NEW AGE Exploration Limited

ACN 004 749 508

Half Year Consolidated Financial Report

31 December 2012

CONTENTS

APPENDIX 4D
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NEW AGE EXPLORATION LIMITED
ACN 004 749 508

Half Year Report
Period Ended 31 December 2012
(Previous Corresponding Period: Half year ended 31 December 2011)

Results for announcement to the market				**$**
Revenues from ordinary activities	Down	51%	to	39,054
Loss from ordinary activities after tax attributable to members	Up	146%	to	2,645,291
Net loss for the period attributable to members	Up	146%	to	2,645,291

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Interim dividend	**0 ¢**	**0 ¢**
Previous corresponding period	**0 ¢**	**0 ¢**
Record date for determining entitlements to the dividend	**N/A**	

Brief explanation necessary to enable the figures above to be understood:

For further detail, please refer to the Review of Operations within the Directors' Report for an explanation of results.

Net Tangible Assets per Security

Net tangible assets per security (with the comparative figure for the previous corresponding period):

	Current period	**Previous corresponding period**
Net tangible assets security	2.4 cents	2.6 cents

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

Your Directors present their report, together with the consolidated financial statements and the independent auditor's review report thereon, for the half year ended 31 December 2012.

Directors

The names of the Directors of New Age Exploration Limited in office at any time during or since the end of the period are as follows:

Mr A Broome, AM (Non-Executive Chairman) – appointed 18 February 2013
Mr E F Stoyle (former Non-Executive Chairman) – resigned 24 October 2012
Mr G Fietz (Managing Director)
Mr A M Wing (Executive Director and Company Secretary)
Mr G L Rice (Non-Executive Director)
Mr M Amundsen (Non-Executive Director)

Principal activities

During the financial half-year, the principal continuing activities of the Consolidated Entity consisted of:

- exploration activities with the view to identifying and advancing attractive mineral deposits of sufficient grade and size to provide sustainable returns to shareholders.

Review of Operations

The loss of the Consolidated Entity, after providing for income tax, for the period amounted to $2,801,800 (31 December 2011: $1,078,738). The detailed Review of Operations follows this Directors' Report.

Subsequent events

On 23 January 2013, the Company announced the commencement of the Phase 1a drilling program at its Lochinvar Coking Coal Project. Detailed information is provided in the Review of Operations following this Directors' Report.

On 18 February 2013, Mr Alan Broome, AM (I.Eng, F.AusIMM, FAICD, FICME, MInstD (NZ)) was appointed as Chairman of the Company. Mr Broome is a metallurgist with over 40 years' experience in mining and metals. A well-known figure in the Australian mining industry, he has extensive board experience, both as a director and chairman, of a number of listed and unlisted mining and mining technology companies.

No other matter or circumstance has arisen since 31 December 2012 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Lead Auditor's Independence Declaration

A copy of the auditor's independence declaration in relation to the review for the half-year ended 31 December 2012 is provided with this report.

This report is made in accordance with a resolution of the directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

Gary Fietz
Managing Director

Melbourne
15 March 2013

REVIEW OF OPERATIONS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

During the six-month period outlined in this report, New Age Exploration Limited (“NAE” or “the Company”) continued to develop its strong portfolio of United Kingdom-based assets, in addition to the Company’s Colombian-based projects. A number of significant milestones were achieved by NAE during this period including:

- Appointment of key personnel to the Lochinvar Project team
- Establishment of Lochinvar Coal Limited as a wholly-owned subsidiary of NAE
- 12-month work program put in place at Lochinvar – including seismic interpretation, phased drilling program, JORC Inferred Resource estimation and commencement of scoping study
- Completion of the first drill hole (LOI-001) of Lochinvar Phase 1a drilling program, post period
- Placement completed for $7.5million, with $5.5million of capital raised and the remaining $2.0million subject to shareholder approval in April 2012
- Acquisition of Redmoor Tin-Tungsten Project, UK
- Declared Maiden Inferred Resource at Redmoor Project, post-period
- Revised exploration target at Cesar Thermal Coal Project Colombia, post period
- Appointment of Mr Alan Broome, AM as Chairman post-period

UNITED KINGDOM PROJECTS

Lochinvar Coking Coal Project

The Company was granted an underground exploration licence over the Lochinvar Coking Coal Project covering 67.5km² by the UK Coal Authority in June 2012. The Project is located 21km north of Carlisle and 120km south-east of Glasgow.

In October 2012, the Company released a JORC conceptual exploration target of 330-410 Mt of potential high volatile coking coal.

In addition, NAE established Lochinvar Coal Ltd, a wholly owned subsidiary of NAE, as the UK operating entity. On the ground in the UK, the Company has put in place a strong project team, whose experience covers geology, exploration, resource estimation, permitting, underground mining and project management, with specific experience in the UK coal industry.

NAE is also supported by mineral planning and environmental consultants Dalgleish and Associates who have substantial experience in licensing of mining projects in Scotland.

Dart Energy holds a licence to extract Coal Bed Methane (“CBM”) below a depth of 300m which overlaps the Lochinvar licence held by NAE. NAE has commenced discussions with Dart Energy about the interaction of NAE’s proposed underground mining project and Dart Energy’s proposed CBM extraction project and discussions to date have been positive.

Lochinvar Drilling Program

Post period end, NAE commenced Phase 1a of its planned drilling program aimed at defining an initial JORC Inferred Resource over the Lochinvar Coal Project, which will be followed by a scoping study scheduled for completion in late 2013.

The first drill hole, LOI-001, has now been completed and successfully intersected key target coal seams, the Nine Foot and Six Foot seams, recording the following thicknesses:

- Nine Foot: 3.41m (2.85m coal) from 311.6m depth
- Six Foot: 1.78m (1.66m coal) from 295.0m depth

Drill hole LOI-001 has successfully twinned the Bogra hole drilled by the National Coal Board ("NCB") in 1983, confirming that historic NCB drilling can be replicated and that historic thicknesses and depths are JORC-compliant.

The commencement of drilling at Lochinvar was delayed slightly due to significant flooding within the UK. As a result, the Company now anticipates the following timing for the Lochinvar drill program:

- Completion of Phase 1a and JORC Resource update Early in Q3 2013
- Completion of Phase 1b and JORC Resource update Early in Q4 2013

Phase 1a and 1b of the program are focussed on the western region of the licence at depths of less than 600m. Phase 2 will be focussed on the northern region of the licence at depths of less than 600m. The program is aimed at defining depths of target coal seams and coal quality, including washability and preliminary coking tests of coal samples from core drilling.

During the period, NAE signed a drilling contract for Phase 1a with British Drilling and Freezing Company Limited ("BDF"). BDF is a highly experienced exploration drilling company based in England, is the UK's largest onshore drilling contractor and has extensive experience in drilling coal in the UK, including the Canonbie coal field where the Lochinvar Project is located.

Land Access Agreements and Other Approvals

During the period, the Company continued to progress discussions with local landowners to obtain land access agreements for the scheduled drilling program. To date, a total of five land access agreements have been executed with three of these also having completed Supplementary Access Agreements with the Coal Authority.

Lochinvar Seismic Re-interpretation

NAE appointed Tesla Exploration International (UK) to acquire and re-process historic seismic data in the region of the Lochinvar licence. Tesla are currently reprocessing and re-interpreting key seismic lines to support the Lochinvar drilling program.

Acquisition of Historic Lochinvar Project Data

Historical exploration was undertaken at Lochinvar during the 1950's by the NCB, who drilled four boreholes, which were subsequently followed up in the late 1970's and early 1980's by a further nine boreholes that intersected coal. Since acquiring Lochinvar, the Company has been undertaking a search of historic drilling data over the coal field, which has improved the Company's understanding of the Lochinvar coal seams and coal quality.

Among the 13 historic boreholes drilled by the NCB, there are eight boreholes within the Lochinvar licence which intersect the target coal seams, including the Nine Foot seam. A plan showing the location of the historic NCB boreholes and contours from the surface to the top of the Nine Foot seam is shown in Figure 1.

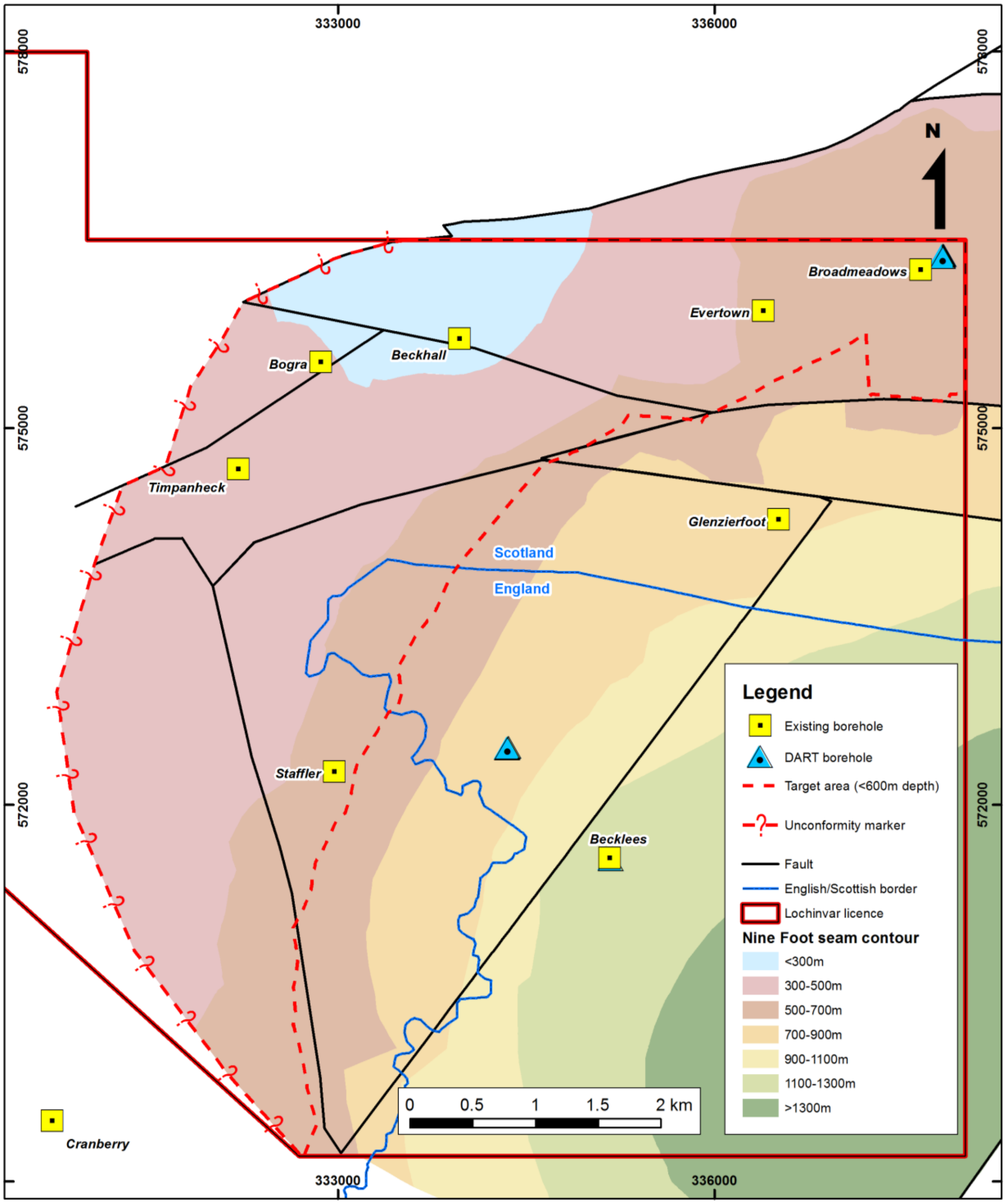

Figure 1: Lochinvar Coal Depth Contour

Lochinvar Coal Quality

Preliminary assessment by SRK, the Company's UK consultants, undertaken largely on the Glenzierfoot, Knottyholm and Rowanburnfoot boreholes, indicated a high volatile coking coal with Swell indices between 6-8 and Gray King indices around the G5 and G6 levels. This suggests that Lochinvar may be able to produce a coking coal at least in the semi-hard to hard coking coal range.

Redmoor Tin and Tungsten Project

In October 2012, NAE signed binding agreements for the exploration and mining rights to the historic Redmoor Tin and Tungsten Mining Project (“Redmoor”) located in southeast Cornwall, UK.

The Project is located 28km northwest of the port of Plymouth in Devon and is situated between the village of Kelly Bray and the small town of Callington. The exploration licence covers an area of 23km² and is valid for a period of 15 years, with an option for a 25-year mining lease.

The original Redmoor Mine forms part of a group of mines (Redmoor, Holmbush and Kelly Bray) that were opened in the 18th century and continued at intervals until 1842, at which time they were forced to close due to low tin prices. Between 1907 and 1914, and again in 1934, parts of Redmoor were re-opened.

Post period end, NAE reported that, following the satisfactory completion of an assay verification program of historic drill core, a Maiden Inferred Resource was defined at the Redmoor Project.

The Inferred Mineral Resource is based on 5,792 historical samples from 35 drill holes. Only areas which SRK considered to have the potential to be both practically and economically extractable were included in the Mineral Resource Statement.

The Mineral Resource shown in Table 1 below is reported above an in-situ cut-off grade of 0.53% Sn(eq) and assumes that the ore could be mined by underground mining methods and processed to produce Sn, W and Cu payable products.

Table 1: Redmoor Inferred Mineral Resource

REDMOOR INFERRED MINERAL RESOURCE (Feb 2013) Cut-off grade 0.53% Sn(eq)[1]							
Tonnes (Mt)	**Sn %**	**W %**	**Cu %**	**Zn %**	**Pb %**	**Ag ppm**	**Sn(eq)[1]**
9.1	**0.21**	**0.16**	**0.38**	**0.20**	**0.008**	**8.38**	**0.69**

[1] ***Sn Equivalent % Calculation:*** *Sn(eq) = Sn%*1 + 2.433612*W% + 0.251359*Cu% . Commodity price assumptions: US$23,000/t Sn, US$28,000/t concentrate at 65% WO3, and USD7,400/t Cu. Recovery assumptions: total Sn recovery 64%, total W recovery 66%, total Cu recovery 50%. All assumptions are based on industry benchmarks and consensus market forecasts.*

The Mineral Resource remains open both at depth and laterally. SRK has extended its modelled orebody into areas of more limited drilling to define an Exploration Target. The location of the Exploration Target is shown on the long section in Figure 2. Based on this work, SRK considers a reasonable Exploration Target, in addition to the defined Inferred Resource, to be in the range of 4-6 Mt with an average Sn grade of between 0.08% and 0.13%, a W grade of between 0.16% and 0.26%, a Cu grade of between 0.20% and 0.34% and a Sn(eq) grade of between 0.51% and 0.85%. It should be noted that this estimate is conceptual in nature and there has been insufficient exploration to define a Mineral Resource.

The Company is currently compiling historical technical data in preparation for a scoping study to identify the preferred development pathway to access the project economics.

The acquisition of Redmoor is a significant addition to the Company’s strong portfolio, providing exposure to the strong tin and tungsten markets.

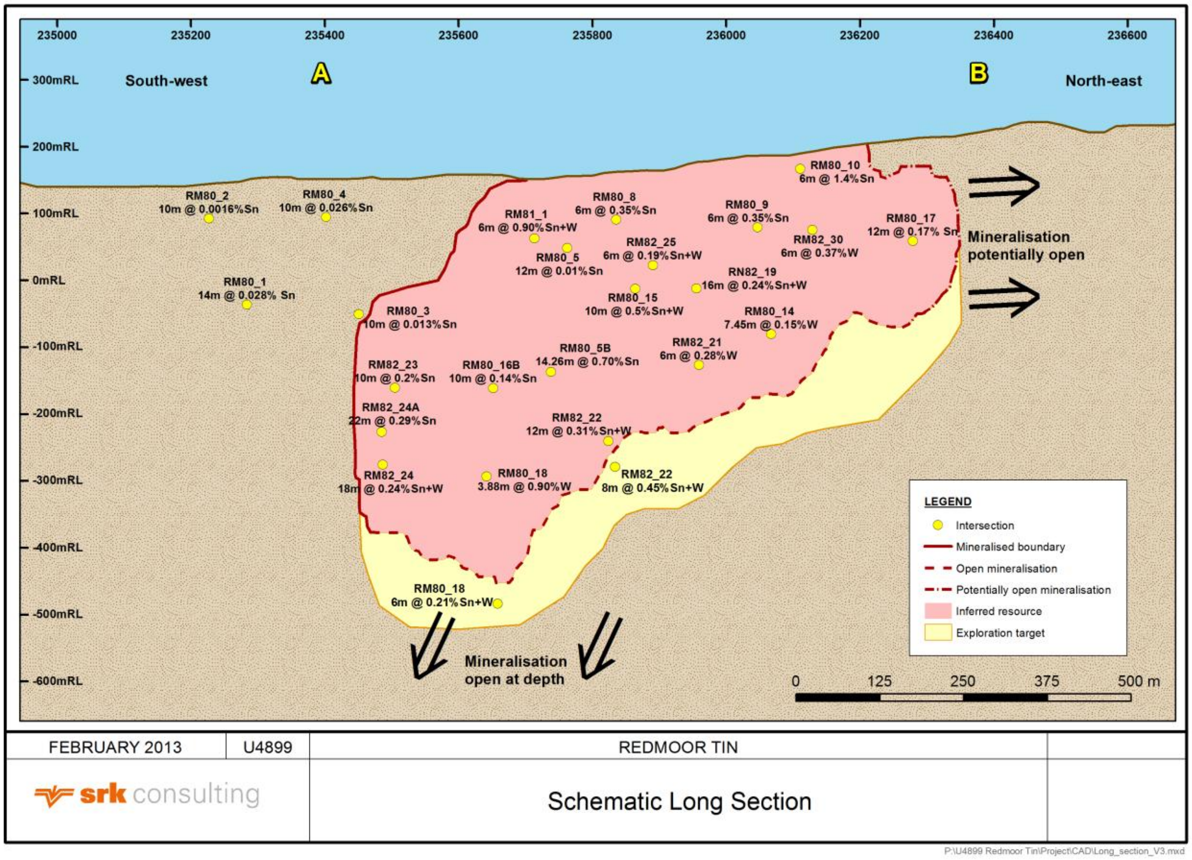

Figure 2: Schematic long section of the Redmoor Resource and Exploration Target.

COLOMBIAN PROJECTS

Terranova and Alvarado Coking Coal

During the December 2012 quarter, external advice was received that provided an option to progress the approval process for drilling on concession FL2-151. This process will continue to be evaluated during early 2013 with the aim of targeting a drill program as soon as possible.

La Miel Concession (GJP-151)

In late 2012, NAE announced its decision not to proceed with the La Miel Coal Project. The results of the first borehole were reported on 30th August 2012. The second borehole had to be aborted at 564m, initially due to drilling difficulties, and then due to flooding in the region, therefore not intersecting any coal.

The Company was scheduled to make a US$500,000 payment to the vendors in December 2012; however, after further analysis of the results returned for the initial two boreholes, the Board elected not to continue with the Project as further expenditure commitments did not represent value for shareholders. NAE has no further obligations to the vendors of the Project.

Cesar Project (GHN-121 & GIK-103 Concessions)

Post period end, the Company reported a revised conceptual Exploration Target for the Cesar Project following the interpretation of additional seismic data by FWS Consultants Ltd (“FWS”).

FWS have updated and re-appraised the geological model and refined the estimated contours for the top coals of the target sequence beneath the two licence blocks GHN-121 and GIK-103. Based on the revised top coal contours and from the seam sequence and thicknesses determined in boreholes within close proximity to the licences, a total Exploration Target Tonnage (in-situ) is estimated to be in the range of 250-650 Mt of export quality thermal coal. This is potentially accessible via modern, high productivity, mechanised underground mining methods.

Given the nature of the results from the seismic interpretation work and the Company's review of costs associated with further development of Cesar, NAE is actively searching for a strategic partner to advance the Project.

CORPORATE ACTIVITY

In October 2012, NAE announced that it had entered into binding agreements for the placement of 108,384,615 new shares at 6.5 cents per share to raise a total of $7,045,000. This was in addition to the $455,000 raised via a placement of 7,000,000 shares at 6.5 cents per share earlier during October, bringing the total amount raised to $7,500,000.

The $7,500,000 will ensure that the Company's Lochinvar work programs are fully funded for the upcoming 12 months.

Also in October 2012, the Company reported the resignation of Mr Edwin Stoyle as Non-Executive Chairman and Director. Mr Stoyle joined the Board of NAE in 2005 and made a valuable contribution during this time.

Post period end, NAE announced the appointment of Mr Alan Broome, AM as Chairman of the Company. Alan Broome, AM (I.Eng, F.AusIMM, FAICD, FICME, MInstD (NZ)) is a metallurgist with over 40 years' experience in mining and metals. A well-known figure in the Australian mining industry, Alan has extensive board experience, both as a director and chairman, of a number of listed and unlisted mining and mining technology companies.

Over the past two decades, Alan has gained extensive experience in coal mining, mining technology, equipment, services and research sectors, both domestically and internationally. Alan is currently a Director/Chairman of several coal mining-related companies including:

- Solid Energy (Director) – NZ Government owned coal producer
- Buccaneer Energy Ltd (ASX) (Chairman) – USA based oil and gas producer
- CRL Energy Ltd (Chairman) – NZ based coal and energy technology provider
- Carbonxt Group Ltd (Chairman) – USA based international carbon products producer
- Micromine Pty Ltd (Chairman) – Leading international mining software company
- Austmine (Chairman) – Australian mining technology export group

During the period, Ocean Equities and Patersons Securities commenced issuing research notes on New Age Exploration.

Competent Person's Statement

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

Lochinvar, UK: Dr William Hatton (C.Geol – Geological Society of London) who qualifies 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) a 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, and (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 unforeseen geological losses. The range in tonnage estimate reflects the uncertainty of the seam sections, structural and grade continuity encoded within the Vulcan exploration model.

Redmoor, UK: Dr. Mike Armitage (CGeol CEng FGS MIMM) and Mr. Howard Baker (MAusIMM (CP)) who are both full time employees of SRK. Dr Armitage and Mr Baker have more than 5 years' experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken 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 Armitage and Mr Baker consent to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

Colombia: Dr Frederick Smith, 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.

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of New Age Exploration Limited for the half year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

DFK Collins

DFK Collins
Chartered Accountants

Michael Port

M L Port
Partner

15 March 2013
Melbourne

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Note	Half year ended 31 Dec 2012 $	Half year ended 31 Dec 2011 $
Revenue		**39,054**	**80,462**
Expenses			
Corporate expenses		(234,395)	(188,142)
Occupancy expenses		(56,272)	(41,315)
Employee benefits expense		(751,646)	(458,084)
Share-based payments – consulting fees		(12,333)	(44,383)
Exploration and evaluation expenses and write-offs		(1,436,168)	(291,210)
Administrative expenses		(289,107)	(86,940)
Legal expenses		(35,972)	(9,968)
Travel and accommodation		(24,961)	(39,158)
Loss before income tax expense		**(2,801,800)**	**(1,078,738)**
Income tax expense		-	-
Loss after income tax expense		**(2,801,800)**	**(1,078,738)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Movement in exchange differences on translating foreign operations		13,974	(13,796)
Other comprehensive income		**13,974**	**(13,796)**
Total comprehensive loss for the period		**(2,787,826)**	**(1,092,534)**
Loss for the period attributable to:			
Non-controlling interests		(156,509)	(2,013)
Owners of New Age Exploration Limited		(2,645,291)	(1,076,725)
		(2,801,800)	(1,078,738)
Total comprehensive loss for the period attributable to:			
Non-controlling interests		(156,509)	(2,013)
Owners of New Age Exploration Limited		(2,631,317)	(1,090,521)
		(2,787,826)	(1,092,534)
Loss per share from continuing operations attributable to the owners of New Age Exploration Limited			
		Cents	**Cents**
Basic loss per share		(1.72)	(1.00)
Diluted loss per share		(1.72)	(1.00)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Note	31 Dec 2012 $	30 Jun 2012 $
Current assets			
Cash and cash equivalents		5,930,146	3,580,567
Trade and other receivables		87,697	56,642
Prepayments		74,667	281,698
Total current assets		**6,092,510**	**3,918,907**
Non–current assets			
Trade and other receivables		223,502	-
Property, plant and equipment		145,372	96,361
Exploration and evaluation assets	2	4,056,823	3,890,058
Total non – current assets		**4,425,697**	**3,986,419**
Total assets		**10,518,207**	**7,905,326**
Current liabilities			
Trade and other payables		946,699	466,104
Deferred lease liability		10,418	-
Financial liabilities		-	492,174
Provisions		31,549	33,051
Total current liabilities		**988,666**	**991,329**
Non–current liabilities			
Deferred lease liability		17,826	-
Total non – current liabilities		**17,826**	**-**
Total liabilities		**1,006,492**	**991,329**
Net assets		**9,511,715**	**6,913,997**
Equity			
Equity attributable to members of the parent:			
Contributed equity	3	19,092,281	13,800,154
Reserves	4	1,155,353	1,047,962
Accumulated losses		(11,055,363)	(8,338,230)
Total parent entity interest		9,192,271	6,509,886
Non-controlling interests		319,444	404,111
Total equity		**9,511,715**	**6,913,997**

The above consolidated statement of financial position is to be read in conjunction with the attached notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Attributable to owners of New Age Exploration Limited			Non- Controlling Interests	Total
	Contributed Equity $	Reserves $	Accumulated Losses $	$	$
At 1 July 2012	**13,800,154**	**1,047,962**	**(8,338,230)**	**404,111**	**6,913,997**
Loss for the period	-	-	(2,645,291)	(156,509)	(2,801,800)
Other comprehensive income	-	13,974	-	-	13,974
Total comprehensive loss for the period	-	13,974	(2, 645,291)	(156,509)	(2,787,826)
Transactions with owners in their capacity as owners:					
Issue of shares (net of costs)	5,292,127	-	-	-	5,292,127
Share based payments	-	93,417	-	-	93,417
Non-controlling interest in exploration projects	-	-	(71,842)	71,842	-
As at 31 December 2012	**19,092,281**	**1,155,353**	**(11,055,363)**	**319,444**	**9,511,715**
At 1 July 2011	**8,714,195**	**3,297,563**	**(8,873,947)**	**-**	**3,137,811**
Loss for the period	-	-	(1,076,725)	(2,013)	(1,078,738)
Other comprehensive loss	-	(13,796)	-	-	(13,796)
Total comprehensive loss for the period	-	(13,796)	(1,076,725)	(2,013)	(1,092,534)
Transactions with owners in their capacity as owners:					
Issue of shares (net of costs)	3,900,000	-	-	-	3,900,000
Share based payments	21,692	87,600	-	-	109,292
Non-controlling interest in exploration projects	-	-	(202,762)	202,762	-
As at 31 December 2011	**12,635,887**	**3,371,367**	**(10,153,434)**	**200,749**	**6,054,569**

The above consolidated statement of changes in equity is to be read in conjunction with the attached notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Half year ended 31 Dec 2012 $	Half year ended 31 Dec 2011 $
Cash flows from operating activities		
Payments to suppliers and employees	(1,318,331)	(776,401)
Interest received	36,249	90,274
Net cash flows used in operating activities	**(1,282,082)**	**(686,127)**
Cash flows from investing activities		
Payments for property, plant and equipment	(47,473)	(20,836)
Payments for exploration and evaluation assets	(1,623,440)	(1,720,730)
Net cash flows used in investing activities	**(1,670,913)**	**(1,741,566)**
Cash flows from financing activities		
Issue of shares	5,498,418	4,000,000
Issue costs	(190,491)	(100,000)
Net cash flows provided by financing activities	**5,307,927**	**3,900,000**
Net increase in cash held	**2,354,932**	**1,472,307**
Cash and cash equivalents at beginning of period	3,580,567	2,665,504
Effects of exchange changes on balances held in foreign currencies	(5,353)	(13,796)
Cash and cash equivalents at the end of period	**5,930,146**	**4,124,015**

The above consolidated statement of cash flows is to be read in conjunction with the attached notes.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
31 DECEMBER 2012

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and accounting policies

This general purpose financial report for the half year ended 31 December 2012 has been prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half year financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half year financial report be read in conjunction with the annual report for the year ended 30 June 2012 and considered together with any public announcements made by New Age Exploration Limited during the half year ended 31 December 2012 in accordance with the continuous disclosure obligations of the ASX listing rules. Comparative figures have been adjusted to conform with changes in presentation for the current period.

The accounting policies and methods of computation are consistent with those adopted in the most recent annual financial report, except for the impact of the Standards and Interpretations described below.

(a) Adoption of New and Revised Accounting Standards

The Group has adopted all of the new and amended Australian Accounting Standards and AASB Interpretations that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half year that are relevant to the Group include:

- Amendments to AASB 1, 7, 101, 112, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'

The adoption of the new and revised Standards and Interpretations has not resulted in any change to the Group's accounting policies and has no effect on the amounts reported for the current or prior half years. However, the application of AASB 2011-9 has resulted in changes to the Group's presentation of, or disclosure in, its half year financial statements.

AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (Cont'd)
31 DECEMBER 2012

(b) Going Concern

The financial report has been prepared on a going concern basis which assumes the realisation of assets and extinguishment of liabilities in the normal course of business at the amounts stated in the financial report.

As at the balance date, the Group had working capital, being current assets less current liabilities, of $5,103,844. Whilst the directors are satisfied that there is sufficient working capital to enable the Group to continue to meet the operational costs and its financial obligations in a timely manner over the next 12 months, they are also aware that to continue to advance the exploration projects, significant capital expenditure will be required. It is expected that this capital expenditure will be met by proceeds from capital raisings which may include new share issues and the exercise of existing share options.

NOTE 2 EXPLORATION AND EVALUATION ASSETS

	31 Dec 2012 $	30 Jun 2012 $
Movement in the carrying amounts of exploration and evaluation assets between the beginning and end of the financial year:		
Balance at the beginning of the financial year	3,890,058	553,106
Additions	1,577,075	3,422,630
Write off of assets	(1,410,310)	(85,678)
	4,056,823	3,890,058

NOTE 3 ISSUED CAPITAL

	31 Dec 2012 Number	30 Jun 2012 Number	31 Dec 2012 $	30 Jun 2012 $
Ordinary shares – fully paid	227,493,879	142,902,828	19,092,281	13,800,154

Movement in ordinary shares

	No of Shares	Issue Price	$
Balance 1 July 2011	97,117,638		8,714,195
First issue of shares pursuant to Terranova coking agreement	96,520	$0.11	10,617
Second issue of shares pursuant to Terranova coking agreement	88,597	$0.125	11,075
Issue of shares	33,333,334	$0.12	4,000,000
Exercise of options	616,739	$0.10	61,674
Issue of shares	11,650,000	$0.10	1,165,000
Issue costs			(162,407)
Balance 30 June 2012	142,902,828		13,800,154
Issue of shares	84,591,051	$0.065	5,498,418
Issue costs			(206,291)
Balance 31 December 2012	227,493,879		19,092,281

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (Cont'd)
31 DECEMBER 2012

NOTE 4 RESERVES

	31 Dec 2012 $	30 Jun 2012 $
Share-based payments reserve	1,179,562	1,086,145
Foreign exchange translation reserve	(24,209)	(38,183)
	1,155,353	1,047,962

NOTE 5 SEGMENT INFORMATION

The Group operated predominantly as an explorer with the view to identify and advance attractive mineral deposits of sufficient grade and size to provide sustainable returns to shareholders.

The directors do not believe that there are any reportable segments that meet the requirements of AASB 8 *Segment Reporting* on the basis that the chief operating decision maker, being the Board of Directors, review geological results and other qualitative measures as a basis for decision making.

NOTE 6 SUBSEQUENT EVENTS

On 23 January 2013, the Company announced the commencement of the Phase 1a drilling program at its Lochinvar Coking Coal Project.

On 18 February 2013, Mr Alan Broome, AM (I.Eng, F.AusIMM, FAICD, FICME, MInstD (NZ)) was appointed as Chairman of the Company.

No other matter or circumstance has arisen since 31 December 2012 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the financial half year ended on that date; and,

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the Corporations Act 2001

On behalf of the directors

Gary Fietz
Managing Director

Melbourne
15 March 2013

dfk collins
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF NEW AGE EXPLORATION LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of New Age Exploration Limited, which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of New Age Exploration Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DFK Collins

DFK Collins
Chartered Accountants

M L Port
Partner

15 March 2013
Melbourne

COMPLIANCE STATEMENT

1 A financial report for the six months ended 31 December 2012 is provided with the Appendix 4D information.
2 The financial report has been prepared in accordance with Australian Accounting Standards.
3 The financial report and information provided in Appendix 4D uses the same accounting policies as those applied at 30 June 2012.
4 The Appendix 4D information gives a true and fair view of the matters disclosed in the half year financial report.
5 The Appendix 4D information is based on the half year financial report, which has been subject to independent review.

Sign here: -- Date:15 March 2013

(Director)

Print name: Gary Fietz