



# High Grade Tungsten-Tin Lodes Identified at Redmoor

Managing Directors Update

26 November 2015

Welcome to the latest NAE Update covering yesterday's announcement on "High Grade Tungsten-Tin Lodes Identified at Redmoor". I have attached a copy of the presentation released yesterday covering the announcement and a full copy of the announcement can be found on our website.

As you are probably aware, earlier this year the board made the decision to put the Lochinvar Coking Coal project in the UK on hold until coking coal prices improve. The board remains confident in the medium to long term outlook for coking coal and the value of the Lochinvar project which is well positioned to take advantage of the next market upturn. In the meantime the Lochinvar licences are being maintained in good standing and we continue to have a part time locally based community liaison officer on site to maintain the strong community relationships we have built.

Since making the decision to put Lochinvar on hold, the Company has been focused on ways to deliver value to shareholders in the shorter term including;

1. A review of our Redmoor tungsten-tin project in Cornwall, UK
2. Searching for new projects in more attractive commodities in current market conditions.

A few months ago we engaged a local Cornish geologist to undertake a detailed search and review of historic mining and geological data available on tungsten-tin lodes within our Redmoor licence. This review has identified a total of 12 high grade tungsten-tin lodes (veins) within NAE's 23km<sup>2</sup> licence over highly prospective ground for tungsten, tin and copper.

3 of these high grade lodes (Johnsons, Great South and Kelly Bray) are well-defined by drilling and mining records and are expected to be continuous over minable extents. A further 4 of the high grade lodes identified are known to exist from historic underground development and in some cases limited mining. The remaining 5 high grade lodes identified have lower confidence however they further support the Redmoor licence area being highly mineralised with significant exploration potential.

Technical consultants, SRK UK, are currently working on modelling of Johnsons Lode and Great South Lode and expect to define a JORC compliant Inferred Resource over these lodes in December along with an updated Inferred Resource for the Redmoor Sheeted Vein System. They will also issue an updated Exploration Target based on high grade lodes identified.

High level mining studies are also being undertaken focusing on high grade, low cost mining options for the project. This work will also be completed in December. We have also recently had a processing review undertaken which has shown that Redmoor ore can be processed at a low cost with high recoveries.

The board believes that the short to medium term outlook for tungsten and tin is favourable relative to most other mining commodities.

Our search for new project opportunities in other commodities also remains ongoing.

I look forward to providing a further update in December when these exciting results are available. Should you have any queries, please feel free to contact me.

Kind regards,

**Gary Fietz**  
Managing Director