

1.5 Mt/yr coking UK coal

Production scenario revised to mini-wall plus 3 CMs;
total cash costs, including sustain capital, \$75/t

Recommendation

BUY; High Risk

Price

2.1c

Valuation

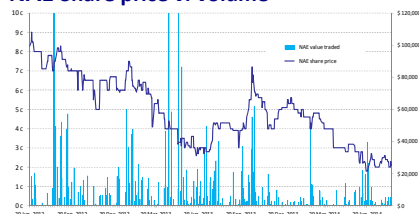
10.5c

- On 7 July, NAE announced that it had revised its proposed production method to a mini-wall plus 3 continuous miners.
- Beer & Co expects RoM coal production will rise from about 1.3Mt/yr to about 2.0Mt/yr; however, we expect overall operating costs will remain about \$75/t (before quality adjustment, of about \$22/t).
- Beer & Co expects that capital costs will rise by nearly 50%, to \$350m, for this increase in production of nearly 50%.
- Beer & Co's estimated project NPV rises by just over 10%, to \$254m

Snapshot

Market Cap	\$6.6m
Shares on Issue	313.25m
Cash on hand (30 June 2014)	\$2.4m
52 Week High	7.2c
52 Week Low	1.8c
1 month / 6 month VWAP	2.3c / 2.7c

NAE Share price v. volume



Lochinvar is part of the Canonbie coal field, which was first drilled in the 1950s by the UK National Coal Board.

Lochinvar was explored intermittently until the mid 1980s, when it was shelved with much of the UK coal industry.

Lochinvar coal appears to be similar to Maltby, an English mine that was shut in 2013, which reportedly sold for about 80% of HQ HCC benchmark, FOB, but with a transport premium of up to \$20/t.

NAE expects a scoping study to be completed by October 2014.

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Revised Production method

On 7 July, NAE announced that it now proposed to exploit Lochinvar using a 90m bi-directional mini-wall. Beer & Co assumes that this is in addition to the 3 continuous miners on which we based our earlier analysis.

Production and Cap.ex up by about 50%

Beer & Co further assumes lower productivity from the CM units, adjusting down from 450kt/yr of RoM to 200kt/yr of RoM. We further assume that a 90m mini-wall adds a further 1,400kt/yr of RoM, so that the mine produces 2.0Mt/yr of RoM, which generates 1.5Mt/yr of product coal.

Beer & Co assumes a mini-wall costs about US\$ 35m. Overall capital costs is estimated to rise from \$235m to \$350m with extra costs with a larger CHPP, extra development and ventilation.

All-In Cash Costs about the same, at \$75/t

Beer & Co estimate mining unit costs about the same, due to lower productivity from the CM units, with lower unit CHPP costs, but higher transport costs (as more exported rather than consumed in the UK) and higher sustaining capital costs (as more equipment to be replaced).

At our assumed benchmark price for High Quality Hard Coking Coal, of \$170/t, Beer & Co estimates that combination of location premium (lower transport costs to European mills) plus quality differential, is equivalent to \$22/t, so our estimated benchmark equivalent costs is \$97/t.

Beer & Co's estimated project NPV and valuation slightly higher

Beer & Co's estimated project NPV rises by about 10%.

Beer & Co's risk adjusted valuation of NAE is now 10.5c/share, assuming a L-R HQ HCC price of \$170/t.

We retain a BUY, High Risk recommendation.

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NAE : Revised production

Now includes 90m mini-wall

In their announcement of 7 July, 2014, NAE advised that the proposed production from Lochinvar would now be a single bi-directional mini-wall shearer mining up to 90m panels as the main coal producer.

Beer & Co's interpretation of this announcement is that either

- NAE is being conservative, as other mines in the UK use a mini-wall for coal extraction and 2 continuous mining units for development; and / or
- the roof conditions are not as good as we had expected, reducing CM productivity.

Implications

1. Higher production

At the simplest level, as NAE will now use a larger machine, it should produce more coal.

In our original analysis, Beer & Co assumed that each continuous miner (CM) would produce 450kt/yr of Run of Mine coal. This compares with up to 600kt/yr in US mines with more favourable seam conditions.

Beer & Co understands that it is common for mines in the UK to use a mini-wall and 2 CM units (compared with a long-wall and 2 CM units in Australia). Faulting at Lochinvar is likely to preclude use of a Long-Wall machine.

Beer & Co assumes that NAE will use 3 CM units plus the mini-wall.

Beer & Co has reduced our assumed productivity from each CM units from 450kt/yr to 200kt/yr of RoM coal. We assume that the mini-wall will produce about 1.4Mt/yr of RoM coal.

For the purposes of this analysis, we round down our assumed production volume to 2.0Mt/yr of RoM coal. This compares with 1.35Mt.yr in our earlier analysis. As shown in Figure 1, Beer & Co is projecting an increase production of nearly 50%.

Figure 1 : Revised Production

	Original	Revised	Increase
RoM	1,350 kt	2,000 kt	48 %
Product	1,013 kt	1,500 kt	48 %
Yield	75 %	75 %	

Source : Beer & Co estimates

2. Higher Capital Costs

An extra piece of equipment, together with higher throughput rates, means that our estimated capital cost has increased. Figure 2 shows that our revised estimated capital cost is nearly 50% higher than our previous estimate, in line with the assumed increase in production.

Figure 2 : Revised Capital Costs

Original	Revised	Increase
\$ 235m	\$ 345m	46 %

Source : Beer & Co estimates

Beer & Co assume that the cost of an installed mini-wall is \$35m. To this, we add a ventilation shaft, \$15m, increased capacity in the coal wash plant, \$10m (about 30%) and \$35m in extra capitalised development

The other \$20m in increased capital is accounted for in EPCM, contingency and minor other costs.

3. Revised Operating Costs

As shown in Figure 3, Beer & Co's revised operating cost estimate is higher than the original estimate. This is in contrast to an expectation that the cost would be lower due to the higher volume.

Figure 3 shows that our revised estimated mining cost is the same, despite the higher volume. This follows from our assumption of lower CM unit productivity.

Other site costs are a little lower in unit terms, as shown in Figure 3.

Transport costs are shown as \$3/t higher. This is because Beer & Co has assumed that only 600kt/yr of coal is sold within the UK, at a cost of just under \$10/t, and the balance is sold into the Rhine system, at a cost of just over \$27/t.

Figure 3 : Revised Operating Costs

	Original	Revised
Mining	\$ 24/t	\$ 24/t
Processing	\$ 15/t	\$ 13/t
Tech. Services	\$ 5/t	\$ 5/t
Site Admin	\$ 4/t	\$ 3/t
Transport	\$ 17/t	\$ 20/t
C1 costs	\$ 65/t	\$ 65/t
Royalties	\$ 0.4/t	\$ 0.4/t
Sustaining Capital	\$ 9/t	\$ 10/t
Quality / Location	\$ 22/t	\$ 22/t
TOTAL	US\$ 96/t	US\$ 97/t

Source : Beer & Co estimates

Consequently, with higher production, ore coal is exported and transport costs are higher.

Sustaining Capital costs are higher, due to the assumption of lower productivity from the CM units, and each of the 4 mining units is assumed to have a life of 8 years.

Figure 3 shows a cost of \$22/t for quality and location. Based on the coal quality reported by NAE, as shown in Figure 4 below, Beer & Co assumes that Lochinvar coal will sell at about 80% of the benchmark price, due largely to its S levels.

Figure 4 : Coal quality, Lochinvar

Coal Seam	Yield	Ash	Vol.	S	CSN	P	Fluidity
Nine Foot seam	84 %	3.5 %	34.5 %	1.36 %	7.5	0.008 %	3,400
Six foot seam	77 %	4.0 %	34.7 %	1.82 %	7.0	0.034 %	1,400

Source : NAE ASX announcement, 3 July 2013

At current prices, the discount is \$23 - \$24/t. At our assumed Long-Run price of \$170/t, the discount is \$34/t.

Coal prices are quoted on an FOB basis, so transport from the port is borne by the steel mill. The quality of Lochinvar coal is very similar to US mid-vol coals. The cost of transporting coal from the US is greater than from UK and Beer & Co assume that the difference is about \$15/t, of which Lochinvar is able to secure \$12.5/t.

The combination of a discount of \$34/t for coal quality plus a premium of \$12.5/t for lower shipping costs, combines to give a net cost of \$22/t, as shown in Figure 3.

4. Other Comments

Yield

Given that about 70% of the Resource is in the Nine Foot, the data in Figure 4 suggests that the washery yield should be about 80%, while the data in Figure 1 shows that Beer & Co has assumed a more conservative yield of 75%.

Mine Life

Figure 5 shows NAE most recent Resource estimate, while Figure 6 shows the mining inventory assumed by Beer & Co for this analysis.

Figure 5 : Lochinvar Resource and Target

Coal Seam	Inferred	Exploration Target
Nine Foot seam	78 Mt	6 Mt - 10 Mt
Six foot seam	34 Mt	7 Mt - 13 Mt
Five foot seam		15 Mt - 24 Mt
TOTAL	112 Mt	28 Mt - 47 Mt

Source : NAE announcement, 1 October 2013

Increasing the rate of production shortens the mine life, from 28 years down to 19 years.

In our analysis, this means that while previously we estimated that the mining operations continued to 2046, we now estimate that they end in 2038.

There is coal potential beyond this, as shown by the Exploration Target.

Figure 6 : Mining Inventory

Coal Seam	RoM
Nine Foot seam	25 Mt
Six foot seam	13 Mt
TOTAL	38 Mt

Source : Beer & Co estimates

Ramp Up

Previously, we had assumed that first coal is produced in March 2017. We now expect that first coal will be produced in June 2018.

Our assumed ramp up rate is about the same as previously assumed, taking 3 quarters to achieve a rate of 600kt/yr. However, as we now assume that Lochinvar continues to ramp up to achieve a rate of 2.0Mt/yr by the 5th quarter, in September 2019.

Revised Valuation of Lochinvar project.

Figure 7 shows Beer & Co's projected operational outcomes and cashflow outcomes for the Lochinvar project.

Figure 7 : Projected cashflows for Lochinvar project

USD m	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Benchmark coal price	\$ 140/t	\$ 138/t	\$ 153/t	\$ 169/t	\$ 170/t	\$ 170/t	\$ 170/t	\$ 170/t	\$ 170/t	\$ 170/t	\$ 170/t	\$ 170/t	\$ 170/t	\$ 170/t	\$ 170/t
RoM coal mined	0 kt	0 kt	0 kt	50 kt	950 kt	1,925 kt	2,000 kt	2,000 kt	2,000 kt	2,000 kt	2,000 kt	2,000 kt	2,000 kt	2,000 kt	2,000 kt
Coal produced	0 kt	0 kt	0 kt	32 kt	614 kt	1,392 kt	1,500 kt	1,500 kt	1,500 kt	1,500 kt	1,500 kt	1,500 kt	1,500 kt	1,500 kt	1,500 kt
Revenue	0	0	0	4	85	202	223	223	223	223	223	223	223	223	223
Total Cash Costs	0	0	0	(5)	(49)	(89)	(95)	(95)	(96)	(97)	(97)	(98)	(98)	(99)	(99)
Royalties	0	0	0	(0)	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Dep'cn & Amort'sn	0	0	0	(0)	(4)	(13)	(18)	(18)	(19)	(19)	(19)	(19)	(19)	(20)	(20)
E B I T	0	0	0	(2)	32	100	109	108	108	107	106	105	105	104	103
Interest Expense	0	0	0	(7)	(16)	(16)	(13)	(9)	(5)	(1)	0	0	0	0	0
Tax Expense	0	0	0	2	(3)	(17)	(19)	(20)	(21)	(21)	(21)	(21)	(21)	(21)	(21)
N P A T	0	0	0	(7)	13	67	78	80	82	85	85	84	84	83	83
Feasibility	(4)	(5)	0	0	0	0	0	0	0	0	0	0	0	0	0
Project Cap.Ex Cap.Ex	0	0	(72)	(215)	0	0	0	0	0	0	0	0	0	0	0
Sus. Cap. Ex	0	0	0	(0)	(3)	(7)	(7)	(7)	(7)	(7)	(20)	(20)	(20)	(38)	(7)
Net Project Cashflow	(4)	(5)	(72)	(222)	14	73	88	91	94	97	96	96	96	96	95

Source : Beer & Co estimates

Discounting the net project cashflows shown in Figure 7, extended to the end of the project life in 2038, using a discount rate of 10%, gives US\$ 237m.

Valuation of NAE

In this analysis, NAE assumes :

- NAE raises further equity later in 2014 to fund its Pre-Feasibility Study;
- NAE raises further equity late in 2015 to fund its Definitive Feasibility Study; and
- NAE raises equity early in 2017 to fund construction of the project.

Figure 8 shows the detail of Beer & Co's assumptions on equity raisings by NAE.

Figure 8 : Projected Equity raisings by NAE

	Mar. 2014	Dec. 2014	Sep. 2015	Mar. 2017
Purpose	fund scoping	fund PFS	fund DFS	construction
Risked project value	\$A 121m	\$A 155m	\$A 209m	\$A 277m
Beer & Co valuation	10.5 c	12.6 c	16.1 c	21.7 c
New shares	43m	276m	265m	489m
issued at :	4.0 c	2.5 c	5.0 c	7.5 c
net raised	\$A 3.0m	\$A 6.5m	\$A 12.5m	\$A 34.6m

Source : Beer & Co estimates

Beer & Co further assumes that, after completing the DFS, NAE sells a meaningful stake in the project to facilitate its development. Figure 9 shows that we have assumed the sale of a 50% stake in the project, at 85% of our estimated NPV at that time.

As shown in Figure 9, the partner is assumed to assist in raising debt funding. NAE still requires further equity, but a manageable amount.

Figure 9 : Financing Lochinvar

Total Project cost	US\$ 344m
Sale of 50 % stake	(US\$118m)
Debt Finance 60 %	(US\$207m)
NAE corporate costs	US\$ 7m
NAE equity	US\$ 27m

Source : Beer & Co estimates

Figure 10 shows the detail of Beer & Co's valuation of NAE, of 10.5c/share

Figure 10 : Beer & Co valuation of NAE

discount rate = 12.0 %	risk :	30-Jun-13		22-Aug-14	
		100%	Product	per share	
Lochinvar, NAE share	40 %	\$ 152m	\$ 61m	4.5 c	7.5 c
Asset sale	40 %	\$ 75m	\$ 30m	2.2 c	2.2 c
Corporate	100 %	(\$ 21m)	(\$ 21m)	(1.6c)	(1.6c)
Exploration	100 %	(\$ 2m)	(\$ 3m)	(0.2c)	(0.2c)
Cash / debt	100 %	\$ 5m	\$ 5m	0.4 c	0.4 c
Cash to be raised	80 %	\$ 36m	\$ 29m	2.2 c	2.2 c
TOTAL		\$ 246m	\$ 101m	7.5 c	10.5 c
Shares on issue		258.3m	FPO shares	4.5m	options
		54m	issued 2014	0.0m	op. ex'd
		541m	issued 2015 & 16		
		489m	Issued 2017		

Source : Beer & Co estimates

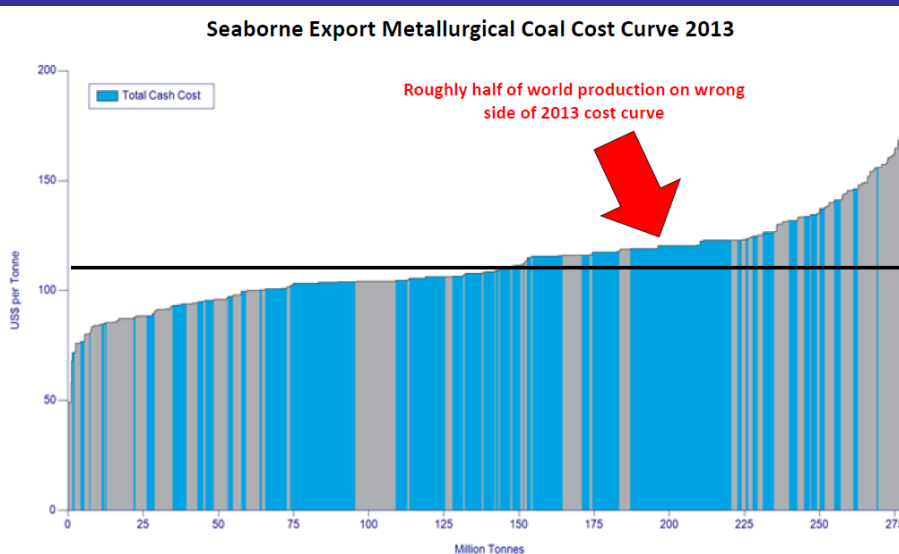
Figure 10 shows that Beer & Co has used a discount rate of 12.0% for the equity in NAE (as we do in all analyses), with a significant risk weighting given that the valuation is based on Beer & Co's estimates, as NAE's scoping study is still to be published.

Analysis

Our valuation of NAE is now significantly lower than previously due to principally due to the current weakness in NAE's share price and hence the greater number of shares that need to be issued to raise equity.

Figure 3 shows that Beer & Co estimate C1 costs for Lochinvar of \$66/t, which Figure 11 shows would be a very low cost operation.

Figure 11 : Metallurgical coal cash costs, 2012



Source : Tigers Realm Coal (TIG.ASX) presentation, May 2014

Conclusions

At current coal prices, Beer & Co estimates that Lochinvar is profitable and generates net cash (even if at a sub-economic rate), which is rare.

We are confident that coal prices have bottomed and will be much higher by the time Lochinvar is brought into operation.

Our valuation should rise over time as the project is progressively de-risked.

Beer & Co affirms out BUY, High Risk recommendation on NAE.

For further information on NAE, Investors are referred to the research reports published on our web-site (<http://beerandco.com.au/all-research/>).

Beer & Co Research							
New Age Exploration (NAE.ASX)							
August 2014							
Year ended June	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Section 1 - P&L							
Sales revenue	\$Am	0	0	0	0	2	50
Interest revenue	\$Am	0	0	0	0	1	2
Other revenue	\$Am	0	0	0	0	0	0
Total Revenue	\$Am	0	0	0	0	4	52
Cost of Goods Sold	\$Am	0	0	0	0	(3)	(29)
Royalties	\$Am	0	0	0	0	(0)	(0)
Exploration Expense	\$Am	(3)	(0)	(0)	0	0	0
Corporate Costs	\$Am	(3)	(2)	(2)	(2)	(3)	(3)
Other Operating Expenses	\$Am	0	0	0	0	0	0
Total Operating Expenses	\$Am	(6)	(2)	(2)	(2)	(6)	(31)
EBITDA	\$Am	(6)	(2)	(2)	(2)	(2)	21
Dep'n & Amort'n	\$Am	0	0	0	0	(0)	(3)
EBIT	\$Am	(6)	(2)	(2)	(2)	(2)	18
Interest Expense	\$Am	0	0	0	0	(4)	(10)
Other	\$Am	0	0	0	0	0	0
Pre-Tax Profit	\$Am	(5)	(2)	(2)	(2)	(6)	8
Tax Expense	\$Am	0	0	0	0	1	(2)
NPAT	\$Am	(5)	(2)	(2)	(2)	(5)	7
Reported NPAT	\$Am	(5)	(2)	(2)	(2)	(5)	7
Section 2 - Key Data							
Ordinary shares - year end m		258.3	312.2	588.8	853.8	1,343.1	1,343.1
Fully diluted shares on issue m		258.3	312.2	588.8	853.8	1,343.1	1,343.1
Weighted #shares	m	258.3	274.6	519.9	787.6	1,098.5	1,343.1
Earnings per Share		(3.0c)	(0.9c)	(0.4c)	(0.2c)	(0.2c)	0.5 c
Dividends Per Share		0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c
Section 3 - Balance Sheet							
Cash	\$Am	5	2	2	6	111	81
Receivables	\$Am	0	0	0	0	0	1
Other	\$Am	0	0	0	0	0	0
CURRENT ASSETS	\$Am	5	2	2	6	111	81
Receivables	\$Am	0	0	0	0	0	0
P, P & E	\$Am	0	1	2	2	2	2
Mining Properties / Explor'n	\$Am	5	5	5	5	47	72
Other	\$Am	0	0	0	0	0	0
NON-CURRENT ASSETS	\$Am	5	6	7	7	49	74
TOTAL ASSETS	\$Am	10	8	8	13	160	171
Payables	\$Am	1	0	0	0	(0)	(3)
Debt	\$Am	0	0	0	0	0	22
Other	\$Am	0	0	0	0	0	0
CURRENT LIABILITIES	\$Am	1	0	0	0	(0)	19
Long Term Debt	\$Am	0	0	0	0	103	91
Deferred Tax Liability	\$Am	0	0	0	0	0	0
Other	\$Am	0	0	0	0	0	0
Provisions	\$Am	0	0	0	0	0	0
NON-CURRENT LIABILITIES	\$Am	0	0	0	0	103	91
TOTAL LIABILITIES	\$Am	1	0	0	0	102	109
NET ASSETS	\$Am	9	8	8	13	160	53
Accumulated Profit (Loss)	\$Am	(13)	(16)	(18)	(20)	(21)	9
Reserves	\$Am	1	7	(1)	(7)	106	(1)
Contributed Equity	\$Am	21	22	28	41	75	75
Minority Interest	\$Am	9	13	9	13	160	53
Total Equity	\$Am	9	14	9	13	160	61
Section 4 - Cashflow							
Net Cashflow from operatio	\$Am	(3)	(5)	(6)	(8)	(7)	7
Net Interest Paid	\$Am	0	0	0	0	(4)	(10)
Taxes Paid	\$Am	0	0	0	0	0	1
Change in Working Capital	\$Am	0	(1)	0	0	(1)	(10)
OPERATING CASHFLOW	\$Am	(3)	(6)	(6)	(8)	(7)	(11)
Exploration Expenditures	\$Am	(4)	(1)	(1)	0	0	0
Maintenance Capex	\$Am	0	0	0	0	0	(2)
Expansion Capex	\$Am	0	0	0	0	(2)	(25)
PPE Acquisitions (Total Capex)	\$Am	(4)	(1)	(1)	0	(4)	(2)
PPE Divestments	\$Am	0	0	0	0	118	0
INVESTING CASHFLOW	\$Am	(4)	(1)	(1)	0	76	(2)
Change in Equity	\$Am	0	0	7	13	35	0
Dividends Paid	\$Am	0	0	0	0	0	0
Change in Debt	\$Am	0	0	0	0	103	9
FINANCING CASHFLOW	\$Am	0	0	7	13	35	9
Free Cashflow	\$Am	(6)	(7)	(7)	(8)	69	(13)
Net Cashflow	\$Am	(6)	(7)	(1)	4	104	(4)
Commodity price assumptions							
Year ended June		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
AUD-USD		0.892	0.916	0.863	0.850	0.850	0.850
HQ HCC	US\$/t	140	138	153	169	170	170
GBP - USD		1.584	1.600	1.600	1.600	1.600	1.600
Lochinvar blend	US\$/t	125	123	135	148	149	149
Mine Production (100% basis)							
RoM coal	000 t	0	0	0	0	50	950
Coal sold '000 t	000 t	0	0	0	0	26	574
NAE share							
RoM coal	000 t	0	0	0	0	25	475
Coal sold '000 t	000 t	0	0	0	0	13	287
Resources							
Coal Seam	Inferred Resource	I M	Ash	Vol.	S	CSN	
Nine Foot seam	78 Mt	2.4 %	10.4 %	32.6 %	2.1 %	6.5	
Six foot seam	34 Mt	3.0 %	11.0 %	32.0 %	3.5 %	6.5	
Five foot seam							
TOTAL	112 Mt						
Washed coal Analysis							
Coal Seam	Yield	Ash	Vol.	S	CSN	P	Fluidity
Nine Foot seam	89 %	3.1 %	33.8 %	1.26 %	7.0	0.003 %	T B A
Six foot seam	77 %	4.0 %	34.7 %	1.82 %	7.0	0.034 %	1,400
Blend	85 %	3.4 %	34.1 %	1.43 %	7.0	0.012 %	
Assumed mining inventory (50% of coal shallower than 600m)							
Coal Seam	RoM						
Nine Foot seam	25 Mt						
Six foot seam	13 Mt						
TOTAL	38 Mt						
Asset based Valuation							
discount rate = 12.0 %		30 June 2013				24-Aug-14	
		risking	100% Product			per share	
Lochinvar, NAE share	40 %	\$ 152m	\$ 61m	7.1 c	7.5 c		
Asset sale	40 %	\$ 75m	\$ 30m	3.5 c	2.2 c		
Corporate	100 %	(\$21m)	(\$21m)	(2.5c)	(1.6c)		
Exploration	100 %	(\$2m)	(\$2m)	(0.2c)	(0.2c)		
Cash / debt	100 %	\$ 5m	\$ 5m	0.6 c	0.4 c		
Cash to be raised	80 %	\$ 36m	\$ 29m	3.4 c	2.2 c		
TOTAL		\$ 246m	\$ 102m	12.0 c	10.5 c		
Shares on issue		258.3m	FPO shares	4.5m	options		
		54.0m	issued 2014	0.0m	exercised		
		540.6m	issued 2015				
Assumed Cash Costs, US \$/t							
LoM	2016-17	2017-18	2018-19	2019-20	2020-21		
Mining	24	0	42	31	23	22	
Processing	13	0	42	17	12	12	
Tech. Services	5	0	50	11	5	5	
Site Admin	3	0	26	7	3	3	
Transport	20	0	8	12	19	20	
C1 Total	65	0	168	78	63	62	
Royalties	0.4	0.0	0.5	0.4	0.4	0.4	
Sustaining Capital	10	0	6	6	5	5	
Quality / Location	22	0	22	22	22	22	
TOTAL	US\$ 97/t	US\$ 0/t	US\$ 196/t	US\$ 106/t	US\$ 90/t	US\$ 89/t	
Financial Ratios							
Year ended June		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue	\$Am	0	0	0	1	4	52
EBITDA	\$Am	(6)	(2)	(2)	(2)	(2)	(2)
EBIT	\$Am	(6)	(2)	(2)	(2)	(2)	(2)
NPAT (reported)	\$Am	(5)	(2)	(2)	(2)	(2)	(5)
Adjusted EPS (cps)		(3.0c)	(0.9c)	(0.4c)	(0.2c)	(0.2c)	(0.4c)
EPS Growth (%)			71 %	52 %	40 %	34 %	(139%)
DPS (c)	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c
Dividend Yield (%)		0 %	0 %	0 %	0 %	0 %	0 %
PE adj. (x)	x	(1)	(2)	(5)	(9)	(13)	(5)
EV / EBITDA (x)	x	0	0	0	0	0	0
EV / EBIT (x)	x	0	0	0	0	0	0
Gearing (%)		0 %	0 %	0 %	0 %	66 %	66 %
Return on Assets		(29%)	(28%)	(16%)	(1%)	(1%)	11 %
Return on Equity		(18%)	(27%)	(16%)	(1%)	(10%)	11 %
EBITDA Margin (%)		n/a	n/a	n/a	n/a	n/a	(94%)
Interest Cover (x)	x	n/a	n/a	n/a	n/a	n/a	(0.6)
Substantial Shareholders							
Resource Capital Fund V LP		99.9m	31.9 %				
Mr YAW Chee Siew		40.8m	13.0 %				

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The analyst responsible for this research report certifies that all of the views expressed reflect his personal views about the securities and the issuer.

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