

NEWERA RESOURCES LIMITED
ACN 118 554 359

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of four (4) Shares for every five (5) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.002 per Share to raise up to \$1,048,259 (based on the number of Shares on issue as at the date of this Prospectus), together with one (1) free attaching option (**New Option**) for every two (2) Shares subscribed for and issued (**Offer**).

The Offer is conditionally underwritten by DJ Carmichael Pty Limited (**Underwriter**). Refer to section 8.5 for details regarding the terms of the Underwriting Agreement. The Prospectus also contains an offer of 40,000,000 New Options to the Underwriter (**Underwriter Offer**). No person should subscribe for New Options under the Underwriter Offer unless instructed by the Underwriter.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Martin Blakeman (Executive Chairman)
Eric de Mori (Non-Executive Director)
Chris Watts (Non-Executive Director)

Company Secretary

Chris Watts

Share Registry*

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Auditor*

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8 St Georges Terrace
Perth WA 6000

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Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Underwriter

DJ Carmichael Pty Limited
Level 3
216 St Georges Terrace
PERTH WA 6000

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	5 August 2014
Lodgement of Prospectus & Appendix 3B with ASX	5 August 2014
Notice sent to Optionholders	7 August 2014
Notice sent to Shareholders	7 August 2014
Ex date	8 August 2014
Record Date for determining Entitlements	12 August 2014
Prospectus despatched to Shareholders & Company announces despatch has been completed	15 August 2014
Last day to extend Closing Date	26 August 2014
Closing Date*	29 August 2014
Securities quoted on a deferred settlement basis	1 September 2014
ASX notified of under subscriptions	3 September 2014
Despatch of holding statements	5 September 2014
Quotation of Securities issued under the Offer*	5 September 2014

*The Directors may extend the Closing Date by giving notice to ASX prior to the last day to extend the Closing Date outlined above. As such the date the Securities are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 5 August 2014 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

3.2 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 7 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of four (4) Shares for every five (5) Shares held by Shareholders registered at the Record Date at an issue price of \$0.002 per Share, together with one (1) free attaching New Option for every two (2) Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) a maximum of 524,129,346 Shares and 262,064,673 New Options will be issued pursuant to this Offer to raise up to \$1,048,249. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 365,750,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6 for further information regarding the rights and liabilities attaching to the Shares.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.2 of this Prospectus.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in section 5.1 of this Prospectus.

4.2 Minimum subscription

The Offer is fully conditionally underwritten and therefore there is no minimum subscription.

4.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or

- (b) if you only wish to accept **part** of your Entitlement:
- (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.002 per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Newera Resources Limited – Entitlement Issue Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded. 1 New Option with an exercise price of \$0.005 and an expiry date of 31 July 2016 will be issued for every 2 Shares subscribed for and issued under the Offer.

4.6 Underwriting

The Offer is conditionally underwritten by the Underwriter. Refer to section 8.5 of this Prospectus for details of the terms of the underwriting.

4.7 Effect on control of the Company

As stated above, the Offer is conditionally underwritten by the Underwriter. The Underwriter is not a related party of the Company and as at the date of this Prospectus, the Underwriter does not hold a relevant interest in any Shares in the Company.

As at the date of this Prospectus, the maximum increase in the voting power of the Underwriter should no Shareholders take up their Entitlement under the Offer (assuming no Options and New Options are exercised under the Offer) would be 44%. This is on the basis that the Underwriter receives 524,129,346 Shares and 262,064,673 New Options (being the maximum number of Shares and New Options to be issued under the Offer).

However, it is a term of the Underwriting Agreement that neither the Underwriter nor any sub-underwriters appointed by the Underwriter obtain an interest in the Company greater than 19.9% as a result of the Underwriter underwriting the Offer. Therefore, the underwriting of the Offer is not expected to have any effect on the control of the Company by virtue of the issue of any Shares or New Options to the Underwriter or any sub-underwriters under the Offer.

The Directors also note that it is unlikely that no Shareholders will take up entitlements under the Offer. In addition, the Directors also note that Shareholders are invited to subscribe for Shares over and above their Entitlement under the Shortfall Offer, the terms of which are described in Section 4.9 below.

4.8 Potential dilution to Shareholders

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 44% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders assuming no New Options have been exercised is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	120,000,000	18.31%	96,000,000	120,000,000	10.17%
Shareholder 2	60,000,000	9.16%	48,000,000	60,000,000	5.09%
Shareholder 3	15,000,000	2.29%	12,000,000	15,000,000	1.27%
Shareholder 4	5,000,000	0.76%	4,000,000	5,000,000	0.42%
Shareholder 5	1,000,000	0.15%	800,000	1,000,000	0.08%
Total	655,161,682		524,129,346	1,179,291,028	

Notes:

1. This table has been drafted without taking into account any Underwriter Options. Refer to section 8.5 for further details in respect of the Underwriting Agreement.
2. This table does not take into account Options on issue at the date of this Prospectus.
3. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer, or under the Underwriting Agreement. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

4.9 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open until the sooner of the allotment of all of the Shortfall or three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.002 being the price at which Shares have been offered under the Offer. Applicants that receive Shortfall Shares shall also receive 1 New Option for every 2 Shares issued to them, consistent with the Offer.

Eligible Shareholders are invited to apply for any Shortfall over and above their Entitlement by completing the relevant section of their Entitlement and Acceptance Form accompanying this Prospectus and returning that Acceptance Form on or before the Closing Date.

The Directors reserve the right to issue Shortfall Securities at their absolute discretion. The Directors will not issue any Shortfall to any Eligible Shareholder, if, in the opinion of the Directors, the issue of Shares under the Shortfall would increase that Eligible Shareholders voting power in the Company above 20%. The Directors intend to allocate any Shortfall firstly to existing Eligible Shareholders (subject to the matters described above) and then to the Underwriter under the Underwriting Agreement.

4.10 Underwriter Offer

In addition to the Offer and the Shortfall Offer, by this Prospectus, the Company also offers 40,000,000 New Options under the Underwriter Offer.

The Underwriter Offer will remain open for sufficient time following the close of the Offer for the Company to issue the New Options in accordance with the terms of the Underwriter Offer.

The Company will provide an application form for the Underwriter Offer to persons eligible to participate in the Underwriter Offer. No person should subscribe for New Options under the Underwriter Offer without instruction from the Underwriter.

4.11 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.12 Issue

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

New Options issued under the Underwriter Offer will be issued as soon as practicable after the close of the Underwriter Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer and New Options under the Underwriter Offer, as soon as practicable after their issue.

4.13 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.14 Enquiries

Any questions concerning the Offer should be directed to Mr Chris Watts, Company Secretary, on +61 6380 2555.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$1,048,259. No funds will be raised from the issue of the New Options.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Geophysical interpretation and drilling of the Ulaan Togloi Coal Project in Mongolia	\$100,000	9.5%
2.	Desk top study and field inspection of the Varmland Project in Sweden	\$25,000	2.4%
3.	Tenement maintenance and geophysical interpretation of the Jailor Bore Project	\$50,000	4.8%
4.	Commitments to contractors	\$100,000	9.5%
5.	Repayment of loan to Martin Blakeman ¹	\$25,000	2.4%
6.	Expenses of the Offer ²	\$90,000	8.6%
7.	Working capital	\$658,259	62.8%
	Total	\$1,048,259	100%

Notes:

1. Martin Blakeman has previously provided a loan of \$25,000 to the Company for working capital. The Directors' considered that loan to be on arms' length terms.
2. Refer to section 8.9 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$958,259 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 655,161,682 as at the date of this Prospectus to 1,179,291,028 Shares following completion of the Offer; and
- (c) increase the number of Options on issue from 365,750,000 as at the date of this Prospectus to 667,814,673 Options following completion of the Offer and the Underwriting Offer.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2014 and the unaudited pro-forma balance sheet as at 30 June 2014 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 30 June 2014	PROFORMA 30 June 2014
CURRENT ASSETS		
Cash ¹	115,797	1,074,056
Trade and other receivables	12,906	12,906
Other current assets	65,947	65,947
TOTAL CURRENT ASSETS	194,650	1,152,909
NON-CURRENT ASSETS		
Fixed assets	701	701
Exploration	1,648,572	1,648,572
Other non-current assets	7,200	7,200
TOTAL NON-CURRENT ASSETS	1,656,473	1,656,473
TOTAL ASSETS	1,851,123	2,809,382
CURRENT LIABILITIES		
Trade and other payables	289,246	289,246
Convertible notes ²	272,000	-
TOTAL CURRENT LIABILITIES	561,246	289,246
TOTAL LIABILITIES	561,246	289,246
NET ASSETS (LIABILITIES)	1,289,877	2,520,136
EQUITY		
Share capital ³	12,118,518	13,348,777

	UNAUDITED 30 June 2014	PROFORMA 30 June 2014
Reserves	733,852	733,852
Retained loss	(11,562,493)	(11,562,493)
TOTAL EQUITY	1,289,877	2,520,136

	UNAUDITED 30 June 2014	PROFORMA 30 June 2014
Note 1:		
Balance as at 30 June 2014	115,797	115,797
Funds raised from the Offer	-	1,048,259
Costs of the Offer	-	(90,000)
TOTAL	115,797	1,074,056
Note 2:		
Balance as at 30 June 2014	272,000	272,000
Conversion of notes ¹	-	(272,000)
TOTAL	-	-
Note 3:		
Balance as at 30 June 2014	12,118,518	12,118,518
Conversion of notes	-	272,000
Funds raised from the Offer	-	1,048,259
Costs of the Offer	-	(90,000)
TOTAL	12,118,518	13,348,777

Notes:

- The Company notes that all Convertible Notes were converted on 25 July 2014.

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	655,161,682
Shares offered pursuant to the Offer	524,129,346
Total Shares on issue after completion of the Offer	1,179,291,028

Options

	Number
Options currently on issue: 12,000,000 unlisted Options each exercisable at \$0.05 on or before 31 December 2015 10,000,000 unlisted Options each exercisable at \$0.01 on or before 6 March 2017 343,750,000 unlisted Options each exercisable at \$0.0032 on or before 6 March 2018	365,750,000
New Options offered pursuant to the Offer (Quoted exercisable at \$0.005 on or before 31 July 2016) ¹	262,064,673
Underwriter New Options ¹	40,000,000
Total Options on issue after completion of the Offer	667,814,673

Note:

¹ The full terms and conditions of the New Options are set out in section 6.2.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 1,020,911,682 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 1,847,105,701 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

5.5 Details of substantial holders

Based on publicly available information as at 4 August 2014, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Tonka Trading Pty Ltd	121,304,138	18.51%
Seefeld Investments Pty Ltd	59,375,000	9.06%
Azalea Family Holdings Pty Ltd	37,691,667	5.75%

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to, and in accordance with, the Corporations Act, the Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares. The Directors may rescind a decision to pay a dividend if they decide before the payment date of

the dividend that the Company's financial position no longer justifies the payment.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6.2 Terms and conditions of New Options

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each New Option will be \$0.005 (**Exercise Price**).

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (WST) on 31 July 2016 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment

of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

(l) **Change in exercise price**

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(m) **Quoted**

The Company will apply for quotation of the New Options issued under this Prospectus.

(n) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

7. RISK FACTORS

7.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 655,161,682 currently on issue to 1,179,291,028. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.003 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

7.3 Industry specific

(a) Exploration

The prospects in which the Company has an interest are at various stages of exploration and potential investors should understand that exploration and development are high-risk undertakings.

There can be no assurance that exploration of these prospects, or any other prospects that may be acquired in the future, will result in the discovery of a resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited at commercial rates.

(b) Future Capital Requirements

Future funding will be required by the Company to develop various projects. There can be no assurance that such funding will be available on satisfactory terms or at all. Any additional equity financing will dilute

shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, which may adversely affect the business and financial condition of the Company and its performance.

(c) **Operating risks**

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (i) adverse geological conditions;
- (ii) limitations on activities due to seasonal weather patterns and cyclone activity;
- (iii) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (iv) mechanical failure of operating plant and equipment;
- (v) industrial and environmental accidents, industrial disputes and other force majeure events;
- (vi) unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- (vii) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (viii) inability to obtain necessary consents or approvals.

(d) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect of the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(e) **Competition risks**

The mining industry is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

In addition, the Company's current and future potential competitors include companies with substantially greater resources to develop similar and competing products. There is no assurance that competitors will not succeed in developing services and products that have higher customer appeal.

(f) **Sovereign risks**

The Company's projects outside Australia are subject to the risk associated in operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects that affect foreign ownership, exploration, development or activities of companies involved in mining exploration, may affect the viability and profitability of the Company.

(g) **Status of leases**

The Company cannot guarantee that the current leases will be renewed beyond their current expiry date and there is a material risk that, in the event the Company is unable to renew any of the leases beyond their current expiry dates, the Company's interest in those leases will be relinquished.

7.4 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and

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- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Force Majeure**

The Company's projects and operations now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(d) **Security investments**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

(e) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(f) **Taxation**

The acquisition and disposal of Shares and/or Options will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares and/or Options from a taxation viewpoint and generally.

In addition, the Underwriter shall be required to seek its own tax advice in respect of the Underwriter Offer.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(g) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

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8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
- (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in paragraph (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in paragraph (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
01/08/2014	Ceasing to be a substantial holder
31/07/2014	Final Director's Interest Notice
31/07/2014	Resignation of Director
31/07/2014	Fully Underwritten Non-Renounceable Entitlements Issue
31/07/2014	Quarterly Cashflow Report
31/07/2014	Quarterly Activities Report
28/07/2014	Change in substantial holding
25/07/2014	Change of Director's Interest Notice
25/07/2014	Change of Director's Interest Notice
25/07/2014	Appendix 3B
25/07/2014	Section 708 Notice
24/07/2014	Results of Meeting
24/07/2014	Update Fully Underwritten Non-renounceable Entitlement Issue
23/07/2014	Becoming a substantial holder
15/07/2014	Newera Update on Activities at Ulaan Tolgoi
10/07/2014	Non-Renounceable Entitlements Issue
01/07/2014	Director Appointment and Appendix 3X
26/06/2014	Section 708 Notice and Appendix 3B
24/06/2014	Becoming a substantial holders
24/06/2014	Becoming a substantial holders

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Date	Description of Announcement
19/06/2014	Becoming a substantial holders
18/06/2014	Notice under section 708 of the Corporations Act
18/06/2014	Change of Director's Interest Notice
18/06/2014	Appendix 3B
18/06/2014	Notice of General Meeting/Proxy Form
18/06/2014	Updated JORC Table
18/06/2014	Newera Completes Ground Magnetic Survey at Ulaan Tolgoi
16/06/2014	Appendix 3B
16/06/2014	Appendix 3B
30/05/2014	Newera Commences Ground Magnetic Survey at Ulaan Tolgoi
12/05/2014	Funding Update
30/04/2014	Quarterly Cashflow Report
30/04/2014	Quarterly Activities Report
03/04/2014	Change of Director's Interest Notice
31/03/2014	Ulaan Tolgoi drilling Update
31/03/2014	Trading Halt
27/03/2014	Issue of Convertible Loan
18/03/2014	Newera Commences Drilling at Ulaan Tolgoi
14/03/2014	Investor Presentation
13/03/2014	Change in Director's Interest Notice x 3
12/03/2014	Appendix 3B
10/03/2014	Half Yearly Report and Accounts
06/03/2014	Results of Meeting
24/02/2014	Newera on Standby to Drill at Ulaan Tolgoi
03/02/2014	Notice of General Meeting/Proxy Form
03/02/2014	Quarterly Activities Report
03/02/2014	Quarterly Cashflow Report
10/01/2014	Change in Director's Interest Notice
16/12/2013	Interview with Executive Chairman
13/12/2013	Change in Director's Interest Notice
02/12/2013	Outstanding Seismic Results for the Ulaan Tolgoi Project
27/11/2013	Trading Halt
18/11/2013	Results of Meeting
04/11/2013	Response to ASX Price Query
31/10/2013	Quarterly Activities Report
31/10/2013	Quarterly Cashflow Report
25/10/2013	Positive Seismic Indicators Continue at Ulaan Tolgoi

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website <http://www.nru.com.au>.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.005	18 June 2014
Lowest	\$0.001	13 June 2014
Last	\$0.003	4 August 2014

8.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

8.5 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agreed to fully conditionally underwrite the Offer for 524,129,346 Shares and 262,064,673 Options (**Underwritten Securities**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter an underwriting fee of 6% of the total value of the Underwritten Securities and has also agreed to reimburse the Underwriter for out-of-pocket expenses directly related to the Offer. Upon successful completion of the Offer, the Company has agreed to issue to the Underwriter (or its nominee(s)) 40,000,000 New Options.

The Agreement is conditional upon the Underwriter entering into sub-underwriting agreements with sub-underwriters on terms and conditions satisfactory to the Underwriter (in its sole and absolute discretion) for \$1,048,259.

The obligation of the Underwriter to underwrite the Offer is subject to a number of termination events that are considered standard for an agreement of this type, such as (but not limited to): the Company defaulting on any of its obligations or warranties pursuant to the Underwriting Agreement, there being a material omission or inaccuracy in the Prospectus, ASIC issuing an interim stop order in relation to the Prospectus, or an insolvency event occurring in relation to the Company.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

8.6 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement (Shares)	Entitlement (New Options)	\$
Martin Blakeman ¹	121,554,138	6,000,000 (\$0.05, exp 31.12.15) 1,000,000 (\$0.01, exp 6.3.17) 98,125,000 (\$0.0032, exp 6.3.18)	97,243,310	48,621,655	\$194,486.62
Eric De Mori ²	11,597,223	3,000,000 (\$0.05, exp 31.12.15) 9,375,000 (\$0.0032, exp 6.3.18)	9,277,778	4,638,889	\$18,555.56
Chris Watts	Nil	Nil	Nil	Nil	Nil

Notes:

- ¹ Held by Tonka Trading Pty Ltd as trustee for the Jakessi Superannuation Fund (of which Mr Blakeman is a beneficiary).
- ² Held by Glamour Division Pty Ltd as trustee for the Hammer Trust (of which Mr de Mori is a beneficiary).

On 17 December 2013 the Directors resolved to defer payment of all director's fees until after the completion of the entitlements issue. It has been agreed that, subject to receipt of all Shareholder approvals, up to 50% of the accrued

Director's fees, which as at 30 June 2014 is \$159,500, would be paid by the issue of Shares and New Options to those Directors as a means of conserving the Company's cash. Approval for the issue of these Shares and New Options is intended to be sought at the Company's Annual General Meeting in November 2014.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$150,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2014¹	2013²	2012
Martin Blakeman	\$130,500	\$288,102	\$173,260
Eric de Mori	\$36,000	\$84,266	\$36,000
Chris Watts	Nil	Nil	Nil

Notes:

- ¹ The equity component of remuneration for Mr Blakeman, and Mr De Mori was \$58,000, and \$12,000 respectively.
- ² The equity component of remuneration for Mr Blakeman, and Mr De Mori was \$96,532, and \$48,266 respectively.

8.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or

- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
- (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

DJ Carmichael Pty Limited will be paid a capital raising fee of approximately \$62,895 in respect of this Offer. DJ Carmichael Pty Limited will also be entitled to 40,000,000 listed New Options exercisable at A\$0.005 on or before 31 July 2016. During the 24 months preceding lodgement of this Prospectus with the ASIC, DJ Carmichael Pty Limited has not been paid any fees by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$49,539 (excluding GST and disbursements) for legal services provided to the Company.

8.8 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section;
- (c) DJ Carmichael Pty Limited has given its written consent to being named as underwriter to the Offer in this Prospectus, in the form and context in which it is named;
- (d) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the

ASIC.

8.9 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$90,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,290
ASX fees	8,907
Underwriting fees	62,895
Legal fees	10,000
Printing and distribution	5,908
Total	<u>90,000</u>

8.10 Electronic prospectus

The Corporations Act permits the distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus being lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 6380 2555 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <http://www.nru.com.au>.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.11 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.12 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this

Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.13 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Martin Blakeman
Director
For and on behalf of
Newera Resources Limited

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10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Newera Resources Limited (ACN 118 554 359).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

New Option means an Option issued on the terms set out in section 6.2 of this Prospectus.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Securities means Shares and/or New Options offered pursuant to the Entitlement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in section 4.9 of this Prospectus.

Shortfall Securities means those Securities issued pursuant to the Shortfall.

Underwriter means DJ Carmichael Pty Limited (ACN 003 058 857).

Underwriting Agreement has the meaning given to the term in section 8.5.

WST means Western Standard Time as observed in Perth, Western Australia.