

Recommendation

BUY; High Risk

Price

3.0c

Valuation

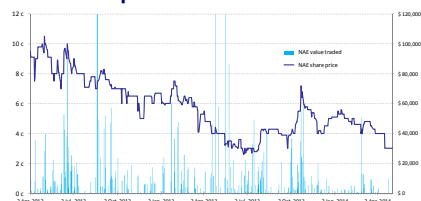
17c

- **NAE is completing its phase 1b drilling program, with 3 of 4 holes drilled. NAE expect to announce an updated Resource estimate, including a portion in the Indicated category, in June 2014.**
- **NAE have begun the work for the Scoping Study. This is expected to be completed in August 2014.**
- **The NAE share price has been soft, as coal prices have weakened. However, we do not expect that NAE will begin production until 2017, by which time we expect that benchmark coking coal prices will have recovered to our Long Term projection of USD 170/t.**

Snapshot

Market Cap	\$9.4m
Shares on Issue	312.25m
52 Week High	7.2c
52 Week Low	2.6c
1 month / 6 month VWAP	3.19c / 4.33c

NAE Share price v. volume



Lochinvar is part of the Canonbie coal field, which was first drilled in the 1950s by the UK National Coal Board.

Lochinvar was explored intermittently until the mid 1980s, when it was shelved with much of the UK coal industry.

Lochinvar coal appears to be similar to Maltby, an English mine that was shut in 2013, which reportedly sold for about 80% of HQ HCC benchmark, FOB, but with a transport premium of up to \$20/t.

NAE expects a scoping study to be completed by August 2014.

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NAE now has 112Mt in Resources, and is upgrading this estimate

NAE has started a drill programme of 4 infill holes to upgrade the estimate in the west and central portions of the deposit from Inferred to Indicated. The results will be progressively announced and be incorporated into the Scoping Study.

Capital raised and Scoping Study underway

NAE raised \$2.2m in equity in late March / early April to execute the Scoping Study. All the consultants have been appointed. The drilling program which will provide information on the Resource estimate, coal qualities, geotechnical data and mine design for the Scoping Study, has completed 3 of its scheduled 4 holes.

NAE share price has been soft, with the coal price

The coking coal market has been soft due to increasing supply, especially by BHP-Mitsubishi Alliance and from Chinese domestic mines, as well as de-stocking by Chinese steel mills.

The current contract price is \$120/t, down from \$145/t for the December quarter. The spot price fell to \$106/t in March and was recently \$115/t.

We have lowered our coal price profile and reduced our assumed Long Run price to \$170/t (at AUD-USD of 0.850, for AUD 200/t).

Beer & Co's risked valuation softens to 17c.

There are many estimates in our valuation, in addition to the coal price, including production rates, capital and operating costs. These will be informed by the results of the scoping study.

We are confident that coking coal prices will be much higher when NAE gets Lochinvar into production.

Our testing derives a heavily risked valuation higher than the current share price even at current, depressed coking coal prices.

We retain a BUY, High Risk recommendation.

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NAE : Equity raised, scoping study under way

Phase 1b drilling

On 5 March, NAE announced that it was starting a 4 hole drilling programme to upgrade part of the existing Inferred Resource, of 112Mt to Indicated. Figure 1 shows the 4 holes in this programme.

The programme will gather geotechnical data on coal seam roof and floor conditions which will be incorporated into the Scoping Study to define primary mining method options.

As well as obtaining geotechnical data, depth of 1,000m further metallurgical information on raw and clean coal quality will be obtained.

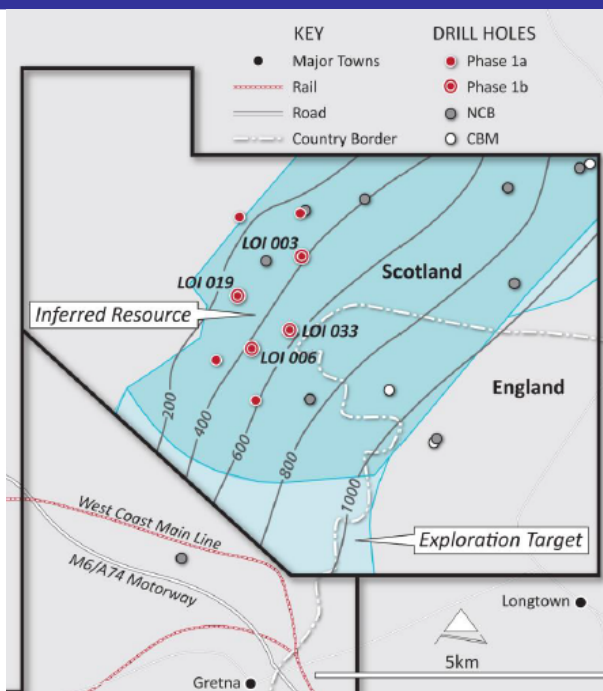
The drilling of 3 of these 4 holes has been completed. The programme is expected to be finished by mid May.

This information will be used in the Scoping Study which is expected to be completed by August 2014.

Lochinvar has an Inferred Resource of 112Mt of good quality coking coal

NAE's phase 1b drilling programme, with 4 bore holes in the central permit area, will upgrade some of the Resource from Inferred to Indicated.

Figure 1 : Phase 1b drill programme



Source : NAE Quarterly report, March 2014

Soft coal prices holding back NAE share price

The contract price for the December quarter was \$152/t; for the March 2014 quarter it was \$143/t.

The contract price for the current quarter is \$120/t.

The spot price was \$120/t at the start of March and had fallen to \$106/t by the end of March; it had recovered to \$115/t by mid April.

The weak coking coal price has been due to :

- Increasing Chinese domestic supply, with a new 6Mt/yr development in Shanxi province;
- Increasing production from BHP Billiton Mitsubishi Alliance in Central Queensland, from 52Mt in 2013 to 60Mt in 2014; and
- De-stocking by Chinese steel mill.

Current low prices are causing some mines to cut back or close

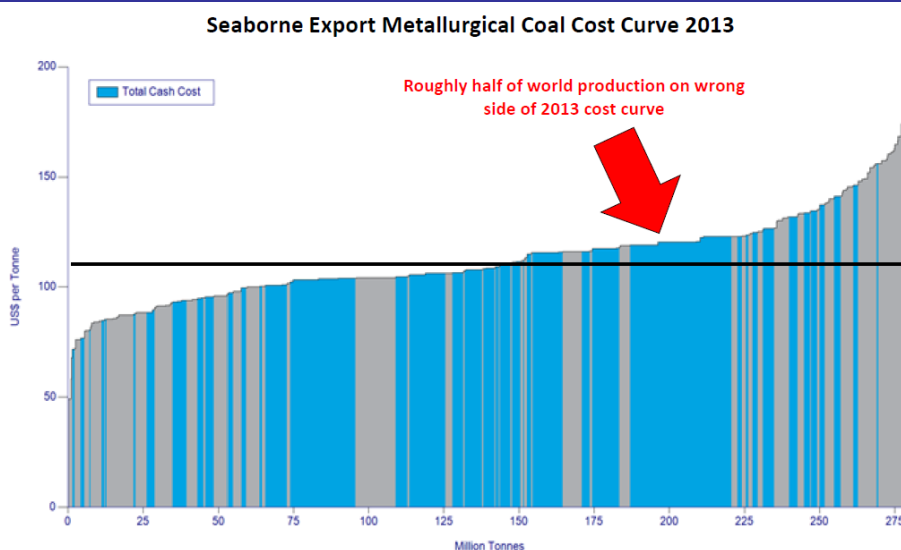
However, some mines, especially in the USA, are closing in response to the low prices. It is our understanding that the projected surplus for 2014 has fallen as a result of mine closures, from about 17Mt at the start of the year to under 10Mt.

We also understand that Chinese steel mills have come back into the market, looking to buy at the low prices.

Figure 2 shows that about 45% of the global seaborne metallurgical coal supply fails to cover its C1 cost at the current price.

Figure 2 : Metallurgical coal cash costs, 2012

Current prices are unsustainably low



Source: Wood Mackenzie Ltd. Dataset: August 2013

Source : Tigers Realm Coal (TIG.ASX) presentation, May 2014

We note that

We have adjusted our projected HQ HCC prices, reducing our Long Run projected price from \$175/t to \$170/t, and increasing the time take for the price to recover from present levels

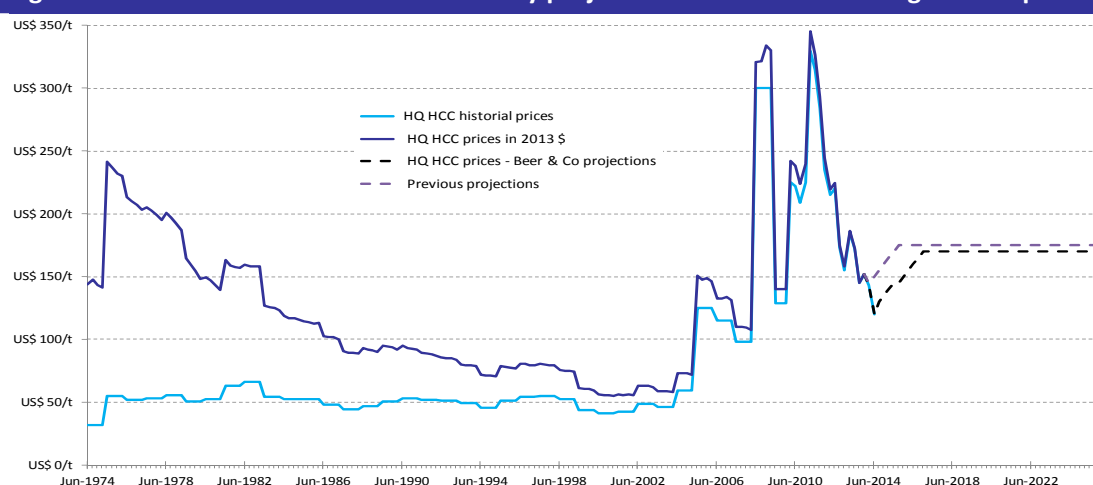
- C1 costs are probably LOWER in 2014 than they were in 2012-13 as general cost pressures on the industry have eased;
- There are some exporters who continue to produce even though they are loss making , such as Anglo American in Queensland due to its take-or-pay rail and port contracts; and
- The chart above is C1 costs and does not include sustaining capital and associated exploration.

In Beer & Co's view prices for metallurgical coal will re-bound as current prices are unsustainably low. However, this could take some time as natural demand growth is low and hence it takes time for over-capacity to be worked out.

In our view, the current cost curve has probably shifted down, so we have reduced our assumed Long Run HQ HCC price from \$175/t to \$170/t. We have also delayed the recovery of the price.

Figure 3 shows our previous projected HQ HCC prices and our current projections used in this analysis.

Figure 3 : Historical and revised and formerly projected benchmark metallurgical coal price.



Source : TEX Report, McCloskeys, Beer & Co

NAE : Impact of lower projected prices

Figure 4 shows Beer & Co’s projections for NAE. It shows that we have projected that the HQ HCC prices will still have reached our projected Long Run levels at about the same time as the Lochinvar project gets into production.

Figure 4 : Projected cashflows, NAE’s Lochinvar project

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2025-26	2026-27	2027-28
HQ HCC price	\$ 140/t	\$ 138/t	\$ 153/t	\$ 169/t	\$ 170/t	\$ 170/t	\$ 170/t	\$ 170/t	\$ 170/t	\$ 170/t	\$ 170/t
AUD-USD	0.892	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850
GBP - USD	1.584	1.600	1.600	1.600	1.600	1.600	1.600	1.600	1.600	1.600	1.600
HQ HCC in AUD terms	\$A157/t	\$A162/t	\$A179/t	\$A199/t	\$A200/t	\$A200/t	\$A200/t	\$A200/t	\$A200/t	\$A200/t	\$A200/t
Coal sold	0 kt	0 kt	0 kt	149 kt	930 kt	1,013 kt	1,013 kt	1,013 kt	1,013 kt	1,013 kt	1,013 kt
Revenue, Lochinvar blend	\$ 125/t	\$ 123/t	\$ 135/t	\$ 148/t	\$ 149/t	\$ 149/t	\$ 149/t	\$ 149/t	\$ 149/t	\$ 149/t	\$ 149/t
Total Revenue	US\$ 0m	US\$ 0m	US\$ 0m	US\$ 22m	US\$ 138m	US\$ 150m	US\$ 150m	US\$ 150m	US\$ 150m	US\$ 150m	US\$ 150m
Total Cash Costs	US\$ 0/t	US\$ 0/t	US\$ 0/t	US\$ 83/t	US\$ 66/t	US\$ 66/t	US\$ 66/t	US\$ 67/t	US\$ 70/t	US\$ 70/t	US\$ 70/t
Royalties	US\$ 0m	US\$ 0m	US\$ 0m	(US\$0m)	(US\$0m)	(US\$0m)	(US\$0m)	(US\$0m)	(US\$0m)	(US\$0m)	(US\$0m)
Dep'n & Amort'sn	US\$ 0m	US\$ 0m	US\$ 0m	(US\$1m)	(US\$6m)	(US\$11m)	(US\$11m)	(US\$11m)	(US\$11m)	(US\$11m)	(US\$11m)
E B I T	US\$ 0m	US\$ 0m	US\$ 0m	US\$ 6m	US\$ 68m	US\$ 72m	US\$ 72m	US\$ 71m	US\$ 68m	US\$ 67m	US\$ 67m
Interest Expense	US\$ 0m	US\$ 0m	US\$ 0m	(US\$9m)	(US\$19m)	(US\$17m)	(US\$15m)	(US\$12m)	US\$ 0m	US\$ 0m	US\$ 0m
Tax Expense	US\$ 0m	US\$ 0m	US\$ 0m	US\$ 1m	(US\$10m)	(US\$11m)	(US\$11m)	(US\$12m)	(US\$14m)	(US\$13m)	(US\$13m)
N P A T	US\$ 0m	US\$ 0m	US\$ 0m	(US\$3m)	US\$ 39m	US\$ 44m	US\$ 45m	US\$ 47m	US\$ 54m	US\$ 54m	US\$ 54m
Feasibility	(US\$3m)	(US\$6m)	(US\$3m)	US\$ 0m	US\$ 0m	US\$ 0m	US\$ 0m	US\$ 0m	US\$ 0m	US\$ 0m	US\$ 0m
Project Cap.Ex Cap.Ex	US\$ 0m	US\$ 0m	(US\$69m)	(US\$162m)	US\$ 0m	US\$ 0m	US\$ 0m	US\$ 0m	US\$ 0m	US\$ 0m	US\$ 0m
Sus. Cap. Ex	US\$ 0m	US\$ 0m	US\$ 0m	(US\$1m)	(US\$5m)	(US\$5m)	(US\$5m)	(US\$5m)	(US\$18m)	(US\$18m)	(US\$5m)
Net Project Cashflow	(US\$3m)	(US\$6m)	(US\$69m)	(US\$164m)	US\$ 41m	US\$ 50m	US\$ 51m	US\$ 53m	US\$ 61m	US\$ 60m	US\$ 60m

Source : Beer & Co estimates

This means that the current low prices do not impact on our valuation, but the lower Long Run price does impact on net cashflows and hence valuation.

Figure 5 shows Beer & Co's revised valuation, based on the cashflows shown in Figure 4 and allowing for project risk. It shows that our per share valuation of NAE has been reduced from 18.5c to 17c.

The result has little impact on our projected cashflows and valuation

Our lower L-R coal price has reduced our risk adjusted valuation from 18.5c to 17c.

Figure 5 : Beer & Co's revised valuation is 17c

	discount rate = 12.0 %	30-Jun-13			6-May-14	
		risk :	100%	Product	per share	
Lochinvar, NAE share		50 %	\$A 168m	\$A 84m	8.8 c	12.5 c
Asset sale		50 %	\$A 46m	\$A 23m	2.4 c	2.4 c
Corporate		100 %	(\$A 30m)	(\$A 30m)	(3.2c)	(3.2c)
Exploration		75 %	(\$A 2m)	(\$A 4m)	(0.4c)	(0.4c)
Cash / debt		100 %	\$A 5m	\$A 5m	0.5 c	0.5 c
Cash to be raised		100 %	\$A 51m	\$A 51m	5.4 c	5.4 c
TOTAL			\$A 237m	\$A 129m	13.5 c	17.2 c
Shares on issue			258.3m	FPO shares	22.6m	options
			54m	issued 2014	0.0m	op. ex'd
			640m	issued 2015 & 16		

Source : Beer & Co estimates

Figure 6 tests the sensitivity of Beer & Co's valuation to changes in the assumed coal price. It shows that, while our valuation is very sensitive to the coal price, even at current coal prices, together with the risk we have assumed as shown in Figure 6, our risked valuation is still greater than the current share price are known.

Our valuation is very sensitive to the coal price assumed

Figure 6 : Sensitivity of Beer & Co's valuation of NAE

	US\$ 120/t	US\$ 135/t	US\$ 150/t	US\$ 165/t	US\$ 170/t	US\$ 175/t
risked	4.6 c	8.1 c	12.0 c	15.9 c	17.2 c	18.1 c
un-risked	8.1 c	11.8 c	18.4 c	25.0 c	27.2 c	29.6 c

Source : Beer & Co estimates

However, We caution that the capital and operating costs used in the projected cashflows are Beer & Co's estimates. They may need to be revised when the results of the scoping study

Other

NAE is focussed on Lochinvar and is reducing its overhead costs

As a result of the placement and SPP, NAE has raised about \$2.2m.

NAE has also taken action to reduce its costs and realise some value

- Directors and senior management has agreed to a reduction in annual fees / salaries of \$80k;
- Most Colombian interests have been returned to the previous owner and the costs of the remaining interest have been reduced to a non-material level; and
- NAE is seeking to divest its Redmoor tin-tungsten project in south-west England, for which 4 parties have registered an interest and divestment is expected by September.

Conclusions

Current coking coal prices are unsustainably low

NAE's share price has been dragged down by current soft prices for metallurgical coal. In Beer & Co's view, current prices are unsustainably low.

However, we have reduced our long run prices and the time take to achieve that price. As a result, our risk adjusted valuation has been reduced from 18.5c to 17c.

Delaying the recovery in the coal price from present levels has almost no impact on the valuation of NAE as it will not be producing until 2017

We tested the sensitivity of our valuation to the assumed coal price and found that even at current, depressed, coal prices and even with our significant risk weighting, our derived valuation at the current coal price is greater than the current NAE share price.

NAE has also taken action to reduce its costs and realise some value

- Directors and senior management have agreed to a reduction in annual fees / salaries of \$80k;
- Most Colombian interests have been returned to the previous owner and the costs of the remaining interest have been reduced to a non-material level; and
- NAE is seeking to divest its Redmoor tin-tungsten project in south-west England, for which 4 parties have registered an interest and divestment is expected by September.

Lowering our assumed L-R coal price from \$175/t to \$170/t has reduced our valuation from 18.5c/share to 17.0c/share

Beer & Co's revised valuation is 17c/share.

The NAE share price is weak as coking coal prices have been weak and our sensitivity analysis shows that our valuation is very sensitive to the coal price.

Our valuation at current prices is still above the share price

However, even at the current coal price, which we believe is unsustainably low, and our risk weighting, Beer & Co's derived valuation is greater than the current share price.

Beer & Co affirms out BUY, High Risk recommendation on NAE.

We retain a BUY, High Risk, recommendation

For further information on NAE, Investors are referred to the research reports published on our web-site (<http://beerandco.com.au/all-research/>).

Beer & Co Research								
New Age Exploration (NAE.ASX)								
May 2014								
Year ended June	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	
Section 1 - P&L								
Sales revenue	\$Am	0	0	0	0	19	117	127
Interest revenue	\$Am	0	0	0	2	1	1	2
Other revenue	\$Am	0	0	0	0	0	0	0
Total Revenue	\$Am	0	0	0	2	20	118	129
Cost of Goods Sold	\$Am	0	0	0	0	(12)	(52)	(55)
Royalties	\$Am	0	0	0	0	(0)	(0)	(0)
Exploration Expense	\$Am	(3)	(0)	(0)	0	0	0	0
Corporate Costs	\$Am	(3)	(3)	(3)	(3)	(4)	(4)	(4)
Other Operating Expenses	\$Am	0	0	0	0	0	0	0
Total Operating Expenses	\$Am	(6)	(3)	(3)	(3)	(16)	(56)	(59)
EBITDA	\$Am	(6)	(3)	(3)	(2)	3	61	69
Dep'n & Amort'n	\$Am	0.0	0.0	0.0	0.0	(0.7)	(5.3)	(8.8)
EBIT	\$Am	(5.6)	(3.2)	(3.2)	(1.6)	2.5	56.1	60.4
Interest Expense	\$Am	0.0	0.0	0.0	0.0	(7.7)	(16.0)	(14.2)
Other	\$Am	0	0	0	0	0	0	0
Pre-Tax Profit	\$Am	(5)	(3)	(3)	(2)	(5)	40	46
Tax Expense	\$Am	0.0	0.0	0.0	0.0	0.4	(8.7)	(9.7)
NPAT	\$Am	(5)	(3)	(3)	(2)	(5)	32	36
Reported NPAT	\$Am	(5)	(3)	(3)	(2)	(5)	32	36
Section 2 - Key Data								
Ordinary shares - year end	m	258.3	312.2	597.9	947.7	947.7	947.7	947.7
Fully diluted shares on issue	m	258.3	312.2	597.9	947.7	947.7	947.7	947.7
Weighted # shares	m	258.3	274.6	514.8	772.8	947.7	947.7	947.7
Earnings per Share	\$	(3.0c)	(1.1c)	(0.6c)	(0.2c)	(0.5c)	3.3 c	3.8 c
Dividends Per Share	\$	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c
Section 3 - Balance Sheet								
Cash	\$Am	5	1	74	62	38	67	99
Receivables	\$Am	0	0	0	0	5	16	16
Other	\$Am	0	0	0	0	0	0	0
CURRENT ASSETS	\$Am	5	1	74	62	43	83	115
Receivables	\$Am	0	0	0	0	0	0	0
P, P & E	\$Am	0	1	2	2	2	2	2
Mining Properties / Explor	\$Am	5	5	5	62	81	80	75
Other	\$Am	0	0	0	0	0	0	0
NON-CURRENT ASSETS	\$Am	5	6	7	64	83	81	76
TOTAL ASSETS	\$Am	10	7	80	125	125	164	191
Payables	\$Am	1	0	0	0	(2)	(4)	(4)
Debt	\$Am	0	0	0	0	19	21	22
Other	\$Am	0	0	0	0	0	0	0
CURRENT LIABILITIES	\$Am	1	0	0	0	17	17	18
Long Term Debt	\$Am	0	0	0	0	165	145	122
Deferred Tax Liability	\$Am	0	0	0	0	0	0	0
Other	\$Am	0	0	0	0	0	0	0
Provisions	\$Am	0	0	0	0	0	0	0
NON-CURRENT LIABILITIES	\$Am	0	0	0	0	165	145	122
TOTAL LIABILITIES	\$Am	1	0	0	0	182	161	141
NET ASSETS	\$Am	9	7	80	125	(57)	3	51
Accumulated Profit (Loss)	\$Am	(13)	(16)	(20)	(21)	(11)	69	154
Reserves	\$Am	1	10	59	56	(136)	(156)	(193)
Contributed Equity	\$Am	21	22	41	90	90	90	90
Minority Interest	\$Am	9	15	80	125	(57)	3	51
Total Equity	\$Am	9	15	80	126	(57)	3	51
Section 4 - Cashflow								
Net Cashflow from operatio	\$Am	(3)	(6)	(10)	(6)	(5)	36	44
Hedging	\$Am	0	0	0	0	0	0	0
Net Interest Paid	\$Am	0	0	0	0	(8)	(16)	(14)
Taxes Paid	\$Am	0	0	0	0	0	(4)	(10)
Change in Working Capital	\$Am	0	(1)	0	0	(7)	(13)	(0)
Other	\$Am							
OPERATING CASHFLOW	\$Am	(3)	(7)	(10)	(6)	(19)	3	20
Exploration Expenditures	\$Am	(4)	(1)	(1)	0	0	0	0
Maintenance Capex	\$Am	0	0	0	0	0	(4)	(4)
Expansion Capex	\$Am	0	0	0	(57)	(20)	0	0
PPE Acquisitions (Total Capex)	\$Am	(4)	(1)	(1)	(57)	(20)	(4)	(4)
PPE Divestments	\$Am	0	0	64	0	0	0	0
INVESTING CASHFLOW	\$Am	(4)	(1)	63	(57)	(20)	(4)	(4)
Change in Equity	\$Am	0	0	19	50	0	0	0
Dividends Paid	\$Am	0	0	0	0	0	0	0
Change in Debt	\$Am	0	0	0	0	184	(19)	(21)
Other	\$Am							
FINANCING CASHFLOW	\$Am	0	0	19	50	184	(19)	(21)
Free Cashflow	\$Am	(6)	(8)	53	(63)	(39)	(1)	16
Net Cashflow	\$Am	(6)	(8)	73	(13)	145	(20)	(5)
Commodity price assumptions								
Year ended June	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19		
AUD-USD	0.892	0.850	0.850	0.850	0.850	0.850		
HQ HCC	US\$ / t	148	163	175	175	175		175
GBP - USD	1.584	1.600	1.600	1.600	1.600	1.600		1.600
Lochinvar blend	US\$ /t	131	143	153	153	153		153
Mine Production (100% basis)								
RoM coal	000 t	0	0	0	270	1,316		1,350
Coal sold '000 t	000 t	0	0	0	149	930		1,013
NAE share	100 %	93 %	70 %	70 %	70 %	70 %		70 %
RoM coal	000 t	0	0	0	189	921		945
Coal sold '000 t	000 t	0	0	0	104	651		709
Resources								
Coal Seam	Inferred Resource	1 M	Ash	Vol.	S	CSN		
Nine Foot seam	78 Mt	2.4 %	10.4 %	32.6 %	2.1 %	6.5		
Six foot seam	34 Mt	3.0 %	11.0 %	32.0 %	3.5 %	6.5		
Five foot seam								
TOTAL	112 Mt							
Washed coal Analysis								
Coal Seam	Yield	Ash	Vol.	S	CSN	P	Fluidity	
Nine Foot seam	89 %	3.1 %	33.8 %	1.26 %	7.0	0.003 %	T B A	
Six foot seam	77 %	4.0 %	34.7 %	1.82 %	7.0	0.034 %	1,400	
Blend	85 %	3.4 %	34.1 %	1.43 %	7.0	0.012 %		
Assumed mining inventory (50% of coal shallower than 600m)								
Coal Seam	RoM							
Nine Foot seam	25 Mt							
Six foot seam	13 Mt							
TOTAL	38 Mt							
Asset based Valuation								
discount rate = 12.0 %	risking	100%	Product	per share	6-May-14			
Lochinvar, NAE share	50 %	\$A 182m	90.8 c	10.0 c	13.5 c			
Asset sale	50 %	\$A 51m	25.6 c	2.8 c	2.8 c			
Corporate	100 %	(\$A 31m)	(30.7c)	(3.4c)	(3.4c)			
Exploration	75 %	(\$A 2m)	(1.3c)	(0.1c)	(0.4c)			
Cash / debt	100 %	\$A 5m	4.9 c	0.5 c	0.5 c			
Cash to be raised	100 %	\$A 51m	51.0 c	5.6 c	5.6 c			
TOTAL		\$A 256m	140.3 c	15.4 c	18.8 c			
Shares on issue		258.3m	FPO shares	22.6m	options			
		11.2m	issued 2014	0.0m	exercised			
		640.0m	issued 2015					
Assumed Cash Costs, US \$/t								
Mining	LoM	2016-17	2017-18	2018-19	2019-20	2020-21		
Processing	21	28	20	20	20	20		
Tech. Services	5	13	5	5	5	5		
Site Admin	5	12	5	5	5	5		
Transport	17	8	16	17	17	17		
Royalties	0.4	0.4	0.4	0.4	0.4	0.4		
TOTAL		US\$ 68/t	US\$ 83/t	US\$ 66/t	US\$ 66/t	US\$ 66/t		
Financial Ratios								
Year ended June	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19		
Revenue	\$Am	0	0	2	20	118		129
EBITDA	\$Am	(6)	(3)	(3)	(2)	3		61
EBIT	\$Am	(6)	(3)	(3)	(2)	2		56
NPAT (reported)	\$Am	(5)	(3)	(3)	(2)	(5)		32
Adjusted EPS (cps)		(3.0c)	(1.1c)	(0.6c)	(0.2c)	(0.5c)		3.3 c
EPS Growth (%)			62 %	48 %	63 %	(137%)		753 %
DPS (c)		0.0 c	0.0 c	0.0 c	0.0 c	0.0 c		0.0 c
Dividend Yield (%)		0 %	0 %	0 %	0 %	0 %		0 %
PE adj. (x)	x	(0.9)	(2.6)	(5.1)	(13.9)	(5.9)		0.9
EV / EBITDA (x)	x	0.0	0.0	0.0	0.0	0.0		0.0
EV / EBIT (x)	x	0.0	0.0	0.0	0.0	0.0		0.0
Gearing (%)		0 %	0 %	0 %	147 %	101 %		76 %
Return on Assets		(48%)	(4%)	(1%)	2 %	34 %		32 %
Return on Equity		(21%)	(4%)	(1%)	9 %	91 %		71 %
EBITDA Margin (%)		n/a	n/a	n/a	n/a	17 %		53 %
Interest Cover (x)	x	n/a	n/a	n/a	n/a	0.3		3.5
Substantial Shareholders								
Resource Capital Fund V LP		99,884,975	32.0 %					
Mr YAW Chee Siew		40,816,667	13.1 %					

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The analyst responsible for this research report certifies that all of the views expressed reflect his personal views about the securities and the issuer.

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