



# Quarterly Report

To 31 December 2017

New Age Exploration Limited ("NAE" or "the Company") is pleased to provide shareholders the Company's Quarterly Report for the period ending 31 December 2017.

## Highlights

### Redmoor Tin-Tungsten Project

- Completion of the Phase 2 drilling program during the quarter which confirms and builds on previously reported results, successfully intersecting broad high-grade zones within the Sheeted Vein System (SVS) with considerably higher grades.
- The average intersection length and grade of all 33 significant intercepts from SVS high-grade zones drilled to date (historic and CRL holes) has now increased to 15.0m @ 1.0% SnEq.
- Depth of the SVS high-grade zones significantly increased by 180m in hole CRD019 which returned the best results of the program (e.g. 7.00m @ 2.63% SnEq from 507.05m, including 1.00m @ 12.38% SnEq from 510.05m) and shows these to remain open at depth.
- Confidence in continuity of SVS high-grade zones further improved by twinned hole CRD020, drilled between two existing intercepts (approx. 100m apart) which successfully intersected SVS high-grade mineralisation.
- High grade mineralisation also intersected in Kelly Bray Lode.
- Work on the resource update has commenced and is on track for release in Q1 2018.
- Positive results have encouraged CRL to expedite the project development.

### Otago South Gold Project

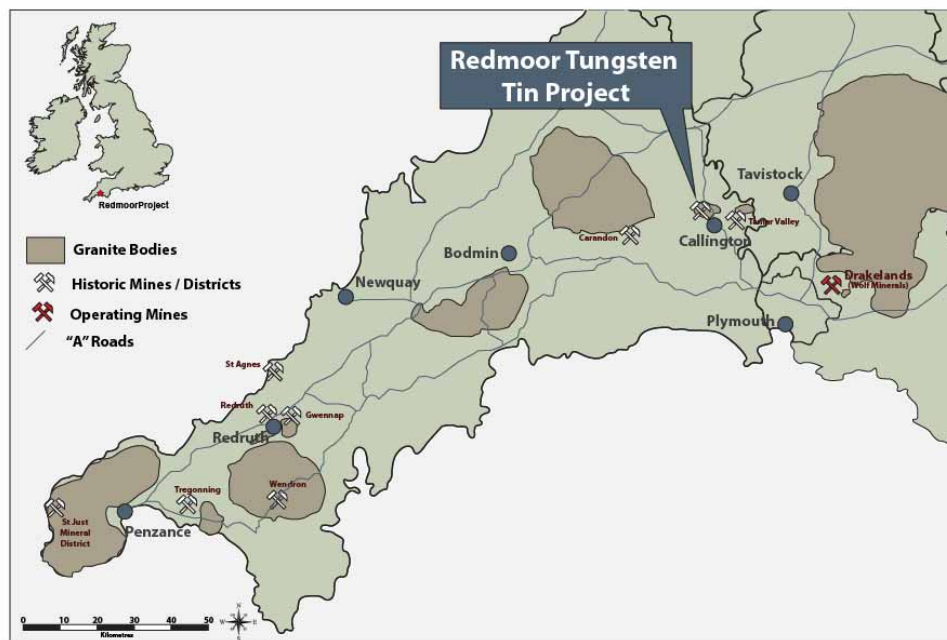
- Re-commencement of field work in December on retained areas of Otago South Gold project permit.

# Activities

## REDMOOR TIN-TUNGSTEN PROJECT, UK

The Redmoor Tin-Tungsten Project is located between the village of Kelly Bray and the town of Callington in south east Cornwall, United Kingdom, approximately 25km by road from the city and port of Plymouth, and 40km from the recently commissioned Hemerdon Tungsten mine and processing plant. The area has well-established infrastructure and is located in the world class Cornwall tin–tungsten–copper mineralised district.

Cornwall Resources Limited holds a 15-year exploration licence over the Redmoor Tin and Tungsten project in the historic mining district of Cornwall, United Kingdom. The licence is in good standing.



Redmoor Location

### Joint Venture Agreement – Strategic Minerals

A joint venture transaction was completed in February 2017 with Strategic Minerals Plc (SML) with a total of £1.05M paid by SML for 50% of the Redmoor project. The £1.05M earn-in payment has been primarily applied to funding the Redmoor 2017 drilling program.

The Redmoor licence is held by Cornwall Resources Limited (“CRL”), a UK company now owned equally by NAE and SML.

### 2017 Exploration Drilling Program Results

A 20-hole drilling program was undertaken between March 2017 and November 2017 with the results of the last 10 holes of the program released during the quarter.

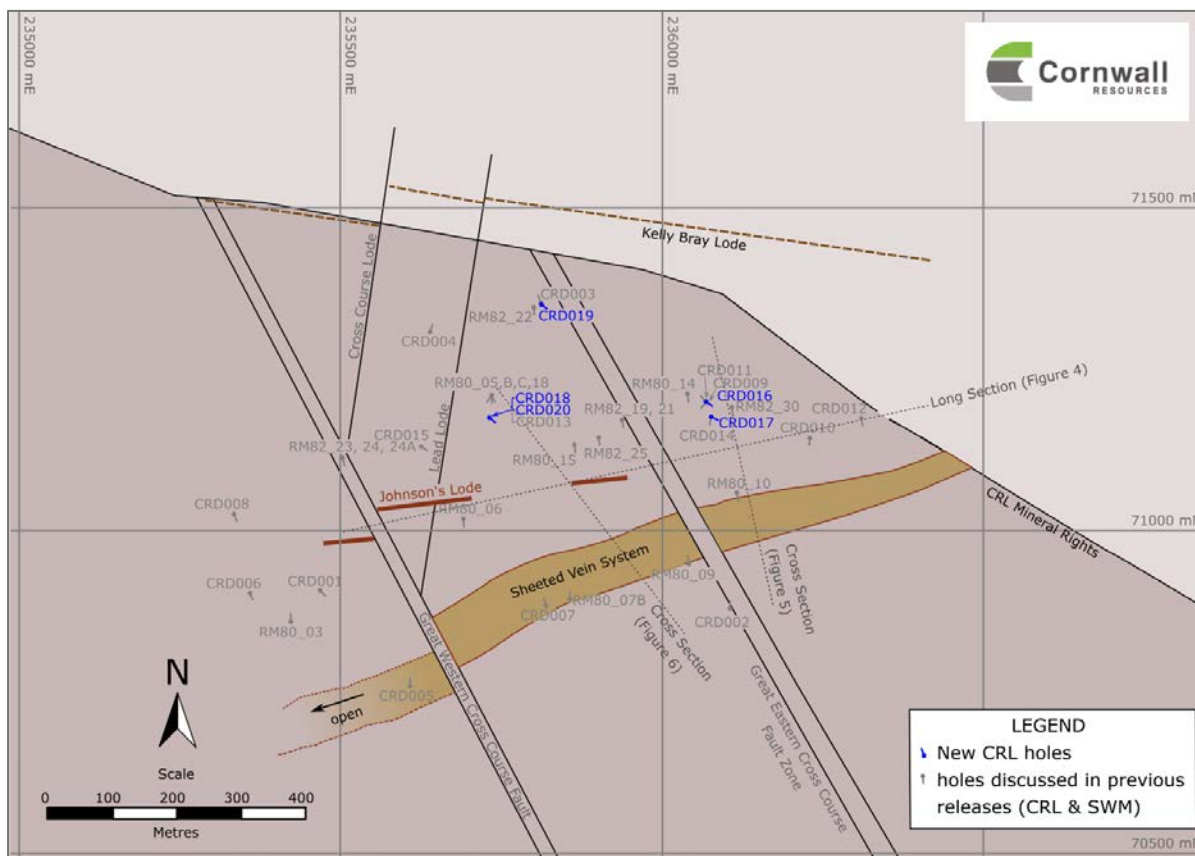


Figure 1 - Drillhole collar location plan with surface representation of the SVS and high-grade lodes, showing cross and long section lines

### SVS High grade zone Results

The last 8 holes drilled in the 2017 drilling program (CRD013 to CRD020) all successfully intersected robust high-grade mineralisation within the SVS.

These results confirm and build on previously reported results from SVS high-grade zones and are considerably higher grade than the previously reported results.

The length-weighted average of all 33 significant intercepts from SVS high-grade zones drilled to date (historic and CRL holes) is shown in Table 1 below and has now increased to 15.0m @ 1.0% SnEq as a result of the considerably higher-grade results from the last five holes released in December. The averages are shown both for the broader high-grade zones and for narrower higher-grade intersections contained within these. <sup>1</sup>

<sup>1</sup> The thicknesses quoted above, and all other thicknesses in this report, are, unless otherwise stated, apparent thicknesses. Estimated true thicknesses are shown in Appendix 1. For convenience, significant intercepts are also expressed in terms of a calculated tin equivalent value (SnEq). Equivalent metal calculation notes:  $Sn(Eq)\% = Sn\% * 1 + WO3\% * 1.43 + Cu\% * 0.40$ . Commodity price assumptions: WO3 US\$33,000/t, Sn US\$22,000/t, Cu US\$7,000/t. Recovery assumptions: WO3 recovery 72%, Sn recovery 68% and Cu recovery 85% with payability assumptions of 81%, 90% and 90% respectively. A minimum estimated true thickness x SnEq threshold of  $\geq 4.0$  has been applied to the selection of significant intercepts for the purposes of calculation of average thicknesses and grades. Given the high copper content, and to facilitate ready comparison with other projects, average grades in this table have also been expressed as Cu equivalent.

Table 1 - Average of significant intercepts from all historic & CRL holes drilled to date (33 intervals)

SVS High Grade Zones	Intersection Thickness (m)	Est. True Thickness (m)	Sn (%)	WO <sub>3</sub> (%)	Cu (%)	Sn Eq (%)	Cu Eq (%)
Average Thickness & Grade (All holes to date)	15.0	8.7	0.26	0.38	0.48	1.0	2.5
Containing (All holes to date)	2.8	1.7	0.62	0.92	0.86	2.3	5.7

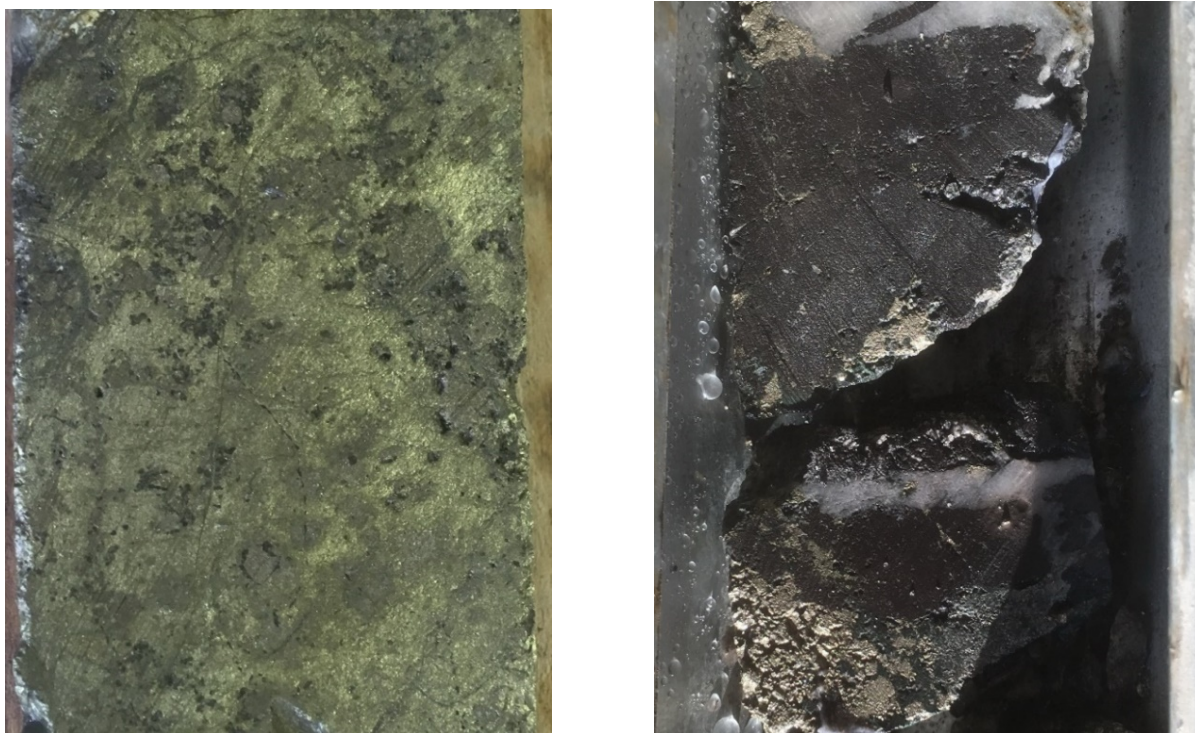


Figure 2 – Core photographs of exceptionally high grade ‘including’ intercepts: L - CRD018, 358.72m, solid chalcopyrite with wolframite (interval contains 10.73% Cu and 3.42% WO<sub>3</sub>); R - CRD019, 510.95m, solid wolframite (interval contains 8.58% WO<sub>3</sub>)

As shown in Figure 3 below, the average grade of the SVS high-grade zones has improved throughout the 2017 CRL drilling program, as drilling has become more effective at defining tighter and higher-grade areas.

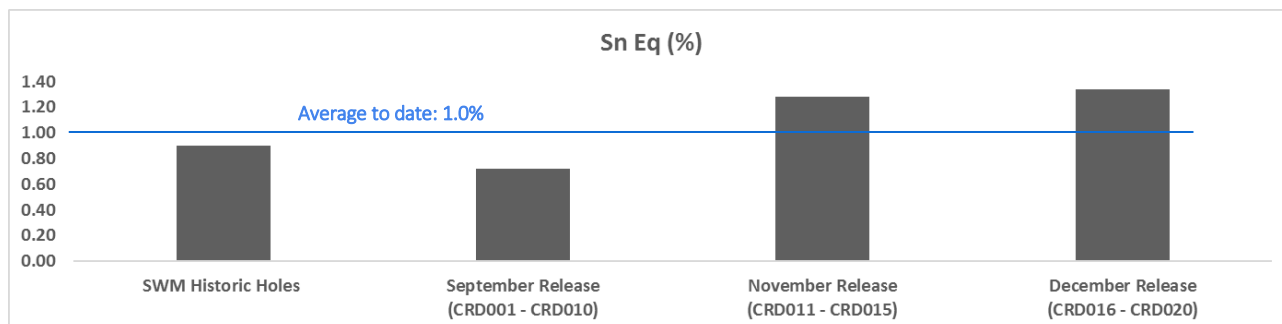


Figure 3 – Improvement in grade of SVS high-grade intercepts during 2017 CRL drilling program

## Depth Potential of SVS High-Grade Zones Extended

Hole CRD019 was drilled to test the depth extension of the SVS. The targeted intersection point was 180m down-dip of known mineralisation in hole RM80\_14. Not only was mineralisation successfully intersected, with a total of over 25m at >1% SnEq, but this exceeded grades in the holes located above it. A peak grade of 12.38% SnEq was intersected in CRD019, providing strong evidence for the presence of high-grade down-dip extensions of the mineralisation.

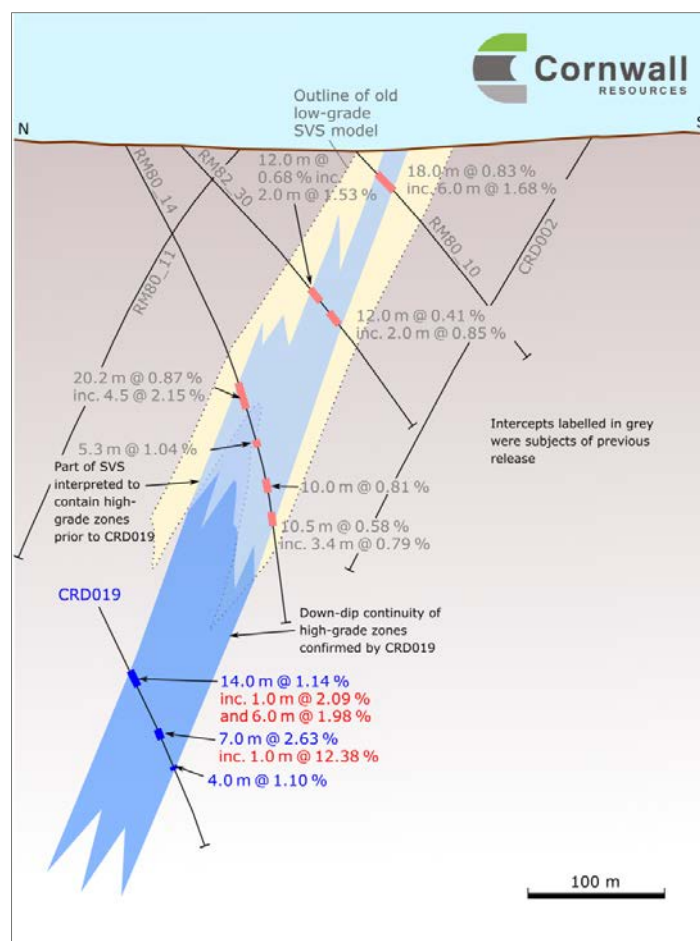


Figure 5 – Schematic cross section looking east showing significant intercepts (dark blue and red text) for CRD019, drilled to test potential depth extensions of the SVS

## Successful Twin Hole Adds to Confidence

CRD020 was drilled as a ‘twinned’ hole between holes CRD013 and CRD018 where the two SVS high-grade zone intercepts were approximately 100m apart. CRD020 therefore reduced this spacing between intercepts from approximately 100m down to approximately 35m and 65m apart on this cross section.

As shown in Figure 6, CRD020 successfully demonstrated continuity of the mineralised SVS high-grade zone between adjacent holes CRD013 and CRD018, further improving confidence in continuity of the SVS high-grade zones. These results will now be utilised to guide the resource model.

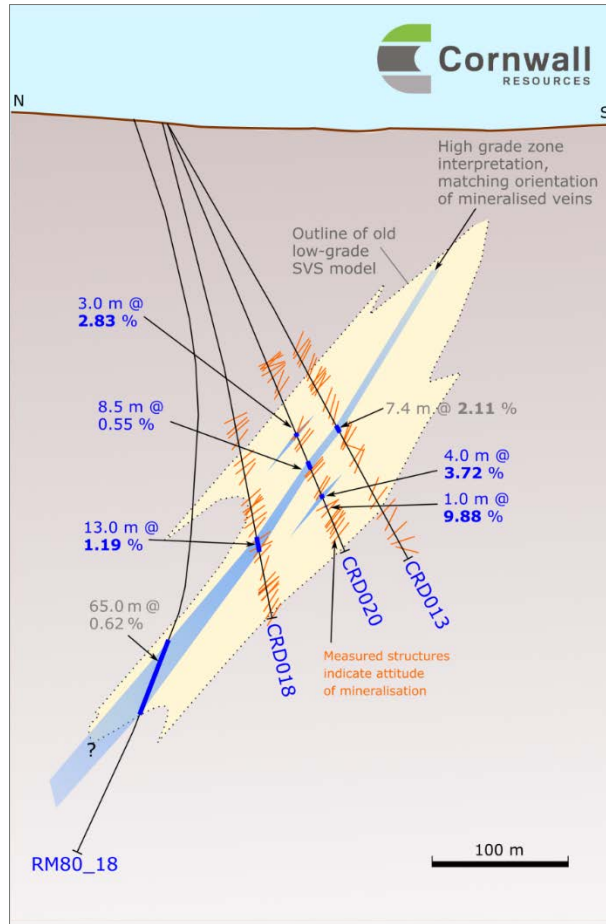


Figure 6 - Schematic cross section looking east showing significant intercepts (dark blue text) for CRD020 and adjacent holes, including measured structures from oriented core

### SVS High grade zone potential

The SVS high-grade zone significant intercepts continue to represent even stronger potential underground mining targets. NAE’s and SML’s directors continue to believe that the delineation of the SVS high-grade zones has the potential to significantly increase the grade of the SVS Resource previously stated in the 15 December 2015 resource update announcement, albeit within a reduced tonnage, and may support a larger tonnage of high grade material than the high-grade lode resource reported in the 15 December 2015 resource update.

### Kelly Bray Lode

Hole CRD011 was drilled to target the Kelly Bray Lode, which is located in the northern part of the area, and dips to the south. This hole was targeted beneath known workings on the Kelly Bray Lode in an area where an Exploration Target had previously been delineated and was successful in identifying narrow but high grade mineralisation that had not been mined. Results for CRD011 were: 0.75m @ 4.18% SnEq from 367.25m, intercept down-dip of known workings.

### Community

CRL continues to prioritise maintenance of a close working relationship with the local community and local and County Councils. No complaints were received during the program, and Cornwall Council Mineral Planners and Environmental Health Officers have both confirmed their satisfaction

with how CRL implemented their 2017 program. CRL looks forward to continuing to build positive relationships going forwards as the project develops and would like to thank the local community for their support.

### Future Work Program

CRL have engaged consultants SRK (UK) to undertake a resource update, the results of which are expected to be ready in Q1 2018. This work is being undertaken in conjunction with CRL's technical team, to ensure that the geological knowledge of the resource gained through 2017 is fully incorporated. CRL's intent is to delineate high-grade zones within the SVS that have potential to be amenable to underground mining.

Subject to satisfactory results from the resource update, CRL aims to expedite the project as rapidly as possible. Work through 2018 may include further resource drilling and/or metallurgical testwork, initial underground mine design, engineering studies, and baseline data collection, so that the project is, subject to results, positioned to commence an early Pre-Feasibility Study.

## LOCHINVAR COKING COAL PROJECT, UK

The Lochinvar Coking Coal Project is located on the Scottish / English border. NAE was granted the initial (northern) Lochinvar exploration licence and conditional underground mining licence in June 2012. In July 2017, the northern Lochinvar licence was renewed for a further 3 years. NAE was granted the southern Lochinvar licence in October 2014 for an initial 5-year term. All the licences are in good standing and are 100% owned by NAE.



Location of the Lochinvar Licences

### Lochinvar Scoping Study Update (March 2017)

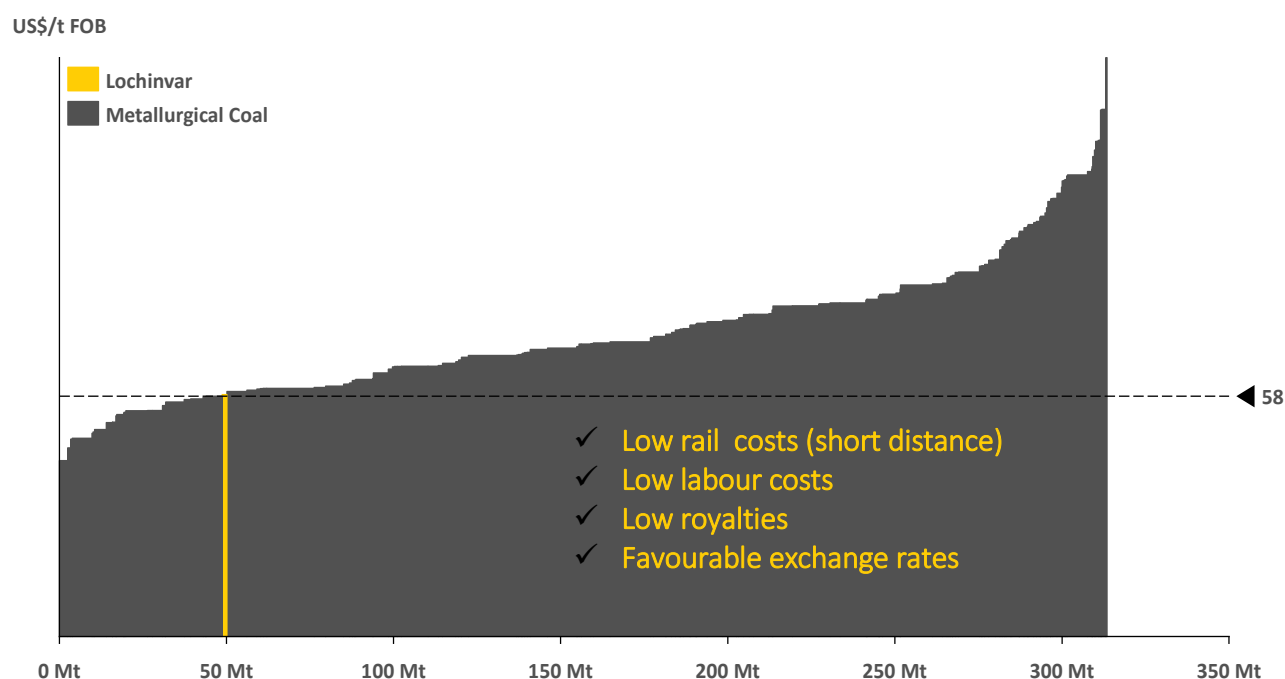
On 15 March 2017, NAE announced the results of an update of the Lochinvar Scoping Study which showed a substantial improvement in the project economics.

The Lochinvar project now has a base-case NPV9%, determined to an accuracy of  $\pm 40\%$ , of approximately US\$410M, an IRR of approximately 27% and a payback period of approximately 4 years. The Scoping Study Update results also demonstrate that the Lochinvar Project is robust to changes in Coking Coal price and other key assumptions (break even HCC price is US\$100/t). The economic evaluation is based on a US\$160/t HCC Benchmark Price / US\$150/t Lochinvar Realised Price.

The Scoping Study Update NPV improvement (2014 Scoping Study NPV was US\$263M) has primarily been driven by depreciation of the British Pound Stirling (GBP) against the USD following the outcome of the Brexit referendum, and by high demand for high volatile coking coals in Europe resulting in reduced quality discounts (i.e higher realised price) expected for Lochinvar coal sales into Europe.

These results show the potential for the Lochinvar project to deliver excellent returns on investment with lowest quartile operating costs resulting from short rail transport distances, low labour costs, high coal yield (71%), low royalties, and low taxes.

Lochinvar sits comfortably in the lowest quartile of the 2017 Wood Mackenzie Global Seaborne Coking Coal FOB cost curve. With a total FOB Operating Cost of US\$58/t, Lochinvar has the potential to deliver a low-cost, long life operation which is ideally located to supply the European steel industry.



2017 Global Seaborne Metallurgical Coal Total Cash Cost Curve (source: Wood Mackenzie)

### Planned 2018 Exploration Program

A further technical review during the quarter of the possible coal extensions to the west of the Lochinvar Resource have downgraded these targets. As a result, the 4-hole drilling program planned to commence in March 2018 to test these targets has now been deferred.



Options for a 2018 exploration program at Lochinvar are currently being assessed.

### **Lochinvar Strategic Investor Update**

Discussions are continuing with potential strategic investors and advisors aimed at providing funding options required to advance the Lochinvar Project.

## **OTAGO SOUTHERN SHEAR ZONE GOLD EXPLORATION PROJECT, NZ**

The southern areas retained on both of the Otago South Gold Prospecting Permits contain the most promising ground as:

- the historic gold workings are all located in the southern areas retained.
- the retained areas are closest to known local alluvial gold deposits, e.g. Gabriel's Gully (>0.5Moz Au).
- the retained permits cover the most complex zone of intersecting and converging conductivity lineaments that are oriented NW parallel to significant regional-scale faults and boundary features in the basement rocks (like the Tuapeka Fault zone and textural zone boundaries to the north and south, respectively). Furthermore, using our analogy with the Hyde Macraes Shear Zone, these NW-trending lineaments define the most favourable structural trend and orientation for potential shear zone hosted gold deposits.

Field work was recommenced in December on the retained areas of Otago South Gold project permits

## COMPETENT PERSONS STATEMENT

### REDMOOR

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 of SRK Global and a Corporate Geologist with 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.

### LOCHINVAR

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 the Principal Geologist at 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.

### OTAGO SOUTH GOLD PROJECT

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Dr Doug MacKenzie, who is a Senior Research Fellow at the University of Otago, Geology Department and is a Member and Chartered Professional Geologist of the Australasian Institute of Mining and Metallurgy. Dr MacKenzie has over 20 years research experience in the Otago Schist and related rocks with emphasis on relationships between structure, metamorphism and gold mineralization. Dr MacKenzie has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 MacKenzie consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## FORWARD LOOKING STATEMENTS

This report contains “forward-looking information” that is based on the Company’s expectations, estimates and forecasts as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company’s business strategy, plans, objectives, performance, outlook, growth, cash flow, earnings per share and shareholder value, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses, property acquisitions, mine development, mine operations, drilling activity, sampling and other data, grade and recovery levels, future production, capital costs, expenditures for environmental matters, life of mine, completion dates, commodity prices and demand, and currency exchange rates. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as “outlook”, “anticipate”, “project”, “target”, “likely”, “believe”, “estimate”, “expect”, “intend”, “may”, “would”, “could”, “should”, “scheduled”, “will”, “plan”, “forecast” and similar expressions. The forward looking information is not factual but rather represents only expectations, estimates and/or forecasts about the future and therefore need to be read bearing in mind the risks and uncertainties concerning future events generally.

## SUPPORTING INFORMATION AND CAUTIONARY STATEMENTS

This presentation has been prepared as a summary only, and does not contain all information about NAE’s projects or its assets and liabilities, financial position and performance, profits and losses, prospects, and the rights and liabilities attaching to NAE’s securities. The securities issued by NAE are considered speculative and there is no guarantee that they will make a return on the capital invested, that dividends will be paid on the shares or that there will be an increase in the value of the shares in the future. NAE does not purport to give financial or investment advice. No account has been taken of the objectives, financial situation or needs of any recipient of this report. Recipients of this report should carefully consider whether the securities issued by NAE are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position.

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## FOR MORE INFORMATION

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# Appendix 5B

## MINING EXPLORATION ENTITY AND OIL AND GAS EXPLORATION ENTITY QUARTERLY REPORT

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

New Age Exploration Ltd

**ABN**

65 004 749 508

**Quarter ended ("current quarter")**

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(38)	(118)
(b) development		
(c) production		
(d) staff costs	(118)	(248)
(e) administration and corporate costs	(130)	(211)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	6
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)	7	29
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(277)</b>	<b>(542)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments	(154)	(320)
(d) other non-current assets		

+ See chapter 19 for defined terms 1 September 2016

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) Proceeds from partial disposal of interest in controlled entity		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Research and development refund		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(154)</b>	<b>(320)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,296	1,724
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(277)	(542)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(154)	(320)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5a	Effect of movement in exchange rates on cash held	6	9
4.5b	Effect on cash upon deconsolidation of controlled entity		-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>871</b>	<b>871</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	462	717
5.2	Call deposits	409	579
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>871</b>	<b>1,296</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter  
\$A'000

68

Fees paid to directors or their related entities

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter  
\$A'000

## Mining exploration entity and oil and gas exploration entity quarterly report to 31 December 2017

**8. Financing facilities available**

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
33	1

Company credit card facilities secured by term deposits

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	36
9.2 Development	
9.3 Production	
9.4 Staff costs	128
9.5 Administration and corporate costs	22
9.6 Other (provide details if material) Payments for investment in joint venture	
<b>9.7 Total estimated cash outflows</b>	<b>186</b>

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

## COMPLIANCE STATEMENT

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Director/Company secretary)

Date: ...29 January 2018.....

Print name: .....Gary Fietz.....

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.



In accordance with ASX Listing Rule 5.3.3, New Age Exploration Limited provides its list of exploration licences with its June 2017 quarterly activities report.

Licence No.	Project	Country	Area (km <sup>2</sup> )	Licence Type	NAE Group % Interest
CA11/EXP/0515/N	Lochinvar	United Kingdom	67.5	Exploration Licence	100%
CA11/UND/0176/N	Lochinvar	United Kingdom	67.5	Conditional Underground Licence and Option Agreement	100%
CA11/EXP/0545/N	Lochinvar South	United Kingdom	51.0	Exploration Licence	100%
CA11/UND/0182/N	Lochinvar South	United Kingdom	51.0	Conditional Underground Licence and Option Agreement	100%
CL132803 <sup>(a)</sup>	Redmoor	United Kingdom	23.0	Mineral Rights	50.0%
MPP60254	Otago South Gold - Mahinerangi	New Zealand	154.0	Prospecting Permit	100%
MPP60255	Otago South Gold - Teviot	New Zealand	66.0	Prospecting Permit	100%

- a) Part of the Mineral Rights for Title CL132803 have not yet been registered with the Land Registry for England and Wales.