

# Quarterly Report

To 31 December 2019

New Age Exploration Limited ("NAE" or "the Company") is pleased to provide shareholders the Company's Quarterly Report for the period ending December 2019.

## Highlights

### Encouraging Results from Phase 1 Exploration at OPQ Gold Exploration Project (EP 60502), Otago, NZ

- High-grade anomalous gold results ranging between 0.1 g/t and 2.5 g/t gold received in December 2019 from 5 shallow man-portable holes (2m to 6m deep) drilled over the OPQ gold target in September 2019.
- The new December 2019 results extend the total number of high-grade anomalous gold results obtained by NAE over the OPQ gold target to 10 results ranging between 0.1 g/t and 2.5 g/t gold from shallow man-portable holes and hand auger drilled holes.
- ~6km potential strike length for the OPQ gold target defined by anomalous gold soil results has been further confirmed by the new results highlighting the potential for one or more narrow zones of high-grade gold mineralization. NAE considers this to be an attractive gold exploration target given the tenor of gold mineralization in the historic OPQ mine over the central part of the target which averaged around 13 g/t gold mined over a 2m width, to a depth up to 65m and over a strike length of ~1.2km.

### Prospecting Permit PP 60544 Granted for Gold Exploration over Prospective Lammerlaw Area, Otago, NZ

- In December 2019, Prospecting Permit PP60544 for gold and other minerals over an area of 265 km<sup>2</sup> in the prospective Lammerlaw area, Otago, New Zealand was granted to NAE after winning a competitive Newly Available Acreage process when the area became available in early 2019.
- The Permit is prospective for Macraes style gold deposits based on research by MacKenzie & Craw in 2016 which identified a 'mirror image' in the south of the Otago Schist belt (within the Permit) of the geology present in the north of the schist belt some 60km away which hosts the >10Moz Au Macraes gold mine.
- New Zealand's largest alluvial gold deposit, Gabriels Gully (>0.5 Moz produced), is located approximately 3km directly to the south of the Permit and the source of the gold remains unidentified. The Permit also contains historic gold, scheelite and antimony workings.
- The culmination of; (a) the analogous geological setting and similar conductivity lineaments to the Macraes gold mines, (b) close proximity of NZ's largest alluvial gold deposit, Gabriels Gully, and (c) historic gold mines being located on the Permit make it particularly prospective area for gold exploration and strengthens NAE's position as a gold explorer in Otago, NZ.

**Redmoor Transaction**

- The first of three \$300,000 quarterly payments was received in October 2019 for the sale of NAE's 50% share of the Redmoor Tin-Tungsten Project to Strategic Minerals Plc ("SML") for a total consideration of \$5.0m. The next \$300,000 quarterly payment is due on or before 31 January 2020.

**Corporate**

- \$693K cash at 31 December 2019, with \$300,000 quarterly cash payments expected at end January 2020 and at end April 2020 and \$1.8M final payment expected end June 2020 from the Redmoor transaction.
- This will place the company in a strong financial position enabling it to focus on advancing its gold exploration projects in Otago, NZ and strengthening efforts to acquire new opportunities which establish shareholder value moving forward.

**Targets for January Quarter 2020**

- OPQ Gold Exploration Project (EP 60502) - a Phase 2 exploration program comprising of drilling (~20m deep holes) and trenching over the OPQ gold target is planned to be undertaken in 2020 to follow up on the encouraging Phase 1 results received in December. A follow up Phase 3 program, comprising of deeper RC and/or diamond drilling (>50m deep holes), is also planned later in 2020 subject to the results of Phase 2.
- Lammerlaw Prospecting Permit (PP 60544) - An initial work program comprising of mapping, soil and rock chip sampling is planned on the Lammerlaw Prospecting Permit in 2020 in combination with NAE's planned further exploration on the adjacent OPQ gold target.
- Continue to search for new value adding project opportunities.

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# Activities

## OTAGO PIONEER QUARTZ GOLD EXPLORATION PROJECT (EP 60502)

### Location of NAE Gold Permits in Otago, New Zealand

In January 2019, NAE was granted a 71.6km<sup>2</sup> Exploration Permit (EP 60502) covering the Otago Pioneer Quartz (“OPQ”) Gold Target located in the Mahinerangi area of Otago, New Zealand.

In December 2019, NAE was also granted a 265.4km<sup>2</sup> Prospecting Permit (PP 60544) in the prospective Lammerlaw area adjoining the OPQ Exploration Permit to the north-west.

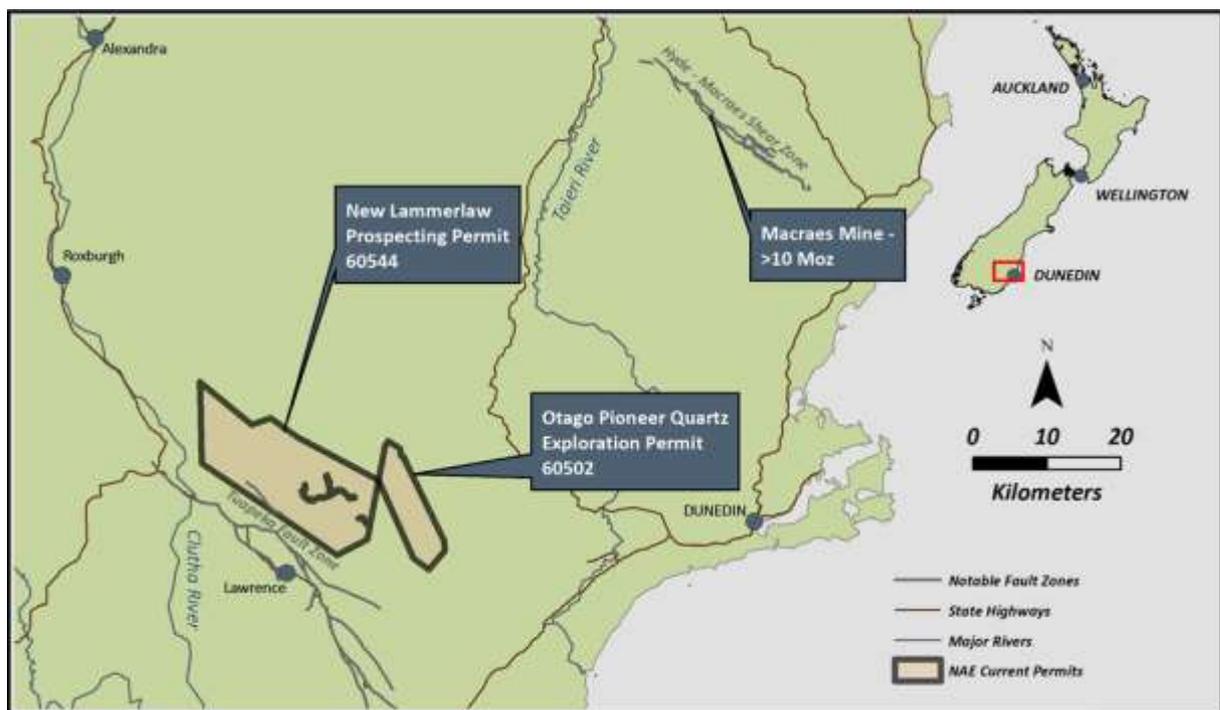


Figure 1- NAE Permits in Otago New Zealand

### Otago Pioneer Quartz Historic Gold Mine

Historic records indicate that the Otago Pioneer Quartz (OPQ) reef was mined over 100 years ago averaging 2m wide over a strike length of at least 1,200m and yielding an average of around 13 grams per tonne Au.

### Soil Au and As Anomaly over Historic OPQ Mine Defined by Macraes Mining

Exploration around the OPQ historic mine area by Macraes Mining Company between 1991 and 1997 further demonstrated As and Au soil anomalies over a distance of approximately 1km strike length above the area of the OPQ reef historically mined (see Figure 2).

### NAE Soil Sampling Programs

NAE undertook a soil sampling program over the OPQ gold target using a man-portable drill and hand auger in February 2018 and a follow up program in September 2018 with key results including:

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- 2 samples located approximately 700m southeast and along strike of the OPQ historic mine and previously defined soil anomaly recorded gold values of 1.4 g/t and 0.6 g/t.
- 0.66 g/t gold located ~2,700m southeast and along strike of the OPQ historic mine and previously defined soil anomaly and ~2,000m southeast and along strike of the 1.4 g/t and 0.6 g/t gold soil results obtained by NAE in February 2018.
- 0.55 g/t and 0.25 g/t gold on a line located north of Lake Mahinerangi ~3,000m northwest and along strike of the OPQ historic mine and previously defined soil anomaly.

In September and October 2019, NAE undertook a further soil sampling program, over the OPQ gold target using a man-portable drill and hand auger with key results released in December 2019 including:

- 5 high-grade anomalous gold results ranging between 0.1 g/t and 2.5 g/t gold in man-portable drillholes
- A further 3 soil and man-portable drill results showed anomalous gold above background levels (>20ppb gold)

The December 2019 results extend the total number of high-grade anomalous gold results obtained by NAE over the OPQ gold target to 10 results ranging between 0.1 g/t and 2.5 g/t gold from shallow man-portable holes and hand auger drilled holes. A further 5 high-grade anomalous gold results between 0.1 g/t and 0.31 g/t gold were also previously obtained by Macraes Mining Company over the OPQ gold target above the historic OPQ Gold Mine area, increasing the number of high-grade anomalous gold results >0.1 g/t gold over the OPQ gold target to a total of 15.

**As shown in Figure 2, the December 2019 results further confirm a ~6 km potential strike length for the OPQ gold target defined by anomalous gold soil results highlighting the potential for one or more narrow zones of high-grade gold mineralization.**

#### **Planned Work Program**

A Phase 2 exploration program comprising of drilling (~20m deep holes) and trenching over the OPQ gold target is planned to be undertaken in 2020 to follow up on the encouraging Phase 1 results.

A follow up Phase 3 program, comprising of deeper RC and/or diamond drilling (>50m deep holes), is also planned later in 2020 subject to the results of Phase 2.

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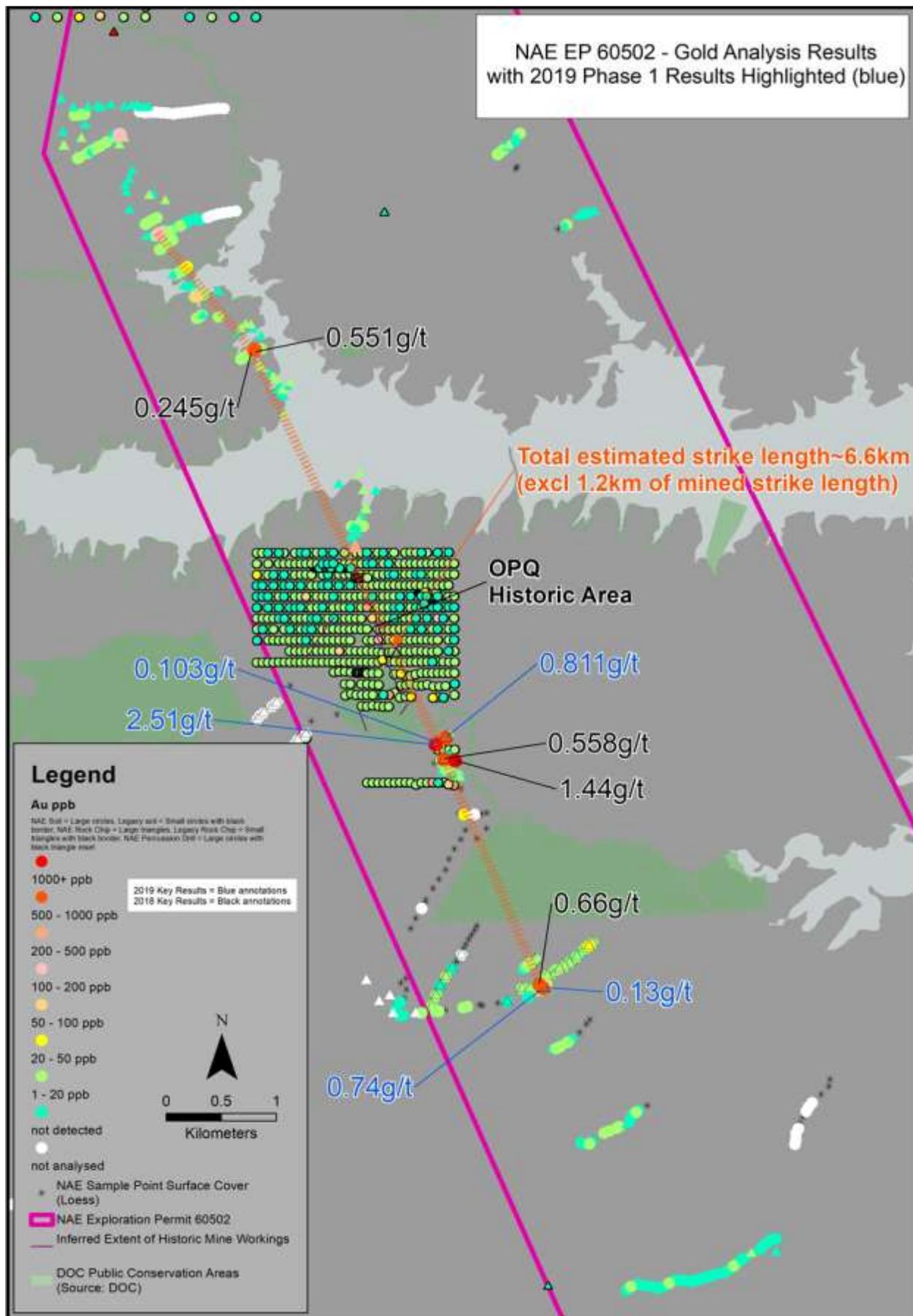


Figure 2 - OPQ Gold Exploration Project Results with Significant Results from 2019 Phase Program Highlighted

## LAMMERLAW PROSPECTING PERMIT (PP 60544)

In December 2019, Prospecting Permit PP60544 for gold and other minerals over an area of 265 km<sup>2</sup> in the prospective Lammerlaw area, Otago, New Zealand was granted to NAE after winning a competitive Newly Available Acreage process when the area became available in early 2019. The Permit adjoins NAE’s OPQ Exploration Permit (60502) to the south-east (see Figure 1).

The Lammerlaw Prospecting Permit has been granted for an initial period of 2 years and with an annual fee of NZ\$8,622 p.a. Prospecting Permits allow low impact prospecting activities to be undertaken such as; geological mapping, soil and rock chip sampling, man-portable hand-held drilling and aerial surveys. An Exploration Permit is required prior to any deep drilling being undertaken which Prospecting Permit holders have the exclusive right of application for during the term of the Prospecting Permit.

### Gold Exploration Targets

The regional geology is dominated by the Otago Schist belt, a high-grade metamorphic schist, which has a long history of both hard rock and alluvial gold mining. The Otago Schist is divided into structural blocks or zones of increasing metamorphic grade known as; Sub-Greenschist Facies, Lower Greenschist Facies, Upper Greenschist Facies and Amphibolite Facies. Gold mineralisation at the >10Moz Au Macraes deposits, hosted in the Hyde Macraes Shear Zone (“HMSZ”), occurs entirely within the Lower Greenschist Facies zone in the northeast of the Otago Schist belt (see Figure 3).

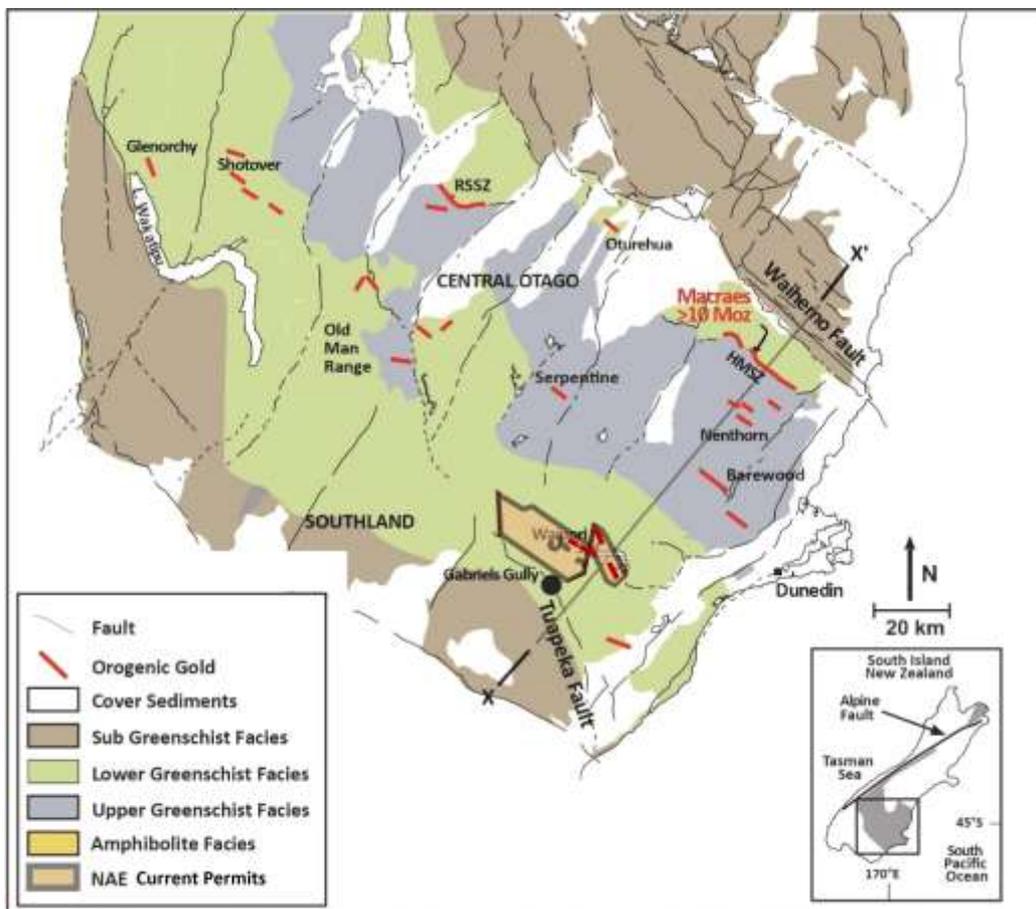


Figure 3 Geological Map - Shear Zone Hosted Gold Mineralisation within the Otago Schist Belt (X-X' shows the cross section line presented in Figure 4)

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Mackenzie and Craw (2016) identified the potential for Macraes style shear zone hosted gold deposits to occur in the southern part of the Otago Schist belt within the Lower Greenschist Facies zone, inside the Permit area. These southern shear zone gold exploration targets have been identified as being a ‘mirror image’ of the geology present in the northern margin of the Otago Schist belt (approximately 60km to the northeast) containing the Hyde Macraes Shear Zone (“HMSZ”) which hosts the Macraes gold mine (>10 Moz) (See Figure 3).

Gold mineralisation such as that found along the HSMZ on the northeastern side of the Otago Schist belt may therefore also be present on the southwestern side of the Otago Schist belt within the Permit. This concept is shown in the schematic cross section in Figure 4 which also highlights conceptual southern shear zone gold exploration targets.

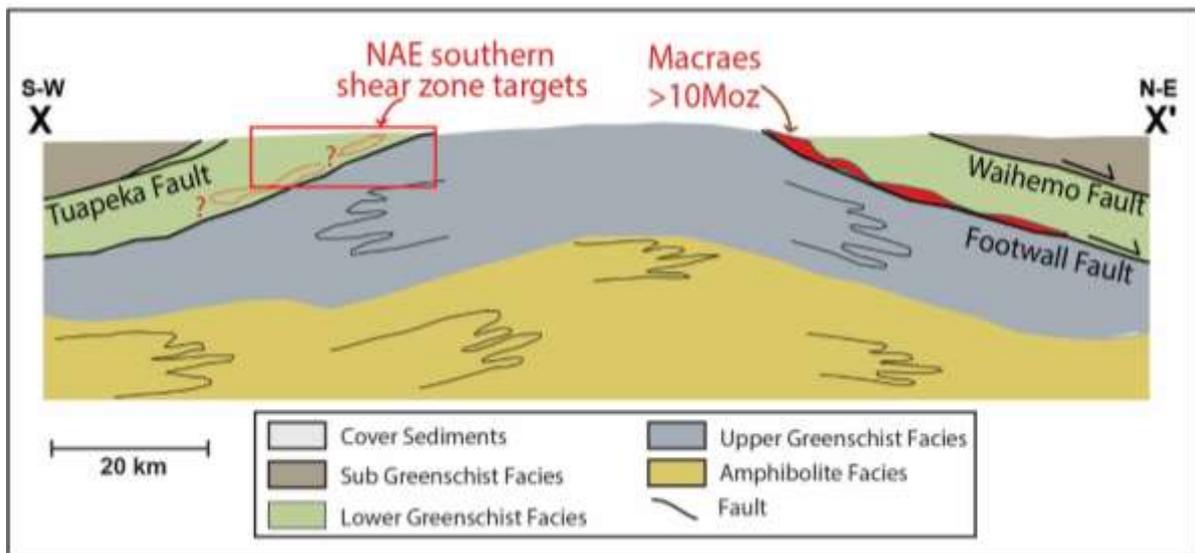


Figure 4 Geological Cross section - Otago Schist Belt & Southern Shear Zone Gold Exploration Targets (cross section line X-X' shown in Figure 3)

### Comparison with Macraes Gold Deposit

The Macraes gold deposit, including the Frasers Open Pit and Underground mine, is the largest gold mine in New Zealand and has produced more than 4 million ounces of gold since opening in 1990. It has a current mineral resource of over 6 Moz making the deposit >10 Moz in total. The Macraes mine is developed in a regionally continuous shear zone known as the Hyde Macraes Shear Zone (“HMSZ”). The HMSZ is up to 150m thick and dips at approximately 20° to the northeast.

The mineralised HMSZ and associated cross faults correlate with conductivity highs from an airborne geophysical survey flown for Glass Earth NZ Ltd in 2007 (see Figure 5a – warm colors (reds and oranges) mark areas of relatively high electrical conductivity).

Conductivity lineaments may therefore be used as a tool to help identify the occurrence of potentially mineralised shear zones in the ‘mirror image’ geological setting within Lower Greenschist Facies target zone in the southern part of the Otago Schist belt within the Permit.

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### Conductivity Lineaments as an Exploration Tool

The South Shear Zone gold exploration targets within the Permit based on conductivity lineaments within the Lower Greenschist zone are shown in Figure 5b (warm colours (reds and oranges) mark potential targets with relatively high electrical conductivity).

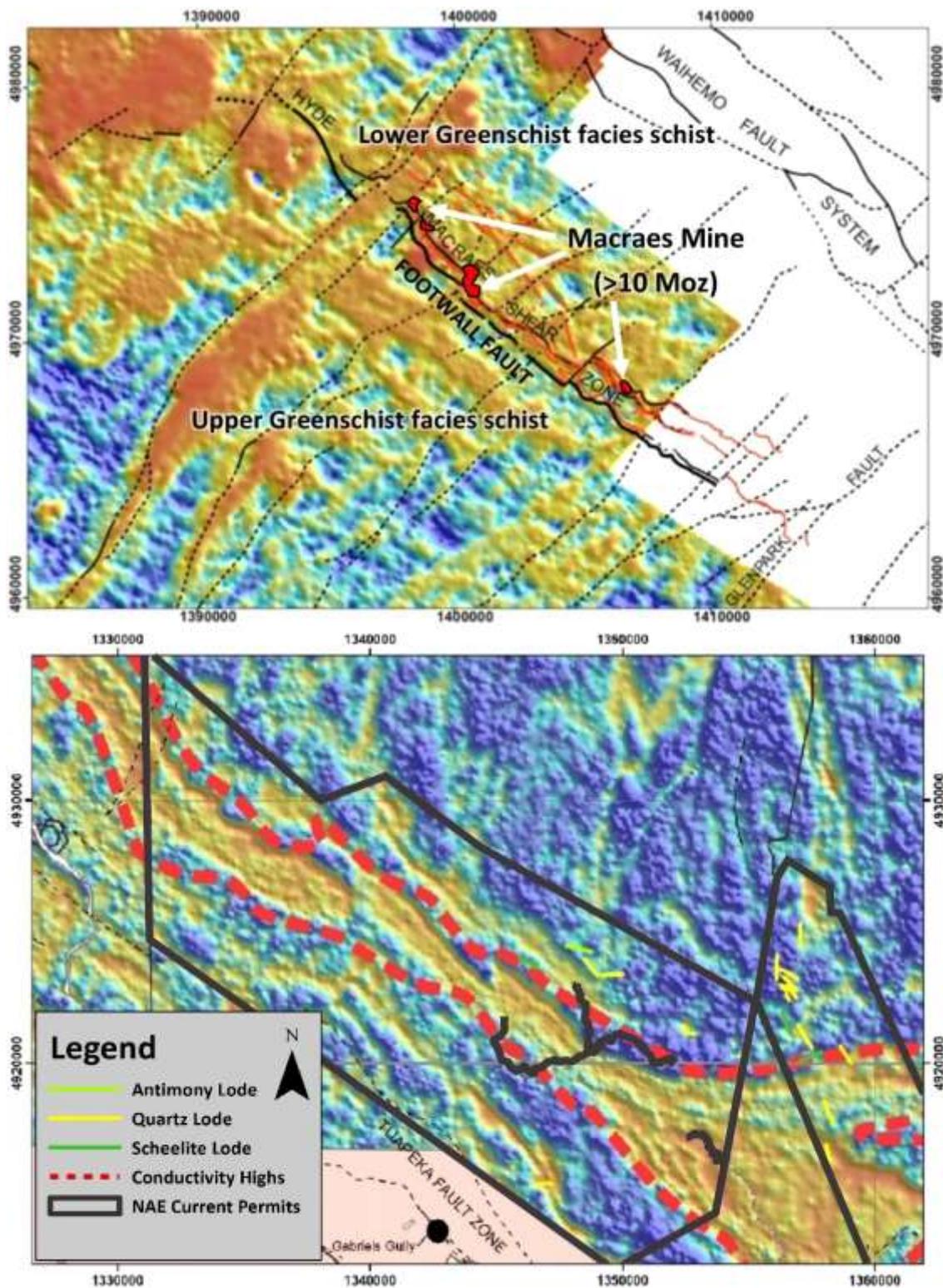


Figure 5; (a) Upper: Conductivity Lineaments over the Hyde Macraes Shear Zone on same scale for comparison, (b) Conductivity Lineaments over NAE Lammerlaw Prospecting Permit and OPQ Exploration Licence Areas

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More specifically, MacKenzie & Craw (2016) propose that the boundary of a lens shaped block in the south of the Otago schist belt as defined by conductivity features (see Figure 6) may be analogous to the contact between Upper and Lower Greenschist Facies schist where the Macraes Footwall Fault and gold mines are located and the Tuapeka Fault Zone near the southern boundary of the Permit may be analogous to the Waihemo Fault System to the north of the Hyde Macraes Shear Zone.

The relinquished Mahinerangi Prospecting Permit (60254) to the east of the Permit and the relinquished Teviot Prospecting Permit (60255) to the west of the Permit contain only the eastern and western margins of this lens shaped target block. The main part of the lens shaped block within Lower Greenschist Facies in the southern part of the Otago Schist belt lies within the Permit and remains untested.

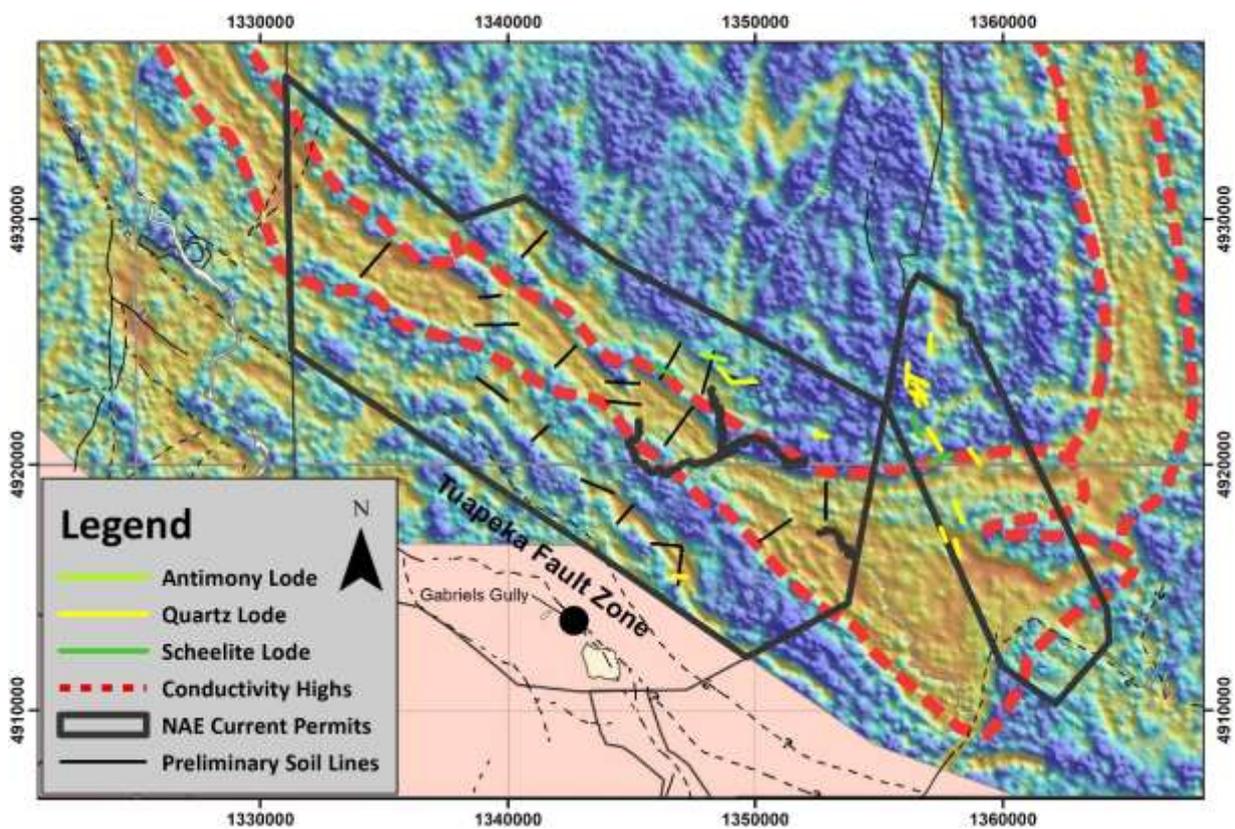


Figure 6 - Conductivity Lineaments over NAE Lammerlaw Prospecting Permit with Priority Exploration Target (Soil Sampling Lines) Marked (Black)

### Historic Gold Mining

The Permit contains the historically mined Bella Lode where gold was mined in the late 1800's with an average grade of 15 g/tonne Au over 0.6-1.8m thickness, before the mine closed in 1901. The Permit also contains a historically mined antimony lode along and scheelite (tungsten) workings with minor occurrences of copper, silver and mercury.

New Zealand's largest alluvial gold deposit, Gabriels Gully (>0.5 Moz produced), is located approximately 3km directly to the south of the Permit the source of the gold remains unidentified.

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### Planned Work Program

The culmination of the geological setting being analogous to the Hyde Macraes Shear Zone, the presence of conductivity lineaments similar to the Hyde Macraes Shear Zone to target exploration, the close proximity of New Zealand's largest alluvial gold deposit (Gabriels Gully), and historic gold mines being located on the Permit make it particularly prospective for gold exploration.

An initial exploration program will commence in 2020 in combination with planned further exploration on the OPQ gold target within the adjacent NAE Exploration Permit 60502. Initial fieldwork will focus on geological mapping soil sampling and rock chip sampling. Priority soil sampling lines are shown in black on Figure 6.

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## LOCHINVAR COKING COAL PROJECT, UK

The Lochinvar Coking Coal Project is located on the Scottish / English border. NAE holds exploration licences, conditional mining licences and option agreements over the Lochinvar area, Lochinvar North area and Lochinvar South area as shown in Figure 1. All licences are in good standing and are 100% owned by NAE.

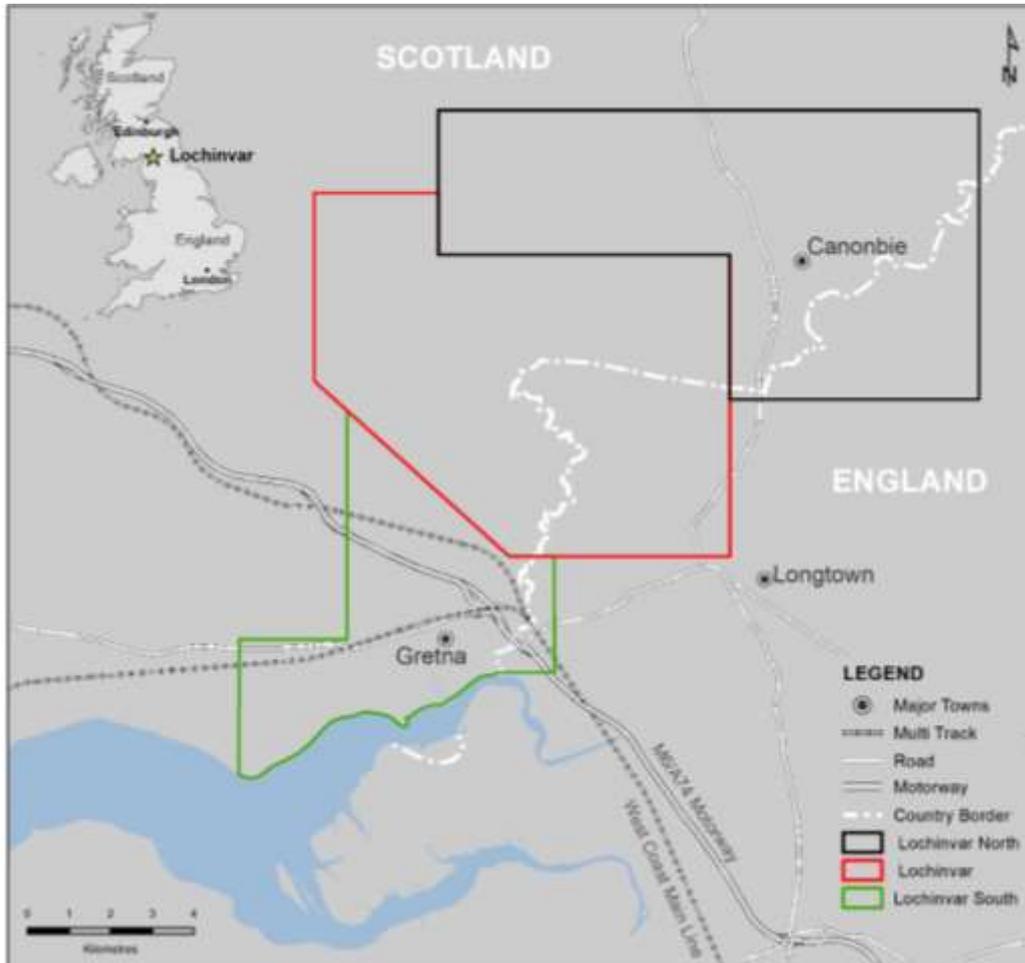


Figure 7- Location of the Lochinvar Licences

### Lochinvar Mineral Resource<sup>1</sup>

A Total Resource of 111 Mt has been defined by independent technical consultants, Palaris, for the Nine Foot and Six Foot Seams within the Lochinvar licence as shown in Table 1.

Table 1 - Lochinvar Indicated and Inferred Resource Summary (August 2014)

Coal Seam (Air Dried Basis)	Indicated Resource (Mt)	Inferred Resource (Mt)	Total Resource (Mt)
Nine Foot Seam	37	49	86
Six Foot Seam	13	13	26
<b>Total</b>	<b>49</b>	<b>62</b>	<b>111</b>

<sup>1</sup> NAE announcement 29 August 2014, Lochinvar Resource Upgrade and Product Quality

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An additional Exploration Target of 31 – 64Mt was also identified by Palaris within the Lochinvar and Lochinvar South Licences<sup>1</sup>.

***The potential quantity and quality of the Exploration Targets is conceptual in nature. Insufficient exploration has been undertaken to estimate a Mineral Resource and it is uncertain that further exploration will result in the estimation of a Mineral Resource.***

### **Lochinvar Scoping Study**

In March 2017, NAE announced the results of an update of the Lochinvar Scoping Study, which showed a base-case NPV 9%, determined to an accuracy of  $\pm 40\%$ , of approximately US\$410M, an IRR of approximately 27% and a payback period of approximately 4 years for the project. The study also demonstrated that the Lochinvar Project is robust to changes in Coking Coal price and other key assumptions (break even HCC price is US\$100/t). The economic evaluation was based on a US\$160/t HCC Benchmark Price / US\$150/t Lochinvar realised Price.

The Lochinvar Scoping Study results show the potential for the project to deliver excellent returns on investment with lowest quartile operating costs resulting from short rail transport distances, low labour costs, high coal yield (71%), low royalties, and low taxes.

Lochinvar sits comfortably in the lowest quartile of the 2017 Wood Mackenzie Global Seaborne Coking Coal FOB cost curve. With a total FOB Operating Cost of US\$58/t, Lochinvar has the potential to deliver a low-cost, long life operation which is ideally located to supply the European steel industry.

### **Lochinvar North Exploration Target**

In addition to the coking coal resource contained within the Lochinvar Licence, upon which the Scoping Study is based, the adjoining Lochinvar North licence (granted to NAE in April 2019) and Lochinvar South licence also contain significant coking coal exploration targets.

Localised coal mining occurred within the Lochinvar North licence area from the mid-1800's to the early 1920's in the eastern part of the coalfield, where the coal seams are exposed near the surface.

In the 1950's, 5 boreholes were drilled by the National Coal Board within the Lochinvar North licence area. 4 of these boreholes intersected the Nine Foot Seam and/or the Six Foot seam confirming the continuity of coking coal seams within the Lochinvar North licence with an average thickness of 4.1m for the Nine Foot Seam and 1.8m for the Six Foot Seam, and similar coal quality to that recorded in the Lochinvar licence. These intersections show a thickening of the coal seams, when compared to the adjacent Lochinvar licence.

Exploration data from NAE's adjacent Lochinvar licence, combined with historic borehole and seismic data over the Lochinvar North licence provided the basis for an Exploration Target over the Lochinvar North Licence. In April 2019, soon after NAE being granted the licence, an Exploration Target for the Lochinvar North licence ranging from 77-142 million tonnes was estimated by independent technical consultants, Palaris, in the Nine Foot and/or Six Foot Seams to a maximum depth of 1,000m and minimum thickness of 1.2 m.

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Table 2 Lochinvar North Exploration Target <sup>2</sup>

Description	Tonnage Range (Mt)
Nine Foot Seam Only	77-104 Mt
Nine Foot Seam plus Six Foot Seam	105 -142 Mt
Lochinvar North Licence Exploration Target	77-142 Mt

*The potential quantity and quality of the Exploration Targets is conceptual in nature. Insufficient exploration has been undertaken to estimate a Mineral Resource and it is uncertain that further exploration will result in the estimation of a Mineral Resource.*

Lochinvar North has the potential to extend the Lochinvar resource, reduce the depth to first coal from surface therefore reducing the length and capital cost of the decline, increase mining production rate and increase mine life for the total Lochinvar project.

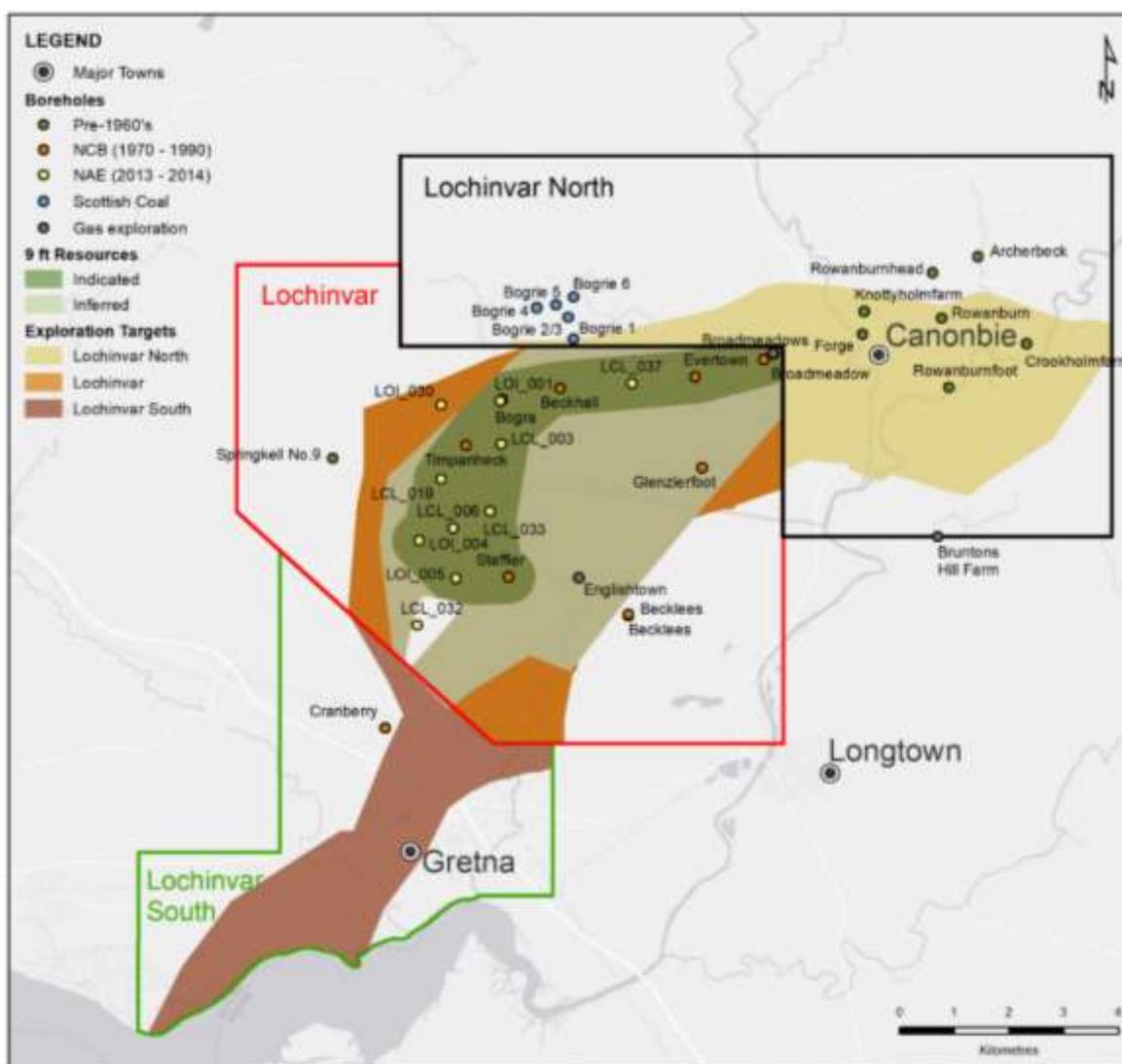


Figure 8 - NAE Lochinvar Licences, Resource and Exploration Target areas

<sup>2</sup> NAE Announcement – Lochinvar North Exploration Target, 15 April 2019

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### Lochinvar Bord & Pillar Mining Potential

In September 2019, an optimisation study on the Lochinvar Project was completed by technical consultants, Palaris. The study identified the following opportunities for improvement:

- Opportunity to reduce ventilation shaft construction cost based on revised contractor quotes
- Opportunity to reduce costs of initial underground roadway development to reach first longwall mining panel based on updated estimates by Palaris
- Addition of a single Bord and Pillar mining panel to produce salable coal during the 2-year project construction period and prior to coal production from the first longwall panel.

The optimisation study also highlighted the potential for extended use of Bord and Pillar underground mining method at Lochinvar:

- Expected Bord and Pillar mining costs at Lochinvar appear to be competitive with other international Bord and Pillar underground coal mining operations benchmarked by Palaris.
- Bord & Pillar mining expected to be possible at Lochinvar to depths less than 400 m from the surface where geotechnical conditions are typically more benign than at greater depths.
- 33<sup>3</sup> Mt of the total Lochinvar coking coal resource in the Nine Foot seam is between 200 m and 400 m deep and has potential to be mined via the Bord and Pillar underground mining method. Of this, 21.2 Mt is in the Indicated Resource category and 11 Mt is in the Inferred Resource category<sup>4</sup>.
- The Exploration Target within the Lochinvar North licence may also offer potential for Bord and Pillar mining, subject to further exploration and confirmation of resources.
- Although the Bord and Pillar mining method is slightly more expensive than the longwall mining method, it has a number of significant advantages including; significantly lower start-up capital costs, increased flexibility to accommodate faulting and geological structure encountered in mining and to manage coal quality variation within the deposit, and, increased ability to scale production rate to meet market demands by adding/removing continuous miner units.
- NAE now plans to further study the potential for an extended Bord and Pillar underground mining operation at Lochinvar, prior to the commencement of longwall mining.

### Renewal of Lochinvar South Licences

In October 2019, NAE's Lochinvar South exploration licences, conditional mining licences and option agreements were renewed for a further 5-year period to October 2024 by The Coal Authority.

<sup>3</sup> Subject to rounding

<sup>4</sup> NAE Announcement, 29 August 2014: Lochinvar Resource Upgrade and Product Quality

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## REDMOOR TRANSACTION

In July 2019, a transaction was completion to sell NAE's 50% share of the Redmoor Tin-Tungsten Project, located in Cornwall, United Kingdom to Strategic Minerals Plc ("SML") for a total consideration of \$5.0m as follows:

- \$3.0m in cash payments between June 2019 and June 2020 payable as follows:
  - Initial payments totaling \$300,000 completed in June and July 2019
  - The first of three \$300,000 quarterly payments was received in October 2019 (increasing the total paid to date to \$600,000). The two remaining \$300,000 quarterly payments are due on or before 31 January 2020 and on or before 30 April 2020
  - \$1,800,000 payment due on or before 26 June 2020
  - 5% p.a interest payable on outstanding payment balance from 26 July 2019
  - Payments secured by charges over CRL shares and property and an NAE option to convert any outstanding balances due to SML shares at a 10% discount to market price in the event of default
- \$2.0m in royalty payments payable as follows:
  - \$1,000,000 on Net Smelter Sales arising from Redmoor production reaching A\$50m
  - \$1,000,000 on Net Smelter Sales arising from Redmoor production reaching A\$100m

The Redmoor sale transaction is expected to provide the Company with over \$3.0m cash inflow from the transaction over the 12-month period from June 2019 to June 2020. This will place the company in a strong financial position enabling it to focus on advancing its gold exploration projects in Otago, NZ and strengthening efforts to acquire new opportunities which establish shareholder value moving forward.

## CORPORATE

### Strategy

Finalisation of the Redmoor sale transaction has provided the Company with an expected \$3.0m cash inflow from the transaction over the 12-month period from June 2019 to June 2020. This will place the company in a strong financial position enabling it to focus on advancing its gold exploration projects in Otago and strengthening efforts to acquire new opportunities which establish shareholder value moving forward.

The Company will continue to progress opportunities for funding of the Lochinvar Project with interested parties during the March quarter.

The Company will continue its search for new value adding opportunities, leveraging off its stronger financial position post 30 December 2019.

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## COMPETENT PERSONS STATEMENT

### LOCHINVAR

The Resources estimate is based on information compiled by Dr John Bamberry, who is a Member of the Australasian Institute of Geoscientists (Member No. 4090). Dr Bamberry is the Principal Geologist at Palaris. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 Bamberry has over 25 years' experience in exploration and mining of coal deposits.

Neither Dr Bamberry nor Palaris have a direct or indirect financial interest in, or association with New Age Exploration Ltd, the properties and tenements reviewed in this report, apart from standard contractual arrangements for the preparation of this report and other previous independent consulting work. In preparing this report, Palaris has been paid a fee for time expended based on standard hourly rates. The present and past arrangements for services rendered to New Age Exploration Ltd do not in any way compromise the independence of Palaris with respect to this review.

### OPQ GOLD EXPLORATION PROJECT AND LAMMELAW PROSPECTING PERMIT

The information in this report that relates to Exploration Results is based on information reviewed by Kyle Howie, who is an exploration geologist and is a Member of the Australian Institute of Geoscientists. Kyle Howie has over 25 years experience in precious and base metal exploration and resource calculation including gold exploration and resource definition in the Otago region. Kyle Howie has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Kyle Howie consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## FORWARD LOOKING STATEMENTS

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.

## SUPPORTING INFORMATION AND CAUTIONARY STATEMENTS

This presentation has been prepared as a summary only, and does not contain all information about NAE’s projects or its assets and liabilities, financial position and performance, profits and losses, prospects, and the rights and liabilities attaching to NAE’s securities. The securities issued by NAE are considered speculative and there is no guarantee that they will make a return on the capital invested, that dividends will be paid on the shares or that there will be an increase in the value of the shares in the future. NAE does not purport to give financial or investment advice. No account has been taken of the objectives, financial situation or needs of any recipient of this report. Recipients of this report should carefully consider whether the securities issued by NAE are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position.

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### FOR MORE INFORMATION

NEW AGE Exploration Ltd  
 ACN 004 749 508  
 Level 17, 500 Collins Street  
 Melbourne, VIC 3000  
 Phone: +61 3 9614 0600  
 Email: [info@nae.net.au](mailto:info@nae.net.au)

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In accordance with ASX Listing Rule 5.3.3, New Age Exploration Limited provides its list of exploration licences with its December quarterly activities report (as at 31 December 2019).

Licence No.	Project	Country	Area (km <sup>2</sup> )	Licence Type	NAE Group % Interest
CA11/EXP/0515/N	Lochinvar	United Kingdom	67.5	Exploration Licence	100%
CA11/UND/0176/N	Lochinvar	United Kingdom	67.5	Conditional Underground Licence and Option Agreement	100%
CA11/EXP/0545/N	Lochinvar South	United Kingdom	51.0	Exploration Licence	100%
CA11/UND/0182/N	Lochinvar South	United Kingdom	51.0	Conditional Underground Licence and Option Agreement	100%
CA11/EXP/570/N	Lochinvar North	United Kingdom	66.5	Exploration Licence	100%
CA11/OPC/0447/N	Lochinvar North	United Kingdom	66.5	Conditional Surface and Underground Licence and Option Agreement	100%
EP60502	Otago Pioneer Quartz	New Zealand	71.55	Exploration Permit	100%
PP60544	Lammerlaw	New Zealand	265.38	Prospecting Permit	100%

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

New Age Exploration Limited

ABN

65 004 749 508

Quarter ended ("current quarter")

31 December 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(4)	(4)
(b) development		
(c) production		
(d) staff costs	(68)	(211)
(e) administration and corporate costs	(144)	(255)
1.3 Dividends received (see note 3)		
1.4 Interest received		25
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(216)</b>	<b>(445)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation (if capitalised)	(44)	(122)
(e) investments		
(f) other non-current assets		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments	300	590
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>256</b>	<b>468</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		(23)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>		<b>(23)</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	653	694
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(216)	(445)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	256	468
4.4	Net cash from / (used in) financing activities (item 3.10 above)		(23)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		(1)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>693</b>	<b>693</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	193	644
5.2	Call deposits	500	9
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>693</b>	<b>653</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

56

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Director salaries and consulting fees.

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## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		

7.5 <b>Unused financing facilities available at quarter end</b>	
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(216)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(44)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(260)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	693
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	693
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	2.67

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

N/A

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 January 2020

Authorised by:   
Joshua Wellisch  
Director

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.