

ASX Release

23 January 2015

DIRECTORS

Mr Martin Blakeman
Executive Chairman

Mr Andrew Richards
Non-Executive Director

Mr Chris Watts
Non-Executive Director

COMPANY SECRETARY

Mr Chris Watts

**PRINCIPAL PLACE OF BUSINESS AND
REGISTERED OFFICE**

Suite 5 / 2 Centro Avenue
SUBIACO, WA 6008

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SUBIACO WA 6904

Revised Appendix 5B

Newera Resources Limited (ASX: NRU) advises that a correction has been made to item 6.1 to the Appendix 5B lodged today due to an administration oversight.

Accordingly the enclosed Quarterly Activities and Cashflow Report has been amended.

Chris Watts
Director and Company Secretary

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Fax: + 61 (8) 9382 3866Postal: P.O. Box 668
SUBIACO WA 6904**Quarterly Activities Report
December Quarter 2014**

Newera Resources Limited (ASX: NRU) ("Newera") is pleased to present the following report on its activities for the December 2014 quarter.

On 22 December 2014 the Company announced that it had executed a binding Heads of Agreement to acquire Arena Resources Pty Ltd ("Arena") an unlisted Australian private company that holds the rights to acquire up to a 90% interest in the Plomosas high-grade zinc project located in northern Mexico.

- Records show the Plomosas project to be extremely high grade, with approx. 1.7mt of ore having been mined since 1943, with average historical grades of 15-25% Zinc (Zn) + Lead (Pb) with 40-60 g/t Silver (Ag) and clean mineralogy.
- The acquisition includes 11 exploration and exploitation permits covering 3019 ha of prospective mineralisation, with a small scale operating underground mine currently extracting ore which is then sold under existing off take agreements to a major international commodity house.
- Despite exploration and development occurring on the project by various past owners, a definitive resource base has never been quantified to JORC or NI4301 standards.
- Significant exploration potential exists within a 6km strike zone.

Plomosas – Project

The project covers 11 Exploration and Exploitation Concessions totalling 3,019 ha in area with an extensive history of exploration and development in base metal operations. Plomosas is located in the northern Mexican state of Chihuahua, which neighbours Texas, USA, and is accessed by an hour's flight from Dallas.

The shallow dipping (10° - 40°) Plomosas mineralisation itself has been mined in several stages since 1943 down to 270 metres below surface via room and pillar stopes using traditional air leg drill and blast techniques. The mineralisation continues at depth and there is over 6 km strike of prospective stratigraphic horizon within the tenement package providing for excellent exploration potential and drill targeting.



Figure 1:

Project concessions are on the NE flank of the Sierra Monillas range and 5km from a sealed highway.

Plomosas - Geology

The high grade Plomosas base metal mineralisation appears to comprise predominantly intrusive-related hydrothermal replacement of limestone rich sedimentary units within a well-defined stratigraphic horizon, similar in style to Mississippi Valley Type (MVT) deposits.

Mineralisation in the Plomosas district exists as strati form sheets of manto style mineralisation with cross cutting "chimneys" influenced by the location of crosscutting linking faults. The host rocks are predominantly limestone and shale with marbles present in areas including the hanging wall sequence. The hanging wall to the mineralisation is constrained by a zone of ductile-brittle deformation that is part of a larger 'horst' structure where a series of normal faults cross cut a sequence of folds and thrusts. This system of brittle deformation is evident along a series of normal sub vertical faults generally striking NW-SE.



At Plomosas, the average thickness of the manto style mineralisation is over 3m within a thicker sequence up to 25m thick containing limestone + shale ± marble that dips uniformly at low angles (10° – 40°) to the north east. Mining has extensively focused on the limestone units and shown the ore to be highly visible with sharp contacts.

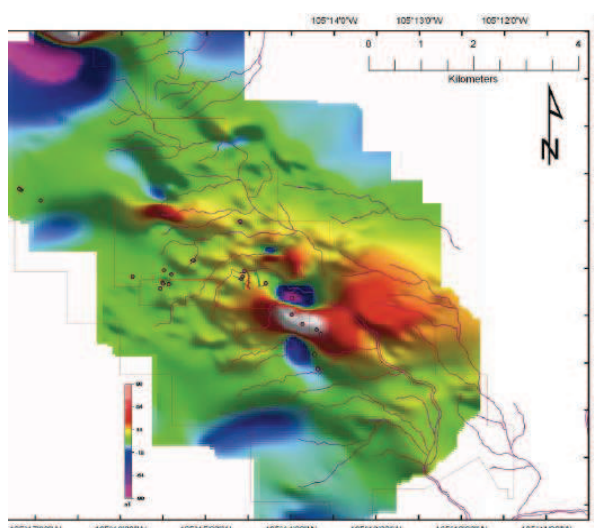


Figure 2: GMAG data over Plomosas area



Figure 3: Chairman Martin Blakeman on site with outcropping mineralisation at surface.

Plomosas - Forward Work Programme/Use of Funds

Newera currently has staff on site, undertaking due diligence. The aim of the work will be to verify the historical work and results that have been presented, geological models and grades and to identify further exploration targets. The extensive database needs to be verified for accuracy and checked for completeness.

Phase 1 of the current outlined due diligence exploration work will also consist of underground mapping and sampling with regional assessments to confirm the prospectivity of the project, ascertain exploration target size and to establish existing mineral potential, including tailings.

Phase 2 to commence January 2015 and will review current mine operations and cost structures and complete high level indicative mine design options and likely production targets.

Plomosas - Terms of Heads of Agreement

The key terms of the Heads of Agreement between Newera and Arena Exploration are outlined below:

- a) An upfront payment of A\$150,000 to acquire 100% of Arena.
- b) Newera will make available a working capital facility of up to US\$250,000 secured by first ranking charge, held over the existing mining concessions, titles, rights and equipment.
- c) Subject to Newera being satisfied with the results of its due diligence investigations, NRU may elect to acquire, through Arena Exploration, 51% of the Plomosas project in Tranche 1 with the following considerations:
 - i. Make further cash payments totalling \$400,000 and the issuing of 750,000,000 NRU shares at a deemed value of \$0.002 per share, (or the equivalent number of shares if the exercise of the Option results in the Company having to comply with Chapters 1 and 2 of the ASX Listing Rules).
 - ii. Make available an additional working capital facility up to \$850,000 secured by first ranking charge, held over the existing mining concessions, titles, rights and equipment.
- d) Newera will have up to 3 years to elect to acquire 90% of the project by making a further cash payment totalling \$750,000 and issuing NRU shares to the value of \$2,500,000 calculated at a value weighted average market price over 30 days prior to the exercise of the right by Newera. The Mexican Vendors of the Plomosas project (Mexican Vendors) shall have a 10% free carried interest up until completion of a bankable feasibility study. The Mexican Vendors shall, upon the completion of a bankable feasibility study, have a put option to sell their remaining 10% interest at a price to be determined by internationally recognised experts. The Mexican Vendors may elect to maintain their 10% and contribute proportionally to capital calls made in relation to the project.
- e) Upon Newera electing to acquire 90% of the project, it will be obligated to grant the vendors of Arena Exploration a free carried interest of 10% in the project (resulting in Newera having an overall interest of 80%) until such time as a bankable feasibility study for the project is completed. The vendors of the Arena Exploration shares will have a put option to sell their interest in the project for a purchase price, payable in Newera shares, equal to 10% of the enterprise value of Newera at the time of election. Newera will, upon achieving a

market capitalisation of \$50,000,000 have a call option to acquire the Arena Exploration vendors interest in the project for the same purchase price.

- f) Newera's acquisition of Arena Exploration Pty Ltd and the transactions contemplated under these Heads of Agreement is subject to the satisfaction of conditions precedent including Newera obtaining any shareholder approvals under the Listing Rules and Corporations Act.

NRU Placement

Newera has executed a Lead Manager mandate with DJ Carmichael to complete a \$300,000 sophisticated investor capital raising, for working capital and due diligence expenses, at \$0.002, with a 1 for 2 option exercisable on the same terms as the existing NURO listed series; and a \$200,000 Share Purchase Plan with terms to be finalised in a formal underwriting agreement.

Because the placement will be in excess of the 15% placement capacity, tranche 2 will be subject to shareholder approval at a meeting to be convened.

Ulaan Tolgoi project

On 5 December 2014 the Company announced that following a review of recent exploration within the Ulaan Tolgoi project and armed with the knowledge that despite the identification of interpreted potentially coal bearing sub-basins and the more recent interpretation that potential mineral bearing intrusions may exist below significant cover in the northern sector of the licence, Newera acknowledged at that point, that any future exploration within the Ulaan Tolgoi licence, would remain high risk green fields exploration.

In addition, it was noted that in order to maintain the Ulaan Tolgoi Joint Venture, Newera was facing a significant annual Statutory Licence fee immediately payable to the Mongolian Department and a long period of inactivity over the harsh Mongolian winter.

Hence, Newera determined that in this era of capital scarcity, Newera's interests would be better served by preserving critical capital for new project acquisitions or new joint ventures.

To that end, Newera advised that it has issued a formal letter of notice to its Ulaan Tolgoi Joint Venture partner, advising that Newera has withdrawn from the Ulaan Tolgoi Joint Venture, effective immediately.

Annual General Meeting

The Company held its Annual General Meeting on 28 November 2014 at Butler Settineri, Unit 16, First Floor, Spectrum Offices, 100 Railway Road, Subiaco, WA 6008, where all resolutions were passed unanimously on a show of hands.

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NEWERA PROJECT PORTFOLIO:

| Location | Project |
|------------|---|
| Mexico: | Plomosas Project – Development/Prospective for Zinc. |
| | |
| Sweden: | Varmland Project (V100 and V101 Licences) – Prospective for Copper, Gold, Iron and PGE's. |
| | |
| Australia: | Jailor Bore Project – Prospective for Uranium. |
| | |

Further Information:

Martin Blakeman – Chairman
(08) 9382 3100

Ross Cotton - Corporate Advisor
(08) 6380 2555

Competent Persons' Statement

The information in this report that relates to exploration results, data collection and geological interpretation is based on information compiled by Mr Andrew Richards BSc (Hons), Dip Ed, MAusIMM, MAIG, MSEG, GAICD who is a Member of the Australasian Institute of Mining and metallurgy (AusIMM) and Institute of Geoscientists (AIG). Mr Richards has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (JORC Code). Mr Richards consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Newera Resources Limited

ABN

27 118 554 359

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

| Cash flows related to operating activities | | Current quarter \$A'ooo | Year to date (6 months) \$A'ooo |
|---|--|----------------------------|---------------------------------------|
| 1.1 | Receipts from product sales and related debtors | - | - |
| 1.2 | Payments for (a) exploration & evaluation | (64) | (100) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) administration | (221) | (276) |
| 1.3 | Dividends received | - | - |
| 1.4 | Interest and other items of a similar nature received | 4 | 5 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Other (Refund Eo9/1340 rent) | - | 13 |
| Net Operating Cash Flows | | (281) | (358) |
| Cash flows related to investing activities | | | |
| 1.8 | Payment for purchases of: | | |
| | (a) prospects | (150) | (150) |
| | (b) equity investments | - | - |
| | (c) other fixed assets | - | - |
| 1.9 | Proceeds from sale of: | | |
| | (a) prospects | - | - |
| | (b) equity investments | - | - |
| | (c) other fixed assets | - | - |
| 1.10 | Loans with other entities | (125) | (125) |
| 1.11 | Loans repaid by other entities | - | - |
| 1.12 | Other (provide details if material) | - | - |
| Net investing cash flows | | (275) | (275) |
| 1.13 | Total operating and investing cash flows (carried forward) | (556) | (633) |

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

| | | | |
|---|--|--------------|------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (556) | (633) |
| Cash flows related to financing activities | | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | 1,048 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | (25) | (25) |
| 1.18 | Dividends paid | - | - |
| 1.19 | Proceeds from borrowing not yet issued | - | - |
| 1.19 | Other (Costs of share issue) | (47) | (110) |
| | Net financing cash flows | (72) | 913 |
| | Net increase (decrease) in cash held | (628) | 280 |
| 1.20 | Cash at beginning of quarter/year to date | 1,024 | 116 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 396 | 396 |

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

| | | Current quarter \$A'ooo |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 92 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

N/A

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

N/A

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'ooo | Amount used \$A'ooo |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | - | - |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | \$A'ooo |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 206 |
| 4.2 Development | |
| 4.3 Production | |
| 4.4 Administration | 79 |
| Total | 285 |

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'ooo | Previous quarter \$A'ooo |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 396 | 1,024 |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 396 | 1,024 |

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

| | Tenement reference and location | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|--|--|--|
| 6.1 | Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed | 12323X E09/1194 E09/1434 E09/1575 E09/1788 E09/4632 | Relinquishment Relinquishment Relinquishment Relinquishment Relinquishment Relinquishment | 100% 100% 100% 100% 100% 100% |
| 6.2 | Interests in mining tenements and petroleum 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 | Preference | | | |
| 7.2 | +securities (description) | | | |
| 7.2 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | |
| 7.3 | +Ordinary securities | 1,219,166,028 | 1,219,166,028 | Fully paid |
| 7.4 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | 39,875,000 | 39,875,000 | |
| 7.5 | +Convertible debt securities (description) | - | - | |

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

| | | | | | |
|------|---|--|----------------------------|--|---|
| 7.6 | Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 | Options (description and conversion factor) | 12,000,000 10,000,000 343,750,000 322,022,196 | - - - 322,022,196 | <i>Exercise Price</i> 5.0 cents 1.0 cents 0.32 cents 0.5 cents | <i>Expiry Date</i> 31 Dec 2015 6 March 2017 6 March 2018 31 July 2016 |
| 7.8 | Issued during quarter | 19,937,523 | 19,937,523 | 0.5 cents | 31 July 2016 |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired during quarter | | | | |
| 7.11 | Debentures (totals only) | | | | |
| 7.12 | Unsecured notes (totals only) | | | | |

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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 23 January 2015
(Director/Company secretary)

Print name: CHRIS WATTS

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

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

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