# *Lochinvar – "A major new coking coal project"*

**Investor Presentation**

**October 2012**

**NEW AGE** Exploration Limited

# IMPORTANT NOTICES AND FORWARD LOOKING STATEMENTS

**Competent Persons Statement**
Information in this document that relates to Mineral Resources and Exploration Targets is based on information compiled by:

**UK:** Dr William Hatton (C.Geol – Geological Society of London) to qualify as a Competent Person, as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Hatton consents to the inclusion in the documents of the matters based on his information in the form and context in which it appears. Dr Hatton is a Principal Coal Geologist with SRK Consulting (UK) Ltd**.** The potential quantity and grade of the exploration target is conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. The conceptual exploration target estimate above is based mainly upon; (a) Detailed British Geological Survey mapping at a 1:10,000 scale, (b) An historic exploration programme set out in the National Coal Board's (NCB) Plan for Coal in 1974, (c) NCB deep drilling and seismic exploration from the late 1970's and early 1980's, (d) A summary paper by Graham Picken in the Scottish Journal of Geology in 1988, (e) A preliminary Vulcan 3-D representation of the concealed coalfield (representing (a) to (d) above) generated by Dr Hatton. The project is at an early stage, and so the target tonnages are provisional and relate to coal in-situ, in seams likely to be of workable thickness, but do not include any allowances for mining layout, recovery, support areas or any unforseen geological losses. The range in tonnage estimate reflects the uncertainty of the seam sections, structural and grade continuity encoded within the Vulcan exploration model.

**Colombia:** Dr Frederick Smith and Bill Hotter, who is a Fellow of the Institute of Materials, Minerals and Mining. Dr Smith is a Director and Shareholder of Aurora Energy S.A. and the Managing Director and Principal Consultant of FWS Consultants Ltd. Dr Smith 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Smith consents to the inclusion in the documents of the matters based on his information in the form and context in which it appears. The potential quantity and grade of the exploration targets are conceptual in nature as there has been insufficient exploration conducted to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

**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.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Annual Report.

This list is not exhaustive of the factors that may affect our forward-looking information. The Company disclaims any intent or obligations to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

Recipients of this presentation should make their own, independent investigation and assessment of New Age Exploration Limited, its business, assets and liabilities, prospects and profits and losses, as well as the matters covered in this presentation. Independent expert advice should be sought before any decision based on an assessment of New Age Exploration Limited is made. This presentation is not considered a recommendation by New Age Exploration Limited or any of its affiliates, directors or officers that any recipient invest in New Age Exploration Limited. It is not an offer of New Age Exploration Limited's securities, nor does it constitute investment, accounting, financial, legal or tax advice.

# PROJECT PORTFOLIO

## United Kingdom Projects

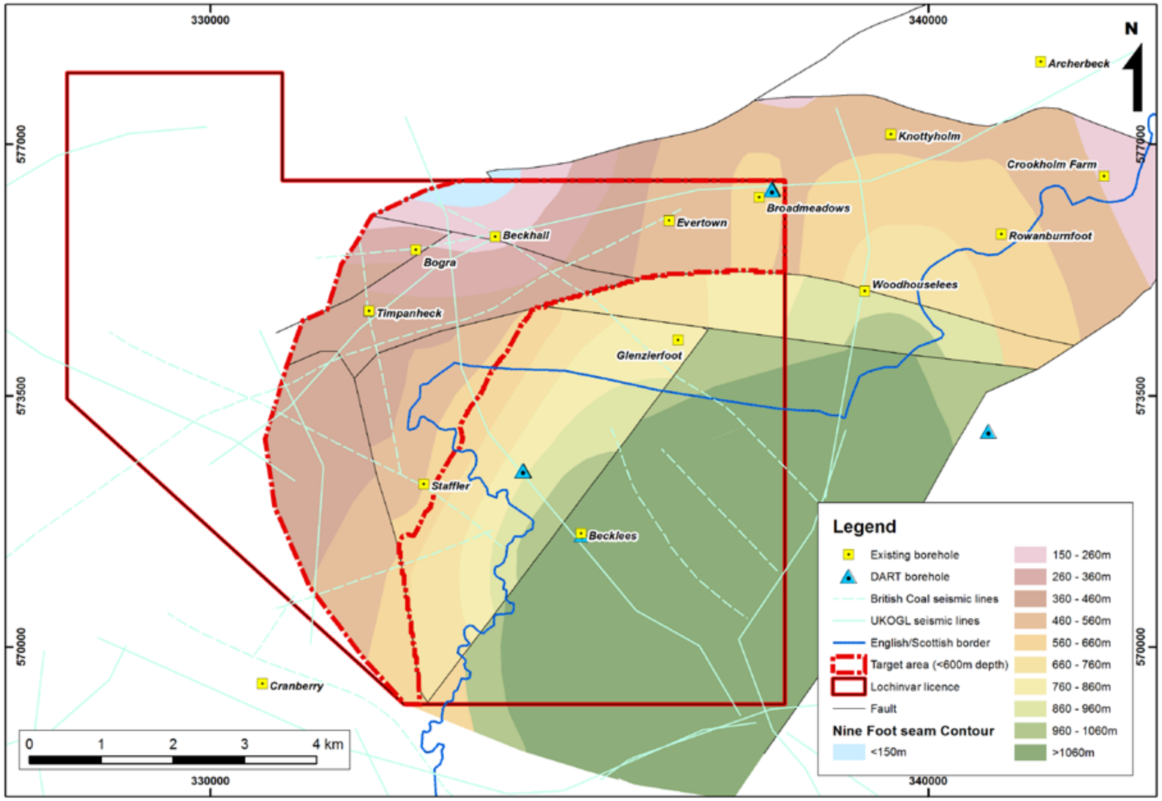
- **Lochinvar Coking Coal Project**
  - 67km$^2$ licence on Scottish / English border granted June 2012
  - 330-410Mt potential high volatile coking coal target


## Colombia Projects

- **Terranova Coking Coal Project**
  - Concession 887T (**3.6Mt** coking coal JORC resource)
  - Adjacent Concessions (**30-58Mt** coking coal target)
- **Thermal Coal Projects in world-class Cesar Basin**
  - La Miel Thermal Coal Project (**50-200Mt** UG thermal coal target)
  - Cesar Thermal Coal Project (**200-800Mt** UG thermal coal target)

# Lochinvar Coking Coal Project, UK

# GREAT STARTING POINT




Conceptual Exploration Target 330-410 Mt Potential High Volatile Coking Coal (4 seams)

- NAE Licence granted by Coal Authority June ‘12
- 100% interest, no vendor payments
- 13 NCB boreholes in Canonbie Coalfield drilled in 50’s-80’s intersecting multiple coal seams
- >100km seismic lines over NAE Licence

- Targeting coal to 600m depth
- Nine Foot Seam average thickness 2.5m
- Seam dips 5° - 15°
- Largely forgotten coalfield

NEW AGE Exploration Limited

# LOCHINVAR COAL QUALITY

**Summary of Nine Foot Seam Raw Coal Analysis from 8 NCB Boreholes on NAE Licence**

| | Total Seam Thickness (m) | Coal Thickness (m) | Moisture (%) | Ash (%) | Sulphur (%) | Volatile Matter (%) | FSI | NCB Rank |
|---|---|---|---|---|---|---|---|---|
| Range | 1.5 - 3.5 | 1.5 - 2.9 | 1.2 - 3.8 | 6.0 - 12.0 | 1.7 - 2.4 | 28 - 38 | 5 - 8 | 300 - 600 |
| Average | 2.5 | 2.1 | 2.7 | 8.5 | 2.0 | 34 | 7.5 | 501 |

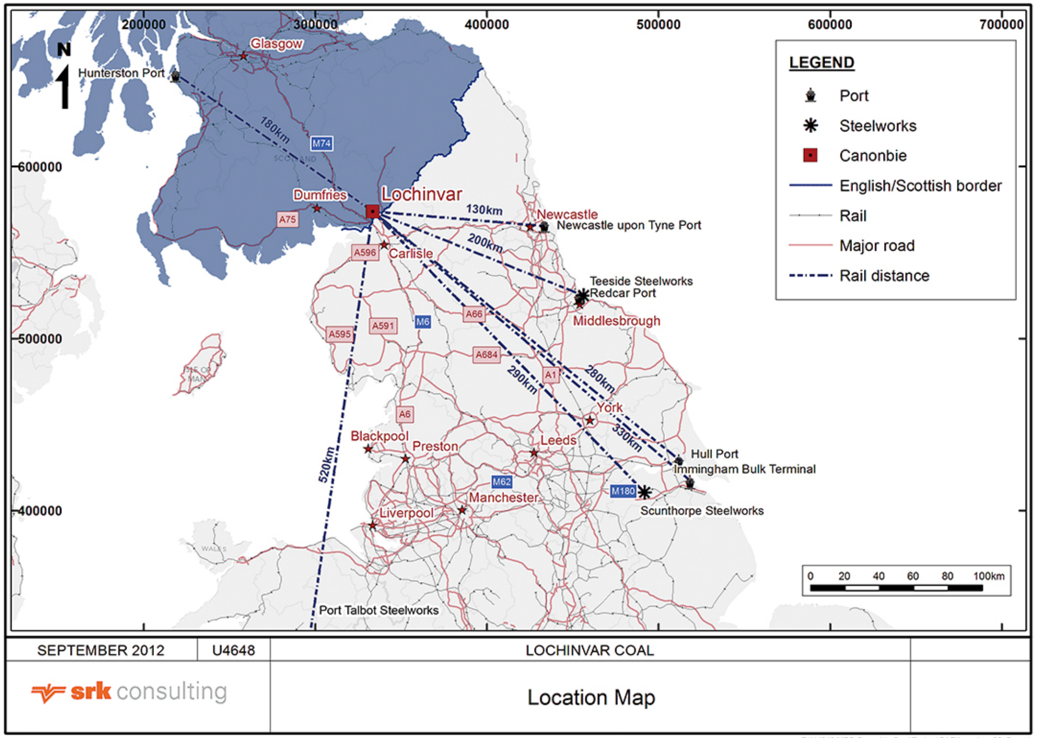
*(Volatile Matter on Dry Ash Free Basis, All analysis on Air Dried Basis. Original coal analysis reports not available for all holes)*

- Similar quality expected to US High Volatile Coking Coal sold to UK and Europe
- Modest to high sulphur - Significant portion of pyritic sulphur potentially removable via washing (Clean Coal Sulphur target is 1.0 -1.5%)
- A combination of washing and customer blending is expected to result in Lochinvar producing a high value-in-use coking coal for European steel mills

***Preliminary assessment by SRK indicates Lochinvar may be able to produce a coking coal at least in the semi-hard to hard coking coal range***

# ACCESSABLE INFRASTRUCTURE AND READY MARKETS

- Close proximity to all major infrastructure and UK / European markets
- West Coast Main (Rail) Line located <1km from SE licence boundary
- Rail directly to UK Steelmills (6 Mtpa coking coal imports)
- Rail directly to UK ports for shipment to European Steelmills (46 Mtpa coking coal imports)
- Motorway adjacent to the licence
- High voltage power line and substation on licence
- Mining consultants and workforce available at competitive cost
- Supportive government and local communities




# FAVOURABLE LICENCING ENVIRONMENT

- Region supportive to development due to need for employment generation and economic development
- Drilling
  - Can be carried out under General Permitted Development Order
  - No permits necessary
  - Land Access Agreements progressing well
- Well defined permitting process – typically ~ 9 months for determination from submission of application
- Key environmental and planning issues:
  - Hydrogeology
  - Tailings Disposal
  - Transport
  - Socio Economic Factors
- UK Royalty of 17p /tonne for Coal

# ACTIVELY ADVANCING EXPLORATION

## *Lochinvar Work Program*

| Action | Q3 2012 | Q4 2012 | Q1 2013 | Q2 2013 | Q3 2013 | Q4 2013 |
|---|---|---|---|---|---|---|
| Collation of Historic Data | | | | | | |
| Seismic Data Acquisition & Reprocessing | | | | | | |
| Drilling Program | | | | | | |
| - First Borehole | | | | | | |
| - Phase 1a Drilling (6 Boreholes) | | | | | | |
| - Phase 1b Drilling (9 Boreholes) | | | | | | |
| JORC Resource Estimation | | | | | | |
| - Analysis from first Borehole | | | | | | |
| - Phase 1a JORC Resource Update | | | | | | |
| - Phase 1b JORC Resource Update | | | | | | |
| Conceptual Mine Plan | | | | | | |
| Scoping Study | | | | | | |
| Decision to Proceed to PFS | | | | | | * |

# THE RIGHT PEOPLE

Appointment of key UK personnel with over 120 years collective experience in UK coal industry:

**Ian Wilson – Non-Exec Director, Lochinvar Coal UK**

- Over 40 years UK coal industry experience
- Executive Director and Board member Coal Authority last 11 years
- President, Coal Industry Society, Trustee of Underground Coal Gasification Association and adviser to coal mining companies, academia and the Euro Government

**Stephen Newson – Project Manager**

- Mining engineer with over 40 years underground mining experience
- Previously Deputy Director / Principal Mining Consultant Parsons Brinkerhoff – responsible for underground coal mine design, management of feasibility, construction and procurement

**David Leigh – Exploration Manager**

- Mine/Exploration Geologist with over 35 years experience predominantly in coal, coal mine methane and coal bed methane

**Bill Hatton – Technical Advisor**

- Principal Coal Geologist for SRK (UK) and Chartered Geologist with over 30 years experience
- Previously worked as National Coal Board underground and exploration coal geologist and computational geologist at British Coal
- In late 1990's, joined the British Geological Survey to head the Minerals Group

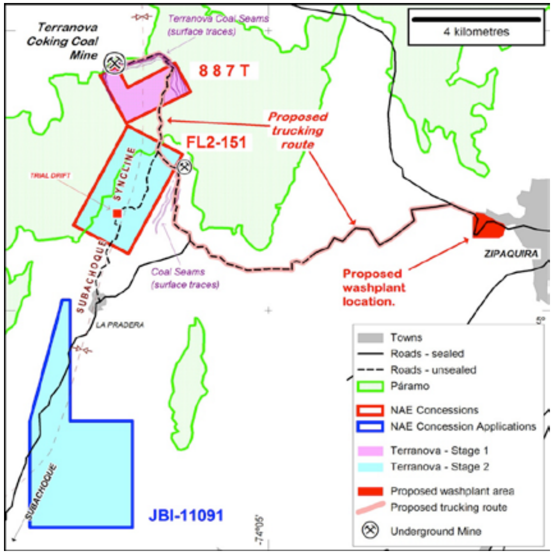
**Karen Dalgleish – Mineral Planning & Environmental Advisor**

- Chartered Geologist and Chartered Engineer with over 35 years experience in the mining and minerals industry.
- Principal of Dalgleish Associates Ltd, a specialist multidisciplinary Mineral Planning and Environmental Consultancy
- Responsible for achieving planning permissions for major mineral developments in Scotland, England and the Isle of Man, including the recent Scotgold Resources Ltd gold mine development in the Loch Lomond & Trossachs National Park.

# COLOMBIAN UPDATE

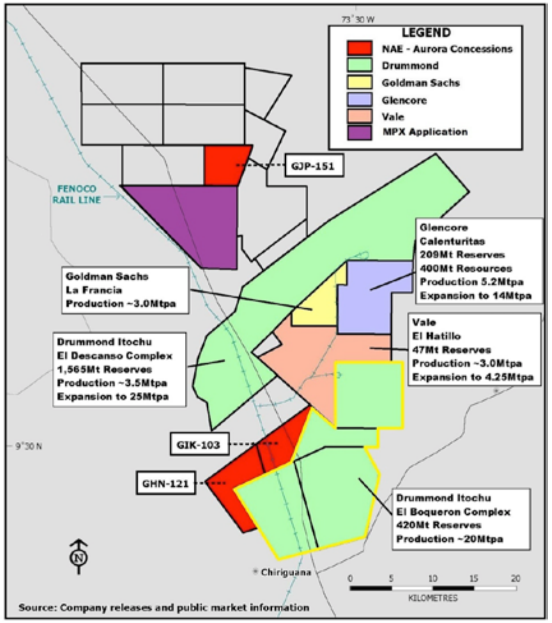
### Terranova Mid Vol Hard Coking Coal Project

- Concession 887T - 3.6Mt JORC Resource
- Adjacent Concessions - 10–18Mt Exploration Target
- Targeting 0.5Mtpa & >10 year mine life subject to permitting
- Engineering and FS well progressed




### La Miel Thermal Coal Project (Cesar Basin)

- 50–200Mt Exploration Target. Estimated depths 400–800m
- Phase 1 drilling program (3 holes) underway. Results from first borehole:
  - 15 shallow dipping seams with cumulative thickness of 11.9m at depths of 530m to 770m
  - Seam 14 - 2.7m thick (inc. 0.75m parting) at 764m




### Cesar Thermal Coal Project (Cesar Basin)

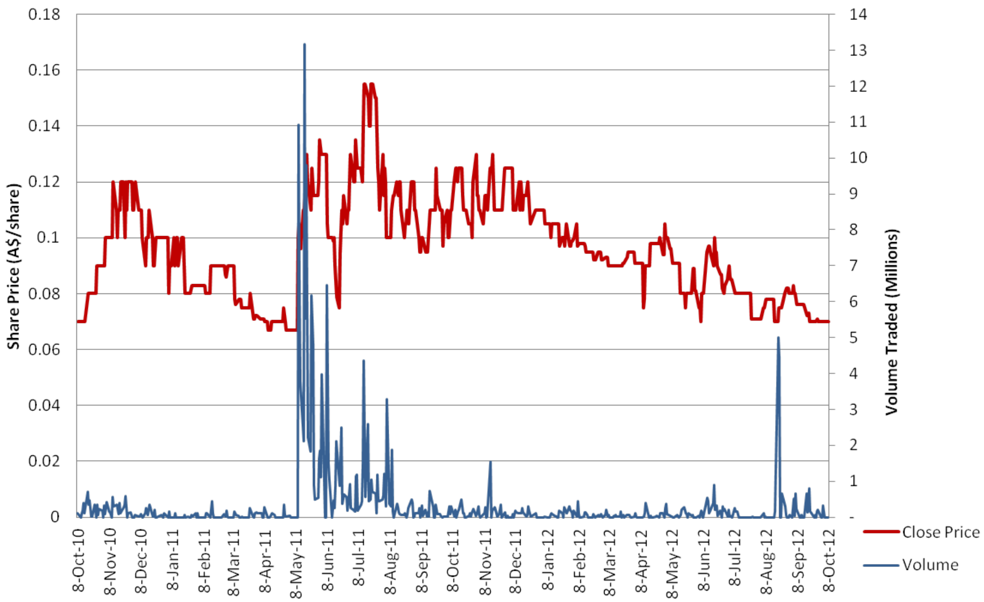
- 200–800Mt Exploration Target. Estimated depths 850–1200m

# NAE - CORPORATE PROFILE

**Corporate Snapshot**

| | |
|---|---|
| ASX Code | NAE |
| NAE share price (9 October 2012) | A$0.07 |
| Total shares on issue | 142.9m |
| Unlisted options on issue[1] | 19.15m |
| Market capitalisation NAE share price (9 October 2012) | A$10m |
| Cash (as at 30 June 2012) | A$3.5m |
| [1] *Exercisable at A$0.10 - A$0.25, on or before 31 March 2013 and 21 July 2014* | |

**Share Price Performance**




**Board of Directors**

| | |
|---|---|
| Edwin Stoyle | Chairman |
| Gary Fietz | Managing Director |
| Gavan Rice | Non Executive Director |
| Mike Amundsen | Non Executive Director |
| Adrien Wing | Executive Director, Company Secretary |

**Top Shareholders**

| | |
|---|---|
| Mr Chee Siew Yaw | 19.8% |
| Resource Capital Fund V L.P. | 11.6% |
| Penleigh Banner Pty Ltd | 6.0% |
| Top 20 Shareholders | 65.9% |
| Management & Directors (fully diluted basis) | 10.1% |

# INVESTMENT CASE SUMMARY

- Advanced exploration projects
- Geographic diversity across UK and Colombia
- Lochinvar Coking Coal Project
  - Exploration Target of 330Mt to 410Mt potential high volatile coking coal
  - Well located to supply nearby markets via accessible infrastructure
  - Commencing JORC drilling in 2012
- Terranova Coking Coal Project advancing towards long term hard coking coal production of 500Ktpa and mine life of >10 years
- La Miel Thermal Coal Project – Drilling currently underway (exploration target of 50Mt to 200Mt export thermal coal)
- Experienced management and project teams (Melbourne, UK, Bogota)

# FOR FURTHER INFORMATION PLEASE CONTACT:


Gary Fietz, Managing Director
New Age Exploration
Telephone: + 61 3 9620 9931
Email: info@nae.net.au
Web: www.nae.net.au


**Image: M3 Hard Coking Coal Seam, Terranova. Seam height approx. 1.6m**