



N4E

# Redmoor Inferred Mineral Resource

December 2015



# Summary

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## Redmoor Tungsten Tin Project

- Highly prospective exploration licence for high grade tungsten, tin and copper
- Review of historical mining, drilling and geological data recently completed resulting in a number of high grade lodes identified
- Total Inferred Resource 13.3Mt @ 0.37%WO<sub>3</sub>eq
- Including High Grade Inferred Resource 2.3Mt @ 0.80% WO<sub>3</sub>eq
- Significant additional high grade Exploration Target identified
- High grade mining options study underway
- Exploration program planned to investigate the targets and improve confidence in the resource

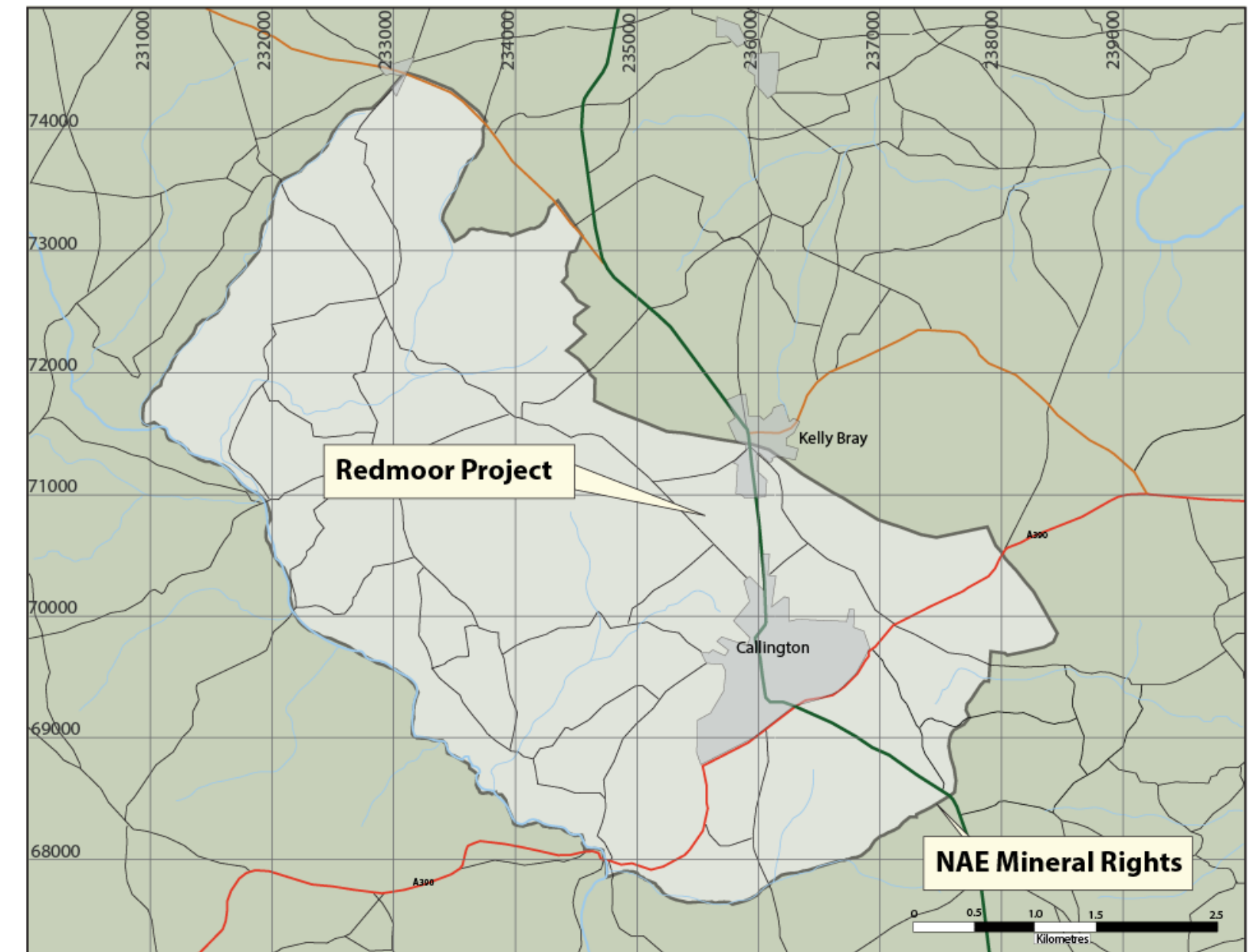
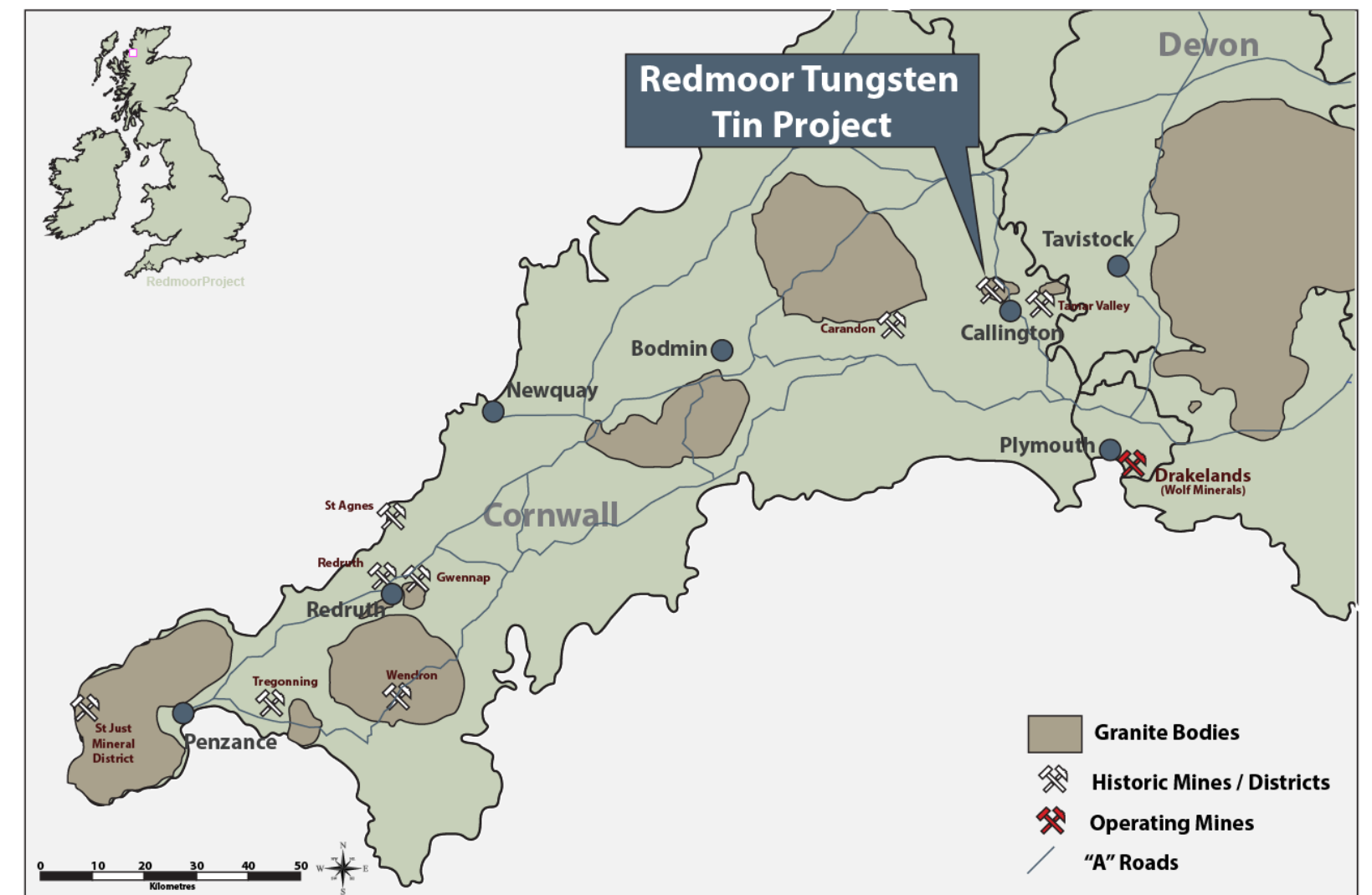
## Lochinvar Coking Coal Project

- Scoping study completed with robust economics at forecast coking coal prices
- Activities curtailed due to low commodity price for coking coal, but well placed for market upturn

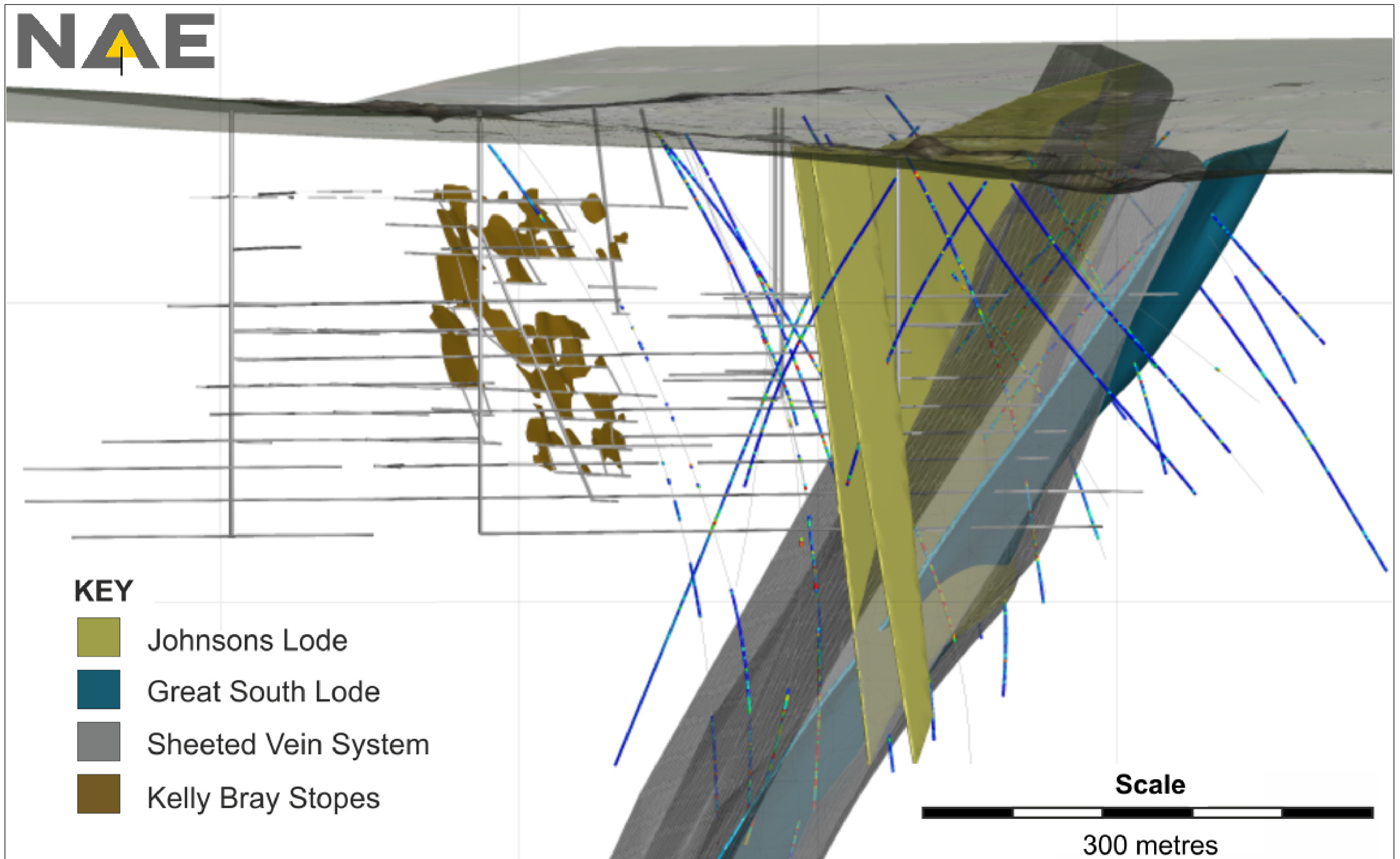


# Redmoor Location and Ownership

- Redmoor Project located in the world class Cornwall tin–tungsten–copper mineralised district
- 100% owned Redmoor Exploration Licence acquired by NAE in 2012
- Licence covers a large area (23km<sup>2</sup>) that contained a number of tin-tungsten-copper mines
- Licence valid for 15 years with a further option for a 25 year Mining Lease
- Region is ‘mining friendly’ with Imerys and Wolf Minerals currently operating open pit mines (China Clay and Tungsten)
- Excellent local infrastructure including roads and port
- 40km by road from the recently commissioned Drakelands Tungsten mine and processing plant owned by Wolf Minerals



# Redmoor Project – 3D View Looking East





# 2015 Mineral Resource Update

- Review of historical drilling (35 holes), mining and geological data recently completed resulting in a number of high grade lodes being identified
- Updated Inferred Mineral Resource Statement and Exploration Target for the Redmoor Project completed by SRK UK in December 2015

## Redmoor 2015 Inferred Mineral Resource Estimate <sup>1</sup>

Description	Tonnage (Mt)	WO <sub>3</sub> %	Sn %	Cu %	WO <sub>3</sub> Eq %	SnEq %
Johnson's Lode	0.8	0.36	0.55	0.78	0.91	1.37
Great South Lode	1.5	0.33	0.50	0.32	0.74	1.10
<b>Sub Total – High Grade</b>	<b>2.3</b>	<b>0.34</b>	<b>0.52</b>	<b>0.48</b>	<b>0.80</b>	<b>1.19</b>
Sheeted Vein System	11.0	0.12	0.14	0.28	0.28	0.42
<b>TOTAL</b>	<b>13.3</b>	<b>0.16</b>	<b>0.21</b>	<b>0.32</b>	<b>0.37</b>	<b>0.56</b>

- SVS resource based on 0.35% SnEq cut-off grade. No cut-offs applied to high grade lodes as these are consistently above the calculated cut-off grade
- The SVS system resource is sensitive to changes in cut-off grade. If it were possible to reduce the cut-off grade even slightly this would significantly increase the resource tonnage

<sup>1</sup> Equivalent metal calculation notes;  $WO_3(Eq)\% = WO_3\% * 1 + Sn\% * 0.67 + Cu\% * 0.24$ ,  $Sn(Eq)\% = Sn\% * 1 + WO_3\% * 1.50 + Cu\% * 0.36$ . Commodity price assumptions:  $WO_3$  US\$ 37,000/t, Sn US\$ 23,500/t, Cu US\$ 6,700/t. Recovery assumptions: total  $WO_3$  recovery 72%, total Sn recovery 68% & total Cu recovery 85% and payability assumptions of 79%, 87% and 87% respectively

# 2015 Exploration Target

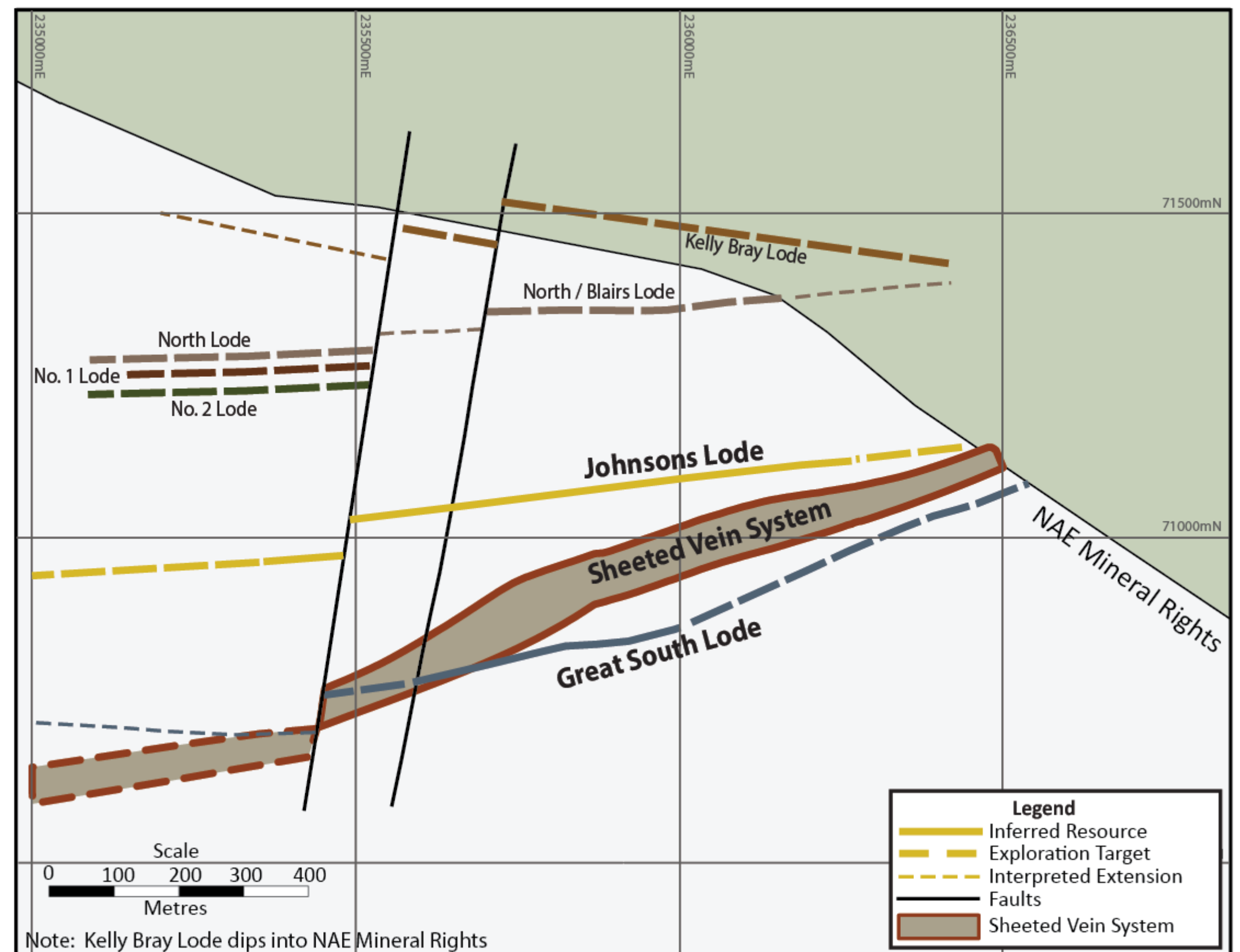
The high grade Exploration Target is 2 to 3 times the size of the High Grade Resource at a similar expected grade highlighting the exciting exploration potential

## High Grade Exploration Target

- **4Mt to 6Mt** with an estimated grade of between 0.6% WO<sub>3</sub>Eq (0.9% SnEq) and 1.0% WO<sub>3</sub>Eq (1.5% SnEq)
- Includes:
  - Johnsons Lode extensions to resource
  - Great South Lode extensions to resource
  - Kelly Bray Lode
  - No. 1 Lode, No. 2 Lode, North Lode and Blair's / New Tin Lode

## SVS Exploration Target

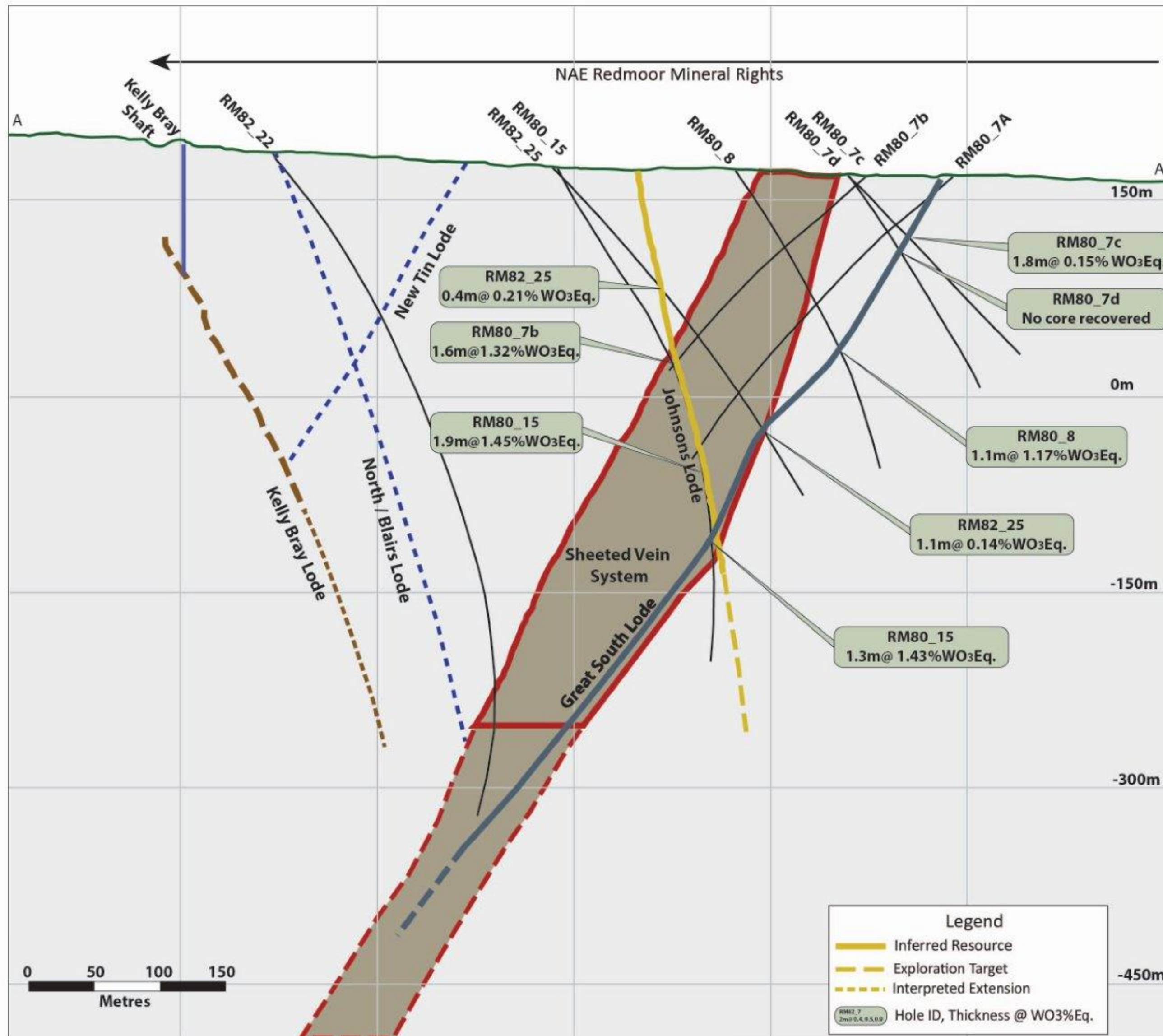
- 3Mt to 4Mt with an estimated grade of between 0.2% WO<sub>3</sub>Eq (0.3% SnEq) and 0.4% WO<sub>3</sub>Eq (0.6% SnEq)
- Based on 450m strike extension to the west of the resource



It should be noted that these estimates are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource



# Schematic Cross Section





# Johnsons Lode

## Historic Mining

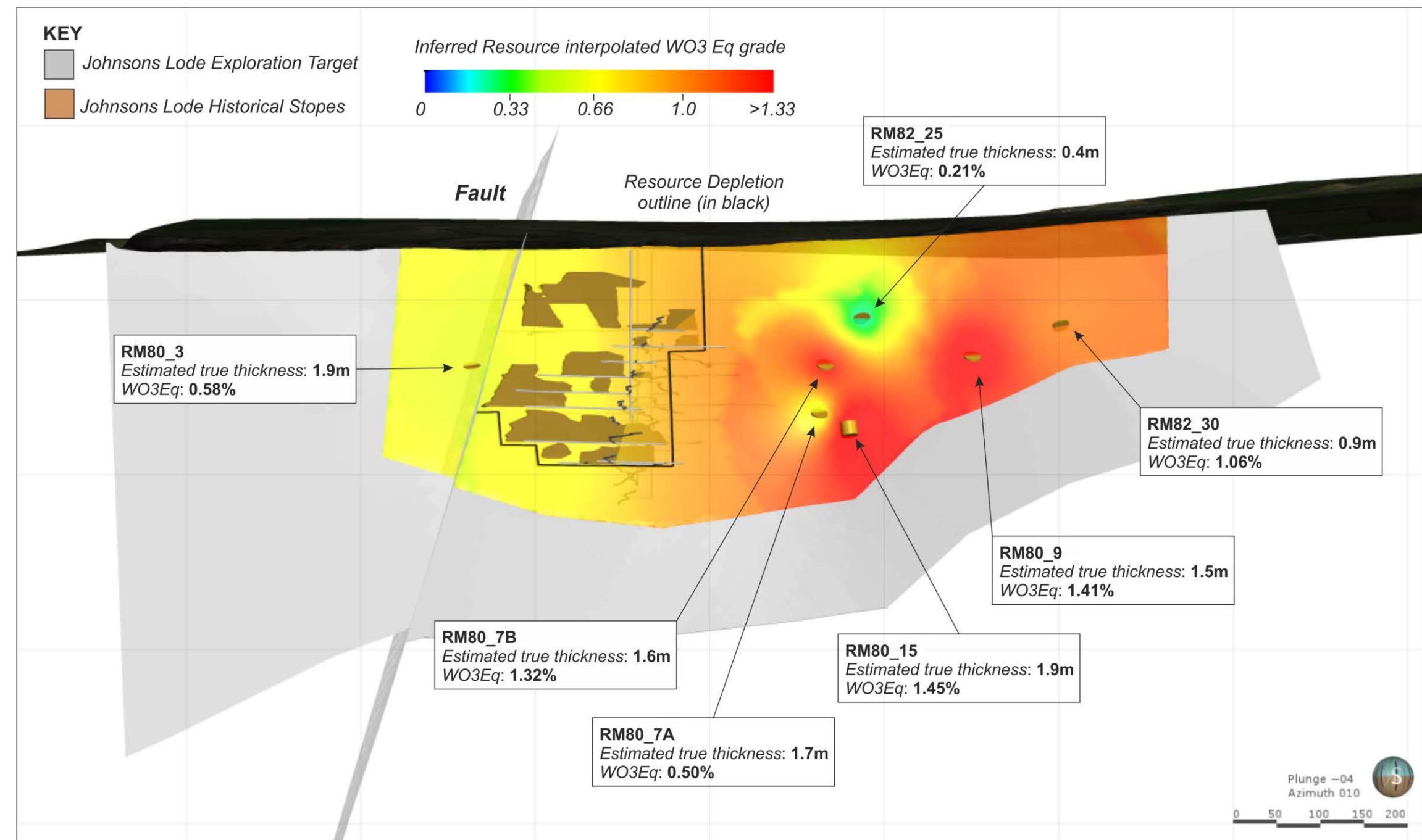
- Mined to 250m depth over a strike length of ~200m
- Average recovered grade of 1.0% Sn & 0.6% WO<sub>3</sub> (WO<sub>3</sub>Eq 1.2% or SnEq 1.9%)

## Inferred Resource

- 920m strike length, 340m down dip extent
- Resource based on 7 drillhole intercepts

## Exploration Target

- Extensions of 350m to the west, 120m to the east and 200m down dip.
- Priority targets:
  1. Extension of high grade zone at depth (below RM80\_15, RM80\_9)
  2. Shallow along strike extensions to east (east of RM82\_30)
  3. Extensions to the west of fault





# Great South Lode

## Historic Mining

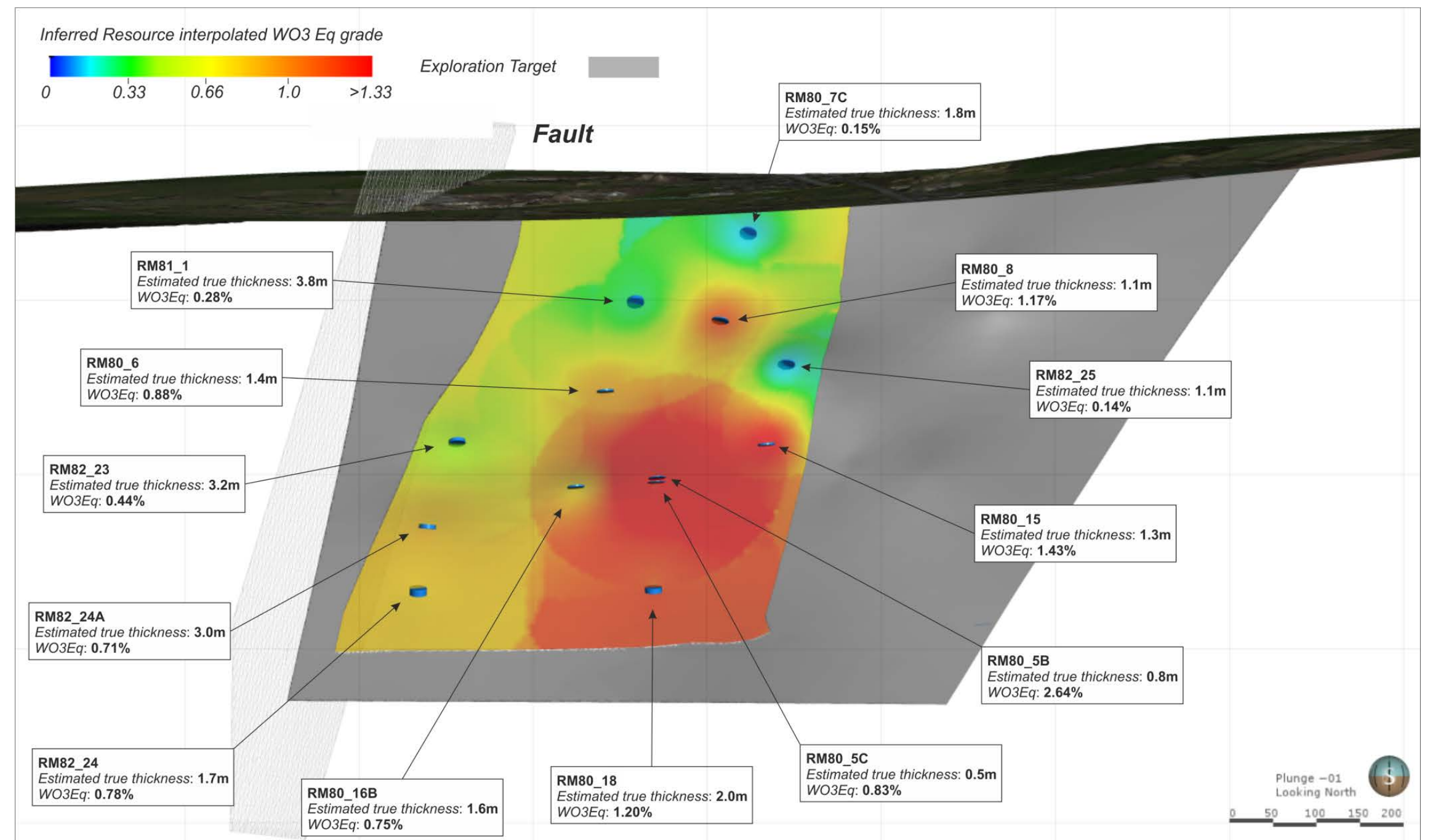
- Not mined but has ~125m of development within the lode
- Assays of 1.4%Sn to 6.1%Sn from development sampling

## Inferred Resource

- 525m strike length, 620m down dip extent
- Resource based on 13 drillhole intercepts

## Exploration Target

- Extensions of; 160m to the west and 550m to the East and 70m down dip
- Priority targets:
  1. Extension of high grade zone at depth (below RM80\_5C, RM80\_18)
  2. Shallow along strike extensions
  3. Potential for further extensions to the west



Recent photos from Redmoor Mine (Source: Dan Snaith)



# Kelly Bray Lode

## Historic Mining

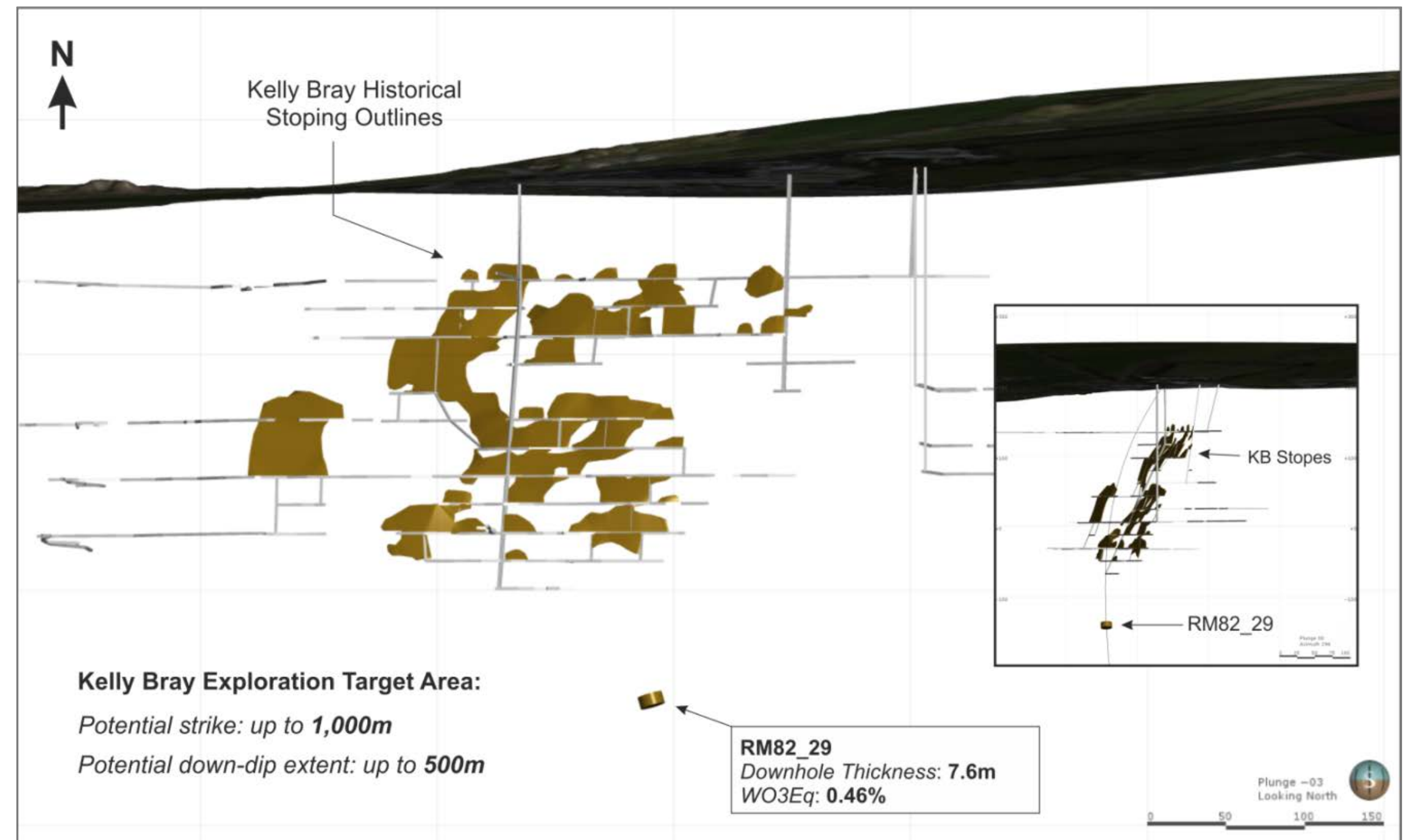
- Mined to a depth of 230m over a strike length of 325m
- Records indicate that primarily Cu ore was mined but that Sn and  $WO_3$  grades were increasing with depth and largely ignored by previous mining

## Inferred Resource

- Insufficient drilling data currently exists to support an Inferred Resource

## Exploration Target

- 1,000m strike length
- Drill hole RM82\_29; 7.6m at 0.5% $WO_3Eq$  including 2.0m at 1.3% $WO_3Eq$  (true thickness unknown) at the interpreted position of the lode





# Redmoor Work Program

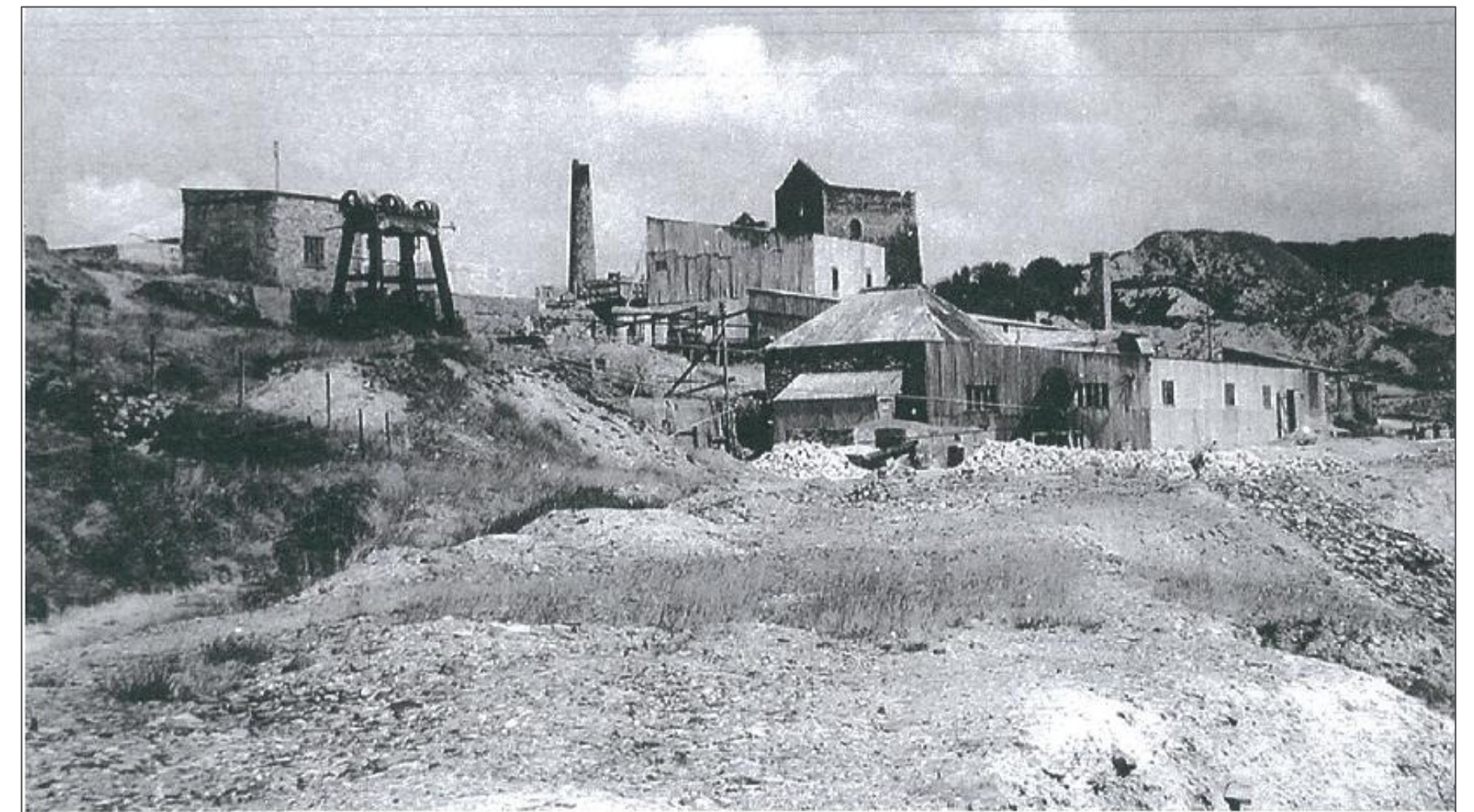
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## Exploration and Drilling

- 30 – 40 holes with average depth of ~400m aimed at converting Exploration Targets to Inferred Resources and at improving confidence of Inferred Resources to Indicated status. Targets include;
  1. Mine tailings potential for re-processing. Low cost shallow holes. Potential to generate early cash flow
  2. GSL and JL depth extensions
  3. GSL and JL strike extensions to the west of the fault
  4. Kelly Bray Lode extensions along strike and at depth below historic workings
  5. Eastern shallow extensions of GSL, JL and SVS

## High Grade Mining Option Study

- Mining study commenced and expected to be completed late January 2016. Encouraging results to date showing that the deposit can be mined using a bench stoping and fill underground mining method at relatively low mining costs with 1.5m to 2.0m minimum stope widths
- A metallurgical processing review has recently been completed which shows that Redmoor ores can be expected to be processed at low cost with high recoveries
- Stand-alone project and toll processing options are being examined for the project

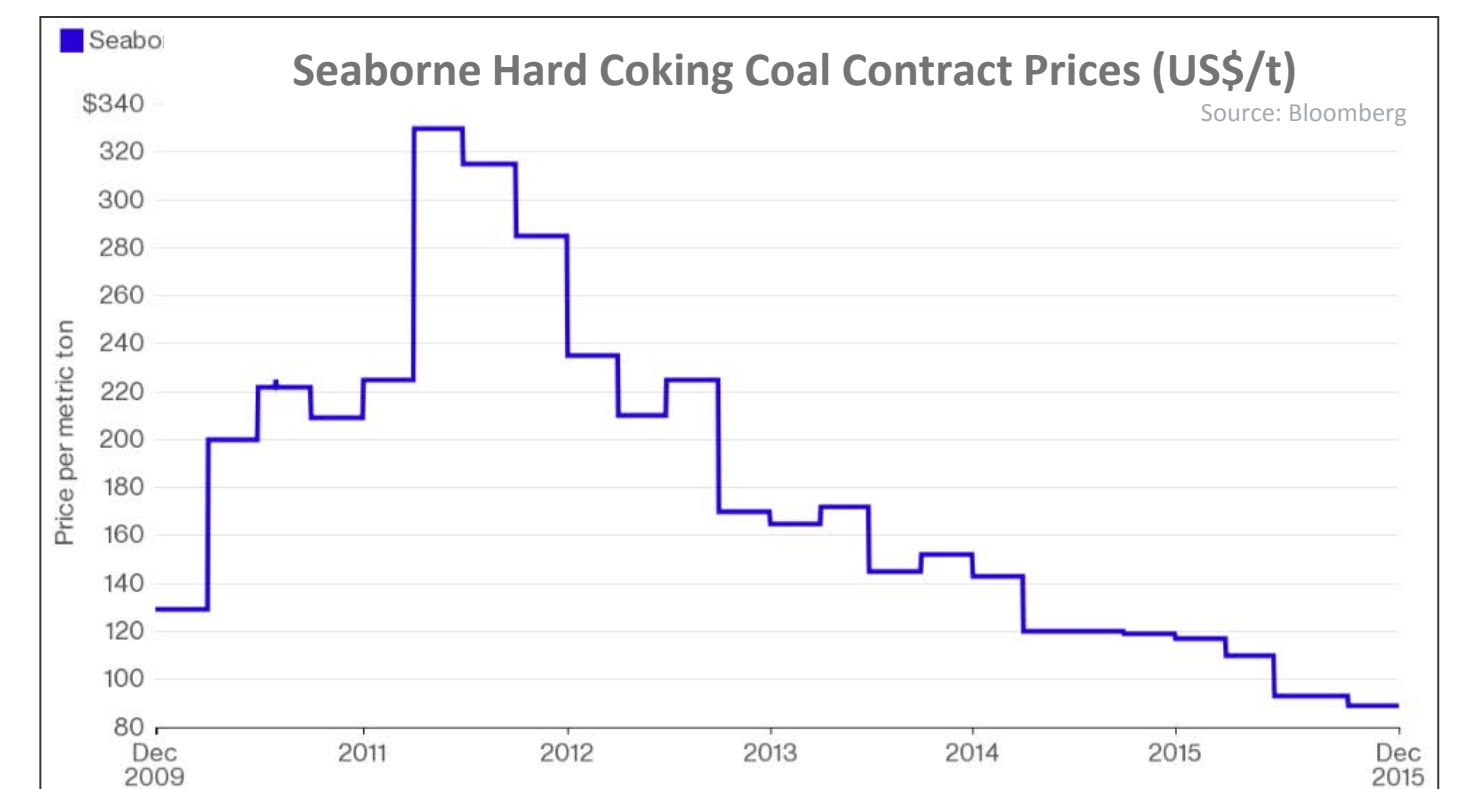
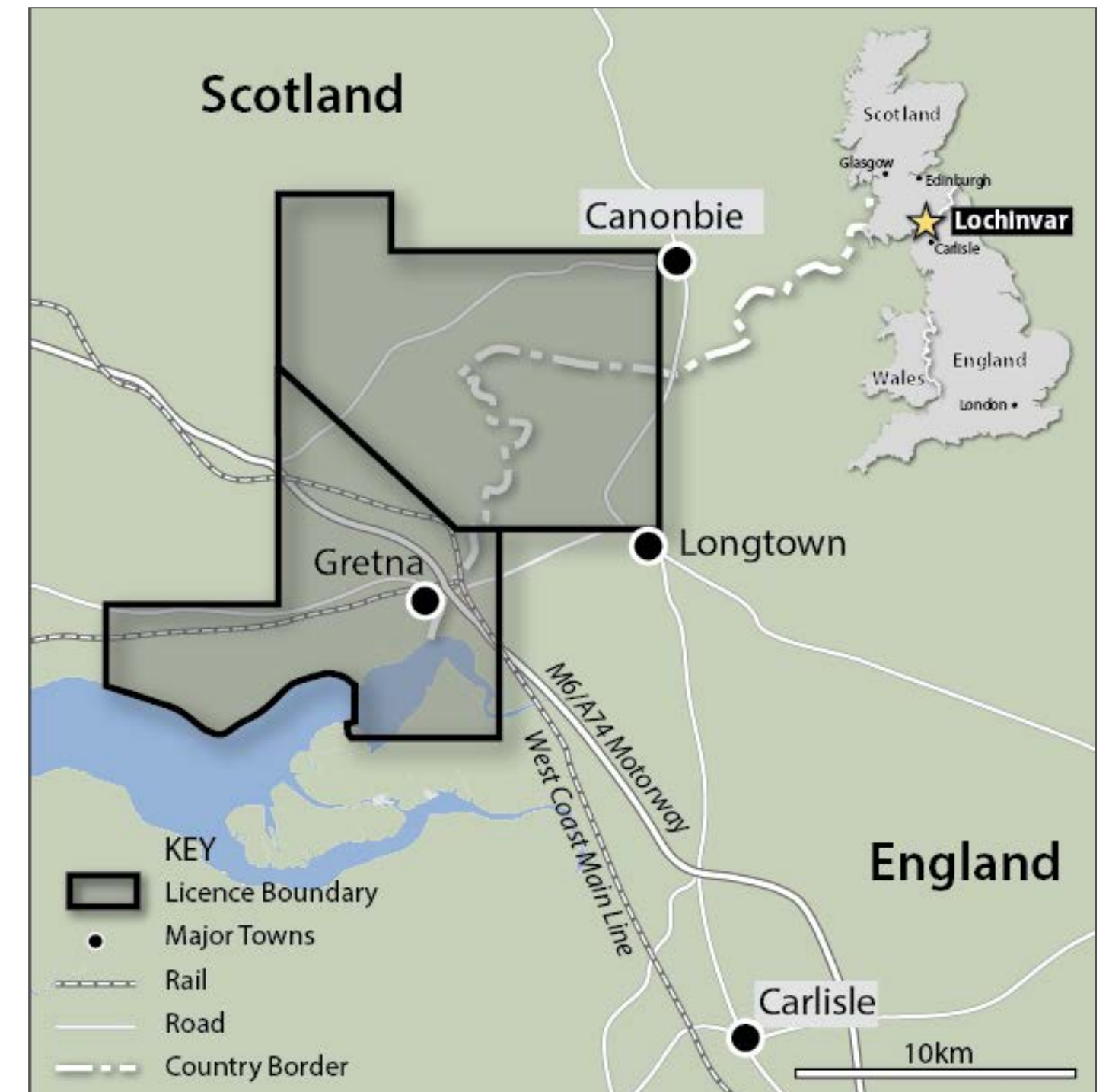


Processing plant at Redmoor circa 1920's



# Lochinvar Coking Coal Project

- NAE owns 100% of Lochinvar, a low cost coking coal project, ideally located to supply UK and European steel mills
- Scoping study completed in 2014 demonstrated robust economics with an NPV of US\$263M and IRR of 20% (at forecast prices)
- Activities curtailed due to low coking coal prices
- Recently coking coal price have dropped to under US\$80/tonne
- Price forecasts indicate a recovery in the long term to US\$135 – US\$160 /t (real)
- Lochinvar is well placed to take advantage of next upturn in coking coal prices
- The Company intends to re-commence activities when market conditions allow





# Company and Board Summary

**ASX Code :** NAE

**Share Price :** A\$0.006 (15 December 2015)

**Ordinary Shares :** 343.5m

**Market Cap:** A\$2.1m

**Options :** 19.6m  
(exercise price 4.5c to 10c)

**Cash :** A\$0.3m (30 Sept 2015)  
+A\$0.6m RCF funding facility  
Total available funds: A\$0.9m

**Shareholders :** Resource Capital Funds 38%  
Chee Siew Yaw 12%

**Projects :** Redmoor Tin-Tungsten (UK)  
Lochinvar Coking Coal (UK)



## **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.



# Disclaimers

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.

## Competent Persons Statement

The information in this report that relates to Exploration Results and also the Exploration Target and Inferred Mineral Resource is based on information compiled and reviewed by Dr Mike Armitage, who is the SRK Group Chairman and a Principal Geologist with SRK Consulting (UK) Ltd and is a Member of the Institute of Materials, Minerals and Mining (MIMMM), a Fellow of the Geological Society of London (FGS), a Chartered Geologist of the Geological Society of London (CGeol) and a Chartered Engineer, UK

(CEng). Dr Armitage has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Dr Armitage has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Additional supporting information for exploration results and previously released Inferred Resource estimated can be found at:

- NAE Announcement dated 15 December 2015: “Redmoor Resource Update”
- NAE Announcement dated 26 November 2015: “High Grade Tungsten-Tin Lodes Identified at Redmoor”
- NAE Announcement dated 27 February 2013: “Redmoor Tin-Tungsten Project, Maiden Inferred Resource”





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