

COMPLETION OF US\$0.6M FUNDING FACILITY

New Age Exploration (“NAE” or “the Company”) is pleased to announce that it has entered into a binding agreement with the Company’s largest shareholder, Resource Capital Fund V L.P (“RCF”), to raise up to a total of US\$600,000 in funding for the Company. Under the funding facility, the Company can call for RCF to subscribe for ordinary NAE shares at an issue price of 1.5 cents per share during the next 19 months. The Company may also elect to take part or all of the funding facility via an unsecured loan from RCF.

Key terms of the binding funding facility agreement signed today between NAE and RCF (“the funding agreement”) include:

- A total funding facility limit of US\$600,000 (A\$746,000 at the current exchange rate).
- For a period of 19 months, the Company may, at its option, request that RCF subscribe for the placement of NAE shares at a fixed subscription price of 1.5 cents per share. The number of shares subscribed for under the funding agreement will be issued pursuant to Chapter 7 of ASX Listing Rules and be within the 3% creep exception set out in Item 9 of the table in Section 611 of the Corporations Act 2001 (of acquisitions that are exempt from the prohibitions in Section 606 of the Corporations Act 2001).
- Today, NAE made the first request to RCF for subscription of 14,427,494 ordinary shares at a price of 1.5 cents per share raising A\$216,412. This placement, which is required to be completed within 10 business days, will increase RCF’s ownership of NAE from 31.887% to 34.886% (an increase of 2.999% ownership).
- For a period of 12 months, the Company may also, at its option, request that RCF provide part or all of the available funding facility balance as an unsecured loan. If NAE elects to draw part or all of the funding facility as an unsecured loan, the loan will have an 8% interest rate and a 1 year term. Any principal repayments may be repaid either in cash or from the proceeds of a later equity subscription by RCF under the funding agreement, at the Company’s option. Any interest repayments may be repaid either in cash or shares at the lesser of 1.5 cents per share subscription price or the 20-day VWAP, at the Company’s option.
- NAE are required to pay RCF’s reasonable legal costs for the funding agreement. Otherwise, there are no other costs, loan establishment fees, other fees or brokerage payable.
- The funding agreement is subject to standard terms and conditions that are customary for such agreements. The funding agreement is not subject to NAE’s share price or commodity prices.
- The proceeds from the funding agreement, together with existing cash reserves, will be applied to corporate and working capital costs associated with maintaining NAE’s Lochinvar project.

Managing Director Gary Fietz said, “We are delighted by RCF’s ongoing support, especially during this period of difficult market conditions as coking coal prices remain at cyclical lows. Funds raised under the agreement with RCF will ensure the ongoing viability of the Company until well into 2016. During this period, we will actively search for new opportunities in other commodities which are more attractive in current market conditions while also ensuring that all obligations for the Lochinvar Project are fully met so that the Lochinvar work program can be continued as soon as market conditions for coking coal projects improve sufficiently.”

NEW AGE EXPLORATION PROFILE

New Age Exploration Limited is an Australian company focused on coking coal exploration and development. Its flagship project is the Lochinvar Coking Coal Project in the UK which is ideally located to supply domestic UK and European steel mills with immediate access to existing rail and port infrastructure. The Indicated and Inferred Resource estimate of 111Mt was released in August 2014 and the Company is targeting development of the project by 2018.

In October 2014, NAE released the results of its Scoping Study for the Lochinvar Project which demonstrated robust economics and costs at the lower end of the global metallurgical coal cost curve.

FOR MORE INFORMATION

NEW AGE Exploration Ltd

ACN 004 749 508

Level 3, 480 Collins Street

Melbourne, VIC 3000

Phone: T: +61 3 8610 6494

Email: info@nae.net.au