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NEW AGE Exploration

ACN 004 749 508

Level 17, 500 Collins Street
Melbourne, VIC, 3000
Phone: 03 9614 0600
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HALF-YEAR REPORT TO 31 DECEMBER 2009

NEW AGE EXPLORATION LIMITED

DIRECTORS' REPORT

The Directors present their report together with the financial statements for the half-year ended 31 December 2009 and the independent review report thereon.

Directors

The names and details of the Company's Directors in office during the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr E F Stoyle (Non Executive Director)
Mr A M Wing (Executive Director and Company Secretary)
Mr G L Rice (Non Executive Director)

Review and Results of Operations

The loss after income tax for the half-year ended 31 December 2009 was \$657,734.

BUNNAWARRA JOINT VENTURE PROJECT (New Age to earn up to 40%) EL59/1391

During the half year, the Bunnawarra joint venture partners undertook a drilling program consisting of 1205 metres of aircore drilling was designed to test a rare earths, molybdenum, gold anomaly. Three lines of vertical drilling with holes spaced 50 metres apart, drilled to blade refusal were completed. The samples were composited down the hole to one sample for each 4 metre drill section.

Assays for Base Metals, Molybdenum, Gold, Silver, Arsenic, Rare Earths, Scandium, Cobalt, Manganese and Titanium were completed.

The molybdenum results reflected the surface anomaly and therefore no economic molybdenum grades were encountered. The gold and silver assays were lower than the surface anomaly. Drill hole BADAC33 returned anomalous results for rare earths from two composite samples. Above average abundances for the light rare earths cerium(Ce), lanthanum(La) and the element yttrium(Y) warrant further testing for the total rare earths in these samples. If subsequent assay results prove encouraging additional drilling will be considered.

The tenement is 18026 ha in area and has a number of gold, rare earths and base metal anomalies which remain untested. The joint venture participants will consider any such testing in the near future.

EXCLUSIVITY ARRANGEMENT – PURSUE URANIUM IN AFRICA

(Held with Raintree Group Ltd and Palace Resources Limited (ASX code: PXR))

The exclusivity agreement with Palace Resources remains current.

The Company has not recently been made aware of any further activities pursuant to the exclusivity arrangement with the Raintree Group and Palace Resources. All further activity will be reported as it comes to hand.

Competent persons statement:

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by D.Foster, who is a Member of the Australasian Institute of Mining and Metallurgy. D. Foster 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. D.Foster consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

NEW AGE EXPLORATION LIMITED

DIRECTORS' REPORT (contd)

Significant Changes in State of Affairs

There has been no significant change in the Company's state of affairs up to the period ended 31 December 2009.

Events Subsequent to Balance Sheet Date

Subsequent to balance date, the Company announced that it intends to undertake a renounceable rights issue on the basis of offering one (1) new share for every one (1) share held at an issue price of eight and a half cents (\$0.085) per new share. One free option will be provided for every twelve new shares accepted. The option will be exercisable at 10 cents on or before 31 March 2012. The offer has been fully underwritten by Patersons Securities Ltd and will raise \$4,097,000 before associated costs.

In addition, the Company has secured the services of Mr Gary Fietz who will act as Managing Director. Mr Fietz holds a degree in geology and is a senior resources industry executive with over 22 years experience in all aspects of exploration, business development and project evaluation. His extensive international experience includes 21 years with BHP Billiton, primarily working in the iron ore business group. Mr Fietz has also worked on coal, base metals and gold projects. The appointment of Mr Fietz is conditional upon the success of the renounceable rights issue.

Auditor's Declaration

A copy of the auditor's declaration in relation to the review for the half-year is provided with this report.

Dated at Melbourne this 15th day of March 2010

Signed in accordance with a resolution of the Directors:



Adrien Wing
Director

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IAN D RILEY
Chartered Accountant
ABN 86 673 257 016
55 Ashes Bridge Road TALLAROOK VIC 3659

15 March 2010

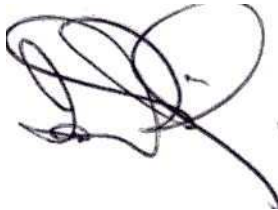
The Directors
New Age Exploration Limited
Level 17
500 Collins Street
MELBOURNE VIC 3000

Dear Directors

INDEPENDENCE DECLARATION

As engagement partner for the review of New Age Exploration Limited for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.



Ian D Riley
Principal
Chartered Accountant

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NEW AGE EXPLORATION LIMITED

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Half-year ended 31 December 2009 \$	Half-year ended 31 December 2008 \$
Continuing Operations		
Revenue	-	-
Interest income	17,540	31,422
Royalty income	19,634	-
Profit on sale of financial assets	175,000	-
Diminution of value – financial assets	(565,000)	-
Administrative expenses	<u>(304,908)</u>	<u>(162,951)</u>
Loss before tax for the period from continuing operations	(657,734)	(131,529)
Income tax expense	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>(657,734)</u>	<u>(131,529)</u>
Loss per Share		
Basic loss per share	(1.36 cents)	(0.31 cents)
Diluted loss per share	(1.36 cents)	(0.29 cents)

The statement above should be read in conjunction with the accompanying notes.

NEW AGE EXPLORATION LIMITED**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009**

	31 December 2009 \$	30 June 2009 \$
Current Assets		
Cash and cash equivalents	1,526,810	978,762
Trade and other receivables	10,908	-
Other financial assets	175,000	1,400,000
Total Current Assets	<u>1,712,718</u>	<u>2,378,762</u>
Non-Current Assets		
Other non-current assets	102,889	126,805
Total Non-Current Assets	<u>102,889</u>	<u>126,805</u>
Total Assets	<u>1,815,607</u>	<u>2,505,567</u>
Current Liabilities		
Trade and other payables	40,999	73,225
Total Current Liabilities	<u>40,999</u>	<u>73,225</u>
Total Liabilities	<u>40,999</u>	<u>73,225</u>
Net Assets	<u>1,774,608</u>	<u>2,432,342</u>
Equity		
Issued Capital	5,779,911	5,779,911
Reserves	1,496,116	1,648,807
Accumulated losses	<u>(5,501,419)</u>	<u>(4,996,376)</u>
Total Equity	<u>1,774,608</u>	<u>2,432,342</u>

The statement above should be read in conjunction with the accompanying notes.

NEW AGE EXPLORATION LIMITED

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Half-year ended 31 December 2009 \$	Half-year ended 31 December 2008 \$
Cash Flows From Operating Activities		
Receipts from customers		
Interest received	13,978	31,422
Payments to suppliers and employees	<u>(300,930)</u>	<u>(124,644)</u>
Net cash used in operating activities	<u>(286,952)</u>	<u>(93,222)</u>
Cash Flows From Investing Activities		
Receipts from sale of financial assets	835,000	-
Payments for exploration in joint venture projects	<u>-</u>	<u>(158,392)</u>
Net cash used in investing activities	<u>835,000</u>	<u>(158,392)</u>
Cash Flows From Financing Activities		
Proceeds from issue of shares	-	-
Costs of share issue	<u>-</u>	<u>-</u>
Net cash flows provided by financing activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in cash and cash equivalents	548,048	(251,614)
Cash and cash equivalents at beginning of the financial period	<u>978,762</u>	<u>1,075,570</u>
Cash and cash equivalents at the end of the financial period	<u><u>1,526,810</u></u>	<u><u>823,956</u></u>

The statement above should be read in conjunction with the accompanying notes.

NEW AGE EXPLORATION LIMITED

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Issued Capital	Retained Earnings	General Reserve	Option Reserve	Total
Equity as at 1 July 2008	4,999,911	(5,047,982)	1,468,116	180,691	1,600,736
Total comprehensive income for the period	-	(131,529)	-	-	(131,529)
Equity as at 31 December 2008	4,999,911	(5,179,511)	1,468,116	180,691	1,469,207

	Issued Capital	Retained Earnings	General Reserve	Option Reserves	Total
Equity as at 1 July 2009	5,779,911	(4,996,376)	1,468,116	180,691	2,432,342
Total comprehensive income for the period	-	(657,734)	-	-	(657,734)
Expiry of director options	-	152,691	-	(152,691)	-
Equity as at 31 December 2009	5,779,911	(5,501,419)	1,468,116	28,000	1,774,608

The statement above should be read in conjunction with the accompanying notes.

NEW AGE EXPLORATION LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134: *Interim Financial Reporting*. Compliance with AASB134 ensures compliance with International Financial Reporting Standard IAS34: *Interim Financial Reporting*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore, cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of New Age Exploration Limited as at 30 June 2009. It is also recommended that the half-year financial report be considered together with any public announcements made by New Age Exploration Limited during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations arising under the Corporation Act 2001.

The financial report of New Age Exploration Ltd for the half-year ended 31 December 2009 was authorised for issue in accordance with resolution of the Directors on 15 March 2010.

Basis of preparation accounting policies

The condensed financial statements have been prepared on the basis of historical costs, except for the revaluation of selected non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2009 annual financial report for the financial year ended 30 June 2009, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

New and revised Standards and Interpretations effective for the current reporting period that are relevant to the Company include:

AASB8: Operating Segments
AASB101: Presentation of Financial Statements

- **Presentation of the condensed financial statements.** The Company applies revised AASB 101 *Presentation of Financial Statements* (2007) which became effective as of 1 July 2009. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. This presentation has applied in these interim financial statements as of and for the six months ended 31 December 2009.

Comparative information has been re-presented so that it is also in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

- **Information about the Group's segments.** The adoption of AASB 8: *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* has resulted in no change to the Group's reporting segments and disclosures (refer to Note 2).

NEW AGE EXPLORATION LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period. The half-year financial period refers to 1 July 2009 to 31 December 2009.

2. SEGMENT INFORMATION

The Company operates in the mineral exploration industry within Australia.

The Company has adopted AASB 8 *Operating Segments* with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Company that are regularly reviewed by the chief decision maker in order to allocate resources to the segment and to assess its performance. The board reviews the Company as a whole in the mineral exploration industry within Australia. This segment reporting was previously reported under AASB 114 as Primary Reporting – Business Segments and its segment analysis has been continued for the current half-year.

Upon the adoption of AASB 8, there has been no change to the reportable segments. The Company has therefore not changed any reporting for the previous corresponding period.

3. CONTINGENCIES AND COMMITMENTS

Summary of Commitments:

	<u>The Company</u>	
	<u>2009</u>	<u>2008</u>
Year 1	100,000	200,000
Year 2	500,000	800,000
Year 3	-	1,500,000
	<u>600,000</u>	<u>2,500,000</u>

The company has a joint venture agreement with Redfeather Holdings Pty Ltd regarding the Bunnawarra joint venture project. The Company shares participation in the Bunnawarra joint venture with Jervois Mining Limited, whereby both the Company and Jervois have the right to earn up to 40% interest each in the project.

4. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to balance date, the Company announced that it intends to undertake a renounceable rights issue on the basis of offering one (1) new share for every one (1) share held at an issue price of eight and a half cents (\$0.085) per new share. One free option will be provided for every twelve new shares accepted. The option will be exercisable at 10 cents on or before 31 March 2012. The offer has been fully underwritten by Patersons Securities Ltd and will raise \$4,097,000 before associated costs.

In addition, the Company has secured the services of Mr Gary Fietz who will act as Managing Director. Mr Fietz holds a degree in geology and is a senior resources industry executive with over 22 years experience in all aspects of exploration, business development and project evaluation. His extensive international experience includes 21 years with BHP Billiton, primarily working in the iron ore business group. Mr Fietz has also worked on coal, base metals and gold projects. The appointment of Mr Fietz is conditional upon the success of the renounceable rights issue.

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NEW AGE EXPLORATION LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

5. NTA BACKING

	31 December 2009 Cents Per Share	31 December 2008 Cents Per Share
Net tangible asset backing per ordinary security	<u>3.77 cents</u>	<u>3.48 cents</u>

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NEW AGE EXPLORATION LIMITED

DIRECTORS' DECLARATION

The Directors of the Company declare that:

- (a) the financial statements and notes as set out on pages 4 to10;
 - i. give a true and fair view of the financial position as at 31 December 2009 and the performance for the half year ended on that date of the consolidated entity; and
 - ii. comply with Accounting Standard AASB134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

This declaration is made in accordance with a resolution of the Board of Directors.



Adrien Wing
Director

Dated at Melbourne this 15th day of March 2010

TO THE MEMBERS OF NEW AGE EXPLORATION LIMITED

Report on the Half-Year Financial report

I have reviewed the accompanying half-year financial report of New Age Exploration Limited ("New Age") which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended 31 December 2009, a statement of description of accounting policies, other selected explanatory notes and the Directors' declaration of New Age.

Directors' Responsibility for the Half-Year Financial Report

The Directors of New Age are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express a conclusion on the half-year financial report based on my review. I conducted my review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state, whether, on the basis of the procedures described, I have become aware of any matter that makes me believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of New Age financial position as at 31 December 2009 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, ASRE 2410 requires that I 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 me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly I do not express an audit opinion.

Independence

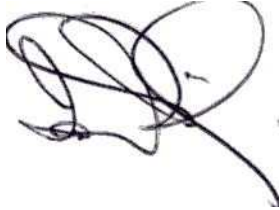
In conducting my review, I have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

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

- (a) giving a true and fair view of the entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.



IAN D RILEY
Chartered Accountant

15 March 2010
Melbourne