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27 January 2009

QUARTERLY REPORT TO 31 DECEMBER 2008

BUNNAWARRA JOINT VENTURE PROJECT ELA59/1391

During the quarter, New Age Exploration Limited ("the Company") announced that the Bunnawarra exploration tenement (Exploration Lease 59/1391) ("Bunnawarra Tenement") was granted by the Department of Industry and Resources (WA).

The Company conducted an auger soil analysis which identified extensive copper, gold and molybdenum anomalism.

The copper and molybdenum anomalies appear associated with granitoid rocks possibly porphyry intrusions. The molybdenum anomaly is extensive being approximately 4 kilometres long and 600 metres wide. Gold is associated with it in one location.

Gold appears to be associated with folded and faulted mafic rocks. Three gold anomalies extend over 2 kilometres and eight gold anomalies extend over 1 kilometre.

The work to date has provided encouraging results warranting further exploration work in the areas of gold, copper and molybdenum anomalism whereby the Company intends to undertake an extensive drilling program. The Bunnawarra Tenement is in an area that has had very little work reported on it in the past.

Background

New Age Exploration entered into a joint venture agreement with Redfeather Holdings Pty Ltd ("Redfeather"), to earn up an 80% interest in the Bunnawarra Tenement by spending \$1.35 million on exploration expenditure (in three stages) and \$150,000 in new shares of the Company. The Company also has the first right of refusal to purchase the remaining 20% held by Redfeather.

The Bunnawarra Tenement is 180 sq km in size and is situated on a pastoral lease in the Mid West iron ore province of Western Australia (WA). The Bunnawarra Tenement is located 40km south of Yalgoo, 80km north east of Morawa and 210 km east of Geraldton.

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JERVOIS MINING LTD – JOINT VENTURE
New Age Exploration Limited earning 60% equity over 3 years

Nalbarra Project Joint Venture E59/1264, E59/1257

Approval to explore on Exploration Licence 59/1264 has reached a stage where the government approvals are expected after discussions with the Department of Indigenous Affairs after an investigation by the native title claimants have inspected the drill area for artefacts. ELA59/1257 has been granted and a reassessment and analysis is being done of airborne radiometrics previously flown in the area. A follow up ground reconnaissance survey using a scintillometer will follow the radiometric analysis.

Lake Barlee Joint Venture E77/1332 E77/1333

Approvals for drilling programme are currently with Native Vegetation Branch of the Department of Industry and Resources. The application for Clearing Permit requires inspection and report by Botanist and Biologist on the recently proclaimed Environmentally Sensitive Areas. Maunsell's a large consultancy group in this field has been engaged to complete the field work by 21/01/2009. A field reconnaissance using a scintillometer will be run in parallel with the flora and fauna survey. Following the presentation of the report to the Department of Mines and Petroleum it is expected that approval to commence the drilling program will be granted.

Lake Giles Project E77/1345

Approvals for drilling programme are currently with Native Vegetation Branch of the Department of Industry and Resources. The application for Clearing Permit requires inspection and report by Botanist on the recently proclaimed Environmentally Sensitive Areas. Maunsell's a large consultancy group in this field has been engaged to complete the field work by 21/01/2009. A field reconnaissance using a scintillometer will be run in parallel with the flora and fauna survey Botanist has been engaged to do the work in the middle of August 2008. Following the presentation of the report to the Department of Mines and Petroleum expected that approval to commence the drilling program will be granted.

Bullabulling South Joint Venture P15/4742 to P15/4748, P15/4998 to P15/4999 and P15/4887.

Previous extensive geophysics with follow up drilling for nickel sulphide ore bodies was unsuccessful in finding nickel grades of any significance. The project is 20 kilometres to North West of the Nepean Nickel Mine which has reported nickel grades of higher than 10% in nickel sulphide ore bodies recently. The ultramafic rock encountered by the drilling is consistent with those which contain nickel sulphides.

An auger drilling program on a grid with east west lines 500 metres and samples taken at 50 metre intervals was successful in discovering extensive nickel and gold anomalies in the pedogenic calcrete layer in the soil.

The nickel anomalies encountered were 400ppm Ni to 737ppmNi and up to 2 kilometres long and 800 metres wide

The gold anomalies encountered were 25 ppb Au to 75 ppb Au with one spot high of 1010ppm Au. The anomalies extend up to a kilometre long and 500 metres wide, but need infill auger work to help define the size of the anomalies with more precision. Once this is completed a reassessment of the underlying rock types and structures will be allow planning a more extensive drilling program.

EXCLUSIVITY ARRANGEMENT – PURSUE URANIUM IN AFRICA

(Held with Raintree Group Ltd and Palace Resources Limited (ASX code: PXR))

The exclusivity agreement with Palace Resources remains current.

The Company has not recently been made aware of any further activities pursuant to the exclusivity arrangement with the Raintree Group and Palace Resources. All further activity will be reported as it comes to hand.

Competent persons statement:

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by D.Foster, who is a Member of the Australasian Institute of Mining and Metallurgy. D. Foster has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. D.Foster consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For further information:



Adrien Wing
Executive Director

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Appendix 5B

Mining Exploration Entity Quarterly Report

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

Name of Entity

New Age Exploration Limited

ABN

65 004 749 508

Quarter ended ("current quarter")

December 2008

Consolidated Statement of Cash Flows

Cash flows related to Operating Activities		Curent quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(89)	(173)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	11	27
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other		
	Net Operating Cash Flows	(78)	(146)
Cash flows related to Investing Activities			
1.8	Payment for purchases of: (a) prospects /farm-ins (b) equity investments (c) other fixed assets	(74)	(112)
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	(74)	(112)
1.13	Total operating and investing cash flows (carried forward)	(152)	(258)
Cash flows related to Financing Activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – capital raising costs		
	Net Financing Cash Flows		

	Net increase/(decrease) in cash held	(152)	(258)
1.20	Cash at beginning of quarter/year to date	970	1,076
1.21	Adjustments to item 1.20		
1.22	Cash at end of quarter	818	818

Payments to Directors of the Entity and associates of the Directors

Payments to related Entities of the Entity and associates of the related Entities

		Curent quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	22	
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 and/or associated Entities

Non-Cash Financing and Investing Activities

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

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

Financing Facilities Available

Add notes as necessary for an understanding of the position.

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

Estimated Cash Outflows for next quarter

		\$A'000
4.1	Exploration and Evaluation	200
4.2	Development	
Total		200

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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	68	56
5.2	Deposits at call	750	914
5.3	Bank Overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		818	970

Changes in interests in Mining Tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed		
6.2	Interests in mining tenements acquired or increased		

Issued and Quoted Securities at end of Current Quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +Securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary Securities	42,200,000	42,200,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible Debt Securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

7.7	Options (<i>description and conversion factor</i>)	500,000		<i>Exercise price</i> 20	<i>Expiry date</i> 17/9/09
		1,500,000		20	30/11/09
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (<i>totals only</i>)				
7.12	Unsecured Notes (<i>totals only</i>)				

Compliance statement

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

Sign here:

(Director)

Date: 27 January 2009

Print name: Adrien Wing

Notes

- 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.
- The "Nature of Interest" (items 6.1 and 6.2) includes options in respect of interests in Mining Tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a Mining Tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 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.
- The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.