LOCHINVAR COKING COAL PROJECT

Exploration Target

- **330 Mt – 410 Mt high volatile coking coal**
- **13 historic drill holes and 100km of seismic lines**

Drilling Program

- **Phase 1a drill program underway - 6 drill holes to define JORC Inferred Resource on Western side of the deposit**

Secure Tenure

- **100% NAE owned Exploration Licence and Conditional Underground Mining Licence from The Coal Authority**

Infrastructure

- **World class infrastructure located near licence boundary, including rail, road and power**

Strong support from local, regional and national government and largely positive initial community engagement

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Countries of Focus
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LOCHINVAR COKING COAL PROJECT

Successful Initial Drill Hole

- **First drill hole (LOI-001) of Lochinvar Phase 1a drilling program recently completed**
- **Intersection of both key target seams, the Nine Foot and Six Foot seams, with the following thicknesses recorded:**
  - **Nine Foot: 3.41m (2.85m coal) from 311.6m depth**
  - **Six Foot: 1.78m (1.66m coal) from 295.0m depth**
- **Successful twin of the 1983 Bogra hole ("Bogra") drilled by the National Coal Board(NCB) confirms historic NCB drilling can be replicated and that historic thicknesses and depths are JORC compliant**
- **100% core recovery within the seams**
- **Exploration program remains focussed on defining coking coal from 200m to 600m depth**
- **Coal samples are currently being analysed in UK laboratories with coal quality results anticipated in late March / early April, including raw coal quality, washability tests, clean coal quality and coking tests**
- **Drilling has commenced at second hole, LOI-005**

NAE Managing Director, Gary Fietz commented: *"The completion of drill hole LOI-001 and successful twinning the NCB Bogra hole, marks a major milestone for NAE. We are now confident that the historic NCB drilling can be replicated and historic thicknesses and depths are JORC compliant. The Nine Foot seam intersection containing 2.85m coal within a 3.41m seam from 311.6m depth is very exciting and confirms the potential for an excellent thickness coal seam for underground mining at Lochinvar.*

This is a great initial result from the Phase 1a drilling program. We have already commenced drilling of the second hole and look forward to announcing further results".

Drill Hole LOI-001 Results

New Age Exploration Limited ("NAE" or "the Company") is pleased to announce that the initial drill hole (LOI-001) of the Lochinvar Phase 1a drilling program successfully intersected the key target coal seams.

Drill hole LOI-001 was completed on 2nd March 2013 to a total depth of 324.4 meters. Open hole drilling was completed down to 268.9m, with PQ diamond double tube coring completed to the final depth of 324.4m. Core recovery within the coal seams was 100%.

NAE is pleased to report that both of the key target coal seams, known as the Nine Foot and Six Foot seams, were intersected in LOI-001, with seam thicknesses of 3.41m (2.85m of coal) and 1.78m (1.66m of coal) being cored in each seam respectively (see Figure 2). Seam thickness and depth details are provided in Appendix 1. Core photographs of the Six Foot and Nine Foot seams can be seen in Figures 3 and 4.

Geophysical logging was undertaken by Robertson Geologging with the following downhole logs being provided: downhole survey, density, gamma, full wave form sonic and caliper measurements. Minor corrections have been made to downhole depths based on correlation with geophysical logs.

Site preparation for the second hole in the drilling program, LOI-005, has been completed and drilling has now commenced. LOI-005 is located approximately 3.5km to the south west of LOI-001 (see Figure 1).

Land access agreements have been completed for five of the planned drill holes. The Company anticipates completing the Phase 1a drilling program during Q3 2013.

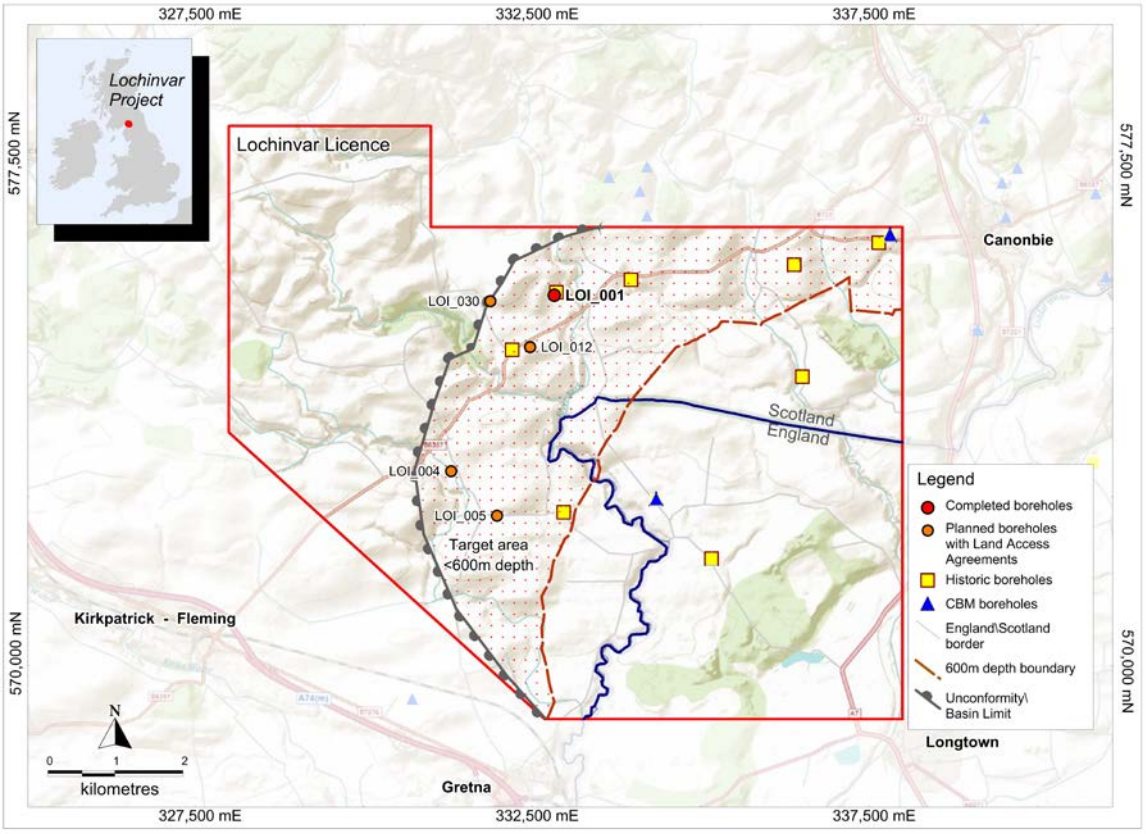

Figure 1 Lochinvar and LOI-001 Location

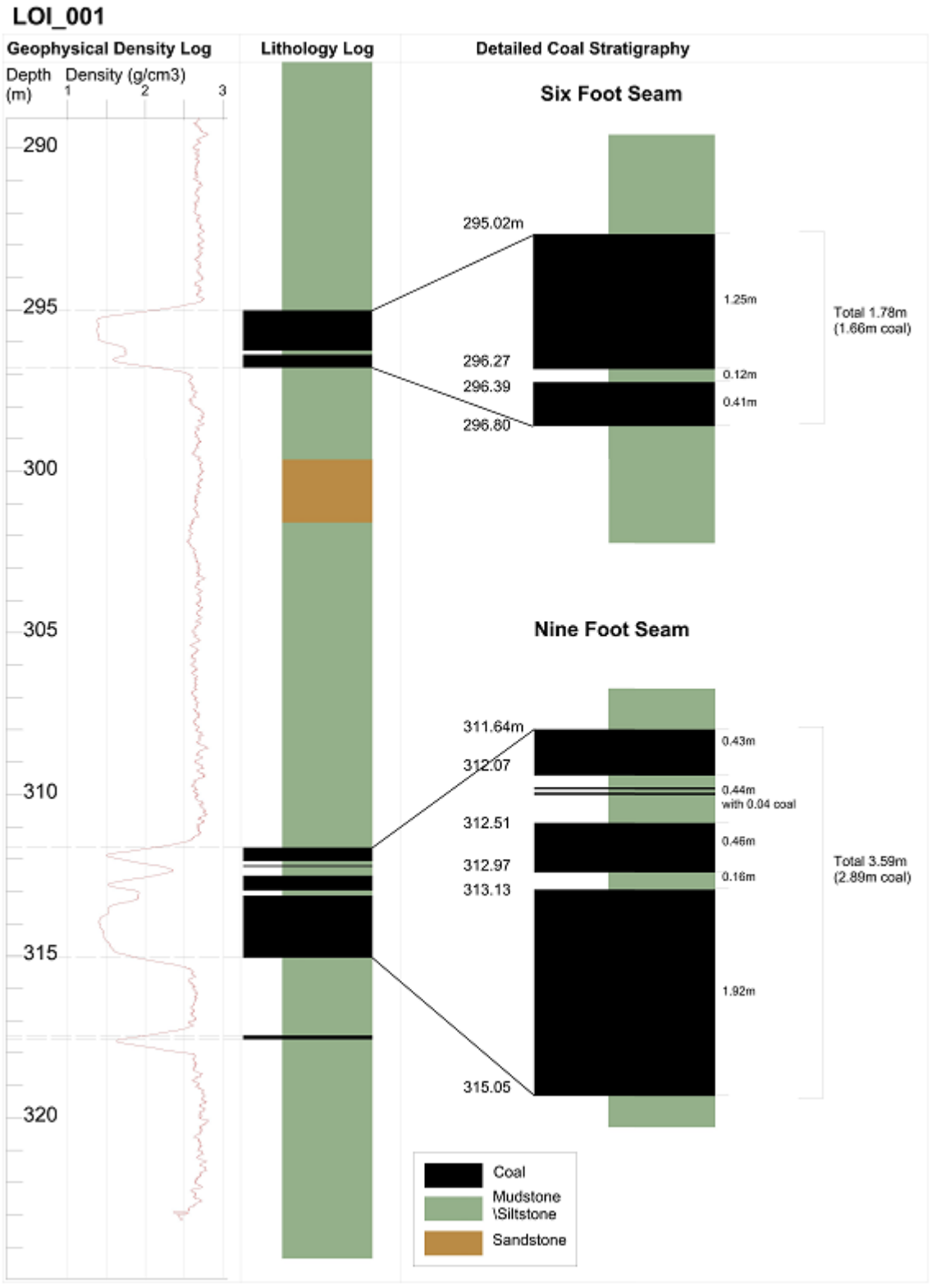

Figure 2 LOI-001 - Density Log and Lithology Log

Figure 3 LOI-001 - Six Foot Coal Seam Core[1]

Figure 4 LOI 001 - Nine Foot Coal Seam Core [1]

Twinning Comparisons

Drill hole LOI-001 was planned to twin the existing Bogra drill hole which was drilled in 1983 by the National Coal Board ("NCB") as part of a 13 hole program across the Canonbie Coal Field. The collar distance between LOI-001 and the Bogra drill hole is approximately 32 metres.

The Archerbeck seam is not a target seam, but defines the top of the coal sequences and as such provides an important marker horizon.

A comparison of the results from drill hole LOI-001 and the Bogra drill hole is detailed in Table 1.

[1] *Depths have undergone a reconciliation exercise from the geophysical logging and have been corrected and reflected in the tables*

Table 1 Twinning Comparisons

		From (m)	To (m)	Interval (m)	Coal Thickness (m)
Archerbeck Coal Seam	**Bogra Hole**	272.25	272.43	0.18	0.18
	LOI-001	274.33	274.50	0.17	0.17
			Twinning Difference	(0.01)	(0.01)
Six Foot Coal Seam	**Bogra Hole**	293.21	295.25	2.04	1.92
	LOI-001	295.02	296.80	1.78	1.66
			Twinning Difference	(0.26)	(0.26)
Nine Foot Coal Seam	**Bogra Hole**	307.02	311.02	3.49	2.91
	LOI-001	311.64	315.05	3.41	2.85
			Twinning Difference	(0.08)	(0.06)

The successful twinning of the Bogra hole provides confidence that the eight NCB holes on NAE's licence area can be replicated and that the historic NCB depths and thicknesses are JORC compliant.

As drill hole LOI-001 was drilled approximately 32 metres down dip of the Bogra hole the seams are expected to be slightly deeper in drill hole LOI-001 as shown in table 1 due to the dip (approximately 10 degrees) of the coal seam. Both the depths and seam thicknesses therefore correlate well between the Bogra and LOI-001 drill holes.

Due to the successful twining of the Bogra drill hole, a decision was made not to continue the hole below the 324.4 metres total depth into the lower coal seams, namely the Five Foot (0.89m seam with 0.89m coal from 328.0m) and the Black Top (0.94m seam with 0.80m of coal from 338.26m), as these seams are already proven by the existing Bogra drill hole. The lower seams will, however, be cored in other Phase 1a drill holes.

Coal Analysis

Coal from both the Six Foot and Nine Foot coal seams in drill hole LOI-001 have been sampled and are currently being analysed by Alfred H Knight (Ayrshire) and ESG (Bretby) Laboratories for coal quality.

The Six and Nine foot seams will be tested for the following;

- raw coal analysis
- washability tests
- clean coal analysis
- initial coking tests

Coal analysis results are expected to be completed during March and April 2013. These results will be released when the complete results area available.

Only limited coal quality results are available for the original Bogra drill hole and so the full set of analysis will provide an important guide to the coal quality in the west region of the Lochinvar project.

Lochinvar Background

NAE has been granted an exploration licence and conditional underground mining licence (excluding rights to coal seam gas) over the Lochinvar Project covering 67.5km² (6,752 hectares) by the UK Coal Authority. The Lochinvar Project is located 21km north of Carlisle and 120km southeast of Glasgow. NAE obtained the licence over Lochinvar for only the cost of the Coal Authority's standard application fee of £12,500. The Company holds a 100% interest in the licence and there are no vendor payment. The licence is conditional on granting of necessary planning consents prior to commencement of production.

The Canonbie coalfield, of which Lochinvar forms the western part, was discovered at a time of major upheaval in the UK coal industry, driven by declining coal prices and increasing costs. The NCB announced a decision to close 20 mines in 1984, precipitating the famous miners' strike during 1984-85, which followed a long period of coal industry decline lasting over two decades.

Historic exploration at Lochinvar was commenced in the 1950's by NCB who drilled four boreholes in the Canonbie coalfield. This work proved the existence of the same sequence of thick coals of the Middle Coal Measures, which had been previously mined at Rowanburn colliery, where operations ceased in 1922. In the late 1970's and early 1980's, the NCB drilled a further nine boreholes and shot 55 kilometres of seismic line within the Canonbie coalfield which proved the existence of a large concealed coking coal coalfield.

NAE's consultants, SRK, have reviewed the previous exploration and geology of the Lochinvar Project and have produced the seam contour plan. The key parameters of the Lochinvar deposit include:

- shallow seam dip across most of the deposit of usually between 5° and 15°
- target seams include Nine Foot, Five Foot, Six Foot and Black Top
- Nine Foot Seam ranges from 1.5m up to 3.5m thick with average seam thickness of 2.5m and clean coal thickness of 2.0m

SRK's re-evaluation of the historic exploration data confirmed an **exploration target of between 330 and 410 million tonnes** of potential coking coal in the semi-hard to hard coking coal range.

Coal in the Lochinvar licence can generally be described as a high volatile, high calorific value coal with low ash and modest to high sulphur. Information currently available indicates the coal has good coking qualities, although the absence of detailed analysis precludes a more definitive categorisation.

NAE has announced its phased drilling program at Lochinvar, with Phase 1a being composed of 6 holes and Phase 1b a further 9 holes. Both Phase 1a and 1b are focussed on the western region of the licence at depths of less than 600m. Subject to land access, Phase 2 will be focussed on the northern region of the licence at depths of less than 600m. Phase 1a average depth to the Nine Foot seam is 350m. The program is aimed at defining a JORC Inferred Resource and will include: depths of target coal seams, coal quality, washability and coking tests of coal samples from core drilling.

Lochinvar benefits significantly from being located in close proximity to all major infrastructure, with both the major London to Glasgow railway and London to Glasgow motorway within 2km of the licence boundary.

Competent Person's Statement

Information in this document that relates to Exploration Results is based on information compiled by Dr William Hatton (C.Geol – Geological Society of London)who qualifies 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 Hatton consents to the inclusion in the documents of the matters based on his information in the form and context in which it appears. Dr Hatton is a Principal Coal Geologist with SRK Consulting (UK) Ltd.

The potential quantity and grade of the exploration target is conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

The conceptual exploration target estimate above is based mainly upon:

- *(a) Detailed British Geological Survey mapping at a 1:10,000 scale.*
- *(b) An historic exploration programme set out in the National Coal Board's (NCB) Plan for Coal in 1974.*
- *(c) NCB deep drilling and seismic exploration from the late 1970's and early 1980's.*
- *(d) A summary paper by Graham Picken in the Scottish Journal of Geology in 1988.*
- *(e) A preliminary Vulcan 3-D representation of the concealed coalfield (representing (a) to (d) above) generated by Dr Hatton.*

The project is at an early stage, and so the target tonnages are provisional and relate to coal in-situ, in seams likely to be of workable thickness, but do not include any allowances for mining layout, recovery, support areas or any unforseen geological losses. The range in tonnage estimate reflects the uncertainty of the seam sections, structural and grade continuity encoded within the Vulcan exploration model.

Appendix 1 Detailed Coal Core Intersections

	Description	From	To	Interval	Coal Thickness
		Metres	Metres	Metres	Metres
Six Foot Coal Seam					
	Coal	295.02	296.27	1.25	NA
	Mudstone	296.27	296.39	0.12	NA
	Coal	296.39	296.80	0.41	NA
Total Six foot Seam		**295.02**	**296.80**	**1.78**	**1.66**
Nine Foot Coal Seam					
	Coal	311.64	312.07	0.43	NA
	Mudstone	312.07	312.18	0.11	NA
	Coal	312.18	312.20	0.02	NA
	Mudstone	312.20	312.23	0.03	NA
	Coal	312.23	312.25	0.02	NA
	Mudstone	312.25	312.51	0.26	NA
	Coal	312.51	312.97	0.46	NA
	Mudstone	312.97	313.13	0.16	NA
	Coal	313.13	315.05	1.92	NA
Total Nine foot Seam		**311.64**	**315.05**	**3.41**	**2.85**