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23 October 2008

## **QUARTERLY REPORT TO 30 SEPTEMBER 2008**

### **BUNNAWARRA JOINT VENTURE PROJECT ELA59/1391**

During the previous quarter, the Company entered into a Joint Venture Agreement with Redfeather Holdings Pty Ltd ("Redfeather"), to earn up an 80% interest in the Bunnawarra Exploration Tenement ("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 application (E59/1391) 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.

The iron port of Okajee, just north of Geraldton, has been finally given State Government approval to begin construction. This will allow more producers to begin mining from the Midwest iron ore region.

The region comprising the lease is generally rangeland with no major drainage system and is easily accessible.

The Company has identified that the Mid West province of WA has a number of high grade iron ore mines and projects include some with Direct Shipping Ore ("DSO"). Some of the more significant projects in the province include Gindalbie Metals Karara iron ore project situated approximately 35km south of the Bunnawarra Tenement, Oxiana's Golden Grove mining operation and Mt Gibson Iron's Mt Gibson project. Refer to *Figure 1* for further information.

Enrichment of iron mineral to hematite, DSO grade may occur in the geological environment of the Bunnawarra Tenement due to (amongst other factors) reaction and removal of deleterious minerals such as silica alumina and phosphorous.

In expectation of this lease being granted in the near future, negotiations with two geophysical companies have begun, to quickly define subsurface magnetite drilling targets and subsurface geology.

Other targets on this Tenement include gold, silver and copper mineralisation.

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

**Nalbarra Project, WA**  
**E59/1264 ELA59/1257**

Exploration Licence 59/1257 has not been granted, as native title issues are still being negotiated.

Exploration Licence 59/1264 has been granted and a programme of work has been lodged with the Department of Industry and Resources. An inspection of the drill lines by native title claimants is being sought before final approval to drill this lease is given.

**Barlee Project WA**  
**E77/1333 & E77/1332**

Exploration on these Tenements is awaiting a flora and fauna survey.

A number of groups of environmental scientists have been approached to do the work. None have been able to do the work in the September quarter. We expect this work to be done in the December 2008 quarter.

**Lake Giles Project, WA**  
**E77/1345**

Exploration on these tenements is awaiting a flora and fauna survey.

A number of groups of environmental scientists have been approached to do the work. None have been able to do the work in this quarter. We expect this work to be done in the December 2008 quarter.

**Lake Barlee WA**  
**E77/1441**

This Tenement was granted on 27 August 2008. A programme of works will be lodged such that the process of approval can be started. Non invasive exploration techniques will be initiated to test for surface Uranium hot spots.

**Bullabulling South, W.A.**  
**PL 15/4742-48 and 15/4798-99**  
**PL15/4887**

An auger geochemistry soil program was conducted at the Bullabulling South Joint Venture, after inspection showed that a number of zones of hematite were outcropping, which may have been related to massive sulphides at depth. Two groups of tenements are involved in the project.

Prospecting Licence 15/4742 abuts the lease along strike from the Gibraltar Mine which has produced over 32,000 ounces of gold.

A gold soil anomaly up to 350 metres wide and 1 kilometre in length was discovered in colluviums and alluvium along strike from the mine. The results are still being analysed as the samples were taken from an area where a strongly faulted ultra mafic rock was interpreted using ground magnetic previously.

Coincident to the 20ppb plus gold anomaly are Nickel and Chrome anomalies. The Nickel anomaly is 400ppm plus with a high of 487ppm. The anomaly is 150 metres wide and 1 kilometre in length. Three (3) drill holes in this anomaly last year failed to find any gold or nickel mineralization.

The other Tenements which form part of the Joint Venture are Prospecting Licences 15/4743, 15/4744, 15/4745, 15/4746, 15/4747, 15/4748, 15/4798, 15/4799 and 15/4887.

Auger soil samples were taken from 538 locations on this Tenement during the quarter. Soil again is largely colluvium and alluvium. A number of gold, nickel and chrome anomalies resulted from the work. The samples targeted the padogenetic calcrete zone in the soil.

Results received from this work indicated that 25ppb Au is anomalous. Included in the results was a spike of 1010ppb Au in a lower grade anomalous cluster.

Nickel anomalies followed underlying ultramafic rocks, determined by a magnetometer survey. The anomalies ranged in nickel from 475ppm to 737ppm. Chromium assays generally supported the nickel anomalies.

Although encouraging the significance of the results of the auger program is still to be analysed particularly since previous drilling on the tenement from geophysical magnetometer and induced polarity failed to find any significant mineralisation.

## **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.

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")

September 2008

### Consolidated Statement of Cash Flows

Cash flows related to Operating Activities		Curent quarter \$A'000	Year to date (3 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	(84)	(84)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	16	16
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other		
	<b>Net Operating Cash Flows</b>	(68)	(68)
<b>Cash flows related to Investing Activities</b>			
1.8	Payment for purchases of: (a) prospects /farm-ins (b) equity investments (c) other fixed assets	(38)	(38)
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)		
	<b>Net Investing Cash Flows</b>	(38)	(38)
1.13	Total operating and investing cash flows (carried forward)	(106)	(106)
<b>Cash flows related to Financing Activities</b>			
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		
	<b>Net Financing Cash Flows</b>		

	<b>Net increase/(decrease) in cash held</b>	(106)	(106)
1.20	Cash at beginning of quarter/year to date	1,076	1,076
1.21	Adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	970	970

### **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	48
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

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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

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### **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	
	<b>Total</b>	200

## 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	56	63
5.2	Deposits at call	914	1,013
5.3	Bank Overdraft		-
5.4	Other (provide details)		-
<b>Total: cash at end of quarter</b> (item 1.22)		970	1,076

## 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 <b>Preference +Securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary Securities</b>	42,200,000	22,950,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible Debt Securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

7.7	<b>Options</b> ( <i>description and conversion factor</i> )	500,000		<i>Exercise price</i> 20	<i>Expiry date</i> 17/9/09 ( <i>subject to escrow until 27 October 2008</i> )
		1,500,000		20	30 November 2009
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> ( <i>totals only</i> )				
7.12	<b>Unsecured Notes</b> ( <i>totals only</i> )				

## Compliance statement

- 1 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).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....  
(Director)

Date: 23 October 2008

Print name: Adrien Wing

## Notes

- 1 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.
- 2 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.
- 3 **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.
- 4 The definitions in, and provisions of, AASB 1022: *Accounting for Extractive Industries* and AASB 1026: *Statement of Cash Flows* apply to this report.
- 5 **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.