NEW AGE Exploration Limited

ACN 004 749 508

HALF YEAR CONSOLIDATED FINANCIAL REPORT

31 DECEMBER 2014

CONTENTS

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Your Directors present their report, together with the consolidated financial statements and the independent auditor's review report thereon, for the half year ended 31 December 2014.

Directors

The names of the Directors of New Age Exploration Limited in office at any time during or since the end of the period are as follows:

Mr A Broome, AM (Non-Executive Chairman)

Mr G Fietz (Managing Director)

Mr G L Rice (Non-Executive Director)

Mr M Amundsen (Non-Executive Director)

Principal activities

During the financial half-year, the principal continuing activities of the Group 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 $803,729 (31 December 2013: $1,028,702). The detailed Review of Operations follows this Directors' Report.

Subsequent events

Under its agreement to expand the Terranova coking coal mine on Concession 887T with the mine owners and operators, NAE and its joint venture partner, Aurora Energy, had a unilateral right of termination for convenience at no cost which was exercised on 12 January 2015.

No other matter or circumstance has arisen since 31 December 2014 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.

Lead Auditor's Independence Declaration

A copy of the auditor's independence declaration in relation to the review for the half-year ended 31 December 2014 is included on page 9.

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

Gary Fietz

Managing Director

Melbourne

12 March 2015

OVERVIEW

The significant milestones achieved by New Age Exploration Limited ('NAE' or 'the Company') during this period include:

- Completion of Phase 1b extended drilling program on 2 July 2014
- Completion of the Lochinvar Indicated and Inferred Resource Upgrade
  - A total resource of 111 Mt comprising 49 Mt Indicated Resource and 62 Mt Inferred Resource was defined following completion of Phase 1b drilling in July 2014
  - In addition to the resource, an Exploration Target of 31 - 64 Mt was identified
- Completion of the Lochinvar Scoping Study in October 2014 confirming attractive economics for 26-year-life underground longwall mine with 1.4 Mt average annual saleable coal production
- Investor roadshows highlighting Lochinvar Scoping Study results
- Development of Lochinvar Pre-Construction Exploration Program
- Implementing a number of cost reduction initiatives including:
  - Modifying UK presence to support anticipated on-the-ground activities
  - Reducing Melbourne corporate overheads
  - Ceasing all Colombian activities

LOCHINVAR COKING COAL PROJECT, UK (100% NAE)

The Lochinvar Coking Coal Project is located on the Scottish / English border and has been the Company's principal focus since grant of the initial exploration licence and conditional underground mining licence in June 2012.

The Lochinvar licence covers the Canonbie Coalfield, an undeveloped coking coal resource located adjacent to the West Coast Main Line rail connecting with UK steelmakers, coke makers and export ports.

Completion of Phase 1b Drilling Program[1]

The Lochinvar Phase 1b drilling program was completed in 2014. Based on the success of the initial 4-hole program, a decision was then made to extend the program to include an additional 2 holes (LCL-032 and LCL-037) which were completed on 2 July 2014.

All six of the Phase 1b boreholes intersected the target Nine Foot Seam. The Six Foot Seam was only intersected in two of the boreholes (LCL-033 and LCL-037). The Six Foot Seam is well developed in the northern part of the resource but absent or thinner within the central part of the resource.

Indicated and Inferred Resource [2]

Following the completion of the extended Phase 1b drilling program (6 holes), a revised structural interpretation and updated Resource Estimate were completed. In August 2014, a 49 Mt maiden Indicated Resource and 62 Mt Inferred Resource was defined for the Nine Foot and Six Foot Seams.

The Nine Foot Seam has an average seam thickness of 2.2m in the Indicated and Inferred Resource areas.

An additional Exploration Target of 31 – 64 Mt(1) was identified in areas where there is insufficient information to define a resource.

The Indicated Resource, Inferred Resource and the Exploration Target have been reported in accordance with the JORC Code (2012) and have been independently estimated by Palaris Australia Pty Ltd ("Palaris"), an internationally recognised mining consultancy specialising in coal exploration and mining.

Scoping Study[3]

The Lochinvar Scoping Study was completed in October 2014 and a detailed announcement of the Scoping Study results was made on 27th October 2014.

The Lochinvar Scoping Study confirms the potential for a long life underground mining operation producing a low ash, high volatile coking coal to supply domestic UK and European steel mills, with operating costs in the lowest quartile of the global seaborne coking coal cost curve. Lochinvar benefits from immediate access to existing rail and port infrastructure and locally available utilities required to develop the project.

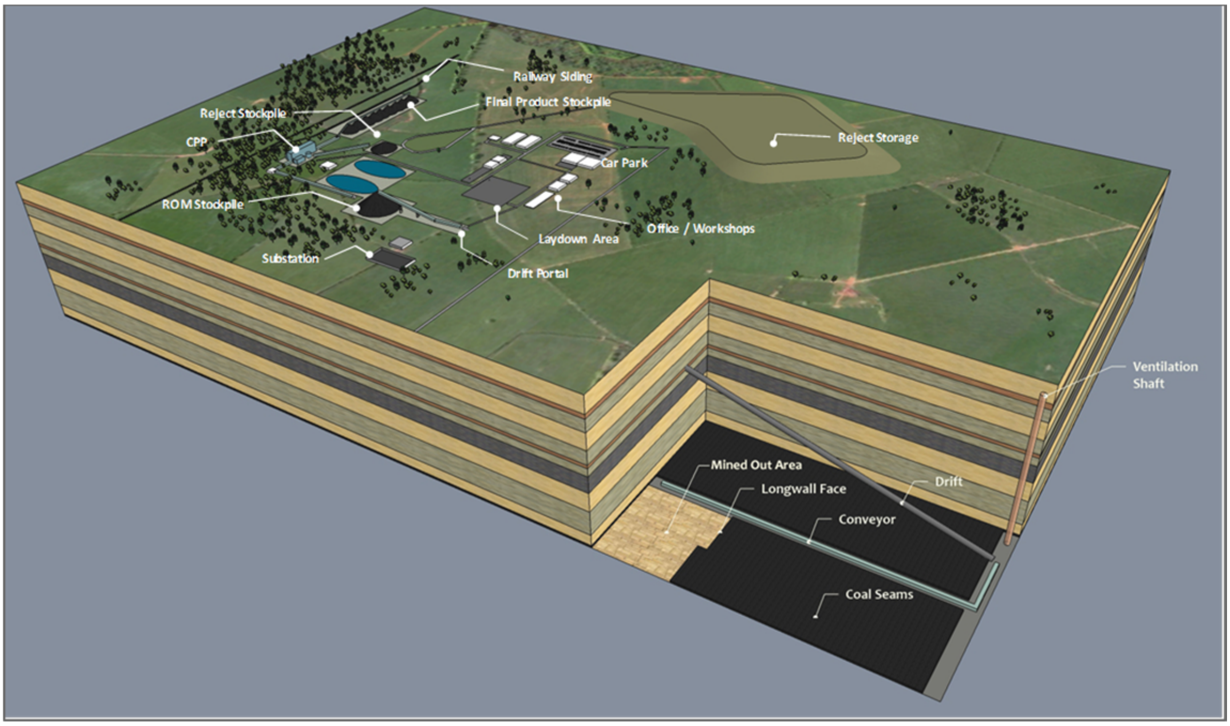
Key highlights of the Scoping Study include:

- Robust economics:
  - NPV_9 of US$263M (real, after tax, unleveraged)
  - IRR of 20%
  - Payback Period of 4.9 years (undiscounted)
  - Based on a realised long term coking coal sales price of US$143/t (87% of US$165/t HCC Benchmark price)
- 1.4 Mt average annual saleable coal production over a 26-year mine life from an underground longwall mine
- Low average annual operating costs of US$70 per tonne product resulting from short rail transport distances, low labour costs, royalties and taxes
- Existing rail infrastructure connecting to domestic UK customers and to ports for export to nearby European customers
- Strong operating cash flows averaging US$75M per annum
- US$284M capital cost (including 13% contingency)
- Recommendation to proceed with project exploration and development subject to funding

Project Overview

The Scoping Study determined the following as the base case:

- An underground mine connected by a drift (decline) to the surface where coal will be processed and loaded into rail wagons has been selected as development case for the Study
- Underground coal to be mined using a 200m wide longwall with development roadways constructed by 3 continuous miners
- An average of 1.9 Mt per annum (Mtpa) of run-of-mine (ROM) coal will be conveyed from underground to the surface through the drift where it will be stockpiled in the ROM stockpile
- The ROM coal stockpile will be reclaimed via front end loader and fed into an adjacent coal processing plant (CPP) which will produce an average of 1.4 Mtpa of clean saleable coal. From the CPP, the clean coal will be conveyed to nearby final product stockpiles located alongside a rail siding
- The short rail siding will connect to the West Coast Main Line (WCML). Coal will be loaded from final product stockpiles into rail wagons by front end loader for direct delivery to UK steel mills or exported to European mills via Hunterston or Blyth ports
- Reject from the CPP will be trucked to a nearby reject storage area that will be contoured into the surrounding landscape. Excess process and mine water will be treated on site and piped to the Solway Firth for discharge
- Ventilation will be a single vertical shaft, with the drift completing the ventilation circuit. The ventilation shaft will also be utilised as the second means of egress for emergency evacuation.



Product Quality

An indicative target specification for Lochinvar coking coal has been determined by QCC Resources based on drilling and washability test results. Table 1 shows the Lochinvar indicative product quality specification.

Lochinvar is expected to produce a high volatile coking coal product with very low ash content for sale to UK and European steel mills.

Table 1: Lochinvar Indicative Product Quality

	Lochinvar Target Specification
Inherent Moisture (%)	3.0
Ash (%)	5.0
Volatile Matter (%)	34.0
Fixed Carbon (%)	59.2
Total Sulphur (%)	1.2 - 1.4
Phosphorus (%)	0.007
CSN	7.0
Gray – King Coke Type	G6
CSR (Predicted)	50
Gross Calorific Value (Kcal/kg)	7,775
Vitrinite Content (%)	70
Vitrinite Reflectance R_oMax (%)	0.84
Max Fluidity (ddpm)	100 - 11,000

Project Economics

Economic evaluation of the project has been undertaken by Palaris with involvement of NAE. The results of the economic evaluation are summarised in Table 2.

The project has an NPV_9 of US$263M with and IRR of 20% and a payback of 4.9 years.

These results demonstrate the potential for Lochinvar to deliver excellent returns on investment with lowest quartile operating costs and a low capital cost structure.

Table 2: Summary Economic Results – Lochinvar Scoping Study

Parameter		Unit	Result
Production	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
Revenue	Benchmark HCC Price	US$/t	165
	Ave. Realised Price	US$/t	143
	Average Discount	%	13.3
Operating Costs	Unit Operating Cost	US$/t	70
Capital Costs	Construction Capital	US$ M	284
	Life of Mine Capital	US$ M	593
Cash	Annual Cash	US$ M pa	75
	Operating Margin	US$/t	73
Valuation	**NPV (@9%)**	**US$ M**	**263**
	IRR	**%**	**20**
	Payback (undiscounted)	**Years**	**4.9**

Note: Valuations based on real after tax, unleveraged, 1 Jan 2015 basis

Project Risks

Key project risks have been recognised as part of the Scoping Study. These include:

- Geological structure and mine productivity
- Product market
- Coal quality and yield
- Planning, environment and community
- Funding
- Exchange rates
- Gas management
- Overlapping gas rights

Lochinvar Pre-construction Exploration Program

A plan for exploration required up until commencement of project construction was developed during late 2014. The key exploration activities planned are infill drilling and seismic surveys with other activities, installation of piezometers for groundwater testing, gas testing, geotechnical testing and a coking test.

The pre-construction program has been planned for implementation over a 2-year period; however, various options have been developed to enable exploration activities to be prioritised or deferred based on market conditions and available funding.

REDMOOR TIN AND TUNGSTEN PROJECT, CORNWALL UK (100% NAE)

NAE holds a 100% interest in the Redmoor Tin and Tungsten project in the historic mining district of Cornwall, United Kingdom under a 15-year exploration licence with modest annual payments.

An initial Inferred Resource of 9.1 Mt at 0.69% Sn (equivalent)[4] was defined in February 2013; however, there has been no material new activity during the period due to the focus on the Lochinvar Coking Coal Project.

COLOMBIA

Closure of Colombian Activities

Due to difficult market conditions, the joint venture agreement between Aurora Energy SA and the Company was allowed to lapse on 31 December 2014. NAE now has no ongoing activities or personnel in Colombia and no further costs are expected to be incurred in relation to Colombian activities.

NAE would like to acknowledge its JV partner, Aurora Energy, for its support in Colombia over the past 3 years.

Terranova Coking Coal Project

Post period end, on 12 January 2015, NAE and its joint venture partner, Aurora Energy, gave notice of termination of the agreement to expand the Terranova coking coal mine on Concession 887T. Under its agreement with the mine owners and operators, NAE and Aurora had a unilateral right of termination for convenience at no cost which was exercised on 12 January 2015.

CORPORATE

Investor Roadshows Highlighting Lochinvar Scoping Study Results

The Company has undertaken investor roadshows in Australia and the UK highlighting the results of the Lochinvar Scoping Study which have been generally well received.

The Company is progressing discussions on future funding.

Strategic Initiatives

The Company is implementing a number of cost reduction initiatives:

- Assessing the Lochinvar work program in line with available funding and modifying UK presence to support reduced on-the-ground activities
- Reducing Melbourne corporate overheads
- Ceasing all Colombian activities
- Pursuing additional project opportunities

***Endnotes** (Announcements released by NAE on the Company Announcements Platform – ASX)*

(1) NAE June 2014 Quarterly Report, 31 July 2014

(2) NAE Announcement, 29 August 2014 – Lochinvar Resource Upgrade and Product Quality

(3) NAE Announcement, 27 October 2014 – Lochinvar Scoping Study Confirms Robust Economics

(4) NAE Announcement, 27 February 2013 – Redmoor Tin Tungsten Project Maiden Inferred Resource

COMPETENT PERSONS STATEMENT

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.

Neither Dr Bamberry nor Palaris have a direct or indirect financial interest in, or association with New Age Exploration Ltd, the properties and tenements reviewed in this report, apart from standard contractual arrangements for the preparation of this report and other previous independent consulting work. In preparing this report, Palaris has been paid a fee for time expended based on standard hourly rates. The present and past arrangements for services rendered to New Age Exploration Ltd do not in any way compromise the independence of Palaris with respect to this review.

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.

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.

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DECLARATION OF INDEPENDENCE BY MICHAEL PORT
TO THE DIRECTORS OF NEW AGE EXPLORATION LIMITED

As lead auditor for the review of the financial report of New Age Exploration Limited for the half-year ended 31 December 2014, 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 review; and

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

M L Port
Partner

DFK Collins
Chartered Accountants

12 March 2015
Melbourne

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Note	Half year ended 31 Dec 2014 $	Half year ended 31 Dec 2013 $
Revenue – interest income		**18,619**	**52,442**
Expenses			
Corporate expenses		(102,358)	(142,984)
Occupancy expenses		(36,088)	(45,578)
Employee benefits expense		(562,526)	(591,448)
Share-based payments – employee benefits		(14,700)	(5,500)
Exploration and evaluation expenses and impairments		-	(2,057)
Administrative expenses		(87,305)	(154,462)
Write off of plant and equipment		-	(66,819)
Travel and accommodation		(19,371)	(72,296)
Loss before income tax expense		**(803,729)**	**(1,028,702)**
Income tax expense		-	-
Loss after income tax expense		**(803,729)**	**(1,028,702)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Movement in exchange differences on translating foreign operations		281,544	418,668
Income tax expense		-	-
Other comprehensive income		**281,544**	**418,668**
Total comprehensive loss for the period		**(522,185)**	**(610,034)**
Loss for the period attributable to:			
Non-controlling interests		(5,629)	(8,713)
Owners of New Age Exploration Limited		(798,100)	(1,019,989)
		(803,729)	(1,028,702)
Total comprehensive loss for the period attributable to:			
Non-controlling interests		(5,756)	(9,560)
Owners of New Age Exploration Limited		(516,429)	(600,474)
		(522,185)	(610,034)
Loss per share from continuing operations attributable to the owners of New Age Exploration Limited			
		Cents	**Cents**
Basic loss per share		(0.25)	(0.39)
Diluted loss per share		(0.25)	(0.39)

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

	Note	31 Dec 2014 $	30 June 2014 $
Current assets			
Cash and cash equivalents		875,715	2,416,554
Trade and other receivables		38,191	182,114
Prepayments		30,211	83,655
Total current assets		944,117	2,682,323
Non–current assets			
Property, plant and equipment		50,055	60,740
Exploration and evaluation assets	2	5,916,161	5,179,145
Total non-current assets		5,966,216	5,239,885
Total assets		6,910,333	7,922,208
Current liabilities			
Trade and other payables		135,351	653,468
Provisions		51,716	52,064
Deferred lease liability		7,408	10,418
Total current liabilities		194,475	715,950
Non-current liabilities			
Deferred lease liability		-	2,199
Total non-current liabilities		-	2,199
Total liabilities		194,475	718,149
Net assets		6,715,858	7,204,059
Equity			
Equity attributable to members of the parent:			
Contributed equity	3	23,187,966	23,168,682
Reserves	4	1,178,310	969,539
Accumulated losses		(17,651,507)	(16,946,018)
Total parent entity interest		6,714,769	7,192,203
Non-controlling interests		1,089	11,856
Total equity		6,715,858	7,204,059

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 2014

	Attributable to owners of New Age Exploration Limited			Non-Controlling Interests	Total
	Contributed Equity	Reserves	Accumulated Losses		
	$	$	$	$	$
At 1 July 2014	**23,168,682**	**969,539**	**(16,946,018)**	**11,856**	**7,204,059**
Loss for the period	-	-	(798,100)	(5,629)	(803,729)
Other comprehensive income	-	281,671	-	(127)	281,544
Total comprehensive loss for the period	-	281,671	(798,100)	(5,756)	(522,185)
Transactions with owners in their capacity as owners:					
Accrual reversal to share issue costs	19,284	-	-	-	19,284
Share based payments	-	14,700	-	-	14,700
Transfer of expired options	-	(87,600)	87,600	-	-
Non-controlling interest in exploration projects	-	-	5,011	(5,011)	-
As at 31 December 2014	**23,187,966**	**1,178,310**	**(17,651,507)**	**1,089**	**6,715,858**
At 1 July 2013	**21,082,695**	**848,541**	**(13,175,030)**	**192,866**	**8,949,072**
Loss for the period	-	-	(1,019,989)	(8,713)	(1,028,702)
Other comprehensive income	-	419,515	-	(847)	418,668
Total comprehensive loss for the period	-	419,515	(1,019,989)	(9,560)	(610,034)
Transactions with owners in their capacity as owners:					
Share issue costs	(3,992)	-	-	-	(3,992)
Share based payments	-	5,500	-	-	5,500
Transfer of expired options	-	(84,000)	84,000	-	-
Non-controlling interest in exploration projects	-	-	(29,190)	29,190	-
As at 31 December 2013	**21,078,703**	**1,189,556**	**(14,140,209)**	**212,496**	**8,340,546**

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 2014

	Half year ended 31 Dec 2014 $	Half year ended 31 Dec 2013 $
Cash flows from operating activities		
Payments to suppliers and employees	(733,883)	(1,142,505)
Interest received	21,944	54,529
Net cash flows used in operating activities	**(711,939)**	**(1,087,976)**
Cash flows from investing activities		
Payments for exploration and evaluation assets	(836,185)	(1,315,656)
Payments for property, plant and equipment	-	(7,635)
Net cash flows used in investing activities	**(836,185)**	**(1,323,291)**
Cash flows from financing activities		
Share issue costs	-	(4,389)
Net cash flows (used in) / provided by financing activities	**-**	**(4,389)**
Net (decrease) / increase in cash held	**(1,548,124)**	**(2,415,656)**
Cash and cash equivalents at beginning of period	2,416,554	4,967,880
Effects of exchange changes on balances held in foreign currencies	7,285	20,851
Cash and cash equivalents at the end of period	**875,715**	**2,573,075**

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and accounting policies

This general purpose financial report for the half year ended 31 December 2014 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 2014 and considered together with any public announcements made by New Age Exploration Limited during the half year ended 31 December 2014 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.

(a) Adoption of New and Revised Accounting Standards

The Group 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 2014. As a result of this review, the Directors have determined that the expected impact to the Group will be immaterial.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Going Concern

The Consolidated Group has incurred a net loss after tax of $803,729 for the half-year ended 31 December 2014 (31 December 2013: $1,028,702) and had cash outflows from operating and investing activities of $1,548,124 (31 December 2013: $2,411,267). As at the balance date, the Group had working capital, being current assets less current liabilities, of $749,642 (30 June 2014: $1,966,373). 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 31 December 2014, the consolidated entity had cash and cash equivalents of $875,715.
- The Company has prepared cash flow budgets which include minimal controlled 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 working capital funding, as has been demonstrated in the past.

On the basis that sufficient cash inflows are expected to be raised to fund the planned expenditure 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.

NOTE 2 EXPLORATION AND EVALUATION ASSETS

	31 Dec 2014	30 June 2014
	$	$
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	5,179,145	4,857,540
Additions	737,016	2,509,289
Impairment write downs	-	(2,187,684)
	5,916,161	5,179,145

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 2014 Number	30 June 2014 Number	31 Dec 2014 $	30 June 2014 $
Ordinary shares – fully paid	313,249,943	313,249,943	23,187,966	23,168,682

Movement in ordinary shares

	No of Shares	Issue Price	$
Balance 1 July 2013	258,287,443		21,082,695
Issue of shares	54,962,500	$0.040	2,198,500
Issue costs			(112,513)
Balance 30 June 2014	313,249,943		23,168,682
Accrual reversal to share issue costs			19,284
Balance 31 December 2014	313,249,943		23,187,966

NOTE 4 RESERVES

	31 Dec 2014 $	30 June 2014 $
Share-based payments reserve	377,050	449,950
Foreign exchange translation reserve	801,260	519,589
	1,178,310	969,539

NOTE 5 SEGMENT INFORMATION

The Group 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.

NOTE 6 FINANCIAL INSTRUMENTS

The Directors consider that the carrying values of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

NOTE 7 SUBSEQUENT EVENTS

Under its agreement to expand the Terranova coking coal mine on Concession 887T with the mine owners and operators, NAE and its joint venture partner, Aurora Energy, had a unilateral right of termination for convenience at no cost which was exercised on 12 January 2015.

No other matter or circumstance has arisen since 31 December 2014 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.

DIRECTORS' DECLARATION

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 2014 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:

Gary Fietz
Managing Director

Melbourne
12 March 2015

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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, which comprises the consolidated statement of financial position as at 31 December 2014, 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 consolidated entity 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 controls 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 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 the company, 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.

dfk collins
CHARTERED ACCOUNTANTS

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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 review 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 consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1(b) in the financial report, which indicates that the company will need to seek additional funding in the coming year in order to meet its planned 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.

DFK Collins

DFK Collins
Chartered Accountants

M L Port
Partner

12 March 2015
Melbourne