



# Quarterly Report

To 31 December 2015

New Age Exploration Limited ("NAE" or "the Company") is pleased to provide shareholders the Company's Quarterly Report for the period ending 31 December 2015.

## Highlights

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

- Identification of high grade tungsten-tin lodes at Redmoor from review of historic mining, drilling and geological data
- Total Inferred Resource of 13.3Mt @ 0.37%WO<sub>3</sub>Eq (or 0.56% SnEq) defined at Redmoor
- Includes a High Grade Inferred Resource of 2.3Mt @ 0.80% WO<sub>3</sub>Eq (or 1.19% SnEq) defined at Redmoor
- Additional High Grade Exploration Target identified at Redmoor which is 2 to 3 times the size of the High Grade Inferred Resource at a similar expected grade highlighting the exciting exploration potential of the Project
- Redmoor high grade mining options study, processing study and exploration program planning now near completion
- Completion of A\$237,309.69 capital raising via the placement of 15,820,646 fully paid ordinary Shares to Resource Capital Fund V L.P ("RCF") at a subscription price of 1.5 cents per share. The placement was made under the US\$600,000 funding facility in place with RCF which now has a remaining undrawn amount of US\$252,498.35 available
- We closed out the quarter with A\$236,000 in cash plus A\$359,000 (at today's exchange rate) remaining on the RCF funding facility – a total of A\$595,000 in available cash and funding at 31 December 2015

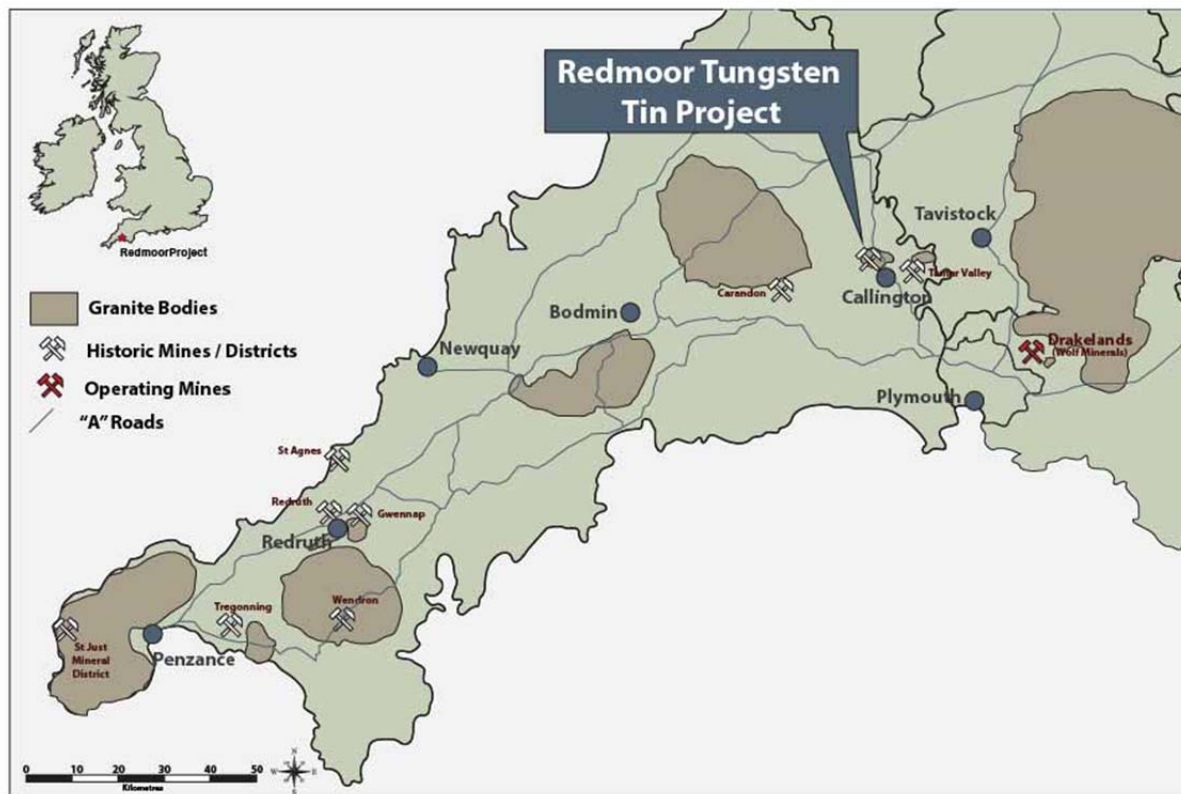
# Activities

## REDMOOR TIN-TUNGSTEN PROJECT, UK

### Location and Ownership

The Redmoor Project is located between the village of Kelly Bray and the small town of Callington in south east Cornwall, United Kingdom, approximately 25km by road from the city and port of Plymouth, and 40km from the recently commissioned Hemerdon Tungsten mine and processing plant. The area has well-established infrastructure and is located in the world class Cornwall tin-tungsten-copper mineralised district.

NAE holds a 15-year exploration licence with modest annual payments over the Redmoor Tin-Tungsten-Copper project. The licence is in good standing and is 100% owned by NAE.

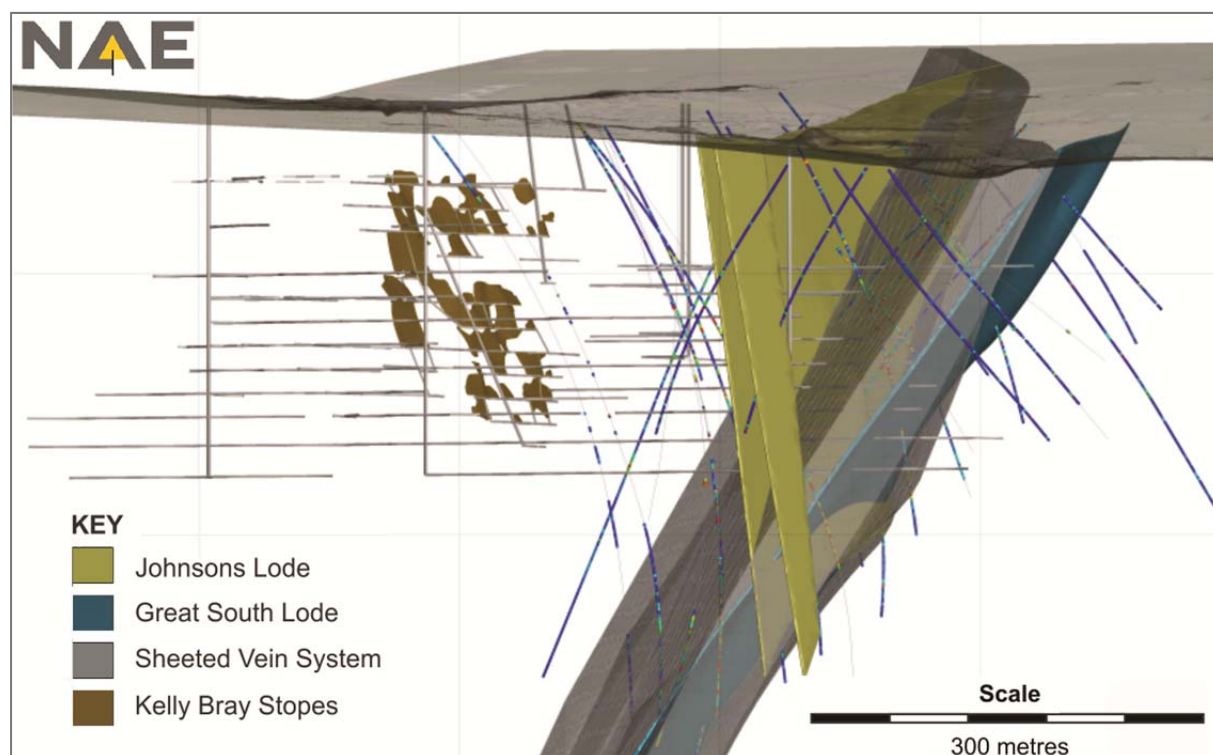


Redmoor Location

### Identification of High Grade Tungsten-Tin Lodes

On 25 November 2015, NAE announced the identification of a number of high grade tungsten-tin lodes at its Redmoor Project.

Three well-defined high grade tungsten-tin lodes (Great South, Johnsons and Kelly Bray) have been identified over minable extents within NAE's Redmoor licence in addition to the previously identified Sheeted Vein System ("SVS") which was the basis of the previous February 2013 Inferred Mineral Resource.



Redmoor 3D View from the West

## Inferred Mineral Resource Update

In December 2015, SRK UK completed an updated Mineral Resource statement and Exploration Target for the Redmoor Project including the identified high grade lodes<sup>1</sup>.

Redmoor 2015 Inferred Mineral Resource Estimate<sup>2</sup>

Description	Tonnage (Mt)	WO <sub>3</sub> %	Sn %	Cu %	WO <sub>3</sub> Eq %	SnEq %
Johnsons 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>

The Sheeted Vein System resource has been reported at a 0.35% SnEq cut-off grade as this will require selective mining to exploit. No cut-off grades were applied for the reporting of Johnsons Lode and Great South Lode as these are consistently above the cut-off grade calculated.

At this stage, insufficient drilling data exists over Kelly Bray Lode to enable it to be reported as an Inferred Mineral Resource; however, Kelly Bray Lode forms part of the High Grade Exploration Target.

<sup>1</sup> NAE Announcement, 15 December 2015, Redmoor Resource Update

<sup>2</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<sub>3</sub> US\$ 37,000/t, Sn US\$ 23,500/t, Cu US\$ 6,700/t. Recovery assumptions: total WO<sub>3</sub> recovery 72%, total Sn recovery 68% & total Cu recovery 85% and payability assumptions of 79%, 87% and 87% respectively.

## Exploration Target Update

Based on work completed by NAE, collating and interpreting historical mining data, and structural interpretive work by SRK, SRK has also identified the following Exploration Targets for the Redmoor Project in addition to the Inferred Mineral Resource:

### High Grade Exploration Target

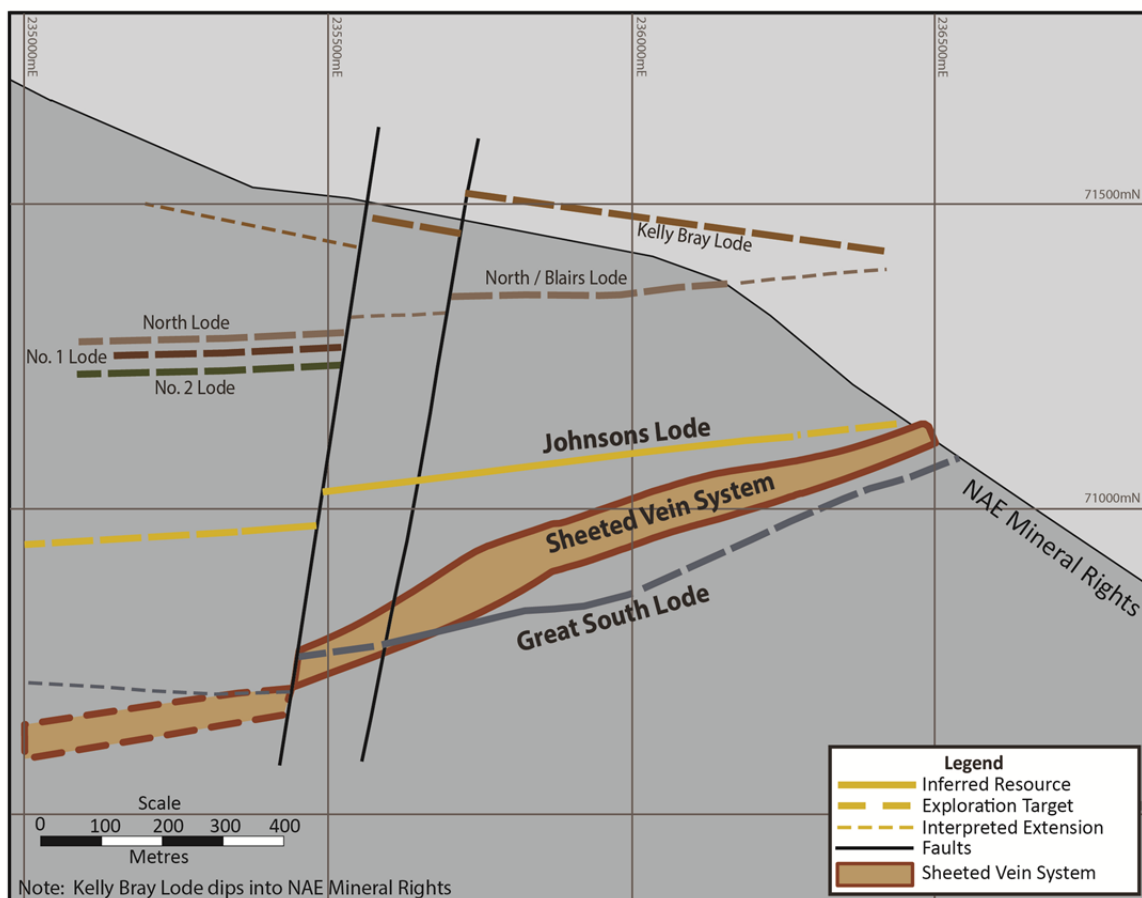
A High Grade Exploration Target of **4Mt to 6Mt** with an estimated grade of between **0.6% WO<sub>3</sub>Eq (0.9% SnEq)** and **1.0% WO<sub>3</sub>Eq (1.5% SnEq)**.

The High Grade Exploration Target includes extensions to the modelled high grade lodes (Johnsons and Great South Lodes) and other similar lodes identified through historical data and a limited number of drilling intersections including: Kelly Bray Lode, No. 1 Lode, No 2 Lode, North Lode and Blair's Lode/New Tin Lode. 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 of the project.

### SVS Exploration Target

An Exploration Target for lateral extensions to the Sheeted Vein System of **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)**.

It should be noted that this estimate is 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.



Plan showing Key Mineralised Lodes in Redmoor Area

## Work Program

An exploration program is being developed by NAE with a principal outcome of converting the high grade exploration targets to Inferred Mineral Resources where continuity is demonstrated and also of improving confidence in the Inferred Mineral Resource with a view to enabling the reporting of a first Indicated Mineral Resource for the project. A limited amount of drilling to confirm historic drilling results will also be included. This work is nearing completion.

A mining study is being conducted by technical consultants, Mining One, and is near completion with encouraging results to date, showing that the Redmoor 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.

## LOCHINVAR COKING COAL PROJECT, UK

Activities on the Lochinvar Coking Coal Project located on the Scottish/English border remain curtailed as a result of current low coking coal prices and market conditions.

The licences are being maintained in good standing along with the strong community and stakeholder relationships established for the project.

The Board remains confident that the medium to long term outlook for coking coal remains strong due to the shortage of good new supply projects which we expect will struggle to meet long term global demand growth. With FOB costs of US\$70/t in the lowest quartile of the global seaborne coking coal cost curve, Lochinvar is extremely well positioned to take advantage of the next market upturn and it remains the Company's intention to re-commence activity at Lochinvar when coking coal prices improve sufficiently.

## CORPORATE

### Capital Raising

A capital raising was completed on 7 December 2015 with Resource Capital Fund V L.P ("RCF") raising A\$237,309.69 via the placement of 15,820,646 fully paid ordinary shares at a subscription price of 1.5 cents per share. The placement was made under the US\$600,000 funding facility in place with RCF announced on 18 May 2015 which now has a remaining undrawn amount of US\$252,498.35 available. The placement demonstrates the ongoing support of the Company's largest shareholder, RCF.

### Cost Reductions

An ongoing focus on cost reductions in order to preserve cash has resulted in closing out the quarter with A\$236,000 in cash plus A\$359,000 (at today's exchange rate) remaining on the RCF funding facility – a total of A\$595,000 in available cash and funding as at 31 December 2015.

### Other Activities

The Company continues to pursue additional project opportunities.

## COMPETENT PERSON'S 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 Chairman and Principal Geologist of SRK Global and 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.

## 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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## FOR MORE INFORMATION

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# 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")

31 December 2015

### Consolidated statement of cash flow

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(82)	(114)
	(b) development		
	(c) production		
	(d) administration	(228)	(423)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	3
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
<b>Net Operating Cash Flows</b>		<b>(309)</b>	<b>(534)</b>
<b>Cash flows related to investing activities</b>			
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		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
<b>Net investing cash flows</b>			
1.13	Total operating and investing cash flows (carried forward)	<b>(309)</b>	<b>(534)</b>

+ See chapter 19 for defined terms

1.13	Total operating and investing cash flows (brought forward)	(309)	(534)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	237	237
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)		
	<b>Net financing cash flows</b>	237	237
	<b>Net increase (decrease) in cash held</b>	(72)	(297)
1.20	Cash at beginning of quarter/year to date	312	532
1.21	Exchange rate adjustments to item 1.20	(4)	1
1.22	<b>Cash at end of quarter</b>	236	236

#### 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	92
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

- 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

### 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	359*	
3.2 Credit standby arrangements	35	3

\* This represents the USD 252,498, at 29 January 2016 exchange rate, remaining facility available under the Company's funding agreement with its largest shareholder, Resource Capital Fund V L.P ("RCF").

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	141
4.2 Development	
4.3 Production	
4.4 Administration	213
<b>Total</b>	<b>354</b>

### 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	201	241
5.2 Deposits at call	35	71
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>236</b>	<b>312</b>

**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 <b>Preference *securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	343,498,083	343,498,083		-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>*Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)			Exercise price (cents)	Expiry date
	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 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

## 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: . 29 January 2016 .

(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 December 2015 quarterly activities report.

Licence No.	Project	Country	Area (km <sup>2</sup> )	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 <sup>(a)</sup>	Redmoor	United Kingdom	23.0	Mineral Rights	100%

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