

Lochinvar Scoping Study Results

Investor Presentation
27th October 2014

NEW AGE Exploration Limited

Investment Highlights

NAE owns 100% of Lochinvar, a low cost coking coal project, ideally located to supply UK and European steel mills with immediate access to existing rail and port infrastructure

Strong Economics¹	NPV₉ US\$263 M IRR 20%
Low Opex²	US\$70/t 1 st Quartile
High Margin³	US\$73/t
Strong Cash Flow³	US\$75 M pa
Capex⁴	US\$284 M
Clean Coal Production	1.4 Mtpa
Long Life	26 Years
Product	Low Ash HV Coking Coal

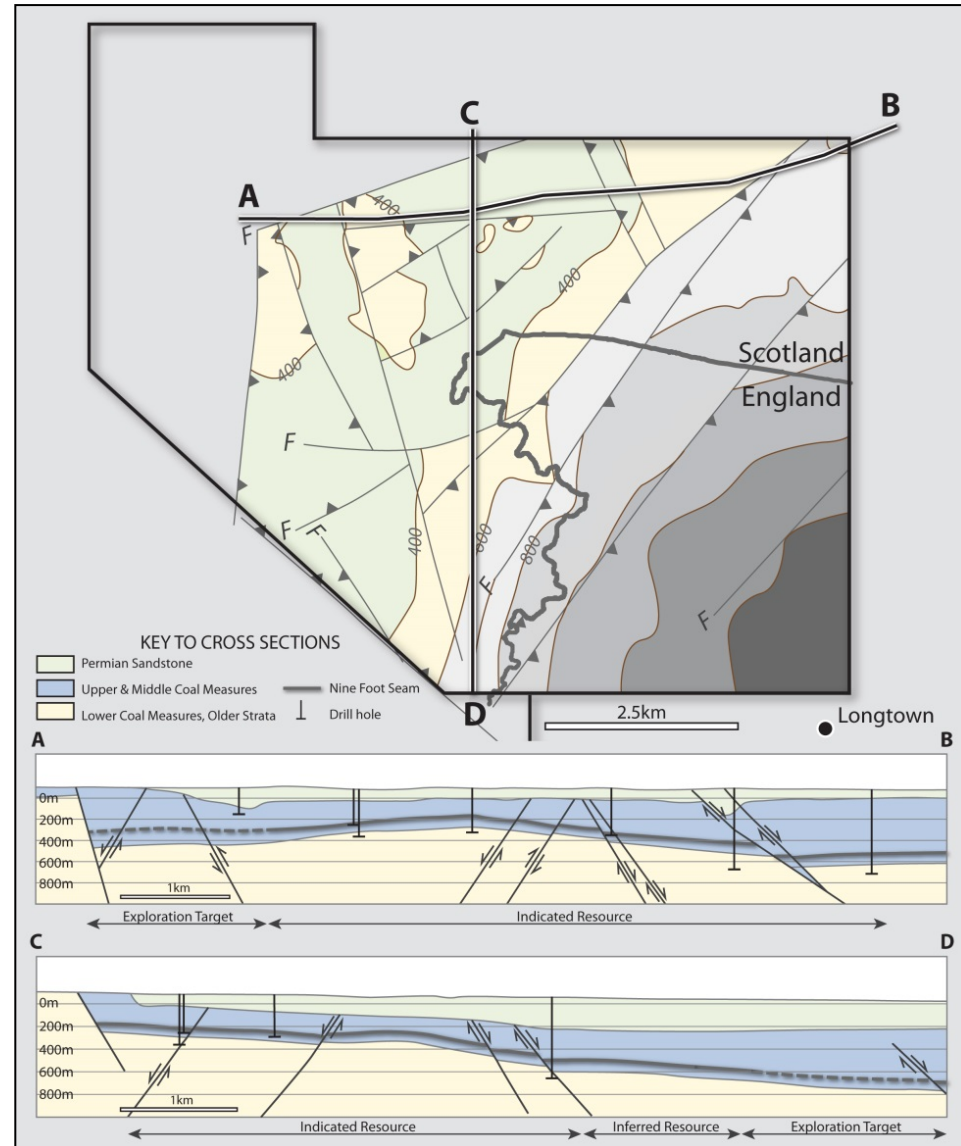


1. Real after tax, unleveraged 1 Jan 2015 basis
2. Opex is all-inclusive cost including royalties, G&A and equipment leasing cost
3. Based on an average realised price of US\$143/t
4. Capex excludes leased mobile equipment and pre-construction cost

Geology

Recently completed drilling confirms the potential of Lochinvar coal to underpin a long life, high margin project

- Scoping Study based on mining Nine Foot Seam only
- Nine Foot Seam - average 2.2m thickness
- Mining planned between 210m and 1,000m depth
- Seam dips suitable for longwall mining
- Relatively complex structure



Resources – Building the Inventory

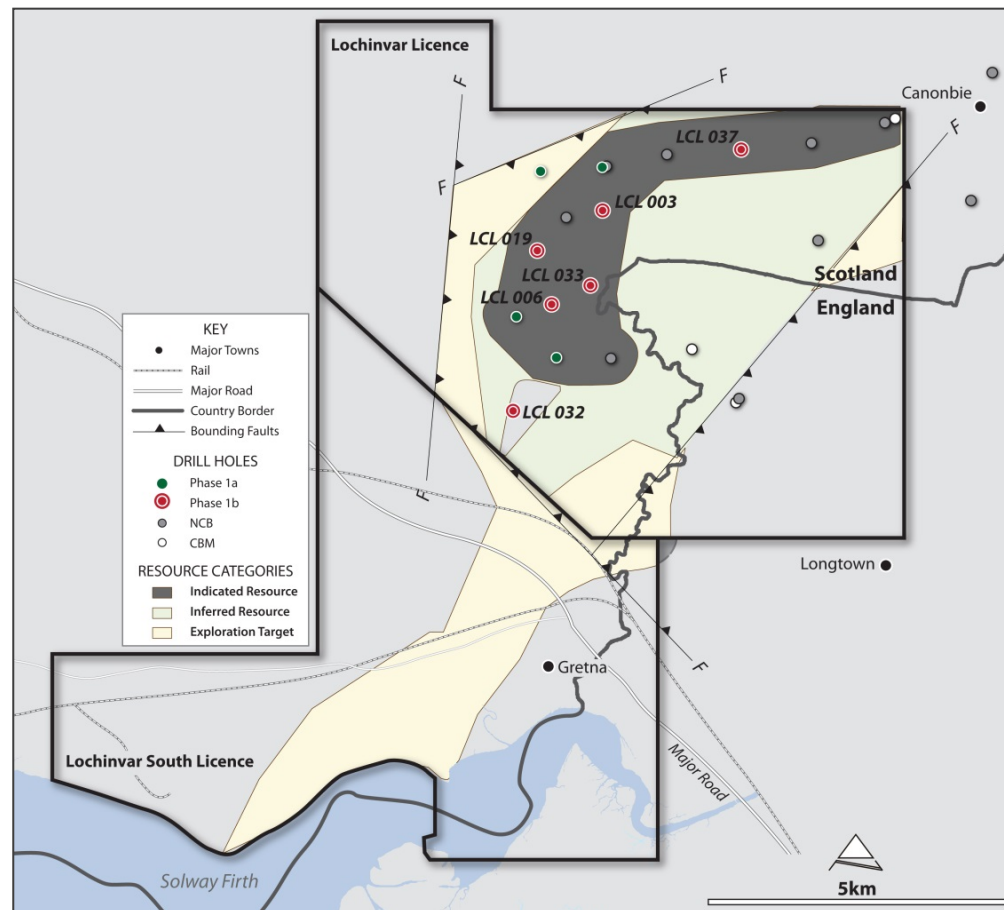
Since grant of the Lochinvar Licence in June 2012, NAE has moved quickly to define a maiden Inferred Resource in Oct 2013 and then an Indicated Resource in August 2014

Lochinvar Resource Summary ¹

(August 2014)

Coal Seam	Indicated Resource (Mt)	Inferred Resource (Mt)	Total Resource (Mt)
Nine Foot	37	49	86
Six Foot	13	13	26
Total	49	62	111

- Based on 10 NAE holes and 9 historic NCB holes
- Over 100km historic seismic lines for structure
- Resource constrained to 1,000m maximum depth and 1.2m minimum seam thickness
- Potential to increase resource by drilling of Exploration Target (31–64 Mt) to the south and west of the resource



1. Resource upgrade and coal quality announcement, 29 August 2014

Scoping Study - Outline

Project Outline

Mining

- Modern underground longwall mine
- Development via 3 continuous miners
- Single drift access at 1:8 gradient
- Ventilation shaft
- Pre-mining gas drainage

Coal Processing

- Mine conveyor to ROM stockpile near drift portal
- Coal processing plant fed by FEL from ROM stockpile
- Conveyed to product stockpile adjacent to rail siding
- Reject dewatered and trucked via private road to nearby reject storage facility contoured to landscape
- Water treatment and disposal to Solway Firth


Infrastructure

- Short rail spur from existing rail to product stockpile
- Trains loaded with front-end loader (FEL)
- Rail to UK steel mills and Hunterston / Blyth ports

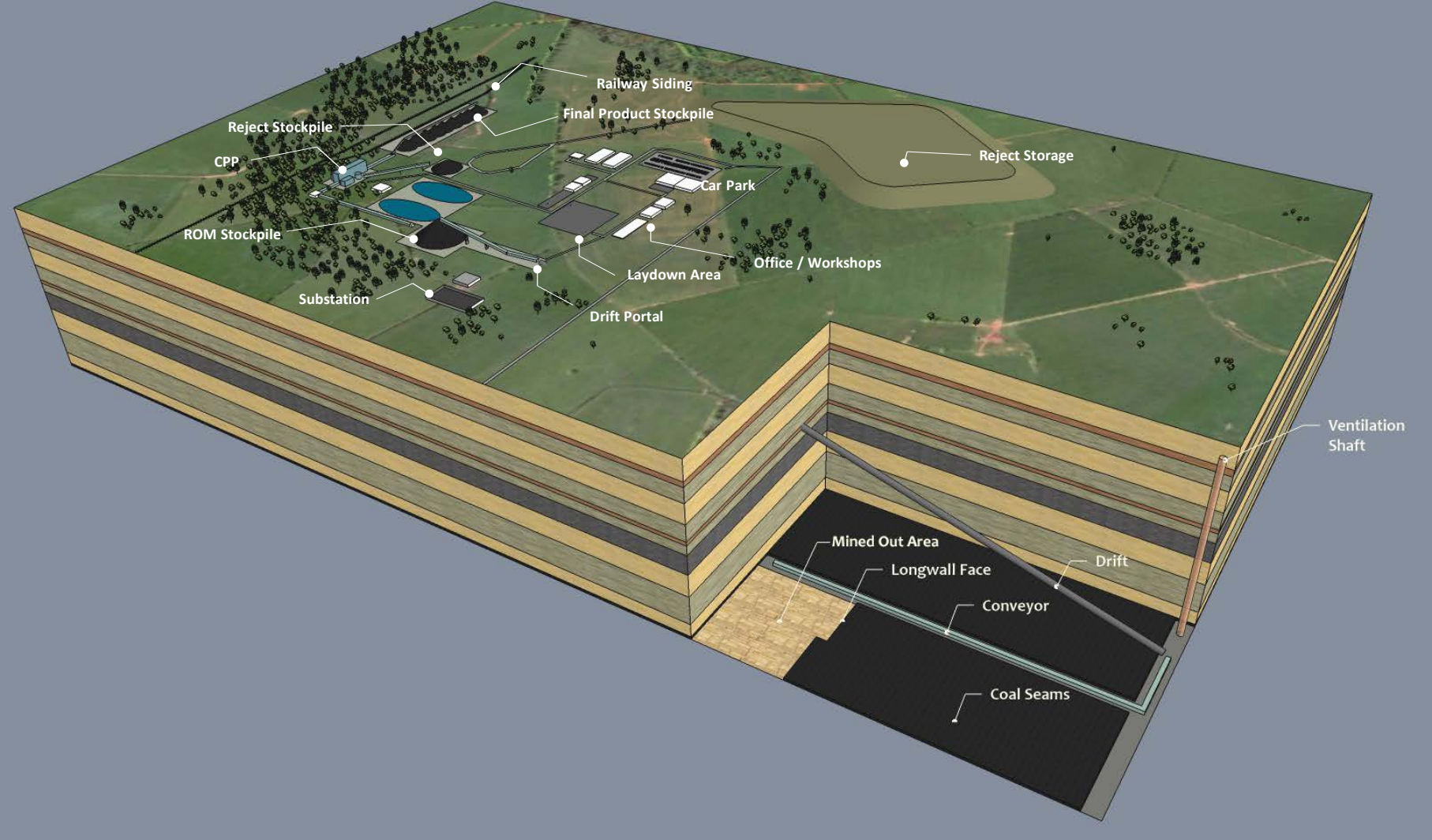
Employment

- Approximately 270 employees at operational peak

Leading Consultants in Specialist Areas

Section	Consultant	Scope of Work
Lead Technical Consultant		<ul style="list-style-type: none"> • Resource estimate • Mine design • Capex & opex estimates • Project management, study coordination • Financial evaluation
Geotechnical Engineering	SCT	<ul style="list-style-type: none"> • Geotechnical assessment • Mine design parameters
Coal Processing	QCC Resources	<ul style="list-style-type: none"> • Coal product specification • Coal handling & processing design • Capex / opex estimate
Environment and Approvals	Dalglish Associates (Scotland)	<ul style="list-style-type: none"> • Environment and community assessment / review • Rejects and water treatment and disposal • Hydrogeology • Planning and approvals process
Rail Access and Loading	Deltix Consulting	<ul style="list-style-type: none"> • Connection with existing rail network • Rail siding design • Capex and opex estimate
Rail and Port Logistics	Adam Chartering	<ul style="list-style-type: none"> • Review and selection of port options • Rail, port and sea freight cost estimates
Mining Review	Xstract Mining Consultants	<ul style="list-style-type: none"> • Peer review of mining assumptions • Peer review of capex and opex estimate

Mine and Infrastructure Layout



Mining

Mining Parameters

ROM
(Run of Mine)

Life of Mine: **47.3 Mt**
Average Production: **1.9 Mtpa**

Access & Ventilation

- Drift: 1 in 8 gradient, 1,700m x 6m, TBM dug, roof supported conveyor
- Men and materials vehicular access via drift
- Ventilation: 5m vertical shaft

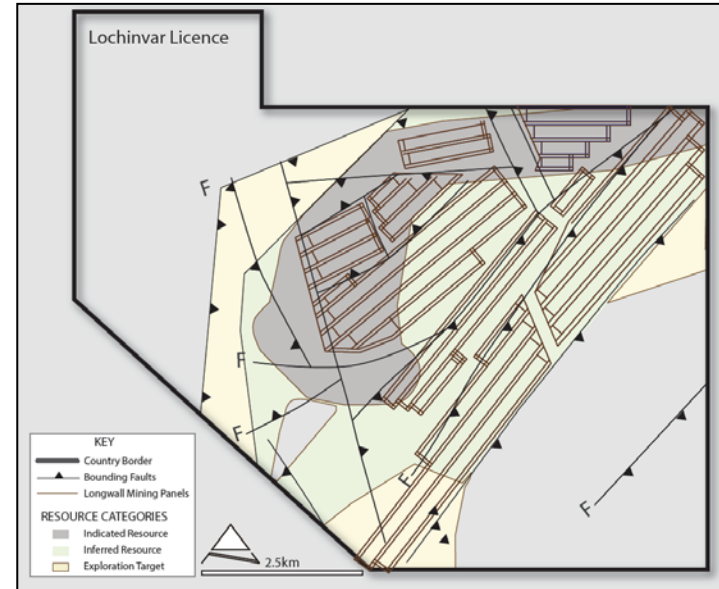
Development

- 3 x continuous miner/bolters
- 2.0m minimum height

Longwall Production

- Single bi-directional longwall shearer
- 200m panel width, reduced to 140m in areas of structural complexity
- Average seam thickness in longwall panels of 2.4m (1.6 to 3.2m)
- 1.8m to 3.6m shearer cutting height range

Preliminary Mine Layout

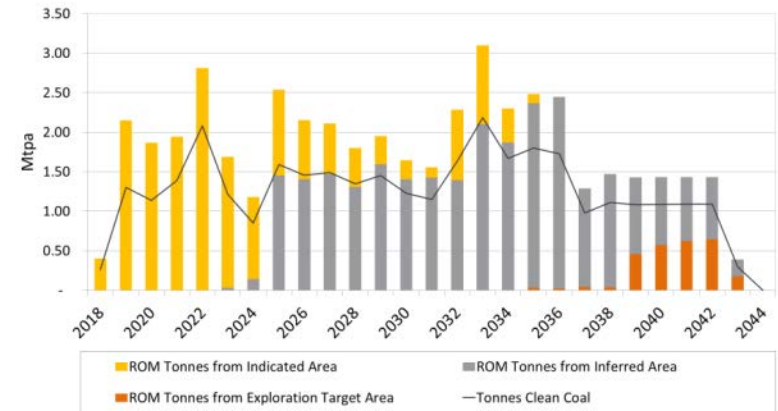


Production

Production Assumptions

- All longwall moves included in schedule
- Productivity de-rated for:
 - Seam height
 - Depth
 - Geological structure
 - Roof and floor conditions
 - Gas management
 - Mechanical availability
- Palaris productivity estimates based on experience and database, independently checked by experienced UK mining engineer
- Productivity estimates well within internationally demonstrated and documented benchmarks
- 38% of LOM production from Indicated Resource, 56% from Inferred Resource and 6% from Exploration Target
- First 7 years mining 100% in Indicated Resource, Years 8-11 mining in Indicated and Inferred Resource, Years 12 onwards mining primarily in Inferred Resource
- Payback (4.9 years) delivered by the Indicated Resource

Production Schedule



Coal Processing

High Yield

71%¹
Average ROM to Clean Coal

Clean Coal

Life of Mine: **33.7 Mt**
Average Production: **1.4 Mtpa**

Coal Processing

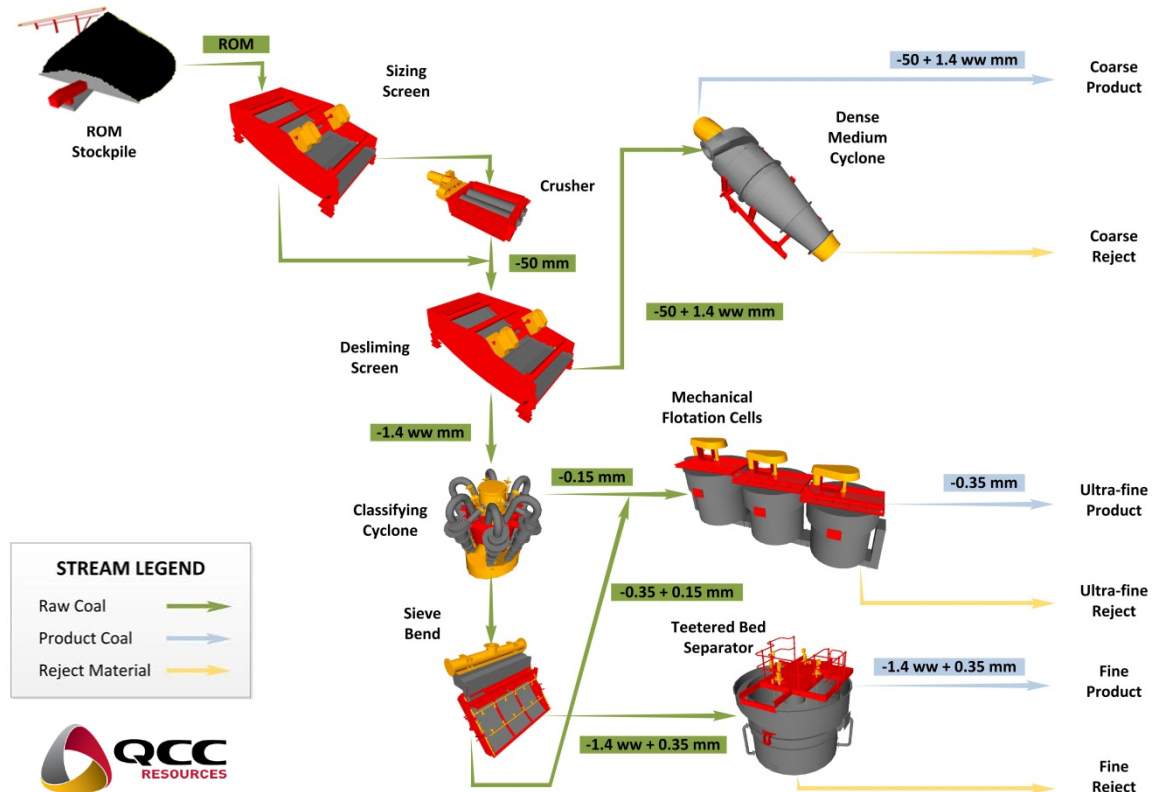
- 60 kt capacity ROM stockpile fed by mine conveyor, front end loader feeds crusher
- 400 t/h wash plant to handle up to 2.5 Mtpa, upgraded later in mine life
- Wash plant flowsheet - single stage dense media cyclones, teetered bed separator, flotation circuits

Train Loading

- Train loaded by front end loaders

Reject Management

- Fine rejects thickened, belt press filtered and co-disposed with coarse rejects via truck (<2km)



¹ Includes roof and floor dilution and stone partings

Infrastructure

Simple and low cost development due to excellent transport and other infrastructure in place. Minimal development impact on primarily agricultural land

RAIL



7km to the West Coast Main Line

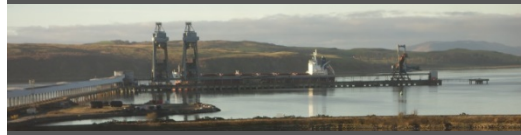
Access to Existing Rail Network

- WCML currently used for coal haulage
- Capacity confirmed by independent rail study and Network Rail
- Multiple bulk rail freight operators with locomotives and rolling stock available

Siding & Loadout

- Siding from WCML to product stockpile at mine
- Loading with front-end loaders

PORT



Two Preferred Export Options

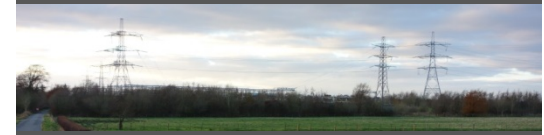
Hunterston

- 190km via rail
- Existing shiploading facilities
- Draft 19.8m – Panamax

Blyth

- 120km via rail
- Import/export mixed materials
- Draft 9.5m – Handysize
- Would install discharge facilities for long term contract

OTHER



5km to Gretna Substation

Power

- Access to existing substation 5km from proposed mine infrastructure area

Water

- Potable water supply in place
- Mine water treatment and discharge to Solway

Workforce

- Numerous nearby towns with skilled personnel
- No staff live-in requirements

Coal Quality and Pricing

Lochinvar has high value in use vs competing coals supplying UK and European steel mills.

Exceptionally low ash product

Product	Inherent Moisture (%)	Ash (%)	Volatile Matter (%)	Total Sulphur (%)	P (%)	CSN	CSR	Ro. Max	Max Fluidity	Source
Lochinvar Indicative Specification	3.0	5.0	34.0	1.2 - 1.4	0.007	7.0	50¹	0.84	100-11,000	
US Hampton Roads High Vol A CC	2.0	<9	31 – 34	<1.2	NA	8 – 9	>50	1.0 – 1.1	27,000-30,000	Argus 2014
US Hampton Roads High Vol B CC	2.0	<9	34 – 37	0.9 – 1.3	NA	7 – 9	45 – 54	0.85 – 1.0	20,000-27,000	Argus 2014
Queensland High Vol CC ²	2.0	6.5 – 6.8	33.0 – 34.5	0.6 – 0.7	0.03	8.5 – 9.0	60	NA	6,500-7,500	ACARP 2010
Queensland Semi Hard CC ³	1.5 – 2.0	8.0	24.0 – 27.5	0.4 - 0.5	0.05 - 0.06	6 – 7	35 - 50	NA	300 - 600	ACARP 2010

Value in Use

- Lochinvar indicative coal quality vs competing coals:
 - Very Low Ash & Phosphorous
 - Comparable VM, CSN, CSR (Predicted) & Fixed Carbon
 - Fluidity has wide range in results as effected by lab media
 - High S but within UK / Europe blend limits. Potential to reduce to 1.2% based on coal processing modelling

Pricing

- Lochinvar expected to be priced at 87% of HCC Benchmark
 - Competes with US High Vol CC's imported into UK/Europe
 - Lochinvar price assumed in-between US Hampton Roads HV A CC and HV B FOB prices
 - Freight benefit based on difference between US and Lochinvar coals delivered into UK / Europe

Realised Price



1. Predicted CSR
 2. Based on Gregory and Kestral Projects
 3. Based on Blackwater and Poitrel Projects

Market for Lochinvar Coal

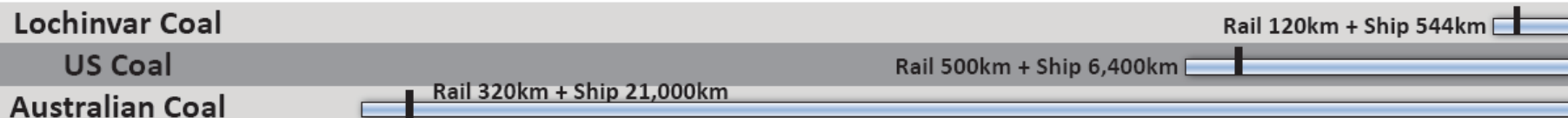
Unique Market Benefits

- Lochinvar average annual production of 1.4Mtpa <5% total UK/Europe coking coal imports
 - UK (2013) imported 6.2Mt¹ of coking coal** for 11.9Mt of steel
 - Europe (2013) imported 21.6Mt¹ of coking coal** for 85.9Mt of steel
- Lochinvar coal enjoys a clear distance and freight cost advantage over competing imported coal
- Regular deliveries from local supplier reducing customer inventory
- The only indigenous supply to the UK steel mills
- Opportunity to become a project of national importance



Benefits of Location

TRAVEL DISTANCE TO ROTTERDAM



1. Source: IES Statistics – Coal Information 2014

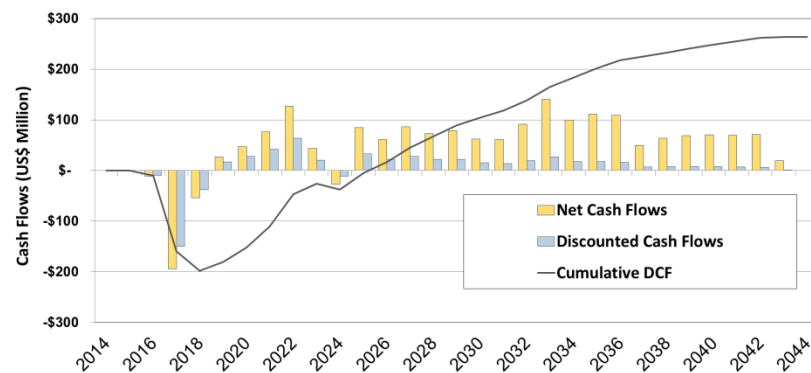
Project Economics

Lochinvar delivers excellent returns on investment in a low risk country with lowest quartile operating costs and a low construction cost

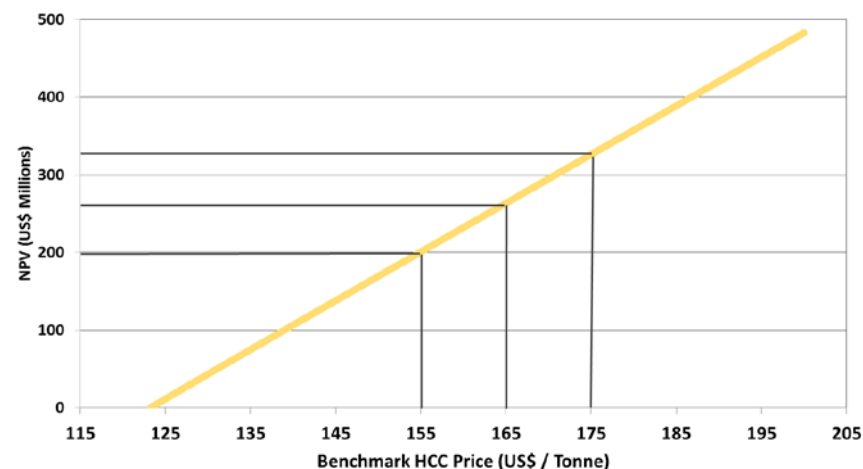
Valuation Summary

Production	Life-of-Mine (LOM) ROM	Mt	47
	LOM Saleable Coal	Mt	34
	Life of Mine	Years	26
	Annual Ave. ROM	Mt	1.9
	Annual Ave. Saleable Coal	Mt	1.4
	Revenue¹	Benchmark HCC Price	US\$/t
	Ave. Realised Price	US\$/t	143
	Average Discount to HCC	%	13.3
Operating Costs	Unit Operating Cost	US\$/t	70
Capital Costs	Construction Capital	US\$ M	284
	LOM Capital	US\$ M	593
Cash	Annual Cash	US\$ M pa	75
	Operating Margin	US\$/t	73
Valuation^{2,3}	NPV (@9%)	US\$ M	263
	IRR	%	20
	Payback (undiscounted)	Years	4.9

LOM Cash Costs (US\$ Millions)



NPV₉ Price Sensitivity



1. Revenue price based on NAE assumptions
2. Real after tax, unleveraged 1 Jan 2015 basis
3. Valuation assumes 38% Indicated, 56% Inferred and 6% Exploration Target of LOM ROM
Payback period fully based on Indicated Resources

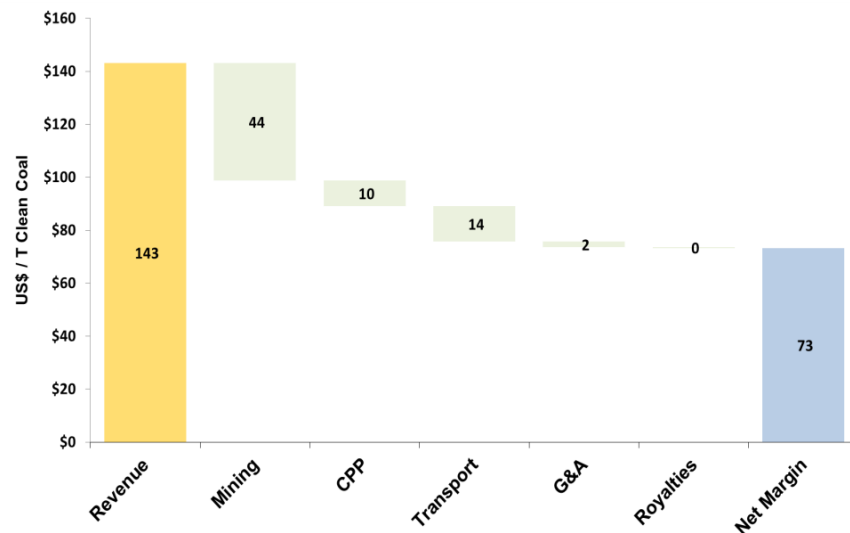
Operating Costs

Operating Costs - Low Cost / High Margin

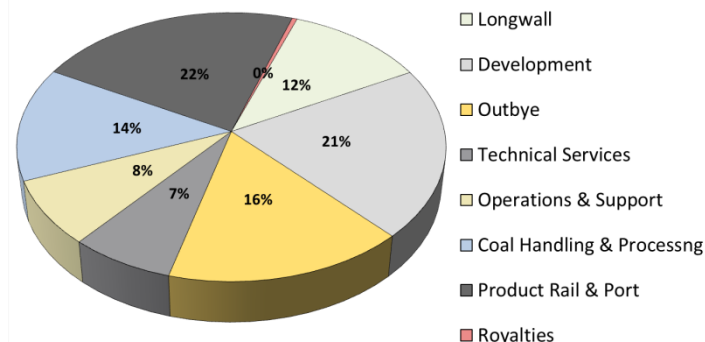
Cost Area	US\$/t ROM	US\$/t Clean Coal
Development	5.8	8.1
Longwall	10.2	14.4
Outbye	8.1	11.4
Technical Support	3.5	4.9
Operations Support	3.9	5.5
ROM Cash Costs	31.6	44.4
Coal Handling & Processing	6.8	9.6
FOR Cash Cost	38.4	54.0
Transport & Handling	9.4	13.3
Corporate & Marketing	1.6	2.3
Royalties	0.2	0.3
FOB Cash Costs	49.7	69.8

- Low cost structure as a result of:
 - Low labour costs
 - Low royalties
 - Low transport cost to all target markets
- Includes leasing cost for mobile equipment (US\$3.90/t clean coal)
- High margin of US\$73/t clean coal

US\$/Tonne Clean Coal



Operating Costs – by Area



Capital Costs

Capital Costs – Low development capital

Category	Capital Estimate (US\$ M)
Drift and Shafts	50.7
Development Units	41.2
Underground Infrastructure	37.6
Capitalised Development	14.9
Total Underground Development	144.4
Surface Facilities	43.2
Coal Handling and Preparation	23.5
Rail Spur	18.8
Total Surface Development	85.5
Owner Cost and Land Acquisition	22.7
Contingency (@13%)	31.5
Total Construction Capital	284.0

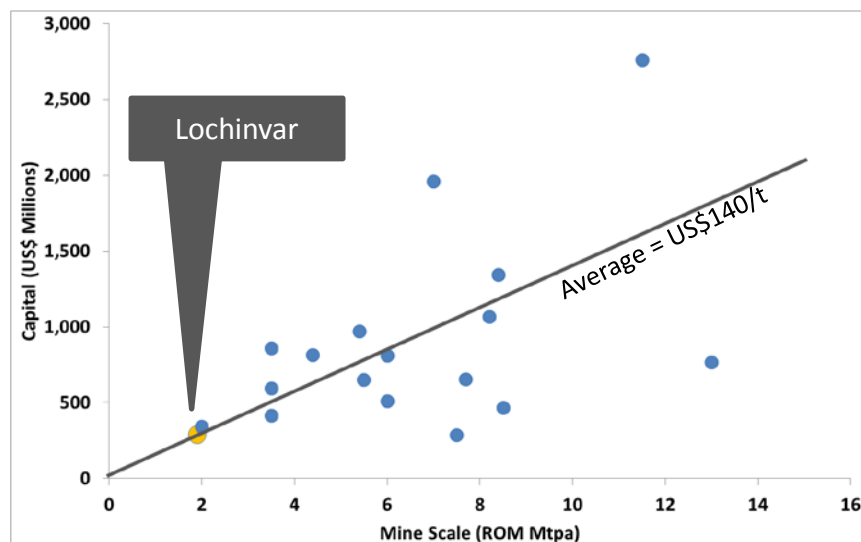
Assumptions

- Estimate in source currency (GBP, USD, EUR & AUD)
- Excludes pre-construction costs
- Excludes leased mobile equipment (US\$31.5M)
- Replacement / sustaining capex included in cashflow

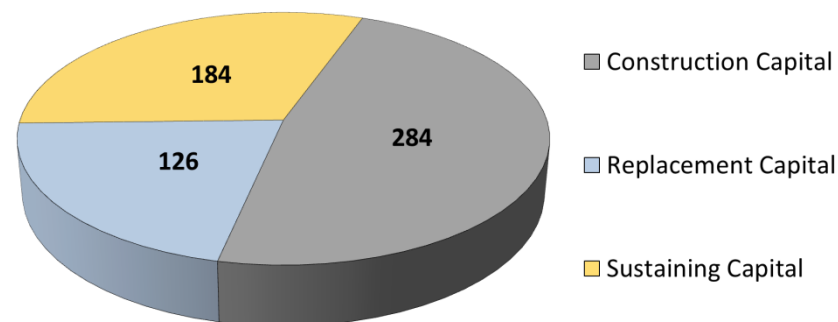
Benefits

- Low labour costs, readily available supplies, services, skills and other infrastructure during construction

Capital Intensity – Recent peer coal projects¹



LOM Capital Costs (US\$ M)



1. Source: Company websites

Indicative Schedule

	2015				2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Exploration Access and Approvals	■															
Seismic Survey		■			■											
Exploration Drilling and Coal Analysis		■														
Environmental Impact Assessment	■															
Pre-Feasibility Study		■														
Definitive Feasibility Study					■											
Planning Approvals and Financing							■									
Construction									■							
Coal Production													■			

Summary

Low Cost

- Bottom of cost curve
- Low UK royalties, labour costs and taxes
- Short rail distance to UK customers and export ports

Adjacent to Infrastructure

- 7km to existing rail network
- Available rail and port capacity – take or pay contracts not required

Large Local Market

- 26.8Mt of imported coking coal into UK and Europe in 2013
- Lochinvar targeting only 5% of this market
- Working capital benefits to customers

Robust Economics

- NPV₉ of US\$263M & 20% IRR at US\$165/t HCC benchmark price
- Investment in a low risk country
- High operating margin of US\$73/t

Coking Coal Price Upside

- Offers investors a low cost option to upside in coking coal price recovery, now at a cyclical lows
- Limited exposure to potential increases in sea freight rates

Board and Company Summary

ASX Code :	NAE
Share Price :	A\$0.015 (23 October 2014)
Ordinary Shares :	313.3m
Market Cap. :	A\$4.7m
Options :	22.9m (exercise price mostly ≥ A\$0.10)
Cash :	A\$2.4m (30 June 2014)
Shareholders :	Resource Capital Funds 31% Chee Siew Yaw 11% Geared Investments 4%
Projects :	Lochinvar Coking Coal (UK) Redmoor Tin Tungsten (UK) Terranova Coking Coal (Colombia)



Gary Fietz - Managing Director

Geologist with 25+ years experience in exploration, business development and project evaluation. Previously VP Iron Ore Business Development with BHP Billiton.



Alan Broome AM - Chairman

Metallurgist with 40+ years in mining with major and junior companies. In depth experience in coal mining, processing, services and technology in Australia and internationally.



Gavan Rice – Non Exec Director

Practising barrister of the Supreme Court of Victoria for the past 25 years with considerable previous experience as a director of ASX listed companies.



Mike Amundsen – Non Exec Director

Corporate advisor with 30+ years experience in resources with BHP Billiton (business development, coal marketing, finance) and as Managing Director of FerrAus Ltd.



Jon Reynolds – Bus. Dev. Manager

Geologist and business development professional with 25+ years industry experience including mining, mergers and acquisitions and consulting.

Disclaimer

Competent Persons Statement - Lochinvar

Resources: *The Resources estimate is based on information compiled by Dr John Bamberry, who is a Member of the Australasian Institute of Geoscientists (Member No. 4090). Dr Bamberry is General Manager of Geological Services of Palaris. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking 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. Dr Bamberry has over 25 years' experience in exploration and mining of coal deposits.*

Exploration Target: *The potential quantity and quality of the exploration targets identified in this presentation are conceptual in nature, and there has been insufficient exploration to date to define a mineral resource in accordance with the Australian Code for Reporting of Mineral Resources and Ore Reserves published by the Joint Ore Reserve Committee ("JORC Code"). Furthermore, it is uncertain if further exploration at its exploration targets will result in the determination of a mineral resource.*

Cautionary Notes:

There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of Indicated Resources or that the production target itself will be realised.

The potential quantity and grade of an exploration target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources or that the production target itself will be realised.

Scoping Study Results *The information in this ASX Announcement relating to the Scoping Study Results of the Company's Lochinvar Coal Project is extracted from the ASX Release entitled "SCOPING STUDY CONFIRMS ROBUST ECONOMICS, LOW COSTS AND LONG LIFE FOR LOCHINVAR COKING COAL PROJECT" announced on 27 October 2014 and is available to view on the ASX website (ASX:NAE), and the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, that all material assumptions and technical parameters underpinning the Scoping Study results in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

Mineral Resource *The information in this ASX Announcement relating to the Mineral Resource estimate on the Company's Lochinvar Coal Project is extracted from the ASX Release entitled "LOCHINVAR RESOURCE UPGRADE AND PRODUCT QUALITY" announced on 29 August 2014 and is available to view on the ASX website (ASX:NAE), and the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, that all material assumptions and technical parameters underpinning the resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

Forward Looking Statements

This report contains "forward-looking 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.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Annual Report.

This list is not exhaustive of the factors that may affect our forward-looking information. The Company disclaims any intent or obligations to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

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Lochinvar Coking Coal Project

“A New Age of coking coal for the UK”



New Age Exploration Limited

Telephone: + 61 3 9620 9931

Email: Info@nae.net.au

Web: www.nae.net.au