

7 August 2014

Dear Shareholder

PARTICIPATION IN NON-RENOUNCEABLE ENTITLEMENTS ISSUE

As announced to ASX on 31 July 2014, Newera Resources Limited (Company) is undertaking a non-renounceable entitlements issue of four (4) Shares for every five (5) Shares held by those Shareholders on 12 August 2014 (Record Date) at an issue price of \$0.002 per Share to raise approx. \$1,048,259, together with one (1) free attaching option (New Option) for every two (2) Shares subscribed for and issued (Offer).

The Offer will be fully underwritten by DJ Carmichael Pty Limited (DJC) subject to standard terms and conditions and the execution of an Underwriting Agreement. In consideration for underwriting the Offer, the Company has agreed to pay to DJC a sum equal to 6% of the total amount underwritten. The Company has also agreed to issue 40 million options to DJC on the same terms as the New Options upon successful completion of the Offer.

The funds raised from the Offer will be applied to continued work on the Company's existing projects and working capital excluding the costs of the Offer.

All holders of ordinary shares in the Company, with a registered address in Australia or New Zealand, are entitled to participate in the Offer.

Eligible shareholders who do not intend to take up the Offer will not be able to transfer and receive value for those entitlements. They may choose to accept nothing, part or all of their entitlements.

The rights attaching to the Shares and New Options together with all other relevant information relation to the Offer is set out in a prospectus which was lodged with the Australian Securities and Investments Commission and ASX on 5 August 2014 (Prospectus). A copy of the Prospectus, together with the Entitlement and Acceptance Form, will be sent to shareholders on or about 15 August 2014. Other key dates which shareholders should note are as follows:

Ex date	8 August 2014
Record Date for determining Entitlements	12 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

Following completion of the Offer, the Company will have issued approximately 524,129,346 Shares and 302,064,673 New Options.

A Shareholder who has a registered address outside Australia and New Zealand (Ineligible

Shareholder) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of Securities to which they would otherwise be entitled.

If you have any queries concerning the Offer, please contact your financial adviser.

Yours sincerely

CHRIS WATTS
Company Secretary