

NEW AGE EXPLORATION LIMITED

[ABN 65 004 749 508]

PROSPECTUS

For a pro-rata renounceable rights issue of 1 New Share for every 1 Share held at 8.5 cents each to raise \$4,097,000 together with 1 Option for every 12 New Shares accepted.

In the event there is any shortfall in acceptances of the Rights Issue, the Company offers Top Up Shares to those Shareholders who, at the Record Date, hold up to 12,500 Shares and who take up their Rights Issue Entitlement in full, the opportunity to top up their shareholding to a maximum of 25,000 Shares.

Underwriter of the Rights Issue: Patersons Securities Limited [ACN 008 896 311]

THIS PROSPECTUS IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

If you do not understand the contents of this Prospectus, you should consult your stockbroker, accountant or other professional adviser before making an investment decision.

This Prospectus is dated 11 March 2010. A copy of this Prospectus was lodged with the Australian Securities & Investments Commission ("ASIC") on that date. Neither ASIC nor ASX Limited nor their respective officers take any responsibility for the contents of this Prospectus.

For personal use only

CORPORATE DIRECTORY

Directors

Mr Gavan Rice
Mr Edwin Stoyle
Mr Adrien Wing

Secretary

Mr Adrien Wing

Registered Office

Level 17, 500 Collins Street
Melbourne, VIC, 3000

Telephone +61 3 9614 0600
Facsimile +61 3 9614 0550

Share Registry

Link Market Services Limited
Level 1, 333 Collins Street
Melbourne, VIC, 3000

Postal Address for Return of Acceptances

Link Market Services Limited
Locked Bag A14
Sydney South, NSW, 1235

Hand Delivery Address for Return of Acceptances

Link Market Services Limited
Level 12, 680 George Street
Sydney, NSW, 2000

PROPOSED TIMETABLE

| | |
|---|---------------|
| Announcement of pro-rata issue | 11 March 2010 |
| Lodgement of Prospectus | 11 March 2010 |
| Notice to security holders containing details of timetable and statement that prospectus lodged with ASX | 12 March 2010 |
| Existing Shares quoted "XR". Rights Trading commences | 15 March 2010 |
| Proposed record date to identify Shareholders entitled to participation in the Rights Issue ("the Record Date") | 19 March 2010 |
| Dispatch of Prospectus | 25 March 2010 |
| Rights trading ends | 16 April 2010 |
| Securities quoted on deferred settlement basis | 19 April 2010 |
| Closing Date | 23 April 2010 |
| Notice of Shortfall to ASX | 29 April 2010 |
| Allot and Despatch holding statements | 4 May 2010 |

*The above dates should be regarded as **indicative only**. Subject to the Corporations Act, the Listing Rules and other applicable laws, the Company in consultation with the Underwriter reserves the right to change the above dates, to close the Rights Issue before the date stated above, to extend the closing date and subsequent dates, or not to proceed with the Rights Issue described in this Prospectus.*

No securities will be issued on the basis of this Prospectus after 11 April 2011, being the expiry date of this Prospectus.

All defined terms within this Prospectus, unless otherwise stated will have the meaning given to them in section 4 of this Prospectus.

1 Details of the Offer

1.1 The Rights Issue and Top Up Shares

New Age Exploration offers its Shareholders, as recorded on the share registry records on the Record Date, the right to participate in a pro-rata renounceable rights issue of one (1) New Share for every one (1) Share held at an issue price of eight and a half cents (\$0.085) together with one (1) Option for every twelve (12) New Shares accepted ("**the Rights Issue**"). Each Option will have an exercise price of ten cents (\$0.10) and an expiry date of 31 March 2012. The Rights Issue will raise \$4,097,000 before costs of the Offer.

In the event there is a shortfall in acceptances of the Rights Issue, the Company offers those Shareholders who, at the Record Date, hold up to twelve and a half thousand (12,500) Shares and who take up their Rights Issue Entitlement in full, the opportunity to apply for additional New Shares to top up their shareholding to a maximum of twenty five thousand (25,000) Shares ("**the Top Up Shares**"). Top Up Shares will be issued at an issue price of eight and a half cents (\$0.085) each together with one (1) Option for every twelve (12) Top Up Shares accepted.

Fractional entitlements will be rounded to the nearest whole number. If a fractional entitlement equates to exactly half a share or option, the fraction will be rounded up ("**the Capital Reduction**").

The Rights Issue and the offer of Top Up Shares are collectively referred to as "**the Offer**".

1.2 Purpose of the Offer

The Company is making the Offer to Shareholders for the purpose of providing working capital for the Company's ongoing projects, operations and investigation of potential projects after payment of costs of the Offer.

1.3 Proposed Appointment of Director

Subject to satisfactory completion of the Rights Issue, it is proposed to appoint Mr Gary Fietz as the Managing Director of the Company.

Mr Fietz holds a degree in geology and is a senior resources industry executive with over 22 years experience in all aspects of exploration, business development and project evaluation. His extensive international experience includes 21 years with BHP Billiton, primarily working in the iron ore business group. Mr Fietz has also worked on coal, base metals and gold projects.

Most recently, Mr Fietz held the position of Project Director, West Africa for BHP Billiton Iron Ore where he was responsible for direction of exploration programs and project development of an advanced tier-one project within the region. Previously, he held the position of Vice President Iron Ore Business Development with responsibility for assessing global iron ore business development opportunities for BHP Billiton.

Mr Fietz has a broad range of commercial and technical experience including; exploration management, global studies of undeveloped iron ore and coal projects, acquiring early stage exploration projects, M&A transactions, divestments, joint venture agreements, project evaluation and project development.

Pursuant to an executive services agreement entered into by the Company and Mr Fietz, Mr Fietz, subject to the Company successfully completing the Rights Issue will receive an annual remuneration of \$290,000 (plus superannuation of a further \$30,000 per annum) together with 13,000,000 options. The options shall have the following vesting terms:

- ten million (10,000,000) shall vest immediately on allotment;
- one and a half million (1,500,000) shall vest when and if the volume weighted average price of

the Company's ordinary fully paid shares for any thirty (30) day period exceeds fourteen cents (\$0.14); and

- one and a half million (1,500,000) shall vest when and if the volume weighted average price of the Company's ordinary fully paid shares for any thirty (30) day period exceeds sixteen cents (\$0.16).

The options shall vest and become immediately exercisable by Mr Fietz within six (6) months of termination of the executive services agreement. In addition to the vesting conditions above, the options shall have the same terms as are set out in Section 3.4 of this Prospectus with the exception that the expiry date of the options shall be 31 March 2013.

Pending his appointment as the Managing Director of the Company, Mr Fietz through WideRange Mining Projects Pty Ltd [ACN 140 084 528] has also been engaged by the Company to carry out (among other things), an Assessment of exploration/mining project opportunities for the Company. Further to the terms of the Consultancy Arrangement, Mr Fietz will be required to provide services 3 days per week at a rate of \$1,705 per day (inclusive of GST). The Consultancy Arrangement can be terminated by either party upon two (2) months notice and will continue until 8 June 2010 or until Mr Fietz is appointed as the Managing Director of the Company (whichever is earlier).

1.4 **Underwriting of Rights Issue**

The Rights Issue is fully underwritten by Patersons Securities Limited. The offer of Top Up Shares is not underwritten. Pursuant to the terms of the Underwriting Agreement and subject to Shareholder approval, the Underwriter and/or its nominees will receive two (2) Options for every five (5) New Shares underwritten. Further details of the underwriting arrangement including the fees and other amounts payable to the Underwriter are set out in Section 3.7 of this Prospectus.

Mr Edwin Stoye, a director of the Company has agreed to Sub-underwrite 3,000,000 New Shares (having 250,000 free attaching options) and will therefore be entitled to receive 1,200,000 Underwriter Options. Mr Stoye will receive up to \$3,187.50 as Sub-underwriting fees.

1.5 **Choices available under Rights Issue**

Shareholders may either:

- exercise their right to participate in the Rights Issue in part or in full;
- sell or transfer the whole or part of their Rights Issue Entitlement; or
- take no action.

Details of how to exercise these alternatives are set out in section 1.6 to 1.11 (inclusive) and section 1.14 below.

1.6 **Selling your Rights Issue Entitlement on ASX**

If you wish to sell your Rights Issue Entitlement on ASX, complete the appropriate section on the back of the accompanying Entitlement and Acceptance Form marked "Instructions to Your Stockbroker" and lodge the Entitlement and Acceptance Form with your stockbroker as soon as possible, or otherwise provide instructions to your stockbroker regarding the number of Rights you wish to sell on ASX. You can sell your Rights on ASX from 15 March 2010 until 16 April 2010. The Company accepts no responsibility for any failure by your stockbroker to carry out your instructions.

1.7 **Taking up part of your Rights Issue Entitlement and selling the balance on ASX**

If you wish to take up only part of your Rights Issue Entitlement, complete the accompanying Entitlement and Acceptance Form for the number of New Shares and Options you wish to take up and follow the steps required in accordance with Section 1.14. You may then provide instructions to your stockbroker regarding any remaining Rights you wish to sell on ASX.

1.8 **Taking up part of your Rights Issue Entitlement and allowing the balance to lapse**

If you wish to take up part of your Rights Issue Entitlement and allow the balance to lapse, complete the accompanying Entitlement and Acceptance Form for the number of New Shares and Options you wish to take up and follow the steps required in accordance with Section 1.14. If you take no further action, the balance of your Rights Issue Entitlement will lapse and you will have forfeited any potential benefit to be gained from selling/trading your Rights.

1.9 **Dealing with part or all of your Rights Issue Entitlement other than on the ASX**

You may transfer all or part of your Rights to another person other than on ASX provided that the purchaser is not a Non-qualifying Foreign Shareholder or would not be a Non-qualifying Foreign Shareholder if the purchaser were the registered holder of Shares.

If you wish to transfer all of your Rights Issue Entitlement to another person other than on ASX, forward a completed standard renunciation form (obtainable from the Company's Share Registry) and the applicable transferee's cheque or bank draft for any application money for the New Shares and Options they wish to subscribe for to the Company's Share Registry by 5:00 pm on 16 April 2010.

If you wish to transfer part of your Rights Issue Entitlement to another person other than on ASX only, but also want to take up some or all of the balance of your Rights Issue Entitlement, you will need to take the steps described above in relation to the Rights you wish to transfer and complete the accompanying Entitlement and Acceptance Form in respect of the Rights you wish to take up. You will need to lodge the form in accordance with the procedure in Section 1.14.

If the Share Registry receives both a completed renunciation form and a completed Entitlement and Acceptance Form in respect of the same Rights, the renunciation will be given effect in priority to the acceptance.

1.10 **Allow all of part of your Rights Issue Entitlement to lapse**

Your Rights may have value. Rights are renounceable, which enable Eligible Shareholders who do not wish to accept some or all of their Rights Issue Entitlement to sell or trade all or part of their Rights on ASX.

1.11 **Offer of Top Up Shares**

To the extent that Shareholders do not take up their entitlement the New Shares and Options will form part of the Shortfall. Shareholders who apply for their entitlement in full and who still hold less than 25,000 Shares may apply under the Top Up offer to increase their shareholding to 25,000 Shares. The number of New Shares (and attaching Options) under the Top Up offer is indicated on the Entitlement and Acceptance Form.

In the event that there is an excess of applications for Top Up Shares by Shareholders who are entitled to make applications, Top Up Shares will be issued in order of priority of those Entitlement and Acceptance Forms (together with full applications monies) received and processed by the Company.

Shareholders will not be entitled to apply for Top Up Shares if they sell or transfer the whole or part of their Rights Issue Entitlement, only partially subscribe to the Rights Issue or otherwise change the name in which the New Shares and Options are acquired.

The issue of Top Up Shares will include the issue of one (1) free attaching Option for every twelve (12) Top Up Shares received. Each free attaching Option will have an exercise price of ten cents (\$0.10) and an expiry date of 31 March 2012.

Neither the Directors nor the Underwriter guarantee that you will receive any Shares under the Top Up offer.

1.12 **Rights Trading**

Trading of Rights commences on ASX on 15 March 2010 with the last day of trading being 16 April

do so.

The Company may, at its election, reject an Entitlement and Acceptance Form where payment of the application monies is not received, or accept the Entitlement and Application Form and recover outstanding application monies from the Applicant.

1.15 Nominee Holdings

If Shares are held by a nominee on behalf of more than one person, the nominee may apply for Top Up Shares on behalf of each beneficially entitled person who has an interest in less than 12,500 Shares.

The nominee must provide written evidence to the reasonable satisfaction of the Company of the separate beneficially entitled persons and the number of Shares beneficially held by each of them at the time of applying for the Top Up Shares.

2 Capital Structure

The Company currently has 48,200,000 Shares on issue.

The maximum number of New Shares and Options issued under the Rights Issue Offer is 48,200,000 New Shares and 4,016,667 Options. Top Up Shares will be issued from any shortfall of acceptances under the Rights Issue offer.

The percentage shareholding in the Company of Shareholders who do not take up all of their rights pursuant to the Rights Issue will be diluted.

The capital structure table below sets out the existing Shares and options of the Company, and the effect on the Company's capital structure of issuing the securities which are the subject of this Prospectus.

Capital Structure

| Issued Capital | Ordinary shares | Options |
|---|-------------------|-------------------|
| Existing | 48,200,000 | 0 |
| Securities issued per renounceable rights issue | 48,200,000 | 4,016,667 |
| Underwriting options* | | 19,280,000 |
| Management options* | | 15,500,000 |
| Total | 96,400,000 | 38,796,667 |

* Issue of options subject to shareholder approval being obtained at a General Meeting to be held on 13 April 2010.

Upon completion of the Offers, the maximum number of Shares and Options on issue by the Company will be as follows:

Shares: 96,400,000

Options: 38,796,667*.

**This figure represents, subject to approval at the General Meeting, 13,000,000 options that are to be issued to Mr Gary Fietz (a proposed Managing Director of the Company) and 2,500,000 options that are to be issued to Directors of the Company and the 19,280,000 options that are to be issued to the Underwriter. Further details of these issues are set out in the Notice of General Meeting and accompanying explanatory statement described in section 3.1 of this Prospectus.*

The percentage shareholding in the Company of Shareholders who do not take up all of their rights pursuant to the Rights Issue will be diluted.

Pro-Forma Balance Sheet

| | Audited | Management accounts (unaudited) | Proforma (unaudited) |
|----------------------------------|------------------|------------------------------------|-------------------------|
| | 30-Jun-09 | 31-Dec-09 | 31-Dec-09 |
| Current Assets | | | |
| Cash and cash equivalents | 978,762 | 1,526,810 | 5,320,960 |
| Receivables | | 10,910 | 10,910 |
| Other financial assets | 1,400,000 | 174,999 | 174,999 |
| Total Current Assets | 2,378,762 | 1,712,719 | 5,506,869 |
| Non-Current Assets | | | |
| Other non-current assets | 126,805 | 102,889 | 102,889 |
| Total Non-Current Assets | 126,805 | 102,889 | 102,889 |
| Current Liabilities | | | |
| Trade and other payables | 73,225 | 40,998 | 40,998 |
| Total Current Liabilities | 73,225 | 40,998 | 40,998 |
| Total Liabilities | 73,225 | 40,998 | 40,998 |
| Net Assets | 2,432,342 | 1,774,610 | 5,568,760 |
| Equity | | | |
| Contributed Equity | 5,779,911 | 5,779,911 | 9,574,061 |
| Reserves | 1,648,807 | 1,496,116 | 1,496,116 |
| Accumulated losses | -4,996,376 | -5,501,417 | -5,501,417 |
| Total Equity | 2,432,342 | 1,774,610 | 5,568,760 |

The Proforma Balance Sheet illustrates the net cash of the offer (\$4,097,000) after anticipated costs described below.

Costs of prospectus:

| | |
|----------------------------|---------|
| Underwriting fee | 204,850 |
| Underwriting corporate fee | 60,000 |
| Share registrar | 8,000 |
| Printing | 5,000 |
| Corporate costs | 25,000 |

\$302,850

3 Additional Information

3.1 General Meeting

The Company proposes calling a General Meeting of Shareholders for 13 April to consider resolutions to approve, the issue of options to the Underwriter, Mr Edwin Stoye as a sub-underwriter and the issue of options to Mr Gary Fietz (a proposed director of the Company) and the Directors of the Company. The Notice of Meeting and accompanying Explanatory Memorandum will be sent to Shareholders at the time of dispatch of the initial notice to Shareholders.

Shareholders should refer to the Notice of Meeting and accompanying Explanatory Memorandum regarding the matters to be considered at the General Meeting. A copy of the Notice of Meeting will be released to ASX as an announcement. Copies will be able to be obtained from the ASX website (www.asx.com.au) or the Company's website (www.nae.net.au).

3.2 Continuous Disclosure Obligations

New Age Exploration has issued this Prospectus in accordance with the provisions of the Corporations Act 2001 ("the Corporations Act") applicable to a prospectus for continuously quoted securities. New Age Exploration's securities are continuously quoted securities within the meaning of the Corporations Act. This is a Prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) of New Age Exploration and has been prepared in accordance with section 713 of the Corporations Act. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offering prospectus.

Section 713 of the Corporations Act enables a company to issue a special prospectus to acquire continuously quoted securities where the securities offered under the prospectus are continuously quoted securities within the meaning of the Corporations Act. This generally means that the relevant securities are in a class of securities that were quoted enhanced disclosure securities at all times during the three months before the date of the prospectus and, as such, the issuing company was subject to the continuous disclosure regime provided for under the Corporations Act and the rules of a recognised securities exchange.

In the past three months New Age Exploration's securities have been continuously quoted securities within the meaning of the Corporations Act.

Special prospectuses are required to contain information in relation to the effect of the Offer of securities on New Age Exploration and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

New Age Exploration believes that it has complied with the general and specific requirements of ASX when and as applicable from time to time throughout the 12 months before the date of this Prospectus which require notification of information about specified events or matters as they arise for the purpose of making that information available to the stock market conducted by ASX. For the purpose of satisfying Section 713(5) of the Corporations Act a prospectus must also incorporate information if such information:

- (a) has been excluded from a continuous disclosure notice in accordance with the Listing Rules; and
- (b) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profit and losses and prospects of the body; and
 - (ii) the rights and liabilities attaching to the securities being offered.

The prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the prospectus. New Age Exploration is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus. The Company has from time to time entered into and continues confidential discussions and/or negotiations with potential commercial partners. While the Company continues to seek potential commercial partners and to advance discussions or negotiations, there is no certainty that any arrangement(s) will be finalised on particular terms, at a specific time, or at all. The Company will make further announcements in respect of any such discussions or negotiations in accordance with its disclosure obligations as developments occur.

New Age Exploration, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to New Age Exploration may be obtained from, or inspected at, the offices of ASIC; and
- (c) any person may request, and New Age Exploration will provide free of charge, a copy of each of the following documents during the application period of this Prospectus:
 - (i) the annual financial report for the year ended 30 June 2009 lodged with ASIC on 4 September 2009; and
 - (ii) any continuous disclosure notices given by New Age Exploration since the lodgement of the annual financial report referred to in (i) above and before lodgement of this Prospectus (such notices are listed below).

New Age Exploration has made the following announcements (continuous disclosure notices) to ASX since lodging its Annual Report for the year ended 30 June 2009 with ASIC:

| Date | Headline |
|-------------|--|
| 11/03/2010 | Notice of General Meeting |
| 11/03/2010 | Intention to carry out Renounceable Rights Issue |
| 11/03/2010 | Appointment of Mr Gary Fietz |
| 11/03/2010 | Reinstatement to Official Quotation |
| 10/03/2010 | Suspension from Official Quotation |
| 09/03/2010 | Trading Halt |
| 05/03/2010 | Trading Halt |
| 27/01/2010 | Quarterly Activities and Cashflow Report |
| 28/10/2009 | Quarterly Activities and Cashflow Report |
| 20/10/2009 | Results of Meeting |
| 18/09/2009 | Notice of Annual General Meeting/Proxy Form |
| 16/09/2009 | JRV: Drilling program commences on Bunnawarra JV Project |
| 16/09/2009 | Drilling Program commences on Bunnawarra JV Project |
| 04/09/2009 | Annual Report to shareholders |

Any person may request, and New Age Exploration will provide free of charge, a copy of any of the above announcements during the application period of this Prospectus.

The Company may make further announcements to ASX from time to time. Copies of announcements are released by ASX on its website, (www.asx.com.au), and will also be made available on the Company's web site, (www.nae.net.au). Copies of announcements can also be obtained from the Company upon request. Prospective investors are advised to refer to ASX's website or the Company's website for updated releases about events or matters affecting New Age Exploration.

In making statements in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any such information not so contained may not be relied on as having been authorised by New Age Exploration in connection with this Prospectus.

3.3 Overseas Shareholders

This Prospectus and the accompanying Entitlement and Acceptance Form do not constitute an Offer in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an Offer.

Please refer to section 1.12 for details of the Rights Issue Entitlements of Excluded Shareholders.

Shareholders holding Shares on behalf of persons who are resident overseas (except in New Zealand) are responsible for ensuring that taking up the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form or payment will be taken by New Age Exploration to constitute a representation that there has been no breach of such regulations. Shareholders who are nominees are therefore advised to seek independent advice as to how they should proceed. The Offer have not been, and will not be, registered under the US Securities Act and has not been made in the United States or to persons resident in the United States.

3.4 Terms of Securities Offered

The Shares offered under this Prospectus will be fully paid ordinary shares in the capital of the Company, which will rank equally with, and will have the same voting and other rights as, the existing issued Shares of the Company. The rights attaching to the Company's Shares are set out in the Company's constitution, the Listing Rules of ASX and the Corporations Act. The Company's constitution has been lodged with ASIC. The constitution contains provisions common for public companies in Australia and is taken to be included in this Prospectus by operation of Section 712 of the Corporations Act. Any person may request a copy of the constitution during the application period of the Prospectus, which the Company will provide free of charge. The constitution is also available at the Company's web site, (www.nae.net.au).

Rights attaching to the Options offered under this Prospectus are as follows:

- (a) Each Option entitles the holder to acquire one ordinary fully paid Share in the capital of the Company.
- (b) The Options are exercisable at any time prior to 5:00 pm Melbourne time on 31 March 2012 ("the Expiry Date") by completing the Option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company. Any Option that has not been exercised prior to the Expiry Date automatically lapses. Holders shall not be entitled to exercise their Options (and the Company will not be required to issue Shares upon such exercise) if it would be unlawful to do so.
- (c) The exercise price of the Options is 10 cents (\$0.10) per Option payable in full on exercise.
- (d) Subject to the Corporations Act, the ASX Listing Rules, and the Constitution of the Company, Options are freely transferable. Shares issued upon exercise of Options will rank *pari passu* in all respects with, and will have the same terms as, the Company's then issued ordinary fully paid Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of Options, subject to any restriction obligations imposed by ASX.
- (e) The Options will not give any right to participate in dividends until Shares are issued pursuant to the exercise of the relevant Options.
- (f) There are no participation rights or entitlements inherent in the Options. Option holders are not entitled to participate in new issues of securities offered to shareholders without first exercising the Options. Subject to any waiver granted by ASX, the Company will send notices to Option

holders at least five business days prior to the record date applying to offers of securities made to shareholders during the currency of the Options.

- (g) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the exercise price of the Options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction

Shares issued upon the exercise of Options will fully be fully paid ordinary Shares and will have the same voting and other rights as the existing Shares of the Company.

3.5 ASX Listing

Application will be made to the ASX within seven days after the date of issue of this Prospectus for quotation of the New Shares. If the application for quotation is unsuccessful, all application monies will be repaid to applicants without interest.

The Board will, subject to being able to satisfy any requirements imposed by the ASX Listing Rules, make an application to quote the Options that are to be issued pursuant to the Offer. No application monies will be repaid to applicants in the event that the Options are not quoted.

3.6 Allotments

The Directors will issue the New Shares and Options and Top Up Shares as soon as possible after the Closing Date.

3.7 Underwriting

Pursuant to an agreement between the Underwriter and the Company ("the Underwriting Agreement"), the Underwriter has agreed to fully underwrite the Rights Issue.

Pursuant to the Underwriting Agreement, the Company has agreed to:

- (a) pay the Underwriter an underwriting fee of 5% on the amount raised by the Rights Issue;
- (b) pay the Underwriter a corporate advisory fee of \$60,000; and
- (c) issue to the Underwriter (or its nominees) 19,280,000 Underwriter Options. Should the Underwriter be required to take up the entire Offer, it will receive a maximum relevant interest in the Company of fifty percent (50%).

The Agreement is conditional upon on or before the Closing Date Shareholders approving the passage of all resolutions the subject of the Notice of Meeting and the Underwriter entering into sub-underwriting agreements with sub-underwriters for the entire Offer prior to 5:00pm on 11 March 2010.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of specified events including:

- (a) **(Indices fall):** any of the S&P/ASX 200 Index, or the S&P/ASX 200 Materials Index as published by ASX is at any time after the date of the Underwriting Agreement (10 March 2010) 10% or more below its respective level at the close of business on the Business Day prior to the date of the Underwriting Agreement; or
- (b) **(Share Price):** the closing sale price of the Company's Shares as recorded by ASX is below the Price; or
- (c) **(Prospectus):** the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or Offer is withdrawn by the Company; or
- (d) **(No Official Quotation):** Official Quotation has not been granted by the Shortfall Notice Deadline Date or, having been granted, is subsequently withdrawn, withheld or qualified; or

- For personal use only
- (e) **(Supplementary prospectus):**
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in clause 13.1(q)(vi) of the Underwriting Agreement, forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter; or
 - (f) **(Non compliance with disclosure requirements):** it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (i) the effect of the Offer on the Company; and
 - (ii) the rights and liabilities attaching to the New Shares and Options; or
 - (g) **(Misleading Prospectus):** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or
 - (h) **(Restriction on allotment):** the Company is prevented from allotting the New Shares and Options within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority; or
 - (i) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent; or
 - (j) **(ASIC application):** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
 - (k) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act; or
 - (l) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel; or
 - (m) **(Hostilities):** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world; or
 - (n) **(Authorisation):** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable

to the Underwriter; or

- (o) **(Indictable offence):** a director or senior manager of a Relevant Company is charged with an indictable offence; or
- (p) **(Designated Sub-underwriters):** any of the Designated Sub-underwriters do not or threaten not to comply with its obligations under the sub-underwriting agreements; or
- (q) **(Termination Events):** subject to the occurrence of the event described below having a material adverse effect on the Rights Issue, any of the following events occurs:
 - (i) **(Default):** default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking; or
 - (ii) **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect; or
 - (iii) **(Contravention of constitution or Act):** a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX; or
 - (iv) **(Adverse change):** an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time; or
 - (v) **(Error in Due Diligence Results):** it transpires that any of the Due Diligence Results or any part of the Verification Material was false, misleading or deceptive or that there was an omission from them; or
 - (vi) **(Significant change):** a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor; or
 - (vii) **(Public statements):** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer the Prospectus; or
 - (viii) **(Misleading information):** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive; or
 - (ix) **(Official Quotation qualified):** the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation"; or
 - (x) **(Change in Act or policy):** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy; or
 - (xi) **(Prescribed Occurrence):** a Prescribed Occurrence occurs, other than as disclosed in the Prospectus; or
 - (xii) **(Suspension of debt payments):** the Company suspends payment of its debts generally; or
 - (xiii) **(Event of Insolvency):** an Event of Insolvency occurs in respect of a Relevant

Company; or

- (xiv) **(Judgment against a Relevant Company):** a judgment in an amount exceeding \$50,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days; or
- (xv) **(Litigation):** litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against any the Company, other than any claims foreshadowed in the Prospectus; or
- (xvi) **(Board and senior management composition):** Other than as disclosed in this Prospectus, there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter which consent is not be unreasonably withheld; or
- (xvii) **(Change in shareholdings):** there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company; or
- (xviii) **(Timetable):** there is a delay in any specified date in the Timetable which is greater than 7 Business Days; or
- (xix) **(Force Majeure):** a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs; or
- (xx) **(Certain resolutions passed):** the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter; or
- (xxi) **(Capital Structure):** the Company alters its capital structure in any manner not contemplated by the Prospectus; or
- (xxii) **(Breach of Material Contracts):** any of the Material Contracts is terminated or substantially modified; or
- (xxiii) **(Investigation):** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company; or
- (xxiv) **(Market Conditions):** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

3.8 Underwriter Options

Under the terms of the Underwriting Agreement, and subject to and conditional upon Shareholder approval, the Company has agreed to issue 19,280,000 Options ("Underwriter Options") to the Underwriter (or its nominees) as part consideration for the underwriting of the Rights Issue.

As described in Section 1.4, Mr Edwin Stoye (subject to shareholder approval) will be entitled to 1,200,000 Underwriter Options. Mr Stoye will receive up to \$3,187.50 as Sub-underwriting fees.

3.9 Directors' Interests

The Directors of New Age Exploration or their associates have a beneficial interest in the following Shares in New Age Exploration at the date of this Prospectus.

| Director and/or Nominee | Proposed Options to be issued | Current Shares (directly or indirectly held) | Current Options (directly or indirectly held) |
|-------------------------|-------------------------------|--|---|
| Mr Adrien Wing | 1,000,000 | - | Nil |
| Mr Gavan Rice | 750,000 | 200,000 | Nil |
| Mr Edwin Stoyle | 750,000 | 1,960,000 | Nil |
| TOTAL | 2,500,000 | 2,160,000 | Nil |

3.10 Participation by Directors in Offer

The Directors are entitled (but not obliged) to participate in the Rights Issue without the need for Shareholder approval. If the Directors each participate in the Rights issue to the maximum extent permissible then their respective interests will increase and upon issue of the New Shares, Options and the issue of management options as described in the Notice of General Meeting described in section 3.1, they will have the following holdings:

| Director | Direct Shares | Direct Options |
|------------------|---------------|----------------|
| Mr Gavan Rice | 400,000 | 16,666 |
| Mr Edwin Stoyle* | 6,920,000 | 1,613,333 |
| Mr Adrien Wing | Nil | Nil |

**As described in Section 1.4, Mr Stoyle (subject to shareholder approval) will be entitled to receive 1,200,000 Underwriter Options. Mr Stoyle will receive up to \$3,187.50 in Sub-underwriting fees. If Mr Stoyle is required to fully subscribe to his sub-underwriting obligations under the Rights Issue, he will also be entitled to receive up to 3,000,000 shares and 250,000 free attaching options.*

Other than set out above or elsewhere in this Prospectus:

- No Director of New Age Exploration and no firm in which a Director of New Age Exploration is or was at the relevant time a partner, has or has had in the two years before lodgement of this Prospectus, any interest in the promotion of, or in any property proposed to be acquired by, New Age Exploration.
- No amounts, whether in cash or Shares or otherwise, have been paid or agreed to be paid to any Director of New Age Exploration (or to any firm in which he is or was a partner) either to induce him to become, or to qualify him as a Director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of New Age Exploration.
- At the date of the Prospectus the Directors and/or their associates do not hold any securities that are the subject of any escrow provisions.

Other than as described in section 1.3, Mr Gary Fietz (the proposed Managing Director) has no other direct or indirect interest in the Company.

3.11 Interests of Advisers

Except as set out elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, or a promoter or stockbroker to New Age Exploration has, or had within two years before lodgement of this Prospectus with ASX any interest in:

- (a) the formation or promotion of New Age Exploration;
- (b) property acquired or proposed to be acquired by New Age Exploration in connection with its formation, promotion or the securities offered under this Prospectus; or
- (c) securities offered under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by him or her in connection with the formation or promotion of New Age Exploration or the securities offered under this Prospectus.

3.12 Payments to Directors

Under New Age Exploration's Constitution the Non-Executive Directors may be paid, as remuneration for their services, a sum determined from time to time by New Age Exploration in general meeting, with that sum to be divided amongst the Non-Executive Directors in such manner and proportion as they agree. The maximum amount which has been approved by Shareholders for payment to each Non-Executive Directors as Director fees is currently \$200,000 per annum.

The total amounts paid to current Directors as fees and executive service remuneration in the 2 year period prior to lodgement of this Prospectus are:

| Director | Period | | |
|----------------|-----------------------------|----------------------------|-----------|
| | February 2008- January 2009 | February 2009-January 2010 | Total |
| Mr Gavan Rice | \$19,620 | \$19,620 | \$39,240 |
| Mr Edwin Stoye | \$26,160 | \$26,160 | \$52,320 |
| Mr Adrien Wing | \$72,000 | \$81,000 | \$153,000 |

The details of the proposed payments to Mr Gary Fietz are detailed in section 1.3.

The Corporations Act limits the extent to which insurance cover and/or indemnities may be provided or given to Directors in relation to claims arising out of the discharge of their duties as Directors. New Age Exploration's Constitution does not provide any additional restrictions on the provision of insurance or indemnity. New Age Exploration has Directors and Officers insurance, but has not granted any additional right of indemnity to its Directors.

3.13 Consents

Link Market Services Limited [ACN 083 214 537] has given, and not withdrawn before the lodgement of this Prospectus, its written consent to being named in the Prospectus as the Share Registry. Link Market Services Limited was not involved in the preparation of any part of this Prospectus and expressly disclaims and takes no responsibility for any part of this Prospectus.

The Underwriter has given, and at the time of lodgement of this Prospectus, has not withdrawn its consent to be named as underwriter to the offer of securities under this Prospectus, in the form and context in which it is named.

The Underwriter was not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. The Underwriter makes no express or implied representation or warranty in relation to New Age Exploration, this Prospectus or the offer and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by the Underwriter expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

Mr Edwin Stoye has given, and at the time of lodgement of this Prospectus, has not withdrawn his consent to be named as Sub-underwriter to the offer of securities under this Prospectus in the form and context in which he is named. Mr Stoye was not involved in the preparation of any part of this Prospectus and expressly disclaims and takes no responsibility for any part of this Prospectus.

Mr Gary Fietz has given, and not withdrawn before the lodgement of this Prospectus, his written consent to being named as the proposed Managing Director of the Company subject to completion of the Rights Issue in this Prospectus. Mr Gary Fietz was not involved in the preparation of any part of this Prospectus and expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to his name.

3.14 **Electronic Prospectus**

A copy of the Prospectus is available from the website of New Age Exploration at (www.nae.net.au). Applications for New Shares and Options and/or Top Up Shares offered pursuant to this Prospectus can only be submitted on an original personalised Entitlement and Acceptance Form, which accompanies this Prospectus.

3.15 **Investment Decisions**

The information in this Prospectus does not constitute financial product advice. This Prospectus does not take into account the investment objectives, financial situation, tax position and particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the offer of New Shares, Options and Top Up Shares pursuant to this Prospectus having regard to their objectives, financial situation, tax position and needs.

3.16 **Future Performance**

Except as required by law, and only then to the extent so required, neither New Age Exploration nor any other person warrants the future performance of New Age Exploration, or any return on any investment made pursuant to this Prospectus. An investment in the securities (shares and options) offered by this Prospectus should be considered speculative.

3.17 **Terms of the Offer**

Subject to compliance with the Corporations Act, the Listing Rules and any other applicable laws, the Directors reserve the right to withdraw the Offer and Prospectus at any time in their absolute discretion. In either case, the relevant application monies will be refunded (without interest).

This Prospectus shall be governed and construed in accordance with the law applying in the State of Victoria, Australia.

3.18 **Costs**

The estimated costs in connection with this Prospectus (excluding GST) are \$302,850 as set out in Section 2.

3.19 **Privacy**

If you complete an application for New Shares, Options and/or Top Up Shares you will be providing personal information to New Age Exploration. New Age Exploration collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and New Age Exploration's share registry.

You can access, correct and update the personal information that we hold about you. Please contact New Age Exploration or its registry if you wish to do so.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the SCH Business Rules. You should note that if you do not provide the information required on the application for New Shares and Options and/or Application Shares, New Age Exploration may not be able to accept or process your application.

3.20 Taxation

Participants should seek and obtain their own taxation advice before participating in the Offer or selling all or part of their Rights Issue Entitlement so that they may first satisfy themselves of any taxation implications associated with participating in the Offer.

3.21 General

The Expiry Date of the Prospectus is 11 April 2011. No securities will be allotted or issued on the basis of this Prospectus after the Expiry Date.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by New Age Exploration in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that New Age Exploration is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

4 Glossary

"**ASIC**" means Australian Securities and Investments Commission.

"**ASX**" means ASX Limited ACN 008 624 691 and/or the prescribed financial market operated by ASX Limited and/or its subsidiaries.

"**Board**" means the board of directors of the Company from time to time.

"**Business Day**" has the same meaning as in the Listing Rules.

"**Closing Date**" means the closing date of the Rights Issue being 23 April 2010 or such later date as may be determined at the discretion of the Company.

"**Company**" means New Age Exploration Limited [ACN 004 749 508].

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Designated Sub-underwriter**" means those sub-underwriters appointed by the Underwriter.

"**Due Diligence Program**" means the legal, accounting, commercial and other investigations of the assets and liabilities, financial position and performance, profits and losses and prospects of each Relevant Company (including its future business plans and financial forecasts) conducted in the period up until Completion.

"Due Diligence Results" means the results of the investigations which make up the Due Diligence Program, as maintained by the Company including but not limited to all due diligence reports and reports of the due diligence committee (established in connection with the Offer) ("Due Diligence Committee"), including all supporting documents and working papers to which the Due Diligence Program relates.

"Entitlement and Acceptance Form" means a form addressed to a Shareholder setting out the Shareholder's entitlement to New Shares and Options which is attached to or accompanies this Prospectus.

"Event of Insolvency" means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, Controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable Act to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

"Force Majeure" means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

"General Meeting" means a general meeting of the Company to be held on 13 April 2010 (unless otherwise determined).

"Listing Rules" means the Listing Rules from time to time of ASX.

"Lodgement Date" means the date so specified in the Timetable or such other date as the Underwriter and the Company agree in writing.

"Material Adverse Effect" means:

- (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the New Shares and Options (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in New Shares and Options); or
- (b) a material adverse effect on the assets, condition, trading or financial position, performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries either individually or taken as a whole; or
- (c) the Underwriter's obligations under this Agreement becoming materially more onerous than those which

exist at the date of this Agreement; or

- (d) a material adverse effect on the tax position of either;
- (e) the Company and its Subsidiaries either individually or taken as a whole; or
- (f) an Australian resident shareholder in the Company.

"New Age Exploration" means New Age Exploration Limited [ACN 004 749 508].

"New Shares" means ordinary shares offered to Shareholders pursuant to this Prospectus.

"Non-qualifying Foreign Shareholders" means a Shareholder, whose registered address is not in Australia or New Zealand.

"Official Quotation" means the grant by ASX of "Official Quotation" (as that term is used in the Listing Rules) of all of the New Shares and Options when allotted which if conditional may only be conditional on the allotment of the New Shares and Options.

"Option" means one option to acquire one fully paid ordinary share in the capital of New Age Exploration at an exercise price of \$0.10 and otherwise on the terms described in Section 3.7 of the Prospectus.

"Prescribed Occurrence" means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way;
- (c) a Relevant Company:
 - (i) entering into a buy back agreement or;
 - (ii) resolving to approve the terms of a buy back agreement under section 257C or 257D of the Corporations Act;
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares, or agreeing to make such an issue or grant such an option, other than an issue or agreement to issue in accordance with the Offer or the terms of this Agreement;
- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) a Relevant Company charging, agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) a Relevant Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator to a Relevant Company;
- (j) the making of an order by a court for the winding up of a Relevant Company;
- (k) an administrator of a Relevant Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) a Relevant Company executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

"Price" means \$0.085 (eight and a half cents) per New Share.

"Record Date" means 7:00 pm Melbourne, Australia time on 19 March 2010 for the purpose of identifying the persons who are entitled to acquire New Shares and Options and Top Up Shares pursuant to the Rights Issue.

"Relevant Company" means the Company and each its subsidiary.

"Rights" means the rights of Shareholders to participate in the renounceable pro-rata rights issue described in this Prospectus and subscribe for New Shares and Options;

"Rights Issue" means the rights issue described in section 1.1 of this Prospectus.

"Rights Issue Entitlement" means the entitlement to apply for New Shares and Options pursuant to the Rights Issue.

"Shareholders" means holders of ordinary Shares in the issued capital of New Age Exploration.

"Shares" means fully paid ordinary shares in the capital of New Age Exploration.

"Shortfall Notice Deadline Date" means the day specified in the Timetable as the date by which the Company must give the Underwriter written notice of the Shortfall Securities accompanied by a certificate in the form set out in the Underwriting Agreement

"Timetable" means the timetable for the Offer as varied from time to time by written agreement of the Company and the Underwriter.

"Top Up Shares" means up to 25,000 fully paid ordinary Shares.

"Underwriter" means Patersons Securities Limited [ACN 008 896 311].

"Underwriting Agreement" means the underwriting agreement dated 10 March 2010 between the Underwriter and the Company.

"Underwriter Options" means 19,280,000 Options to be issued to the Underwriter or its nominees.

"Verification Material" means the material maintained by the Company being the documents and information provided by the Company in support of statements made in the Prospectus.

5 Directors' Authorisation

The Directors of New Age Exploration have authorised the lodgement of this Prospectus with ASIC.

Adrien Wing

Director

For personal use only

NEW AGE EXPLORATION LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By returning the Entitlement and Acceptance Form with payment to the Registry.

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares and Options acquired by you and agree to be bound by the Constitution of New Age Exploration Limited.

1. HOW TO COMPLETE THE ENTITLEMENT AND ACCEPTANCE FORM

Please complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

2. PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

A. Acceptance of Entitlement in Full

To accept your Entitlement to New Shares in Full, tick box A and complete section D.

B. Acceptance of Entitlement in Part

To accept part of your Entitlement to New Shares, tick box B, insert quantity, (which must be less than your Entitlement), and complete section D.

C. Acceptance of Entitlement and Top Up Shares

The amount required to achieve a holding of 25,000 shares has been calculated for you based on your record date holding. To accept this, tick box C and complete section D.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "[Account Name]" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, New Age Exploration Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. SALE OF YOUR ENTITLEMENT IN FULL OR IN PART BY YOUR STOCKBROKER AND ACCEPTANCE OF THE BALANCE

If you wish to sell all of your Rights through your stockbroker or if you wish to sell part of your Rights through your stockbroker and accept the balance you should contact your stockbroker and provide details as requested which appear overleaf.

You should complete the "Instructions to your Stockbroker" panel below and forward this Entitlement and Acceptance Form to your stockbroker.

Instructions to your Stockbroker

| | |
|------------------------------------|---|
| I/We have accepted | <input type="text"/> |
| | New Shares as per reverse side |
| And attach a cheque/bank draft for | <input type="text"/> |
| | A\$ |
| | being acceptance monies at A\$0.085 per New Share |
| I/We wish to sell | <input type="text"/> |
| | Rights to Ordinary Shares |

4. DISPOSAL OF YOUR ENTITLEMENT OTHER THAN THROUGH A STOCKBROKER

A renunciation form must be used for all other transactions. These forms may be obtained from the New Age Exploration Limited Registry or your stockbroker.

5. OVERSEAS SHAREHOLDERS

The Prospectus and Entitlement and Acceptance Form do not constitute an offer of securities in any jurisdiction outside of Australia or New Zealand or to any person to whom it would not be lawful to issue the Prospectus. By applying for New Shares and Options under this Entitlement and Acceptance Form or by accepting this offer, you represent and warrant that applying for New Shares and Options does not breach any law in any relevant overseas jurisdiction.

6. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Prospectus electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below.

Mailing Address

New Age Exploration Limited
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

Hand Delivery

New Age Exploration Limited
C/- Link Market Services Limited
Level 12, 680 George Street
SYDNEY NSW 2000

(Please do not use this address for mailing purposes)

Make sure you send your Entitlement and Acceptance Form and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEST) on 23 April 2010. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. New Age Exploration Limited reserves the right not to process any Entitlement and Acceptance Forms and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the New Age Exploration Limited Offer Information Line on 1300 554 474 (within Australia) or +61 2 8280 7111 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.