



# Quarterly Report

To 30 September 2018

New Age Exploration Limited ("NAE" or "the Company") is pleased to provide shareholders the Company's Quarterly Report for the period ending 30 September 2018.

## Highlights

### **Redmoor Tin-Tungsten Project**

- 2018 Phase 1 drilling program (7-holes) commenced in June and completed in October, targeting an increase in the tonnage and grade of the Redmoor high grade Inferred Resource.
- Outstanding results from initial 4 Phase 1 holes, which include the highest-grade length-averaged intercepts yet drilled and highlight the potential to increase both the resource tonnage and grade.
- Multiple strong intersections of tungsten and copper mineralisation visually identified in all 3 of the remaining Phase 1 holes. Final results from the Phase 1 program expected in November.
- Phase 2 drilling program commenced in October, consisting of a minimum of 4 holes aimed at further extending the Redmoor high-grade resource in preparation for commencement of a PFS in 2019.
- £101,000 received by Cornwall Resources in August from the UK Government for Research and Development tax relief.

### **Lochinvar Coking Coal Project**

- NAE's 100% owned Lochinvar Coking Coal Project is a significant strategic asset that could generate further value for shareholders with hard coking coal benchmark prices remaining in the US\$175/t to US\$225/t range over the past year
- Renewed emphasis on identifying a strategic investor to advance the project aimed at providing an attractive source of coking coal into the European steel market

### **Otago South Gold Exploration Project**

- Follow up soil sampling program over the OPQ gold exploration target was undertaken in September 2018 with results expected to be announced in November.
- The Mahinerangi and Teviot Prospecting Permits were allowed to lapse post period end on 16 October 2018. On 9<sup>th</sup> October 2018 an Exploration Permit application covering the OPQ gold exploration target and historic mine was lodged by NAE. As holders of the now lapsed Prospecting Permit, NAE's Exploration Permit application has priority status.

## Corporate

- Tranche 2 of a \$1.6m two-tranche placement completed in August raising a further \$872,000 to fund the Redmoor project and working capital requirements.
- During the quarter, NAE increased its investment in the Cornwall Resources Limited joint venture by £392,003 to fund its 50% share of the 7-hole 2018 Phase 1 drilling program and the first part of the 4-hole 2018 Phase 2 drilling program at Redmoor. A commitment has also been made to fund a further £61,498 in November to fund the second part of the 2018 Phase 2 drilling program.
- Board and management changes – Mr Gary Fietz and Mr Michael Amundsen resigned as Directors of NAE in October. An agreement was also reached to terminate Mr Fietz’s contract as Managing Director. Mr Fietz has 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. To fill the vacancies left by the above resignations, the Company then appointed Mr Neil Hutchison, Mr Stephen Layton and Mr Joshua Wellisch as non-executive Directors.
- \$1,077,221 cash at 30 September 2018.

# Activities

## 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 and Option for a Mining Licence with modest annual payments over the Redmoor project.

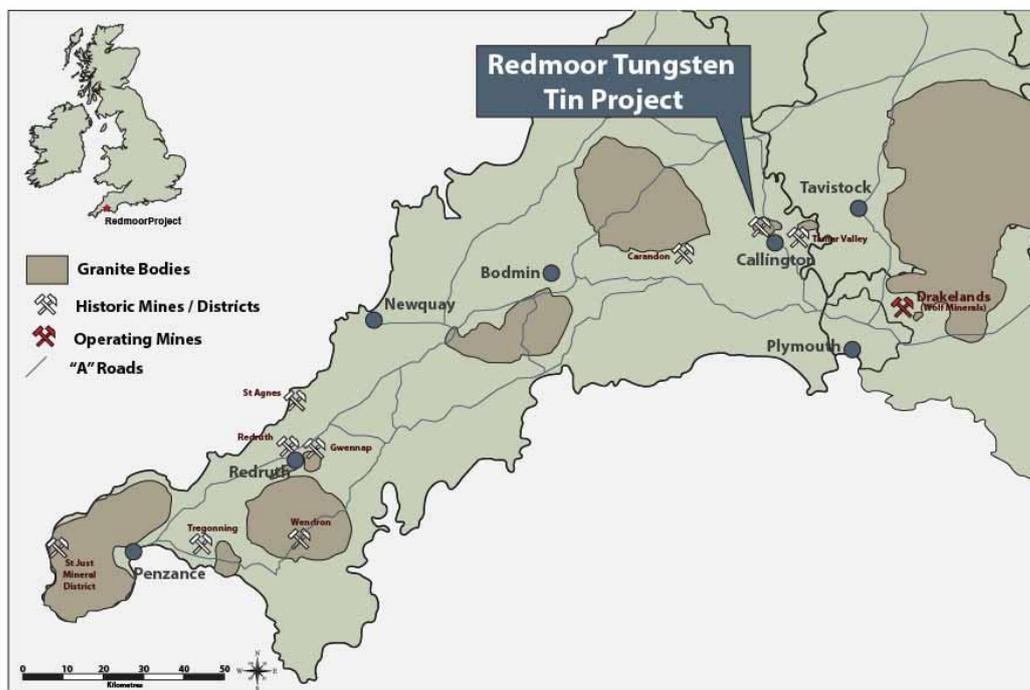


Figure 1 – Redmoor Location

### High Grade Inferred Mineral Resource and Exploration Target

Following the completion of a 20-hole drilling program by CRL in 2017, an updated High Grade Inferred Mineral Resource of 4.5Mt @1.0% Sn Eq was defined for Redmoor in March by CRL's technical consultants SRK, as shown in Table 1. A High Grade Exploration Target of 4-6 Mt at 0.9% to 1.3% Sn Eq was also defined for Redmoor in March 2018 by CRL's technical consultants SRK, as shown in Table 2.

Table 1. Redmoor 2018 Inferred Mineral Resource Estimate<sup>12</sup>

Description	Tonnage (Mt)	WO <sub>3</sub> %	Sn %	Cu %	SnEq %
High Grade Zones (SVS)	4.5	0.37	0.25	0.57	1.00

Table 2. Redmoor 2018 Exploration Target<sup>1</sup>

Description	Tonnage (Mt)	SnEq%
High Grade Exploration Target	4-6 Mt	0.9 – 1.3

*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.*

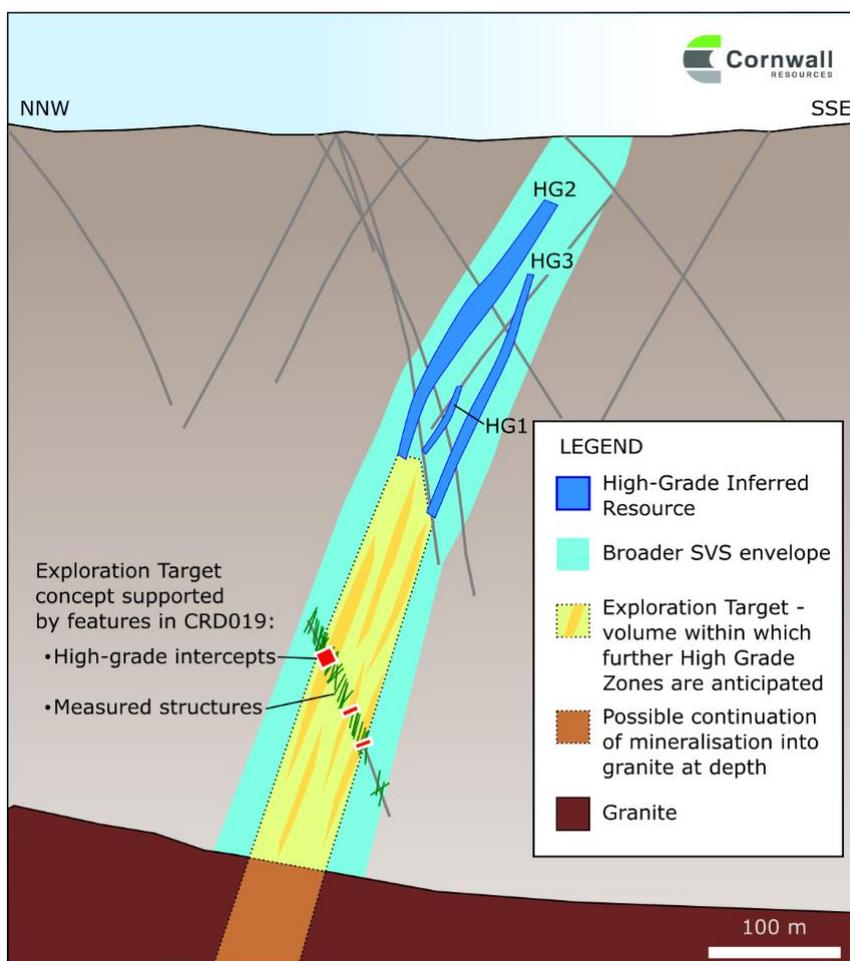


Figure 2 – Cross section showing SVS High Grade Zones, Exploration Target extending below & potential to extend into the granite

<sup>1</sup> NAE Announcement - Redmoor Resource Update, 20 March 2018

<sup>2</sup> Equivalent metal calculation notes; Sn(Eq)% = Sn%\*1 + WO<sub>3</sub>%\*1.43 + Cu%\*0.40. Commodity price assumptions: WO<sub>3</sub> US\$ 33,000/t, Sn US\$ 22,000/t, Cu US\$ 7,000/t. Recovery assumptions: total WO<sub>3</sub> recovery 72%, total Sn recovery 68% & total Cu recovery 85% and payability assumptions of 81%, 90% and 90% respectively. See NAE Announcement 18 October 2018 - Results from Redmoor Drilling – with Clarification, page 5, Note on Calculation of Sn Equivalent values and supporting Recovery data for further information.

### Redmoor Inferred Resource Grade Increases with Depth

Drillhole CRD019 was CRL’s best hole from the 2017 drilling program and contains over 20m true thickness in 3 High Grade Zones between 1.1% and 2.6% SnEq. These intercepts in CRD019 are located ~150m directly below the majority of the Inferred Resource and 375m to 450m from the surface. This is approximately in the center of the High Grade Exploration Target zone where the 2018 CRL drilling program is focused.

The High Grade Inferred Resource shows a significant increase in grade (SnEq) with depth from the surface as shown in Figure 3<sup>3</sup>.

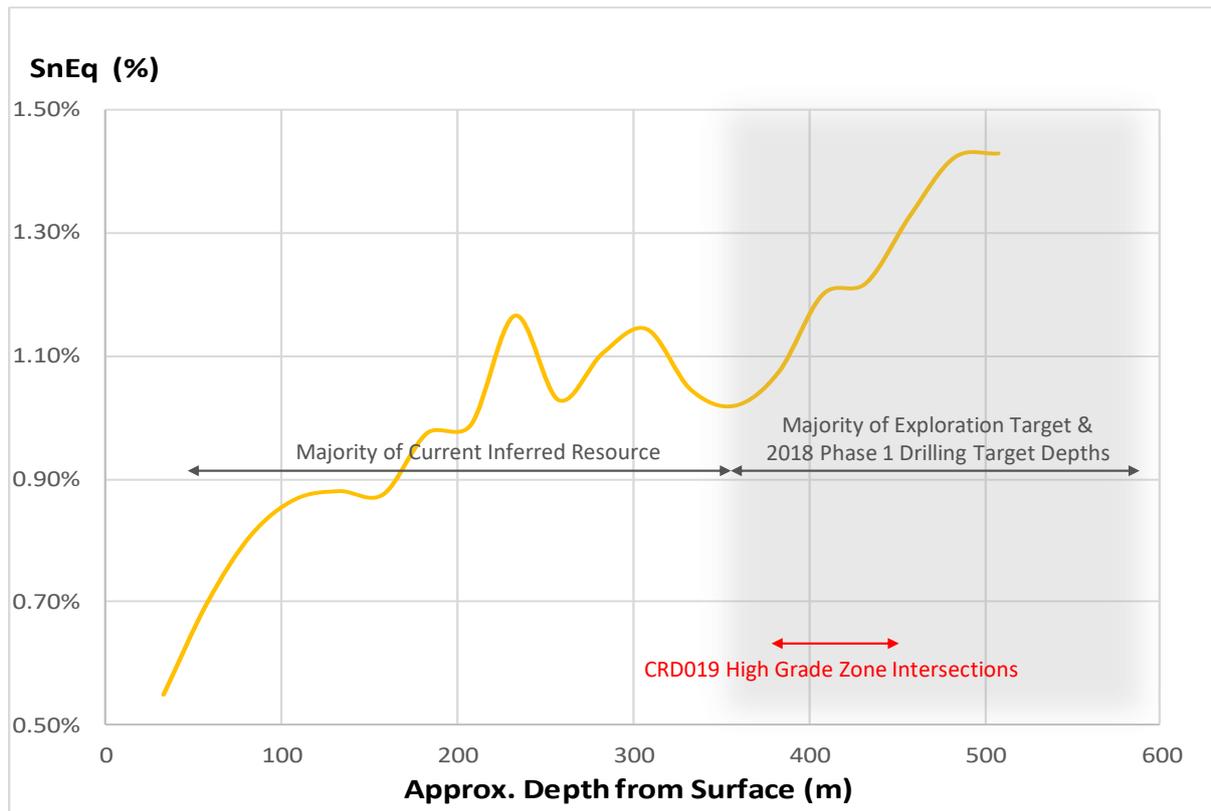


Figure 3 – High Grade Inferred Resource Tin Equivalent Grade vs Depth from Surface

### Mining Study

In May, technical consultants, Mining One completed a preliminary mine design, conceptual life-of-mine schedule, and mining capital and operating cost estimates for the Redmoor project<sup>4</sup>.

Mining One selected retreat up-hole stoping with paste-fill as a potentially viable mining method. The preliminary mine design includes a decline from surface (portal), with access to the central parts of the resource from which ore drives can be developed in both directions along strike.

The mining study was based on assumptions of 15% dilution with a dilution grade of 0.3% SnEq and a 95% mining recovery, resulting in a near 100% conversion of the Inferred Resource to preliminary mining inventory. Further studies are required to more accurately define these factors.

<sup>3</sup> NAE Announcement - Redmoor Resource Update, 20 March 2018

<sup>4</sup> NAE Announcement, 28 May 2018, Positive Redmoor Study Results and re-commencement of drilling

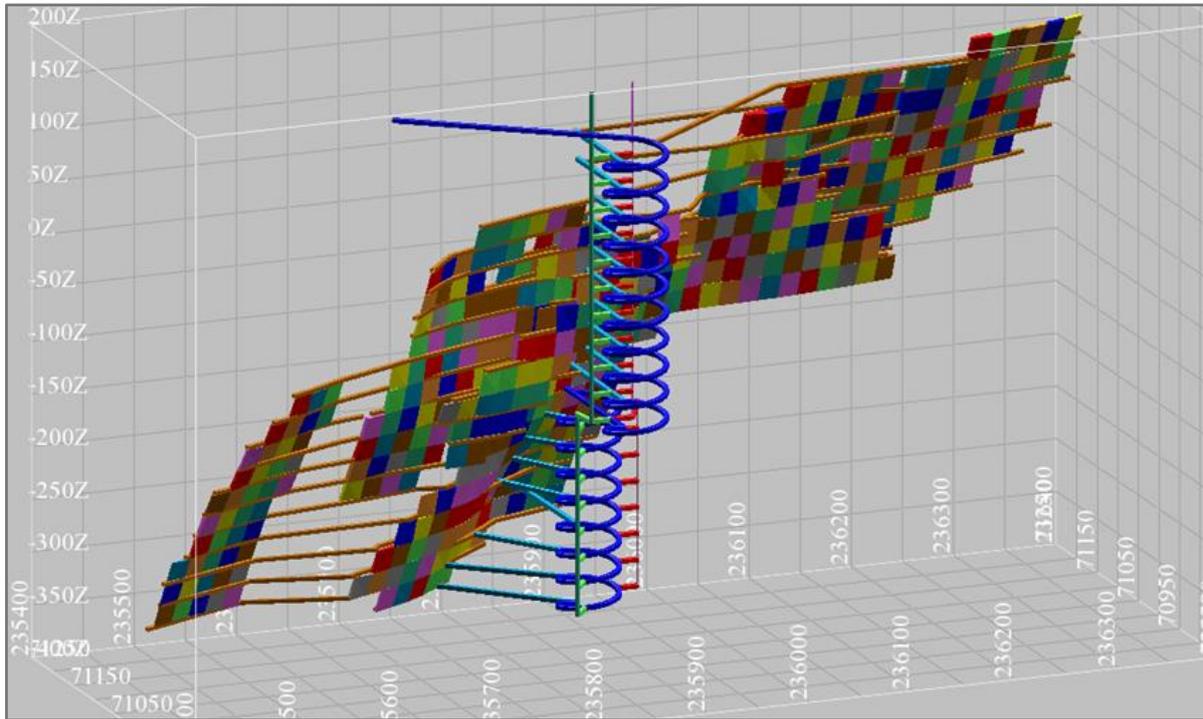


Figure 4- Isometric view (looking north) of decline and stoping design (Mining One, May 2018)

### Processing and Infrastructure Study

In May, UK-based engineers, Fairport Engineering Limited (“Fairport”) completed a study of the Redmoor processing plant and mine surface infrastructure<sup>5</sup>. Fairport has recent engineering design and construction management experience, having worked on a similar-scale tungsten processing plant in Spain. The processing plant design was based on a process flowsheet developed by metallurgical consultants Devlure in 2015, using historical metallurgical testwork undertaken on drill core samples at Redmoor which showed Redmoor to be a coarse-grained and relatively simple-to-process ore with high expected recoveries and low processing costs.

The Fairport study included preliminary design of a process plant and related surface infrastructure as well as capital and operating cost estimates.

### Economic Evaluation

In May, a high level economic evaluation of the Redmoor project was completed internally by CRL<sup>6</sup>, based on;

- The mining study results completed by Mining One;
- The processing and surface infrastructure study completed by Fairport Engineering; and
- Estimates of other project costs made by CRL.

The results of the economic evaluation are encouraging and confirmed that the project is potentially economically attractive, and that further exploration and studies should be undertaken on the project.

<sup>5</sup> NAE Announcement, 28 May 2018, Positive Redmoor Study Results and re-commencement of drilling

<sup>6</sup> NAE Announcement, 28 May 2018, Positive Redmoor Study Results and re-commencement of drilling

While the project is expected to deliver excellent operating margins, the existing Inferred High Grade Resource of 4.5Mt, although providing a positive return, requires to be increased in order to achieve the Joint Venture partners criteria for development investment.

The results of the economic evaluation also show that, with an in-situ grade of 1.0% SnEq, as per the current Inferred Resource grade, attractive returns on investment, in excess of the Joint Venture partners criteria for investment, can be achieved. This is subject to the definition of additional resource tonnes and their addition to the mining inventory. CRL believe there is potential for this within the High Grade Exploration Target material and will be aiming to convert a significant portion of this through the 2018 drilling program now underway.

### **Redmoor 2018 Drilling Program – Phase 1**

A 2018 Phase 1 drilling program comprising of 7-holes commenced in June 2018 and was completed in October 2018, targeting an increase in the tonnage and grade of the Redmoor high grade Inferred Resource.

Assay results to-date from the initial four 2018 Phase 1 holes at Redmoor have been outstanding showing multiple intercepts of high-grade zones within the Sheeted Vein System (SVS), highlights of which are<sup>2,7,8,9</sup>;

- CRD021: 14.21 m @ 1.13% SnEq from 644.63 m, including 1.59 m @ 5.06% SnEq
- CRD021: 7.65 m @ 1.48% SnEq from 670.02 m, including 1.09 m @ 4.84% SnEq
- CRD022: 9.75 m @ 1.01% SnEq from 405.00 m, including 1.50 m @ 3.42% SnEq
- CRD022: 14.10 m @ 1.44% SnEq from 420.35 m, including 2.00 m @ 4.55% SnEq
- CRD022: 10.88 m @ 0.92% SnEq from 483.36 m, including 4.20 m @ 1.89% SnEq
- CRD023: 22.49 m @ 1.00% SnEq from 667.10 m, including 2.00 m @ 4.25% SnEq
- CRD024: 6.21 m @ 1.46% SnEq from 499.42 m, including 1.00 m @ 4.11% SnEq
- CRD024: 5.62 m @ 1.83% SnEq from 567.94 m, including 1.00 m @ 7.74% SnEq
- CRD024: 6.00 m @ 2.61% SnEq from 583.95 m, including 3.00 m @ 4.45% SnEq

These outstanding results include the highest-grade length-averaged intercepts yet drilled and highlight the potential to increase both the resource tonnage and grade at Redmoor.

The above intercepts provide strong evidence of down-dip extensions of the high-grade zones within the SVS (up to 210m below existing intercepts) and also potentially extend this deeper mineralisation along-strike.

Multiple strong intersections of tungsten and copper mineralisation have been visually identified in all three of the remaining 2018 Phase 1 holes (CRD025, CRD026 and CRD027). Sampling and analysis of these holes is underway and the final results from the Phase 1 program are expected in November.

<sup>7</sup> All thicknesses quoted above are, unless otherwise stated, apparent thicknesses.

<sup>8</sup> NAE Announcement 20 September 2018 - Outstanding results from Initial 2018 Redmoor holes

<sup>9</sup> NAE Announcement 18 October 2018 - Results from Redmoor Drilling – with Clarification



Figure 5– CRD024: 589.5m –wolframite and chalcopyrite in quartz veins

### Redmoor 2018 Drilling Program – Phase 2

Based on the strong results to date from the Phase 1 program, a Phase 2 drilling program was commenced in October, comprising of a minimum of 4 holes aimed at further extending the Redmoor high-grade resource in preparation for commencement of a Pre-Feasibility Study in 2019.

Results from Phase 2 are likely to be available early in 2019.

### Community

CRL continues to prioritise maintenance of a close working relationship with the local community and local and County Councils. No complaints were received during the drilling programs and Cornwall Council Mineral Planners and Environmental Health Officers have both confirmed their satisfaction with how CRL implemented their 2017 program. CRL looks forward to continuously building positive relationships as the project develops and would like to thank the local community for their support.



Figure 6 - Drilling underway, with bales successfully used for acoustic mitigation

### Redmoor Further Exploration Upside

CRL has a large 23km<sup>2</sup> mineral rights area with significant mineral endowment that includes the following:

- Continuation of the SVS HG Zones below and to the west of the HG Inferred Resource and Exploration Target
- Blogster’s prospect 1km to the west, and along strike of the SVS – historic mine and significant assay results from 2 shallow holes drilled in 1980 (see Figure 7)
- High-definition ground geophysical survey Feb 2018
- High Grade Lodes including Kelly Bray Lode (CRD011: 0.75 m @ 4.18% SnEq from 367.25 m) and numerous other historic mines / lodes offer additional potential

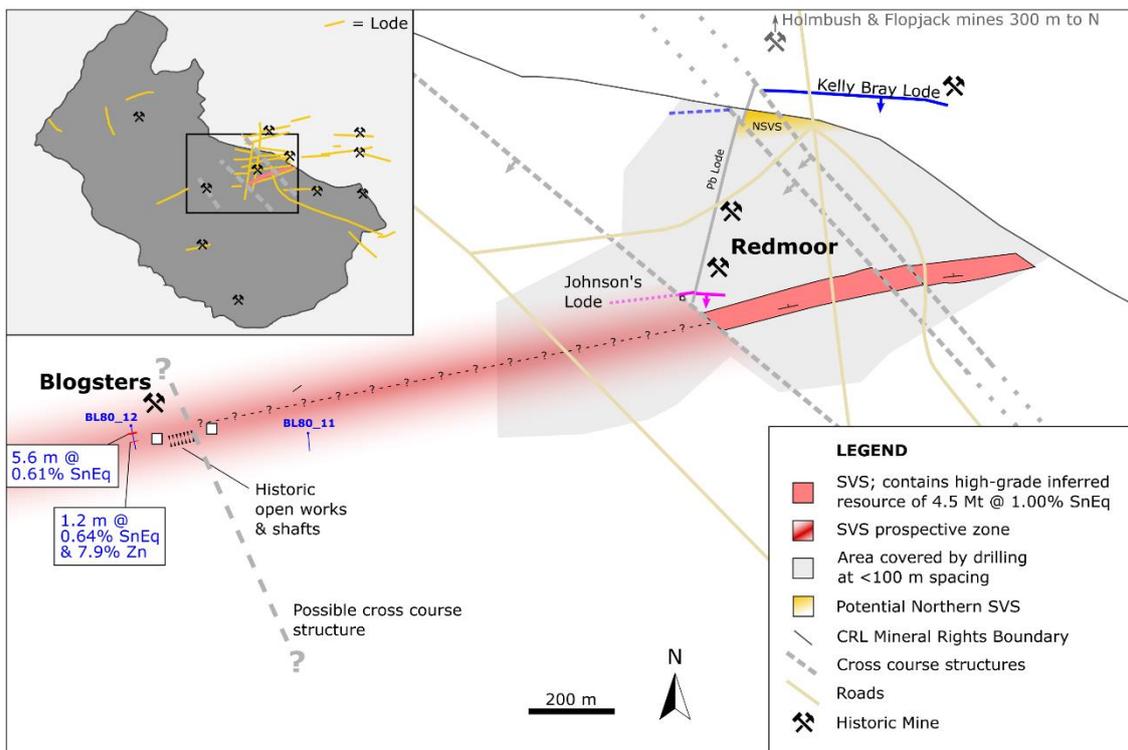


Figure 7 - Redmoor Further Exploration Potential

### Research and Development Relief Payment Received

A cash payment of £101,000 (A\$177,000) 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. The UK Government tax authorities have a 12-month enquiry window (ending in July 2019) during which enquiries may be made on the Research and Development claim.

A further Research and Development claim for the year ending June 2018 will be finalised and submitted in 2018 Q4.

### Benchmarking

The Redmoor High Grade Inferred Resource has recently been benchmarked against competitor tin and tungsten projects. Redmoor is in the world’s top 5 highest grade tin-tungsten projects (SnEq basis) and the world’s top 3 new projects.

The Redmoor Inferred Resource has 45,000 tonnes of contained tin equivalent & the Exploration Target has the potential to increase this to 100,000 tonnes via the 2018 drilling underway to also become a world-class size project.

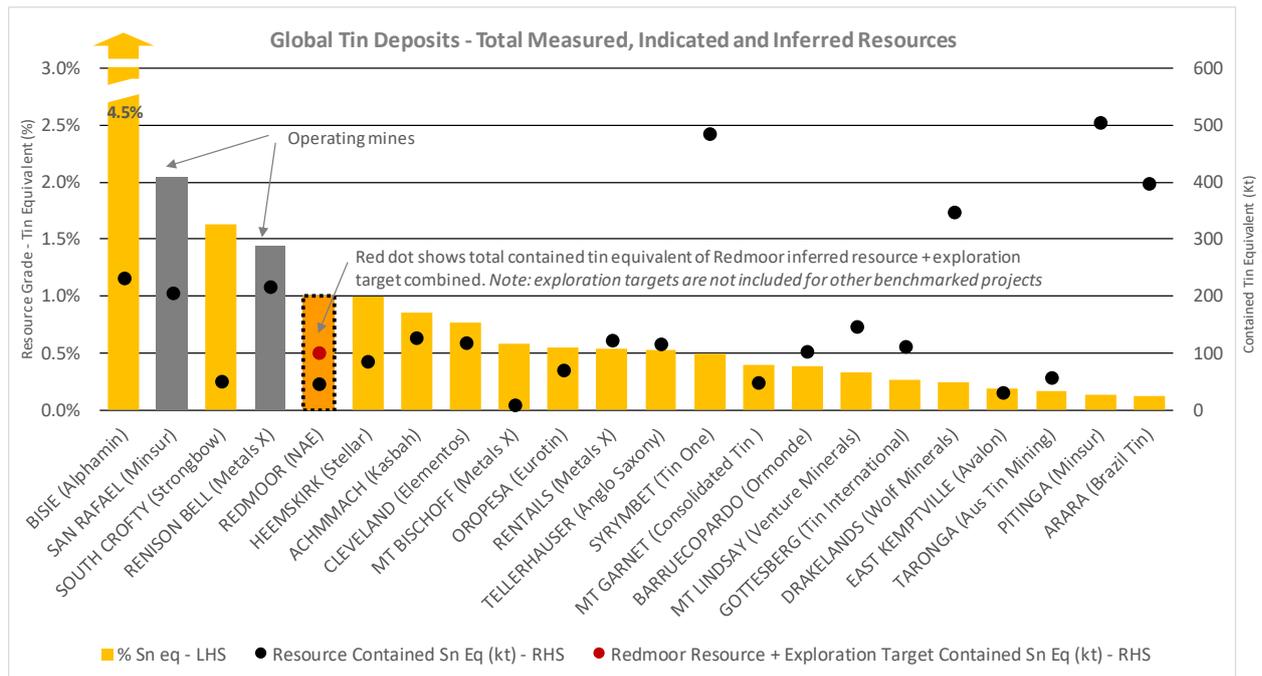


Figure 8- Benchmarking of the Redmoor Project

## LOCHINVAR COKING COAL PROJECT, UK

The Lochinvar Coking Coal Project is located on the Scottish / English border. NAE was granted the initial (northern) Lochinvar exploration licence and conditional underground mining licence in June 2012. In July 2017, the northern Lochinvar licence was renewed for a further 3 years. NAE was granted the southern Lochinvar licence in October 2014 for an initial 5-year term. All the licences are in good standing and are 100% owned by NAE.



Figure 9- Location of the Lochinvar Licences

### Lochinvar Scoping Study Update (March 2017)

On 15 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. The Scoping Study Update results also 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.

The Scoping Study Update NPV improvement (2014 Scoping Study NPV was US\$263M) has primarily been driven by depreciation of the British Pound Stirling (GBP) against the USD following the outcome of the Brexit referendum, and by high demand for high volatile coking coals in Europe

resulting in reduced quality discounts (i.e higher realised price) expected for Lochinvar coal sales into Europe.

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 labour 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.

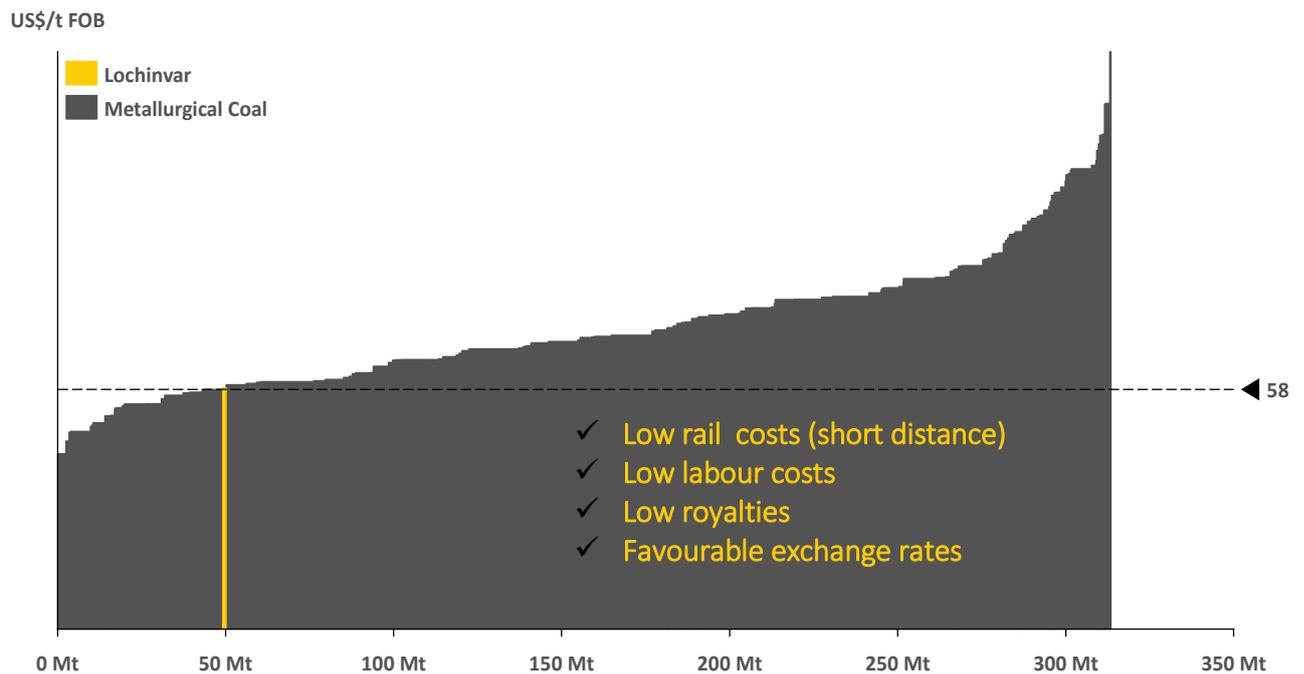


Figure 10- 2017 Global Seaborne Metallurgical Coal Total Cash Cost Curve (source: Wood Mackenzie)

### Coking Coal Price Outlook

Hard coking coal benchmark prices have stabilized in the US\$175/t to US\$225/t FOB Australia price levels over the past 12 months. 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.

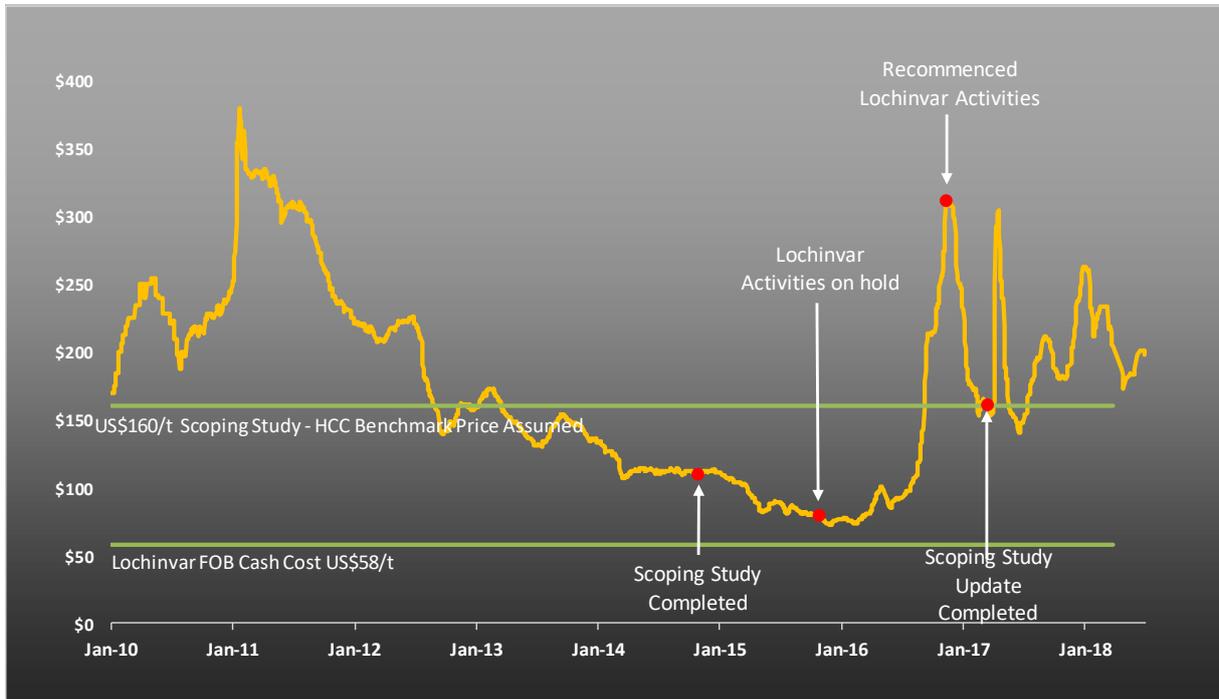


Figure 11 – Hard Coking Coal Price History (US\$/t FOB Australia)

## OTAGO SOUTH GOLD EXPLORATION PROJECT, NZ

Two prospecting permits over the Otago South Gold Project covering a total area of 876 km<sup>2</sup> were granted to NAE on 17 October 2016. During 2017, an initial exploration program was completed over these permits. The program targeted shear hosted gold mineralisation in the south of the Otago Schist belt where recent research has identified the possibility of a ‘mirror image’ of the geology present in the north of the schist belt some 60km away which hosts the (>10Moz Au) Macraes gold mine.

An initial exploration program comprising 877 soil samples and 246 rock chip samples was completed in early 2016; however, the results did not identify any significant anomalous levels of arsenic (a pathfinder mineral for gold) for follow up exploration. Due to the results to date and to increased annual permit fees, NAE relinquished in July 2017 approximately 75% of the total area of both permits. The retained areas contain the most promising ground containing a number of historic gold workings and are the closest to known local alluvial gold deposits, e.g. Gabriel’s Gully (>0.5Moz Au).

### Otago Pioneer Quartz Gold Exploration Target

Mapping work was undertaken during December and January by Dr MacKenzie targeting the Otago Pioneer Quartz (OPQ) historic mining area near Lake Mahinerangi on the Mahinerangi prospecting permit area retained. Records indicate that the OPQ 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 mine area by Macraes Mining Company between 1991 and

1997 further demonstrated As and Au soil anomalies over a distance of approximately 1km strike length.

In February 2018, a soil sampling program was undertaken comprising 6 lines and 73 soil samples targeting along strike extensions of the OPQ reef with soil samples analyzed using a portable XRF instrument. A further 2 sample lines were conducted on possibly similar strike targets in the far south of the permit. 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. In particular, two samples collected by man-portable percussion core drilling into the weathered schist through deep loess cover recorded gold values of 1.4ppm and 0.6ppm. These two samples are approximately 700m southeast and along strike of the OPQ anomaly as previously defined by Macraes Mining Company.

In September 2018, a follow-up soil sampling program using a man-portable drill and hand auger was undertaken comprising of 18 man-portable percussion core samples and 47 hand auger samples over the OPQ reef target, all of which were submitted for gold analysis. 28 hand auger samples were also taken on the Teviot permit in September 2018 to follow up on previous anomalous stream sediment results. The results for the September fieldwork are expected to be released in November.

Post the end of the reporting period, on 16 October 2018 the Otago South Gold Prospecting Permits (MPP60254 and MPP60255) were allowed to lapse.

On 9<sup>th</sup> October 2018, an Exploration Permit application for an area of 71.4 km<sup>2</sup> over the Otago Pioneer Quartz target and historic mine within the Mahinerangi Prospecting Permit area was lodged by NAE. As holders of the now lapsed Mahinerangi Prospecting Permit, NAE's Exploration Permit application has priority status.

## CORPORATE

### Completion of \$1.6m Placement

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 \$0.0065 (0.65 cents) per share.

### Additional Investment in Cornwall Joint Venture

During the quarter, NAE increased its investment in the Cornwall Resources Limited joint venture as follows:

- £332,000 July 2018 to fund NAE's 50% share of the 7-hole 2018 Phase 1 drilling program at Redmoor
- £60,003 in September 2018 to fund NAE's 50% share of the first part of the 4-hole 2018 Phase 2 drilling program at Redmoor

A commitment has also been made to fund a further £61,498 in early November to fund NAE's 50% share of the second part of the 4-hole 2018 Phase 2 drilling program at Redmoor.

### Board and Management Changes

On 15 October 2018, Mr Gary Fietz and Mr Michael Amundsen resigned as Directors of NAE. An agreement was reached to terminate Mr Fietz's Executive Services Agreement and his consequential resignation as Managing Director.

Mr Fietz, who has been a Director of the Company since May 2010, received a payment equal to six months' remuneration pursuant to the terms of the ESA along with accrued statutory entitlements. In addition, the Company agreed to resolve any entitlement to the previously disclosed cash bonus recorded in the ESA through a one-off cash payment of \$75,000 to Mr Fietz (refer 2018 Annual Report page 30 for further details).

The Company would like to thank Mr Fietz for his service over the past 8 years, and notes that Mr Fietz has 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.

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

## 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.

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

### Name of entity

New Age Exploration Ltd

### ABN

65 004 749 508

### Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(34)	(34)
(b) development		
(c) production		
(d) staff costs	(72)	(72)
(e) administration and corporate costs	(165)	(165)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)	17	17
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(253)</b>	<b>(253)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments	(596)	(596)
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) Proceeds from partial disposal of interest in controlled entity		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Research and development refund		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(596)</b>	<b>(596)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	872	872
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)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>872</b>	<b>872</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,053	1,053
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(253)	(253)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(596)	(596)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	872	872

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5a	Effect of movement in exchange rates on cash held	1	1
4.5b	Effect on cash upon deconsolidation of controlled entity		-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,077</b>	<b>1,077</b>

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	268	842
5.2	Call deposits	809	211
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,077</b>	<b>1,053</b>

**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

42

Fees paid to directors or their related entities

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

- 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

Current quarter  
\$A'000

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
34	1

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	75
9.2	Development	
9.3	Production	
9.4	Staff costs	466
9.5	Administration and corporate costs	90
9.6	Other (provide details if material) Payments for investment in joint venture	110
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>741</b>

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: ...30 October 2018.....

Print name: .....Adrien Wing.....

### 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 2018 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/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 <sup>(a)</sup>	Redmoor	United Kingdom	23.0	Mineral Rights	50%
MPP60254 <sup>(b)</sup>	Otago South Gold - Mahinerangi	New Zealand	154.0	Prospecting Permit	100%
MPP60255 <sup>(b)</sup>	Otago South Gold - Teviot	New Zealand	66.0	Prospecting Permit	100%

a) Part of the Mineral Rights for Title CL132803 have not yet been registered with the Land Registry for England and Wales.

b) Post the end of the reporting period, the Otago South Gold Prospecting Permits (MPP60254 and MPP60255) were allowed to lapse on 16 October 2018. On 9th October 2018, an Exploration Permit application for an area of 71.4 km<sup>2</sup> over the Otago Pioneer Quartz target within the Mahinerangi Prospecting Permit area was lodged by NAE. As holders of the now lapsed Mahinerangi Prospecting Permit, NAE's Exploration Permit application has priority status.