



NAE

Redmoor Project Presentation
March 2016

Tin and Tungsten Outlook

The LME Tin Price on 9 March 2016 reached US\$17,350/t – up 16% year to date and the 3rd best performing metal this year after iron ore and gold

Tin

- Main uses:
 - Lead free solder (electronics)
 - Tin plating
 - Alloys (eg Pewter, Bronze)
- Positive tin price outlook due to supply reductions:
 - Falling Indonesian supply due to tighter export regulations
 - Coordinated Chinese production cuts announced 20 January 2016 (12% reduction in Chinese supply)
 - Sustainability of Myanmar supply?
 - Falling production from existing mines. Falling stocks



Tungsten

- Unique combination of properties (high density, very hard, high melting point) make tungsten irreplaceable in a wide range of modern applications including:
 - Cemented carbides (eg wear parts, drill bits and cutting tools)
 - High speed steels and super alloys
- Positive tungsten outlook:
 - China is the world's largest producer of tungsten (84% of world supply), followed by Russia
 - China is the world's largest consumer of tungsten however US, Europe and Japan are also large consumers
 - Limited large supply sources outside of China
 - Western world stable supply sources are sought after
 - Drakelands mine recently commenced production in Devon UK (30km from Redmoor)



 **Delivering the Future of Tin**

 **Market Analysis**

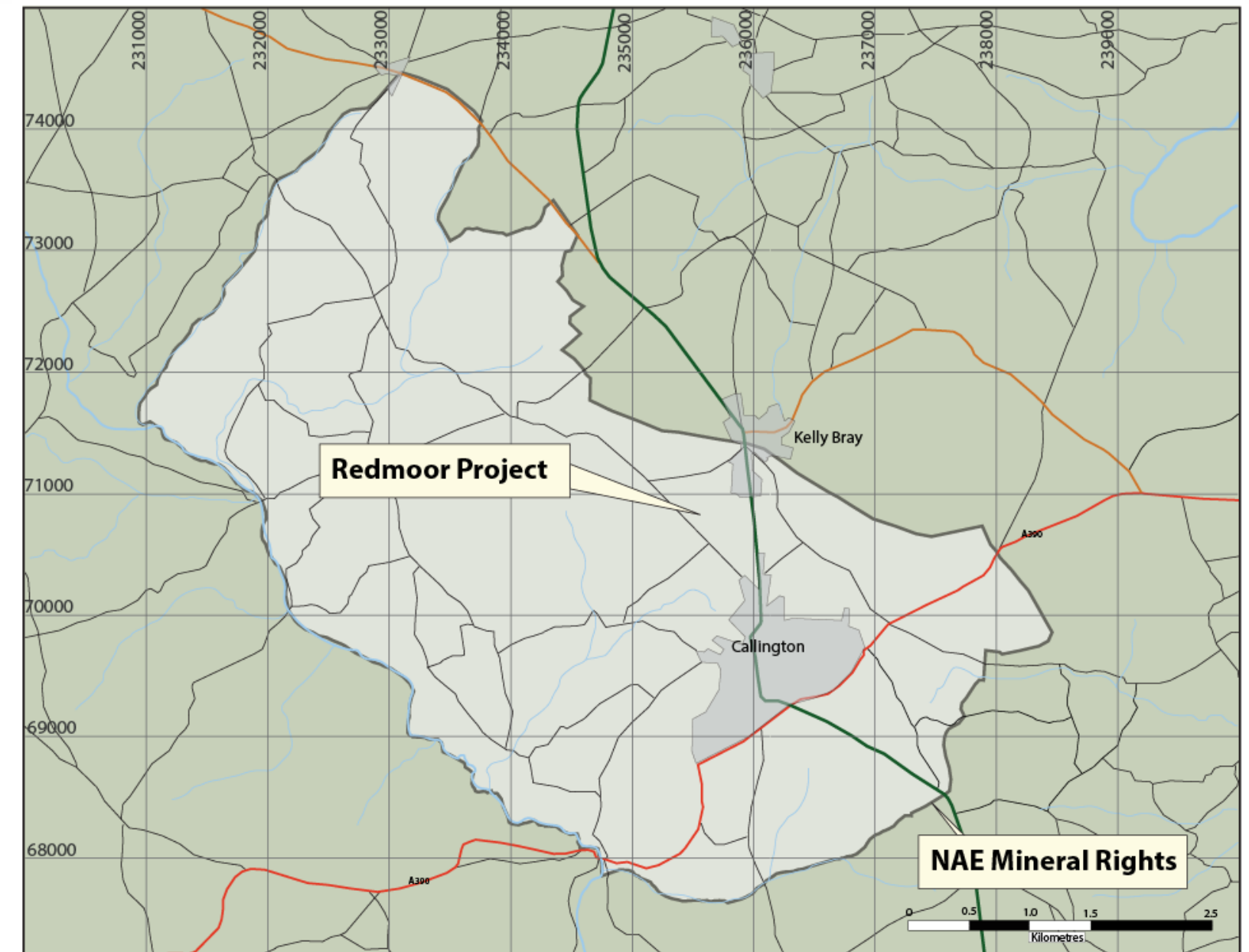
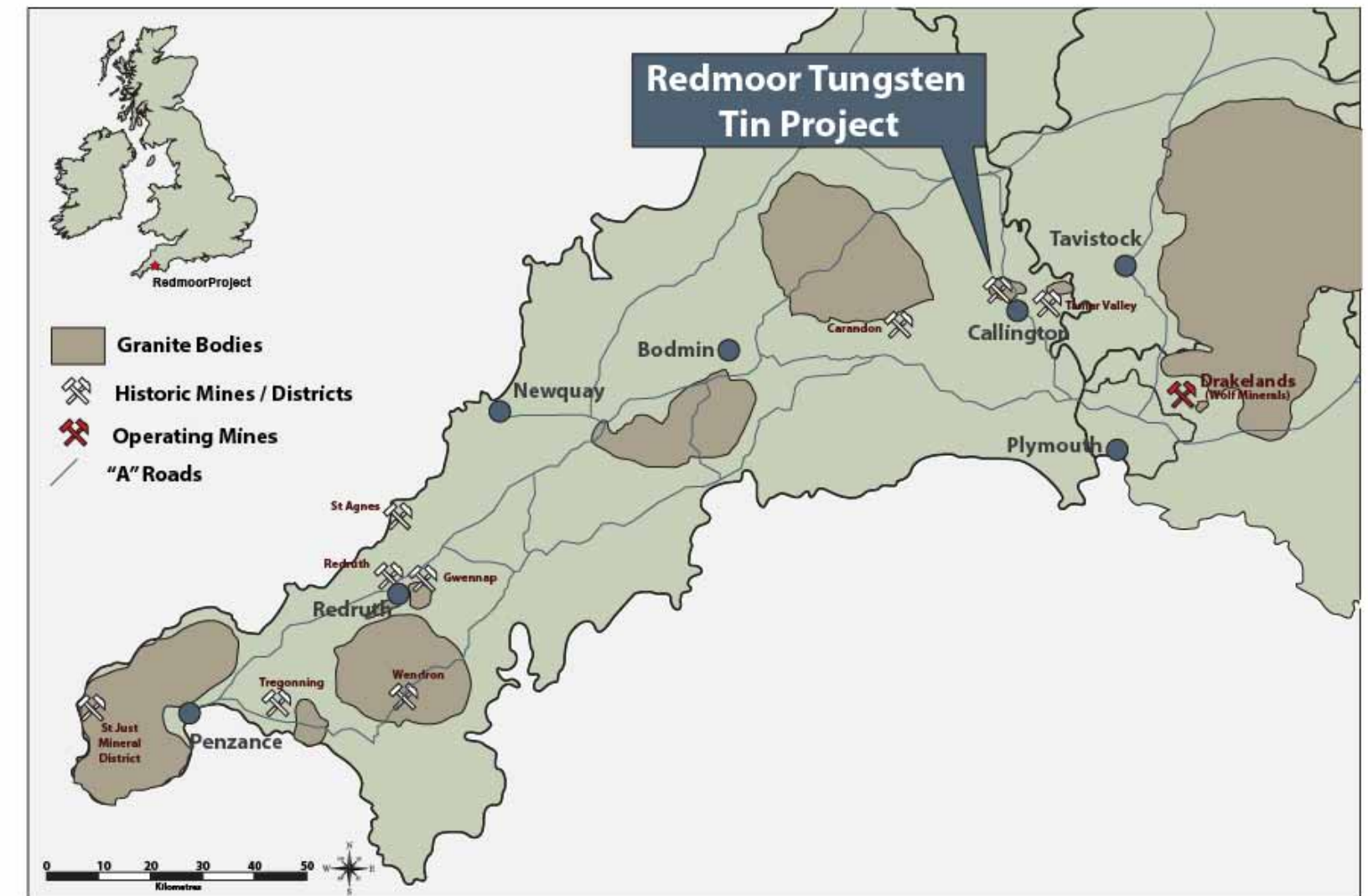
9 March, 2016

Tin in the News

Tin's resurgence continued throughout last week with LME prices reaching highs of US\$17,350 on Monday, while LME stocks fell to 3,720 tonnes at the end of the day. Dollar weakness, talk of a Chinese stimulus package and short-covering have supported a revival across a range of commodities, but tin in particular has been a stand out, largely spurred by supply cuts and continued uncertainty in supply from China and Indonesia. With short covering activity subsiding there is limited further upside potential in the short term, although tin fundamentals should continue to support prices.

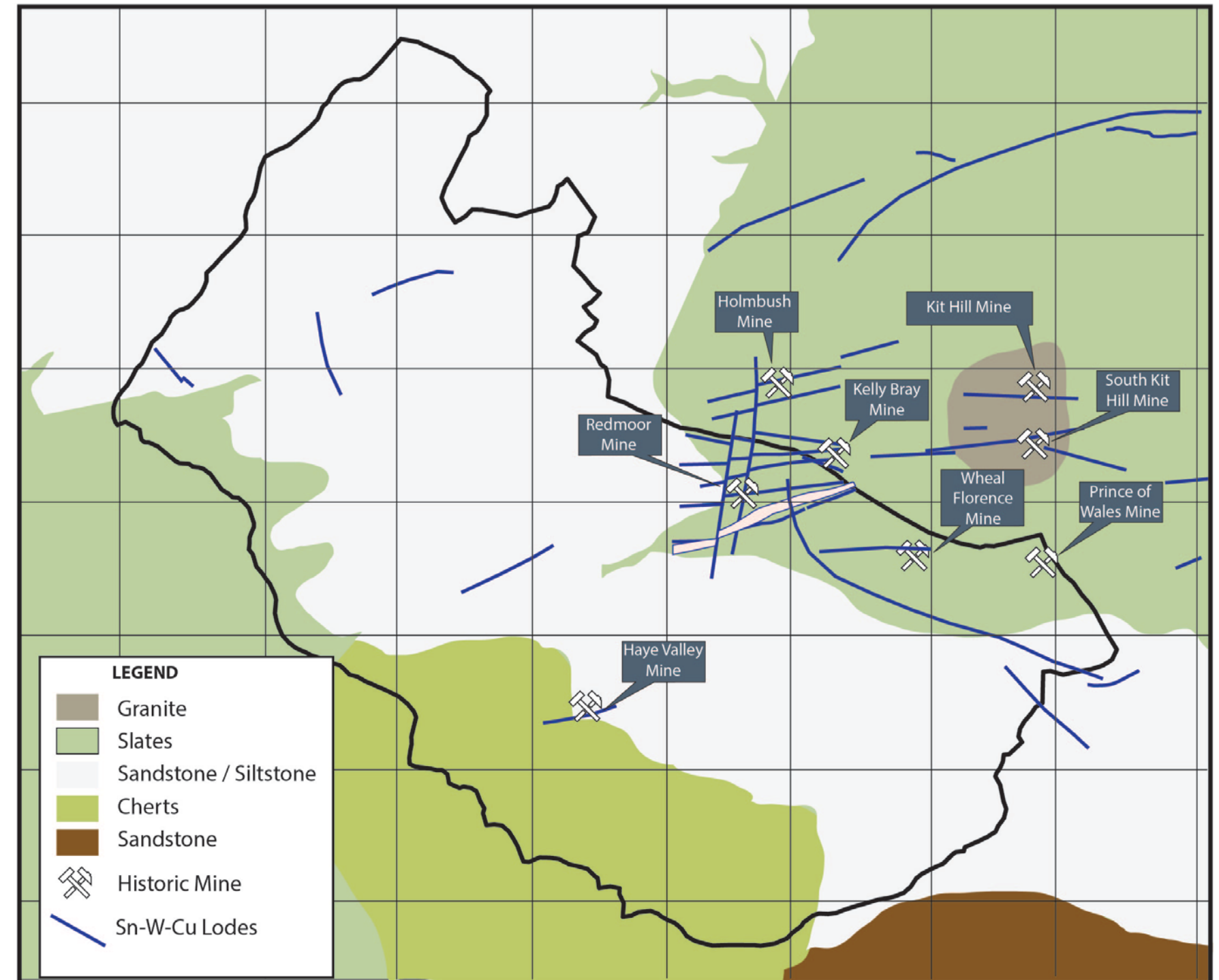
Redmoor Location and Ownership

- Redmoor Project located in the world class Cornwall tin–tungsten–copper mineralised district
- ‘Mining friendly’ region with Imerys and Wolf Minerals currently operating open pit mines (China Clay and Tungsten)
- Excellent local infrastructure including roads and port
- 40km by road from the recently commissioned Drakelands Tungsten mine and processing plant owned by Wolf Minerals
- 100% owned Redmoor Exploration Licence acquired by NAE in 2012
- Licence covers a large area (23km²) that contained a number of historic tin-tungsten-copper mines
- Licence valid for 15 years with a further option for a 25 year (+ further 25 years) Mining Lease
- Modest annual Licence payments which revert to a 3% NSR vendor royalty on mining commencement



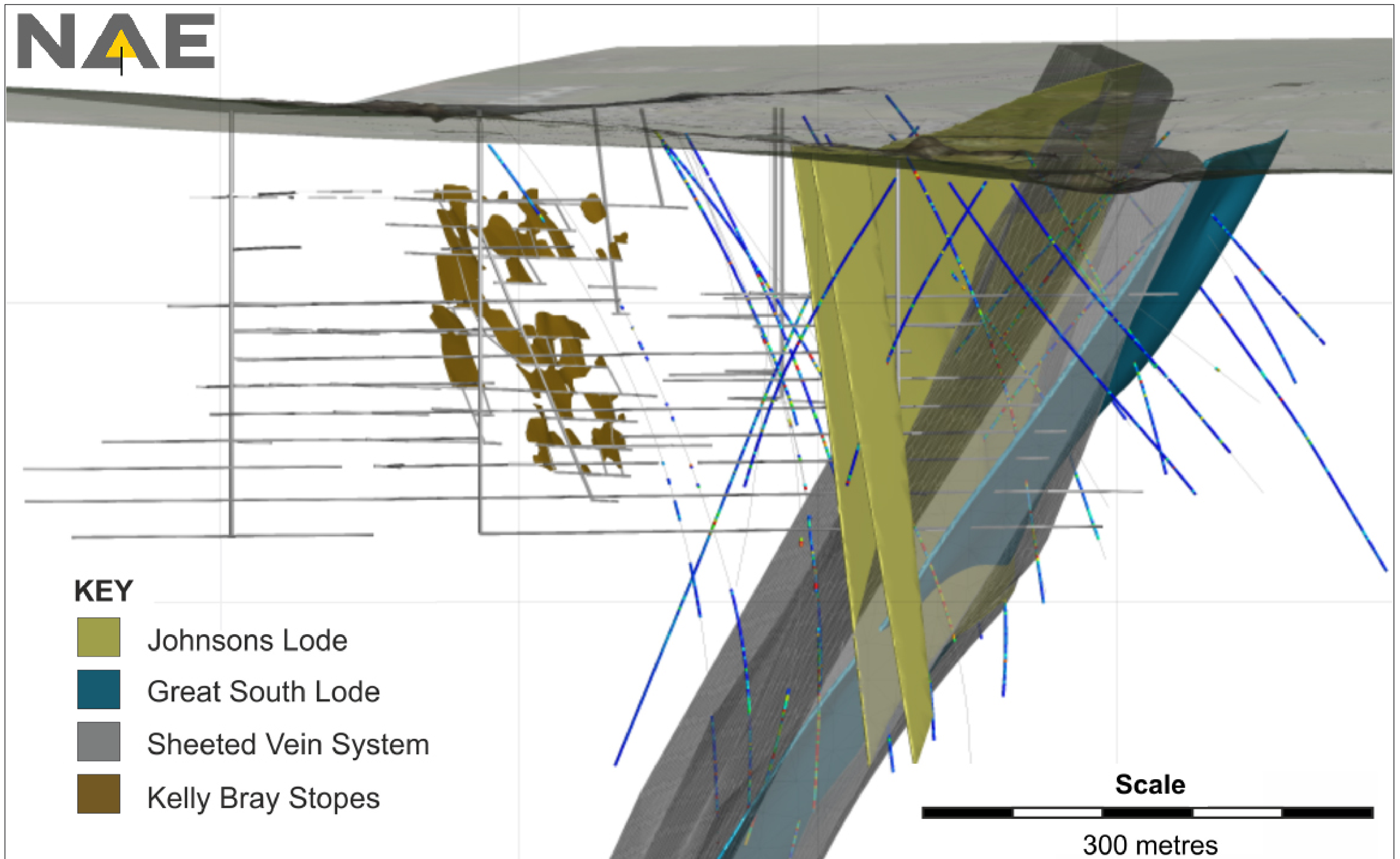
Geology and Historic Mining

- Tin, Tungsten & Copper mineralisation spatially related to granite intrusions which caused mineral containing fluids to be mobilised along fractures and faults
- Redmoor located adjacent to the Kit Hill Granite - source of mineralised fluids
- 2 styles of mineralisation at Redmoor:
 - **Lode style** - high grade tungsten, tin and copper mineralisation within discrete veins or lodes (eg **Johnsons, Great South and Kelly Bray Lodes**)
 - **Sheeted Vein System (SVS)** - wide zone of numerous closely spaced sub-parallel narrow quartz veins
- A number of historic mines in Redmoor district
- Significant Exploration potential - extensions to above lodes and other known lodes. No recent exploration



Historical Production from Redmoor District	Tin (tonnes)	Tungsten (WO3) (Tonnes)	Lead (tonnes)	Silver (ounces)	Copper (Tonnes)
Redmoor Mine	506	268	149	9170	7
Kelly Bray	-	-	-	-	852
Wheal Florence	69		4		
Kit Hill	71	112	-	-	0.5
East Kit Hill	151	11	-	-	-
South Kit Hill	41	-	-	-	-
Holmbush	-	3	1,097		3,160
Prince of Wales	710	-	-	-	892

Redmoor Project – 3D View Looking East



2015 Mineral Resource Update

- Review of historical drilling (35 holes), mining and geological data recently completed resulting in a number of high grade lodes being identified
- Updated Inferred Mineral Resource Statement and Exploration Target for the Redmoor Project completed by SRK UK in December 2015

Redmoor 2015 Inferred Mineral Resource Estimate ¹

Description	Tonnage (Mt)	WO ₃ %	Sn %	Cu %	WO ₃ Eq %	SnEq %
Johnson's Lode	0.8	0.36	0.55	0.78	0.91	1.37
Great South Lode	1.5	0.33	0.50	0.32	0.74	1.10
Sub Total – High Grade	2.3	0.34	0.52	0.48	0.80	1.19
Sheeted Vein System	11.0	0.12	0.14	0.28	0.28	0.42
TOTAL	13.3	0.16	0.21	0.32	0.37	0.56

- SVS resource based on 0.35% SnEq cut-off grade. No cut-offs applied to high grade lodes as these are consistently above the calculated cut-off grade
- The SVS system resource is very sensitive to changes in cut-off grade.

¹ Equivalent metal calculation notes; $WO_3(Eq)\% = WO_3\% * 1 + Sn\% * 0.67 + Cu\% * 0.24$, $Sn(Eq)\% = Sn\% * 1 + WO_3\% * 1.50 + Cu\% * 0.36$. Commodity price assumptions: WO_3 US\$ 37,000/t, Sn US\$ 23,500/t, Cu US\$ 6,700/t. Recovery assumptions: total WO_3 recovery 72%, total Sn recovery 68% & total Cu recovery 85% and payability assumptions of 79%, 87% and 87% respectively

2015 Exploration Target

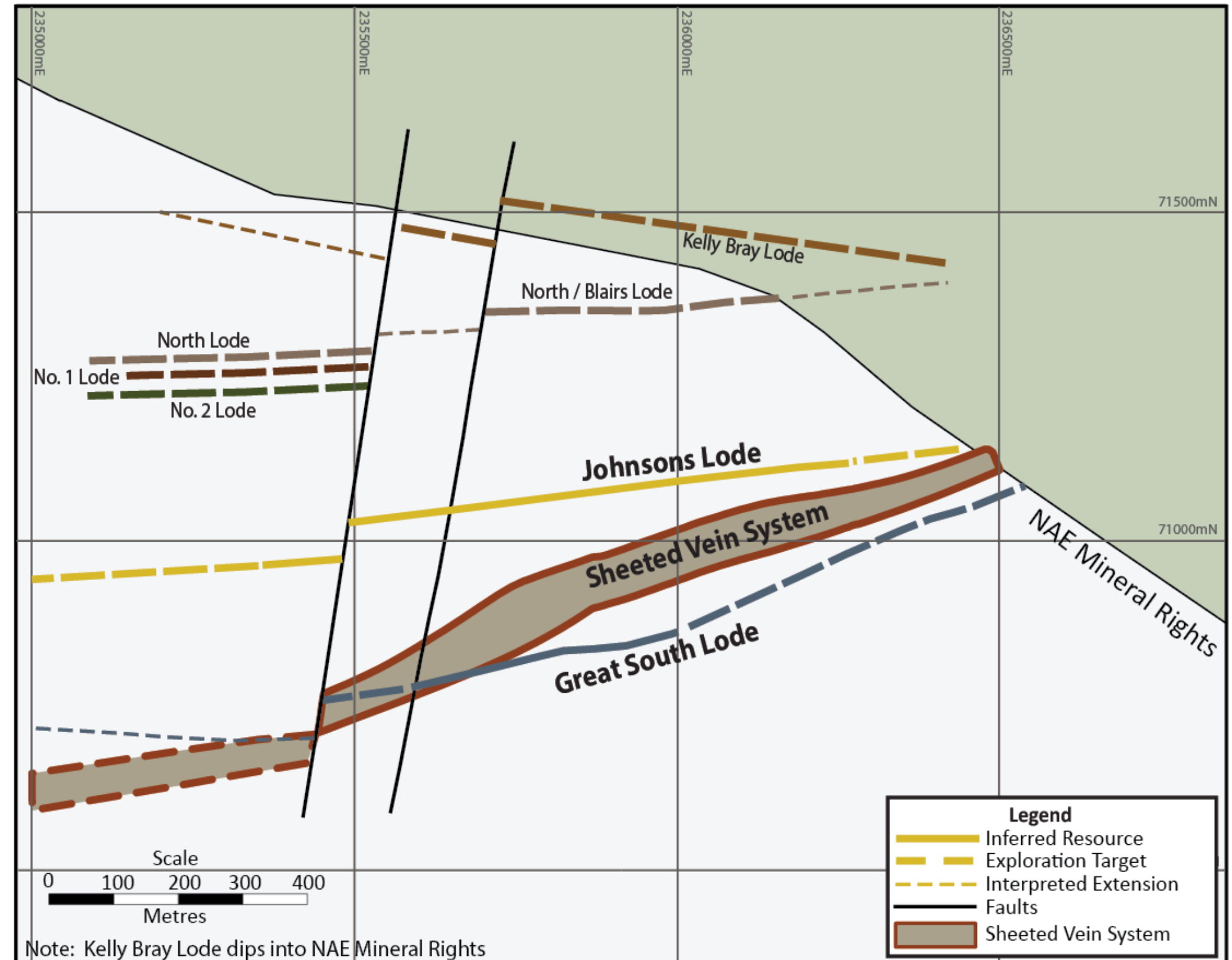
The high grade Exploration Target is 2 to 3 times the size of the High Grade Resource at a similar expected grade highlighting the exciting exploration potential

High Grade Exploration Target

- **4Mt to 6Mt** with an estimated grade of between 0.6% WO₃Eq (0.9% SnEq) and 1.0% WO₃Eq (1.5% SnEq)
- Includes:
 - Johnsons Lode extensions to resource
 - Great South Lode extensions to resource
 - Kelly Bray Lode
 - No. 1 Lode, No. 2 Lode, North Lode and Blair's / New Tin Lode

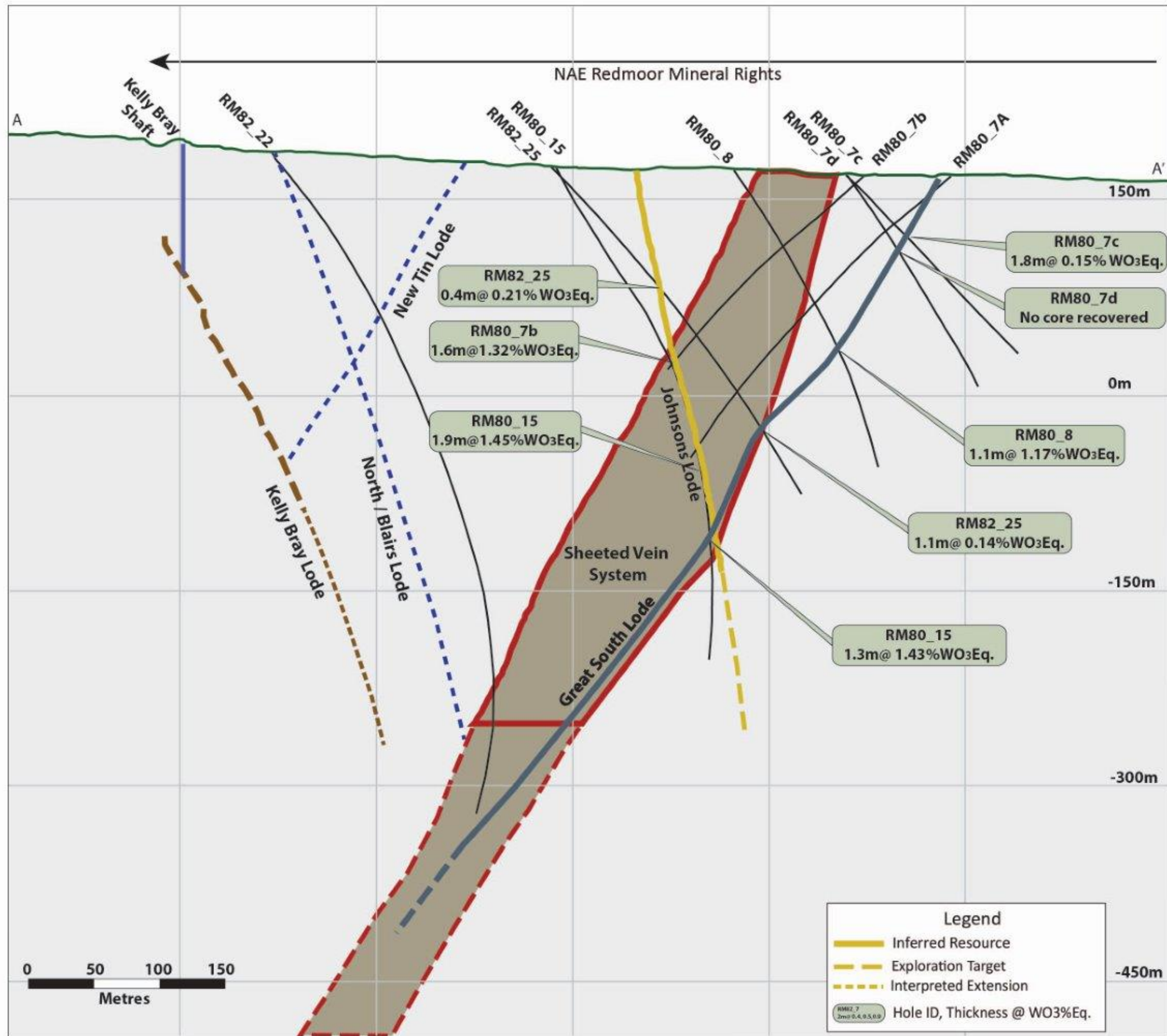
SVS Exploration Target

- 3Mt to 4Mt with an estimated grade of between 0.2% WO₃Eq (0.3% SnEq) and 0.4% WO₃Eq (0.6% SnEq)
- Based on 450m strike extension to the west of the resource



It should be noted that these estimates are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource

Schematic Cross Section



Johnsons Lode

Historic Mining

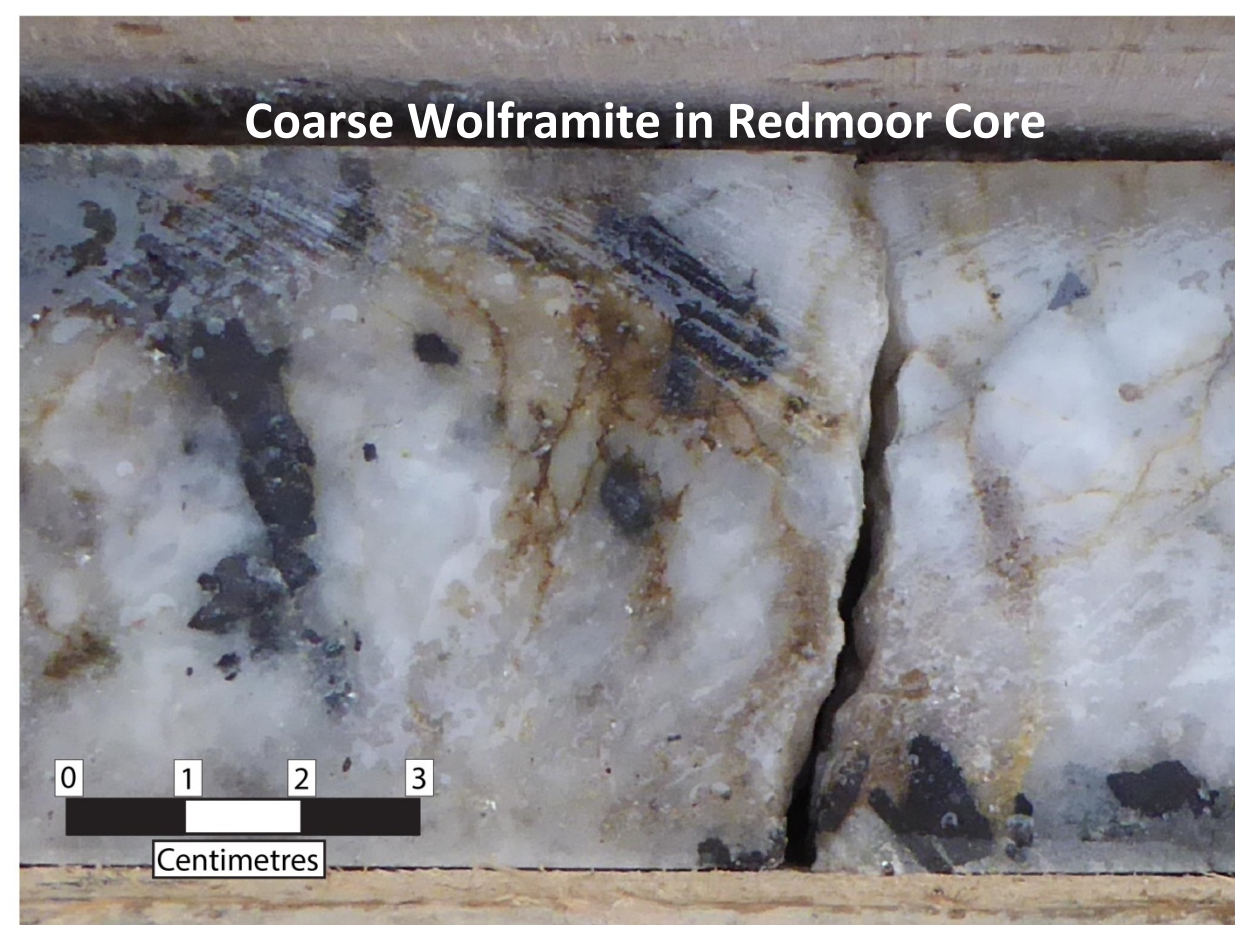
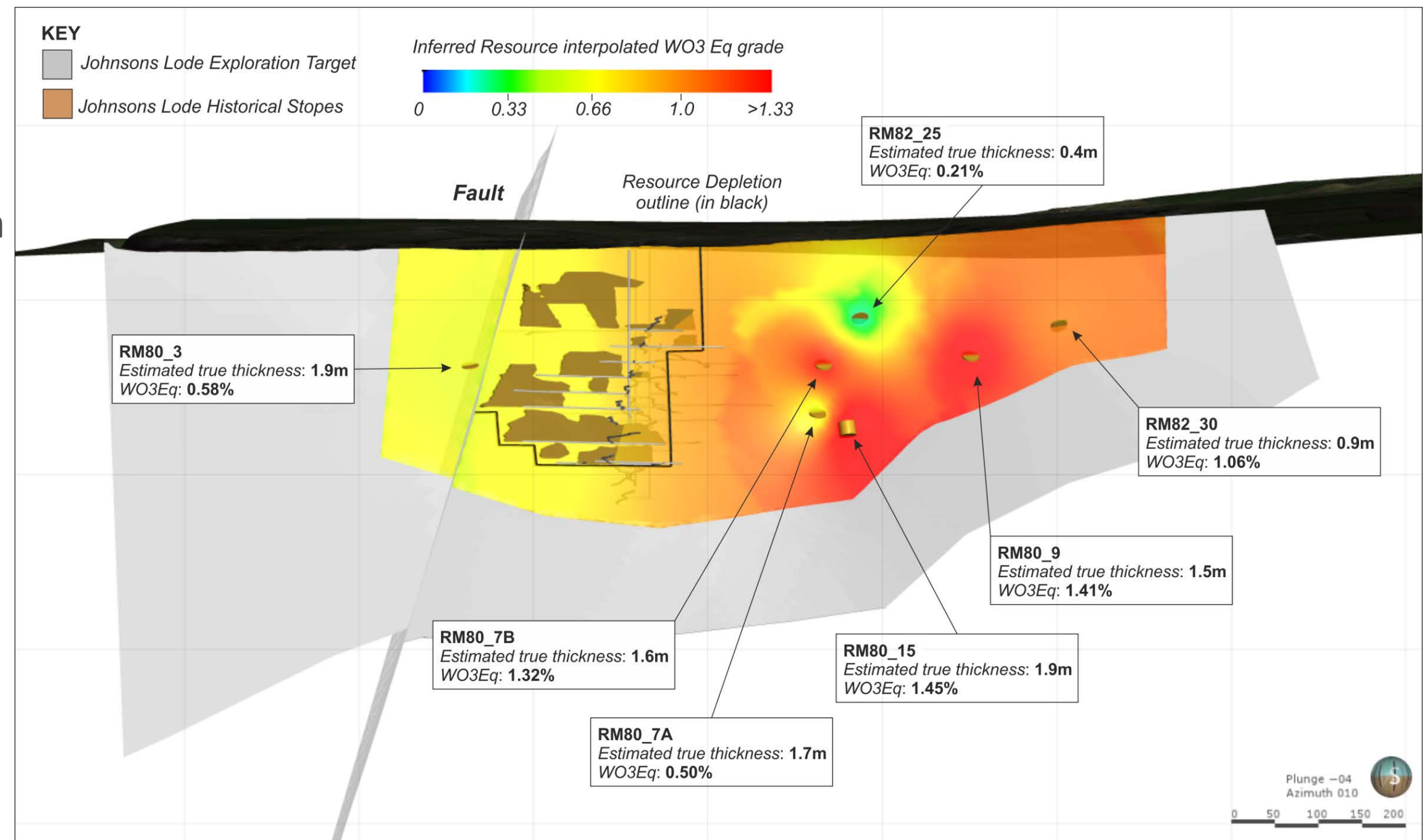
- Mined to 250m depth over a strike length of ~200m
- Average recovered grade of 1.0% Sn & 0.6% WO₃ (WO₃Eq 1.2% or SnEq 1.9%)

Inferred Resource

- 920m strike length, 340m down dip extent
- Resource based on 7 drillhole intercepts

Exploration Target

- Extensions of 350m to the west, 120m to the east and 200m down dip.
- Priority targets:
 1. Extension of high grade zone at depth (below RM80_15, RM80_9)
 2. Shallow along strike extensions to east (east of RM82_30)
 3. Extensions to the west of fault



Great South Lode

Historic Mining

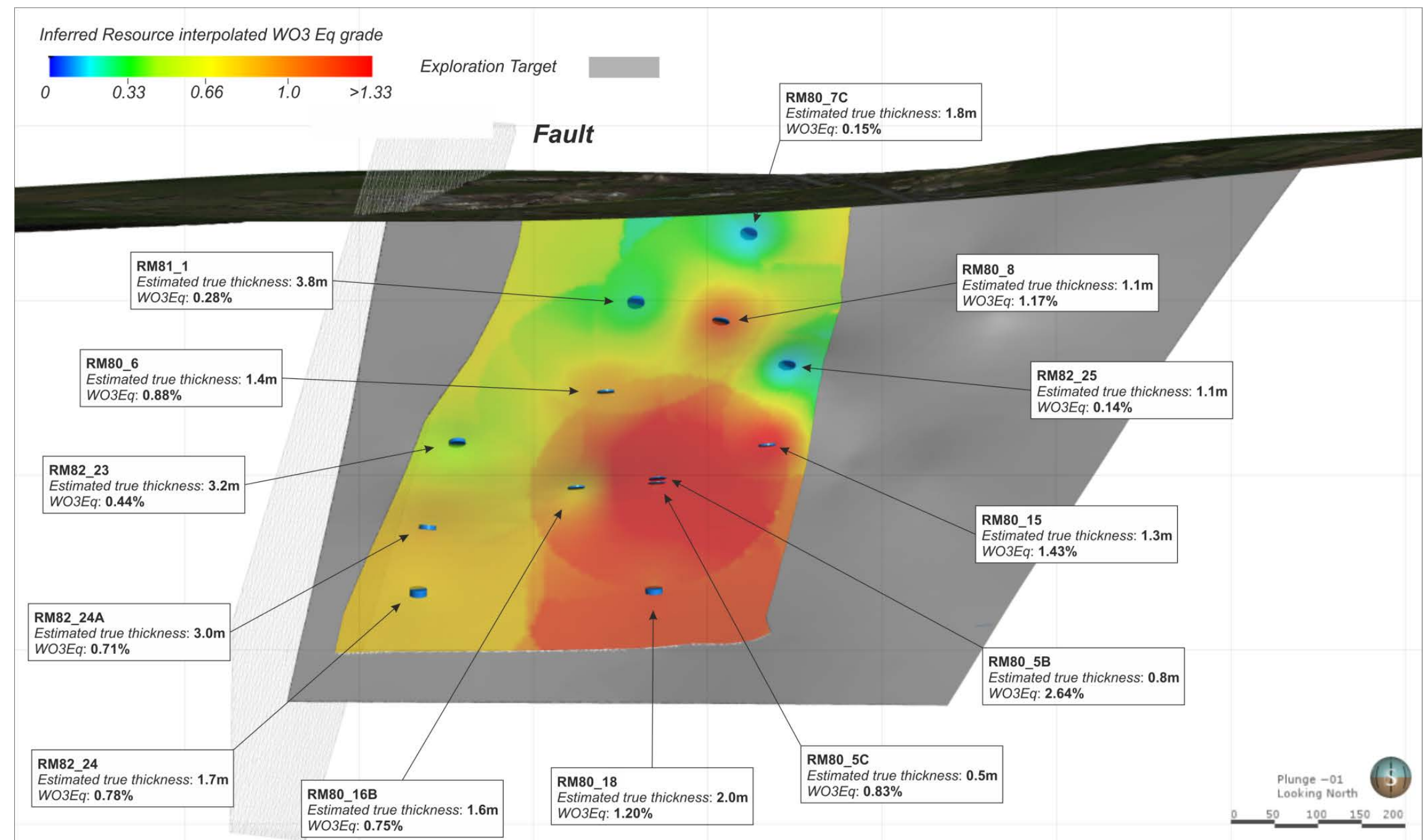
- Not mined but has ~125m of development within the lode
- Assays of 1.4%Sn to 6.1%Sn from development sampling

Inferred Resource

- 525m strike length, 620m down dip extent
- Resource based on 13 drillhole intercepts

Exploration Target

- Extensions of; 160m to the west and 550m to the East and 70m down dip
- Priority targets:
 1. Extension of high grade zone at depth (below RM80_5C, RM80_18)
 2. Shallow along strike extensions
 3. Potential for further extensions to the west



Recent photos from Redmoor Mine (Source: Dan Snaith)

Kelly Bray Lode

Historic Mining

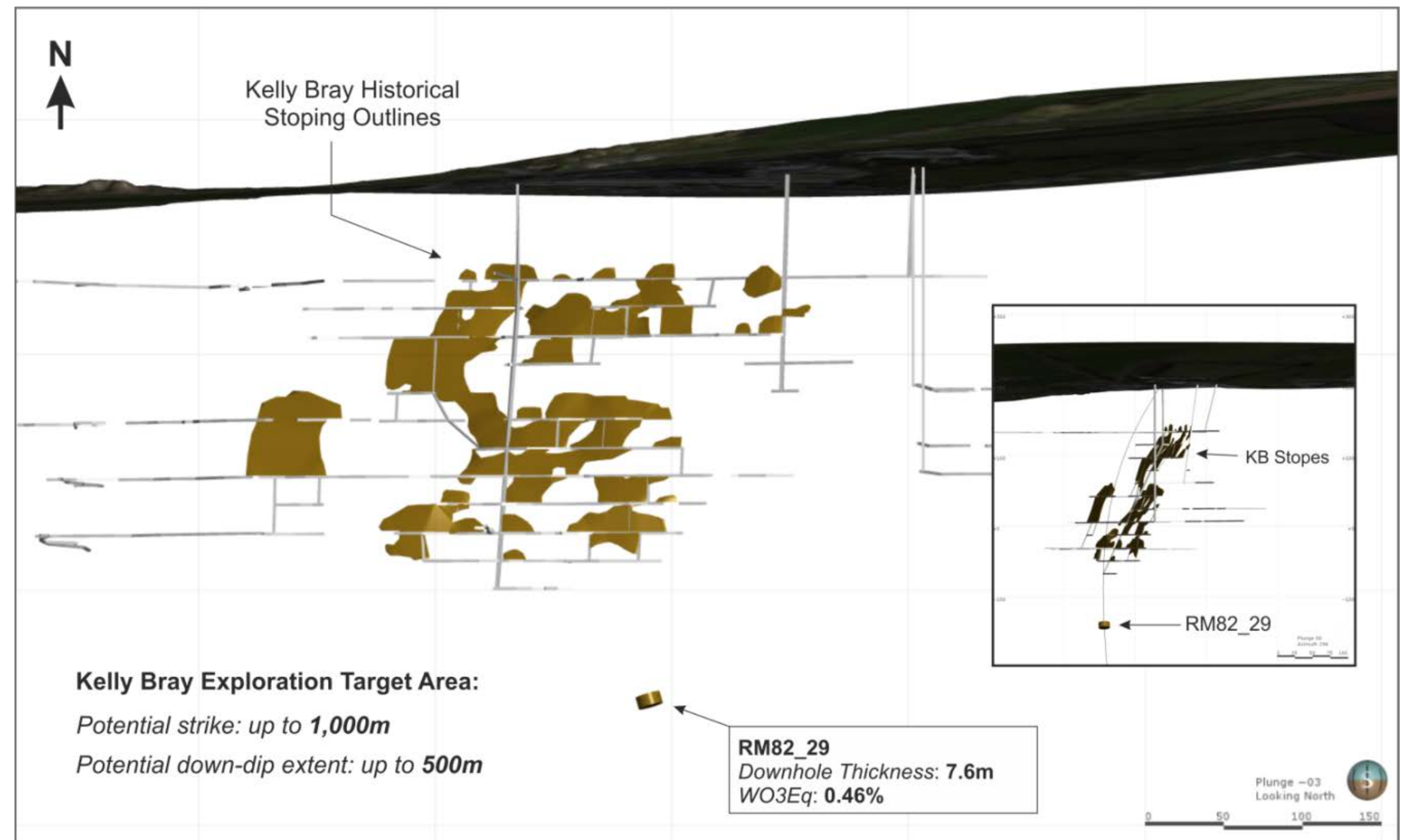
- Mined to a depth of 230m over a strike length of 325m
- Records indicate that primarily Cu ore was mined but that Sn and WO_3 grades were increasing with depth and largely ignored by previous mining

Inferred Resource

- Insufficient drilling data currently exists to support an Inferred Resource

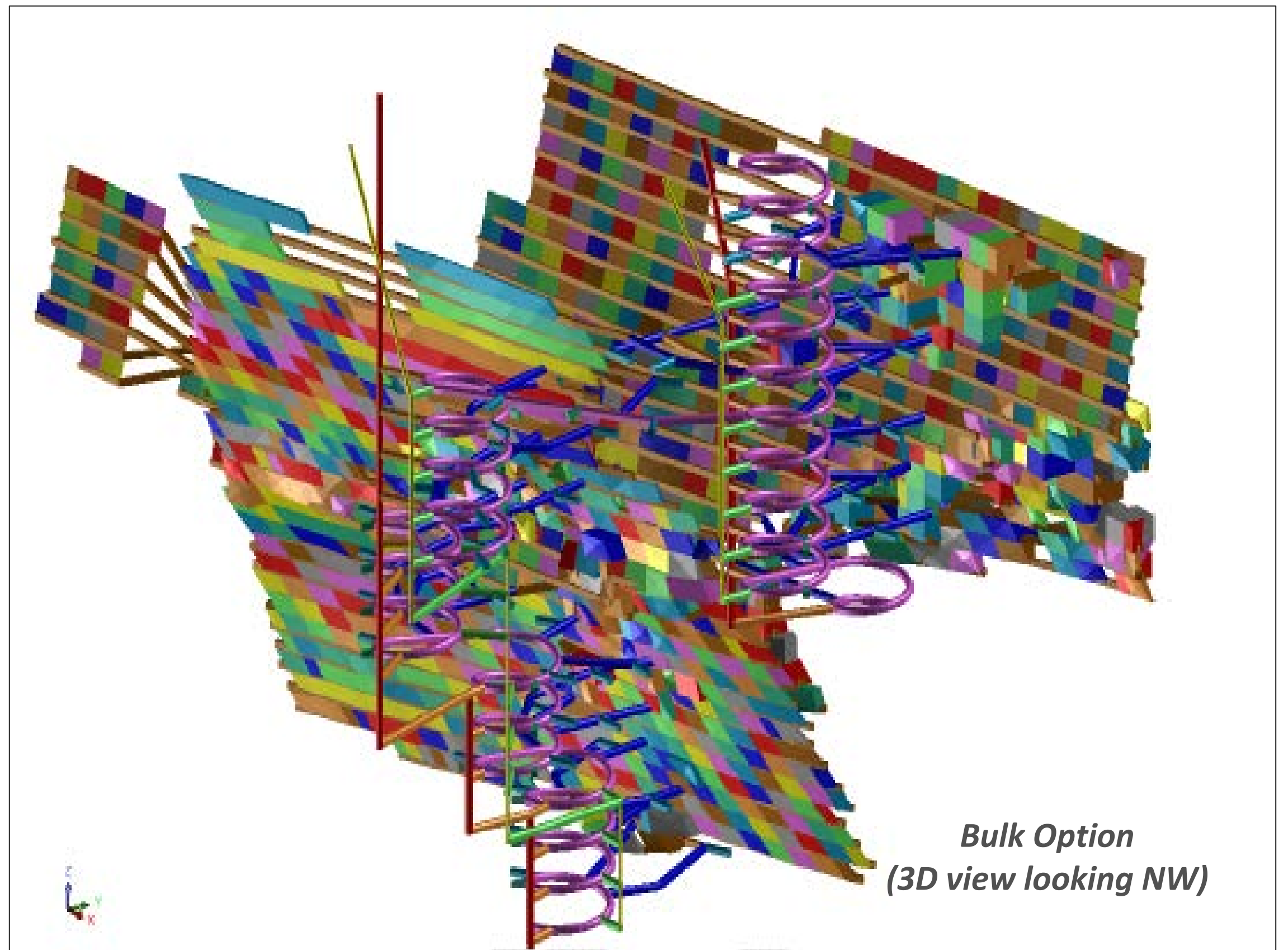
Exploration Target

- 1,000m strike length
- 500m down dip extent
- Drill hole RM82_29; 7.6m at 0.5% WO_3Eq including 2.0m at 1.3% WO_3Eq (true thickness unknown) at the interpreted position of the lode



Mining Study

- Preliminary Mining Study completed by technical consultants, Mining One including; stope optimisation, high level mine design, high level capital and operating costs for two options
- Bench stoping with backfill underground mining method assumed
- High level mine designs include; decline (purple), return air rise (red), escape way (yellow), level access (dark blue), ore drives (brown), sumps (green), stockpiles (light blue) and crown pillars to prevent subsidence
- Key Mine Design assumptions
 - 1.5m minimum / 25m max stope width
 - 15m level spacing between development roadways
 - 10% stope mining dilution, 90% stope mining recovery
- **Bulk Mining Option**
 - Targeted 8.1Mt at 0.67% SnEq of the Inferred Mineral Resource above a 0.40% SnEq cut-off¹ before stope optimisation and dilution and recovery factors being applied
 - Average stope width of 6m
- **High Grade Mining Option**
 - Targeted 3.5Mt at 0.99% SnEq of the Inferred Mineral Resource above a 0.50% SnEq cut-off¹ before stope optimisation and dilution and recovery factors being applied
 - Average stope width of 3m



Mineral Processing Study

“Redmoor is a coarse grained, simple to process ore with expected low processing costs and high recoveries”

- Preliminary Mineral Processing study completed by metallurgical consultant, Ron Goodman including preliminary metallurgical flowsheet design, capital and operating cost estimates
- Reviewed work completed by South West Minerals Ltd in 1980's including metallurgical testwork on composited drill core samples, flowsheet design, expected recoveries and processing plant engineering design
- **Key Findings:**
 - Tin and Tungsten are present almost entirely in oxide mineral form (Cassiterite and Wolframite). Minor amounts of sulphides
 - A pre-concentration stage (Jigs or HMS) can be incorporated on crushed ore to reject ~40% of ROM before grinding with only small metal losses
 - Tin and Tungsten concentrates of saleable quality (55% Sn in tin concentrate and 60% WO₃ in tungsten concentrate) can be produced by further gravity separation (spirals and tables) followed by concentrate dressing
 - Expected overall process recoveries are: 68% Sn recovery and 72% WO₃ recovery
 - Sulphide minerals, primarily copper, can be relatively easily recovered using flotation after grinding to <300um
 - Recovery of copper is dependent on which stage of the process sulphide flotation is incorporated (35% to 85%)
 - Conceptual flowsheet design, capital and operating cost estimates completed
 - Processing costs are expected to be low as Redmoor ore is coarse grained, simple to process and has high recoveries
 - Possible to produce just a pre-concentrate on site for further processing at an existing nearby concentrator

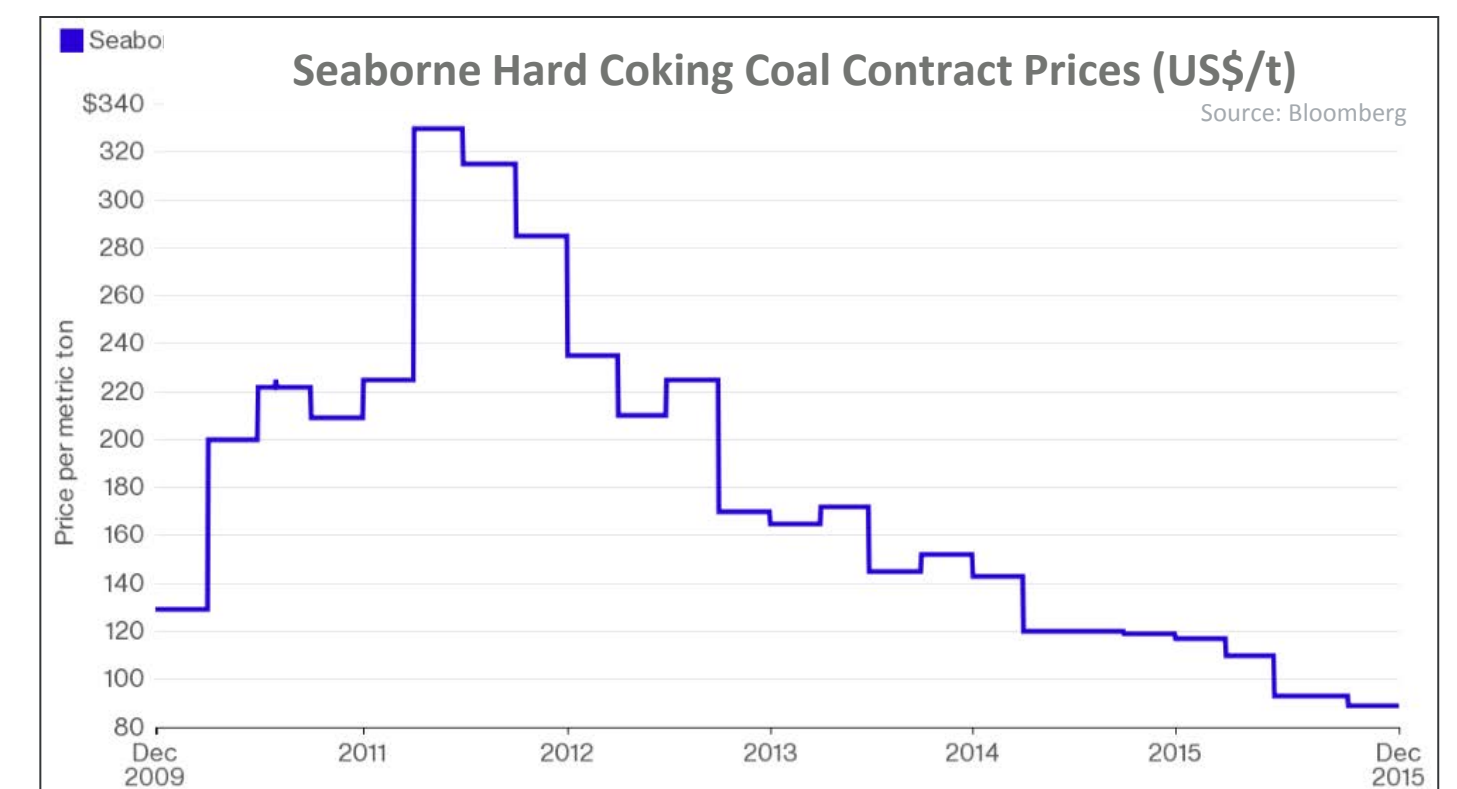
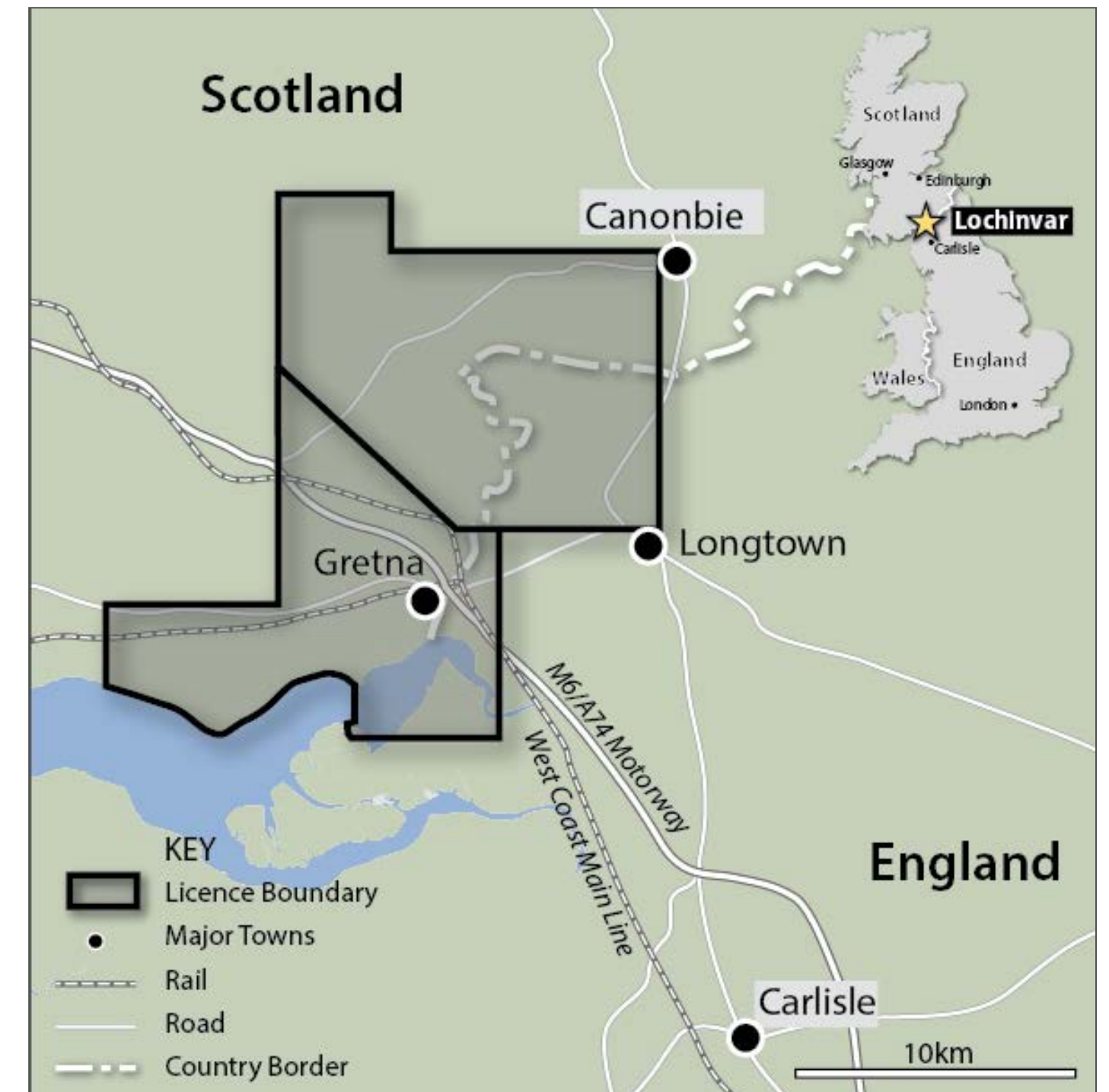
Proposed Exploration Program

- Encouraging results from an internal evaluation of the Redmoor project (stand alone and toll processing options)
- 3 Phase exploration program aimed at converting a portion of the Exploration Target to Inferred Resource and at upgrading a portion of the resource from Inferred to Indicated Mineral Resource status
- **Phase 1**
 - 29 holes for 11,920m
 - Targets strike and depth extensions of GSL, JL
 - Targets Kelly Bray Lode extensions along strike and at depth below historic workings
 - Confirming accuracy of SWM drilling, sampling and analysis
 - Can be divided into several stages prioritising highest potential holes
- **Phases 2 & 3** to follow successful Phase 1 program and targets further extensions along strike and other potential lodes

	Johnsons Lode		Great South Lode		Kelly Bray Lode		Other		Totals	
	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres
Phase 1	10	3,795	15	6,705	4	1,420	0	0	29	11,920
Phase 2	6	1,755	7	3,050	2	970	0	0	15	5,775
Phase 3	3	440	2	1,050	2	350	3	600	10	2,440
Totals	19	5,990	24	10,813	8	2,740	3	600	54	20,135

Lochinvar Coking Coal Project

- NAE owns 100% of Lochinvar, a low cost coking coal project, ideally located to supply UK and European steel mills
- Scoping study completed in 2014 demonstrated robust economics with an NPV of US\$263M and IRR of 20% (at forecast prices)
- Activities curtailed due to low coking coal prices
- Recently coking coal price have dropped to ~US\$80/tonne
- Price forecasts indicate a recovery in the long term to US\$106 – US\$150 /t (real)
- Lochinvar is well placed to take advantage of next upturn in coking coal prices
- The Company intends to re-commence activities when market conditions allow



Company and Board Summary

ASX Code : NAE

Share Price : A\$0.005 (09 March 2016)

Ordinary Shares: 343.5m

Market Cap: A\$1.7m

Options : 19.6m
(exercise price 4.5c to 10c)

Cash : A\$0.23m (31 Dec 2015) +
A\$0.35m RCF unsecured loan
received 1 March 2016

Shareholders : Resource Capital Funds 38%
Chee Siew Yaw 12%

Projects : Redmoor Tin-Tungsten (UK)
Lochinvar Coking Coal (UK)



Gary Fietz

Managing Director

Geologist with 25+ years experience in exploration, business development and project evaluation. Previously VP Iron Ore Business Development with BHP Billiton.



Alan Broome AM

Chairman

Metallurgist with 40+ years in mining with major and junior companies. In depth experience in coal mining, processing, services and technology in Australia and internationally.



Mike Amundsen

Non Exec Director

Corporate advisor with 30+ years experience in resources with BHP Billiton (business development, coal marketing, finance) and as Managing Director of FerrAus Ltd.

Disclaimers

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.

Competent Persons Statement

The information in this report that relates to Exploration Results and also the Exploration Target and Inferred Mineral Resource is based on information compiled and reviewed by Dr Mike Armitage, who is the Chairman of SRK Global and a Corporate Geologist with SRK Consulting (UK) Ltd and is a Member of the Institute of Materials, Minerals and Mining (MIMMM), a Fellow of the Geological Society of London (FGS), a Chartered Geologist of the Geological Society of London (CGeol) and a Chartered Engineer, UK (CEng). Dr Armitage has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Dr Armitage has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Additional supporting information for exploration results and previously released Inferred Resource estimated can be found at:

- NAE Announcement dated 8 March 2015: “Redmoor Project Update”
- NAE Announcement dated 15 December 2015: “Redmoor Resource Update”
- NAE Announcement dated 26 November 2015: “High Grade Tungsten-Tin Lodes Identified at Redmoor”



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