



ASX Code: NAE



Half Year Consolidated Financial Report

31 December 2020

New Age Exploration Ltd
ACN 004 749 508
Level 2, 480 Collins Street
Melbourne, VIC 3000

NEW AGE EXPLORATION CONSOLIDATED FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Your Directors present their report, together with the consolidated financial statements of New Age Exploration Limited ('the Company') and its controlled entities ('NAE' or the 'Consolidated Entity') and the independent auditor's review report thereon, for the half year ended 31 December 2020.

Directors

The names of the Directors of the Company in office at any time during or since the end of the period are as follows:

Mr A Broome, AM (Non-Executive Chairman)

Mr J Wellisch (Executive Director)

Mr A Wing (Non-Executive Director) – appointed 3 July 2020

Mr S Layton (Non-Executive Director) – resigned 29 September 2020

Principal activities

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

Review of Operations

The loss of the Consolidated Entity for the period, after providing for income tax, amounted to \$1,639,620 (31 December 2019: loss of \$376,282) and the Consolidated Entity had cash outflows from operating activities of \$927,554 (31 December 2019: outflows of \$448,086). The detailed Review of Operations follows this Directors' Report.

Subsequent events

Effective 16 March 2021, the Board agreed to fix the annual fees payable to Mr Joshua Wellisch at an amount of \$198,000 for his role as an Executive Director. Short-term incentives of up to 30% of the annual fee are also able to be granted at the discretion of the Board.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect, the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial periods.

Auditor's Independence Declaration

A copy of the auditor's independence declaration in relation to the review for the half-year ended 31 December 2020 is included on page 21.

This report is made in accordance with a resolution of the directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.



Joshua Wellisch
Executive Director

16th March 2021

REVIEW OF OPERATIONS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

HIGHLIGHTS

Pilbara Gold Projects

- NAE completed an aeromagnetic survey covering 460km² over the northern package of Pilbara Gold Projects (under option with Monterey Minerals)
- The detailed aeromagnetic data highlighted several “Hemi Style” intrusive Gold Targets
- Maiden drilling program to assess High Priority Drill targets planned for the first half of 2021
- The tenements currently under option would expand NAE’s total ground holding in the region to >2000km²
- A further extension to the option agreement has been agreed with Monterey to allow adequate time to complete the drilling programme and assess data
- Secured Quartz Hill and Bullock Wells Gold Projects in the Central Pilbara district of Western Australia
- The new ground acquired from Monterey is in an under-explored part of the Pilbara, and close to Hemi, the most exciting gold discovery made in WA for some years (refer Fig 1 below).

New Zealand Gold Projects

- Surface sampling results indicated potential shear hosted gold mineralisation
- Verum Group Geologists commenced regional soil sampling, mapping, and rock chip sampling programme at NAE’s Lammerlaw Gold Project where multiple samples returned arsenic over 300ppm (arsenic being a strong “pathfinder” indicator for gold mineralization).
- Results indicate strong potential for shear hosted gold mineralisation along the metamorphic/lithological boundaries
- NAE expanded its New Zealand footprint with two new prospecting permits applied for in the South Island - The Manorburn and Marlborough applications are 100% owned by NAE and cover 720km²
- Both application areas are prospective for orogenic gold mineralisation and complement NAE’s existing Gold Exploration prospects, Lammerlaw and OPQ

Corporate

- Capital raise completed to secure A\$2.18M (before costs)
- Confirmed appointment of Mr Adrien Wing as Non-Executive Director and resignation of Mr Stephen Layton as Non-Executive Director
- All resolutions considered at the Annual General Meeting on 25 November 2020 were put to a vote on a Poll, called by the Chairman, and were passed.
- Well-funded with \$3.72 million cash in bank at 31 December 2020
- NAE will focus on advancing its gold exploration projects in the Pilbara Gold District, the South Island of New Zealand and will strengthen efforts to acquire new opportunities which establish shareholder value

PILBARA GOLD PROJECTS – WA

NORTHERN MONTEREY TENEMENTS

As announced on 29 September 2020, NAE has the right to acquire 100% ownership of the new tenements from Monterey Minerals Inc (Monterey) (CSE:MREY). The option to acquire the tenements has been extended by a further 6 months to enable a maiden High Priority drill programme to be completed in the first half of 2021 to finalise the detailed due diligence.

The Company completed a detailed aeromagnetic survey covering 420km², on the 4 Exploration Licences including E47/5064, E47/3958, E47/5065 and E47/5063 in the highly prospective Central Pilbara Gold district, Western Australia.

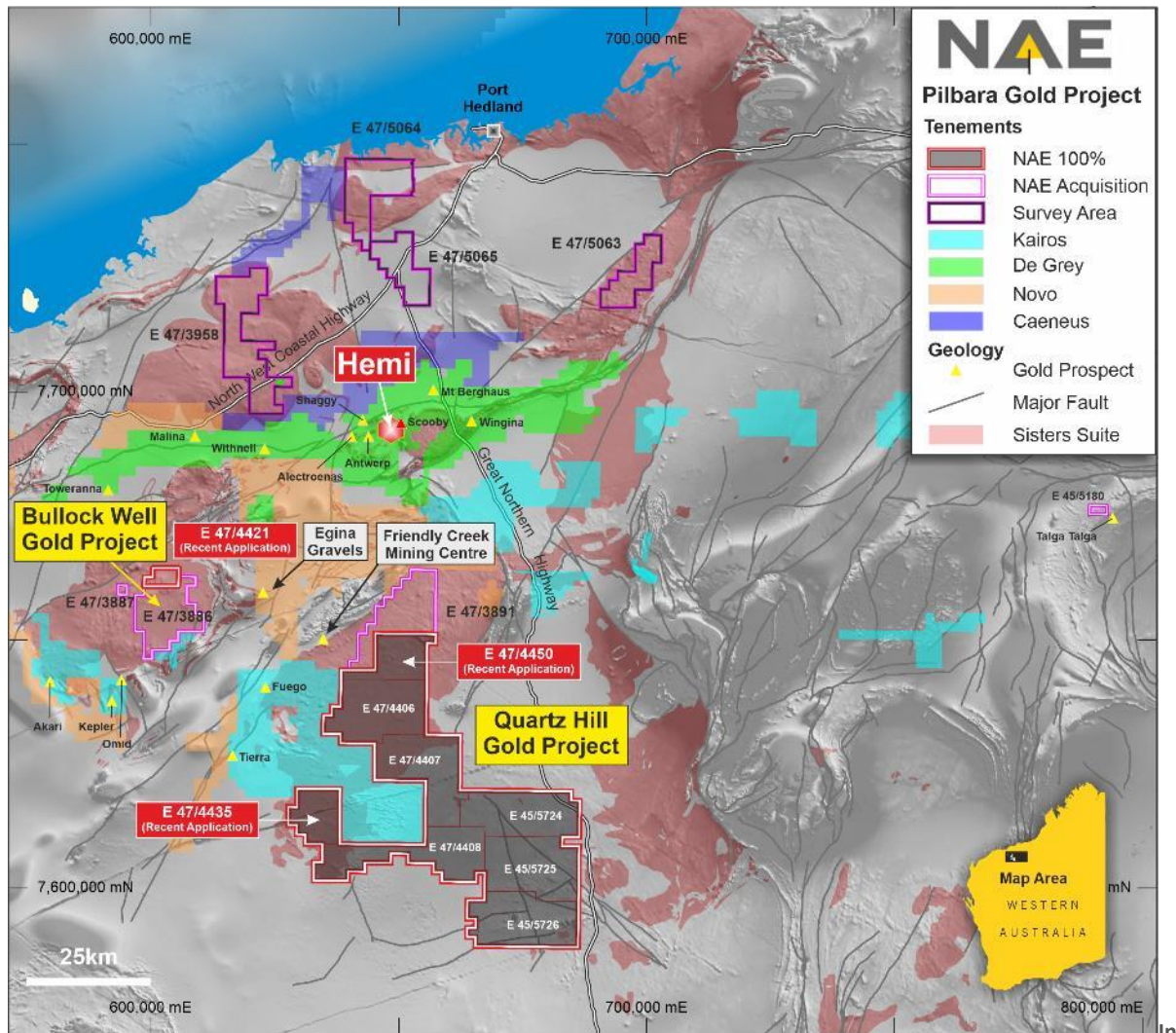


Figure 1 - Location of Pilbara Gold Projects and new licence applications

Thomson Aviation conducted the aeromagnetic on 100m spaced, east–west oriented lines, with a sensor height of 35m. This represents a significant improvement in data resolution, with the tenements only previously covered by wide 400m line spaced open file surveys. The survey was completed and the preliminary results have been assessed by our Geophysical consultant Core Geophysics for further assessment of the Monterey tenements under the option agreement.

The results indicated that the Northern Monterey tenements consist primarily of granitic intrusive basement rocks beneath recent alluvial cover, with windows of De Grey Group rocks interpreted to occur in the north of E47/3958 and E45/5064.

Several discrete, circular magnetic anomalies with characteristics similar to the Hemi magnetic signature have been defined within the surveys and drilling is required to assess the potential for mineralized intrusives (Figures 2-5). The shallower, more discrete anomalies represent the high priority drill targets.

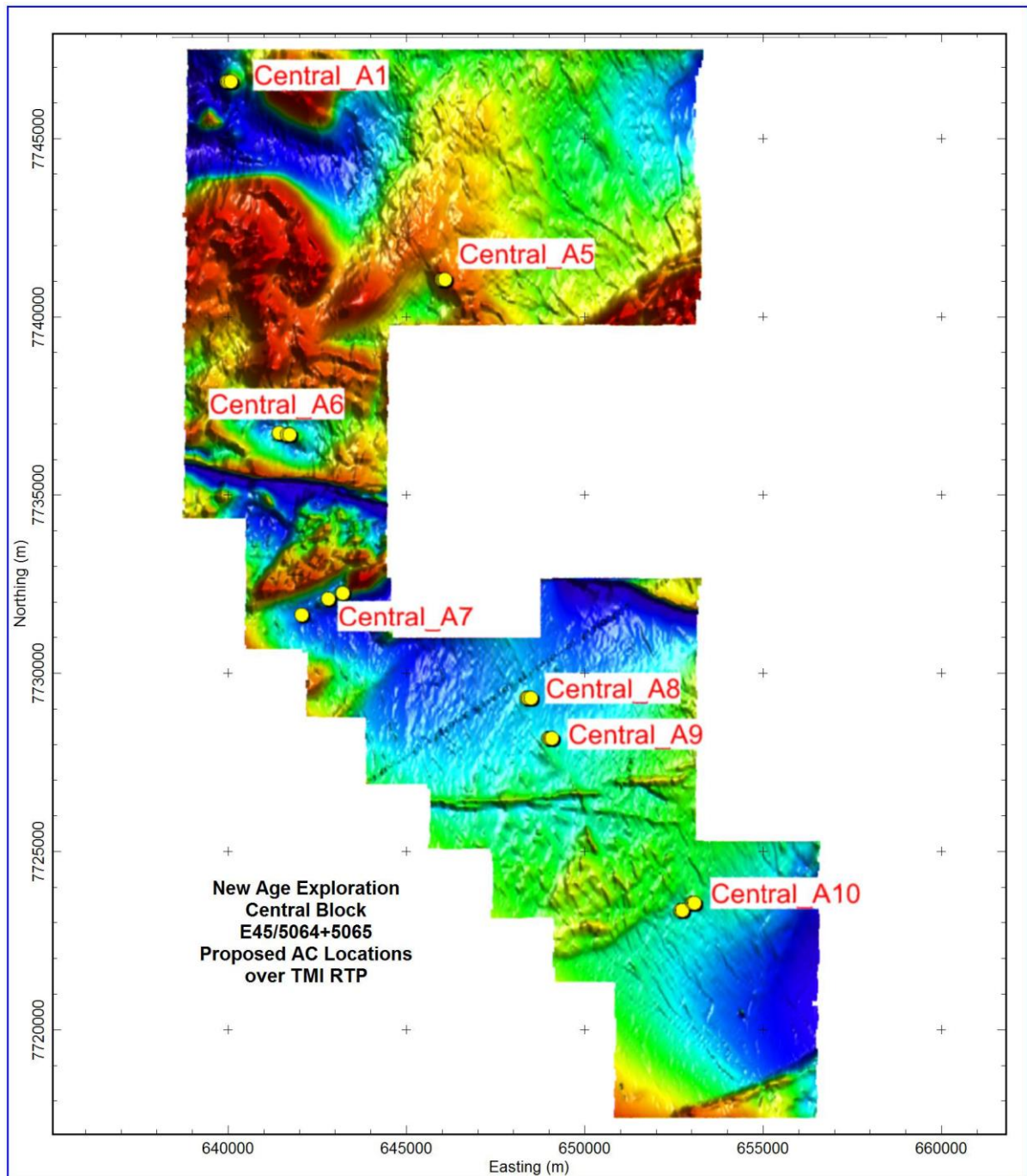


Figure 2 – magnetic drill targets on central blocks E45/5064 and E45/5065

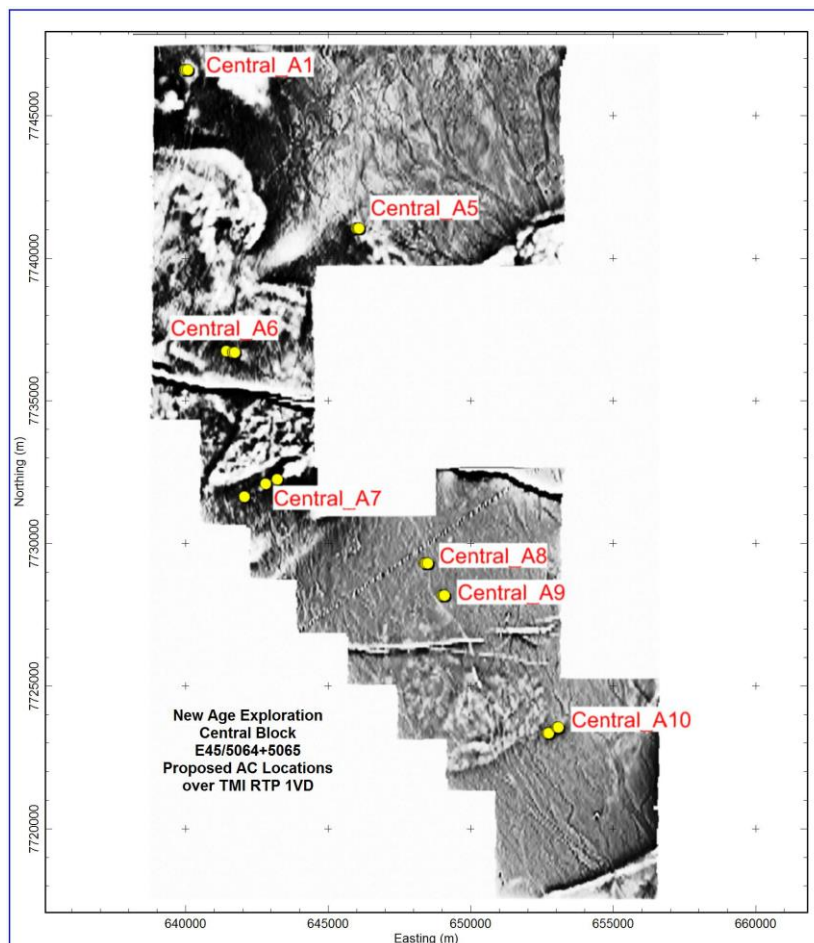


Figure 3 – magnetic drill targets on central blocks E45/5064 and E45/5065

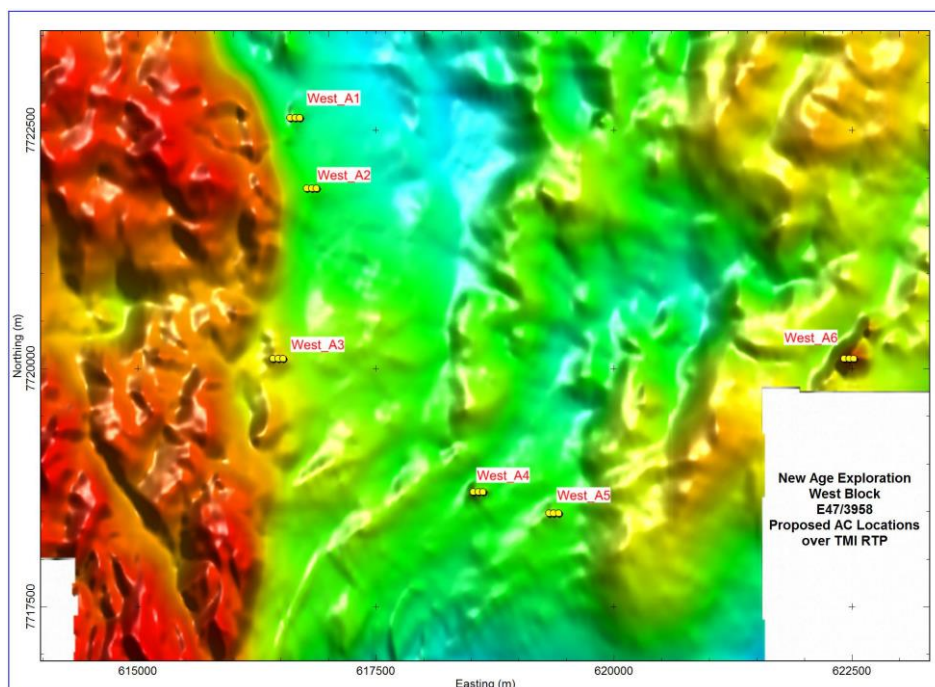


Figure 4 – magnetic drill targets on the West block E47/3958

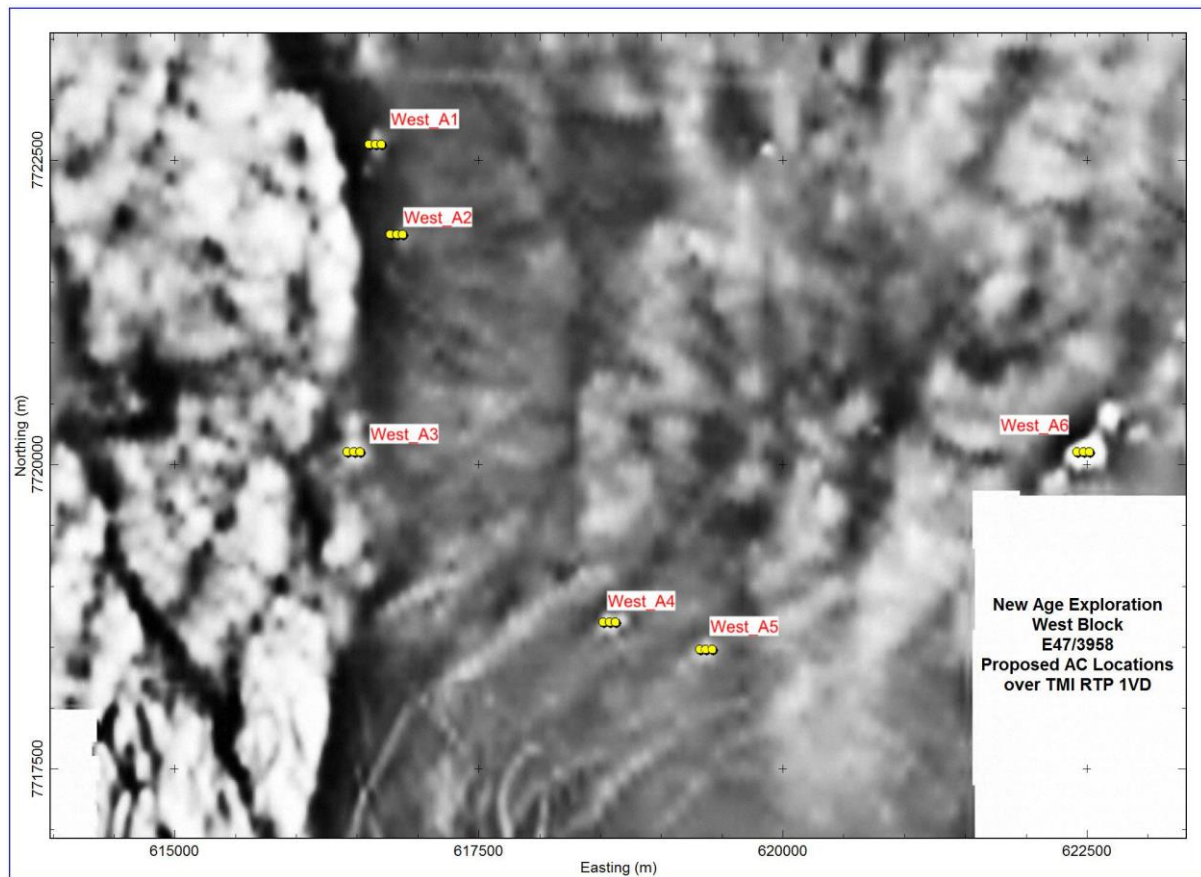


Figure 5 – magnetic drill targets on the West block E47/3958

Profile modelling completed over several discrete intrusion style anomalies suggest depths of magnetic bodies from 10m to 150m (mostly shallower than 75m), with some larger magnetic anomalies having depths of 350m. The recommendation is the high priority anomalies could be tested by shallow aircore drilling.

The survey results also delineated major structures within the granite bodies which may have some prospectivity to host gold mineralisation.

The maiden drill programme in the first half of 2021 will focus on high priority targets located within E47/3958 and E45/5064. The Company looks forward to providing further updates in the near future.

QUARTZ HILL AND BULLOCK WELLS PROJECTS

July 2020, NAE successfully expanded its gold portfolio in the Central Pilbara Gold district of Western Australia. The company secured a 100% owned strategic tenement package located ~50km south of De Grey Mining's (ASX:DEG) Hemi gold discovery and immediately adjacent to Kairos Minerals' (ASX:KAI) Croydon Project.

The 'Quartz Hill Project' comprises six Exploration Licence applications (E47/4406, E47/4407, E47/4408, E45/5724, E45/5725 and E45/5726) covering an area of 1319km² situated on the Satirist, Hooley, Wogina and White Springs 1:100,000 scale Geological Map Sheets. Previous Gold exploration on these licence areas has been minimal, although geological mapping by the GSWA is available.

Geologically the applications overlie a pre-dominantly greenstone sequence of mafic and ultramafic rocks belonging to the East Pilbara Granite-Greenstone Terrane (EPGGT) and Granitoid Complexes comprising the Yule Granitoid Complex and the Sister Supersuite. Some of the granitic intrusions (Yule and Sister granitoids) are of comparable age to those in the vicinity of the Hemi gold discovery.

Additionally in September, NAE advised that it has made a significant ground acquisitions at the 'Bullock Wells Project' again in the Central Pilbara Gold district, Western Australia. The Company secured 100% ownership of the strategic tenement package from Monterey Minerals Inc (Monterey) (CSE: MREY), located 50km south of De Grey Mining's (ASX: DEG) Hemi gold discovery.

The tenements are contiguous and adjacent to the Quartz Hill Gold Project. The acquisition of these 4 licences give NAE immediate access to granted tenure and establishes a substantial footprint in a highly competitive exploration space.

The new ground comprises four, granted exploration licences from Monterey Minerals Inc (CSE: MREY): E45/5180, E47/3886, E47/3887 and E47/3891.

The four Monterey licences lie in 3 clusters, with E47/3886, E47/3887 and E47/3891 located contiguous and adjacent to NAE's current tenure, and E45/5180 located 70km further East. E47/3886 is located immediately West of, and E47/3891 lies immediately South of Novo's Egina gold project, and 40km south of De Grey's Hemi gold discovery. Novo has delineated extensive terraces of shallow, gold-bearing gravels at Egina. E47/5180 is further East, near Marble Bar and adjacent to Novo's historical, high-grade Talga Talga gold project (which produced 1,614 oz at average grade of 35.1 g/t gold).

A further 3 exploration licence applications have recently been made over vacant ground with, E47/4450 and E47/4435 forming a contiguous 'Quartz Hill' block combined with the acquired E47/3891. The total area of the expanded Quartz Hill Gold Project comprises 1,690 km².

The third EL application E47/4421 is contiguous with the acquired E47/3886 and adjacent to E47/3887 forming the newly named Bullock Well Gold Project. That project area comprises 166.5 km².

The new ground acquired from Monterey is in an under-explored part of the Pilbara, and close to Hemi, the most exciting gold discovery made in WA for some years. Most of the ground is under cover and has received little attention from historical gold prospectors. It contains margins of Sister Suite granite intrusions, and gold deposits are seen to align in structures around these granites, and in pressure-shadows adjacent to granites. The ground also shows some evidence for ultramafic rocks subcropping on E47/3891.

LAMMERLAW GOLD EXPLORATION PROJECT - NZ

The Company completed soil, rock chip sampling and field mapping over several areas identified in the recently completed review of detailed airborne geophysical data covering both of the Company's most southern New Zealand Gold projects.

The projects include the Otago Pioneer Quartz ("OPQ") Project within NAE exploration permit (EP 60502) and the Lammerlaw Project which includes prospecting permit (PP 60544) adjoining OPQ to the west (Figure 6).

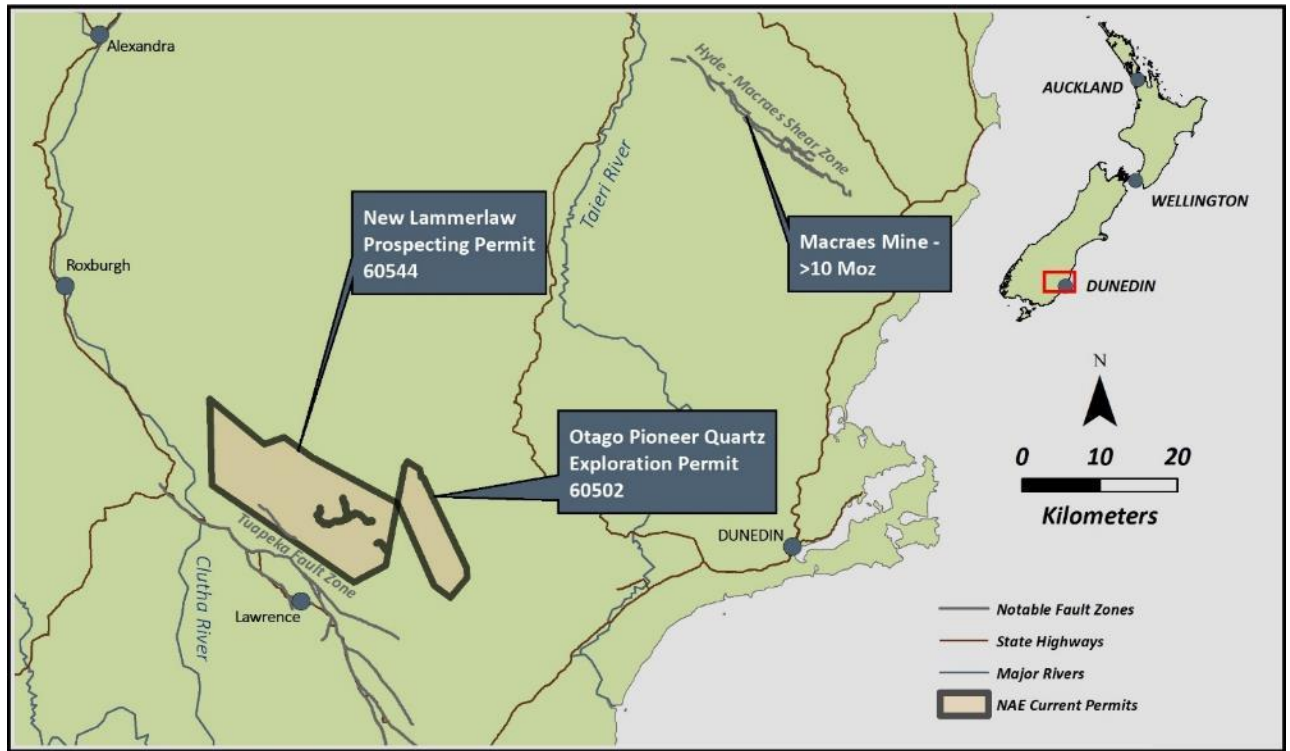


Figure 6: Location of NAE Permits in Otago, NZ

CURRENT WORK PROGRAM

Perspectivity of the NAE permits is demonstrated by three factors

- Similar geology and geophysical signatures to the Hyde-Macraes shear zone
- The permits sit in the hinterland of New Zealand's largest alluvial deposit at Gabriels Gully
- There are historic hard rock gold mines hosted on brittle structures within the permits

NAE commissioned a report by APSAR Ltd to examine regional geophysical and other data in March 2020 in the Lammerlaw and OPQ permits. The details of this are outlined in NAE's announcement on 23 April 2020 "NZ Gold Project Exploration Update". A regional soil sampling programme targeted the contacts between contrasting metamorphic rocktypes comprising carbonaceous pelitic schists overlying psammitic mafic schists. These contact zones preferentially host mineralised shearing and veining in other deposits in Otago.

In November 2020 NAE's technical team completed a further four (4) of the regional ridge and spur soil sample lines across the Company's Lammerlaw and OPQ gold projects in New Zealand outlined in NAE's 26 November 2020 announcement. Figure 2 above shows the location of the regional ridge and spur soil lines.

The regional ridge and spur soil sampling lines are targeting potential lithological contacts within the Otago Schist identified in airborne electromagnetic data. The target contacts are of carbonaceous pelitic schist overlying psammitic mafic schist that preferentially host mineralised shear zones and related high angle vein deposits as outlined in NAE's 23 April 2020 announcement.

Figure 7 below shows the planned and completed regional soil sample lines.

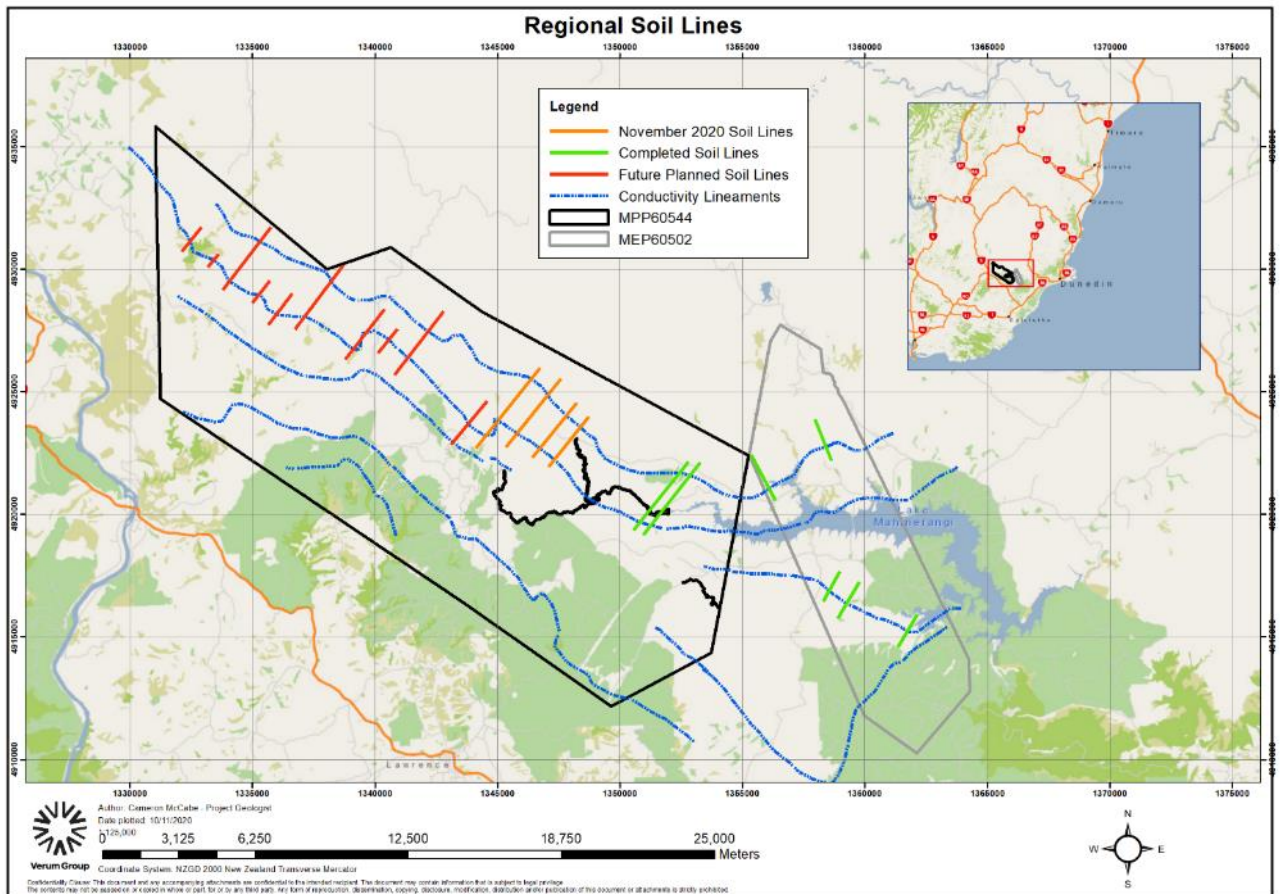


Figure 7: Regional Soil Sampling Lines

The Company provided an update on the completion of soil, rock chip sampling and field mapping over several areas identified in recently completed review of detailed airborne geophysical data covering both of the Company's New Zealand Gold projects.

RESULTS OF EARLIER FIELDWORK

A total of 246 soil samples were collected along four regional ridge and spur soil sample lines. Samples were collected on 50m spacings with the soil lines being spaced 700m-1,000m apart. The soil samples were analysed by portable XRF looking to identify sites with anomalous arsenic and other trace metals associated with shear hosted gold mineralisation (Craw et al 2007).

Across these four lines, nine soil samples had arsenic values over 50ppm with two samples over 300ppm with an arsenic high of 349ppm being recorded. The two samples over 300ppm had adjacent samples over 50ppm. The other anomalous samples were adjacent to areas of elevated arsenic (25 to 49ppm). Table 1 below outlines the anomalous samples.

Table 1: Anomalous Arsenic Soil Samples

Samples ID#	As (ppm)	Notes
2020 60544 LN14 ST10	349	Located within 150m of the target lithological contact
2020 60544 LN12 ST33	336	
2020 60544 LN13 ST14	87	Located within 50m of the target lithological contact with an adjacent elevated arsenic soil sample (39ppm) and along strike from high arsenic sample (349ppm)
2020 60544 LN13 ST54	85	Approx. 250m from the target lithological contact on the hanging wall side. No adjacent or along strike arsenic anomalies.
2020 60544 LN11 ST56	79	Adjacent to target lithological contact in an apparent area where the contact may be faulted and a fault was also mapped. Has an adjacent elevated arsenic soil sample (32ppm)
2020 60544 LN13 ST25	77	Along strike from high arsenic sample (336ppm)
2020 60544 LN12 ST34	65	Adjacent to high arsenic soil sample (336ppm)
2020 60544 LN14 ST11	58	Adjacent sample to max arsenic sample (349ppm)
2020 60544 LN13 ST30	57	Along strike from high arsenic sample (336ppm) and with adjacent elevated arsenic soil samples (44 and 25ppm)

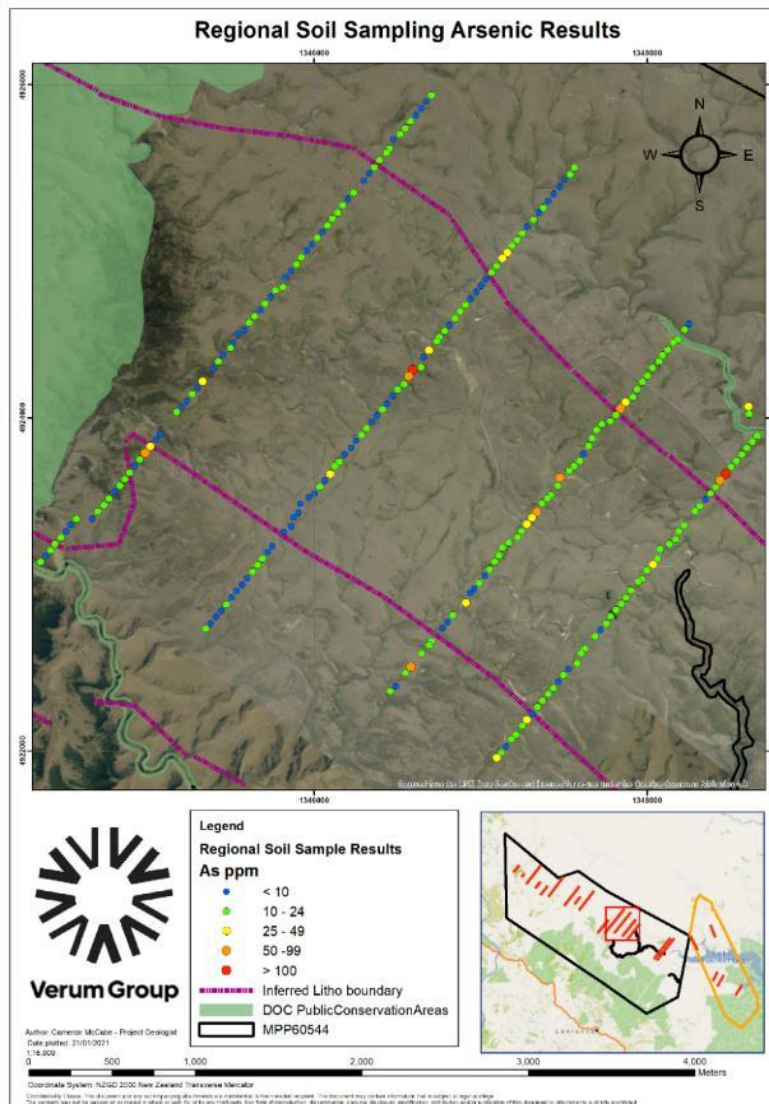


Figure 8: Arsenic Results from Ridge and Spur Soil Sampling

Based on the ridge and spur soil sampling results there are two areas of potential anomalous arsenic zones; one along the northern inferred lithological contact and a second in between the lithological contacts.

The northern anomalous zone is at least 2km long and 200m wide and is open along strike to the southeast of soil line 14. There was an anomalous arsenic and gold zone on soil lines 15 and 16 on an extension of this lithological contact 4.5km along strike, see NAE's 11 August 2020 [announcement](#). The anomalous zone is bounded to the northwest along strike by no anomalous results on soil line 11. The central anomalous zone is at least 1.2km along and is between 100m and 350m wide. It is bounded along strike to the northwest by no anomalous results along soil line 11 to the southeast along soil line 14.

There is potential for these two anomalous areas to be connected/part of the same potential mineralised system.

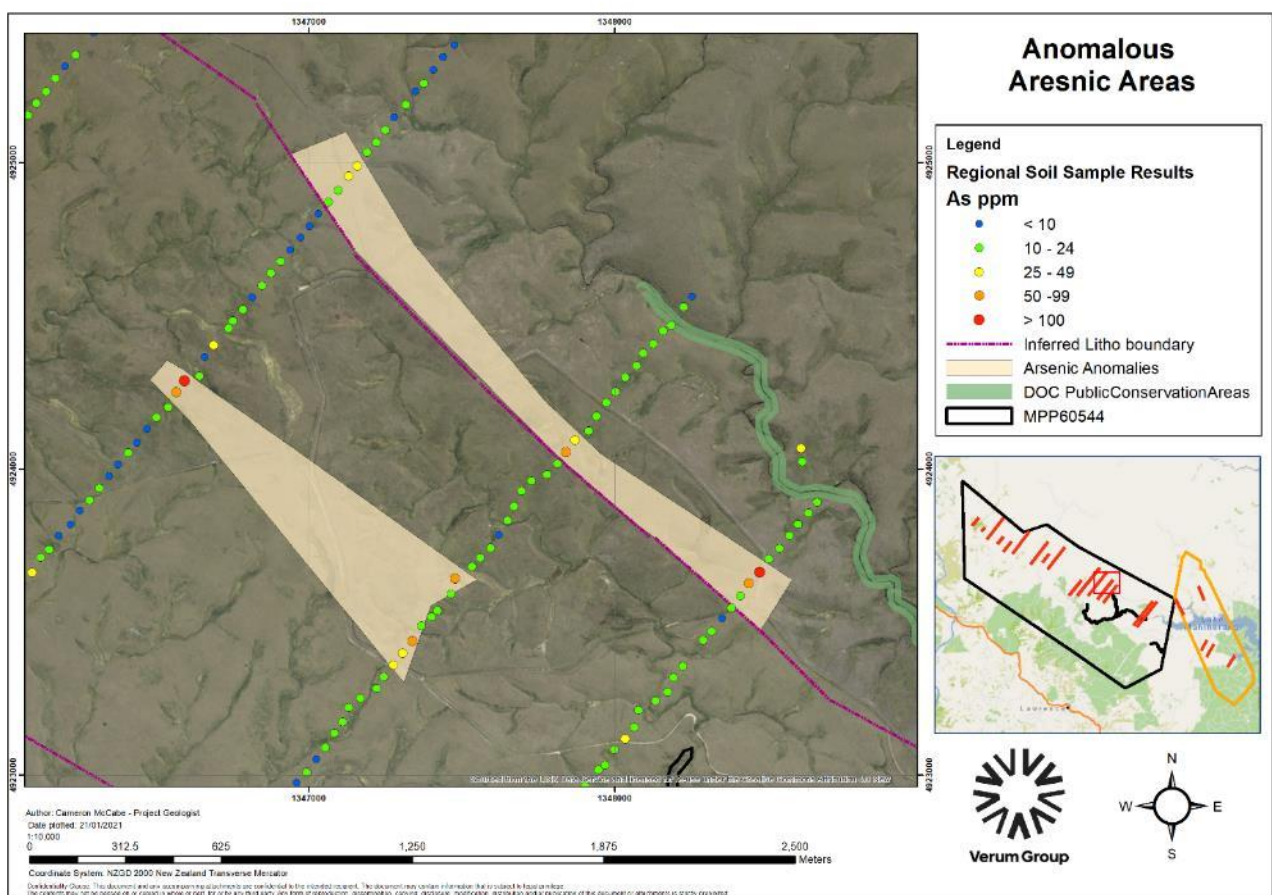


Figure 9: Interpreted Arsenic Anomaly Zones Based on Ridge and Spur Sampling

FUTURE PLANNED WORK

As the soil sampling detail in the above section is a first pass ridge and spur programme, infill and extensional soil sampling is required to give better resolution to the arsenic anomalies identified.

NAE's technical team have planned an infill and extension soil sampling programme. Nine infill soil lines at ~200m spacing are planned between regional soil lines 11 and 14. Two extensional soil lines along strike to the southeast of regional soil line 14 are also planned, both at 200m spacing. Along these lines soil samples will be taken at 50m spacing. Also, along regional soil lines 12 to 14 where there are anomalous arsenic samples, infill soil sampling at 25m spacing will be taken.

The company has also engaged the NZ technical team to complete comprehensive desktop studies on both the newly acquired Manorburn and Marlborough Gold projects.

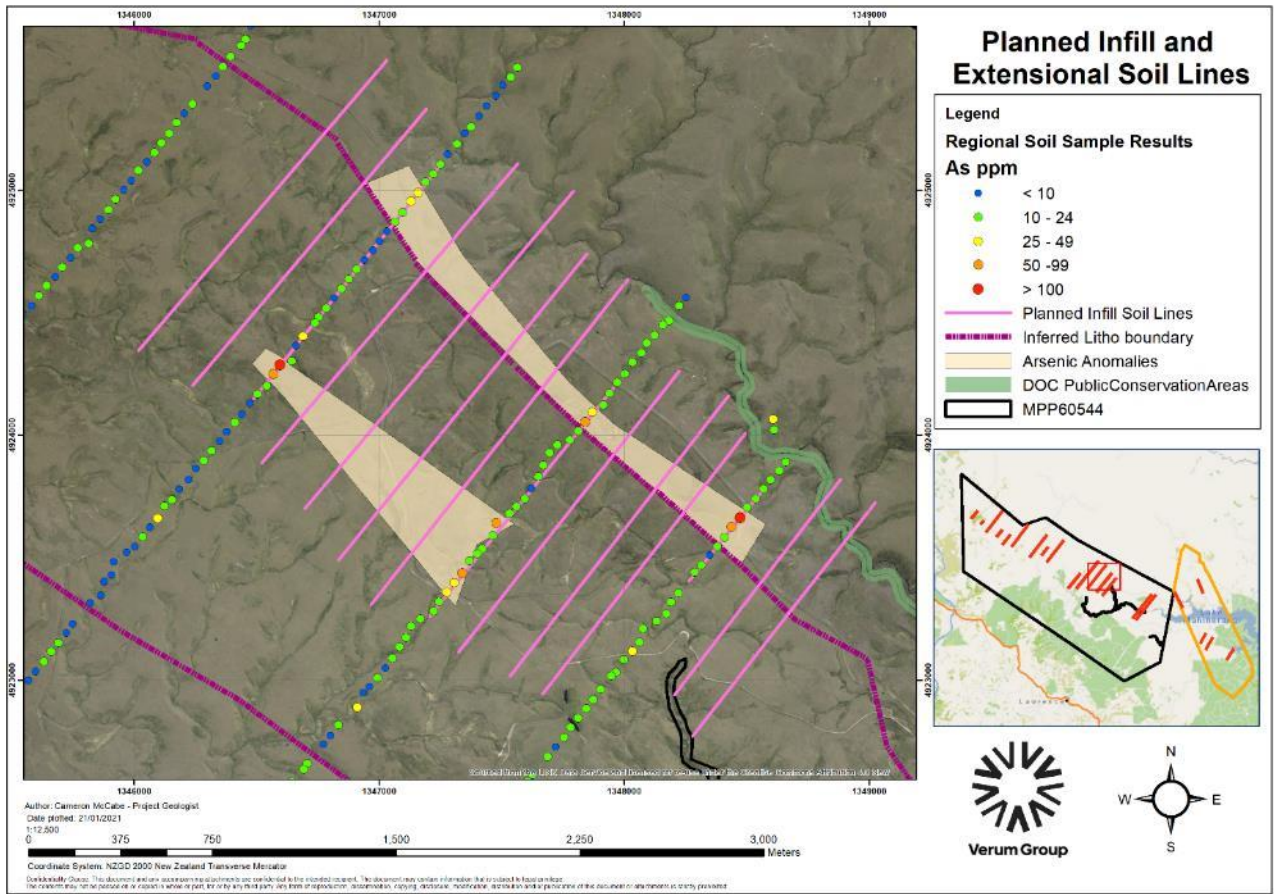


Figure 10: Infill and Extension Soil Lines

NAE's technical team are planning in the coming weeks to complete these infill and extension soil lines. Soil samples will be analysed by portable XRF to refine the anomalous zones for arsenic and gold mineralisation pathfinder elements. Soil samples within these zones will then be sent away for gold assay.

EXPANDS NEW ZEALAND GOLD EXPLORATION FOOTPRINT

The Company advised that it has made applications for additional permits in the South Island of New Zealand. The Manorburn application is within the highly prospective Otago Schist Belt, while the Marlborough application is over the Marlborough Schist Belt which is prospective for gold and tungsten. Both of these applications for new ground complement NAE's existing Otago Pioneer Quartz (OPQ) Project located in the south of the Otago Schist Belt.

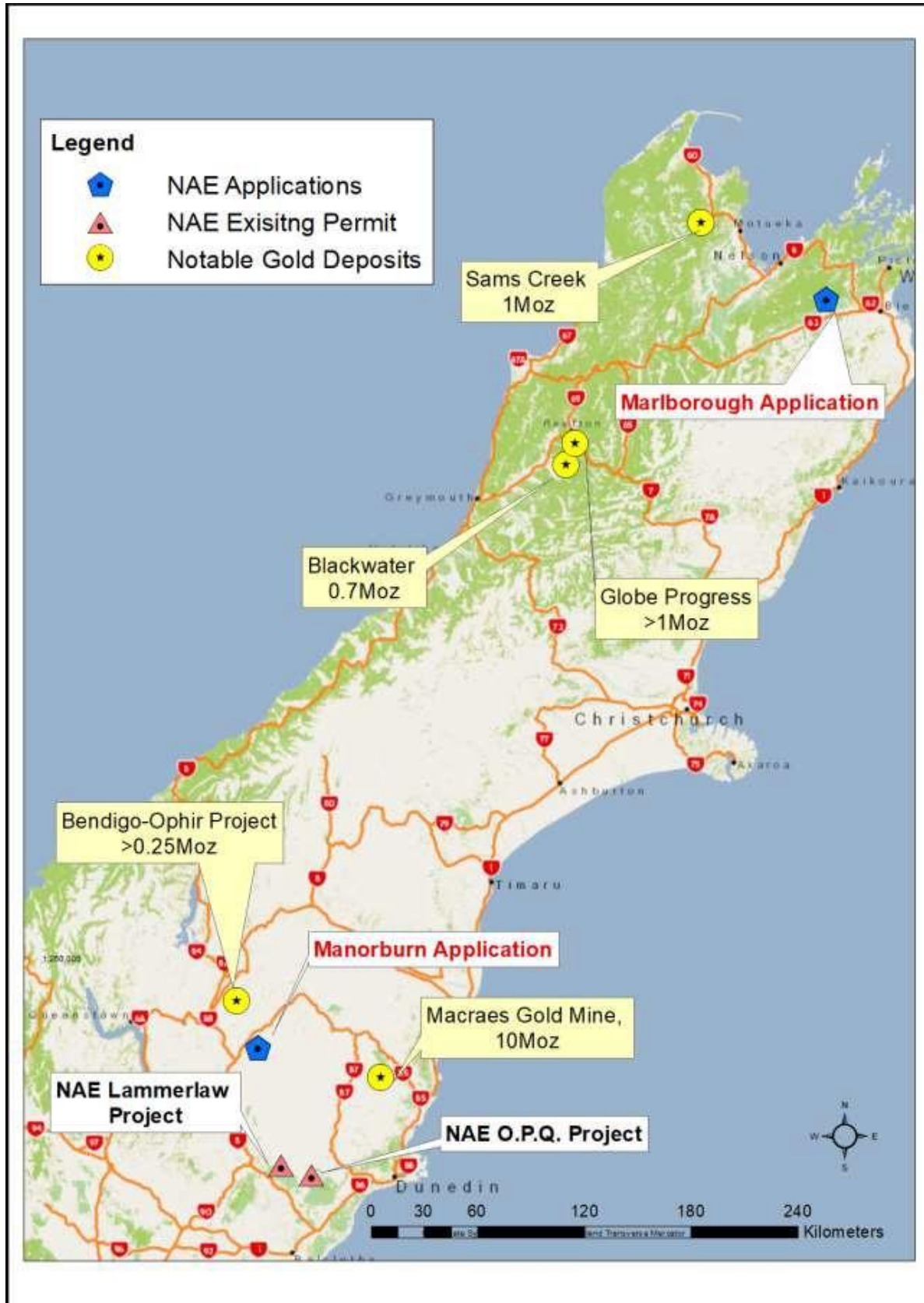


Figure 11: Location of NAE new applications, existing permits, and notable South Island gold deposits

Marlborough

The Marlborough prospect comprises of Minerals Prospecting Permit application 60725.01 that covers 500km² of the Marlborough Schist Belt, a northern analogue of the Otago Schist Belt offset ~470 km along the Alpine Fault.

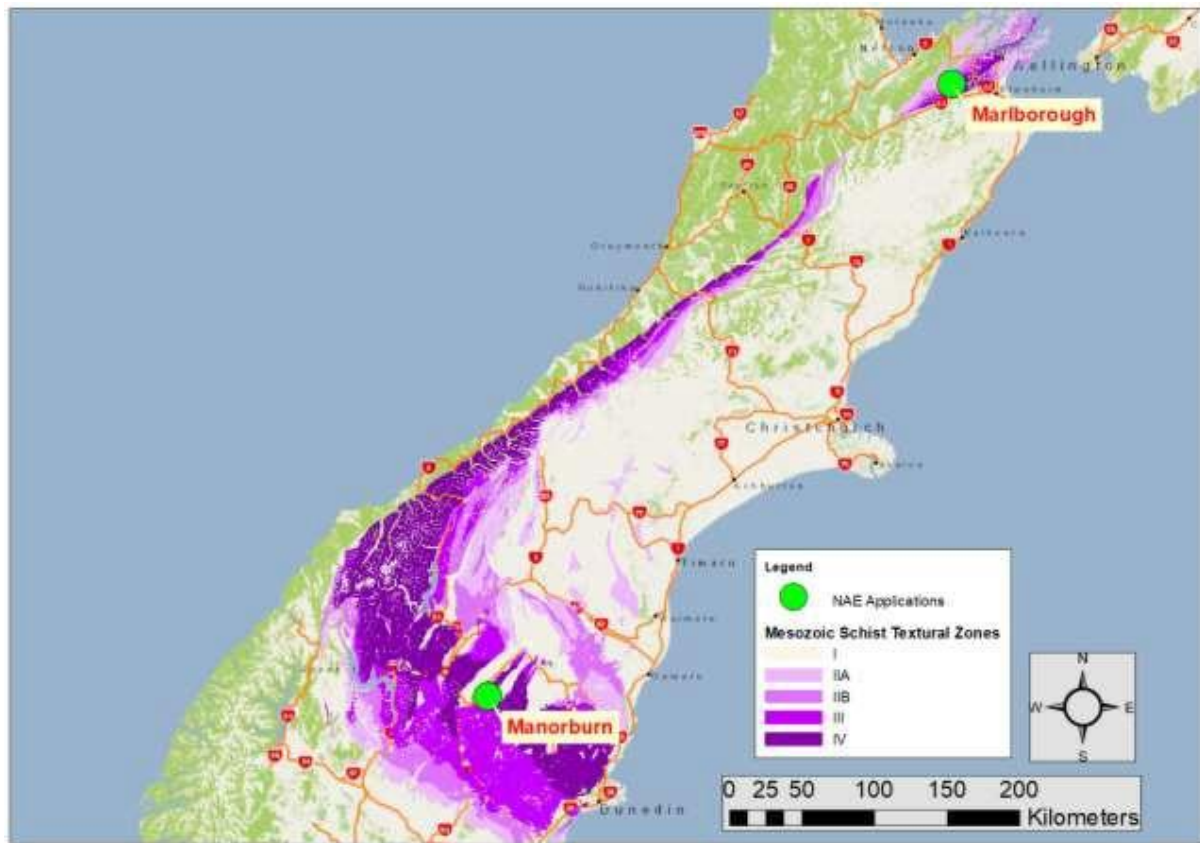


Figure 12: The Otago and Marlborough Schist belts with respect to the application areas

The Marlborough prospect is covered by airborne geophysical data acquired by the New Zealand government in 2017. To date, no explorer has utilised this data for identifying structures or lithological contacts within the Marlborough Schist, that have potential to contain shear hosted gold (\pm tungsten) mineralisation, similar to what has been explored in the Otago Schist. NAE will review this geophysical dataset along with existing structural and geochemical data to identify areas of potential shear hosted gold (\pm tungsten) mineralisation, and then carry out follow-up geological mapping and geochemical sampling, similar to NAE's strategy at the Lammerlaw project.

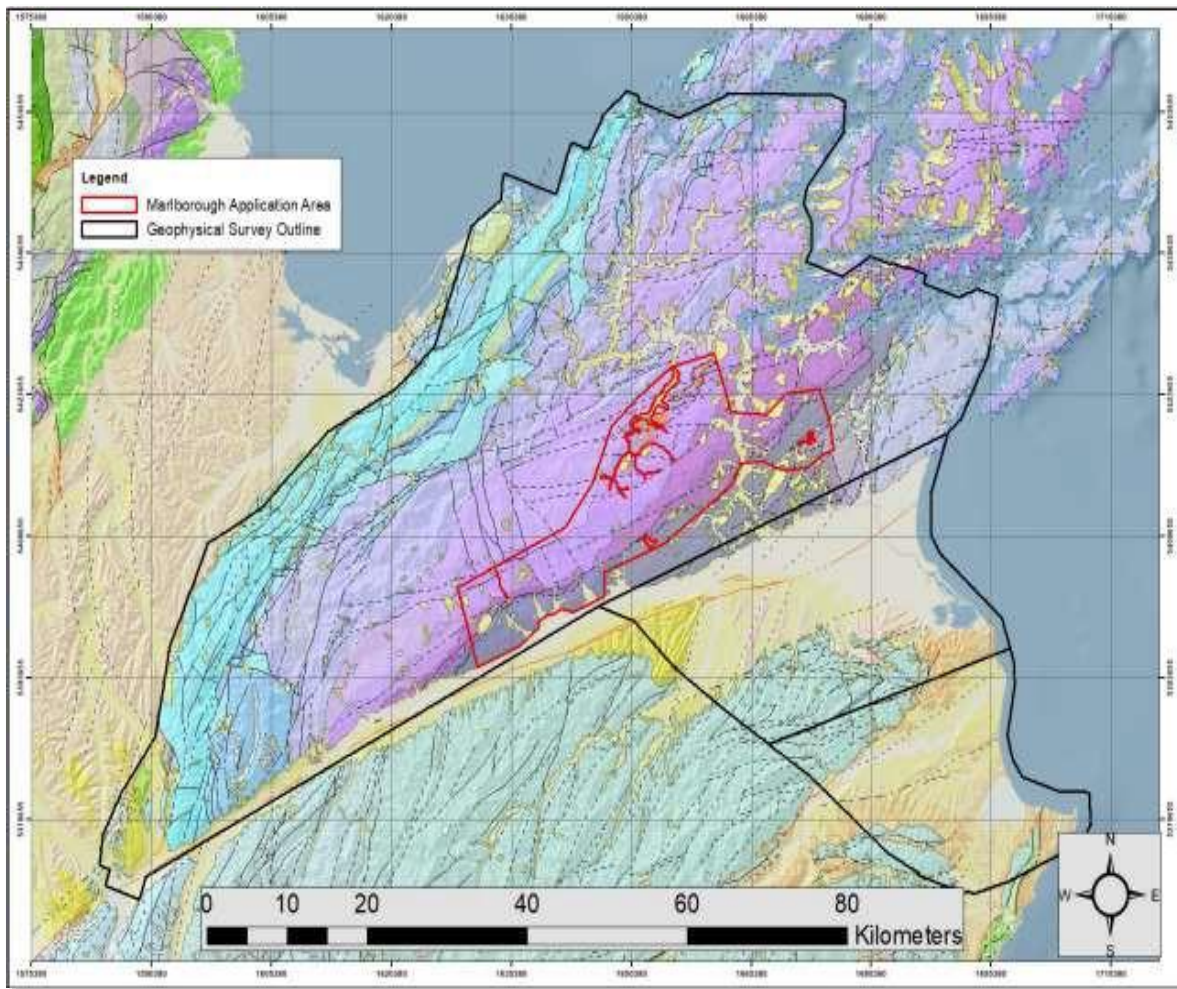


Figure 13: Marlborough Application Area and Geophysical survey boundary. Base map of geology 1:250k QMAP

The Marlborough application area contains a large number of historic, shallow gold and scheelite mines. In total, the area produced 18,000 ounces of gold at an average grade of 5.3g/t. Individual mines had grades generally between 5 and 10g/t Au with up to 30g/t Au being recorded. Tungsten was mined at grades of 0.58% (Downey 1928, Williams 1965).

Manorburn

The Manorburn prospect is covered by Minerals Prospecting Permit application 60716.01 and is 221.8km² in area. Manorburn is located 20km southeast of the Rise and Shine Shear Zone (inferred 252koz gold Mineral Resource <https://santanaminerals.com/wp-content/uploads/Acquisition-of-Bendigo-Ophir-Gold-Project-New-Zealand.pdf>) that forms the Bendigo-Ophir Gold Project recently purchased by Santana Minerals (ASX: SMI). The application is also 85km northwest of Oceana Gold's (ASX: OGC) Macraes Gold Mine that has combined production and Mineral Resources in excess of 10Moz gold (OGC Annual Report 31 December 2019).

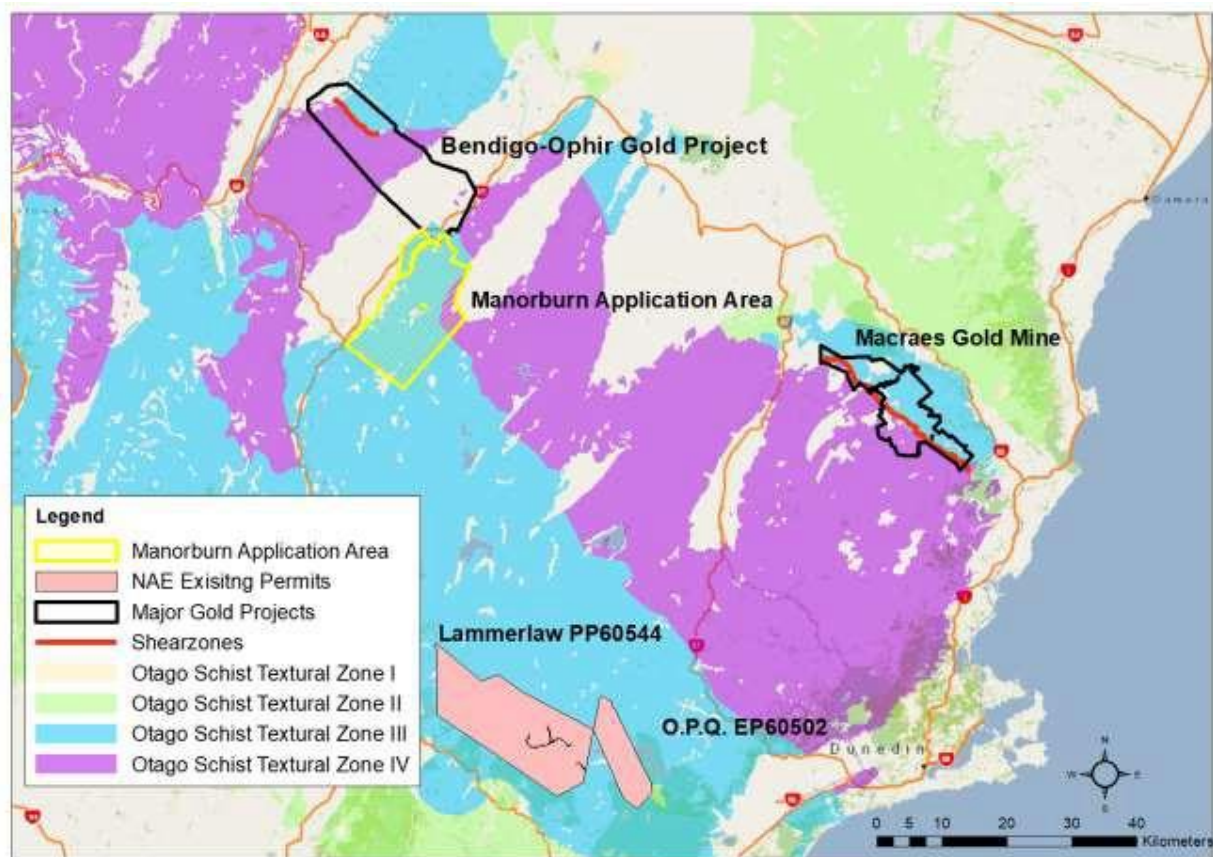


Figure 14: Manorburn Application Area and Otago Schist Geology

The Manorburn prospect is within the highly prospective Otago Schist Belt for orogenic gold. The Manorburn area is relatively underexplored but has adjacent gold deposits and has had some magnetic and electromagnetic surveys completed by Glass Earth in the late 2000s.

Upon granting of the permit, NAE will utilise the Glass Earth geophysical data set to identify potential structures that are conducive to shearing and hydrothermal fluid flow associated with gold mineralisation within the Otago Schist. NAE has carried out a similar method of exploring on its Lammerlaw project (NAE 11 August 2020 Announcement).

CORPORATE

Strategy

Focus on advancing our gold exploration projects in the Pilbara Gold district, the South Island of New Zealand and will also strengthen efforts to acquire new opportunities which establish shareholder value.

Acquisition

The Company entered into an asset purchase agreement to acquire the four (4) stated granted exploration licences from Monterey Minerals Inc, E45/5180, E47/3886, E47/3887 and E47/3891 for a total consideration of 25 million NAE shares under ASX Listing Rule 7.1.

In addition, the Company has entered into an option and asset sale agreement to acquire a further four (4) stated granted exploration licences from Monterey, E47/3958, E45/5064, E45/5065, E45/5063 for a total consideration of 75 million NAE shares and 37.5 million unlisted NAE options with an exercise price of \$0.02, expiring 28 September 2023. NAE will have an exclusive right to exercise the option to acquire

the tenements on or before completion of a 45-day due diligence period. NAE was required to pay an option fee of \$25,000.

Capital Raising

New Age received binding commitments for a Placement to sophisticated and professional investors, comprising 273,250,000 fully paid ordinary shares in the Company (New Shares) at an issue price of 0.8 cents (\$0.008) per share to raise approximately A\$2.18m (before costs) (Placement).

The Placement was conducted by Candour Advisory Pty Ltd as lead manager and within the Company's placement capacity under ASX Listing Rule 7.1 (108,121,959 shares) and ASX Listing Rule 7.1A (88,878,041 shares).

As part of this Placement, Directors of the Company committed to A\$610,000 in the offer. Director (and a former director) participation in the Placement (76,250,000 shares) was approved by shareholders at the Annual General Meeting held on 25 November 2020.

The Capital Raising price of A\$0.008 (0.8 cents) per New Share represented a 17.1% discount to the 15-day VWAP price (A\$0.0096).

Funds raised will be used for exploration of the Company's Pilbara and New Zealand projects, along with working capital and to pay for the costs of the offer.

In addition, the Company issued 15,000,000 unlisted options exercisable at \$0.02 (2 cents) to Candour Advisory Pty Ltd.

Cash

The Company had cash reserves of A\$3.72m as at 31 December 2020.

Board and Management Changes

On 3 July 2020, the Company announced the appointment of Mr Adrien Wing as Non-Executive Director.

On 29 September 2020, Mr Stephen Layton resigned as Non-Executive Director to meet other business commitments. Mr Layton has played a pivotal role in the Company's transition, both as a director and shareholder. His contributions are much appreciated, and the board wishes him all the best with his future endeavours.

COMPETENT PERSONS STATEMENT

PQ Gold Exploration Project And Lammerlaw Prospecting Permit

The information in this report that relates to Exploration Results is based on information reviewed by Kyle Howie, who is an exploration geologist and is a Member of the Australian Institute of Geoscientists. Kyle Howie has over 25 years experience in precious and base metal exploration and resource calculation including gold exploration and resource definition in the Otago region. Kyle Howie has sufficient experience which 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'. Kyle Howie consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Pilbara Gold Project

The information in this report that relates to Exploration Results is based on information reviewed by Peter Thompson, who is an exploration geologist and is a Member of the Australian Institute of Mining and Metallurgy. Peter Thompson has over 20 years' experience in precious and base metal exploration including gold exploration and resource definition in the Pilbara region. Peter Thompson has sufficient experience which 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'. He consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

This report contains "forward-looking information" that is based on the Company's expectations, estimates and forecasts as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, objectives, performance, outlook, growth, cash flow, earnings per share and shareholder value, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses, property acquisitions, mine development, mine operations, drilling activity, sampling and other data, grade and recovery levels, future production, capital costs, expenditures for environmental matters, life of mine, completion dates, commodity prices and demand, and currency exchange rates. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as "outlook", "anticipate", "project", "target", "likely", "believe", "estimate", "expect", "intend", "may", "would", "could", "should", "scheduled", "will", "plan", "forecast" and similar expressions. The forward looking information is not factual but rather represents only expectations, estimates and/or forecasts about the future and therefore need to be read bearing in mind the risks and uncertainties concerning future events generally.

SUPPORTING INFORMATION AND CAUTIONARY STATEMENTS

This report has been prepared as a summary only, and does not contain all information about NAE's projects or its assets and liabilities, financial position and performance, profits and losses, prospects, and the rights and liabilities attaching to NAE's securities. The securities issued by NAE are considered speculative and there is no guarantee that they will make a return on the capital invested, that dividends will be paid on the shares or that there will be an increase in the value of the shares in the future. NAE does not purport to give financial or investment advice. No account has been taken of the objectives, financial situation or needs of any recipient of this report. Recipients of this report should carefully consider whether the securities issued by NAE are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position.

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of New Age Exploration Limited and its controlled entities for the half year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



R J MORILLO MALDONADO
Partner

Dated: 16 March 2021
Melbourne, Victoria

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	Half year ended 31 Dec 2020 \$	Half year ended 31 Dec 2019 \$
Revenue			
Other income		41,001	54,054
Expenses			
Consulting and corporate expenses		(115,246)	(77,559)
Employee benefits expense		(147,823)	(204,258)
Share based payments remuneration	5	(668,368)	-
Administrative expenses		(252,711)	(138,550)
Exploration and evaluation		(496,473)	(9,969)
Loss before income tax expense		(1,639,620)	(376,282)
Income tax expense		-	-
Loss for the period from continuing operations		(1,639,620)	(376,282)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Movement in exchange differences on translating foreign operations		(38,973)	205,935
Income tax expense		-	-
Other comprehensive (loss)/ income		(38,973)	205,935
Total comprehensive loss for the period		(1,678,593)	(170,347)
<i>Profit/(Loss) per share attributable to the owners of New Age Exploration Limited</i>		Cents	Cents
Basic loss per share		(0.16)	(0.04)
Diluted loss per share		(0.16)	(0.04)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	31 Dec 2020 \$	30 June 2020 \$
Current assets			
Cash and cash equivalents		3,717,944	2,795,592
Trade and other receivables		47,525	18,806
Prepayments		23,613	9,272
Other financial assets		25,000	25,000
Total current assets		3,814,082	2,848,670
Non-current assets			
Property, plant and equipment		21,211	2,925
Exploration and evaluation assets	2	3,242,742	2,960,098
Total non-current assets		3,263,953	2,963,023
Total assets		7,078,035	5,811,693
Current liabilities			
Trade and other payables		102,892	219,246
Total current liabilities		102,892	219,246
Total liabilities		102,892	219,246
Net assets		6,975,143	5,592,447
Equity			
Contributed equity	3	30,183,199	27,990,778
Reserves		1,570,473	740,578
Accumulated losses		(24,778,529)	(23,138,909)
Total equity		6,975,143	5,592,447

The above consolidated statement of financial position is to be read in conjunction with the attached notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total \$
At 1 July 2019	27,990,778	868,483	(18,173,873)	10,685,388
Loss for the period	-	-	(376,282)	(376,282)
Other comprehensive income	-	205,935	-	205,935
Total comprehensive income for the period	-	205,935	(376,282)	(170,347)
Transactions with owners in their capacity as owners:	-	-	-	-
As at 31 December 2019	27,990,778	1,074,418	(18,550,155)	10,515,041
At 1 July 2020	27,990,778	740,578	(23,138,909)	5,592,447
Loss for the period	-	-	(1,639,620)	(1,639,620)
Other comprehensive income	-	(38,973)	-	(38,973)
Total comprehensive income for the period	-	(38,973)	(1,639,620)	(1,678,593)
Transactions with owners in their capacity as owners:				
Issue of shares	2,386,000	-	-	2,386,000
Issue costs	(105,079)	-	-	(105,079)
Issue of options	(88,500)	868,868	-	780,368
As at 31 December 2020	30,183,199	1,570,473	(24,778,529)	6,975,143

The above consolidated statement of changes in equity is to be read in conjunction with the attached notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Half year ended 31 Dec 2020 \$	Half year ended 31 Dec 2019 \$
Cash flows from operating activities		
Payments to suppliers (GST inclusive) and employees	(934,964)	(473,541)
Interest received	7,410	25,455
Net cash flows used in operating activities	(927,554)	(448,086)
Cash flows from investing activities		
Payments for exploration and evaluation costs	(178,676)	(121,741)
Payment for plant and equipment	(22,678)	-
Proceeds from sale of non-current asset held for sale	-	590,000
Net cash flows (used in)/ provided by investing activities	(201,354)	468,259
Cash flows from financing activities		
Proceeds from issue of shares	2,158,000	-
Share issue costs	(105,080)	(19,227)
Net cash flows provided by/ (used in) financing activities	2,052,920	(19,227)
Net increase in cash and cash equivalents held	924,012	946
Cash and cash equivalents at beginning of period	2,795,592	693,506
Effects of exchange changes on balances held in foreign currencies	(1,660)	(812)
Cash and cash equivalents at the end of period	3,717,944	693,640

The above consolidated statement of cash flows is to be read in conjunction with the attached notes.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and accounting policies

This general-purpose financial report for the half year ended 31 December 2020 has been prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The condensed half year financial report does not include notes of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as the full financial report.

It is recommended that the half year financial report be read in conjunction with the annual report for the year ended 30 June 2020 and considered together with any public announcements made by New Age Exploration Limited during the half year ended 31 December 2020 in accordance with the continuous disclosure obligations of the ASX listing rules. Comparative figures have been adjusted to conform with changes in presentation for the current period.

The accounting policies and methods of computation are consistent with those adopted in the most recent annual financial report, except for the impact of the Standards and Interpretations described below.

Adoption of New and Revised Accounting Standards

The Consolidated Entity has adopted all of the new and amended Australian Accounting Standards and AASB Interpretations that are relevant to its operations and effective for the current half-year. The adoption of the new and amended Standards and Interpretations has had no effect on the amounts reported for the current or prior half years.

The Directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2020. As a result of this review, the Directors have determined that the expected impact to the Consolidated Entity will be immaterial.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS CONTINUED

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 2 EXPLORATION AND EVALUATION ASSETS

	31 Dec 2020	30 June 2020
	\$	\$
Movement in the carrying amounts of exploration and evaluation assets between the beginning and end of the financial period:		
Balance at the beginning of the financial period	2,960,098	7,064,325
Additions	282,643	237,241
Impairment	-	(4,214,308)
Effect of foreign currency movements	-	(127,160)
	<u>3,242,741</u>	<u>2,960,098</u>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTE 3 ISSUED CAPITAL

	31 Dec 2020 Number	30 June 2020 Number	31 Dec 2020 \$	30 June 2020 \$
Ordinary shares – fully paid	<u>1,187,030,410</u>	<u>888,780,410</u>	<u>30,183,199</u>	<u>27,990,778</u>
Movement in ordinary shares				
	No of Shares		Issue Price \$	\$
Balance 1 July 2019	888,780,410			27,990,778
Balance 30 June 2020	888,780,410			27,990,778
Placement shares	269,750,000		0.008:	2,158,000
Acquisition of tenements	25,000,000		0.008:	200,000
Settlement of creditors	3,500,000		0.008:	28,000
Capital raising costs				(193,579)
Balance 31 December 2020	<u>1,187,030,410</u>			<u>30,183,199</u>

NOTE 4 SEGMENT INFORMATION

The Consolidated Entity operated predominantly as an explorer with the view to identify and advance 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 AASB 8 *Segment Reporting*. The chief operating decision maker, being the Board of Directors, review geological results and other qualitative measures as a basis for decision making.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS CONTINUED

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 5 SHARE BASED PAYMENTS REMUNERATION

On 25 November 2020 at the Company's Annual General Meeting ("AGM"), shareholders approved the issue of 120,000,000 Options to the Directors with an exercise price of \$0.03 (3 cents) and an expiry date of 31 December 2023. In accordance with Accounting Standard AASB 2 *Share-Based Payment*, these Options have been valued at \$668,368 on the grant date, being the date of the AGM, and expensed during the current period.

NOTE 6 SUBSEQUENT EVENTS

Effective 16 March 2021, the Board agreed to fix the annual fees payable to Mr Joshua Wellisch at an amount of \$198,000 for his role as an Executive Director. Short-term incentives of up to 30% of the annual fee are also able to be granted at the discretion of the Board.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial periods.

NOTE 7 CONTINGENT ASSETS

In March 2019, NAE entered into an agreement to sell its 50% share in Cornwall Resources Ltd ("CRL") to Strategic Minerals plc ("SML"). The transaction was completed in July 2019 with the consideration including \$2.0m in royalty payments payable with \$1m falling due when net smelter sales arising from Redmoor production reaches A\$50m and the final \$1m falling due when net smelter sales arising from Redmoor production reaches A\$100m.

NOTE 8 CONTINGENT LIABILITIES

In June 2016, NAE's majority owned subsidiary, NAE Aurora JV Cesar SAS (liquidated in the commercial registry of the Chamber of Commerce of Bogotá on 17 December 2015), received notice from the mining authority in Colombia for unpaid exploration licence payments. No legal proceeding has been filed and based on legal advice, management believes that any payment on this matter is unlikely. No liability has been recorded in the statement of financial position for this contingency.

DIRECTORS' DECLARATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

In the directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the financial half 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.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors:



Joshua Wellisch
Executive Director

Melbourne
16th March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF NEW AGE EXPLORATION LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of New Age Exploration Limited and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 31 December 2020, 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 half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group, comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of New Age Exploration Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations act 2001*, which has been given to the directors of New Age Exploration Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of New Age Exploration Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year then ended; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

A handwritten signature in dark ink, appearing to read "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in dark ink, appearing to read "RJM".

R J MORILLO MALDONADO
Partner

Dated: 16 March 2021
Melbourne, Victoria