

Quarterly Report**To 30 September 2013**

New Age Exploration Limited ("NAE" or "the Company") is pleased to provide shareholders the Company's Quarterly Report for the period ending 30 September 2013.

This quarter has been a landmark period for the company with completion of the Phase 1a drilling program and subsequent release of an initial 112Mt Inferred Resource for Lochinvar. A scoping study for the project has also commenced.

HIGHLIGHTS

- Initial JORC Inferred Resource of 112Mt for the Lochinvar Project
- Exploration Target of 28 - 47Mt defined in addition to the Inferred Resource

Coal Seam	Inferred Resource	Exploration Target
	Million Tonnes	Million Tonnes
Nine Foot Seam	78	6 - 10
Six Foot Seam	34	7 - 13
Five Foot Seam	-	15 - 24
Total	112	28 - 47

- The Resource has favourable parameters for underground mining:
 - Majority is shallow – 66Mt Inferred Resource from 200 - 500m depth
 - Nine Foot Seam average thickness of 2.0m coal
 - Six Foot Seam average thickness of 1.5m coal
- Clean coal analysis results from LCL-001 and LCL-004 demonstrate potential to produce a low ash, high volatile coking coal at high yields

**ASX Release: 28 October 2013**

New Age Exploration Limited is an Australian company focused on coking coal exploration and development. Its flagship project is the Lochinvar Coking Coal Project in the UK which is ideally located to supply domestic UK and European steel mills with immediate access to existing rail and port infrastructure. The initial Lochinvar JORC Inferred Resource estimate of 112Mt was released in October and the Company is targeting development of the project by 2016.

ACTIVITIES REPORT

LOCHINVAR COKING COAL PROJECT, UK (100% NAE)

The Lochinvar Coking Coal Project is located on the Scottish / English border (as shown in Figure 1) and has been the Company's principal focus since grant of the exploration licence and conditional underground mining licence in June 2012.

The Lochinvar licence covers the Canonbie Coalfield, an undeveloped coking coal resource located adjacent to the West Coast Main Line rail connecting with UK steelmakers, cokemakers and export ports.

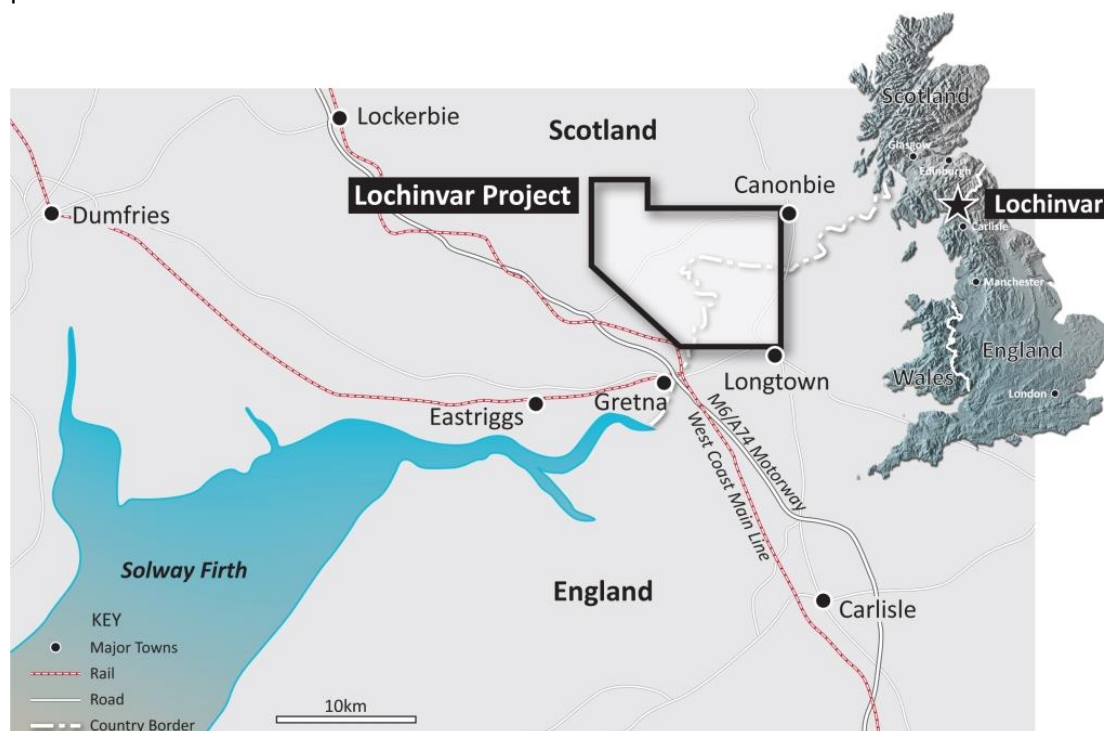


Figure 1: Location of the Lochinvar Project

Initial Drilling Program Completion

The Lochinvar Phase 1a drilling program comprising of 4 drill holes was completed between January 2013 and July 2013.

Three of the four holes intersected the target seams, demonstrating continuity of the key Nine Foot Seam and extending the drilling coverage over the western side of the deposit.

The Nine Foot Seam ranged in thickness from 1.42m to 2.81m (coal thickness) and occurs at depths between 312m and 327m. All significant seam intersections are presented in Table 1.

Table 1: Composited Sample Intervals

Hole		From (m)	To (m)	Interval (m)	Coal Thickness (m)	Coal Type
LCL-001	Six Foot Seam	295.0	296.8	1.78	1.66	Coal
	Nine Foot Seam (entire seam)	311.6	315.1	3.41	2.81	Coal
LCL-004	Six Foot Seam (lower section)	313.2	313.8	0.54	0.54	Coal
	Nine Foot Seam (entire seam)	322.0	323.9	1.91	1.86	Coal
LCL-005	Six Foot Seam (upper section)	317.1	317.4	0.31	0.31	Inferior Coal
	Six Foot Seam (lower section)	318.8	319.5	0.62	0.62	Inferior Coal
	Nine Foot Seam (entire seam)	327.1	328.5	1.42	1.42	Coal
LCL-030	No coal intercept					

Hole LCL-001 successfully ‘twinned’ the adjacent National Coal Board (“NCB”) Bogra hole enabling inclusion of all 8 of the historic NCB holes on NAE’s Lochinvar licence in the 112Mt Inferred Resource described below.

In holes LCL-004 and LCL-005, the target seams were intersected at shallower depths than predicted. The potential for shallower coal presents an opportunity to improve the economics of the project.

Due to the shallower than anticipated intersections, the Six Foot and Nine Foot Seams were not cored in hole LCL-005 and the Six Foot Seam was not cored in hole LCL-004. Seam depths and thicknesses in these holes have, however, been confirmed by downhole geophysics. The Nine Foot Seam was cored in hole LCL-004.

Hole LCL-030 did not intersect coal but has improved the definition of the basin margin.

Raw Coal Analysis Results

Last quarter, NAE reported the analysis of the raw coal from both the Nine Foot and Six Foot Seams in hole LCL-001 at Lochinvar. Subsequently, the raw coal analysis of the Nine Foot Seam in hole LCL-004 has been completed.

Clean Coal Analysis Results

Clean coal analysis from washability tests undertaken on boreholes LCL-001 and LCL-004 demonstrate the potential for Lochinvar to produce an attractive low ash, high volatile coking coal for supply to UK and European markets.

As shown in Table 2, the clean coal analysis results show that high yields of low ash coal (under 5%) are achievable with attractive metallurgical properties (CSN of 7.0 to 7.5).

Table 2: Summary of Clean Coal Analysis from Boreholes LCL-001 and LCL-004 (Air Dried Basis)

Hole	Clean Coal Yield ¹	Inherent Moisture	Ash	Volatile Matter	Sulphur	CSN	Phos.	Gieseler Max Fluidity	Calorific Value	RoMax
	%	%	%	%	%		%	DDPM	Kcal/kg	%
LCL-004 Nine Foot Seam	89	3.2	3.1	33.8	1.26	7.0	0.003	TBA	7,951	TBA
LCL-001 Nine Foot ² Seam	84	3.6	3.5	34.5	1.36	7.5	0.008	3,400	7,850	0.83
LCL-001 Six Foot Seam	77	3.9	4.0	34.7	1.82	7.0	0.034	1,400	7,750	0.83

Through the washability test work, sulphur levels in hole LCL-001 were reduced from 2.05% in the raw coal to 1.36% in the clean coal for the complete Nine Foot Seam. The lower section (1.92m) of the Nine Foot Seam in holes LCL-001 demonstrated a reduction in sulphur values from 1.76% to 1.07% through washing. Sulphur levels in hole LCL-004 were reduced from 2.17% in the raw coal to 1.26% in the clean coal. Importantly, preliminary discussions with potential UK and European customers (steel mills and merchant coke producers) indicate that the demonstrated sulphur values are within their coal supply specifications. Washed coal analysis results received to date for hole LCL-004 are in line with those from LCL-001. Petrographic and Fluidity results for LCL-004 are currently outstanding.

Lochinvar Inferred Resource and Updated Exploration Target

Following completion of Phase 1a drilling and raw coal analysis, an initial Inferred Resource and additional Exploration Target have been defined for the Lochinvar Project by Palaris Mining, an internationally recognised Australia based mining consultancy specialising in coal exploration and mining.

An **Inferred Resource of 112 million tonnes** has been defined for the Nine Foot and Six Foot Seams as shown in Table 3.

Table 3: Lochinvar Inferred Resource – Average Raw Coal Analysis (Air Dried Basis)

Coal Seam	Inferred Resource	Inherent Moisture	Ash	Volatile Matter	Sulphur	CSN
	Million Tonnes	%	%	%	%	
Nine Foot Seam	78	2.4	10.4	32.6	2.1	6.5
Six Foot Seam	34	3.0	11.0	32.0	3.5	6.5
Total	112					

An additional **Exploration Target of 28 – 47 million tonnes** has been defined in areas where there is insufficient information to define a resource. A breakdown of the Exploration Target is shown in Table 4.

¹ Clean coal composite results from LCL-001 are 1.4 Floats and LCL-004 are 1.35 floats

² Includes coal only, i.e. stone inter-bands excluded

Table 4: Lochinvar Exploration Target

Coal Seam	Exploration Target Million Tonnes
Nine Foot Seam	6 - 10
Six Foot Seam	7 - 13
Five Foot Seam	15 - 24
Total	28 - 47

The Inferred Resource and the Exploration Target have been reported in accordance with the JORC Code (2012).

The Inferred Resource estimate is based on 8 holes drilled by the NCB from 1979 through to 1983 and 4 holes completed by NAE in the first half of 2013. Over 100km of seismic data was also incorporated in the resource estimate providing interpretative evidence for the lateral continuity of coal seams.

Both the Inferred Resource and Exploration Target are constrained by:

- A minimum seam thickness of 1.2 metres
- A maximum depth of cover of 1,000 metres
- A maximum parting distance of 0.8m between coal plies of the Nine Foot Seam where the upper plies are split from the lower ply of the seam in the south of the deposit
- The area within NAE's Coal Exploration Licence CA11/EXP/0515/N.

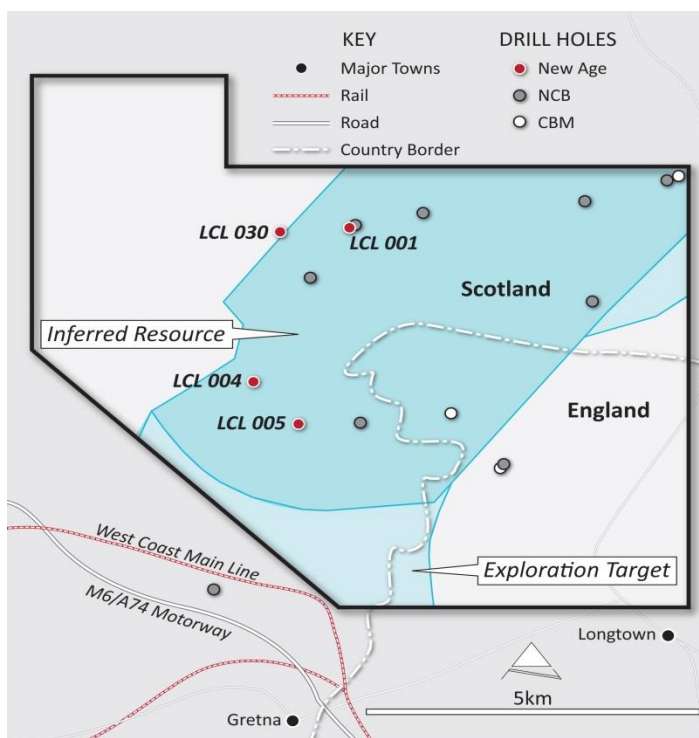


Figure 2: Inferred Resource Location (Nine Foot Seam) - Lochinvar Project

The extent of the Inferred Resource and Exploration Target for the Nine Foot seam is shown in Figure 2. The Nine Foot Seam has an estimated average dip of 7 degrees to the southeast. The resource model has estimated an average thickness for the Nine Foot Seam of 2.2m (2.0m coal) and 1.5m for the Six Foot Seam (1.5m coal). These characteristics are favourable for underground mining.

The Inferred Resource for the Nine Foot Seam includes the upper plies of the seam in the northern part of the deposit. In the south, the upper plies of the Nine Foot seam are excluded.

A 3D representation of the Nine Foot Seam is shown in Figure 3.

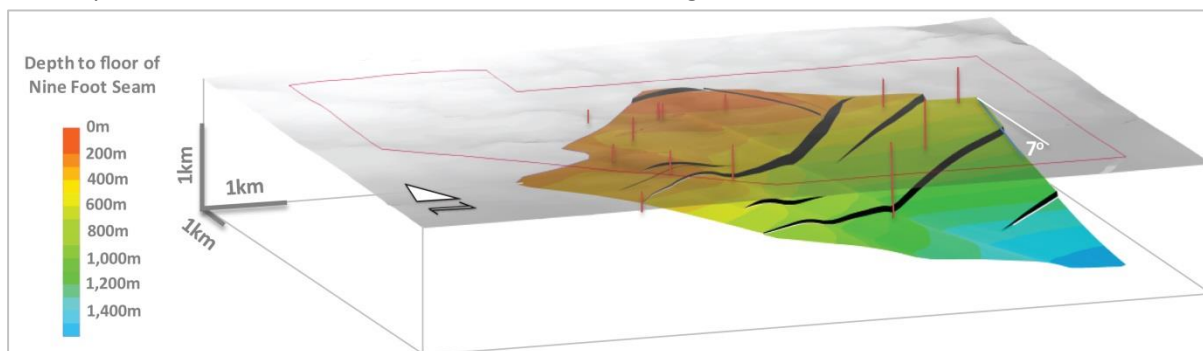


Figure 3: 3D Representation of Nine Foot Seam Geology

The majority of the Inferred Resource is at shallow underground mining depths as can be seen in Figure 4. 76Mt of the Inferred Resource is at less than 600m depth and 48Mt is at less than 400m depth. The shallower coal will be the focus of the upcoming Phase 1b/2 drilling program.

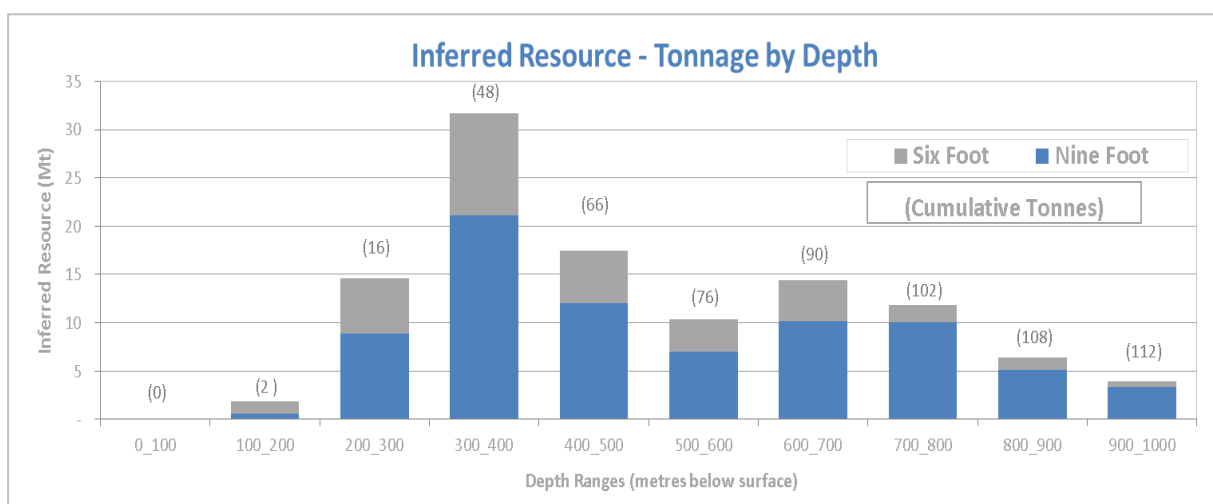


Figure 4: Inferred Resource Tonnage by Depth

The Six Foot Seam lies stratigraphically above the Nine Foot Seam with a vertical separation of between 13m and 30m. The vertical separation between these seams is considered by Palaris to be sufficient to enable both seams to potentially be mined using continuous miners. A number of underground mines successfully extract seams with similar vertical spacings; however, geotechnical conditions will ultimately determine the optimum mine design for safe economic recovery of both seams at Lochinvar.

There is currently insufficient drilling data in the Five Foot Seam, which lies below the Nine Foot Seam, to enable its inclusion in the Inferred Resource.

Phase 1b/2 Drilling and Forward Work Program

Subject to regulatory approvals, NAE anticipates the commencement of Phase 1b/2 drilling program in Q4 2013. Phase 1b/2 is expected to comprise of 4-6 holes located in the western (Phase 1b) and northern (Phase 2) parts of the deposit.

The Company has completed an extensive evaluation of international drilling contractors to carry out Phase 1b/2. Through this process, NAE expects to significantly reduce drilling costs, reduce site footprint and enable holes to be drilled at a much faster rate, while maintaining the quality of the core.

The combined Phase 1b/2 drilling program has been designed to:

- Upgrade resource category
- Quantify consistency of coal quality and seam thickness
- Further test the basin margin
- Define geotechnical parameters
- Build upon Phase 1a findings to assist in preliminary mine planning

Subject to regulatory approvals, Phase 1b/2 is expected to be completed in January 2014 with coal quality results available end Q1 2014.

The expected completion dates for the major activities planned that will provide the required resource definition, technical and economic information to support completion of the scoping study in Q1 2014 are:

Phase 1b/2 Drilling Program	January 2014
Phase 1b/2 Coal Analysis	March 2014
Phase 1b/2 JORC Indicated Resource Statement	Feb 2014
Scoping Study	May 2014

Strengthened Project Team and Project Office Established

As announced in July, NAE made the following key appointments to strengthen its Lochinvar Coal Project team:

Damon Rhodes, Lochinvar Scoping Study Coordinator (Melbourne based)

Donna Sheehy, Exploration Manager (site based)

David Howard, Senior Geologist (site based)

A project office was opened in August in Kirtlebridge, Scotland allowing NAE to have a permanent local presence and manage exploration and evaluation on-site.

REDMOOR TIN AND TUNGSTEN PROJECT, CORNWALL UK (100% NAE)

NAE holds the Redmoor Tin & Tungsten project in the historic mining district of Cornwall, United Kingdom under a 15 year exploration licence with modest annual payments that are not material to NAE.

An initial Inferred Resource was announced in February 2013, but there has been no material new activity this quarter due to the focus on the Lochinvar Coking Coal Project.

NAE continues to look at future options for the Redmoor Project, which may include exploration and studies, strategic partnership, or divestment.

COLOMBIA

Due to adverse market conditions and low coking coal prices, the Company has been working closely with its joint venture partner in Colombia, Aurora Energy, to reduce holding costs for NAE-Aurora's Colombian projects. The aim is to preserve long-term options over the current projects at a low cost and also to continue to look for new coking coal project opportunities which may become attractive when market conditions improve.

Amendment of NAE-Aurora Joint Venture

With the initial NAE-Aurora Joint Venture(JV) set to expire in May 2013, NAE entered into an amended JV which allows NAE to continue to access Aurora's extensive Colombian network and to take advantage of the investment opportunities in the Colombian coking coal sector. Key terms of the amendment are:

- Term of JV extended to 31 October 2013
- JV to be undertaken on a non-exclusive basis to undertake investment in Colombia, with NAE having a first right of refusal for coking coal projects during the term.

Terranova Coking Coal Project

Concession 887T

NAE has continued to progress gaining approvals for extension of the mining concession and environmental licence for concession 887T (which currently ends in October 2014); however, these extensions have yet to be granted. Extension of the environmental licence will be impacted by detailed delimitation of Paramo boundaries in this area being undertaken by the government. Preliminary studies undertaken by consultants specializing in Paramo eco-systems engaged by NAE this year have indicated that there is only a minor amount of Paramo vegetation present within concession 887T (<10% by area). This could allow greater access to mining if the findings from preliminary studies are supported by further work.

Concession 887T contains a JORC Resource of 3.6Mt hard coking coal and the Company undertook the majority of the work to complete a Feasibility Study for a 0.5Mtpa clean coal project at Terranova before putting the study on hold in June 2012, until market conditions improve and extensions to the mining concession and environmental licence to support a long term project can be obtained.

Coking Coal Concession FL2-151

In September 2013, the Company announced the termination of its agreement to acquire coking coal concession FL2-151 (which is adjacent to concession 887T in the Terranova area). Under the agreement announced on 3 August 2011, with an amendment to the agreement signed in August 2012, NAE was required to make a US\$100,000 payment on 31 August 2013 in order to stay in the project. The decision to terminate the agreement over concession FL2-151 was made because of difficult market conditions and difficulties obtaining legal rights to undertake drilling, notwithstanding the Company's best efforts.

Cesar Thermal Coal Project

Consisting of two exploration and mining concessions, the Cesar Thermal Coal Project comprises 4,141 hectares in the world-class Cesar thermal coal basin of Colombia. NAE acquired these two concessions in May 2011 through the NAE-Aurora partnership (NAE ownership 90%).

As a result of the adverse market outlook for thermal coal and the expected high costs required to progress exploration and development of the Cesar Project, the Company has commenced a search for a strategic partner to advance the project.

Competent Persons Statement

Lochinvar Project: Information in the report in relation to Lochinvar Coking Coal Project to which this statement is attached that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr William John Bamberry, a Competent Person who is a Member of the Australian Institute of Geoscientists (Membership # 4090). William John Bamberry has sufficient experience that 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'. William John Bamberry consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Redmoor Project: References to the Inferred resource at Redmoor is based on information compiled by 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 Projects: Dr Frederick Smith 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.

APPENDIX 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

New Age Exploration Ltd

ABN

65 004 749 508

Quarter ended ("current quarter")

30 September 2013

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(569)	(569)
1.3 Dividends received	29	29
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(540)	(540)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (inc development) (b) equity investments (c) other fixed assets	(959) (7)	(959) (7)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)	-	-
Net investing cash flows	(966)	(966)
1.13 Total operating and investing cash flows (carried forward)	(1,506)	(1,506)

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1.13	Total operating and investing cash flows (brought forward)	(1,506)	(1,506)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – capital raising costs		
	Net financing cash flows		
	Net increase (decrease) in cash held	(1,506)	(1,506)
1.20	Cash at beginning of quarter/year to date	4,968	4,968
1.21	Exchange rate adjustments to item 1.20	3	3
1.22	Cash at end of quarter	3,465	3,465

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	112
1.24 Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Fees paid to Directors or their related entities

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements	130	130

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	
4.2 Development	1,000
4.3 Production	
4.4 Administration (including costs associated with new project/opportunity assessment and due diligence)	431
Total	1,431

RECONCILIATION OF CASH

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	673	1,202
5.2 Deposits at call	2,792	3,766
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,465	4,968

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	FL2-151	Joint venture	100%	0%
6.2 Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference *securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	258,287,443	258,287,443		-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	*Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price (cents)</i>	<i>Expiry date</i>
		600,000	-	19	21/07/2014
		1,500,000	-	25	6/12/2013
		400,000	-	12.5	02/02/2014
		200,000	-	14	01/09/2014
		500,000	-	10	31/08/2015
		2,000,000	-	12	01/07/2015
		750,000	-	14	06/02/2015
		550,000	-	4.47	27/05/2016
		18,000,000	-	10	27/05/2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

COMPLIANCE STATEMENT

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Signed: 

Date: 28 October 2013

Print name: Adrien Wing

Director/Company secretary

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.