

LOCHINVAR COKING COAL PROJECT

Low ash coking coal project ideally located to supply domestic UK and Western European steel mills

Geology and Resource

- 13 historic drill holes plus 10 NAE holes and over 100km of seismic lines
- 112Mt Inferred Resource
 - Nine Foot Seam (2.2m ave thickness)
 - Six Foot Seam (1.5m ave thickness)
 - 7° average dip
- 38 -81Mt Exploration Target

Secure Tenure

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

Infrastructure

- Immediate access to existing rail and port infrastructure

Strong support from local, regional and national government and community



New Age Exploration Limited

ASX Code: NAE

ACN: 004 749 508

Resource Sector

Coking Coal

Country of Focus

UK

Board & CEO

Alan Broome AM (Chairman)

Gary Fietz (CEO)

Gavan Rice (Director)

Mike Amundsen (Director)

Office

Level 17, 500 Collins St

Melbourne, VIC 3000

Phone: +61 3 9620 9931

Email: info@nae.net.au

Web: www.nae.net.au

Investor Relations

Six Degrees Investor Relations

Victoria.thomas@sdir.com.au

Phone: +61 3 9645 7567

LOCHINVAR SCOPING STUDY UPDATE

- Options selection stage of Scoping Study completed
- **1.8 – 2.2Mtpa raw coal Miniwall production case selected as Priority Development Case for more detailed study**
- **Extended Phase 1b drilling (additional 2 holes) completed with coal thicknesses expected to be announced in July**
- **Indicated Resource estimate expected to be released in July**
- **Coal analysis results expected to be released in August**
- **Scoping Study on track for completion in late September**



Scoping Study Update – Option Evaluation Phase Complete

NAE has now completed the Options Selection Stage of the Lochinvar Scoping Study. This has involved a technical and economic assessment of a number of alternative development options for the project and selection of the most attractive case (the Priority Development Case). The final stage of the Scoping Study will now focus on more detailed technical and economic evaluation of the Priority Development Case.

The mining and infrastructure components of the Scoping Study are being led by Palaris Mining (Newcastle, Australia) with design input from Strata Control Technology (geotechnical evaluation), QCC Resources (coal processing) and Dalgleish & Associates based in Scotland (community, environment and planning).

The Priority Development Case presented is based on our current understanding and should not be relied upon as it remains both incomplete and inconclusive and, therefore, is subject to change before completion of the Scoping Study.

Priority Development Case – 1.8Mtpa to 2.2Mtpa Miniwall Production

The Priority Development Case for the Lochinvar Project is based on a single Miniwall as the primary underground mining unit. The Miniwall is expected to be approximately 90m long and produce 1.8 – 2.2Mtpa of raw coal for washing.

The key components of the Priority Development Case are shown in Table 1.

Table 1 Priority Development Case Summary

Coal Mining
Raw coal production rate of 1.8 – 2.2Mtpa over a mine life of 15 – 25 years
Main coal production via a single bi-directional miniwall shearer mining up to 90m panels
Gas drainage via in seam drilling in advance of development
Coal Access
6m diameter single drift at a grade of 1:8 to a depth of approximately 225m developed using a Tunnel Boring Machine
Conveyor suspended from roof of drift
Vertical shaft for ventilation and as second means of egress
Coal development by 3 x continuous miner units
Coal Processing
250tph single stage dense media separators with teeter bed separator and flotation
70% - 80% yield to produce 1.3 – 1.7Mtpa clean saleable coal
Pasting of fine rejects and co-disposal with coarse rejects
Logistics and Surface Infrastructure
500m to 1,000m rail siding and clean coal stockpile
Marketing
Priority sales to existing UK domestic steel mills (Teesside, Scunthorpe and Port Talbot) and coke plants via existing rail
Remainder sold into European markets via rail and ship loading at Hunterston or Blyth ports

Schedule Update

The initially planned Phase 1b drilling program of four holes was completed on 16 May and coal seam thicknesses announced on 20 May. A further two holes were added to the Phase 1b program with the aim of extending the size of the Indicated Resource defined by the program.

The extended Phase 1b drill program was completed on 2 July. The coal seam thicknesses of the final two holes are expected to be released in July.

A structural interpretation and updated resource estimate is currently being undertaken based on the results of the extended Phase 1b program and the updated resource estimate is expected to be released to the market in July.

Coal analysis results, both raw and clean, for the extended Phase 1b program will be released on receipt of all results from laboratories which is currently scheduled for early August.

The Scoping Study is expected to be completed and released at the end of September.

The revised schedule for completion of the Lochinvar Scoping study is shown in Figure 1 below.

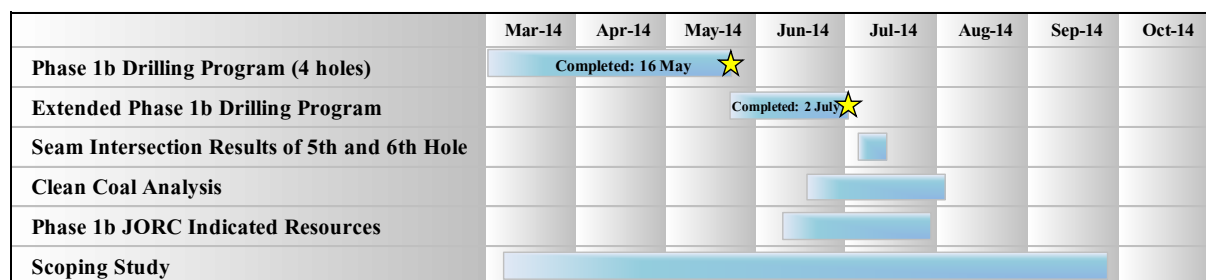


Figure 1 Completion Schedule

Competent Persons Statement

The Resources estimate is based on information compiled by Dr John Bamberly, who is a Member of the Australasian Institute of Geoscientists (Member No. 4090). Dr Bamberly is General Manager of Geological Services of Palaris. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Bamberly has over 25 years' experience in exploration and mining of coal deposits.

Neither Dr Bamberly 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.