

**LOCHINVAR COKING COAL PROJECT**  
*Attractive low ash coking coal project ideally located to supply domestic UK and Western European steel mills*

**Geology and Resource**

- 13 historic drill holes plus 4 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



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ASX Code: NAE  
ACN: 004 749 508

Resource Sector  
**Coking Coal**

Country of Focus  
**UK**

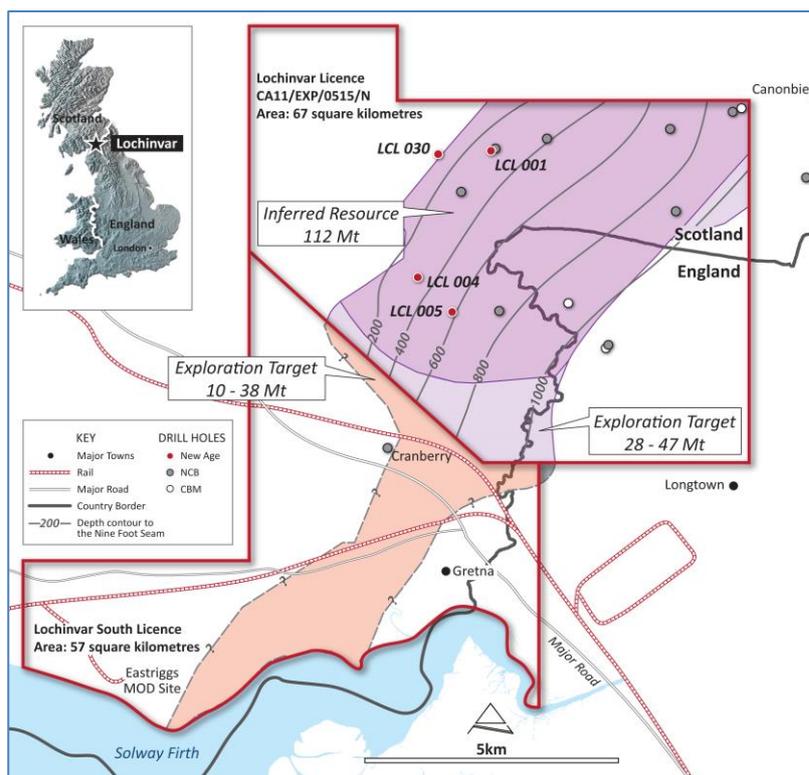
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**LOCHINVAR SOUTH LICENCE GRANTED**

- **Exploration Licence and Conditional Underground Mining Licence (“Lochinvar South”) granted by The Coal Authority over an area of 57km<sup>2</sup> adjoining and to the south west of the existing Lochinvar Licence (Figure 1)**
- **Potential for continuation of coal seams from Lochinvar Licence up to 5km along strike to the South west within the Lochinvar South Licence**
- **Lochinvar South Exploration Target of 10 – 34Mt estimated in the Nine Foot and Six Foot Seams to a maximum depth of 1,000m**
- **Significant increase in the overall project Exploration Target for the Lochinvar Project (currently 38 – 81Mt) in addition to the defined Inferred Resource of 112Mt**
- **Potential exists for significant synergies with the Lochinvar Project**



**Figure 1 Lochinvar South Exploration Licence**

**NAE Managing Director, Gary Fietz, commented:** “The Lochinvar South Licence granted by the Coal Authority significantly extends the size and resource potential of the Lochinvar Project. Successful exploration within Lochinvar South has the potential to provide a significant increase in the utilisation of the outstanding infrastructure located in the region.”

## LOCHINVAR SOUTH LICENCE GRANTED

### Licence Details

NAE is pleased to announce it has recently been granted an Exploration Licence and Conditional Underground Mining Licence (“Lochinvar South”) over an area of 57km<sup>2</sup> adjoining and to the south west of the existing Lochinvar Licence as detailed in Figure 1. Following an application over Lochinvar South Licence lodged in November 2013, the Coal Authority confirmed the grant of the Lochinvar South Licence to NAE (100% interest) on 28 February 2014.

### Exploration Potential and Exploration Target

The Lochinvar South Licence provides NAE the opportunity to explore for coal seams within the Solway Basin, located directly to the south west of the current Lochinvar Licence. Lochinvar South represents almost double the Lochinvar Licence area over the Solway Basin and potentially extends the coal deposit by 5km strike length further to the south west.

Modelling of the Solway Basin by the British Geological Survey (“BGS”), combined with geophysical data, demonstrates the continuity of the basin south westwards from the current Lochinvar Licence to beyond the Solway Firth. Based on this evidence, the Middle Coal Measures, which contain the coal seams tested in the current Lochinvar Licence, have been interpreted to extend southwards into the area shown in Figure 1. No boreholes have yet intersected coal seams of the Middle Coal Measures in the Lochinvar South area of the basin. The Cranberry borehole drilled by the National Coal Board did not intersect target coal measure sequence and is considered to have terminated in the older Catsbit Limestone as a result of a basement feature.

An **Exploration Target for the Lochinvar South Licence of 10 – 34 million tonnes** has been estimated in the Nine Foot and Six Foot Seams to a maximum depth of 1,000m. The Exploration Target is wholly based on extrapolation of the modelled target coal seams in the Lochinvar Project and on regional geophysical data produced by the BGS. The Exploration Target has been reported in accordance with the JORC Code (2012) and has been independently estimated by Palaris Mining Pty Ltd, an internationally recognised mining consultancy specialising in coal exploration and mining.

The total Inferred Resource and Exploration Target for the Lochinvar Project, including Lochinvar South is presented in Table 1.

**Table 1 Lochinvar Total Inferred Resource and Exploration Target**

Project	Inferred Resource (Million Tonnes)	Exploration Target (Million Tonnes)
<b>Lochinvar</b>	112	28 – 47
<b>Lochinvar South</b>	-	10 – 34
<b>TOTAL</b>	<b>112</b>	<b>38 – 81</b>

## **Work Program**

The initial work program will focus on basin analysis utilising existing seismic and other historical data to define the ongoing exploration program which is expected to include drilling focusing on the extension of the known Lochinvar resource to the south east of Cranberry hole to prove the continuity of coal.

## **Synergies with Lochinvar**

Lochinvar South has the potential to extend the Lochinvar resource, increase mining production rate and increase mine life for the total project. Furthermore, the potential extension of the deposit could improve access to the existing surface infrastructure located within the Lochinvar South area including railway sidings located within the lease boundary.

### **Competent Persons Statement**

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 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 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.