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ASX Release

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Drilling to Commence – Shanagan Project, Mongolia.

HIGHLIGHTS

- Newera Resources Ltd is pleased to advise that its Mongolian subsidiary company, Newera Resources Mongolia LLC, has executed a drilling contract with Mongolian drilling contractor Best Drilling LLC.
- The drilling contract covers an ~ 1,000 metre drilling program that Newera intends to undertake on its Shanagan coal project area 140km south east of Ulaanbaatar.
- Drilling is planned to commence in Mid-August – pending the licence holder gaining all necessary Government approvals prior to the planned commencement date.

Background:

In May 2012, **Newera Resources Limited (ASX: NRU)** announced it has executed a binding agreement giving Newera an option to acquire an 80% interest, in the Shanagan Uul East Project ("Shanagan Project"), located in Central Mongolia.

The Shanagan Project comprises of one exploration license covering an area of approximately 2,223 hectares in a known coal bearing region, 140km southeast of Ulaanbaatar. The Shanagan Project is ideally located approximately 50km from an existing heavy duty rail line that services the nearby Baganuur lignite coal deposit, and connects to the trans-Siberian railway that services China in the South to Russia in the North.

Newera's initial interest in the Shanagan project was generated by a single, previously identified and sampled – coal seam, outcropping over several kilometres.



Figure 1: Location of Newera's Shanagan Project.

Newera subsequently contracted a Mongolian based geological consulting group - Nordic Geological Solutions, to undertake a field mapping exercise at 1:10,000 scale over the area of interest within the Shanagan Project boundaries.

The mapping exercise was completed and very positive results were presented to Newera.

Newera further requested the consulting group to compile and review the results of the mapping and pass back to Newera, their professional observations. Those observations are summarised below.

"NORDIC GEOLOGICAL SOLUTIONS LLC

Ulan Bator, July 13th 2012

RE: MAIN RESULTS FROM NGS MAPPING OF SHANAGAN BLACK COAL TENEMENT

HIGHLIGHTS FROM NGS MAPPING

- A team of 3 experienced geologists from Nordic Geological Solutions LLC recently successfully completed high resolution mapping (i.e. 1:10,000 scale) with special focus on the coal-bearing sector of the Shanagan exploration property.
- Mapping confirmed Late Permian coal-bearing strata within a c. 8 km² area in the eastern part of the exploration tenement.
- Significantly, up to 9 laterally continuous black coal seams were identified by the mapping team, extensively exceeding the previous understanding of the number of Late Permian coal seams thought to

exist, and as such, adding considerable value to the Shanagan project.

- The seams outcrop, or sub-crop, along the flanks of a NE – SW trending asymmetrical syncline.
- The thickness of the Late Permian coal measures estimated at c. 200m based on the detailed mapping - possibly thicker within synclinal sedimentary depocentre.
- NGS estimates combined coal thickness of c. 20m, with coal / clastic sediment ratio similar to the Late Permian Blackwater Group in the Bowen Basin.
- Sedimentary bedding dips between c. 5 and 40 degrees, with low angle dips along the extensive western flank and steeper dips along the restricted eastern flank.
- Favourable open-cut strip ratio for the vast majority of the deposit expected by NGS.
- Late Permian sandstone strike ridges continue for 100's of metres along strike, indicating somewhat limited post Permian structural deformation, with largest fault displacement of only a few 10's of meters in places.
- The coking properties of the extensive Late Permian coal-bearing system in Mongolia is well documented (e.g. Erdenetsogt et al., 2009). Given the Late Permian age of the Shanagan coal measures and the synclinal architecture of the deposit, the potential coking coal distribution is predicted to be somewhat complex by NGS.
- NGS recommends a phased JORC-compliant drilling and trenching program to commence as soon as practicable possible. In this context NRU has already secured a drill rig for this initial exploration program.
- The initial drilling program to comprise 5 holes with a combined length of c. 1,000m, as well as trenching along the flanks of the syncline, with the aim of providing a maiden JORC resource during the next quarter. Drilling program to be supervised by 5 experienced NGS geologists.
- Extensive coal quality testing (including coking properties) to be conducted at SGS laboratory in Ulaanbaatar.

Yours sincerely,



Per Michaelsen PhD MAusIMM
Principal Consultant – General Director
Nordic Geological Solutions LLC"

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Resource map

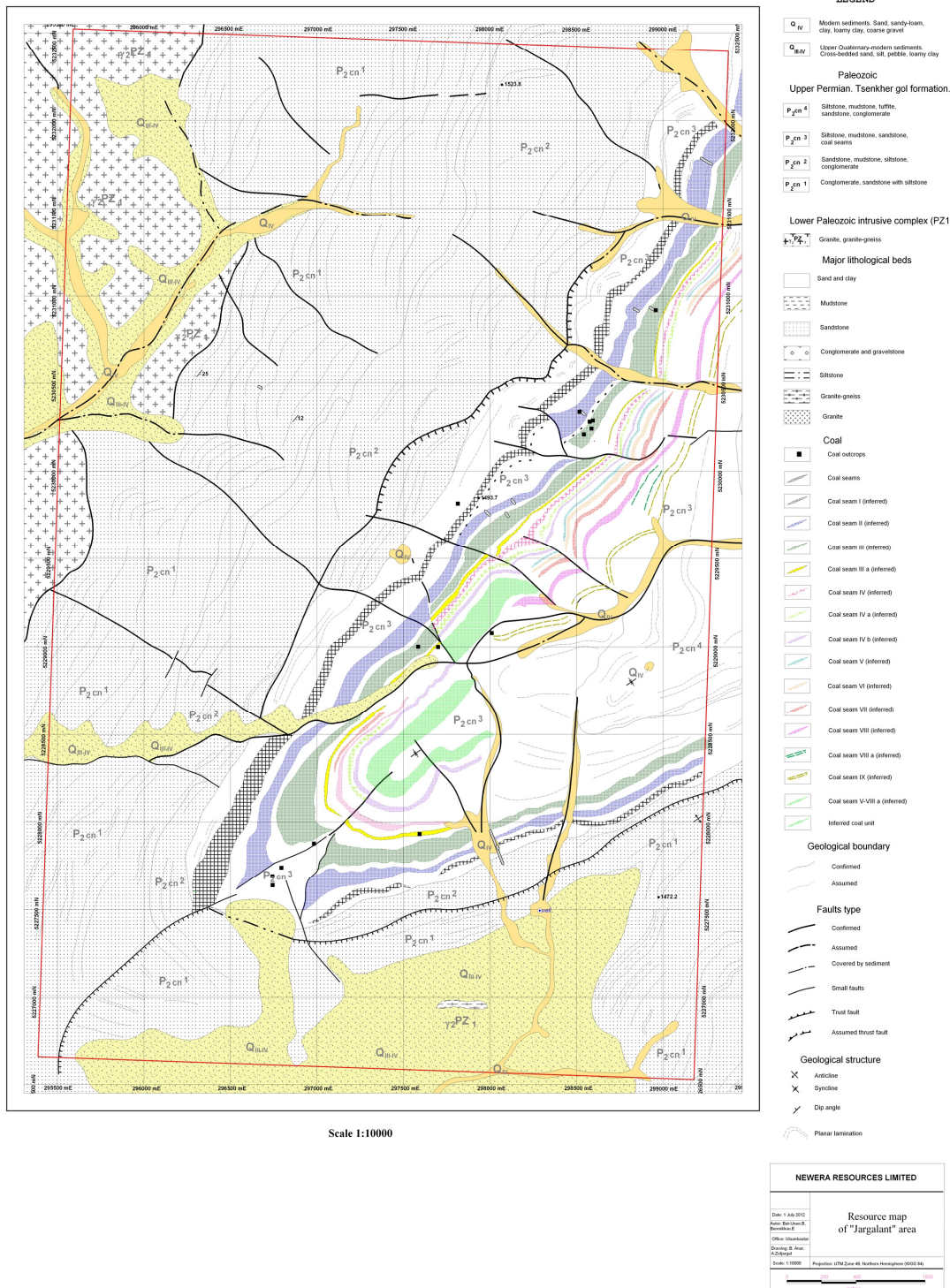


Figure 2. Mapped/Interpreted coal seam identification plan - individual seams colour coded.

Drill holes plan of "Jargalant" area

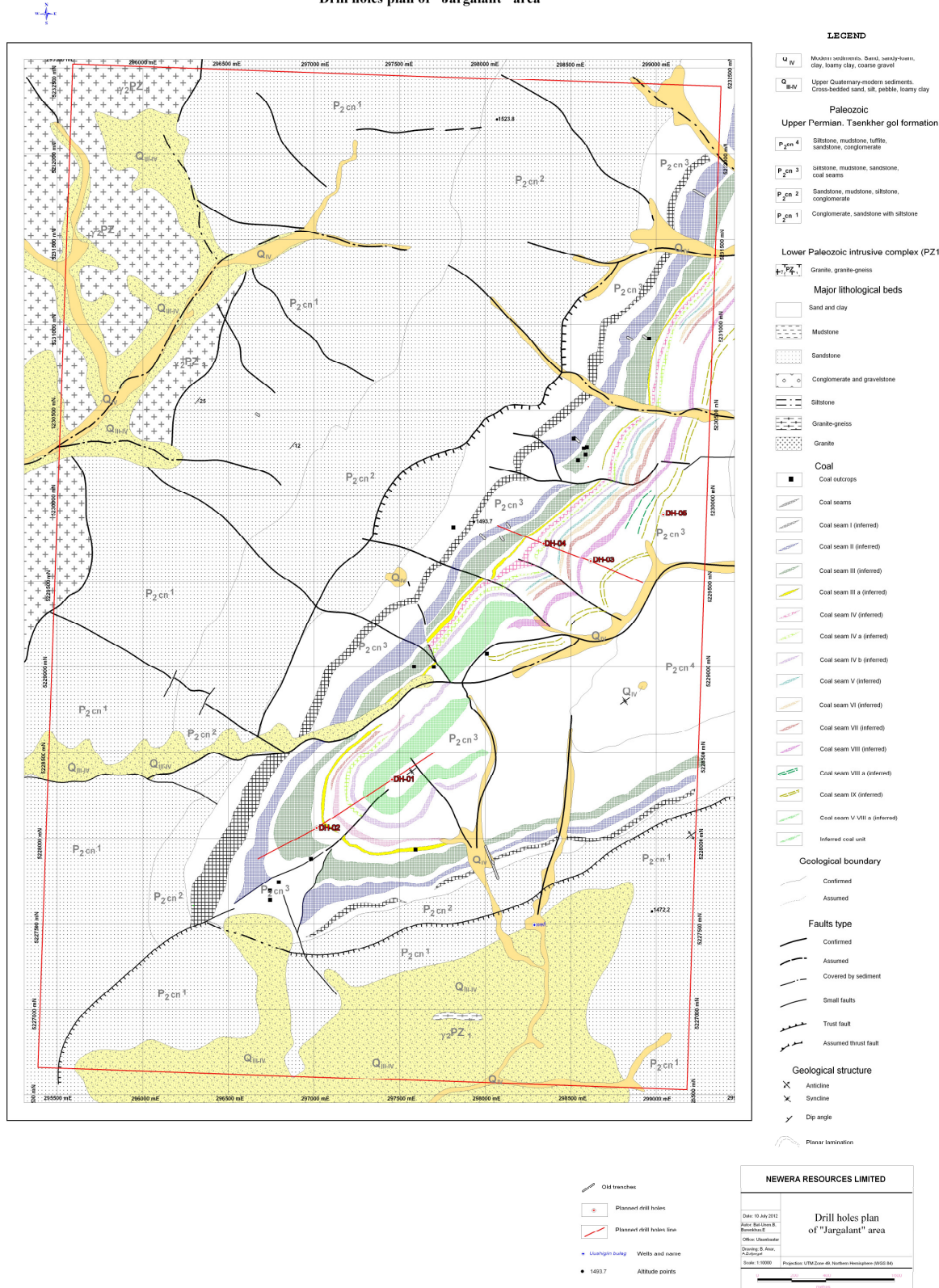


Figure 3. Planned drill hole collar locations on mapped/interpreted coal seam plan.

The commencement of drilling represents the next stage of exploration on the Shanagan Project.

Key terms of the contract are: 0 to 400m, HQ core drilling at a set, reasonable rate - all inclusive other than US\$1,200 each way, mobilisation / demobilisation to site, and a US\$50/hr charge for standby time.

Contractor to supply under the all-inclusive rate; a suitable rig and all support machinery and equipment, fuel, water, 12 site personnel, accommodation and meals, drilling and core recovery and storage.

Drillers to alternate and operate the rig day and night in twelve hour shifts.

Further Information;
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Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Per Michaelsen, Consultant Geologist to Newera Resources Ltd who is a member of the Australasian Institute of Mining and Metallurgy (MAuslMM). Dr Michaelsen has sufficient experience, which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Michaelsen consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.