

New Age Exploration Ltd

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New Age is leveraged to a rampaging tungsten price

New Age Exploration Ltd's (ASX:NAE) recent drilling at the Redmoor Tin-Tungsten Project exceeded expectations in terms of thicknesses and grades of the mineralisation.

Redmoor is located in Cornwall, U.K, and is a 50:50 joint venture with Strategic Minerals Plc (LON:SML,USOTC:SMCDY), through the joint venture vehicle known as Cornwall Resources Limited (CRL).

New Age last traded at \$0.01 for a market cap of circa \$5 million, the same valuation as three months prior, yet during this time the tungsten price has spiked faster than any other major metal due to reductions in Chinese supply and increasing global demand.

Tungsten has rallied 65% since the start of the year, last being valued at US\$310-335/mtu.

The supply / demand dynamic

China produces about 80% of the world's tungsten, and over the past two months there have been significant supply cutbacks.

The Chinese government is now imposing quotas on tungsten production and is tightening up on enforcement of environmental and safety rules.

The European Union has classed tungsten as a critical commodity and the British Geological Survey places it at the top of its supply-risk list of materials needed to maintain the U.K.'s economy and lifestyle.

Gary Fietz, managing director for New Age, spoke exclusively with Proactive Investors, and commented:

"While it is difficult to be certain about future Chinese government policy on the application of tungsten production quotas, we expect there to be continued regulatory pressure on Chinese supply, in a similar fashion to Chinese regulation of its metallurgical coal production over the past 12 months.

"This, coupled with ongoing global demand growth for tungsten is ideal timing for the Redmoor project where a number of the recently announced high grade drilling results is starting to show higher levels of tungsten may be present in the deposit."

The Redmoor deposit contains tin, tungsten and copper.

Providing a further potential value upside for the deposit, it's worth noting tin prices are strengthening at the US\$21,000 tonne levels, while copper is up around 12% over the past four months to US\$2.92 pound.

Price: A\$0.008

Market Cap: A\$3.61M

1 Year Share Price Graph



Share Information

Code: NAE

Listing: ASX

52 week High Low
0.041p 0.007p

Sector: Mining

Website: nae.net.au

Company Synopsis:

New Age Exploration Ltd (ASX:NAE) is listed on the Australian Securities Exchange.

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Let's talk tungsten

For those new to tungsten, it is an indispensable commodity due to its unique properties including having the highest melting point of all metals (3422 oC), a high density (19.3g/cm³ similar to gold) and hardness close to diamond.

As a result tungsten has many uses in today's society, and most commonly for its hardness in cemented carbide tools and steel alloys, such as drill bits, cutting tools and wear resistant materials which have a range of uses in industry, construction, mining and defence.

Tungsten also has a range of uses in cars and planes, where its high density is important.

Light bulbs use tungsten wire elements, as do window heating strips in cars.

Less known is tungsten's use in automatic watches and sports equipment such as in golf clubs.

Lastly and also importantly, tungsten has a growing use in electronics such as vibrators in mobile phones and heat sinks in modern computer processors and integrated circuits.

A re-visit to the Redmoor Tin-Tungsten Project

Results from the first 10 holes of the Phase 1 diamond drilling program have been encouraging, with broad zones of mineralisation intersected.

The thicknesses and grades exceeded the expectations of New Age's directors.

Highlights from the Sheeted Vein System (SVS) include: 14.8 metres at 1.00% tin equivalent from 245.7 metres; 17.5 metres at 0.68% tin equivalent from 265.9 metres; and 28.2 metres at 0.81% tin equivalent from 298.8 metres.

The remaining Phase 1 and Phase 2 results covering 18 to 21 holes are expected during the December quarter 2017.

Adding to the knowledge of the project, a review of historical drilling results from the 1980's has identified 31 significant high-grade intercepts within the SVS, some of which were previously interpreted to represent high-grade lodes.

Historical highlights include: 6.0 metres at 3.73 % tin equivalent from 282.0 metres, supported by broad zones such as: 30.7 metres at 0.91% tin equivalent from 354.0 metres; and 65.0 metres at 0.62% tin equivalent.

A key to the project is that the joint venture has maintained a close working relationship with the local community and local and County Councils.

There is ongoing positive community support with Cornwall Council extending drilling consent to 31 October 2017.

The joint venture has also provided local employment, while there is also collaboration with universities, providing further opportunities for master's

students.

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