



ASX Code: NAE



Half Year Consolidated Financial Report

31 December 2018

New Age Exploration Ltd
ACN 004 749 508
Level 3, 480 Collins Street
Melbourne, VIC 3000
Phone: +61 3 8610 6494
Email: info@nae.net.au

NEW AGE EXPLORATION HALF YEAR CONSOLIDATED FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

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DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Your Directors present their report, together with the consolidated financial statements and the independent auditor's review report thereon, for the half year ended 31 December 2018.

Directors

The names of the Directors of New Age Exploration Limited (NAE) in office at any time during or since the end of the period are as follows:

Mr A Broome, AM (Non-Executive Chairman)
Mr J Wellisch (Executive Director) – appointed 15 October 2018
Mr S Layton (Non-Executive Director) – appointed 15 October 2018
Mr N Hutchison (Technical Director) – appointed 15 October 2018, resigned 13 December 2018
Mr G Fietz (Managing Director) – resigned 15 October 2018
Mr M Amundsen (Non-Executive Director) - resigned 15 October 2018

Principal activities

During the financial half-year, the principal continuing activities of the Group consisted of exploration activities with the view to identifying and advancing attractive mineral deposits of sufficient grade and size to provide sustainable returns to shareholders.

Review of Operations

The loss of the Consolidated Entity for the period, after providing for income tax, amounted to \$447,161 (31 December 2017: profit of \$1,256,000) and had cash outflows from operating and investing activities of \$1,633,677 (31 December 2017: outflow of \$862,543). The detailed Review of Operations follows this Directors' Report.

Subsequent events

On 28 February 2019, NAE announced that it has received firm commitments for the placement of 171,000,000 new shares at an issue price of \$0.0055 per share to raise \$940,500 before associated costs. Upon completion of the placement, the 6% brokers fees for CPS Capital will be paid in shares at the issue price of \$0.0055 per share, subject to shareholder approval. On 11 March 2019, the Company received the applicable funds under the placement (\$940,000) and issued the respective shares.

NAE subscribed to an additional 7,375 shares in Cornwall Resources Limited at £3.39 per share for a total of £25,001.25.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial periods.

Lead Auditor's Independence Declaration

A copy of the auditor's independence declaration in relation to the review for the half-year ended 31 December 2018 is included on page 23.

This report is made in accordance with a resolution of the directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.



Joshua Wellisch Executive

Director

Melbourne, 15 March 2019

REVIEW OF OPERATIONS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

HIGHLIGHTS

Redmoor Tin-Tungsten Project

- 2018 Phase 1 and Phase 2 drilling programs successfully completed during the reporting period, under budget and on schedule.
- Outstanding results received from all 2018 Phase 1 and Phase 2 holes drilled including:
 - 1.8% SnEq weighted average grade of Sheeted Vein System (SVS) high-grade zone, significant intercepts from all 12 holes drilled in 2018. This grade is 81% higher than the previous 1.0% SnEq March 2018 High Grade Inferred Mineral Resource grade.
 - Some of the best grades seen to date at Redmoor including spectacular intercepts of up to 29.7% and 26.2% SnEq.
- Post period end, in February 2019, an **Updated Inferred Mineral Resource of 11.7 Mt @ 0.56% WO₃, 0.16% Sn, 0.50 % Cu (1.17% Sn Eq or 0.82% WO₃ Eq)** defined within parallel high-grade zones within the Sheeted Vein System (SVS) using a break-even cut-off grade of 0.45% Sn Eq.
- The updated resource represents a tripling of the contained metal (now 137kt Sn Eq) compared with the previous March 2018 Mineral Resource estimate.
- The 1.17% Sn Eq updated Inferred Mineral Resource grade, reported at a 0.45% break-even cut-off grade, is 17% higher than the previous March 2018 Mineral Resource estimate.
- Included within the Inferred Mineral Resource is 10.2Mt at 1.26% Sn Eq at a 0.65% Sn Eq total cost cut-off grade, reinforcing the potential to economically mine the resource.
- Continuity of the SVS which hosts the high-grade zones now confirmed over a strike length in excess of 1,000 m and for some 650 m down dip. Ore body geometry appears likely to be amenable to underground mining.
- **Redmoor now ranks as the 2nd highest grade undeveloped tin or tungsten Mineral Resource in the world on a grade basis.**
- **On a contained metal basis, the Redmoor Mineral Resource now ranks the (No. 1) largest undeveloped tin or tungsten underground mining project in the world.**
- The majority of the Redmoor deposit remains open down-dip and to the west, where an Exploration Target has been defined in addition to the resource.
- CRL received Research and Development refunds from the UK Government of £101,000 in August 2018 and £138,000 in January 2019.

Lochinvar Coking Coal Project

- NAE's 100% owned Lochinvar Coking Coal Project is a significant strategic asset ideally located to supply coking coal to the UK and European Steel Industry that could generate further value for shareholders with hard coking coal benchmark prices remaining around US\$200/t throughout the reporting period.

Otago South Gold Exploration Project

- Encouraging results received from follow up soil sampling undertaken in September 2018 over the Otago Pioneer Quartz (OPQ) gold exploration target with anomalous gold values received up to 2.7km southeast and 3.0km northwest of the historic OPQ mine, potentially extending the strike length of the OPQ gold exploration target significantly.

- An application for an Exploration Permit (71.55 km²) covering the OPQ target was lodged by NAE prior to the expiry of its Mahinerangi Prospecting Permit in October 2018. The permit was granted in January 2019.

Corporate

- During the reporting period and as at the date of this report, NAE has raised a total of \$2.5m in; (a) a two-tranche placement undertaken between June 2018 and August 2018 raising \$1.6m at 0.65 cents per share and, (b) a placement in February 2019 raising \$0.94m at 0.55 cents per share. Both placements will be allocated towards the development of the Company's existing projects, to seek new opportunities and to working capital.
- During the reporting period, NAE increased its investment in the Cornwall Resources Limited joint venture by £513,504 to fund its 50% share of the 2018 Phase 1 and Phase 2 Redmoor drilling programs (12 holes).
- Board and management changes:
 - Mr Gary Fietz and Mr Michael Amundsen resigned as Directors of NAE in October 2018. An agreement was also reached to terminate Mr Fietz's contract as Managing Director. Mr Fietz agreed to continue to be available to the Company as a consultant for a period of 3 months to ensure an orderly transition to new management. Mr Fietz and the Company recently agreed to extend this arrangement beyond the end of January on a month-by-month basis.
 - To fill the vacancies left by the above resignations, in October 2018 the Company appointed Mr Neil Hutchison, Mr Stephen Layton and Mr Joshua Wellisch as non-executive Directors.
 - In December 2018, Mr Neil Hutchison resigned as a Director of NAE to meet new additional workload with alternate companies.
- During the reporting period, the Company announced that its strategic direction moving forward would be to rationalise the current project portfolio, reduce overall costs and to pursue new value additive opportunities. This includes focusing on:
 - The Redmoor Tin/Tungsten Project, UK (50% owned) where outstanding drilling results have been received during the reporting period
 - The Otago Gold Project, NZ (100% owned)
 - New project opportunities
- NAE is currently pursuing direct project funding for the Lochinvar Project with potential strategic partners. The Board and management have identified several opportunities through their networks.
- \$982,000 cash at 14 March 2019.

REDMOOR TIN-TUNGSTEN PROJECT, UK

Background

The Redmoor Project is located between the village of Kelly Bray and the town of Callington in southeast Cornwall, United Kingdom, approximately 25km by road from the city and port of Plymouth. The area has well-established infrastructure and is located in the world class Cornwall tin–tungsten–copper mineralised district.

Cornwall Resources Limited (CRL), which is 50% owned by NAE, holds a 15-year exploration licence over an area of approximately 23 km² and option agreement for a 25-year Mining License with modest annual payments over the Redmoor project.

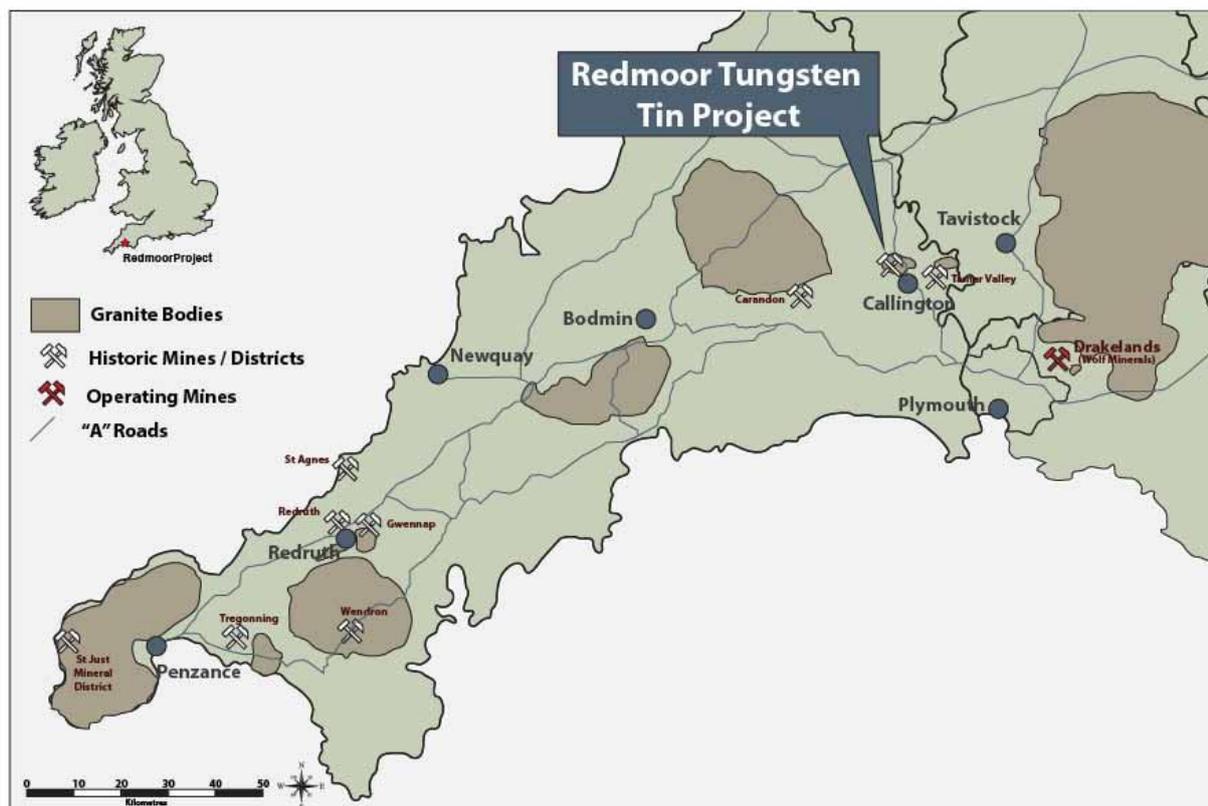


Figure 1 – Redmoor Location

Geology

The geology of the Redmoor Project is typical of other established mining areas of Cornwall. Tin, tungsten and copper mineralisation is spatially related to granite intrusions, which caused mineralising fluids to be mobilised along fractures and faults in host rocks. Redmoor is located adjacent to the Kit Hill granite intrusion.

There are two types of mineralisation styles at Redmoor:

- Sheeted Vein System (SVS) – A zone of closely-spaced sub-parallel quartz veins carrying tin, tungsten and copper mineralisation. High Grade Zones exist within the SVS where there is a higher density of mineralised quartz veins – these High-Grade Zones within the SVS are typically 2m to 20m wide and form the basis of the current 2019 Redmoor Inferred Mineral Resource. The SVS has not been previously mined.

- High Grade Lodes – Discrete quartz veins carrying tin, tungsten and copper mineralisation which are typically 1m to 2m wide (e.g. Johnsons Lode and Kelly Bray Lode, which have been historically mined).

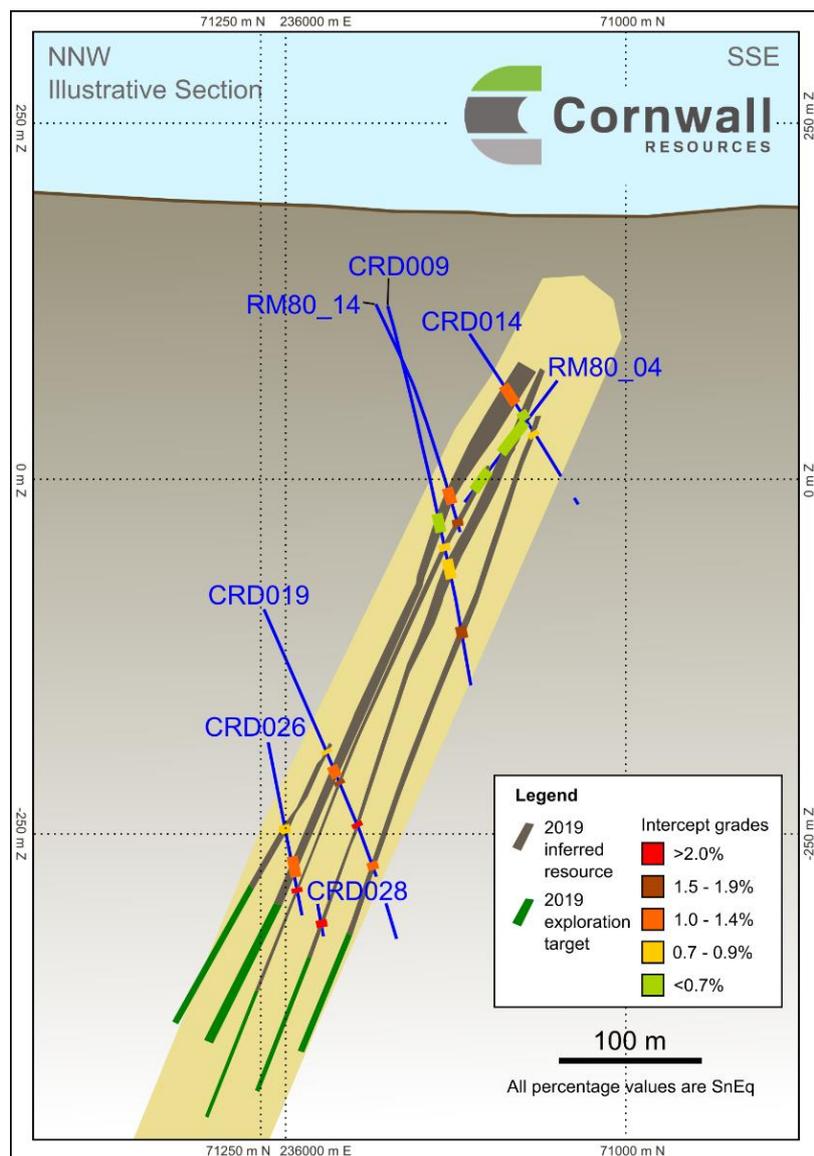


Figure 2 - Cross section showing Inferred Resource (SVS High Grade Zones) & Exploration Target at depth below

Previous Exploration, Testwork and Studies

South West Minerals Limited (SWM) completed a drilling program at Redmoor between 1980 and 1983, comprising 35 diamond drill holes (totalling 12,146 m).

Two metallurgical testwork programs were undertaken on composited samples of crushed diamond drill core. The results of this testwork were used to design a processing plant flowsheet.

The work of SWM came to an end in the mid-1980s as a result of the tin price collapse - resulting in the resource potential outlined by SWM being left in the ground, offering an opportunity when metal prices recovered.

In 2015 NAE completed a detailed review of SWM's metallurgical testwork, which concluded that the Redmoor ore is coarse grained and is a simple, low-cost ore to process with expected overall process recoveries of 68% tin, 72% tungsten, and 35% – 85% copper (depending on flowsheet design option).

2017 CRL Drilling

In 2017 CRL drilled 20 diamond holes. This program successfully identified a number of high-grade zones within the SVS, which formed the basis of a high grade Inferred Mineral Resource issued in March 2018. An Exploration Target based on extension of the high-grade zones at depth and along strike was also defined in March 2018.

2018 CRL Drilling

During the reporting period, CRL drilled a further 12 diamond holes in its 2018 Phase 1 and Phase 2 programs to test the March 2018 Exploration Target, based on extensions of the high-grade zones within the SVS at depth and along strike.

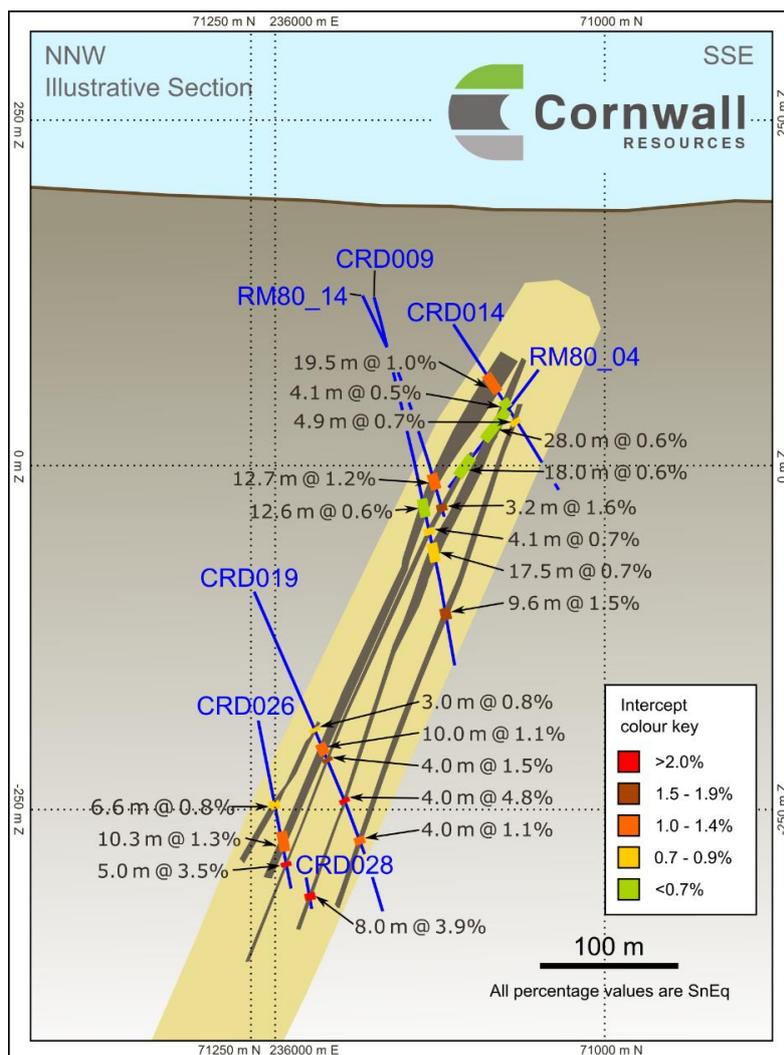


Figure 3 - Typical Cross Section showing Inferred Resource (SVS High Grade Zones) and Drillhole Intercepts

Without exception, all 12 of the 2018 holes drilled successfully intersected high-grade zones. This level of success in targeting mineralisation confirms confidence in the geological model and the continuation of mineralization in high-grade zones within the SVS.

The 2018 drilling results included some spectacular results of up to 29.7% Sn Eq, with the average of all 2018 significant intercepts increasing to 1.81% Sn Eq (81% higher grade than the previous resource).

The CRL drilling results indicate that the grade of the Redmoor deposit generally increases with depth.



Figure 4 - Well-developed wolframite and chalcopyrite, in interval 493.16-493.91m, CRD028

2018 Studies by Cornwall Resources

A process plant engineering and surface infrastructure study was completed by Fairport Engineering in April 2018. This included capital and operating cost estimates for the processing plant and mine infrastructure.

A mining study was completed by Mining One in April 2018. This included a preliminary underground mine design, capital and operating costs estimates.

An economic assessment of the project based on these processing, surface infrastructure and mining studies has been carried out by CRL and showed that the Redmoor project is economically attractive.

2019 Resource Update

A resource update was undertaken in February 2019 based on the highly successful 2018 drilling program. An updated Inferred Mineral Resource of 11.7 Mt @ 0.56% WO₃, 0.16% Sn, 0.50 % Cu (1.17% Sn Eq or 0.82% WO₃ Eq) was defined within 10 parallel high-grade zones within the Sheeted Vein System (SVS) using a break even cut-off grade of 0.45% Sn Eq.

Table 1 - Redmoor Inferred Mineral Resource Estimate¹²

Cut-off (SnEq%)	Tonnage (Mt)	WO ₃ %	Sn %	Cu %	SnEq ² %	WO ₃ Eq ² %
>0.45 <0.65	1.5	0.18	0.21	0.30	0.58	0.41
>0.65	10.2	0.62	0.16	0.53	1.26	0.88
Total Inferred Resource	11.7	0.56	0.16	0.50	1.17	0.82

This represents a tripling of the contained metal (now 137kt Sn Eq) compared with the previous March 2018 Mineral Resource estimate.

The 1.17% Sn Eq updated Inferred Mineral Resource grade, reported at a 0.45% break-even cut-off grade, is 17% higher than the previous March 2018 Mineral Resource estimate (4.5Mt @ 1.0% Sn Eq).

Included within the Inferred Mineral Resource is 10.2Mt at 1.26% Sn Eq at a 0.65% Sn Eq total cost cut-off grade, reinforcing the potential to economically mine the resource.

¹ NAE Announcement - Redmoor Resource Update, 13 February 2019

² Equivalent metal calculation notes; Sn(Eq)% = Sn%*1 + WO₃%*1.43 + Cu%*0.40. Commodity price assumptions: WO₃ US\$ 33,000/t, Sn US\$ 22,000/t, Cu US\$ 7,000/t. Recovery assumptions: total WO₃ recovery 72%, total Sn recovery 68% & total Cu recovery 85% and payability assumptions of 81%, 90% and 90% respectively. See NAE Announcement - Redmoor Resource Update, 13 February 2019, page 7,

Continuity of the SVS which hosts the high-grade zones is now confirmed over a strike length in excess of 1,000 m and for some 650 m down dip. Ore body geometry appears likely to be amenable to underground mining.

2019 Exploration Target

An Exploration Target based on extension of the SVS high-grade zones down-dip and along strike was also defined in February 2019 (see Figure 5). The majority of the deposit remains open down-dip and along strike to the west where further potential exists and remains largely untested.

Table 2 - Redmoor 2019 Exploration Target

Description	Tonnage (Mt)	SnEq%
High Grade Exploration Target	4-8 Mt	1.0 – 1.4

It should be noted that this Exploration Target estimate is conceptual in nature; there has been insufficient exploration to define a high-grade Mineral Resource in this volume and it is uncertain if further exploration will result in the determination of a Mineral Resource.

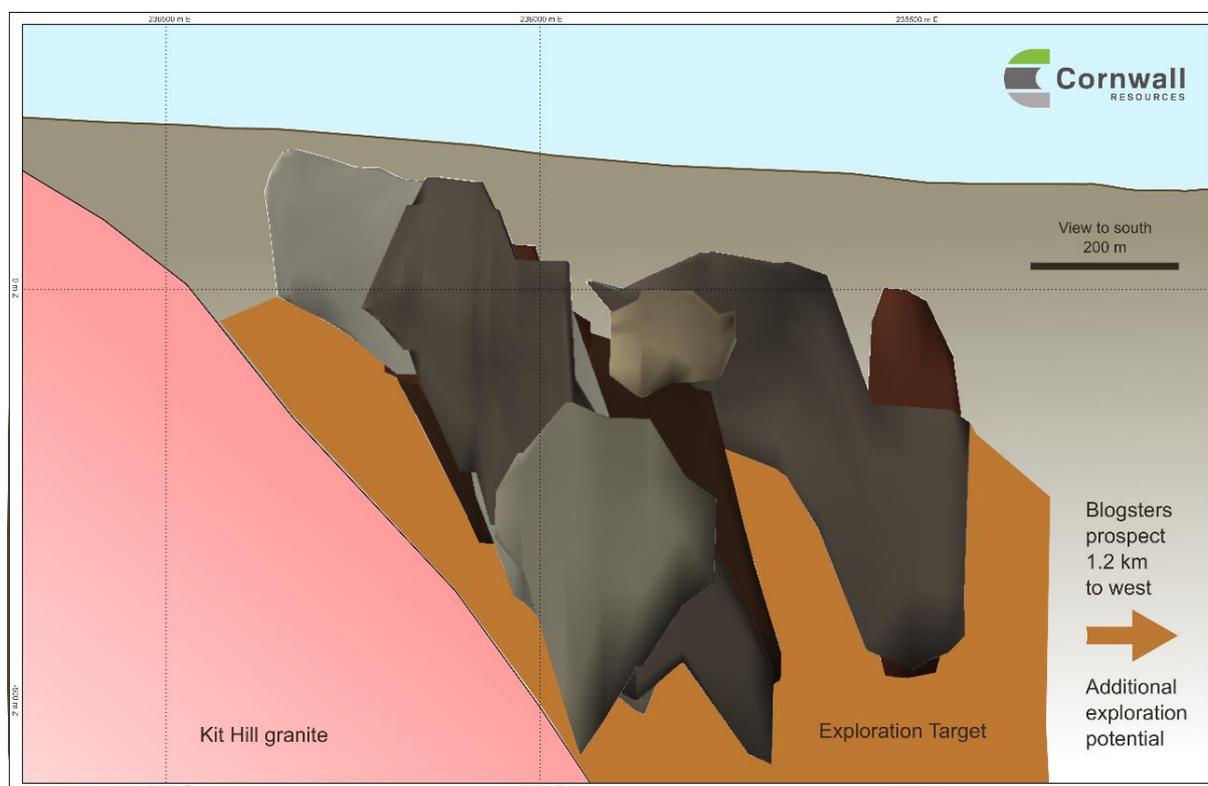


Figure 5 - Long Section showing Inferred Resource (SVS High Grade Zones) and Exploration Target at Depth and along strike – view looking south

The Blogsters prospect, around 900 m to the west of, and directly on strike with the Redmoor deposit, is known to have been mined in the early 20th century. Whilst not included in the Mineral Resource or Exploration Target above, Blogsters provides evidence of exploration potential for further strike extension of the SVS which remains to be tested.

Research and Development Relief Payment Received

A cash payment of £101,000, net of fees, was received in August by Cornwall Resources Limited from the UK Government for Research and Development tax relief for the years ending June 2016 and June 2017.

A further cash payment of £138,000, net of fees, was received in January 2019 by Cornwall Resources Limited from the UK Government, for Research and Development tax relief for the year ending 30 June 2018.

Redmoor Benchmarking

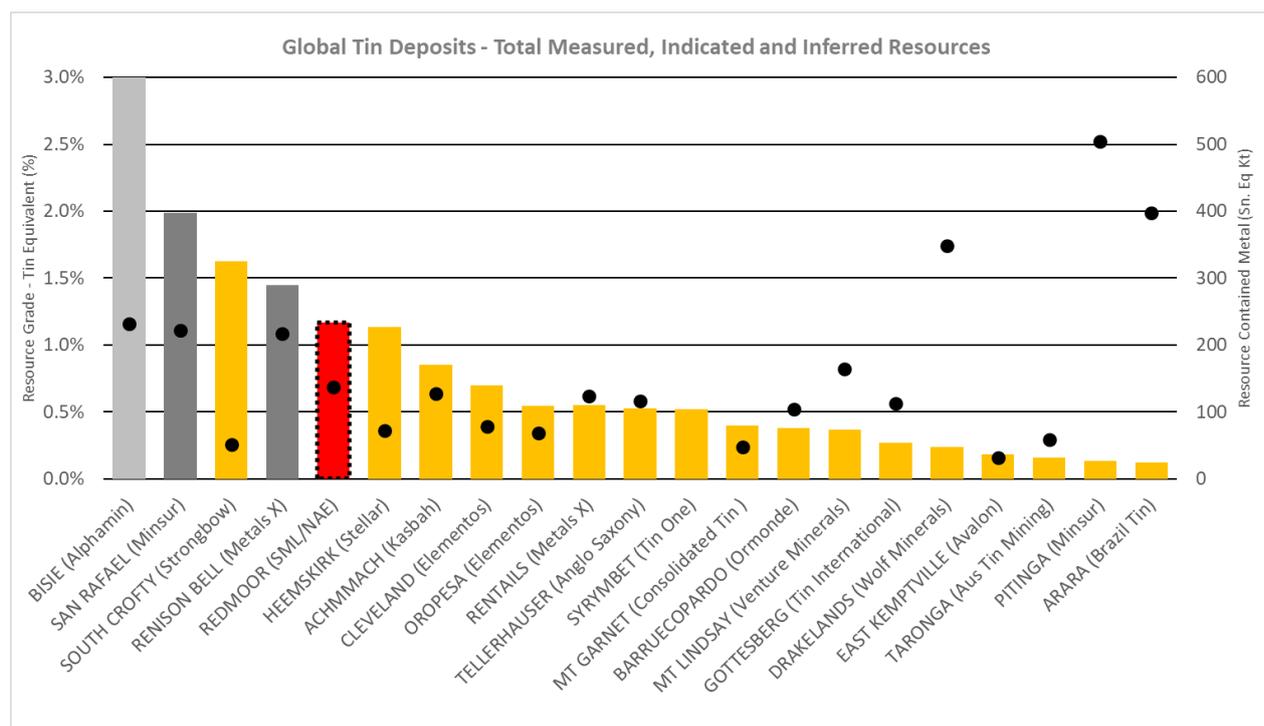


Figure 6 - Comparison of Redmoor with other deposits; Sn Eq basis.

On a Sn Eq grade basis using this benchmarking data, Redmoor ranks as the 2nd highest grade known undeveloped tin or tungsten Mineral Resource in the world.

On a contained metal basis, the Redmoor Mineral Resource now ranks the (No. 1) largest undeveloped tin or tungsten underground mining project in the world.

Work program

As a result of the successful completion of the resource update, CRL have requested a number of mining consultancies to provide proposals for a preliminary mining study. The preliminary mining study to evaluate mining options is expected to be carried out in the first half of 2019.

An initial ore characterisation and heavy media separation testwork program on Redmoor ore is now well advanced at Wardell Armstrong International's Wheal Jane, Cornwall facility. This will enable CRL to add to the existing metallurgical database with the aim of better identifying any critical metallurgical issues for the project at an early stage.

Following this encouraging resource estimate, the shareholders are reviewing the best route for advancement of the project towards a pre-feasibility study. This work program will be informed by the results of the mining and metallurgical studies, which will define operating parameters for the future project and thus enable future infill drilling and metallurgical work to be optimised.

Community and Environmental Responsibility

Reducing community and environmental impacts is CRL's first priority in all exploration activities.

There has been positive community engagement throughout CRL's drilling programs and no complaints have been received.

CRL has aimed to maximise local employment and collaboration with local universities.



Figure 7 - Straw bale noise-screens minimise disturbance from drilling

OTAGO PIONEER QUARTZ GOLD EXPLORATION TARGET

Background

The Otago Pioneer Quartz Gold Exploration Project is owned 100% by NAE and is located on South Island NZ, west of Dunedin. In January 2019, NAE was granted an Exploration Permit covering 71.55 km², shown in Figure 8, including the historic Otago Pioneer Quartz (OPQ) Gold Mine.

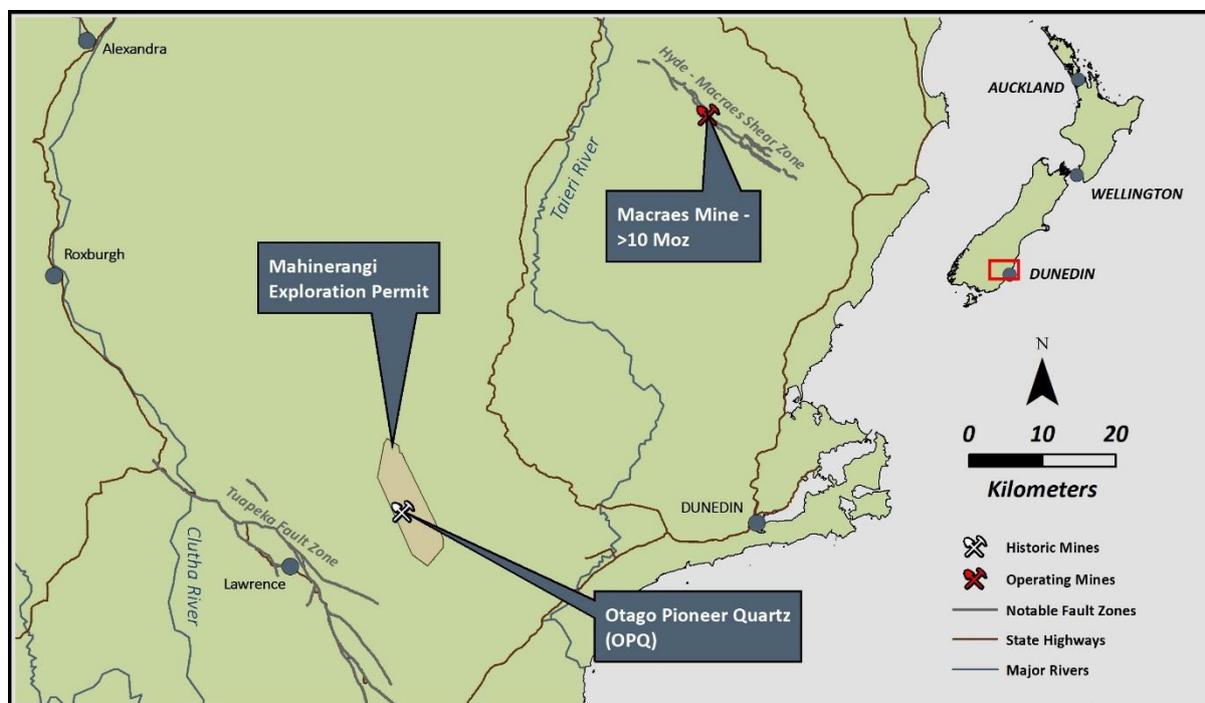


Figure 8- NAE Mahinerangi Exploration Permit and OPQ Historic Mine and Exploration Target Location

Otago Pioneer Quartz (OPQ) Historic Gold Mine

Historic records indicate the OPQ Gold Reef was mined over 100 years ago averaging 2m wide over a strike length of at least 1,200m and yielding an average of around 13 grams per tonne Au.

Exploration around the OPQ historic mine area by Macraes Mining Company between 1991 and 1997 showed As and Au soil anomalies over a distance of approximately 1 km strike length above the area of the OPQ reef historically mined (see Figure 10).

NAE Soil Sampling Program - February 2018

In February 2018, a soil sampling program using a man-portable drill and hand auger was undertaken by NAE with results as follows:

- Six lines and 73 soil samples targeting along strike extensions of the OPQ reef.
- A further 2 sample lines were conducted on possibly similar strike targets in the far south of the permit.
- Soil samples analyzed using a portable XRF instrument
- Selected samples were sent to the laboratory for Au analysis with results showing anomalous gold values at various distances along possible southeast and northwest strike extensions of the OPQ Reef.
- 2 samples located approximately 700m southeast and along strike of the OPQ historic mine and previously defined soil anomaly recorded gold values of 1.4 g/t and 0.6 g/t (see Figure 10).

NAE Soil Sampling Program - September 2018

During the reporting period, NAE completed a follow-up soil sampling program in September, 2018. Results included;

- 18 man-portable percussion core samples and 47 hand auger samples over the OPQ reef target, all of which were analysed for gold.
- 0.66 g/t gold located ~2,700m southeast and along strike of the OPQ historic mine and previously defined soil anomaly and ~2,000m southeast and along strike of the 1.4 g/t and 0.6 g/t gold soil results obtained by NAE in February 2018.
- 0.55 g/t and 0.25 g/t gold on a line located north of Lake Mahinerangi ~3,000m northwest and along strike of the OPQ historic mine and previously defined soil anomaly.
- As shown in Figure 10, these results potentially extend the strike length of the OPQ gold target significantly (up to 6km in total) and highlight the potential for one or more narrow zones of high-grade gold mineralization.



Figure 9 - September 2018 Fieldwork - soil sampling with man-portable drill

Work Program 2019

NAE have been working with the Company's NZ based consultants, CRL Energy, to design a suitable work program for the 2019 field season.

The program will be implemented to test the results to date, as well as advancing first pass exploration over a parallel structural zone identified in the east of the tenure (see Figure 11).

The soil cover is thinner in the northern target area, so trenching and sampling is planned over this area to expose and sample for extensions of the OPQ structure to the north of the lake where results of 0.55 and 0.25 g/t gold have been returned.

In the central and southern target areas the soil cover is thicker and beyond the depth of trenching. Aircore/RC drilling has been planned to intersect the bedrock and test for shearing/veining associated with gold mineralisation in these areas. The drilling is designed to access three areas between the forestry and conservation areas to initially establish the geology and prospectivity of the trend.

In addition, a structural trend paralleling the OPQ structure has been identified in the east of the tenure from aerial photo imagery. This will be inspected, mapped and sampled using soil sampling methods used to define the extensions of the OPQ trend.

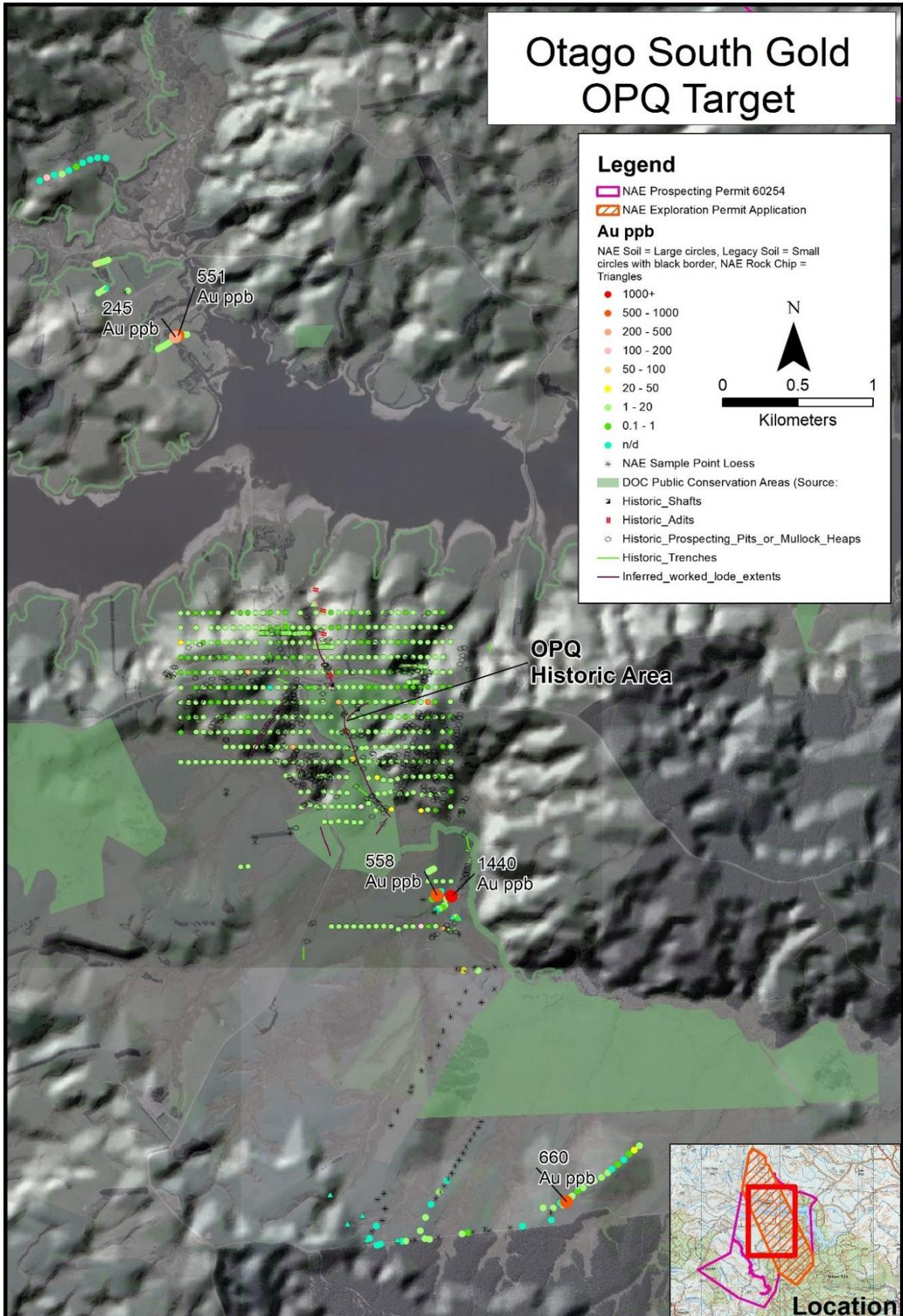


Figure 10- Otago Pioneer Quartz Gold Exploration Target – Soil Au Results

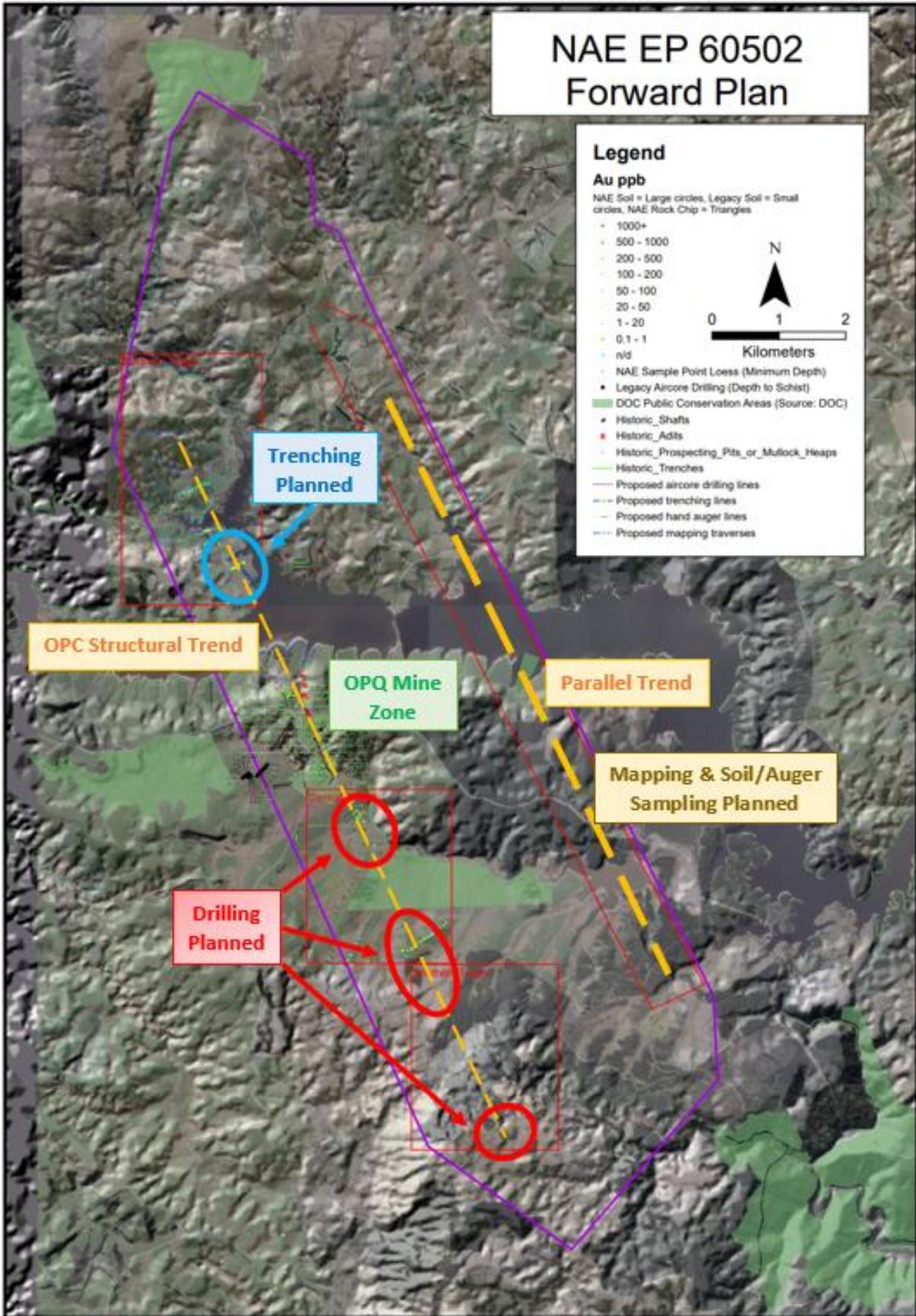


Figure 11– NAE Exploration Otago Permit: Target zones and planned activities for 2019

LOCHINVAR COKING COAL PROJECT, UK

Background

The Lochinvar Coking Coal Project is located on the Scottish / English border. The project consists of two adjacent exploration and conditional underground mining licences known as Lochinvar and Lochinvar South.

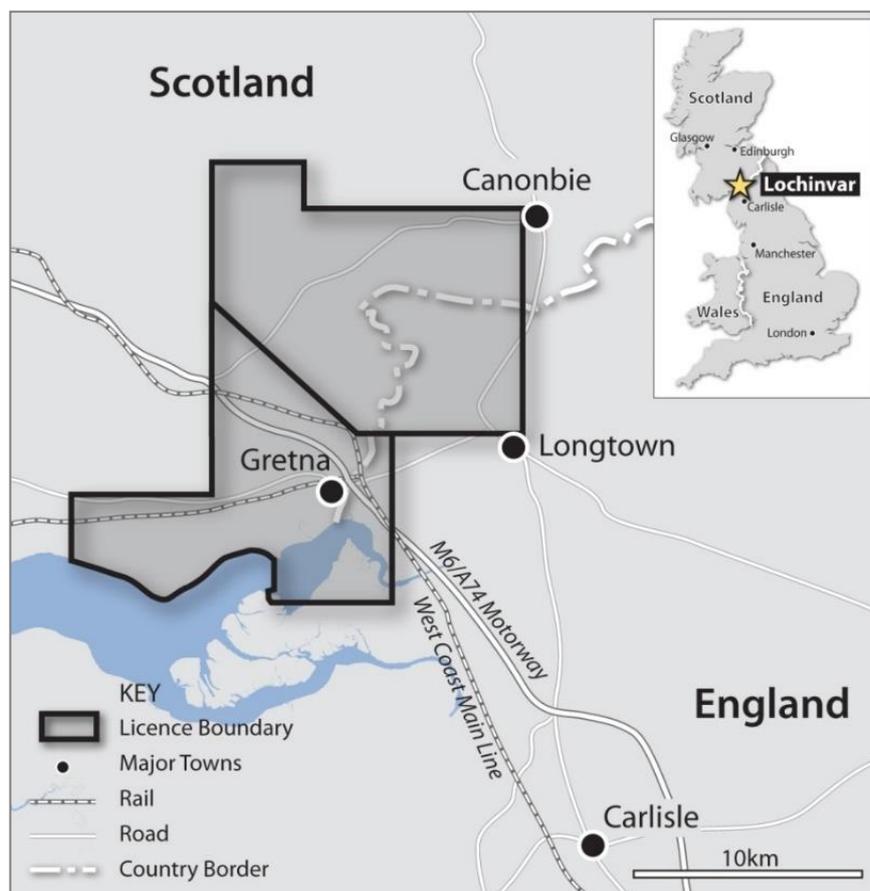


Figure 12- Location of the Lochinvar Licences

Historic exploration at Lochinvar was conducted in the 1950's by the National Coal Board, which sank four boreholes. 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 to the east of the licence.

From 1979 the NCB drilled a further nine boreholes and shot 55 kilometres of seismic line, proving the existence of a large concealed coking coalfield (the Canonbie Coalfield).

NAE acquired the Lochinvar licence in 2012 and drilled an initial 4 cored drill holes at Lochinvar in 2013 and a further 6 holes in 2014.

Lochinvar Scoping Study Update (March 2017)

In October 2014, NAE completed the Lochinvar Scoping Study which confirmed the potential for a low cost long life 1.9Mtpa long wall mining project to deliver 1.4Mtpa coking coal into UK and European markets.

In March 2017, NAE announced the results of an update of the Lochinvar Scoping Study, which showed a substantial improvement in the project economics.

The Lochinvar project now has a base-case NPV 9%, determined to an accuracy of $\pm 40\%$, of approximately US\$410M, an IRR of approximately 27% and a payback period of approximately 4 years. These Scoping Study Update results demonstrate that the Lochinvar Project is robust to changes in Coking Coal price

and other key assumptions (break even HCC price is US\$100/t). The economic evaluation is based on a US\$160/t HCC Benchmark Price / US\$150/t Lochinvar Realised Price.

These results show the potential for the Lochinvar project to deliver excellent returns on investment with lowest quartile operating costs resulting from short rail transport distances, low labor costs, high coal yield (71%), low royalties, and low taxes.

Lochinvar sits comfortably in the lowest quartile of the 2017 Wood Mackenzie Global Seaborne Coking Coal FOB cost curve. With a total FOB Operating Cost of US\$58/t, Lochinvar has the potential to deliver a low-cost, long life operation which is ideally located to supply the European steel industry.

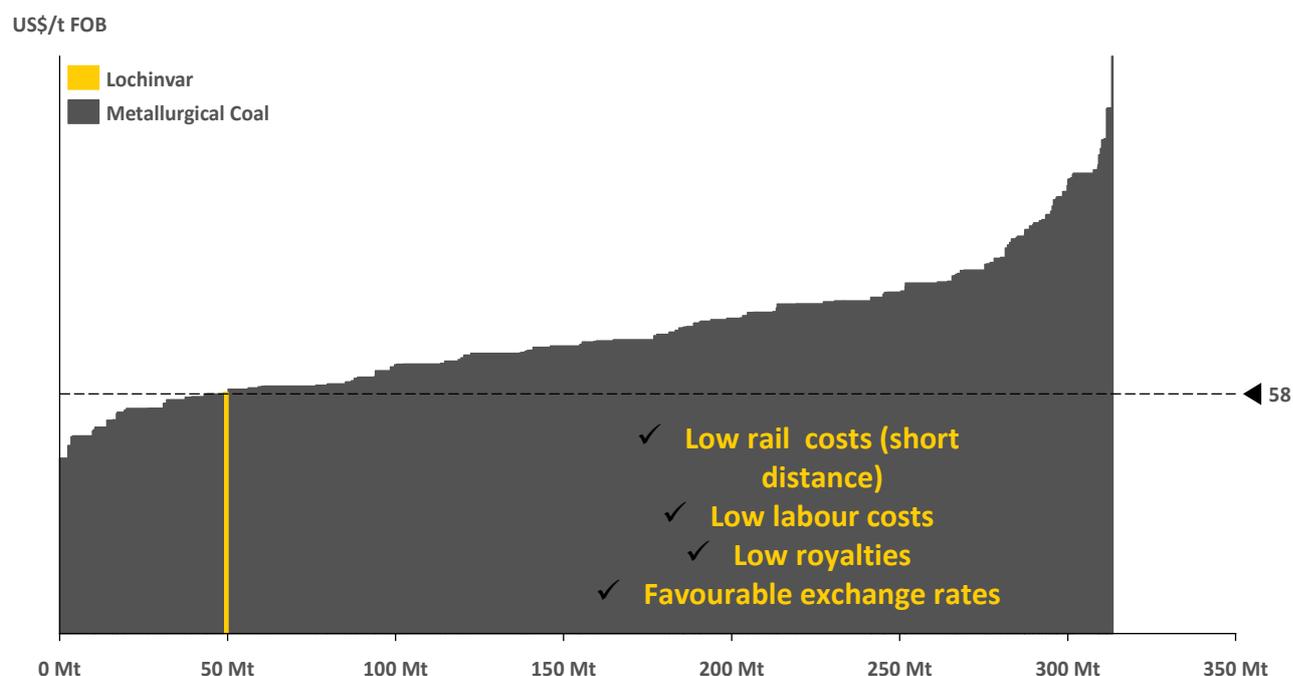


Figure 13- 2017 Global Seaborne Metallurgical Coal Total Cash Cost Curve (source: Wood Mackenzie)

Coking Coal Price Outlook

Hard coking coal benchmark prices have stabilized at around US\$200/t FOB Australia price levels during the reporting period. This represents a stepped improvement in prices from 2014-2016 cyclical low levels. The average Hard Coking Coal Price over the last 7 years has been ~US\$175/t.

Current hard coking coal benchmark prices now well exceed the NAE Directors' view that it is probable that the hard coking coal benchmark price will remain in the range of US\$140/t to US\$170/t over the medium to long term. A hard coking coal benchmark price of US\$160/t was used for the Lochinvar Scoping Study Update.

CORPORATE

Completion of \$1.6m Placement (June 2018 – August 2018)

In June 2018, a \$1.6m, two-tranche placement, led by CPS Capital, was announced to fund the Redmoor project and NAE working capital requirements. Tranche 1 of the placement was completed in late June raising \$728,000 via the issue of 112,000,000 shares issued at 0.65 cents per share.

An EGM was held on 26 July 2018 where shareholders approved all of the following resolutions:

- The issue of 134,153,846 shares for Tranche 2 of the Placement,
- The issue of up to 14,769,231 shares to CPS Capital for payment of their broker fee for the Placement, being 6% of the total funds raised. CPS has elected to take its brokers fee in full by way of the issue of shares at a deemed issue price of 0.65 cents per share, and
- Refreshment of the Company's placement capacity.

Tranche 2 of the \$1.6m placement was completed on 2 August 2018 raising a further \$872,000 via the issue of 134,153,846 shares issued at 0.65 cents per share.

Completion of \$0.94m Placement

Post period end, a \$0.94m placement, led by CPS Capital, was completed to raise funds to be allocated towards the development of the Company's existing projects, to seek new opportunities and to working capital.

The placement was undertaken via the placement of 171,000,000 new shares at an issue price of 0.55 cents per share to raise a total of \$940,500 before associated costs.

CPS Capital have elected to take their broker fees in shares at the placement price of 0.55 cents per share, which will be issued on completion of the placement with the 6% broker fee being subject to shareholder approval.

On 11 March 2019, the Company received the applicable funds under the placement (\$940,000) and issued the respective shares.

Additional Investment in Cornwall Joint Venture

During the reporting period, NAE increased its investment in the Cornwall Resources Limited joint venture by £453,501 to fund its 50% share of the 2018 Phase 1 and Phase 2 Redmoor drilling programs (12 holes).

Board and Management Changes

Mr Gary Fietz and Mr Michael Amundsen resigned as Directors of NAE in October 2018. An agreement was also reached to terminate Mr Fietz's contract as Managing Director. Mr Fietz agreed to continue to be available to the Company as a consultant for a period of 3 months to ensure an orderly transition to new management. Mr Fietz and the Company have recently agreed to extend this arrangement beyond the end of January 2019 on a month-by-month basis.

To fill the vacancies left by the above resignations in October, the Company appointed Mr Neil Hutchison, Mr Stephen Layton and Mr Joshua Wellisch as non-executive Directors.

In December 2018, Mr Neil Hutchison resigned as a Director of NAE to meet new additional workload with alternate companies.

Strategic Review

In November 2018, the Company announced that its strategic direction moving forward would be to rationalise the current project portfolio, reduce overall costs and to pursue new value add opportunities. This includes focusing on:

- the Redmoor Tin/Tungsten Project, UK (50% owned) where outstanding drilling results have been received during the reporting period, and an outstanding resource update issued in February 2019, post the end of the reporting period.
- the Otago Gold Project, NZ (100% owned)
- new project opportunities

NAE is currently pursuing direct project funding for the Lochinvar Project with potential strategic partners. The Board and management have identified several opportunities through their networks that are currently being pursued.

COMPETENT PERSONS STATEMENT

REDMOOR

The information in this report that relates to Exploration Results is based on information compiled and/or reviewed by Paul Gribble C.Eng., a Fellow of the Institute of Materials, Minerals and Mining (FIMMM), and who is Principal Geologist of Geologica UK (Geologica). Paul Gribble 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'. Paul Gribble is also a Competent Person "as defined in the Note for Mining and Oil & Gas Companies which form part of the AIM Rules for Companies". Paul Gribble 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 the Principal Geologist at 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.

SUPPORTING INFORMATION AND CAUTIONARY STATEMENTS

This presentation has been prepared as a summary only, and does not contain all information about NAE’s projects or its assets and liabilities, financial position and performance, profits and losses, prospects, and the rights and liabilities attaching to NAE’s securities. The securities issued by NAE are considered speculative and there is no guarantee that they will make a return on the capital invested, that dividends will be paid on the shares or that there will be an increase in the value of the shares in the future. NAE does not purport to give financial or investment advice. No account has been taken of the objectives, financial situation or needs of any recipient of this report. Recipients of this report should carefully consider whether the securities issued by NAE are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position.

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000

PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

www.rsm.com.au**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of New Age Exploration Limited for the half year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

**RSM AUSTRALIA PARTNERS****J S CROALL**

Partner

Dated: 15 March 2019
Melbourne, Victoria

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	Half year ended 31 Dec 2018 \$	Half year ended 31 Dec 2017 \$
Revenue			
Reversal of impairment loss on Exploration and evaluation assets		-	1,707,536
Other income		25,886	28,428
Expenses			
Corporate expenses		(105,452)	(129,553)
Occupancy expenses		(12,746)	(12,746)
Employee benefits expense		(484,537)	(259,649)
Administrative expenses		(48,707)	(48,004)
Share in net profit/(loss) of joint venture		207,781	(17,746)
Travel and accommodation		(20,415)	(11,061)
Other expenses		(8,971)	(1,205)
(Loss)/ profit before income tax expense		(447,161)	1,256,000
Income tax expense		-	-
(Loss)/ profit for the period from continuing operations		(447,161)	1,256,000
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Movement in exchange differences on translating foreign operations		76,526	82,920
Income tax expense		-	-
Total Other comprehensive income		76,526	82,920
Total Comprehensive (loss)/ income for the period		(370,635)	1,338,920
(Loss)/ profit for the period attributable to:			
Non-controlling interests		-	-
Owners of New Age Exploration Limited		(447,161)	1,256,000
		(447,161)	1,256,000
Total comprehensive (loss)/ income for the period attributable to:			
Non-controlling interests		-	-
Owners of New Age Exploration Limited		(370,635)	1,338,920
		(370,635)	1,338,920
<i>(Loss)/ profit per share from continuing operations attributable to the owners of New Age Exploration Limited</i>		Cents	Cents
Basic profit/(loss) per share		(0.07)	0.28
Diluted profit/(loss) per share		(0.07)	0.28

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Note	31 Dec 2018 \$	30 June 2018 \$
Current assets			
Cash and cash equivalents		291,844	1,053,352
Trade and other receivables		46,490	33,210
Prepayments		30,475	19,808
Other financial assets		25,000	25,000
Total current assets		393,809	1,131,370
Non-current assets			
Investment in joint venture	2	3,187,774	2,160,217
Property, plant and equipment		1,164	3,425
Exploration and evaluation assets	3	6,913,123	6,777,775
Total non-current assets		10,102,061	8,941,417
Total assets		10,495,870	10,072,787
Current liabilities			
Trade and other payables		62,000	114,788
Provisions		9,352	34,847
Total current liabilities		71,352	149,635
Total liabilities		71,352	149,635
Net assets		10,424,517	9,923,152
Equity			
Equity attributable to members of the parent:			
Contributed equity	4	27,092,788	26,220,788
Reserves		794,277	717,751
Accumulated losses		(17,462,548)	(17,015,387)
Total equity		10,424,517	9,923,152

The above consolidated statement of financial position is to be read in conjunction with the attached notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Attributable to owners of New Age Exploration Limited			Total
	Contributed Equity \$	Reserves \$	Accumulated Losses \$	
At 1 July 2018	26,220,788	717,751	(17,015,387)	9,923,152
Loss for the period	-	-	(447,161)	(447,161)
Other comprehensive income	-	76,526	-	76,526
Total comprehensive loss for the period	-	76,526	(447,161)	(370,635)
Transactions with owners in their capacity as owners:				
Issue of shares	968,000	-	-	968,000
Issue costs	(96,000)	-	-	(96,000)
As at 31 December 2018	27,092,788	794,277	(17,462,548)	10,424,517
At 1 July 2017	25,492,788	419,421	(17,975,879)	7,936,330
Profit for the period	-	-	1,256,000	1,256,000
Other comprehensive income	-	82,920	-	82,920
Total comprehensive income for the period	-	82,920	1,256,000	1,338,920
As at 31 December 2017	25,492,788	502,341	(16,719,879)	9,275,250

The above consolidated statement of changes in equity is to be read in conjunction with the attached notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Half year ended 31 Dec 2018	Half year ended 31 Dec 2017
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(777,474)	(458,694)
Other receipts	22,275	29,214
Interest received	5,279	6,015
Net cash flows used in operating activities	(749,920)	(423,465)
Cash flows from investing activities		
Payments for exploration and evaluation costs	(63,982)	(118,362)
Payment for other financial assets	(819,775)	(320,716)
Proceeds from sale of other financial assets	-	-
Proceeds from partial disposal of interest in controlled entity	-	-
Net cash flows used in investing activities	(883,757)	(439,078)
Cash flows from financing activities		
Proceeds from issue of shares	968,000	-
Share issue costs	(96,000)	-
Net cash flows provided by financing activities	872,000	-
Net decrease in cash and cash equivalents held	(761,677)	(862,543)
Cash and cash equivalents at beginning of the period	1,053,352	1,724,318
Effects of exchange changes on balances held in foreign currencies	169	9,180
Cash and cash equivalents at the end of period	291,844	870,955

The above consolidated statement of cash flows is to be read in conjunction with the attached notes.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and accounting policies

This half year financial report of New Age Exploration Limited and its controlled entities (the Group) for the half year ended 31 December 2018, has been prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half year financial report does not include notes of the type normally included in an annual financial report. Therefore, it is recommended that the half year financial report be read in conjunction with the annual report for the year ended 30 June 2018 and considered together with any public announcements made by New Age Exploration Limited during the half year ended 31 December 2018 in accordance with the continuous disclosure obligations of the ASX listing rules.

Comparative figures have been adjusted to conform with changes in presentation for the current period.

The accounting policies and methods of computation are consistent with those adopted in the most recent annual financial report, except for the impact of the Standards and Interpretations described below.

(a) Adoption of New and Revised Accounting Standards

The Group has adopted all of the new and amended Australian Accounting Standards and AASB Interpretations that are relevant to its operations and effective for the current half-year. The adoption of the new and amended Standards and Interpretations has had no effect on the amounts reported for the current or prior half years.

The Directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2018. As a result of this review, the Directors have determined that the expected impact to the Group will be immaterial.

(b) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Group's net loss after tax for the half-year ended 31 December 2018 amounted to \$447,161 and had cash outflows from operating and investing activities of \$1,633,677. As at the balance date, the Group had working capital, of \$322,457. The Directors believe there are reasonable grounds to believe the Group will be able to continue as a going concern, after consideration of the following factors:

- At 31 December 2018, the Group had positive working capital of \$322,457;
- The Company has prepared cash flow budgets which include controlled cash outflows for project expenditure, which can be reduced if insufficient capital is raised to fund that activity;
- On 11 March 2019, the Company received \$940,500 in funds from the placement of 171,000,000 shares at an issue price of \$0.0055 per share pursuant to its placement capacity under ASX Listing Rules;
- The Board of directors is aware that significant capital expenditure will be required to continue to advance the Group's exploration projects, however the Board is confident that its historical success in raising funds will continue and the Group will be able to satisfy its funding needs as and when required.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

NOTE 2 INVESTMENT IN JOINT VENTURE

NAE holds a 50 percent equity interest in Cornwall Resources Ltd, a UK-based company which was previously wholly-owned by NAE until its deconsolidation from the Group accounts in February 2017. Based on the contractual arrangements, NAE has joint control and, as a result, this investment is accounted for using the equity method.

	31 Dec 2018	30 June 2018
	\$	\$
Investment in joint venture - Cornwall Resources Ltd	3,187,774	2,160,218

NOTE 3 EXPLORATION AND EVALUATION ASSETS

	31 Dec 2018
	\$
Movement in the carrying amounts of exploration and evaluation assets between the beginning and end of the financial period:	
Balance at the beginning of the financial period	6,777,775
Additions	59,641
Reversal of impairment loss	-
Effect of foreign currency movements	75,707
	<u>6,913,123</u>

The recoument of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS CONTINUED

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 4 ISSUED CAPITAL

	31 Dec 2018	30 June 2018	31 Dec 2018	30 June 2018
	Number	Number	\$	\$
Ordinary shares – fully paid	711,780,410	562,857,333	27,092,788	26,220,788

Movement in ordinary shares

	No of Shares	Issue Price	\$
Balance 1 July 2017	450,857,333		25,492,788
Issue of shares	112,000,000	\$0.0065	728,000
Balance 30 June 2018	562,857,333		26,220,788
Issue of shares	148,923,077	\$0.0065	968,000
Issue costs			(96,000)
Balance 31 December 2018	711,780,410		27,092,788

NOTE 5 SEGMENT INFORMATION

The Group operated predominantly as an explorer with the view to identify and advance attractive mineral deposits of sufficient grade and size to provide sustainable returns to shareholders.

The directors do not believe that there are any reportable segments that meet the requirements of AASB 8 *Segment Reporting*. The chief operating decision maker, being the Board of Directors, review geological results and other qualitative measures as a basis for decision making.

NOTE 6 SUBSEQUENT EVENTS

On 28 February 2019, the Company announced that it has received firm commitments for the placement of 171,000,000 new shares at an issue price of \$0.0055 per share to raise \$940,500 before associated costs. Upon completion of the placement, the 6% brokers fees for CPS Capital will be paid in shares at the issue price of \$0.0055 per share, subject to shareholder approval. On 11 March 2019, the Company received the applicable funds under the placement (\$940,000) and issued the respective shares.

The Company subscribed to an additional 7,375 shares in Cornwall Resources Limited at £3.39 per share for a total of £25,001.25.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial periods.

DIRECTORS' DECLARATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

In the directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors:



Joshua Wellisch
Executive Director

Melbourne
15 March 2019

INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE MEMBERS OF****NEW AGE EXPLORATION LIMITED****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of New Age Exploration Limited and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group, comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of New Age Exploration Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of New Age Exploration Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of New Age Exploration Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year then ended; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



J S CROALL

Partner

Dated: 15 March 2019
Melbourne, Victoria