



Quarterly Report

To September 30 2016

New Age Exploration Limited ("NAE" or "the Company") is pleased to provide shareholders the Company's Quarterly Report for the period ending 30 September 2016.

Highlights

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

- Placement of 15.7 million shares placed to Resource Capital Fund V L.P at 1.5c per share in July
- NAE's wholly owned UK subsidiary, Lochinvar Coal Limited, received a cash payment of £456,729 net of fees from the UK Government for Research and Development Tax Relief in July
- £101,700 advance payment of the Redmoor Option Payment made by JV partner SML in September to progress pre-drilling works at Redmoor
- SML completed a £600,000 capital raising in October to be used (in part) towards the exercise of the Redmoor Option Payment (£843,649 balance due by 15 Feb 2017) which will be applied to the Redmoor exploration drilling program to commence in first half of 2017. SML does not envisage any further equity funding being needed until at least the later part of 2017 after the Redmoor drilling program is completed
- Otago South Gold Project Prospecting Permits granted in October by the NZ Government, two months ahead of schedule
- NAE now has first mover advantage to explore the south Otago Schist belt for (>10Moz Au) Macraes style gold deposits where a 'mirror image' of the geology hosting the Macraes mine in the north of the schist belt has been identified by recent research. Fieldwork to commence mid-November
- As a result of the encouraging strong increases in Coking Coal prices, the Company has recently begun reviewing project work options for the next development stage of the Lochinvar Project and is closely monitoring the situation to see if prices remain stable over an extended period
- A\$1,108,000 NAE consolidated cash position at 30 September 2016

Activities

REDMOOR TIN-TUNGSTEN PROJECT, UK

Tin prices have risen solidly this year to a spot price of US\$20,665/t on 28 October 2016 which represents an increase of 39% since the start of the year.

Joint Venture Agreement – Strategic Minerals

NAE completed a JV agreement in May with AIM-listed Company, Strategic Minerals Plc (“SML”). SML will earn a 50% interest in the Redmoor Project for a total consideration of £1.05M.

In September an amendment to the JV agreement was agreed with SML whereby SML made a £101,700 part-payment of the Option Payment which will be used for advancing pre-drilling works aimed at commencing drilling at Redmoor in the first half of 2017. The Option period was also extended until 15 February 2016.

Under the amended JV agreement the £1,050,348 total consideration is made up of:

- £104,999 Initial Subscription cash payment for a 9.1% interest in the Redmoor Project, paid in May and July earning SML a 9.15% interest in the Redmoor JV
- £101,700 Pre-Payment of Option Payment paid in September to be used for advancing pre-drilling works, increasing SML’s interest in the Redmoor JV to 16.4%
- £843,649 Option Payment Balance payable by SML before 15 February 2017 in order to increase SML’s interest in the Redmoor Project to 50%. The Option Payment balance will be applied to the Redmoor drilling program planned to commence in the first half of 2017

The agreement with SML enables NAE shareholders to retain exposure to 50% of the Redmoor Project upside with the next stage of drilling to be fully funded by SML with the proceeds from the Option Payment upon its completion.

At the end of the quarter all SML shares subscribed for by NAE under the JV agreement had been sold.

Exploration program

A 15-20 hole exploration drilling program at Redmoor is planned to commence in the first half of 2017. The primary objective of the program is to convert the high grade Exploration Target to an Inferred Mineral Resource. The program also has a secondary objective of upgrading a portion of the Inferred Mineral Resource to Indicated Mineral Resource status.

Pre-drilling activities commenced in September for the planned exploration drilling program. Detailed planning of drillholes has now been completed and work is now progressing on tendering for the drilling contract, community engagement and drilling land access.

OTAGO SOUTH GOLD PROJECT, NZ

Two Prospecting Permit applications for the Otago South Gold Project covering a total area of 876 km² were lodged on 11 August 2016 and were subsequently granted to NAE by New Zealand Petroleum & Minerals on 17 October 2016.

The permits were approved in under two months, a much shorter timeframe than expected. This clearly demonstrates that the NZ Government is supportive of exploration and mining.

Recent research has identified a 'mirror image' in the south of the Otago Schist belt within NAE's permits of the geology present in the north of the schist belt some 60km away which hosts the (>10Moz Au) Macraes gold mine.

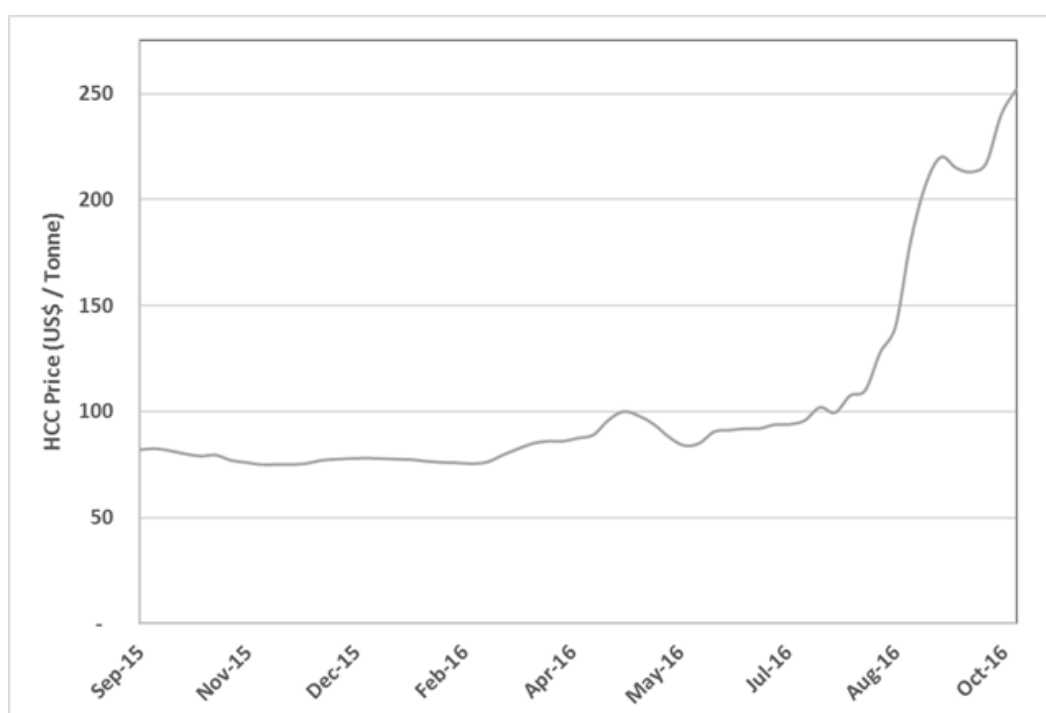
NAE is now in an exciting position of being the first to explore the South Otago Schist belt for Macraes style gold deposits within these permits.

The Initial exploration program will commence in mid-November with Dr Doug MacKenzie from University of Otago contracted to undertake fieldwork focused on soil sampling and geological mapping to quickly and cost effectively identify drill targets.

The initial exploration program has an expected cost of ~NZ\$150,000 which is fully funded.

LOCHINVAR COKING COAL PROJECT, UK

Coking coal prices have recently risen strongly to a spot HCC price of US\$252/t on 28 October 2016 which represents an increase of 236% since the start of the year.



Premium Hard Coking Coal Prices 2015 – 2016 (weekly averages)

Peabody Energy recently settled its December '16 quarterly contract price for premium coking coal with Japan's Nippon Steel at US\$200/t FOB Aust.

NAE's 100% owned Lochinvar Project is extremely well positioned to take advantage of the upturn in coking coal prices with an Indicated Resource and Scoping Study completed in 2014. The Lochinvar licences have continued to be maintained in good standing as have the strong community relationships built on the project.

The current Hard Coking Coal spot price of US\$252/t (28 Oct 2016) now significantly exceeds the benchmark HCC price of US\$165/t used for the Lochinvar Scoping Study.

The weaker Pound Sterling following the Brexit is also expected to have a favourable impact on Lochinvar operating costs.

The Directors are encouraged by the recent increases in coking coal prices. As a result the Company has recently begun reviewing project work options for the next development stage of the Lochinvar Project and is closely monitoring the situation to see if prices remain stable over an extended period.

CORPORATE

RCF Loan and Placement of Shares

On 5 July 2016, 15,700,000 fully paid ordinary shares in NAE were placed to RCF at a subscription price of 1.5 cents per share to repay US\$174,882 of the unsecured loan to RCF. As a result, the RCF loan balance has now reduced to US\$77,616.

A further 925,914 fully paid ordinary shares in the Company were also placed to RCF on 5 July 2016 at a subscription price of 0.99 cents per share to repay US\$6,807.08 interest accrued on the loan.

Research and Development Tax Relief Payment

On 1 July 2016, NAE's wholly-owned UK subsidiary, Lochinvar Coal Limited, received a cash payment of £456,729 net of fees from the UK Government for Research and Development Tax Relief.

COMPETENT PERSONS STATEMENT

REDMOOR

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 of SRK Global and a Corporate 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.

LOCHINVAR

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.

OTAGO SOUTH GOLD PROJECT

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Dr Doug MacKenzie, who is a Senior Research Fellow at the University of Otago, Geology Department and is a Member and Chartered Professional Geologist of the Australasian Institute of Mining and Metallurgy. Dr MacKenzie has over 20 years research experience in the Otago Schist and related rocks with emphasis on relationships between structure, metamorphism and gold mineralization. Dr MacKenzie has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 MacKenzie consents 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.

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, 01/05/13, 01/09/16

Name of entity

New Age Exploration Ltd

ABN

65 004 749 508

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(49)	(49)
(b) development		
(c) production		
(d) staff costs	(78)	(78)
(e) administration and corporate costs	(56)	(56)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds	776	776
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	593	593
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(c) investments	(52)	(52)
	(d) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments	170	170
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	118	118

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	228	228
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	228	228

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	199	199
4.2	Net cash from / (used in) operating activities (item 1.9 above)	593	593
4.3	Net cash from / (used in) investing activities (item 2.6 above)	118	118

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	228	228
4.5	Effect of movement in exchange rates on cash held	(30)	(30)
4.6	Cash and cash equivalents at end of period	1,108	1,108

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,074	165
5.2	Call deposits	34	34
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,108	199

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
58

Fees paid to directors or their related entities

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7. Payments to related entities of the entity and their associates

**Current quarter
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8. Financing facilities available

Add notes as necessary for an understanding of the position

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Company credit card facilities secured by term deposits

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	283
9.2 Development	
9.3 Production	
9.4 Staff costs	128
9.5 Administration and corporate costs	47
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	458

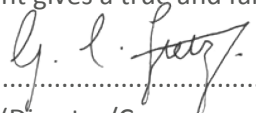
Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

COMPLIANCE STATEMENT

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....
(Director/Company secretary)

Date: **28 Oct 2016**.....

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

In accordance with ASX Listing Rule 5.3.3, New Age Exploration Limited provides its list of exploration licences with its September 2016 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/0176/N	Lochinvar	United Kingdom	67.5	Conditional Underground Licence and Option Agreement	100%
CA11/EXP/0545/N	Lochinvar South	United Kingdom	51.0	Exploration Licence	100%
CA11/UND/0182/N	Lochinvar South	United Kingdom	51.0	Conditional Underground Licence and Option Agreement	100%
CL132803 ^(a)	Redmoor	United Kingdom	23.0	Mineral Rights	83.4%
MPP60254	Otago South Gold - Mahinerangi	New Zealand	417.5	Prospecting Permit	100%
MPP60255	Otago South Gold - Teviot	New Zealand	458.5	Prospecting Permit	100%

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