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New Age Exploration Limited

ABN 65004749508

Half-year Financial Report - 31 December 2010

New Age Exploration Limited
Directors' report
31 December 2010

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2010.

Directors

The following persons were directors of New Age Exploration Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr E F Stoye (Non Executive Director)
Mr Gary Fietz (Managing Director)
Mr A M Wing (Executive Director and Company Secretary)
Mr G L Rice (Non Executive Director)

Principal activities

During the financial half-year the principal continuing activities of the company consisted of:

- exploration activities with the view of identifying economically attractive mineral deposits of sufficient grade and size to provide sustainable returns to shareholders.

Review of operations

The loss for the company after providing for income tax amounted to \$946,543 (31 December 2009: \$657,734).

The detailed Review of Operations follows this Directors Report.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

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

On behalf of the directors



Adrien Wing
Director

16 March 2010
MELBOURNE

REVIEW OF OPERATIONS

CORPORATE

During the half year, the Company's Managing Director, Mr Gary Fietz and his team have made good progress on evaluating a range of exploration and mining project opportunities in iron ore, base metals and other commodities both in Australia and internationally. Progress to date has been encouraging, with a number of attractive opportunities having already been identified and several of these opportunities progressing to due diligence stage.

The Company completed due diligence and reached an advanced stage of negotiations to acquire an iron ore project in Spain during the quarter however these negotiations were ultimately unsuccessful. Whilst the Company is continuing to negotiate with the owners of this project, including negotiations with the majority owner under a confidentiality and exclusivity agreement, the Company is not confident that a successful transaction will result at this stage. The costs of pursuing this transaction formed a significant part of the Company's cash flows related to operating activities for the half year.

The Company currently has a portfolio of projects under evaluation and will make further announcements regarding any potential investment or acquisition when it is in a position to do so. Project selection is being made on the basis of identifying attractive opportunities which can deliver value as quickly as possible whilst aiming to minimise project and/or country risks.

BUNNAWARRA JOINT VENTURE PROJECT

(New Age to earn up to 40%)

EL59/1391

The joint venture has satisfied its obligations under Stage 1 of the arrangement, whereby the Company and its joint venture partner are entitled to a 30% interest (15% interest each) in the tenement. The Bunnawarra joint venture tenement is up to date with reporting. The joint venture partners are currently in negotiations with the tenement holder (Redfeather Holdings Pty Ltd) regarding the joint venture commitments moving forward. Any developments regarding the joint venture will be reported as they come to hand.

EXCLUSIVITY ARRANGEMENT – PURSUE URANIUM IN AFRICA

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

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

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IAN D RILEY
Chartered Accountant

ABN 86 673 257 016
55 Ashes Bridge Road TALLAROOK VIC 3659

16 March 2011

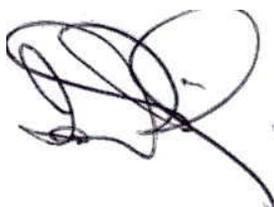
The Directors
New Age Exploration Limited
Level 17
500 Collins Street
MELBOURNE VIC 3000

Dear Directors

INDEPENDENCE DECLARATION

As engagement partner for the review of New Age Exploration Limited for the half-year ended 31 December 2010, 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

New Age Exploration Limited
Financial report
For the half-year ended 31 December 2010

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General information

The financial report covers New Age Exploration Limited as an individual entity. The financial report is presented in Australian dollars, which is New Age Exploration Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

New Age Exploration Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 17
500 Collins Street
Melbourne VIC 3000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 16 March 2010. The directors have the power to amend and reissue the financial report.

New Age Exploration Limited
Statement of comprehensive income
For the half-year ended 31 December 2010

	31 December 2010 \$	31 December 2009 \$
Revenue	357,071	37,174
Expenses		
Occupancy costs	(149,978)	(232,908)
Diminution of value - financial assets	-	(565,000)
Employee benefits expense	(335,041)	(72,000)
Depreciation and amortisation expense	(1,356)	-
Profit on sale of financial assets	-	175,000
Selling and promotion costs	(12,088)	-
Other expenses	(805,151)	-
Loss before income tax expense	(946,543)	(657,734)
Income tax expense	-	-
Loss after income tax expense for the half-year attributable to the owners of New Age Exploration Limited	(946,543)	(657,734)
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive income for the half-year attributable to the owners of New Age Exploration Limited	<u>(946,543)</u>	<u>(657,734)</u>
	Cents	Cents
Basic earnings per share	(0.98)	(1.36)
Diluted earnings per share	(0.98)	(1.36)

The above statement of comprehensive income should be read in conjunction with the accompanying notes

New Age Exploration Limited
Statement of financial position
As at 31 December 2010

	31 December 2010	30 June 2010
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	4,301,379	5,067,952
Trade and other receivables	76,593	51,955
Total current assets	<u>4,377,972</u>	<u>5,119,907</u>
Non-current assets		
Property, plant and equipment	6,646	2,769
Other	163,341	127,889
Total non-current assets	<u>169,987</u>	<u>130,658</u>
Total assets	<u>4,547,959</u>	<u>5,250,565</u>
Liabilities		
Current liabilities		
Trade and other payables	262,135	39,129
Employee benefits	26,820	5,889
Total current liabilities	<u>288,955</u>	<u>45,018</u>
Total liabilities	<u>288,955</u>	<u>45,018</u>
Net assets	<u>4,259,004</u>	<u>5,205,547</u>
Equity		
Contributed equity	8,622,403	8,622,403
Reserves	3,297,563	3,297,563
Accumulated losses	<u>(7,660,962)</u>	<u>(6,714,419)</u>
Total equity	<u>4,259,004</u>	<u>5,205,547</u>

The above statement of financial position should be read in conjunction with the accompanying notes

New Age Exploration Limited
Statement of changes in equity
For the half-year ended 31 December 2010

	Contributed equity \$	Reserves \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2009	5,779,911	1,648,807	(4,996,376)	2,432,342
Other comprehensive income for the half-year, net of tax	-	-	-	-
Loss after income tax expense for the half-year	-	-	(657,734)	(657,734)
Total comprehensive income for the half-year	-	-	(657,734)	(657,734)
<i>Transactions with owners in their capacity as owners:</i>				
Expiry of director options	-	152,691	(152,691)	-
Balance at 31 December 2009	<u>5,779,911</u>	<u>1,801,498</u>	<u>(5,806,801)</u>	<u>1,774,608</u>
	Contributed equity \$	Reserves \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2010	8,622,403	3,297,563	(6,714,419)	5,205,547
Other comprehensive income for the half-year, net of tax	-	-	-	-
Loss after income tax expense for the half-year	-	-	(946,543)	(946,543)
Total comprehensive income for the half-year	-	-	(946,543)	(946,543)
Balance at 31 December 2010	<u>8,622,403</u>	<u>3,297,563</u>	<u>(7,660,962)</u>	<u>4,259,004</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

New Age Exploration Limited
Statement of cash flows
For the half-year ended 31 December 2010

Note	31 December 2010 \$	31 December 2009 \$
Cash flows from operating activities		
Payments to suppliers (inclusive of GST)	(1,053,740)	(300,930)
Interest received	102,740	13,978
Royalty received	223,756	-
	<u>(727,244)</u>	<u>(286,952)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	(3,877)	-
Payments for exploration in joint venture operations	(35,452)	-
Proceeds from sale of investments	-	835,000
	<u>(39,329)</u>	<u>835,000</u>
Net cash from/(used in) investing activities		
Cash flows from financing activities		
Net cash from financing activities	-	-
	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	(766,573)	548,048
Cash and cash equivalents at the beginning of the financial half-year	5,067,952	978,762
	<u>4,301,379</u>	<u>1,526,810</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

New Age Exploration Limited
Notes to the financial statements
31 December 2010

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy.

The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the company. The following Accounting Standards and Interpretations are most relevant to the company:

AASB 2 Share-Based Payment ('AASB 2') - amendments for Group Cash-settled Share-based Payment Transactions

The company has applied the amendments to AASB 2 from 1 January 2010. These amendments clarify the scope of AASB 2 by requiring an entity that receives goods or services in a share-based payment arrangement to account for those goods or services no matter which entity in the company settles the transaction, and no matter whether the transaction is settled in shares or cash.

Note 2. Operating segments

Identification of reportable operating segments

The company is organised into one operating segment : mineral exploration within Australia. The operating segment is based on the internal reports that are reviewed by the Directors (who are identified as Chief Decision Makers) in assessing performance and the allocation of resources.

Note 3. Equity - dividends

There were no dividends paid during the current or previous financial half-year.

Note 4. Contingent liabilities

There were no contingent liabilities in existence at 31 December 2010.

Note 5. Events occurring after the reporting date

No matter or circumstance has arisen since 31 December 2010 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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New Age Exploration Limited
Directors' declaration

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 company's financial position as at 31 December 2010 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 directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



Adrien Wing
Director

16 March 2010
MELBOURNE

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

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 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended 31 December 2010, notes comprising a summary of significant 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 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 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

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 2010 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

16 March 2011
Melbourne

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