

Quarterly Report

To 30 June 2015

New Age Exploration Limited ("NAE" or "the Company") is pleased to provide shareholders the Company's Quarterly Report for the period ending 30 June 2015.

HIGHLIGHTS

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

- **Completion of a funding facility with Resource Capital Fund V L.P ("RCF"), to raise up to a total of US\$600,000 in funding for the Company. Under the funding facility, the Company can call for RCF to subscribe for ordinary NAE shares at an issue price of 1.5 cents per share for a period of 19 months. The Company may also elect to take part or all of the funding facility via an unsecured loan from RCF.**
- **Community, stakeholder, potential customer and investor meetings for the Lochinvar project held in the UK.**

ACTIVITIES REPORT

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 the 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.

The Lochinvar Scoping Study was completed in October 2014, and a detailed announcement of the Scoping Study results was made on 27th October 2014⁽¹⁾. 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.

During the quarter, a number of meetings were held in the UK with landowners, local community members, other stakeholders, potential customers and investors for the Lochinvar project.

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⁽²⁾ was defined in February 2013.

The Company continued to progress its strategic review of the Redmoor project during the quarter.

CORPORATE

Completion of US\$0.6M funding facility with RCF

On 18th May 2015, the Company entered into a funding facility agreement with its largest shareholder, Resource Capital Fund V L.P ("RCF") with a total funding facility limit of US\$600,000.

Under the funding facility, for a period of 19 months, the Company may, at its option, request that RCF subscribe for the placement of NAE shares at a fixed subscription price of 1.5 cents per share. The number of shares subscribed for under the funding agreement will be issued pursuant to Chapter 7 of ASX Listing Rules and be within the 3% creep exception set out in Item 9 of the table in Section 611 of the Corporations Act 2001 (of acquisitions that are exempt from the prohibitions in Section 606 of the Corporations Act 2001).

On 5th June 2015, the first 14,427,494 shares were issued to RCF under the funding facility at a price of 1.5 cents per share raising A\$216,412. The placement resulted in an increase in RCF's ownership of NAE from 31.887% to 34.886%.

For a period of 12 months from 18th May 2015, the Company may also, at its option, request that RCF provide part or all of the available funding facility balance as an unsecured loan. If NAE elects to draw part or all of the funding facility as an unsecured loan, the loan will have an 8% interest rate and a 1 year term. Any principal repayments may be repaid either in cash or from the proceeds of a later equity subscription by RCF under the funding agreement, at the Company's option. Any interest repayments may be repaid either in cash or shares at the lesser of 1.5 cents per share subscription price or the 20-day VWAP, at the Company's option.

The proceeds from the funding agreement, together with existing cash reserves, will be applied to corporate and working capital costs associated with maintaining NAE's Lochinvar project.

Cost Reduction Initiatives

The cost reduction initiatives implemented last quarter and the previous year continue to remain in place.

Change of Auditor

On 29th May 2015, the Company announced a change of its auditor from DFK Collins to DFK Kidsons. The Directors have decided the change appropriate since the previous engagement Partner for NAE audits departed from the DFK Collins partnership and commenced a new practice as DFK Kidsons. This change allows the Company to retain an audit team with knowledge and experience relevant to NAE audits. The Australian Securities and Investments Commission (ASIC) consented to the resignation of DFK Collins.

Other Activities

The Company continues to pursue additional project opportunities.

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

⁽¹⁾ NAE Announcement, 27 October 2014 – Lochinvar Scoping Study Confirms Robust Economics

⁽²⁾ NAE Announcement, 27 February 2013 – Redmoor Tin Tungsten Project Maiden Inferred Resource

NEW AGE EXPLORATION PROFILE

New Age Exploration Limited is an Australian company focused on coking coal exploration and development. Its flagship project is the 100% owned Lochinvar Coking Coal Project in the UK which is ideally located to supply domestic UK and European steel mills with immediate access to existing rail and port infrastructure.

In October 2014, NAE released the results of its Scoping Study for the Coking Coal Lochinvar Project which demonstrated attractive economics based on forecast long term coking coal prices. The Lochinvar Scoping Study was based upon a 1.4 Mt annual saleable coking coal production over a 26 year mine life from an underground longwall mine with costs at the lower end of the global seaborne coking coal cost curve.

NAE also owns 100% of the Redmoor Tin-Tungsten project in Cornwall, UK.

FOR MORE INFORMATION

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COMPETENT PERSON'S STATEMENT

Lochinvar Resource 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. Dr John Bamberry consents to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

Lochinvar 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.

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

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.

APPENDIX 5B

MINING EXPLORATION ENTITY AND OIL AND GAS EXPLORATION ENTITY
 QUARTERLY REPORT

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

New Age Exploration Ltd

ABN

65 004 749 508

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flow

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(29)	(878)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3	28
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(263)	(2,105)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	8	8
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	8	8
1.13 Total operating and investing cash flows (carried forward)	(255)	(2,097)

+ See chapter 19 for defined terms

1.13	Total operating and investing cash flows (brought forward)	(255)	(2,097)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	216	216
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		(28)
	Net financing cash flows	216	188
	Net increase (decrease) in cash held	(39)	(1,909)
1.20	Cash at beginning of quarter/year to date	555	2,416
1.21	Exchange rate adjustments to item 1.20	8	17
1.22	Cash at end of quarter	524	524

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	76
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Fees paid to Directors or their related entities

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	583*	
3.2 Credit standby arrangements	130	20

* This represents the USD 426,588, at current exchange rate, remaining facility available under the Company's funding agreement with its largest shareholder, Resource Capital Fund V L.P ("RCF").

Please refer to "Completion of US\$0.6M funding facility with RCF" in the Activities Report for more information.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	44
4.2 Development	
4.3 Production	
4.4 Administration	215
Total	259

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	107	99
5.2 Deposits at call	417	456
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	524	555

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference *securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	327,677,437	327,677,437		-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	14,427,494	14,427,494		
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price (cents)</i>	<i>Expiry date</i>
	500,000	-	10	31/08/2015
	2,000,000	-	12	01/07/2015
	550,000	-	4.47	27/05/2016
	18,000,000	-	10	27/05/2016
	1,050,000	-	4.5	26/06/2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms

COMPLIANCE STATEMENT

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~/does not* (delete one)~~ give a true and fair view of the matters disclosed.

Sign Here:

Date: 30 July 2015



(Managing Director)

Print name: Gary Fietz

NOTES

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

In accordance with ASX Listing Rule 5.3.3, New Age Exploration Limited provides its list of exploration licences with its June 2015 quarterly activities report.

Licence No.	Project	Country	Area (km ²)	Licence Type	NAE Group % Interest
CA11/EXP/0515/N	Lochinvar	United Kingdom	67.5	Exploration Licence	100%
CA11/UND/0515/N	Lochinvar	United Kingdom	67.5	Underground Conditional Licence	100%
CA11/EXP/0545/N	Lochinvar South	United Kingdom	51.0	Exploration Licence	100%
CA11/UND/0182/N	Lochinvar South	United Kingdom	51.0	Underground Conditional Licence	100%
CL132803 ^(a)	Redmoor	United Kingdom	23.0	Mineral Rights	100%

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