

QUARTERLY REPORT

TO 30 SEPTEMBER 2015

New Age Exploration Limited ("NAE" or "the Company") is pleased to provide shareholders the Company's Quarterly Report for the period ending 30 September 2015.

HIGHLIGHTS

The significant milestones achieved by New Age Exploration Limited ("NAE" or "the Company") during this period include:

- **Commencement of a detailed technical and economic review the Redmoor Tin-Tungsten-Copper project (to be completed in CY2015 Q4)**
- **Activities on the Lochinvar Coking Coal Project have been curtailed**
- **Other projects opportunities continue to be assessed**

ACTIVITIES REPORT

LOCHINVAR COKING COAL PROJECT, UK

The Lochinvar Coking Coal Project is located on the Scottish / English border and has been the Company's principal focus since the grant of the initial exploration licence and conditional underground mining licence in June 2012. All licences are in good standing and are 100% owned by NAE.

The October 2014 Scoping Study⁽¹⁾ showed attractive economics for Lochinvar (US\$263M NPV at a long term hard coking coal price of US\$165/t). However, coking coal prices have fallen significantly since completion of the study. Over the past year, there have been many mine closures worldwide, yet coking coal prices remain at cyclical lows with CY2015 Q4 hard coking coal contract prices recently being settled at US\$89/t.

As a result of current low coking coal prices and market conditions, the Board has decided to curtail work on the Lochinvar project until coking coal prices improve. The licences will be maintained in good standing and we will continue to build on the strong community and stakeholder relationships we have established on the project.

The Board is confident that the medium to long term outlook for coking coal remains strong due to the shortage of good new supply projects which we expect will struggle to meet medium to long term demand growth driven principally by China and India (albeit at reduced growth rates).

With FOB costs of US\$70/t in the lowest quartile of the global seaborne coking coal cost curve, Lochinvar is extremely well positioned to take advantage of the next market upturn and the Board remains confident in the value of Lochinvar. We will continue to monitor market conditions and it is our intention to re-commence activity at Lochinvar when coking coal prices improve sufficiently.

REDMOOR TIN-TUNGSTEN PROJECT, UK

NAE holds a 15-year exploration licence with modest annual payments over the Redmoor Tin-Tungsten-Copper project in the historic mining district of Cornwall, United Kingdom. The licence is in good standing and is 100% owned by NAE.

An initial Inferred Resource of 9.1Mt at 0.69% Sn equivalent⁽²⁾ was defined for Redmoor by SRK in February 2013.

Since the February 2013 Inferred Resource statement, limited work has been conducted at Redmoor by the Company due to the focus on the Lochinvar Coking Coal Project.

Following the decision this year to curtail activities at Lochinvar, the Company commenced a detailed technical and economic review of the Redmoor Project. The review is aimed at more accurately understanding the value of the Redmoor project and is expected to be completed in CY2015 Q4 including the following:

- Re-validation of the historic drilling data
- Updated geological interpretation and orebody model
- Updated resource statement which will separate the high grade Johnsons Lode from the remainder of the Sheeted Vein System mineralisation at Redmoor
- Review of other high grade lodes historically worked within NAE's Redmoor exploration licence aimed at identifying additional high grade lode exploration targets
- Review of Redmoor processing options
- Review of Redmoor underground mining options
- Other internal studies

Whilst there is ongoing interest from third parties in acquiring the Redmoor asset, the Company intends to firstly complete its technical and economic review to determine how the project can best add value to shareholders. This may include pursuing further exploration and evaluation activities on the project, a farm-in arrangement or an asset sale.

The Directors believe that outlook for tin and tungsten is reasonably positive in the short to medium term.

CORPORATE

Reduction in Spending

The Board has acted quickly to substantially reduce costs to a minimum level in order to preserve cash and we ended the quarter ending 30 September 2015 with \$312,304 in cash plus approximately \$592,000 undrawn under the funding facility in place with RCF (a total of approximately \$904,304 available).

Other Activities

The Company continues to pursue additional project opportunities.

Endnotes (Announcements released by NAE on the Company Announcements Platform – ASX)

⁽¹⁾ NAE Announcement, 27 October 2014 – Lochinvar Scoping Study Confirms Robust Economics

⁽²⁾ NAE Announcement, 27 February 2013 – Redmoor Tin Tungsten Project Maiden Inferred Resource

NEW AGE EXPLORATION PROFILE

New Age Exploration Limited is an Australian company focused on coking coal exploration and development. Its flagship project is the 100% owned 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.

In October 2014, NAE released the results of its Scoping Study for the Coking Coal Lochinvar Project which demonstrated attractive economics based on forecast long term coking coal prices. The Lochinvar Scoping Study was based upon a 1.4 Mt annual saleable coking coal production over a 26 year mine life from an underground longwall mine with costs at the lower end of the global seaborne coking coal cost curve.

NAE also owns 100% of the Redmoor Tin-Tungsten project in Cornwall, UK.

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, 01/05/2013

Name of entity

New Age Exploration Ltd

ABN

65 004 749 508

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flow

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(33)	(33)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	2	2
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	(226)	(226)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
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		
1.13 Total operating and investing cash flows (carried forward)	(226)	(226)

+ See chapter 19 for defined terms

1.13	Total operating and investing cash flows (brought forward)	(226)	(226)
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 (provide details if material)		
Net financing cash flows			
Net increase (decrease) in cash held		(226)	(226)
1.20	Cash at beginning of quarter/year to date	532	532
1.21	Exchange rate adjustments to item 1.20	6	6
1.22	Cash at end of quarter	312	312

Payments to directors of the entity, associates of the directors, 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	78
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

+ See chapter 19 for defined terms

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	592*	
3.2 Credit standby arrangements	70	5

* This represents the USD 426,588, at 22 October 2015 exchange rate, remaining facility available under the Company's funding agreement with its largest shareholder, Resource Capital Fund V L.P ("RCF").

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	125
4.2 Development	
4.3 Production	
4.4 Administration	199
Total	324

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	241	115
5.2 Deposits at call	71	417
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	312	532

+ See chapter 19 for defined terms

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum 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	327,677,437	327,677,437		-
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>
	550,000	-	4.47	27/05/2016
	18,000,000	-	10	27/05/2016
	1,050,000	-	4.5	26/06/2017
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>				

+ See chapter 19 for defined terms

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 5).
- 2 This statement does ~~/does not* (delete one)~~ give a true and fair view of the matters disclosed.

Sign Here:  Date: 27 October 2015

(Managing Director)

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 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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

In accordance with ASX Listing Rule 5.3.3, New Age Exploration Limited provides its list of exploration licences with its June 2015 quarterly activities report.

Licence No.	Project	Country	Area (km ²)	Licence Type	NAE Group % Interest
CA11/EXP/0515/N	Lochinvar	United Kingdom	67.5	Exploration Licence	100%
CA11/UND/0515/N	Lochinvar	United Kingdom	67.5	Underground Conditional Licence	100%
CA11/EXP/0545/N	Lochinvar South	United Kingdom	51.0	Exploration Licence	100%
CA11/UND/0182/N	Lochinvar South	United Kingdom	51.0	Underground Conditional Licence	100%
CL132803 ^(a)	Redmoor	United Kingdom	23.0	Mineral Rights	100%

a) *The Mineral Rights for Title CL132803 is currently being re-registered with the Land Registry for England and Wales.*