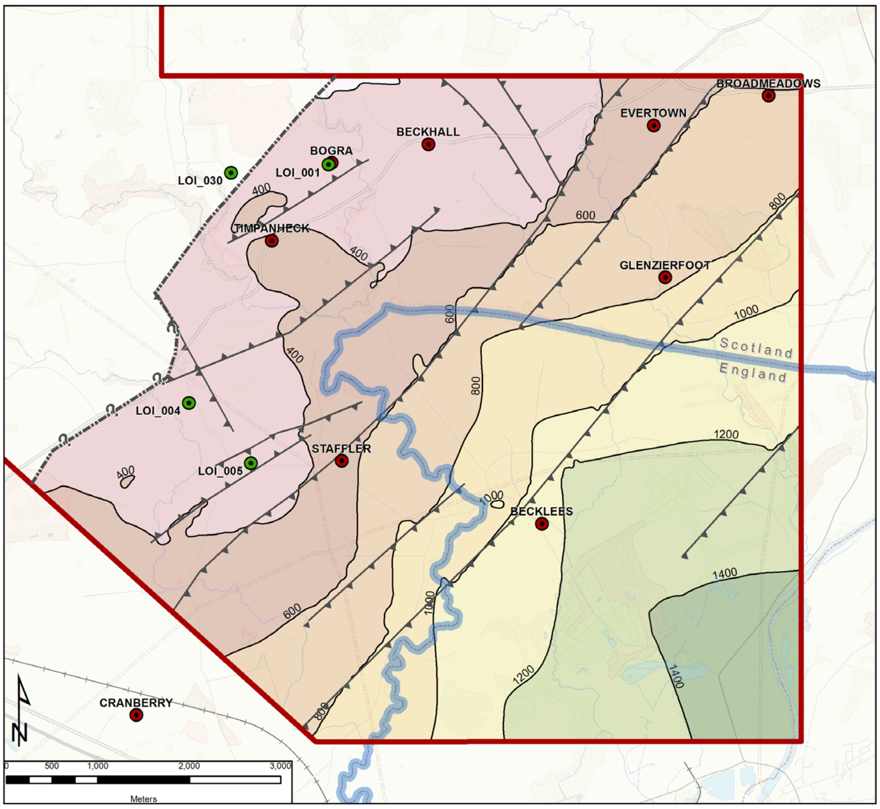

Figure 1: Location of historic National Coal Board (NCB) and new holes along with depth-to-coal contours for the Nine Foot Seam and basin structure interpreted from drilling, structural and seismic analysis

Table 2: Summary of Clean Coal Analysis from Borehole LOI-001

Coal Seam	Clean Coal Recovery (at CF1.4) (%)	Ash (ad. %)	Sulphur (ad. %)	Volatile Matter (ad. %)	Phos (ad. %)	CSN	Geiseler Max Fluidity (ddpm)
Six Foot	77	4.0	1.82	34.7	0.034	7.0	1,400
Nine Foot (Entire)	84	3.5	1.36	34.5	0.008	7.5	3,400
Nine Foot (Lower)	88	2.9	1.07	NA	NA	NA	NA

Through the washability test work, sulphur values were also reduced from 2.05% in the raw coal to 1.36% for the complete Nine Foot Seam. The lower section (1.92m) of the Nine Foot Seam demonstrated a reduction in sulphur values from 1.76% to 1.07% through washing. Importantly, preliminary discussions with potential UK and European customers (steel mills and merchant coke producers) indicate that the demonstrated sulphur values are within their coal supply specifications.

Washed coal analysis is currently in progress on hole LOI-004 with results received to date being in line with those from LOI-001. Additional test work emphasis will be placed on product washability parameters including product yield and reduction of sulphur in the clean coal.

Lochinvar Inferred Resource and Updated Exploration Target

During 2013 Q2, NAE engaged Palaris Mining, as technical consultants to the Lochinvar Project. Palaris are an internationally recognised, Australian based mining consultancy specialising in underground coal project evaluation and development. Palaris have commenced work on the initial JORC compliant Inferred Resource estimate and Exploration Target for the Lochinvar Project.

The resource estimate will be based on validation and modelling of eight historic NCB drill holes, seismic lines and the three Phase 1a holes intersecting coal completed by NAE.

Following consideration of the results of the Phase 1a exploration program, review of historic data and study of the geological structure, Palaris consider that an Inferred Coal Resource may be declared. An Exploration Target (additional to Coal Resources) will be estimated for coal seams where there is currently insufficient data to declare a resource.

Phase 1b/2 Drilling Program

Subject to regulatory approvals, NAE anticipates the commencement of Phase 1b/2 drilling program in Q4 2013. Phase 1b/2 is expected to comprise of 4-6 holes located in the western (Phase 1b) and northern (Phase 2) parts of the deposit.

The Company has completed an extensive evaluation of international drilling contractors to carry out Phase 1b/2. Through this process, NAE expects to significantly reduce drilling costs, reduce site footprint and enable holes to be drilled at a much faster rate, while maintaining the quality of the core.

The combined Phase 1b/2 drilling program has been designed to:

- Upgrade resource category
- Quantify consistency of coal quality and seam thickness
- Further test the basin margin
- Define geotechnical parameters
- Build upon Phase 1a findings to assist in preliminary mine planning

Figure 2: Potential Markets for Lochinvar Coal

Subject to regulatory approvals, Phase 1b/2 is expected to be completed in January 2014 with coal quality results available end Q1 2014.

Project Infrastructure

Lochinvar is supported by excellent project infrastructure which will minimize project capital expenditure:

- The adjacent West Coast Main Line rail connecting with UK steelmakers, cokemakers and export ports
- High Voltage power and substation on license
- Adjacent to M6/A74 motorway
- Nearby cities of Carlisle and Dumfries
- Strong local, regional and national government support

Proximity to Markets

Lochinvar has the potential to provide high volatile coking coal to nearby markets:

- UK – Domestic steelmills imported 5Mt coking coal in 2012. UK Steelmills are accessible by existing rail (200km – 520km from Lochinvar).
- Western Europe steelmills (excluding UK) imported 23Mt coking coal in 2102. Western Europe steelmills are accessible by rail to port (180km to 330km) and <1000km shipping distance from Lochinvar. This represents a major competitive advantage over distant coking coal suppliers from Australia (22,000km), US (6,500km) and Mozambique (13,000km).

Strengthened Project Team and Project Office Established

NAE made the following key appointments to strengthen its Lochinvar Coal Project team:

Damon Rhodes, Lochinvar Scoping Study Coordinator (Melbourne based)

Donna Sheehy, Exploration Manager (site based)

David Howard, Senior Geologist (site based)

Ian Wilson, Non-Executive Director

A project office was opened in August in Kirtlebridge, Scotland. Having a permanent local presence strengthens NAE's relationships with local communities and demonstrates the Company's long-term commitment to advancing the Project.

Forward Work Program

The expected completion dates for the major activities planned that will provide the required resource definition, technical and economic information to support completion of the scoping study in Q1 2014 are:

LOI-004 Washed Coal Analysis	September 2013
Initial JORC Resource Statement	September 2013
Phase 1b/2 Drilling Program	January 2014
Phase 1b/2 Coal Analysis	March 2014
Phase 1b/2 JORC Resource Statement	March 2014
Scoping Study Completion	March 2014

Table 3: The Redmoor Inferred Mineral Resource

REDMOOR INFERRED MINERAL RESOURCE (Feb 2013) Cut-off grade 0.53% Sn(eq)							
Tonnes (Mt)	Sn %	W %	Cu %	Zn %	Pb %	Ag ppm	Sn(eq)
9.1	0.21	0.16	0.38	0.20	0.008	8.38	0.69

REDMOOR TIN AND TUNGSTEN PROJECT

In October 2012, NAE announced the acquisition of the Redmoor Tin & Tungsten project in the historic mining district of Cornwall, United Kingdom. The agreement includes a 15 year exploration license with modest annual payments that are not material to NAE. An option to take up a 25 year + 25 year mining lease which can be exercised at any time during the term of the Exploration License is also part of the agreement.

In February 2013, NAE announced its initial Inferred Resource for the Redmoor Tin and Tungsten Project following the satisfactory completion of a historic drill core a re-sampling program. The Redmoor Inferred Resource statement determined by independent technical consultants, SRK Consulting (UK) is reported above an in–situ cut-off grade of 0.53% SN(eq) is shown in Table 3.

The Redmoor Inferred Resource is based on 5,792 historic samples from 35 drill holes. Only areas of which SRK considered to demonstrate the potential to be both practically and economically extractable were included in the statement.

The Redmoor Resource remains open at depth and laterally where mineralisation is present but there is insufficient drilling density to define a JORC Resource. A Conceptual Exploration Target is estimated to contain 4 to 6 million tonnes of additional material with mean grades of 0.08% - 0.13% Sn, 0.16% - 0.26% W and 0.20% - 0.34% Cu for an Sn(eq) grade of 0.51% - 0.85%.

It is the company's intention to compile historical technical data in preparation for a scoping study at Redmoor to identify the preferred development pathway and project economics. NAE will then consider options which may include a continued work program, securing strategic partners or divestment.

Limited work has been undertaken on Redmoor since the resource statement was announced in February 2013 due to the Company focusing it's resources this year on the Lochinvar project.

COLOMBIA

Due to adverse market conditions and low coking coal prices, the Company has been working closely with its joint venture partner in Colombia, Aurora Energy, to reduce holding costs for NAE-Aurora's Colombian projects. The aim is to preserve long-term options over the current projects at a low cost and also to continue to look for new coking coal project opportunities which may become attractive when market conditions improve.

In July 2012, NAE-Aurora lodged an application over a new coking coal concession which the Company considers to be very prospective for coking coal. It is expected that ANM (the central government mining agency) will complete processing of the application in Q1 2014. Further assessment of the application areas will be undertaken prior to ANM completing processing of the application.

Amendment of NAE-Aurora JV

With the initial NAE-Aurora JV set to expire in May 2013, NAE entered into an amended JV which allows NAE to continue to access Auroa's extensive Colombian network and to take advantage of the investment opportunities in the Colombian coking coal sector. Key terms of the amendment are:

- Term of JV extended to 31 October 2013
- JV to be undertaken on a non-exclusive basis to undertake investment in Colombia, with NAE having a first right of refusal for coking coal projects during the term.

Terranova Coking Coal Project

Concession 887T

NAE has continued to progress gaining approvals for extension of the mining concession and environmental license for concession 887T (which currently ends in October 2014), however these extensions have yet to be granted. Extension of the environmental license will be impacted by detailed delimitation of Paramo boundaries in this area being undertaken by the government. Preliminary studies undertaken by consultants specializing in Paramo eco-systems engaged by NAE this year have indicated that there is only a minor amount of Paramo vegetation present within Concession 887T (<10% by area). This could allow greater access to mining if the findings from preliminary studies are supported by further work.

Concession 887T contains a JORC Resource of 3.6Mt Hard Coking Coal and the Company undertook the majority of the work to complete a Feasibility Study for a 0.5Mtpa clean coal project at Terranova before putting the study on hold in June 2012 until market conditions improve and extensions to the mining concession and environmental license to support a long term project can be obtained.

Coking Coal Concession FL2-151

In September 2013, the Company announced the termination of it's agreement to acquire coking coal concession FL2-151 (which is adjacent to concession 887T in the Terranova area). Under the agreement announced on 3 August 2011, and an amendment to the agreement signed in August 2012, NAE was required to make a US$100,000 payment on 31 August 2013 in order to stay in the project. The decision to terminate the agreement over concession FL2-151 was made because of difficult market conditions and difficulties obtaining legal rights to undertake drilling, notwithstanding the Company's best efforts.

Cesar Thermal Coal Project

Consisting of two exploration and mining concessions, the Cesar Thermal Coal Project comprises 4,141 hectares in the world-class Cesar thermal coal basin of Colombia. NAE acquired these two concessions in May 2011 through the NAE-Aurora Partnership (NAE ownership 90%).

In February 2012, NAE announced that additional seismic data was obtained and re-interpreted by UK based geological constancy, FWS Consultants, and UK based seismic consultants. A revised Exploration Target of 250-650 million tonnes of export quality thermal coal (6,100 to 7,000 kcal/kg) issued by FWS Consultants.

As a result of the adverse market outlook for thermal coal and the expected high costs required to progress exploration and development of the Cesar Project, the Company has commenced a search for a strategic partner to advance the project moving forward.

La Miel Thermal Coal Project

In August 2012, the Company announced completion of it's first borehole at La Miel which intersected 3 coal seams with total seam thickness's (including partings) of 1.45m to 2.65m at depths of 655m to 765m from the surface.

In December 2012, the Company announced the termination of it's agreement to acquire the La Miel Thermal Coal Project. The decision not to continue with the project was taken due to the adverse market outlook for thermal coal as well as inconclusive results from drilling undertaken to date to warrant paying a US$500,000 transaction payment that would have been payable in December 2012 had NAE not exited the project.

Hargreaves
Monckton
Coke Plant

COMPETENT PERSONS STATEMENT

Lochinvar Project: Information in the report in relation to Lochinvar Coking Coal Project to which this statement is attached that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr William John Bamberry, a Competent Person who is a Member of the Australian Institute of Geoscientists (Membership # 4090). William John Bamberry has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. William John Bamberry consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Redmoor Project: References to the Inferred resource at Redmoor is based on information compiled by Dr. Mike Armitage (CGeol CEng FGS MIMM) and Mr. Howard Baker (MAusIMM (CP)) who are both full time employees of SRK. Dr Armitage and Mr Baker have more than 5 years experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Armitage and Mr Baker consent to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

Colombia Projects: Dr Frederick Smith is a Fellow of the Institute of Materials, Minerals and Mining. Dr Smith is a Director and Shareholder of Aurora Energy S.A. and the Managing Director and Principal Consultant of FWS Consultants Ltd. Dr Smith has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Smith consents to the inclusion in the documents of the matters based on his information in the form and context in which it appears.

NEW AGE EXPLORATION LIMITED
DIRECTORS' REPORT
30 JUNE 2013

The Directors present their report, together with the consolidated financial statements of the Group comprising of New Age Exploration Limited (the Company) and its subsidiaries, for the financial year ended 30 June 2013 and the auditor's report thereon.

Directors

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

Mr A Broome AM (Non-Executive Chairman) – appointed 18 February 2013
Mr E F Stoyle (Non-Executive Chairman) – resigned 24 October 2012
Mr G Fietz (Managing Director)
Mr A M Wing (Executive Director and Company Secretary) – resigned as Director on 15 July 2013
Mr G L Rice (Non-Executive Director)
Mr M Amundsen (Non-Executive Director)

Meetings of directors

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2013, and the number of meetings attended by each director were:

	Full Board		Audit Committee	
	Held	**Attended**	**Held**	**Attended**
Mr A Broome AM	3	3	-	-
Mr E F Stoyle	5	3	1	1
Mr G Fietz	11	11	-	-
Mr A M Wing	11	11	2	2
Mr G L Rice	11	11	2	2
Mr M J Amundsen	11	11	2	2

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

Information on directors as at 30 June 2013

Name:	Mr Alan Broome AM (I.Eng, F.AusIMM, FAICD, FICME, MInstD (NZ))
Title:	Non-Executive Director and Chairman (appointed 18 February 2013)
Experience and expertise:	Mr Broome is a metallurgist with over 40 years' experience in mining and metals. A well-known figure in the Australian mining industry, Alan has extensive board experience, both as a director and chairman, of a number of listed and unlisted mining and mining technology companies. Over the past 20 years, Alan has had in-depth experience in coal mining, mining technology, equipment, services and research sectors, both in Australia and abroad.
Other current directorships:	Nil
Former directorships (in the last 3 years):	Buccaneer Energy Ltd (ASX) (Chairman) – July 2007 to July 2013 Endocoal Ltd (ASX) (Chairman) – July 2008 to July 2012 Jatenergy Ltd (ASX) (Chairman) – April 2011 to May 2012 Nimrodel Resources Ltd (ASX) (Chairman) – July 2006 to August 2011
Special responsibilities:	Chairman of the Board
Interests in shares:	Nil
Interests in options:	1,250,000 unlisted options

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Name:	Mr Gary Fietz
Title:	Managing Director
Experience and expertise:	Mr Fietz holds a degree in geology and is a senior resources industry executive with over 23 years' experience in all aspects of exploration, business development and project evaluation. His extensive international experience includes 21 years with BHP Billiton, primarily working in the iron ore business group. Mr Fietz has also worked on coal, base metals and gold projects. He held the position of Project Director, West Africa for BHP Billiton Iron Ore where he was responsible for the direction of exploration programs and project development of an advanced tier one project within the region. He was also the Vice President Iron Ore Business Development with responsibility for assessing global iron ore business development opportunities for BHP Billiton.
Other current directorships:	Nil
Former directorships (in the last 3 years):	Non-Executive Director of Baffinland Iron Mines Corporation (Toronto Stock Exchange) – 30 April 2010 to 30 March 2011
Special responsibilities:	Managing Director
Interests in shares:	50,000 ordinary shares
Interests in options:	13,000,000 unlisted options

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

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

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Name:	Mr Michael John Amundsen
Title:	Non-Executive Director
Experience and expertise:	Mr Mike Amundsen provides corporate advisory services and has had over 30 years' experience in the global resource sector. Mr Amundsen was previously CEO and Managing Director at FerrAus Limited, a company listed on the ASX. Prior to that, Mr Amundsen held senior business roles at BHP Billiton Carbon Steels Materials Group, including coking coal and iron ore businesses. During his 28 years with BHP Billiton, Mr Amundsen held numerous positions in business development, finance, planning and strategy. While at BHP Billiton, Mr Amundsen spent 7 years on the Board of the Brazillian iron ore producer Samarco (a 50:50 joint venture between Vale and BHP Billiton).
Other current directorships:	Nil
Former directorships (in the last 3 years):	FerrAus Limited (appointed July 2009, resigned September 2010)
Special responsibilities:	Nil
Interests in shares:	200,000 ordinary shares
Interests in options:	2,000,000 unlisted options

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

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

Principal activities

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

Dividends

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

Review of operations

The loss for the Group after providing for income tax and non-controlling interests amounted to $5,709,368 (30 June 2012: $1,445,438). During the year, $3.46 million of exploration assets for the Group's projects was written off.

On 17 December 2012, NAE announced its decision to withdraw from the La Miel Coal Project in Colombia. This project was operated by NAE Aurora Energy JV La Miel SAS, a Colombia-based entity which is 90% owned by the NAE Group. Two boreholes were drilled during the year with the results of the first hole announced in August 2012 and the second borehole, which encountered drilling difficulties and flooding, had to be aborted at 564m with no coal intersected. Under the terms of the acquisition agreement, NAE was required to make a US$500,000 payment to the vendors in December 2012. However, on review of the results from the initial two boreholes, the Board deemed that further expenditure did not represent value for shareholders and consequently elected not to continue with the Project. The Group wrote off $1.52 million of assets related to the La Miel project.

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

NEW AGE EXPLORATION LIMITED
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Significant changes in the state of affairs

During the year, the Company completed its capital raising of $7.5 million, before issue costs, via private placement of 115,384,615 ordinary shares with institutional and sophisticated investors.

- In October 2012, 7 million shares were issued to private investors, raising $455,000.
- In December 2012, NAE received $5.0 million with its issue of 77.59 million shares to institutional investors and existing shareholder. This share placement was approved by shareholders at NAE's Annual General Meeting in November 2012.
- At an Extraordinary Shareholders Meeting held in May 2013, shareholders approved Resource Capital Fund V.L.P (RCF) increasing its shareholding in NAE to 29% ownership. A further $2.0 million was raised from the issue of 30.79 million shares to RCF and another institutional investor.

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

Matters subsequent to the end of the financial year

On 15 July 2013, Mr Adrien Wing resigned from the Board of Directors. He remains in his position as NAE's Company Secretary.

As a result of the Group's withdrawal from the La Miel Coal Project in December 2012, NAE Aurora JV La Miel SAS was merged with NAE Aurora JV Cesar SAS, another Colombia-based entity that is also 90% owned by the NAE Group. The merge was completed on 15 August 2013.

On 3 September 2013, the Company announced the termination of its agreement to acquire the coking coal concession FL2-151 in Colombia. This project commenced in August 2011 but difficulties in obtaining legal rights to undertake drilling activities as well as the tough current market conditions led to the decision of terminating the project.

No other matter or circumstance has arisen since 30 June 2013 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The consolidated entity will continue to pursue its objectives of exploring the Lochinvar Project. The key activities proposed for FY2014 will be the delivery of the initial Inferred Resource estimate, Phase 1b/2 drilling program to define an indicated resource and later in the period a scoping study.

Activities for Colombia and Redmoor will be reduced to a minimum to preserve cash for key activities at Lochinvar.

To fully complete the full work program for FY2014, the consolidated entity will need to raise further capital. The Directors are still to identify the levels of finance required.

Environmental regulation

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

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

NEW AGE EXPLORATION LIMITED
DIRECTORS' REPORT
30 JUNE 2013

Remuneration report (audited)

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

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

A Principles used to determine the nature and amount of remuneration

Remuneration Policy

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

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

Executive Director Remuneration

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

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

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

Non-Executive Director Remuneration

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

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

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

NEW AGE EXPLORATION LIMITED
DIRECTORS' REPORT
30 JUNE 2013

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

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

B Details of remuneration

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

Name	Short-term benefits Salary/Fees $	Bonus $	Post-employment benefits Superannuation $	Options $	Total $	Performance related %
2013						
Non-Executive Directors:						
Mr A Broome AM (1)	26,250	-	-	17,500	43,750	-
Mr E F Stoyle (2)	66,800	-	-	-	66,800	-
Mr G L Rice (3)	51,775	-	-	17,500	69,275	-
Mr M Amundsen (3)	49,050	-	-	30,250	79,300	-
Executive Directors:						
Mr G Fietz (3)	313,505	100,000	26,495	167,000	607,000	16%
Mr A M Wing (3)	134,000	-	3,375	17,500	154,875	-
	641,380	100,000	29,870	249,750	1,021,000	10%
2012						
Non-Executive Directors:						
Mr E F Stoyle	56,680	-	-	-	56,680	-
Mr G L Rice (3)	41,693	-	-	-	41,693	-
Mr M Amundsen (3) (4)	20,438	-	-	-	20,438	-
Executive Directors:						
Mr G Fietz	290,000	-	30,000	-	320,000	-
Mr A M Wing	114,000	-	-	-	114,000	-
Other Key Management Personnel:						
Mr D Garner (5)	106,002	-	9,540	67,800	183,342	-
	628,813	-	39,540	67,800	736,153	-

(1) Mr Broome was appointed 18 February 2013.
(2) Mr Stoyle resigned as director on 24 October 2012.
(3) Refer to Note 21 of the financial statements for related party transactions.
(4) Mr Amundsen was appointed on 9 February 2012.
(5) Mr Garner resigned from the company on 24 February 2012.

NEW AGE EXPLORATION LIMITED
DIRECTORS' REPORT
30 JUNE 2013

C Service agreements

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

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

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

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

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

D Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2013.

Options

There were options issued during the year to key management personnel as part of compensation that were outstanding as at 30 June 2013. Values of options over ordinary shares granted, exercised and lapsed for key management personnel during the year ended 30 June 2013 are set out below:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Mr A Broome AM (1)	17,500	-	-	40%
Mr G Rice (1)	17,500	-	-	25%
Mr M Amundsen (1) (3)	30,250	-	-	38%
Mr G Fietz (2)	167,000	-	-	28%
Mr A Wing (1)	17,500	-	-	11%

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

NEW AGE EXPLORATION LIMITED
DIRECTORS' REPORT
30 JUNE 2013

E Additional information

The earnings of the Group for the five years to 30 June 2013 are summarised below:

	2009 $	2010 $	2011 $	2012 $	2013 $
Revenue	645,517	304,515	458,513	1,248,747	114,110
Net profit/(loss) before tax	51,066	(1,718,043)	(2,159,528)	(1,465,990)	(5,943,761)
Net profit/(loss) after tax	51,066	(1,718,043)	(2,159,528)	(1,465,990)	(5,943,761)

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

	2009	2010	2011	2012	2013
Share price at start of year	0.16	0.05	0.08	0.12	0.08
Share price at end of year	0.05	0.08	0.12	0.08	0.03
Basic earnings per share (cents per share)	0.12	(3.08)	(2.24)	(1.20)	(2.97)
Diluted earnings per share (cents per share)	0.12	(3.08)	(2.24)	(1.20)	(2.97)

This concludes the remuneration report, which has been audited.

Shares under option

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

Grant date	Expiry date	Exercise price	Number under option
22 July 2011	21 July 2014	$0.19	600,000
1 September 2011	1 September 2014	$0.14	200,000
6 December 2011	6 December 2013	$0.25	1,500,000
14 February 2012	2 February 2014	$0.125	400,000
1 July 2012	1 July 2015	$0.12	2,000,000
1 September 2012	31 August 2015	$0.10	500,000
11 December 2012	6 February 2015	$0.14	750,000
28 May 2013	27 May 2016	$0.045	550,000
28 May 2013 (1)	27 May 2016	$0.10	18,000,000
			24,500,000

All options are unlisted.

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

Shares issued on the exercise of options

No shares of the Company were issued during the year ended 30 June 2013 on the exercise of options granted.

NEW AGE EXPLORATION LIMITED
DIRECTORS' REPORT
30 JUNE 2013

Indemnity and insurance of officers

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

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

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the Group

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

Non-audit services

Details of amounts paid or payable to the auditor of the Company and its related practices for audit and non-audit services provided during the year are outlined in Note 19 in the Notes to the Financial Statements.

During the year, DFK Lonsdale, a firm linked to the Company's auditor, has performed taxation services for the Company. The Directors are satisfied that the provision of these non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in Note 19 to the financial statements do not compromise the external auditor's independence for the following reasons:

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

Auditor's independence declaration

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

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

On behalf of the directors

Gary Fietz
Director

24 September 2013
Melbourne

dfkcollins
CHARTERED ACCOUNTANTS

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Melbourne Victoria 3000
TELEPHONE +61 3 9654 0100
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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of New Age Exploration Limited for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

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

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

DFK Collins

DFK Collins
Chartered Accountants

Michael Port

M L Port
Partner

24 September 2013
Melbourne

DFK INTERNATIONAL

NEW AGE EXPLORATION LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Revenues	4	114,110	1,248,747
Expenses			
Corporate expenses		(389,760)	(498,907)
Occupancy expenses		(112,751)	(100,037)
Employee benefits expenses	5	(1,612,676)	(923,413)
Share-based payments – consulting fees	5	(18,500)	(126,600)
Exploration and evaluation expenses	10	(3,464,105)	(703,187)
Administrative expenses		(288,583)	(200,212)
Legal expenses		(36,104)	(11,691)
Travel and accommodation		(135,392)	(150,690)
Loss before income tax expense		(5,943,761)	(1,465,990)
Income tax expense	6	-	-
Loss after income tax expense		(5,943,761)	(1,465,990)
Other comprehensive income/(loss) for the year			
Items that may be reclassified subsequently to profit or loss			
- Exchange differences on translation of foreign operations		339,445	(38,183)
Other comprehensive income/(loss) for the year net of tax		339,445	(38,183)
Total comprehensive loss for the year		(5,604,316)	(1,504,173)
Loss for the year attributable to:			
Non-controlling interests		(234,393)	(20,552)
Owners of New Age Exploration Limited		(5,709,368)	(1,445,438)
		(5,943,761)	(1,465,990)
Total comprehensive loss for the year attributable to:			
Non-controlling interests		(230,422)	(20,552)
Owners of New Age Exploration Limited		(5,373,894)	(1,483,621)
		(5,604,316)	(1,504,173)

Loss per share from continuing operations attributable to the owners of New Age Exploration Limited		**Cents**	**Cents**
Basic loss per share	25	(2.97)	(1.20)
Diluted loss per share	25	(2.97)	(1.20)

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

NEW AGE EXPLORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Current assets			
Cash and cash equivalents	7	4,967,880	3,580,567
Trade and other receivables	8	131,758	56,642
Prepayments		85,552	281,698
Total current assets		5,185,190	3,918,907
Non–current assets			
Property, plant and equipment	9	143,415	96,361
Exploration and evaluation assets	10	4,857,540	3,890,058
Total non-current assets		5,000,955	3,986,419
Total assets		10,186,145	7,905,326
Current liabilities			
Trade and other payables	11	1,166,554	466,104
Financial liabilities	12	-	492,174
Provisions	13	47,484	33,051
Deferred lease liability		10,418	-
Total current liabilities		1,224,456	991,329
Non-current liabilities			
Deferred lease liability		12,617	-
Total non-current liabilities		12,617	-
Total liabilities		1,237,073	991,329
Net assets		8,949,072	6,913,997
Equity			
Equity attributable to members of the parent:			
Contributed equity	14	21,082,695	13,800,154
Reserves	15	848,541	1,047,962
Accumulated losses		(13,175,030)	(8,338,230)
Total parent entity interest		8,756,206	6,509,886
Non-controlling interests		192,866	404,111
Total equity		8,949,072	6,913,997

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

NEW AGE EXPLORATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

Consolidated	**Attributable to owners of New Age Exploration Limited**				
	Contributed Equity $	**Reserves $**	**Accumulated Losses $**	**Non-Controlling Interests $**	**Total $**
At 1 July 2012	13,800,154	1,047,962	(8,338,230)	404,111	6,913,997
Loss for the period	-	-	(5,709,368)	(234,393)	(5,943,761)
Other comprehensive income	-	335,474	-	3,971	339,445
Total comprehensive loss for the period	-	335,474	(5,709,368)	(230,422)	(5,604,316)
Transactions with owners in their capacity as owners:					
Issue of shares	7,500,000	-	-	-	7,500,000
Issue costs	(217,459)	-	-	-	(217,459)
Share-based payments	-	356,850	-	-	356,850
Expiry of options	-	(891,745)	891,745	-	-
Non-controlling interest in exploration projects	-	-	(19,177)	19,177	-
As at 30 June 2013	21,082,695	848,541	(13,175,030)	192,866	8,949,072
At 1 July 2011	8,714,195	3,297,563	(8,873,947)	-	3,137,811
Loss for the period	-	-	(1,445,438)	(20,552)	(1,465,990)
Other comprehensive losses	-	(38,183)	-	-	(38,183)
Total comprehensive loss for the period	-	(38,183)	(1,445,438)	(20,552)	(1,504,173)
Transactions with owners in their capacity as owners:					
Issue of shares	5,165,000	-	-	-	5,165,000
Issue costs	(162,407)	-	-	-	(162,407)
Share-based payments	21,692	194,400	-	-	216,092
Exercise of options	61,674	-	-	-	61,674
Expiry of options	-	(937,702)	937,702	-	-
Transfer from reserve	-	(1,468,116)	1,468,116	-	-
Non-controlling interest in exploration projects	-	-	(424,663)	424,663	-
As at 30 June 2012	13,800,154	1,047,962	(8,338,230)	404,111	6,913,997

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

NEW AGE EXPLORATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Cash flows from operating activities			
Receipts from claim settlement		-	1,028,456
Payments to suppliers and employees		(2,338,146)	(2,352,316)
Interest received		113,952	162,746
Net cash flows used in operating activities	23	(2,224,194)	(1,161,114)
Cash flows from investing activities			
Proceeds on disposal of exploration and evaluation assets		-	75,251
Payments for property, plant and equipment		(53,715)	(92,540)
Payments for exploration and evaluation assets		(3,663,775)	(2,960,607)
Net cash flows used in investing activities		(3,717,490)	(2,977,896)
Cash flows from financing activities			
Proceeds from issue of shares		7,500,000	5,226,674
Share issue costs		(211,627)	(162,408)
Net cash flows provided by financing activities		7,288,373	5,064,266
Net increase in cash held		1,346,689	925,256
Cash and cash equivalents at beginning of the year		3,580,567	2,665,504
Effects of foreign exchange rate changes on cash		40,624	(10,193)
Cash and cash equivalents at the end of the year	7	4,967,880	3,580,567

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

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

General information

The consolidated financial report of New Age Exploration Limited as at and for the year ended 30 June 2013 comprises the Company and its subsidiaries (together referred to as the "Group").

The financial report consists of the financial statements, notes to the financial statements and the Directors' declaration. It is presented in Australian dollars, which is New Age Exploration Limited's functional and presentation currency.

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

Level 17
500 Collins Street
Melbourne VIC 3000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial report.

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

Note 1 Significant accounting policies

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

New, revised or amending Accounting Standards and Interpretations adopted

In the year ended 30 June 2013, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. The following is a summary of these Standards and Interpretations that have had a material impact on the Group.

Amendments to AASB 101 'Presentation of Financial Statements'
The amendment (part of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of items of Other Comprehensive Income') introduces a terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. The company has elected to adopt the new terminology for the statement of profit or loss and other comprehensive income.

However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively; hence, the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on the financial position or performance of the Group.

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 Significant accounting policies (cont'd)

Basis of preparation

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

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

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

Going Concern
The Consolidated Group has incurred a net loss after tax of $5,943,761 for the year ended 30 June 2013 (30 June 2012: $1,465,990) and had cash outflows from operating and investing activities of $5,941,684 (30 June 2012: $4,139,010). As at the balance date, the Group had working capital, being current assets less current liabilities, of $3,960,734 (30 June 2012: $2,927,578). While the directors are satisfied that there is sufficient working capital to enable the Group to continue to meet its operational costs and financial obligations in a timely manner over the next 12 months, they are also aware that to continue to advance the exploration projects, significant capital expenditure will be required.

The financial report has been prepared on a going concern basis which assumes the realisation of assets and extinguishment of liabilities in the normal course of business at the amounts stated in the financial report, for the following reasons:
- At 30 June 2013, the consolidated entity had cash and cash equivalents of $4,967,880.
- The Company has prepared cash flow budgets which include significant cash outflows for project expenditure, which can be deferred wholly or in part if insufficient capital is raised to fund that activity.
- The Board is of the opinion that the Company will be able to access equity capital markets for working capital, as has been demonstrated in the past via share issues.

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

Principles of Consolidation
The consolidated financial statements are those of the consolidated entity, comprising the company (the 'parent entity') and its controlled entities (the 'Group') as defined in Accounting Standard AASB 127 'Consolidated and Separate Financial Statements'. Details of the controlled entities are contained in Note 21.

Financial statements for controlled entities are prepared for the same reporting period as the parent entity, using consistent accounting policies. Controlled entities are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

Non-controlling interests in the equity and results of the entities that are controlled are shown separately in the consolidated financial statements.

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 Significant accounting policies (cont'd)

Foreign Currency

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

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

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

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

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

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

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

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

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

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

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

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

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

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 Significant accounting policies (cont'd)

Income tax (cont'd)

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

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

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

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

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

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

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

Plant and equipment	2-5 years

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

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

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

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

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

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 Significant accounting policies (cont'd)

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

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

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

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

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

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

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

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

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

Employee benefits

Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 Significant accounting policies (cont'd)

Employee benefits (cont'd)

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

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

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

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

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

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

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

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

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

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

Contributed equity
Ordinary shares are classified as equity.

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

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 Significant accounting policies (cont'd)

Earnings per share

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

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

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

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
The accounting standards that have not been early adopted for the year ended 30 June 2013, but will be applicable to the Group in future reporting periods, are detailed below. Apart from these standards, the Directors have considered other accounting standards that will be applicable in future periods, however, they have been considered insignificant to the Group.

The standards, amendments to standards and interpretations most applicable to the Group that are not yet mandatory and have not been applied in these financial statements are:

- AASB 9 Financial Instruments includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 Financial Instruments: Recognition and Measurement, which becomes mandatory for the Group's 30 June 2016 financial statements.
- AASB 10 Consolidated Financial Statements introduces a new definition of control in regards to consolidation, which becomes mandatory for the Group's 30 June 2014 financial statements.
- AASB 11 Joint Arrangements addresses joint operations and joint ventures, which becomes mandatory for the Group's 30 June 2014 financial statements.
- AASB 12 Disclosure of Interests in Other Entities addresses the disclosure requirements for all forms of interests in other entities, which becomes mandatory for the Group's 30 June 2014 financial statements.
- AASB 13 Fair Value Measurement consolidates the measurement and disclosure requirements in respect of fair values into one standard, which becomes mandatory for the Group's 30 June 2014 financial statements.
- AASB 119 Employee Benefits make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The later will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. This becomes mandatory for the Group's 30 June 2014 financial statements.

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 Significant accounting policies (cont'd)

New Accounting Standards and Interpretations not yet mandatory or early adopted (cont'd)

- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement, which becomes mandatory for the Group's 30 June 2014 financial statements, amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2013 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report.

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

Note 2 Critical accounting judgements, estimates and assumptions

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

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

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

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

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

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

Note 3 Operating segments

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

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

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 4 Revenues

	Consolidated 2013 $	Consolidated 2012 $
Other revenue		
Interest	114,110	145,040
Revenue from claim settlement (a)	-	1,028,371
Other revenue	-	75,336
Revenues	114,110	1,248,747

(a) The Company received US$1 million in settlement of a claim for recovery of costs previously incurred on the Alquife iron ore project.

Note 5 Expenses

	Note	Consolidated 2013 $	Consolidated 2012 $
Loss before income tax includes the following expenses:			
Employee Benefits			
Wages and salaries – key management		413,505	396,002
Wages and salaries – others		378,140	102,247
Directors and company secretary fees		327,875	232,811
Superannuation expense (defined contribution)		55,569	44,146
Share based payments	15	338,350	67,800
Other employee benefits and taxes		99,237	80,407
		1,612,676	923,413
Depreciation	9	17,902	4,567
Share-based payments expense - Consultants fees	15	18,500	126,600

Note 6 Income tax expense

	Consolidated 2013 $	Consolidated 2012 $
(a) Components of Tax expense		
Current tax expense	-	-
Deferred tax expense	-	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	(5,943,761)	(1,465,990)
Tax at the Australian tax rate of 30%	(1,783,128)	(439,797)
Share-based payments	107,055	58,320
Non-deductible items	524,732	54,152
	(1,151,341)	(327,325)
Current year tax losses not recognised	1,151,341	327,325
Income tax expense	-	-

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 6 Income tax expense (cont'd)

	Consolidated 2013 $	Consolidated 2012 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses	2,306,204	1,918,433
Temporary differences	187,041	153,436
Total deferred tax assets not recognised	2,493,245	2,071,869

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

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

Note 7 Current assets - cash and cash equivalents

	Consolidated 2013 $	Consolidated 2012 $
Cash at bank	1,202,542	711,169
Short-term deposits	3,765,338	2,869,398
	4,967,880	3,580,567

Note 8 Current assets - trade and other receivables

	Consolidated 2013 $	Consolidated 2012 $
Interest receivable	7,213	8,019
GST receivable	112,158	48,623
Other receivables	12,387	-
	131,758	56,642

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

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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

	Consolidated 2013 $	Consolidated 2012 $
Plant and equipment - at cost	168,921	103,965
Less: Accumulated depreciation	(25,506)	(7,604)
Total property, plant and equipment	143,415	96,361

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

	Plant and Equipment $	Total $
Balance at 1 July 2011	8,388	8,388
Additions	92,540	92,540
Depreciation expense	(4,567)	(4,567)
Balance at 30 June 2012	96,361	96,361
Additions	64,956	64,956
Depreciation expense	(17,902)	(17,902)
Balance at 30 June 2013	143,415	143,415

Note 10 Non-current assets - Exploration and evaluation assets

	Consolidated 2013 $	Consolidated 2012 $
Exploration and evaluation assets	4,857,540	3,890,058

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

	Exploration and evaluation $	Total $
Balance at 1 July 2011	553,106	553,106
Additions	3,422,630	3,422,630
Write off of exploration costs	(85,678)	(85,678)
Balance at 30 June 2012	3,890,058	3,890,058
Additions	4,431,587	4,431,587
Write off of exploration costs	(3,464,105)	(3,464,105)
Balance at 30 June 2013	4,857,540	4,857,540

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

Exploration costs written off during the year relate to the Group's Colombian projects. The Group withdrew from its La Miel coal project in December 2012 and, subsequent to year-end, terminated the acquisition agreement for its FL2-151 coal project.

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 11 Current liabilities - trade and other payables

	Consolidated 2013 $	Consolidated 2012 $
Trade and other payables	1,166,554	466,104

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

Note 12 Current liabilities – financial liabilities

	Consolidated 2013 $	Consolidated 2012 $
Financial liabilities	-	492,174

Due to the short term nature of these financial liabilities, their carrying value is assumed to approximate their fair value.

Note 13 Current liabilities – provisions

	Consolidated 2013 $	Consolidated 2012 $
Employee benefits	47,484	33,051

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

Note 14 Equity - contributed

	Consolidated 2013 Number	Consolidated 2012 Number	Consolidated 2013 $	Consolidated 2012 $
Ordinary shares – fully paid	258,287,443	142,902,828	21,082,695	13,800,154

Movements in Ordinary Share Capital

	Note	No. of Shares	Issue Price	$
Balance 1 July 2011		97,117,638		8,714,195
First issue of shares pursuant to Terranova coking coal agreement	24	96,520	$0.11	10,617
Second issue of shares pursuant to Terranova coking coal agreement	24	88,597	$0.125	11,075
Issue of shares – placement		33,333,334	$0.12	4,000,000
Exercise of options		616,739	$0.10	61,674
Issue of shares – placement		11,650,000	$0.10	1,165,000
Issue costs				(162,407)
Balance 30 June 2012		142,902,828		13,800,154
Issue of shares – placement		115,384,615	$0.065	7,500,000
Issue costs				(217,459)
Balance 30 June 2013		258,287,443		21,082,695

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 14 Equity – contributed (cont'd)

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

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

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

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

The capital risk management policy remains unchanged from the 30 June 2012 Annual Report.

Options
Refer to Note 27 for detailed disclosures of options on issue.

Note 15 Equity - reserves

	Consolidated 2013 $	Consolidated 2012 $
Share-based payments reserve (a)	551,250	1,086,145
Foreign exchange reserve (b)	297,291	(38,183)
	848,541	1,047,962

(a) Share-based payments reserve

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

Movements in reserve

	Number	$
Balance at 1 July 2011	16,450,000	1,829,447
Options issued to employees	600,000	67,800
Options issued to consultants	200,000	19,800
Options issued to consultants	1,500,000	84,000
Options issued to consultants	400,000	22,800
Expiry of options – transfer to accumulated losses	-	(937,702)
Balance 30 June 2012	19,150,000	1,086,145
Options issued to employees	2,550,000	88,600
Options issued to directors	18,750,000	249,750
Options issued to consultants	500,000	18,500
Expiry of options – transfer to accumulated losses	(16,450,000)	(891,745)
Balance 30 June 2013	24,500,000	551,250

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 15 Equity – reserves (cont'd)

(b) Foreign exchange reserve

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

Movements in reserve

	Consolidated 2013 $	Consolidated 2012 $
Balance at beginning of the year	(38,183)	-
Foreign currency translation differences for foreign operations	335,474	(38,183)
Balance at end of the year	297,291	(38,183)

Note 16 Equity - dividends

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

Note 17 Financial instruments

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

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

Market risk

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

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

	Consolidated 2013 $	Consolidated 2012 $
Cash at bank	4,967,880	3,580,567

The Group is not exposed to significant interest rate risk.

An increase/decrease in interest rate of 1 percentage point would have a favourable/adverse effect on loss before tax of $49,679 per annum (2012: $35,806). The percentage change is added on the expected volatility of interest rates using market data and analysts forecasts.

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 17 Financial instruments (cont'd)

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

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

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

	Assets		Liabilities		Net Exposure	
	2013 $	2012 $	2013 $	2012 $	2013 $	2012 $
GBP	855,689	-	(923,873)	(12,842)	(68,184)	(12,842)
COP	32,446	471,683	(93,715)	(143,820)	(61,269)	327,863
EUR	16,531	12,124	(10,987)	(26,506)	5,544	(14,382)
USD	-	-	-	(492,174)	-	(492,174)

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

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

Judgements of reasonably possible movements:	**Post Tax Profit Higher/(Lower)**		**Equity Higher/(Lower)**	
	2013 $	**2012 $**	**2013 $**	**2012 $**
A$/COP +10%	6,127	(32,786)	6,127	(32,786)
A$/EUR +10%	(554)	1,438	(554)	1,438
A$/USD +10%	-	49,218	-	49,218
A$/GBP +10%	6,818	1,284	6,818	1,284
A$/COP -10%	(6,127)	32,786	(6,127)	32,786
A$/EUR -10%	554	(1,438)	554	(1,438)
A$/USD -10%	-	(49,218)	-	(49,218)
A$/GBP -10%	(6,818)	(1,284)	(6,818)	(1,284)

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

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

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

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 17 Financial instruments (Cont'd)

Liquidity risk (Cont'd)

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

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

2012					
Non-derivatives					
Non-interest bearing					
Trade and other payables	466,104	-	-	-	466,104
Financial liabilities	492,174	-	-	-	492,174
Total non-derivatives	958,278	-	-	-	958,278

Note 18 Key management personnel disclosures

Directors
The following persons were Directors of New Age Exploration Limited during the financial year:

Mr A Broome AM (Non-Executive Chairman) – appointed 18 February 2013
Mr E F Stoyle (Non-Executive Chairman) – resigned 24 October 2012
Mr G Fietz (Managing Director)
Mr A M Wing (Executive Director and Company Secretary) – resigned as Director on 15 July 2013
Mr G L Rice (Non-Executive Director)
Mr M Amundsen (Non-Executive Director)

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

	Consolidated 2013	**Consolidated 2012**
	$	**$**
Short-term employee benefits	741,380	628,813
Post-employment benefits	29,870	39,540
Share-based payments	249,750	67,800
	1,021,000	736,153

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 18 Key management personnel disclosures (Cont'd)

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

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

2012					
Ordinary shares					
Edwin Stoyle	4,645,000	-	-	-	4,645,000
Gary Fietz	50,000	-	-	-	50,000
Gavan Rice	300,000	-	-	-	300,000
Adrien Wing	-	-	-	-	-
Michael Amundsen	-	-	-	-	-
	4,995,000	-	-	-	4,995,000

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

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

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

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 18 Key management personnel disclosures (Cont'd)

2012	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year	Vested and exercisable
Options over ordinary shares						
Edwin Stoyle (2)	2,183,333	-	-	(1,433,333)	750,000	750,000
Adrien Wing	1,000,000	-	-	-	1,000,000	1,000,000
Gavan Rice (3)	758,333	-	-	(8,333)	750,000	750,000
Gary Fietz	12,950,000	-	-	-	12,950,000	9,950,000
Michael Amundsen	-	-	-	-	-	-
Donald Garner (1)	1,000,000	600,000	-	(1,600,000)	-	-
	17,891,666	600,000	-	(3,041,666)	15,450,000	12,450,000

(1) 600,000 options granted as part of remuneration on 22 July 2011, vesting immediately and exercisable at 19 cents on or before 21 July 2014. Mr Garner resigned on 24 February 2012.
(2) Options lapsed during the year were 1,433,333 listed options acquired as part of a rights issue, exercisable at 10 cents on or before 31 March 2012.
(3) Options lapsed during the year were 8,333 listed options acquired as part of rights issue, exercisable at 10 cents on or before 31 March 2012.

Related party transactions
Related party transactions are set out in Note 21.

Note 19 Remuneration of auditors

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

	Consolidated 2013 $	Consolidated 2012 $
Audit or review of the financial reports		
DFK Collins	41,000	40,800
Overseas DFK-correspondent member	-	9,335
Other overseas auditor (Grant Thornton)	12,856	8,587
	53,856	58,722
Taxation services – other DFK network firm	26,300	36,680
	80,156	95,402

Note 20 Commitments for expenditure

	Consolidated 2013 $	Consolidated 2012 $
Various mining tenements and permits expenditure committed at the reporting date but not recognised as liabilities, payable:		
Within one year	109,493	1,000,845
One to five years	3,230,045	2,840,115
	3,339,538	3,840,960

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

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 20 Commitments for expenditure (cont'd)

	Consolidated 2013 $	Consolidated 2012 $
Operating lease commitments as at the reporting date but not recognised as liabilities for its office premises:		
Within one year	83,378	-
One to five years	101,258	-
	184,636	-

Note 21 Related party disclosures

Controlled entities

Name of entity	Country of incorporation	Class of shares	Equity holding % 2013	Equity holding % 2012
NAE Resources NL	Spain	Ordinary	100	100
NAE Aurora JV Cesar SAS	Colombia	Ordinary	90	90
NAE Aurora JV La Miel SAS	Colombia	Ordinary	90	90
NAE Aurora JV Subachoque SAS	Colombia	Ordinary	90	90
NAE Resources (UK) Ltd	United Kingdom	Ordinary	100	100
Lochinvar Coal Limited	United Kingdom	Ordinary	100	100

The Colombian subsidiaries are each owned 90% by New Age Exploration Limited with Aurora Energy S.A. owning 10% of the companies.

Key management personnel
Disclosures relating to key management personnel are set out in Note 18 and the remuneration report in the Directors' report.

Transactions with related parties

	Consolidated 2013 $	Consolidated 2012 $
Services provided to the Group made on normal commercial terms and conditions and at market rates:		
Mike Amundsen, director, for consulting services	101,635	135,410
Gavan Rice, director, for legal and consultancy services	9,973	9,182
Adrien Wing, company secretary, for consulting services	3,600	-
Widerange Mining Projects Pty Ltd, a company associated with Gary Fietz, for administrative services	14,640	-
Payments to Aurora Energy S.A., for consultancy services (1)	374,383	674,771

(1) Mr Frederick Smith is a director of Aurora Energy S.A., and is also a director of NAE Aurora JV Cesar SAS, NAE Aurora JV La Miel SAS and NAE Aurora JV Subachoque SAS.

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

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 22 Events occurring after the reporting date

On 15 July 2013, Mr Adrien Wing resigned from the Board of Directors. He remains in his position as Company Secretary.

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

On 3 September 2013, the Group announced the termination of its agreement to acquire the coking coal concession FL2-151 in Colombia. Difficulties in obtaining legal rights to undertake drilling activities as well as the tough current market conditions led to the decision of terminating the project.

No other matter or circumstance has arisen since 30 June 2013 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 23 Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2013 $	Consolidated 2012 $
Loss after income tax expense for the year	(5,943,761)	(1,465,990)
Adjustments for:		
Depreciation and amortisation	17,902	4,567
Unrealised foreign exchange gains	(10,725)	(6,250)
Share-based payments	356,850	194,400
Write off of exploration assets	3,464,105	85,678
Profit on disposal of exploration asset	-	(75,251)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(75,116)	(4,044)
Decrease in prepayments	196,146	-
Increase/(decrease) in trade and other payables	(267,063)	105,428
Increase in deferred lease liability	23,035	-
Increase in employee benefits	14,433	348
Net cash used in operating activities	(2,224,194)	(1,161,114)

Note 24 Non-cash investing and financing activities

In the 2012 financial year, the Group issued 185,117 ordinary shares at a deemed weighted average price of $0.1172 forming part of the contracted payments for the acquisition of the Terranova coal concession – 887T, being a coking coal project in Colombia.

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 25 Earnings per share

	Consolidated 2013 $	Consolidated 2012 $
Loss after income tax attributable to the owners of New Age Exploration Limited	(5,709,368)	(1,445,438)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	192,411,997	120,866,152
Weighted average number of ordinary shares used in calculating diluted earnings per share	192,411,997	120,866,152
	Cents	**Cents**
Basic earnings per share	(2.97)	(1.20)
Diluted earnings per share	(2.97)	(1.20)

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

Note 26 Parent entity information

	2013 $	2012 $
Financial position		
Current assets	4,244,057	3,176,841
Non–current assets	4,277,827	4,190,150
Total assets	8,521,884	7,366,991
Current liabilities	192,280	847,471
Non-current liabilities	12,617	-
Total liabilities	204,897	847,471
Net assets	8,316,987	6,519,520
Contributed equity	21,082,695	13,800,154
Reserves	551,250	1,086,145
Accumulated losses	(13,316,958)	(8,366,779)
Total equity	8,316,987	6,519,520
Financial performance		
Total revenue	649,923	1,251,232
(Loss) for the year	(5,841,923)	(1,898,650)
Comprehensive (loss) for the year	(5,841,923)	(1,898,650)

The parent company has not entered into any guarantees in respect to its controlled entities.

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

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

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

NEW AGE EXPLORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 27 Share-based payments

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

Set out below are summaries of options on issue as at 30 June 2013.

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year	Vested and exercisable
22/07/11	11/07/14	$0.19	600,000	-	-	-	600,000	600,000
01/09/11	01/09/14	$0.14	200,000	-	-	-	200,000	200,000
06/12/11	06/12/13	$0.25	1,500,000	-	-	-	1,500,000	1,500,000
14/02/12	02/02/14	$0.125	400,000	-	-	-	400,000	400,000
01/07/12	01/07/15	$0.12	-	2,000,000	-	-	2,000,000	2,000,000
01/09/12	31/08/15	$0.10	-	500,000	-	-	500,000	500,000
11/12/12	06/02/15	$0.14	-	750,000	-	-	750,000	750,000
28/05/13	27/05/16	$0.045	-	550,000	-	-	550,000	250,000
28/05/13	27/05/16	$0.10	-	18,000,000	-	-	18,000,000	8,000,000
			2,700,000	21,800,000	-	-	24,500,000	14,200,000
Weighted average exercise price			$0.22	$0.10	-	-	$0.13	
Weighted average contractual life							3 years	
Weighted average fair value				$0.021				

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

	Number	Grant date	Expiry date	Exercise price $	Fair Value at grant date (Black-Scholes) $
NAEUO19	500,000	01/09/2012	31/08/2015	0.10	0.037
NAEUO20	750,000	11/12/2012	06/02/2015	0.14	0.017
NAEUO21	2,000,000	01/07/2012	01/07/2015	0.12	0.041
NAEUO22	18,000,000	28/05/2013	27/05/2016	0.10	0.014
NAEUO23	550,000	28/05/2013	27/05/2016	0.045	0.022

	NAEUO19	NAEUO20	NAEUO21	NAEUO22	NAEUO23
Grant date share price ($)	0.08	0.065	0.085	0.035	0.035
Exercise price ($)	0.10	0.14	0.12	0.10	0.045
Expected volatility	77.70%	75.30%	93.10%	83.87%	83.87%
Option life	1,094 days	787 days	1,095 days	1,095 days	1,095 days
Risk-free interest rate	2.46%	2.66%	2.42%	2.61%	2.61%

NEW AGE EXPLORATION LIMITED
DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;

- the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the Directors

G. C. Fietz

Gary Fietz
Director

24 September 2013
Melbourne

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

Report on the Financial Report

We have audited the accompanying financial report of New Age Exploration Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory information and the directors' declaration for the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

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

Auditor's Responsibility

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

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

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

Independence

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

dfk collins
CHARTERED ACCOUNTANTS

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

Auditor's Opinion

In our opinion:

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

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

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

Emphasis of Matter

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of New Age Exploration Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

DFK Collins

DFK Collins
Chartered Accountants

M L Port
Partner

24 September 2013
Melbourne

NEW AGE EXPLORATION LIMITED
SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in the annual report are set out below. The information was applicable as at 10 September 2013.

1. Shareholdings – Ordinary Shares

a. Distribution of Shareholders

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

	Number of holders
1 to 1,000	370
1,001 to 5,000	50
5,001 to 10,000	99
10,001 to 100,000	245
100,001 and over	166
	930
Holdings less than a marketable parcel	536

b. Substantial Shareholders

Substantial holders in the Group are set out below.

	Number held	% of total Shares Issued
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	74,884,975	28.99%
MR CHEE SIEW YAW	28,316,667	10.96%
GEARED INVESTMENTS PTY LTD	14,000,000	5.42%

c. Voting rights

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

Ordinary shares

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

NEW AGE EXPLORATION LIMITED
SHAREHOLDER INFORMATION

1. Shareholdings – Ordinary Shares (cont'd)

d. Twenty largest quoted equity security holders

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

	Number held	% of total shares issued
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	74,884,975	28.99%
MR CHEE SIEW YAW	28,316,667	10.96%
GEARED INVESTMENTS PTY LTD	14,000,000	5.42%
PAND JR PTY LTD	9,889,283	3.83%
PENLEIGH BANNER PTY LTD	8,000,000	3.10%
JP MORGAN NOMINEES AUSTRALIA LIMITED	5,288,525	2.05%
J A ADVISORY SERVICES PTY LTD	4,500,000	1.74%
FITEL NOMINEES LIMITED	3,913,000	1.51%
STOYLE HOLDINGS PTY LTD	3,893,000	1.51%
CLARIDEN CAPITAL LIMITED	3,550,000	1.37%
NATIONAL NOMINEES LIMITED	3,156,289	1.22%
MRS JACLYN STOJANOVSKI & MR CHRIS RETZOS & MRS SUSIE RETZOS	2,920,560	1.13%
MR LESLIE THOMAS KING & MRS HEATHER KING	2,650,000	1.03%
I E PROPERTIES PTY LTD	2,597,576	1.01%
RETZOS INVESTMENTS PTY LTD	2,292,352	0.89%
AFRICAN IRON LIMITED	2,136,824	0.83%
H LOUEY PANG & CO PTY LTD	2,100,540	0.81%
HILLBOI NOMINEES PTY LTD	2,000,000	0.77%
G & N LORD SUPERANNUATION PTY LTD	1,950,000	0.75%
MR PAUL JAMES MADDEN	1,673,395	0.65%
	179,712,986	69.58%

2. Unquoted Securities

a. Distribution of Option Holders

	Number of Holders							
	6/12/13 options	2/02/14 options	21/07/14 options	1/09/14 options	6/02/15 options	1/07/15 options	31/08/15 options	27/05/16 options
1 to 1,000	-	-	-	-	-	-	-	-
1,001 to 5,000	-	-	-	-	-	-	-	-
5,001 to 10,000	-	-	-	-	-	-	-	-
10,001 to 100,000	-	-	-	-	-	-	-	-
100,001 and over	1	1	1	1	1	1	1	7
Total holders	1	1	1	1	1	1	1	7

b. Voting rights

Holders of options have no voting rights.

NEW AGE EXPLORATION LIMITED
LIST OF EXPLORATION LICENCES

Licence No.	Project	Country	Area (km^2)	Licence Type	NAE Group % Interest
GHN-121	Cesar	Colombia	15.5	Concession	90% [(a)]
GIK-103	Cesar	Colombia	25.9	Concession	90% [(a)]
887T	Terranova	Colombia	2.9	Concession	90% [(a)]
CA11/EXP/0515/N	Canonbie	United Kingdom	67.5	Exploration Licence	100%
CA11/UND/0515/N	Canonbie	United Kingdom	67.5	Conditional Undergound Mining Licence	100%
CL132803	Redmoor	United Kingdom	23.0	Mineral Rights	100% [(b)]

(a) The Colombian subsidiaries which hold these licences are each owned 90% by New Age Exploration Limited and 10% by Aurora Energy S.A.

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

NEW AGE EXPLORATION LIMITED
CORPORATE GOVERNANCE
COMPLIANCE WITH ASX CORPORATE GOVERNANCE RECOMMENDATIONS

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

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3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	Yes. The Company has: 3 female employees in the whole organisation (43%). 1 female employee in senior executive positions (33%). 0 female employees on the Board.
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	Yes.
Principles 4 – Safeguard integrity in financial reporting		
4.1	The Board should establish an Audit Committee.	The Board has adopted an Audit Committee Charter to independently verify and safeguard the integrity of the Company's financial reporting.
4.2	The Audit Committee should be structured so that it consists only of non-executive directors, a majority of independent directors, is chaired by an independent chair who is not chair of the Board and have at least three members.	Given the size and scale of the Company, the Audit Committee consists of two non-executive directors and the company secretary. The Chair of the Audit Committee is Mr Gavan Rice who is considered to be independent.
4.3	The Audit Committee should have a formal charter.	Yes.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	Yes.
Principle 5 – Make timely and balanced disclosure		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	The Board has designated the Managing Director (or Chairman or Company Secretary in the event of the Managing Director's absence) as the person responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules, the Company immediately notifies the ASX of information concerning the Company: 1. that a reasonable person would, or may expect to, have a material effect on the price or value of the Company's securities; and 2. that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	Yes. Refer to 5.1 above.
Principle 6 – Respect the rights of shareholders		
6.1	Companies should design a communication policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Board has adopted a Communication Policy which details ways the Company communicate with its Shareholders effectively. The Company uses its website, annual reports, market announcements, media disclosures and newsletter to communicate with its Shareholders, as well as encourages participation at general meetings.

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6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	A copy of the Communication Policy is available at www.nae.net.au.
Principle 7 – Recognise and manage risk		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Company has adopted a Business Risk Policy to identify and manage business risks. The Managing Director is responsible for managing risk, reporting risks to the Board and determining strategies to mitigate risks. Ultimate responsibility for risk oversight and risk management rests with the Board.
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	While management has not formally reported to the Board as to the effectiveness of the Company's management of its material business risks, the Board believes the risk management and internal control systems designed and implemented by management and the full Board are adequate given the size and nature of the Company's activities. The Company intends to develop the risk reporting framework into a detailed policy as its operations continue to grow.
7.3	The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Board has received a statement from the Managing Director that the declaration provided in accordance with section 295A of the Corporations Act 2001. The Company is currently working toward formalising and documenting its systems of risk management and internal control.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	A copy of the Business Risk Policy is available at www.nae.net.au.
Principle 8 – Remunerate fairly and responsibly		
8.1	The Board should establish a remuneration committee.	Given the size and scale of the Company, the Board undertakes the role of the Remuneration Committee. When assessing remuneration for the Board and its executives, the Board considers: 1. setting the remuneration and conditions of service for all Executive and Non-Executive Directors, Officers and employees of NAE with the aggregate of Non-Executive Director remuneration being approved by Shareholders at General Meetings from time to time; 2. approving the design of Executive & Employee incentive plans (including equity-based plans and options) and proposed payments or awards under such plans; 3. reviewing performance hurdles associated with incentive plans; 4. consulting appropriately qualified Consultants for advice on remuneration and other conditions of service; 5. succession planning for Senior Executives; and 6. performance assessment of Senior Executives.

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		NAE is committed to remunerating its Senior Executives in a manner that is market-competitive and consistent with the Corporate Governance Principles and Recommendations while supporting the interests of Shareholders. Senior Executives may receive a remuneration package based on fixed and variable components, determined by their position and experience. The granting of shares/options to Directors is subject to approval by Shareholders. Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by Shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses and do not participate in Equity Schemes of the Company without prior Shareholder approval. Current remuneration is disclosed in the Remuneration Report contained in the Directors' Report.
8.2	The remuneration committee should be structured so that it consists of a majority of independent directors, is chaired by an independent director and has at least three members.	Refer to 8.1 above.
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Refer to 8.1 above.
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	Refer to 8.1 above.

New Age Exploration Limited's corporate governance practices were in place for the financial year ended 30 June 2013 and to the date of signing the Directors' Report. The Board has also undertaken to conduct a full review of its corporate governance policies with the view to adopting revised versions during the new financial year.

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