

JV Agreement signed for the Redmoor Tin-Tungsten Project

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New Age Exploration Limited (“NAE”) has made a major step forward in advancing its Redmoor Tin-Tungsten Project in Cornwall, UK with today’s signing of an agreement with AIM-listed company, Strategic Minerals Plc (“SML”), for SML to earn a 50% interest in the Redmoor Project for a total consideration of A\$2.1M¹

Highlights

- Total consideration of A\$2,145,000 made up of: (a) A\$214,000 upfront non-refundable payment, and (b) A\$1,931,000 Option Payment to be paid before 31 December 2016
- A 50:50 Joint Venture will be formed between NAE and SML to manage the ongoing activities at Redmoor
- Subject to the Option Payment being completed by SML, the next stage of drilling will be fully funded by SML with the proceeds from the Option Payment.
- Non dilutionary to NAE shareholders

NAE’s Managing Director, Gary Fietz, said: “NAE welcomes SML as its Joint Venture partner for the Redmoor Project and is confident that SML’s access to funding via its AIM listing should enable it to raise sufficient funding to complete the Option Payment. This should allow the Redmoor drilling program to proceed later this year which we expect will add significant value to the project and to NAE shareholders.”

Transaction Details

The A\$2,145,000 total consideration is made up of:

- A\$214,000 Initial Subscription cash payment for a 9.1% interest in the Redmoor Project. This payment will be made by SML in two tranches: a first tranche of A\$153,000 for 6.7% interest in Redmoor which is payable today and a second tranche of A\$61,000, increasing SML’s interest in Redmoor to 9.1%, which is payable on the earlier of signing a detailed Shareholders’ Agreement or 30 days from today;
- A\$1,931,000 Option Payment payable in cash by SML before 31 December 2016 in order to increase SML’s interest in the Redmoor Project to 50%.

The A\$214,000 Initial Subscription payment is non-refundable and will be applied to repayment of internal company loans to NAE.

As part of the agreement, NAE will subscribe for 35,000,000 ordinary SML shares at a price of £0.0030 each for a total cost of £105,000 (A\$214,000). SML's shares are listed on AIM and enjoy a high turnover (average daily traded volume is typically >15M shares). Should NAE need to liquidate any of these SML shares to fund its working capital requirements, NAE may sell the SML shares on market subject to a trading restriction that a maximum of 8,000,000 shares may be sold in any one week within six months from subscription.

The A\$1,931,000 Option Payment will be used to advance the planned Redmoor exploration drilling program and also, to a lesser extent, to fund working capital costs of the Redmoor JV company.

Management will be conducted on a 50:50 Joint Venture basis via the existing UK based Redmoor JV company. NAE and SML will each have one director appointed.

Should SML not complete the Option Payment before 31 December 2016, then NAE has the right to purchase any Redmoor JV company shares issued to SML for a total cost of £1 and remove SML's director from the Redmoor JV company.

NAE shareholders retain upside exposure to 50% of the Redmoor Project with the next stage of drilling to be fully funded by SML with the proceeds from the Option Payment upon its completion. The next stage of drilling aims to convert the High Grade Exploration Target (4-6Mt @ 0.9-1.5% SnEq)² to a Mineral Resource and also to convert a portion of the Inferred Mineral Resource (13.3Mt @0.56% SnEq, including a High Grade resource of 2.3Mt @1.19%SnEq) to Indicated Mineral Resource status.

Shareholders are advised that NAE's Chairman, Alan Broome, is also the Chairman of SML and that, after making the Board of NAE aware of SML's interest in Redmoor, he excused himself from any further dealings with the acquisition, including any voting at Board level in both NAE and SML.

Competent Person's Statement

The information in this report that relates to Exploration Results and also the Exploration Target and Inferred Mineral Resource is based on information compiled and reviewed by Dr Mike Armitage, who is the Chairman and Principal Geologist of SRK Global and SRK Consulting (UK) Ltd and is a Member of the Institute of Materials, Minerals and Mining (MIMMM), a Fellow of the Geological Society of London (FGS), a Chartered Geologist of the Geological Society of London (CGeol) and a Chartered Engineer, UK (CEng). Dr Armitage 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Armitage has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

¹ All transaction payments are payable in GBP; however, they have been converted to AUD for this announcement based on the exchange rate at 25 May 2016 of 0.48953 GBP:AUD and rounded to the nearest A\$1,000. The actual AUD amounts may vary based on the actual exchange rates at the time of the payments.

² It should be noted that the Exploration Target estimates are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

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