



# Redmoor JV Amendment and Commencement of Pre-Drilling Works

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New Age Exploration Limited (“NAE”) is pleased to announce that it has signed an amendment to the Redmoor Joint Venture Agreement with Strategic Minerals Plc (“SML”) announced on 26 May 2016. Under today’s amendment, SML will make a £101,700 part-payment of its Option Payment this month which will be applied to advancing pre-drilling works so that drilling can commence at Redmoor in the first half of 2017, and also to the JV’s working capital requirements.

The key terms of the JV amendment signed today with SML are as follows:

- SML will complete a payment of £101,700 (A\$178,000) by the end of September 2016 to earn a further 7.3% interest in the Redmoor JV, taking its total interest to 16.4%. This payment is a part-payment of SML’s £945,349 (A\$1,653,000) option to increase its ownership in the Redmoor JV to 50% (“the Option” or “the Option Payment”).
- The period for SML to complete the Option Payment (“the Option Period”) has been extended by 6 weeks until 15 February 2017 to align with SML’s expected cash flows.
- Funds from the £101,700 (A\$178,000) part-payment of the Option will be utilised primarily for advancing the Redmoor project during the pre-drilling phase and also to cover working capital requirements of the Redmoor JV. Work associated with preparing for drilling needs to start this month if the drilling is to commence in the first half of 2017 as currently being targeted.
- SML have recently confirmed their intent to take up the Option in full and are in a strong position to do so, having reported a US\$837,000 cash balance as at 30 June 2016, rising Cobre magnetite sales and a major payment due in January 2017 under a rail settlement case.
- Should SML fail to complete the Option Payment in full prior to 15 February 2017, then NAE will have a five year right to acquire any shares subscribed for under the Option at face value (ie for £101,700). This does not impact on NAE’s previous right to acquire all of the SML Initial Subscription Shares (9.1% interest in the Redmoor JV) for a total of £1.00 and to remove SML’s director from the JV company should SML fail to complete the Option Payment in full prior to 15 February 2017.

**Gary Fietz, NAE’s Managing Director, said: “Today’s amendment to the Redmoor JV agreement and the advance of £101,700 of further funding clearly demonstrates SML’s intention to complete the £945,349 Redmoor Option Payment. Importantly, it also enables work to start now on preparing for drilling to commence in the first half of 2017. Tin prices have continued to rise and are up over 30% since the start of the year to over US\$19,400/t today. Next year’s drilling program targeted at extending the high grade tin-tungsten resource at Redmoor looks like it may be ideally timed to take advantage of the market upswing.”**

Transaction payments are payable in GBP. AUD conversions contained in this announcement are based on today’s exchange rate of 0.57205 GBP:AUD (rounded to A\$1,000).