NEWERA RESOURCES LIMITED
ACN 118 554 359

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

General Meeting to be held at
Butler Settineri, Unit 16, First Floor, Spectrum Offices
100 Railway Road, Subiaco, WA, 6008
on 5 June 2015 commencing at 10am (WST).

This Notice of General Meeting and Explanatory Statement should be read in its entirety.
If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Newera Resources Limited (ACN 118 554 359) will be held at Butler Settineri, Unit 16, First Floor, Spectrum Offices, 100 Railway Road, Subiaco, WA, 6008 on 5 June 2015, commencing at 10am (WST).

The Explanatory Statement that accompanies and forms part of this Notice of General Meeting describes in more detail the Resolutions to be considered.

SPECIAL BUSINESS

Resolution 1 – Approval to change of scale of activities

To consider, and if thought fit to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to the passing of Resolutions 2 to 13 (inclusive) and for the purpose of Listing Rule 11.1.2, and for all other purposes, approval is given for the Company to make a significant change in the scale of its activities as described in the Explanatory Statement."*

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who obtains a benefit under this Resolution, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolutions 2(a) and (b) – Issue of Consideration Securities to the Vendors

To consider and, if thought fit, to pass, with or without amendment, the following Resolutions as **ordinary resolutions**:

(a) *"That, subject to Resolutions 2(b) to 13 (inclusive) being passed, and in accordance with section 208 of the Corporations Act, and for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue, on a pre Consolidation basis, up to 500,000,000 Shares to the Mexican Vendors (as that term is defined in the Explanatory Statement) as part consideration for the acquisition of 51% of the issued shares in Minera Latin American Zinc S.A.P.I. on the terms and conditions set out in the Explanatory Statement."*

(b) *"That, subject to Resolutions 2(a), 3 to 13 (inclusive) being passed, and in accordance with section 208 of the Corporations Act; and for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue, on a pre Consolidation basis, up to 250,000,000 Shares to the Arena Shareholders (as that term is defined in the Explanatory Statement) as part consideration for the acquisition of 100% of the issued shares of Arena on the terms and conditions set out in the Explanatory Statement."*

Voting exclusion statement

The Company will disregard any votes cast on these Resolutions by a person (and any associates of such a person) who may participate in the proposed issue under these Resolutions and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolutions are passed.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 3(a) to (e) (inclusive) – Approval to refresh the Company's 15% placement capacity

To consider and, if thought fit, pass the following Resolutions as **ordinary resolutions**:

(a) "That, for the purposes of Listing Rule 7.4 and for all other purposes, the 15% placement capacity of the Company be refreshed by the previous issue of 25,000,000 Shares on the basis set out in the Explanatory Memorandum, being ratified and approved."

(b) "That, for the purposes of Listing Rule 7.4 and for all other purposes, the 15% placement capacity of the Company be refreshed by the previous issue of 20,000,000 Listed Options on the basis set out in the Explanatory Memorandum, being ratified and approved."

(c) "That, for the purposes of Listing Rule 7.4 and for all other purposes, the 15% placement capacity of the Company be refreshed by the previous issue of 28,083,398 Shares on the basis set out in the Explanatory Memorandum, being ratified and approved."

(d) "That, for the purposes of Listing Rule 7.4 and for all other purposes, the 15% placement capacity of the Company be refreshed by the previous issue of 75,000,000 Listed Options on the basis set out in the Explanatory Memorandum, being ratified and approved."

(e) "That, for the purposes of Listing Rule 7.4 and for all other purposes, the 15% placement capacity of the Company be refreshed by the previous issue of 50,000,000 Listed Options on the basis set out in the Explanatory Memorandum, being ratified and approved."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who participated in the issue of Equity Securities under this Resolution, if this Resolution is passed.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 4 – Approval for Future Share Placements

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 1,375,000,000 Shares pre Consolidation basis in the Company on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolutions 5(a) to (g) (inclusive) – Approval to issue securities for loan conversions

To consider and, if thought fit, to pass, with or without amendment, the following Resolutions as an ordinary resolution:

(a) "That, for the purposes of Listing Rule 7.1 and for all other purposes, approval if given for the Company to allot and issue up to 51,600,000 Shares on a pre Consolidation to Eyeon Investments Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."

(b) "That, for the purposes of Listing Rule 7.1 and for all other purposes, approval if given for the Company to allot and issue up to 103,200,000 Shares on a pre Consolidation to Supermax Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."

(c) "That, for the purposes of Listing Rule 7.1 and for all other purposes, approval if given for the Company to allot and issue up to 77,400,000 Shares on a pre Consolidation basis to CF Sundowner Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."

(d) *"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval if given for the Company to allot and issue up to 103,200,000 Shares on a pre Consolidation basis to Spacetime Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

(e) *"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval if given for the Company to allot and issue up to 103,200,000 Shares on a pre Consolidation basis to Retzos Executive Super Fund (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

(f) *"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval if given for the Company to allot and issue up to 103,200,000 Shares on a pre Consolidation basis to Westpark Operations Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

(g) *"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval if given for the Company to allot and issue up to 103,200,000 Shares on a pre Consolidation basis to Citywest Corp Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form;

(b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 6 – Consolidation of Capital

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, subject to Resolutions 1 to 5 (inclusive) and 7 to 13 (inclusive) being passed and in accordance with Section 254H of the Corporations Act, Listing Rule 7.20, the Constitution and for all other purposes, approval is given for the issued capital of the Company to be consolidated on the basis that:

(i) every twenty (20) Shares be consolidated into one (1) Share; and
(ii) every twenty (20) Options be consolidated into one (1) Option,

and where this Consolidation results in a fraction of a Share or Option being held by a Shareholder or a holder of Options, the Directors be authorised to round that fraction up to the nearest whole Share or Option. The Consolidation will occur six business days from the date of the General Meeting at which this Resolution 6 is passed."

Resolution 7 – Appointment of Mr Steve Copulos

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution:**

"That, subject to and conditional upon the passing of Resolutions 1 to 6 (inclusive) and 8 to 13 (inclusive), for the purposes of clause 13.3 of the Constitution and for all other purposes, Mr Steve Copulos is appointed as a Director of the Company."

Resolution 8 – Appointment of Mr Luis Rogelio Martinez Valles

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution:**

"That, subject to and conditional upon the passing of Resolutions 1 to 7 (inclusive) and Resolutions 9 to 13 (inclusive), for the purposes of clause 13.3 of the Constitution and for all other purposes, Mr Luis Rogelio Martinez Valles is appointed as a Director of the Company."

Resolution 9 – Appointment of Mr Will Dix

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution:**

"That, subject to and conditional upon the passing of Resolutions 1 to 8 (inclusive) and 10 to 13 (inclusive) for the purposes of clause 13.3 of the Constitution and for all other purposes, Mr Will Dix is appointed as a Director of the Company."

Resolution 10 –Election of Director – Mr Andrew Richards

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution:**

"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Andrew Richards, a Director, retires, and being eligible, is re-elected as a Director."

Resolution 11 – Issue of Shares in lieu of Salary and Directors Options owed to Mr Andrew Richards and Mr Will Dix

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution:**

(a) *"That, subject to and conditional upon the passing of Resolutions 1 to 10 (inclusive), 11(b), 12 and 13, and for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 20,000,000 Shares (pre-Consolidation) and 50,000,000 Directors Options (pre-Consolidation) to Mr Andrew*

Richards (or his nominee) on the terms and conditions set out in the Explanatory Statement."

(b) *"That, subject to and conditional upon the passing of Resolutions 1 to 10 (inclusive), 11(a), 12 and 13 and for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 20,000,000 Shares (pre-Consolidation) and 100,000,000 Directors Options (pre-Consolidation) to Mr Will Dix (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Mr Andrew Richards and Mr Will Dix (and any associates of such persons) and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 12 – Issue of Shares and Options to Richmond Food Systems Pty Ltd

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution:**

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to grant 25,000,000 Shares (pre-Consolidation) and 100,000,000 unlisted Options (pre-Consolidation) to Richmond Food Systems Pty Ltd on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the proposed issue under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 13 – Change of Company Name

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution:**

"That, subject to and conditional upon the passing of Resolutions 1 to 12 (inclusive), for the purpose of Section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to Consolidated Zinc Limited."

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of General Meeting and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalized terms used in this notice of General Meeting and the Explanatory Statement.

Proxies

Please note that:

(a) a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy;

(b) a proxy need not be a member of the Company;

(c) a Shareholder may appoint a body corporate or an individual as its proxy;

(d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and

(e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorizing him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5pm (WST) on 3 June 2015. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the General Meeting.

By Order of the Board of Directors

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Mr Christopher Watts
Company Secretary
Newera Resources Limited

30 April 2015

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting.

Capitalised terms in this Explanatory Statement are defined in the Glossary.

1. Resolution 1 – Approval to change of scale of activities

1.1 General

Resolution 1 seeks approval from Shareholders for a change in the scale of the activities of the Company. The Company is an Australia public company, listed on the official list of ASX (ASX code: NRU).

On 21 December 2014, the Company entered into a Binding Heads of Agreement with Arena Exploration Pty Ltd (**Arena**) to acquire 100% of the issued share capital of Arena. See section 1.5 for more information about the proposed acquisition. Arena has the right to acquire a 51% interest in the Plomosas Project. See sections 1.3 and 1.4 for more information on Arena and the Plomosas Project.

The proposed acquisition of Arena will result in a significant increase in the scale of the Company's activities. However, the proposed acquisition will not change the Company's existing business as a mineral exploration and mining company.

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable. Listing Rule 11.1.2 provides, that, if ASX requires, the entity must get the approval of Shareholders and must comply with any requirements of ASX in relation to the Notice of Meeting.

ASX has indicated to the Company that it has exercised its discretion to require the Company to seek the approval of Shareholders under Listing Rule 11.1.2 for a change in the scale of its activities. For this reason, the Company is seeking Shareholder approval for the Company to change the scale of its activities under Listing Rule 11.1.2.

1.2 Company Background

The Company is a mineral exploration and mining company, with assets currently located in Western Australia and Sweden.

(a) Jailor Bore Project, Western Australia

The Jailor Bore Project lies 200 kilometres east Carnarvon in Western Australia and is prospective for uranium. The Company holds five exploration tenements which make up the Jailor Bore Project.

These tenements surround a small calcrete hosted uranium deposit held by another company, which is excised from the Newera leases. Newera has collated and generated various geophysical and geological data covering the project area including radiometrics and VTEM. (Please see the Cautionary Statement below.)

At the Giant Prospect, previous geological mapping and preliminary drilling by Newera has confirmed that uranium mineralisation is lying close to the surface within a calcareous sandstone in which intercepts of up to 2 metres @ 229ppm U3O8 obtained in RC drill hole GTRC005 (see announcement 28 April 2009 and 23 February 2009). There is significant scope to expand this target as it is not closed to the north, south and west. Further follow-up drilling is planned over these anomalies as well as the visible carnotite areas on the uranium-impregnated limestone-granite basement contact are also high priority targets.

Also within the Jailor Bore Project, some 20 kilometres to the north of Giant, near Relief Well, two scout RC drill holes, located within a large VTEM anomaly, intersected low grade uranium results over thin intervals (see announcement of 23 February 2009).

Cautionary Statement: The potential quantity, grade and quality of any exploration targets identified above are conceptual in nature, and there has been insufficient exploration to date to define a mineral resource in accordance with the Australian Code for Reporting of Mineral Resources and Ore Reserves published by the Joint Ore Reserve Committee 2012 ("JORC Code 2012"). Furthermore, it is uncertain if further exploration at its exploration targets will result in the determination of a mineral resource.

(b) Sweden

Newera has two exploration licence applications covering a large area prospective for base-metal mineralisation within south west Sweden and adjacent to the Norwegian border. These licences were taken out to cover two massive mylonite shear zones and adjacent local rock types thought to be prospective for copper, gold or platinum group elements (**PGE's**) and which had a history of small scale historical and current mining. The Company holds a 100% interest in the two separate Swedish exploration licences, Varmland 100 and Varmland 101.

In May 2013, Newera commissioned SRK Geology Denmark to undertake two reconnaissance mapping exercises over the Varmland 100 (**V100**) and Varmland 101 (**V101**) exploration licences.

The objective of the program was primarily, to assess a cross section of prospective rock types within both V100 and V101 using previous

geophysics and historical sampling results as a guide. Target minerals being copper, gold, molybdenum and PGE's.

A second objective was to assess the potential of the geological setting for PGE's.

Two phases of surface reconnaissance exploration were completed which produced the following highlights (Please see the Cautionary Statement below):

(i) Copper minerals, mainly chalcopyrite with some bornite and/or chalcocite were identified at a number of locations within V100 and V101;

(ii) A mineralised (copper dominant) trend line, referred to as the Mangen trend was identified within V100, which is associated with historical workings;

(iii) Historical mines along the Mangen trend exhibit mineralization as pyrite/iron oxide on the margins of the mylonite zone and towards the centre more copper minerals occur (mainly chalcopyrite +pyrite with some bornite and/or chalcocite in the better areas);

(iv) Copper mineralization appears to be closely associated with magnetite; and

(v) Much of the V100 and V101 areas are covered with extensive till and it is thought that detailed geophysics, particularly magnetics and/or electromagnetics (**EM**) may assist where copper mineralisation is seen to be associated with magnetite.

More details on the SRK Denmark reconnaissance program are provided in the announcement dated 28 August 2013.

See section 1.13 below for information on the Competent Person who acts for the Company.

Cautionary Statement: The potential quantity, grade and quality of any exploration targets identified above are conceptual in nature, and there has been insufficient exploration to date to define a mineral resource in accordance with the JORC Code 2012. Furthermore, it is uncertain if further exploration at its exploration targets will result in the determination of a mineral resource.

1.3 Arena

Arena Exploration Pty Ltd (**Arena**) is a proprietary limited company registered in Western Australia with 5 shareholders (**Arena Shareholders**). Pursuant to a Letter of Intent entered into by Arena and Compania Retec Guara S.A. de C.V., Mr Luis Rogelio Martinez Valles and Mr Mauricio Martinez Ontiveros (together the **Mexican Vendors**) dated 19 December 2014 (**Mexican Contract**), Arena has the right to acquire a 51% interest in a joint-venture company, Minera Latin American Zinc S.A.P.I (**Newco**), incorporated in Mexico, subject to the execution of a Cession of Rights Option Agreement.

Through the proposed structure set out in Schedule 1, Newco will own 11 exploration and exploitation mining concessions prospective for zinc in Mexico (**Concessions**) collectively known as the Plomosas Project (**Plomosas Project**).

Details of the Concessions are set out in Schedule 2.

1.4 Plomosas Project

The Plomosas Project covers the 11 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.

Records show the Plomosas Project to have high grade mineralisation with approximately 1.7 million tonnes of ore being mined since 1943 with average historical grades of 15-25% zinc and lead with 40-60 grams per tonne silver.

Despite exploration and development by various past owners a definitive resource base has never been quantified to JORC or N14301 standard. The Company believes that significant exploration potential exists within a six kilometre strike zone.

More technical details on the Plomosas Project have been provided in the announcement dated 6 February 2015 and the presentation dated 26 March 2015.

Cautionary Statement: The potential quantity, grade and quality of any targets identified above are conceptual in nature, and there has been insufficient exploration to date to define a mineral resource in accordance with the JORC Code 2012. Furthermore, it is uncertain if further exploration will result in the determination of a mineral resource.

1.5 Proposed Transaction

The Company and Arena entered into a Binding Heads of Agreement on 21 December 2014 (**HOA**) pursuant to which the Company agreed to buy all of the issued share capital of Arena, subject to the satisfaction or waiver of the following conditions precedent:

(a) The Company being satisfied with the results of its due diligence investigations in relation to Arena, the Mexican Contract and the Mexican Vendors within 3 months after the date of the HOA;

(b) Within 3 months after the date of the HOA, the Company obtaining any necessary shareholder approvals under the Corporations Act or Listing Rules; and

(c) Within 3 months after the date of the HOA, the provision of any required consents to the change in control of Arena required under any contracts to which Arena is a party (but only if and to the extent that any such requirements exist).

The proposed key terms of the HOA are as follows:

(a) An upfront payment of $150,000 will be made by the Company to Arena within 3 business days of the date of the HOA.

(b) The Company would make available to the Mexican Vendors a working capital facility of up to US$250,000 secured by a first ranking charge, held over the Concessions. The Concessions are to be transferred to Newco. Subject to satisfaction or waiver of the conditions precedent described above, the Arena Shareholders are to sell all of the issued share capital in Arena to the Company. The Company will then instruct Arena to proceed to acquire 51% of Newco pursuant to the Mexican Contract.

(c) The consideration for the acquisition of Arena will be:

(i) A further cash payment of $400,000 and the issuing of 500,000,000 Shares to the Mexican Vendors (as described in section1.3) and 250,000,000 Shares to the Arena Shareholders (as described in section 2.2) at a deemed value of $0.002 per Share.

(ii) An additional working capital facility of up to US$850,000 to repay creditors of the Mexican Vendors secured by a first ranking charge over the Concessions.

(d) Through Arena and its rights under the Mexican Contract, the Company will have up to three years to elect to acquire up to 90% of Newco, by making an additional cash payment of $750,000 to the Mexican Vendors, and issuing Shares to the value of $2,500,000 calculated at the value weighted average market price over 30 days prior to the exercise of the right by the Company.

(e) Upon the Company electing to acquire 90% of Newco it will be obligated to grant to the Arena Shareholders a free carried interest in 10% of Newco (leaving the Company, through Arena, with an overall interest of 80%) up until completion of a bankable feasibility study. The Arena Shareholders will have a put option to sell their 10% interest for a purchase price payable in Shares of the Company equal to 10% of the enterprise value of the Company at the time of election.

(f) The Mexican Vendors shall have a 10% interest in Newco, up to the completion of a bank feasibility study. Upon the completion of a bank feasibility study, the Mexican Vendors have a put option that they may exercise to sell their remaining 10% interest at a price to be determined by international recognised experts.

1.6 Capital Raising

The Company has already received loan monies of up to $1,250,000 (as described in Resolution 3) and the Company will seek to raise an additional $2,750,000 by the placement of 1,375,000,000 Shares (as described in Resolution 4). These funds will be used to fund the activities of the Company up to and after the completion of the proposed acquisition of Arena and, in

turn, the 51% interest in the Plomosas Project. The Company intends to raise these funds from sophisticated or professional investors.

1.7 Effect of the Proposal and Use of Funds

The effect of the proposed acquisitions and capital raisings on the capital structure of the Company is set out in Schedule 3 to this Explanatory Statement.

The use of the funds to be raised by the Company is set forth in Schedule 4 to this Explanatory Statement.

1.8 Advantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to the Shareholder's decision on how to vote on the proposed Resolution:

(a) the Plomosas Project represents a significant asset acquisition opportunity for the Company to develop an advanced stage minerals exploration and exploitation project;

(b) should the Company be successful with its exploration and development of the Plomosas Project there is an opportunity to build substantial value for investors with money spent on ground;

(c) the capital raisings completed by the Company to date, as well as the proposed future capital raising will add significant value to the Plomosas Project and in turn that value will be reflected in the Shares;

(d) the Plomosas Project is a complementary asset to the existing assets of the Company and therefore the Company will continue to have the same main undertaking;

(e) the change in scale of the Company's activities could attract new investors and may allow the Company to more readily raise additional working capital (if required), and as such, the Company may increase its ability to further develop the Plomosas Project or to acquire additional projects;

(f) the Board of Directors will provide an experienced set of skills to guide the growth of the Company; and

(g) there are presently no alternative proposals which may provide a greater benefit to Shareholders.

1.9 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to the Shareholder's decision on how to vote on the proposed Resolution:

(a) the Company will be changing the scale of its activities, which may not be consistent with the objective of the Shareholders;

(b) the acquisition will result in the issue of Shares to the Mexican Vendors and Arena Shareholders which will have a dillutionary effect on the current holdings of the Shareholders; and

(c) there are many risk factors associated with the change of scale of the Company's activities, or rather associated with the business and operations of the Plomosas Project. See section 1.10 below.

1.10 Risks

Shareholders should be aware that if this Resolution is approved, the Company will be changing the scale of its activities which is subject to various risk factors. Based on the information available, a non-exhaustive list of risk factors are in Schedule 5.

1.11 Recommendation

It is the view of the Directors that the acquisition of Arena, and in turn, 51% of the Plomosas Project, will give the Shareholders the opportunity to participate in a potentially significant exploration, development and production program in respect of a highly prospective zinc project.

Each of the existing Directors has no interest in the outcome of Resolution 1, other than as existing Shareholders or option holders. Each of them recommends that Shareholders vote in favour of Resolution 1.

1.12 Forward looking statements

The forward looking statements in the Notice are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in the Notice. These risks include but are not limited to, the risks referred to in Schedule 5. Forward looking statements include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

1.13 Competent Person

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 Australian 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 is a full time employee of Arc Resources Pty Ltd and a director of Newera Resources Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

2. Resolution 2(a) and (b) – Issue of Consideration Securities to the Vendors

2.1 Resolution 2(a)

Subject to the passing of Resolutions 2(b) to 13 (inclusive), Resolution 2(a) is an ordinary resolution which seeks the approval of the issue of 500,000,000 Shares to Mexican Vendors as part consideration for acquisition of 51% of the issued shares in Newco as summarised in section 1.5.

2.2 Resolution 2(b)

Subject to the passing of Resolutions 2(a) and 3 to 13 (inclusive), Resolution 2(b) is an ordinary resolution which seeks the approval of the issue of 250,000,000 Shares to the Arena Shareholders as part consideration for the acquisition of 100% of the issued shares of Arena as summarised in section 1.5. The Shares will be issued as follows:

Arena Shareholders	**Number of Shares**
Camilla Bosio and Enzo Bosio	43,750,000
Parakeet Bay Pty Ltd	25,000,000
Richmond Food Systems Pty Ltd	62,500,000
Rivergrade Pty Ltd	18,750,000
Supermax Pty Ltd	100,000,000
Total:	250,000,000

2.3 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the company's issued capital at the commencement of that 12 month period.

The effect of Resolutions 2(a) and 2(b) will be to allow the Directors to issue the Shares to the Vendors during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Shares as described in Resolutions 2(a) and 2(b):

(a) **Maximum Number of Securities**: the maximum number of securities to be issued is 750,000,000 Shares (on a pre-Consolidation basis);

(b) **Issue Date**: the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);

(c) **Issue Price**: the Shares will be issued for nil cash consideration for the acquisitions as described in section 1.5 above, but will have a deemed value of $0.002 per Share;

(d) **Holders**: the Shares will be issued to the Mexican Vendors as described in section 1.3 and the Arena Shareholders as described in section 2.2. The Mexican Vendors are related parties of the Company as described in section 2.4. Supermax Pty Ltd is a shareholder of Arena and also a related party of the Company as described in section 2.4.

(e) **Terms of Shares**: the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares (and will rank equally with the Company's existing Shares);

(f) **Intended Use of Funds**: the Shares will be issued to the Mexican Vendors and the Arena Shareholders as consideration for the acquisitions as described in section 1.5 above;

(g) **One date or Progressive**: the Shares will be issued on one date to the Mexican Vendors and Arena Shareholders in accordance with the timetable set forth in section 14.1; and

(h) **Voting Exclusion Statement**: the voting exclusion statement is set forth below Resolution 2(a) and 2(b) in the Notice.

2.4 Section 208 of the Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval, unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Mexican Vendors are related parties of the Company, as Mr Luis Rogelio Martinez Valles is a proposed director of the Company. Pursuant to section 228(6) of the Corporations Act persons who have reasonable grounds to believe they are likely to become a related party of a company in the future will be considered a related party of the company. Subject to the passing of Resolution 8 of this Notice, Mr Martinez is to become a director of the Company. Compania Retec Guara S.A. de C.V. is an entity controlled by Mr Martinez, therefore pursuant to section 228(4) of the Corporations Act, Compania Retec Guara S.A. de C.V. is a related party to the Company. Mr. Mauricio Martinez Ontiveros is the father of Mr Martinez, therefore pursuant to section 228(3) of the Corporations Act he will be a related party of the Company as well.

Supermax Pty Ltd is a shareholder of Arena and also a related party of the Company as it is controlled by Mr Steve Copulos, a proposed director of the Company. Pursuant to section 228(6) of the Corporations Act proposed directors will be considered related parties to a company.

The negotiations with the Mexican Vendors and the Arena Shareholders (including Supermax Pty Ltd) for the acquisitions by the Company outlined in section 1.5 above were negotiated on an arm's length basis. However, the Company is electing to seek the approval of its Shareholders for the avoidance of any doubt on this issue.

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders in respect of Resolutions 2(a) and 2(b):

(a) **Related parties to whom financial benefits are to be given**

The related parties to whom Resolutions 2(a) and 2(b) would permit a financial benefit to be given are: Mr Luis Rogelio Martinez Valles, Compania Retec Guara S.A. de C.V., Mr. Mauricio Martinez Ontiveros, Supermax Pty Ltd. For further details, see section 2.4 above.

(b) **Nature of the financial benefits**

The nature of the financial benefit to be given is the issue of 500,000,000 Shares in total to the Mexican Vendors pursuant to Resolution 2(a) and 100,000,000 shares to Supermax Pty Ltd pursuant to Resolution 2(b).

The Shares are to be issued pursuant to the terms of the HOA as described in section 1.5.

(c) **Valuation of the financial benefits**

The Shares to be issued pursuant to Resolutions 2(a) and (b) will be issued for nil cash consideration for the acquisitions as described in section 1.5 above, but will have a deemed value of $0.002 per Share. The value of the financial benefit given to each related party will therefore be as follows:

Name	**Value of Shares is deemed value is $0.002 per Share**
Mexican Vendors (together)	$1,000,000
Supermax Pty Ltd	$200,000

The quantum of the benefit of the Shares to be issued pursuant to Resolutions 2(a) and (b) will depend in part on the price at which the Shares trade on ASX (assuming the Shares will be listed as soon as possible).

(d) **Terms of the securities**

The Shares that may be issued pursuant to Resolutions 2(a) and 2(b) will rank equally in all respects with existing Shares on issue.

(e) **Dilution**

If all Shares are issued pursuant to the Resolutions in this Notice and no other Shares are issued by the Company (including pursuant to the conversion of any Options), then the Shares to be issued under Resolution 2(a) and 2(b) would dilute Shareholders by approximately 20.7% based on the Company.

(f) **Directors' voting recommendations**

Mr Martin Blakeman, Mr Andrew Richards and Mr Chris Watts recommend that Shareholders vote in favour of Resolution 2(a) and (b) for the following reasons:

(i) the issue of Shares to the related parties described in paragraph (a) above will align the interests of the related parties with those of Shareholders;

(ii) the issue of Shares is a reasonable and appropriate method to provide consideration for the acquisition as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of consideration were given to the related parties described in paragraph (a) above; and

(iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed;

(g) **Directors' interest in the outcome**

None of the existing Directors have a personal interest in the outcome of Resolutions 2(a) and (b).

(h) **Related parties' existing interest**

The Mexican Vendors have no existing interest in the Company.

Mr Steve Copulos has an existing interest in the Company holding 296,191,081 Shares through the

following entities he controls:

(a) Supermax Pty Ltd <Supermax Super Fund A/C> (96,679,159 shares); and

(b) HSBC Custody Nominees (Australia) Ltd as custodian for Eyeon No 2 Pty Ltd (199,511,922 shares).

Also, entities controlled by Mr Copulos have loaned a total of $850,000 to the Company. It is intended for these loans to be converted to Shares. See Resolutions 5(a), (b), (c), (d) and (g) and section 5.1 and 5.3 for more details.

2.5 Listing Rule 10.11

Unless one of the exceptions in Listing Rule 10.12 applies, Listing Rule 10.11 requires that an entity must not issue or agree to issue equity securities to a related party of the company unless it obtains prior shareholder approval.

Listing Rule 10.12 exception 6 provides that where a person is only a related party by reason of the transaction which is the reason for the issue of the securities and the application of section 228(6) of the Corporations Act, Listing Rule 10.11 shall not apply. The Mexican Vendors and Supermax Pty Ltd are only related parties of the Company by reason of the issue of the Shares pursuant to Resolutions 2(a) and (b) and the application of section 228(6) of the Corporations Act. As a result, Shareholder approval under Listing Rule 10.11 is not required for the purposes of Resolutions 2(a) and (b).

Further because an exception to Listing Rule 10.11 applies, the Shares to be issued to the Mexican Vendors and Arena Shareholders are not required be classified by the ASX as "restricted securities". However, the Company has requested that the Mexican Vendors and the Arena Shareholders voluntarily escrow their Shares for a period of 12 months from the date of issue.

3. Resolutions 3(a) to (e) – Approval to refresh the Company's 15% placement capacity

3.1 General

Resolutions 3(a) through (e) seeks the approval of Shareholders of the prior issues of Shares and Listed Options that have occurred in the 12 months prior to 5 June 2015 that have not already been approved by Shareholders for the purposes of Listing Rule 7.4.

3.2 Listing Rule 7.1 and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the company's issued capital at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The Company is seeking Shareholder approval to the issues of securities described in paragraph (a) through (e) below. The Board believes that it is in the best interests of the Company to maintain the ability to issue up to its full placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval so that the Company retains financial flexibility and can take advantage of commercial opportunities that may arise.

By way of background, the Company has issued the following shares under the Company's 15% placement capacity:

(a) As announced to ASX on 10 April 2015, 25,000,000 Shares were issued at an issue price of $0.002 per Share. The Shares rank equally with all other existing Shares. The Shares were issued as part payment of a consulting fee to Richmond Food Systems Pty Ltd on the provision of a $1.25m convertible loan facility. See section 12.1 for further details.

(b) As announced to ASX on 25 February 2015, 20,000,000 Listed Options were issued to sophisticated investors as an underwriting fee. The Listed Options are over ordinary Shares in the Company exercisable at $0.005 each on or before 31 July 2016.

(c) As announced to ASX on 4 February 2015, the Company issued 28,083,398 Shares at an issue price of $0.002 per Share. The Shares rank equally with all other existing Shares. The Shares were issued to sophisticated investors for the purpose of providing funds for working capital and funds for the continuance of due diligence investigations and feasibility studies into the Concessions located in Chihuahua, Mexico.

(d) As announced to ASX on 4 February 2015, the Company issued 75,000,000 Listed Options to sophisticated investors as part of this placement which entitled sophisticated investors to one free attaching Option for every two shares subscribed for and issued to sophisticated investors. The Listed Options are over ordinary Shares in the Company exercisable at $0.005 each on or before 31 July 2016.

(e) As announced to ASX on 4 February 2015, the Company issued 50,000,000 Listed Options to sophisticated investors as a placement fee. The Listed Options are over ordinary Shares in the Company exercisable at $0.005 each on or before 31 July 2016.

3.3 Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the prior issues of Shares and Listed Options described in section 3.2:

(a) **Number of Shares**: the number of Shares that were issued is 53,083,398 (on a pre-Consolidation basis) and the number of Listed Options that were issued is 145,000,000 (on a pre-Consolidation basis);

(b) **Issue Price**: the issue price for the Shares was $0.002 per Share and the issue price for the Listed Options described in Resolution 3(b) were for an underwriting fee, the Listed Options described in Resolution 3(d) were issued for free attaching Options for every two shares subscribed for, and for the Listed Options described in Resolution 3(e) were for a placement fee;

(c) **Holders**: the Shares and Listed Options were placed with professional and sophisticated investors, none of whom were related parties of the Company;

(d) **Terms of Shares**: the Shares issued are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Listed Options are listed options on the same terms and conditions as the Company's existing Listed Options trading as NRUO;

(e) **Intended Use of Funds**: the funds raised were used to pay a consulting fee (Resolution 3(a)), an underwriting fee (Resolution 3(b)), a placement fee (Resolution 3(e), and for the purpose of providing funds for working capital and funds for the continuance of due diligence investigations and feasibility studies into the Concessions located in Chihuahua, Mexico (as described above in section 3.2) (Resolution 3(c) and (d)); and

(f) **Voting Exclusion Statement**: the voting exclusion statement is set forth below Resolution 3 in the Notice.

The Board unanimously recommends that Shareholders vote in favour of these Resolutions.

4. Resolution 4 – Approval for Future Share Placements

4.1 General

Resolution 4 seeks Shareholder approval for the allotment and issue of up to 1,375,000,000 Shares under future Share placements, the terms and conditions of which are yet to be confirmed (**Future Share Placements**).

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 4 will be to allow the Company to issue Shares pursuant to the Future Share Placements during the period of 3 months after the Meeting (or a longer period, if allowed by ASX) without using the Company's 15% annual placement capacity.

4.2 Technical information required by Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Future Share Placements:

(a) **Maximum Number of Shares**: the maximum number of Shares to be issued is 1,375,000,000 (on a pre-Consolidation basis);

(b) **Issue Date**: the Shares will be issued no later than 3 months after the date of the Meeting (or such date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date;

(c) **Issue Price**: the issue price will be not less than 80% of the volume weighted average price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the

issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;

(d) **Holders**: the Shares will be issued to professional and sophisticated investors, the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;

(e) **Terms of Shares**: the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(f) **Intended Use of Funds**: the Company intends to use the funds raised from the Future Share Placements for working capital and funds for the continuance of development and feasibility studies into the Plomosas Project; and

(g) **Voting Exclusion Statement**: the voting exclusion statement is set forth below Resolution 4 in the Notice.

The Board unanimously recommends that Shareholders vote in favour of these Resolutions.

5. Resolutions 5(a) to (g) (inclusive) – Approval to issue securities for loan conversions

5.1 General

Resolutions 5(a) through (g) seek the approval of Shareholders of the allotment and issue of up to 645,000,000 Shares for the future equity conversions of the following loans made to the Company:

(a) Eyeon Investments Pty Ltd (ATF Eyeon Investment Family Trust) loaned $100,000 to the Company on 24 March 2015. This loan and the outstanding interest are to be converted into 51,600,000 Shares on a pre Consolidated basis upon approval of the Shareholders of Resolution 5(a). Eyeon Investments Pty Ltd is a related party of the Company. See section 5.3 below for more;

(b) Supermax Pty Ltd (ATF Supermax Super Fund) loaned $200,000 to the Company on 24 March 2015. This loan and the outstanding interest are to be converted into 103,200,000 Shares on a pre Consolidated basis upon approval of the Shareholders of Resolution 5(b). Supermax Pty Ltd is a related party of the Company. See section 5.3 below for more;

(c) CF Sundowner Pty Ltd (ATF The CFS Unit Trust) loaned $150,000 to the Company on 24 March 2015. This loan and the outstanding interest are to be converted into 77,400,000 Shares on a pre Consolidated basis upon approval of the Shareholders of Resolution 5(c). CF Sundownder Pty Ltd is a related party of the Company. See section 5.3 below for more;

(d) Spacetime Pty Ltd (ATF Copulos Executive Super Fund No 1) loaned $200,000 to the Company on 24 March 2015. This loan and the

outstanding interest are to be converted into 103,200,000 Shares on a pre Consolidated basis upon approval of the Shareholders of Resolution 5(d). Spacetime Pty Ltd is a related party of the Company. See section 5.3 below for more;

(e) Retzos Executive Super Fund loaned $200,000 to the Company on 24 March 2015. This loan and the outstanding interest are to be converted into 103,200,000 Shares on a pre Consolidated basis upon approval of the Shareholders of Resolution 5(e);

(f) Westpark Operations Pty Ltd loaned $200,000 to the Company on 24 March 2015. This loan and the outstanding interest are to be converted into 103,200,000 Shares on a pre Consolidated basis upon approval of the Shareholders of Resolution 5(f); and

(g) Citywest Corp Pty Ltd (ATF The Copulos (Sunshine) Unit Trust) loaned $200,000 to the Company on 24 March 2015. This loan and the outstanding interest are to be converted into 103,200,000 Shares on a pre Consolidated basis upon approval of the Shareholders of Resolution 5(g). Citywest Corp Pty Ltd is a related party of the Company. See section 5.3 below for more.

All of the loans described in paragraphs (a) through (g) above are on the same terms except for as described above. The term of each loan is for one year from 24 March 2015. The interest payable by the Company on each loan after the first quarter is for 12% payable in cash, each quarter, in advance.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolutions 5(a) to (g) will be to allow the Company to issue Shares for the future equity conversions of the loans and any outstanding interest owing, as described above in paragraphs (a) through (g) above during the period of 3 months after the Meeting (or a longer period, if allowed by ASX) without using the Company's 15% annual placement capacity.

5.2 Technical information required by Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the conversion of the loans and any outstanding interest owing, as described above in paragraphs (a) through (g):

(a) **Maximum Number of Shares**: the maximum number of Shares to be issued is 625,000,000 (on a pre-Consolidation basis);

(b) **Issue Date**: the Shares will be issued no later than 3 months after the date of the Meeting (or such date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on or about the same date as the Meeting;

(c) **Issue Price**: the issue price will be $0.002 per Share;

(d) **Holders**: the Shares will be issued to Eyeon Investments Pty Ltd (ATF Eyeon Investment Family Trust, Supermax Pty Ltd (ATF Supermax Super Fund), CF Sundowner Pty Ltd (ATF The CFS Unit Trust), Spacetime Pty Ltd (ATF Copulos Executive Super Fund No 1), Retzos Executive Super Fund, Westpark Operations Pty Ltd and Citywest Corp Pty Ltd (ATF The Copulos (Sunshine) Unit Trust). Eyeon Investments Pty Ltd (ATF Eyeon Investment Family Trust, Supermax Pty Ltd (ATF Supermax Super Fund), CF Sundowner Pty Ltd (ATF The CFS Unit Trust) , Spacetime Pty Ltd (ATF Copulos Executive Super Fund No 1) and Citywest Corp Pty Ltd (ATF The Copulos (Sunshine) Unit Trust) are related parties of the Company.

(e) **Terms of Shares**: the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(f) **Intended Use of Funds**: the Company used the loan monies as working capital and funds for the continuance of development and feasibility studies into the Plomosas Project. The Shares will be payment for the conversion of these loans; and

(g) **Voting Exclusion Statement**: the voting exclusion statement is set forth below Resolution 5 in the Notice.

5.3 Section 208 of the Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval, unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Eyeon Investments Pty Ltd (ATF Eyeon Investment Family Trust, Supermax Pty Ltd (ATF Supermax Super Fund), CF Sundowner Pty Ltd (ATF The CFS Unit Trust), Spacetime Pty Ltd (ATF Copulos Executive Super Fund No 1) and Citywest Corp Pty Ltd (ATF The Copulos (Sunshine) Unit Trust) (together, the "Related Lenders") are related parties of the Company, as they are all entities controlled by Mr Steve Copulos. Mr Steve Copulos is a proposed director of the Company. Pursuant to section 228(6) of the Corporations Act persons who have reasonable grounds to believe they are likely to become a related party of a company in the future will be considered a related party of the company. Subject to the passing of Resolution 7 of this Notice, Mr Copulos is to become a director of the Company. Pursuant to section 228(4) of the Corporations Act entities controlled by a related party will be considered a related party of the Company as well.

It is the view of the Board that Shareholder approval under section 208 is not required for the allotment and issue of the Shares pursuant to Resolutions 5(a), (b), (c), (d) and (g) as the proposed issue of the Shares falls within the exception under section 210 of the Corporations Act. Section 210 of the Corporations Act provides that shareholder approval is not needed to give a financial benefit on terms that would be reasonable in the circumstances if the public company and the related party were dealing at arm's length or are on terms less favourable to the related party than would be given if the parties were dealing at arm's length.

In forming this view the Board notes that the Shares to be issue to the Related Lenders to convert the loans and outstanding interest were negotiated on an arm's length basis and are reasonable in the circumstances. The Related Lenders are to receive their Shares on the same terms and conditions as the other lenders described in section 5.1(e) and (f) above.

The Board unanimously recommends that Shareholders vote in favour of these Resolutions.

6. Resolution 6 – Consolidation of Capital

6.1 Background

Subject to the passing of Resolution 1 to 5 (inclusive) and 7 to 13 (inclusive), Resolution 6 is an ordinary resolution that seeks Shareholder approval to consolidate the number of Shares and Options on issue on a one (1) for twenty (20) basis ("**Consolidation**"). The Record Date for determining the Consolidation will be six business days after the date of the General Meeting at which the Resolution is passed.

6.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares and options into a larger or smaller number. The Consolidation proposed by Resolution 6 is permitted under section 254H of the Corporations Act.

Listing Rule 7.22 also requires that the number of options on issue be consolidated in the same ratio as the ordinary capital and the exercise price amended in inverse proportion to that ratio.

6.3 Fractional entitlements and taxation

Not all Shareholders and holders of Options will hold that number of Shares and Options which can be evenly consolidated on a one (1) for twenty (20) basis. Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole Share or Option.

The Consolidation will not result in any change to the substantive rights and obligations of the Shareholders. The purpose of the Consolidation of the existing issued capital of the Company is to reduce the number of Shares and Options on issue, which is considered to be a more appropriate capital structure for the Company going forward.

Shareholders and the holders of Options are advised to seek their own tax advice on the effect of the Consolidation, and neither the Company, nor the Directors (or the Company's advisors) accept any responsibility for the individual taxation implications arising from the Consolidation.

6.4 Holding statements

From the date of the Consolidation all holding statements for Shares and Options will cease to have any effect, except as evidence of entitlement to a certain number of Shares and Options on a post-Consolidation basis. After the Consolidation becomes effective, the Company will arrange for new

holding statements for Shares and Options to be issued to holders of those Shares and Options.

It is the responsibility of each Shareholder and Option holder to check the number of Shares and Options held prior to any disposal or exercise (as the case may be).

6.5 Effect on capital structure

The effect which the Consolidation will have on the capital structure of the Company is as set out in the tables below:

Shares – Pre Consolidation

Terms	Number
Existing issued securities	1,543,113,364
Consideration Securities (Resolution 2)	750,000,000
Future Share Placements (Resolution 4)	1,375,000,000
Loan Conversion (Resolution 5)	645,000,000
Shares issued to Directors (Resolution 11)	40,000,000
Shares issued to Consultants (Resolution 12)	25,000,000
Total	4,378,113,364

Shares – Post Consolidation

Terms	Number
Existing issued securities	77,155,668
Consideration Securities	37,500,000
Future Share Placements	68,750,000
Loan Conversion	32,250,000
Shares issued to Directors	2,000,000
Shares issued to Consultants	1,250,000
Total	218,905,668

Options – Pre Consolidation

Terms	Number
Options exercisable at $0.005 by 31 July 2016	467,002,196
Options exercisable at $0.05 by 31 December 2015	12,000,000
Options exercisable at $0.01 on or before 6 March 2017	10,000,000
Options exercisable at $0.0032 on or before 6 March 2018	343,750,000
Directors Options exercisable at $0.003 on or before 5 June 2020	150,000,000
Options exercisable at $0.0032 on or before 6 March 2018 issued to Consultants	100,000,000
Total	1,082,752,196

Options – Post Consolidation

Terms	Number
Options exercisable at $0.10 by 31 July 2016	23,350,110
Options exercisable at $1.00 by 31 December 2015	600,000
Options exercisable at $0.20 on or before 6 March 2017	500,000
Options exercisable at $0.064 on or before 6 March 2018	17,187,500
Directors Options exercisable at $0.06 on or before 5 June 2020	7,500,000
Options exercisable at $0.064 on or before 6 March 2018 issued to Consultants	5,000,000
Total	54,137,610

6.6 Timetable

If Resolution 6 is passed, then the Consolidation will take effect in accordance with the following indicative timetable:

Event	Date
General Meeting to approve transaction and the Company notifies the ASX of the results of General Meeting.	5 June 2015 (Business Day 0)
Trading will commence in the reorganized Shares on a deferred settlement basis.	10 June 2015 (Business Day 2)
Last day for the Company to register transfers on a pre-	12 June 2015

reorganisation basis.	(Business Day 6)
Securities registered on a post-Consolidation basis.	15 June 2015 (Business Day 7)
Dispatch of new holding statements for Consolidated Shares and Options.	19 June 2015 (Business Day 11)

The above dates are indicative only and are subject to change.

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

7. Resolution 7 – Appointment of Mr Steve Copulos

In accordance with clause 13.3 of the Company's Constitution, the Company may elect a person as a Director by resolution passed at a general meeting. A Director elected at a general meeting is taken to have been elected with effect immediately after the end of the general meeting.

Subject to the passing of Resolution 1 to 6 (inclusive) and 8 to 13 (inclusive), Resolution 7 is an ordinary resolution pursuant to which the Company is seeking Shareholder approval for appointment of Mr Steve Copulos as a director of the Company. It is intended that Mr Copulos will serve the Company as Non-Executive Chairman.

The Company considers the following information is material to Shareholders when considering whether or not to elect Mr Copulos:

Mr Copulos is to join the Company as a Non-Executive Chairman and is the Company's major shareholder and major financial supporter. Mr Copulos has over 30 years' experience in a variety of businesses and investments across a wide range of industries, including mining, manufacturing, property development, food and hospitality. He has been the Managing Director of the Copulos Group of companies, a private investment group, since 1997 and has extensive experience as a company director of both listed and unlisted public companies in Australia, UK and the USA.

Mr Copulos is an active global investor who brings significant business acumen and great diversity to the Board of the Company. In addition to his proposed role with the Company, Mr Copulos is also a director of ASX listed companies, Black Rock Mining Limited (Chairman) and Crusader Resources Ltd (Chairman).

The Board unanimously supports the election of Mr Copulos and recommend that Shareholders vote in favour of Resolution 7.

8. Resolution 8 – Appointment of Mr Luis Rogelio Martinez Valles

In accordance with clause 13.3 of the Company's Constitution, the Company may elect a person as a Director by resolution passed at a general meeting. A Director elected at a general meeting is taken to have been elected with effect immediately after the end of the general meeting.

Subject to the passing of Resolution 1 to 7 (inclusive) and 9 to 13 (inclusive), Resolution 8 is an ordinary resolution pursuant to which the Company is seeking Shareholder approval for appointment of Mr Luis Rogelio Martinez Valles as a director of the Company. It is intended that Mr Martinez will serve the Company as a Non-Executive Director.

The Company considers the following information is material to Shareholders when considering whether or not to elect Mr Martinez:

Mr Martinez is a mining entrepreneur with 40 years' experience in industrial minerals, base and precious metals. He holds an Industrial Engineer qualification from Chihuahuas Tech, with a Masters in Business Administration from Nuevo León University, and a Member of the Mining Association of Chihuahua.

Mr Martinez has a proven record of successfully operating in different mine projects such as barite, silica sand, lead zinc, gold and silver, from exploration to exploitation and sale of ores and concentrates, from start ups, to mill installation. Mr Martinez has a background in dealings with local governments as well as experience in negotiations and diligences to be arranged in all areas involving mining including but not limited to mergers and joint ventures.

The Board unanimously supports the election of Mr Martinez and recommend that Shareholders vote in favour of Resolution 8.

9. Resolution 9 – Appointment of Mr Will Dix

In accordance with clause 13.3 of the Company's constitution, the Company may elect a person as a Director by resolution passed at a general meeting. A Director elected at a general meeting is taken to have been elected with effect immediately after the end of the general meeting.

Subject to the passing of Resolutions 1 to 8 (inclusive) and 10 to 13 (inclusive), Resolution 9 is an ordinary resolution pursuant to which the Company is seeking Shareholder approval for appointment of Mr Will Dix as a director of the Company. It is intended that Mr Dix will serve the Company as Executive Director and in his current position as Chief Executive Officer.

The Company considers the following information is material to Shareholders when considering whether or not to elect Mr Dix:

Mr Dix is a geologist with 20 years' experience in base metal, uranium and gold exploration and mining. He holds a BSc and MSc (Geology) from Monash University and is a member of AusIMM.

In his previous roles, Mr Dix has been Managing Director of Fitzroy Resources and unlisted private mining ventures. He also spent 9 years with LionOre Mining International where he was a District Supervising Geologist in Western Australia. During his time with LionOre Mining International, Mr Dix was part of the team that discovered the Waterloo Nickel Mine and delineated the 2 million ounce Thunderbox Gold Project.

Mr Dix has a proven track record of successful project and team management and also has extensive experience in commercial activities including capital raisings, mergers, acquisitions and divestments.

The Board unanimously supports the election of Mr Dix and recommend that Shareholders vote in favour of Resolution 9.

10. Resolution 10 – Election of Director – Mr Andrew Richards

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 13.4 of the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Andrew Richards, having been appointed on 20 January 2015 will retire in accordance with clause 13.4 of the Constitution and Listing Rule 14.4 and being eligible, seeks election as a Director from the Shareholders. Resolution 10 is an ordinary resolution pursuant to which the Company is seeking Shareholder approval for appointment of Mr Andrew Richards as a Director of the Company.

The Company considers the following information is material to the Shareholders when considering whether or not to elect Mr Richards:

Mr Richards is a geologist with over 30 years' experience in the international mining industry which included company management and project finance. He has worked at a senior level in both production and exploration over a wide variety of areas and commodities and also undertaken technical reviews, project audits and monitored project construction.

Since 2004 Mr Richards has worked extensively with gold, base metals, rare earths and industrial minerals in Australasia, Asia, Africa and South America. He has provided consultancy and advisory services, Independent Expert Reports and managed several listed and unlisted companies. He is and has been on the boards of several listed companies and was Managing Director and CEO of two ASX listed companies operating in China.

The Board unanimously supports the election of Mr Richards and recommend that Shareholders vote in favour of Resolution 10.

11. Resolution 11 – Issue of Shares in lieu of Salary and Directors Options owed to Mr Andrew Richards and Mr Will Dix

11.1 General

Subject to the passing of Resolutions 1 to 10 (inclusive), 11(b), 12 and 13, Resolution 11(a) is an ordinary resolution that seeks the approval of the issue of up to 20,000,000 Shares (pre Consolidation) in lieu of part payment of unpaid salary ($40,000) and 50,000,000 Directors Options (pre Consolidation) to Mr Andrew Richards or his nominee. The $40,000 is owed by the Company to Mr Richards for work done by him for the Company from the commencement of his engagement on 20 January 2015 as an executive director of the Company until the date of the Meeting. For the current financial

year (ending on 30 June 2015) the Company will pay Mr Richards (or his nominee) $60,833, which includes $20,833 in cash and $40,000 in Shares for his work as an executive director of the Company.

Subject to the passing of Resolutions 1 to 10 (inclusive), 11(a), 12 and 13, Resolution 11(b) is an ordinary resolution that seeks the approval of the issue of up to 20,000,000 Shares (pre Consolidation) in lieu of part payment of unpaid salary ($40,000) and 100,000,000 Directors Options (pre Consolidation) to Mr Will Dix or his nominee. The $40,000 is owed by the Company to Mr Dix for additional work done by him for the Company from his engagement by the Company on 13 February 2015 until the date of the Meeting. For the current financial year (ending on 30 June 2015) the Company will pay Mr Dix $140,283, which includes $100,283 in cash and $40,000 in Shares. Pursuant to a consultancy agreement with the Company, Mr Dix was paid $18,150 in cash per month from 13 February 2015 for three months for his services as acting CEO of the Company. He will be paid by the Company an additional $45,833 in cash for his services as CEO of the Company up to the end of the current financial year.

The Directors Options are to be on the terms set forth in Schedule 6 to this Explanatory Statement and are being issued to Mr Richards and Mr Dix to incentivise them each to achieve certain performance goals (the "Vesting Conditions" set forth in Schedule 6) for the Company. Tranche 1 (25,000,000) of the Directors Options for both Mr Richards and Mr Dix, are to vest upon the confirmation of a JORC Code compliant resource for the Plomosas Project of at least two million tonnes. Tranche 2 (25,000,000) of the Directors Options for Mr Dix only, are to vest upon successful completion of feasibility study and financing of the project. Tranche 3 (25,000,000) of the Directors Options for both Mr Richards and Mr Dix, are to vest upon the commencement of commercial production from the Plomosas Project. Tranche 4 (25,000,000) of the Directors Options for Mr Dix only, are to vest upon completion of 12 months continuous and profitable mining operations.

The Directors Options have been valued by the Company using the Black Scholes method (see section 11.5). On that basis, the value of the Directors Options to be issued to Mr Richards pursuant to Resolution 11(a) is approximately $73,916.58 in total and to be issued to Mr Dix pursuant to Resolution 11(b) is $147,789.98 in total. Total value of all of the Directors Options is $221,706.56. The Directors Options are however conditional upon Mr Richards and Mr Dix achieving the Vesting Conditions and if they do not achieve the Vesting Conditions on behalf of the Company before 5 June 2020, the Directors Options will not vest.

The number and value of the Directors Options to be issued to Mr Richards and Mr Dix were determined by the Board as an appropriate amount to incentivise them to reach the targets set forth in the Tranches described above and to encourage both Mr Richards and Mr Dix to have greater involvement in the achievement of the Company's objectives. Further the Directors Options provide an incentive for both Mr Richards and Mr Dix to strive to that end by participating in the future growth and prosperity of the Company through share ownership. Other factors considered by the Board in determining the number and value of the Directors Options include desire for continuity of executive management, significance of the contribution to the Company's success and providing equity incentives to advance the Company and its assets. Also, the grant of the Directors Options is viewed as a cost

effective and efficient reward and incentive of the Company as opposed to alternative forms of incentive, such as payment of additional cash compensation to Mr Richards and Mr Dix.

Accordingly, subject to obtaining Shareholder approval:

(a) pursuant to Resolution 11(a), the Company will issue 20,000,000 Shares (pre-Consolidation) and 50,000,000 Directors Options (pre-Consolidation) to Mr Richards' nominee, Arc Resources Pty Ltd; and

(b) pursuant to Resolution 11(b), the Company will issue 20,000,000 Shares (pre-Consolidation) and 100,000,000 Directors Options (pre-Consolidation) to Mr Will Dix or to an entity associated with Mr Dix.

If the Shareholders do not approve Resolution 11(a) and (b), Mr Richards and Mr Dix will retain the right to receive their part unpaid salary in cash.

11.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Mr Richards is a director of the Company and therefore a related party of the Company. He is subject to re-election pursuant to Resolution 10. Mr Dix is a proposed director of the Company and therefore a related party of the Company. He is subject to election pursuant to Resolution 9. The issue of Shares and Directors Options to Mr Richards and Mr Dix constitutes the giving of a financial benefit to a related party of the Company. Accordingly, Shareholder approval is sought under Chapter 2E of the Corporations Act.

11.3 Shareholder Approval (Listing Rule 10.11)

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies. It is the view of the Board that the exceptions set forth in Listing Rule 10.12 do not apply and accordingly shareholder approval is sought for the issue of the Shares and Directors Options pursuant to Resolutions 11(a) and (b).

11.4 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with the requirements of Listing Rule 10.13, the following information is provided in relation to the proposed issue of the

Shares pursuant to Resolutions 11(a) and (b) (The Directors Options are dealt with below separately):

(a) **Name**: 20,000,000 Shares (pre-Consolidation) will be issued to Mr Richards nominee, Arc Resources Pty Ltd. and 20,000,000 Shares (pre-Consolidation) will be issued to Mr Dix or his nominee (both Mr Richards and Mr Dix are related parties of the Company by virtue of being a director and a proposed director, respectively);

(b) **Maximum Number of Securities**: the maximum number of Shares to be issued to the related parties is a total of 40,000,000 Shares (pre-Consolidation).

(c) **Issue Date**: the Shares will be issued no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of Shares will occur on the same day as Shareholder approval;

(d) **Issue Price**: the Shares are being issued in lieu of part payment of salary, therefore the Shares will be granted for nil consideration. However, the deemed issue price of the Shares will be $0.002 per Share;

(e) **Terms of Securities**: the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(f) **Voting Exclusion Statement**: the voting exclusion statement is set forth below Resolution 11 in the Notice; and

(g) **The Primary Purposes**: the primary purpose of the grant of the Shares to the related parties is to save the Company's cash reserves while paying Mr Richards and Mr Dix their entitlements for work undertaken for the Company.

Pursuant to and in accordance with the requirements of Listing Rule 10.13, the following information is provided in relation to the proposed issue of the **Directors Options** pursuant to Resolutions 11(a) and (b):

(a) **Name**: 50,000,000 Directors Options (pre-Consolidation) will be issued to Mr Richards' nominee, Arc Resources Pty Ltd. and 100,000,000 Directors Options (pre-Consolidation) will be issued to Mr Dix or his nominee;

(b) **Maximum Number of Securities**: the maximum number of Directors Options to be issued to the related parties is a total of 150,000,000 Directors Options (pre-Consolidation).

(c) **Issue Date**: the Directors Options will be issued no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of Directors Options will occur on the same day as Shareholder approval;

(d) **Issue Price**: the issue price of the Directors Options will be $0.0001 per Directors Option;

(e) **Terms of Securities**: the Directors Options will be on the terms set forth in Schedule 6;

(f) **Voting Exclusion Statement**: the voting exclusion statement is set forth below Resolution 11 in the Notice; and

(g) **The Primary Purposes**: the primary purpose of the grant of the Directors Options to the related parties is to incentivise them to achieve the performance goals (the "Vesting Conditions") set forth in Schedule 6.

11.5 Financial Benefit to be given

The value of the Shares to be issued pursuant to Resolution 11(a) is calculated by multiplying the number of Shares (20,000,000) to be issued by $0.002. It therefore amounts to $40,000.

The value of the Shares to be issued pursuant to Resolution 11(b) is calculated by multiplying the number of Shares (20,000,000) to be issued by $0.002. It therefore amounts to $40,000.

The Directors Options are not currently quoted on the ASX and as such have no market value. Each Directors Option grants Mr Richards and Mr Dix a right to subscribe for one Share upon the satisfaction of the relevant Vesting Condition (as defined in Schedule 6), the exercise of each Directors Option and payment of the Exercise Price ($0.003). Accordingly, the Directors Options may have a present value at the date of their grant.

The Directors Options may acquire future value dependent upon when certain Vesting Conditions are met and the extent to which the Shares exceed the Exercise Price of the Directors Options during the term of the Directors Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have value. Various factors impact upon the value of options including things such as the period outstanding before the expiry date of the options; the exercise price of the options relative to the underlying price or value of the securities into which they may be converted; the proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (i.e. whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest); the value of the shares into which the options may be converted; and whether or not the options are listed (i.e. readily capable of being liquidated).

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black Scholes Model option valuation formula and the Monte Carlo Simulation Model option valuation formula).

The Company has valued the Directors Options using the Black Scholes Model, which is the most widely used and recognised model for pricing

options. The value of an option calculated by the Black Scholes Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk free interest rate, the volatility of the Company's underlying Share price and expected dividends.

Inherent in the application of the Black Scholes Model are a number of inputs, some of which must be assumed. The data relied upon in the valuation applying the Black Scholes Model was:

(a) an exercise price of the Directors Options being $0.003;

(b) a market price of Shares of $0.002 being the closing price of Shares on 28 April 2015, as a proxy for the market price at the future date of issue, being the date of the Meeting to approve the issue;

(c) the Directors Options vesting on the Expiry Date, being 5 June 2020;

(d) a volatility measure of 108.43%;

(e) a risk free interest rate of 2.02%; and

(f) a dividend yield of 0.00%.

Based on this valuation, the Company has adopted an indicative value for the Directors Options of $0.0015 each.

On that basis, the value of the Directors Options to be issued to Mr Richards pursuant to Resolution 11(a) is approximately $73,916.58 and to be issued to Mr Dix pursuant to Resolution 11(b) is $147,789.98. Total value of the Directors Options is $221,706.56.

The Directors Options are however conditional upon Mr Richards and Mr Dix attaining, the Vesting Conditions, which are certain performance goals for the Company. If Mr Richards and Mr Dix do not achieve the Vesting Conditions before the Expiry Date, the Directors Options will not vest and will expire.

11.6 Relevant Interests

The relevant interests of Mr Richards and Mr Dix in the equity securities of the Company as of the date of the Meeting are set out below:

Related Party	**Shares (pre-Consolidation)**	**Options (pre-Consolidation)**
Andrew Richards (or his nominee)	4,500,000	Nil
Will Dix (or his nominee)	Nil	Nil

11.7 Remuneration and Emoluments

The remuneration and emoluments from the Company to Mr Richards and Mr Dix for the previous financial year and the proposed remuneration and

emoluments for the current financial year (up to 30 June 2015) (excluding the value of the Directors Options the subject of Resolutions 11(a) and (b)) are set out below:

Related Party	Current Financial Year	Previous Financial Year
Andrew Richards (or his nominee)	$60,833*	Nil
Will Dix (or his nominee)	$140,283**	Nil

* As stated in 11.1 above, this amount includes the amount of Shares to be issued to Mr Richards under Resolution 11(a) in lieu of payment of part salary of $40,000 and $20,833 to be paid in cash.

** As stated in 11.1 above, this amount includes the amount of Shares to be issued to Mr Dix under Resolution 11(b) in lieu of payment of part salary of $40,000 and $100,283 to be paid in cash.

11.8 Effect on Share Capital

If the 40,000,000 Shares are issued and if the 150,000,000 Directors Options proposed to be issued are vested and exercised, a total of 190,000,000 Shares would be issued. This will increase the number of Shares on issue from 1,543,113,364 to 1,733,113,364 (assuming that no other Options are exercised and no other Shares are issued, including those Shares and Options proposed to be issued pursuant to the other Resolutions) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 12.3%.

If all of the other Resolutions set forth in the Notice are passed and the Shares proposed to be issued pursuant to those Resolutions are issued, the number of Shares on issue will be 4,338,113,364. If the 40,000,000 Shares are issued and if the 150,000,000 Directors Options proposed to be issued are vested and exercised, a total of 1,900,000,000 Shares would be issued. This will increase the number of Shares on issue from 4,338,113,364 to 4,528,113,364 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of the Shareholders at that time would be diluted by an aggregate of 4.4%.

The market price for the Shares of the Company during the term of the Directors Options (and after they have vested) would normally determine whether or not the Directors Options are exercised. If, at any time any of the Directors Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Directors Options, there may be a perceived cost to the Company.

11.9 Trading History

The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	$0.004	20 June 2014
Lowest	$0.002	Multiple dates
Last	$0.002	29 April 2015

11.10 Recommendations of the Board

(a) Mr Andrew Richards declines to make a recommendation to Shareholders in relation to Resolution 11(a) due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Shares and Directors Options in the Company should Resolution 11(a) be passed.

(b) With the exception of Mr Andrew Richards, no other existing Director has a personal interest in the outcome of Resolution 11(a) or 11(b);

(c) Mr Martin Blakeman and Mr Chris Watts recommend that Shareholders vote in favour of Resolution 11(a) for the following reasons:

(i) the issue of Shares and Directors Options to Mr Richards (or his nominee) pursuant to Resolution 11(a) will align the interests of the related party with those of Shareholders;

(ii) the issue of Shares and Directors Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the related party; and

(iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed.

(d) Mr Martin Blakeman, Mr Andrew Richards and Mr Chris Watts recommend that Shareholders vote in favour of Resolution 11(b) for the following reasons:

(i) the issue of Shares and Directors Options to Mr Dix (or his nominee) pursuant to Resolution 11(b) will align the interests of the related party with those of Shareholders;

(ii) the issue of Shares and Directors Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to

spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the related party; and

(iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed.

(e) In forming their recommendations, in addition to the considerations listed in section 11.1 above each Director considered the experience of each related party and the current market price of Shares and Directors Options.

(f) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 11(a) and (b).

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares and Directors Options to related parties as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Shares to the related parties pursuant to Resolution 11(a) and (b) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

12. Resolution 12 – Issue of Shares and Options to Richmond Food Systems Pty Ltd

12.1 General

On 25 March 2015, the Company entered into a proposal with Richmond Food Systems Pty Ltd to assist in the organisation of loans to the Company for a total of $1,250,000 to cover expenses related to the acquisition of 100% of the issued share capital of Arena and the acquisition of a 51% interest in the Plomosas Project as described in section 1.5 above. Richmond Food Systems Pty Ltd will also assist in the organisation of an additional $3,000,000 equity raising for the Company.

The proposed fees to be paid by the Company to Richmond Food Systems Pty Ltd include:

(a) the issue of 50,000,000 Shares (pre-Consolidation) at $0.002; and

(b) 100,000,000 unlisted Options (pre-Consolidation) exercisable at $0.0032 by 6 March 2018.

Of the Shares described in paragraph (a) above, 25,000,000 Shares were issued on 10 April 2015 using the Company's 15% annual placement capacity. See Resolution 3(a) of the Notice and section 3.2(a) of this Explanatory Statement for more details.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully

paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 12 will be to allow the Company to issue the Shares and unlisted Options to Richmond Food Pty Ltd during the period of 3 months after the Meeting (or a longer period, if allowed by ASX) without using the Company's 15% annual placement capacity.

12.2 Technical information required by Listing Rule 7.1 and 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue:

(a) **Maximum Number of Securities**: the maximum number of Shares to be issued is 25,000,000 (pre-Consolidation) and the maximum number of unlisted Options is 100,000,000 (pre-Consolidation);

(b) **Issue Date**: the Shares and unlisted Options will be issued no later than 3 months after the date of the Meeting (or such date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date;

(c) **Issue Price**: the issue price for the Shares will be not less than 80% of the volume weighted average price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed. The issue price of the unlisted Options is nil;

(d) **Security holders**: the Shares and unlisted Options will be issued to Richmond Food Pty Ltd. These persons will not be related parties of the Company;

(e) **Terms of the Securities**: the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The unlisted Options will be issued on the terms and conditions set out in Schedule 7;

(f) **Intended Use of Funds**: the Shares and unlisted Options are issued as payment of fees to Richmond Food Pty Ltd; and

(g) **Voting Exclusion Statement**: the voting exclusion statement is set forth below Resolution 12 in the Notice.

13. Resolution 13 – Change of Company Name

Subject to and conditional upon passing Resolutions 1 to 12 (inclusive), Resolution 13 is a special resolution that seeks the approval of Shareholders for the Company to change its name to "*Consolidated Zinc Limited*".

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote (in person or by proxy) at the meeting must be in favour of this Resolution 13 for it to be passed.

If Resolution 13 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 13 is passed, the Company will lodge a copy of the special resolution with ASIC on completion of the Acquisition in order to effect the change.

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations and direction of the Company.

14. Other Matters

14.1 Timing of issuances

It is intended that the issuances of Equity Securities described in the Notice and this Explanatory Statement will occur in the following order:

1. Current issued Equity Securities of the Company (includes those Equity Securities described in Resolution 3):

Equity Securities	Total Number
Shares	1,543,113,364
Listed Options	467,002,196
Unlisted Options	615,750,000

2. The Future Share Placements (up to 1,375,000,000 Shares) will then be issued pursuant to Resolution 4.

3. The loans described in Resolution 5 with unrelated parties of the Company will then be converted to Shares (up to 206,400,000 Shares).

4. Issue of Shares and Options to Richmond Food Systems Pty Ltd pursuant to Resolution 12 (up to 25,000,000 Shares and 100,000,000 Unlisted Options).

5. Shares to be issued to Mr Andrew Richards and Mr Will Dix pursuant to Resolution 11 (up to 40,000,000 Shares).

6. Shares to be issued to Mexican Vendors pursuant to Resolution 2(a) and Shares to be issued to Arena Shareholders pursuant to Resolution 2(b) (up to 750,000,000 Shares). At the same time the Shares to be issued pursuant to the conversion of the loans as described in Resolution 5 with the Related Lenders will take place (up to 438,600,000 Shares).

7. Consolidation to occur as described in Resolution 6. The Company's Equity Securities Post Consolidation:

Equity Securities	Total Number
Shares	218,905,668
Listed Options	23,350,110
Unlisted Options	30,787,500

At no time is it intended that any of the existing or incoming Shareholders will exceed a 20% relevant interest in the Company. The Company reserves the right to seek to postpone the issuance of any of the Equity Securities to be issued pursuant to the Resolutions set forth in the Notice if such issuance would cause a Shareholders' relevant interest in the Company to exceed 20%.

14.2 Scope of Disclosure

The law requires that this Explanatory Statement sets out all other information that is reasonably required by the Existing Shareholders in order to decide whether or not it is in the Company's interests to pass the Resolutions and which is known to the Company.

The Company is not aware of any relevant information that is material to the decision on how to vote on the Resolutions other than as is disclosed in this Explanatory Statement or previously disclosed to existing Shareholders by the Company by notification to the ASX.

14.3 ASIC and ASX's Role

Under section 218(1) of the Corporations Act, the Company must lodge with ASIC the Notice of Meeting and Explanatory Statement at least fourteen days before the notice convening a general meeting is given. Under section 218(2) of the Corporations Act, the Company has applied for a period of less than fourteen days for the purposes of section 218(1) of the Corporations Act.

The fact that the accompanying Notice of Meeting, this Explanatory Statement and other relevant documentation has been received by ASX and ASIC is not to be taken as an indication of the merits of the proposed transactions or the Company. ASIC, ASX and its respective officers take no responsibility for any decision a Shareholder may make in reliance on any of that documentation.

14.4 Taxation

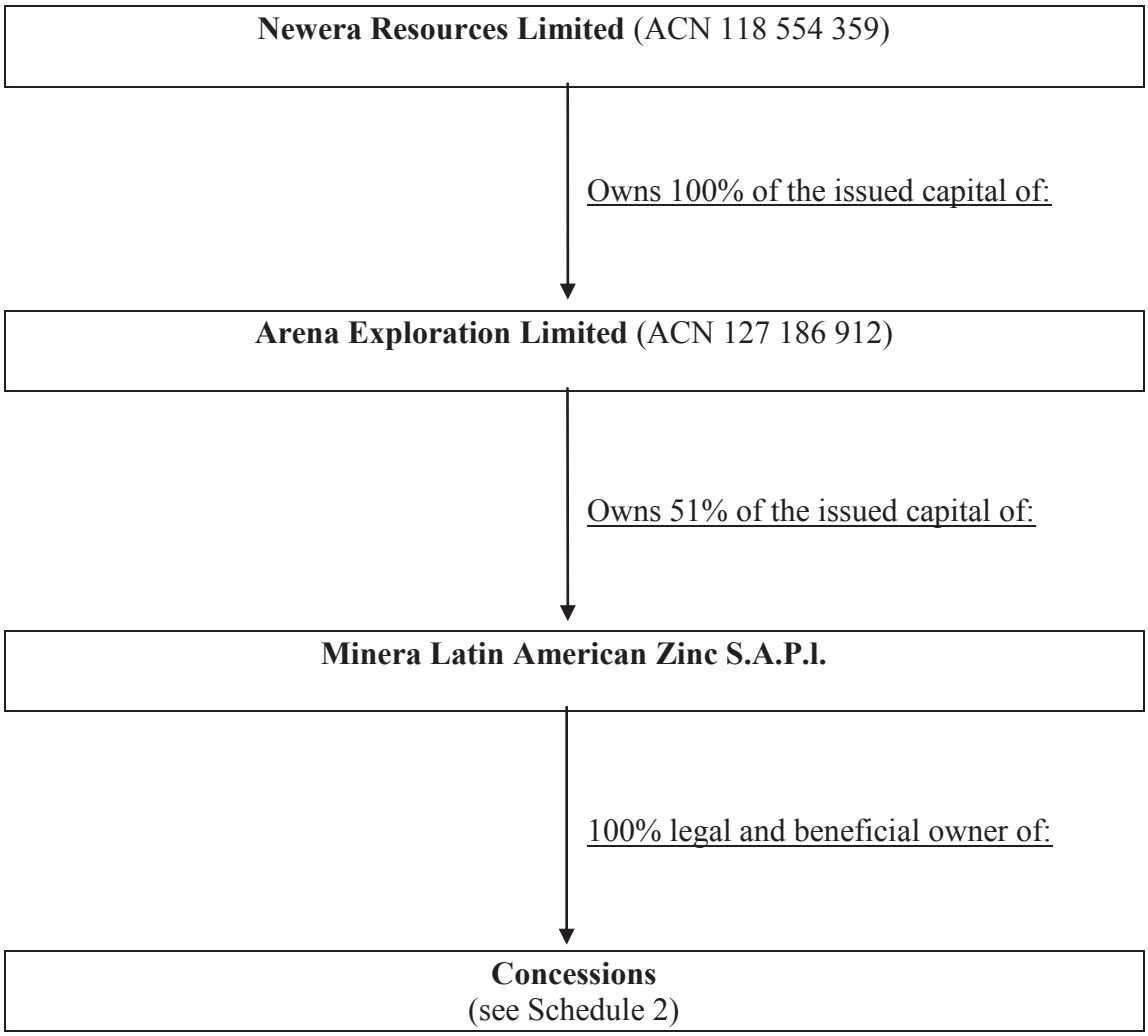
The passing of the Resolutions (including the Consolidation) may give rise to income tax implications for the Company and existing Shareholders. Existing Shareholders are advised to seek their own taxation advice on the effect of the Resolutions on their personal position and neither the Company, nor any Director or advisor to the Company accepts any responsibility for any individual existing Shareholder's taxation consequences on any aspect of the Resolutions.

Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Arena	means Arena Exploration Pty Ltd (ACN 127 186 912).
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.
Board	means board of Directors.
Chairman	means the chair of the Meeting.
Company	means Newera Resources Limited (ACN 118 554 359).
Concession	has the meaning set forth in Section 1.5(b).
Consolidation	has the meaning set forth in Section 5.1.
Constitution	means constitution of the Company.
Corporations Act	means Corporations Act 2001 (Cth).
Director	means director of the Company.
Equity Securities	has the meaning given in the Listing Rules.
Explanatory Statement	means the explanatory statement incorporated in this Notice.
General Meeting or **Meeting**	means the meeting convened by the Notice.
HOA	has the meaning set forth in section 1.5.
Listed Option	means an option (exercisable at $0.005 and expiring on 31 July 2016) to purchase one Share in the Company.
Listing Rules	means the official Listing Rules of the ASX.
Mexican Contract	has the meaning set forth in Section 1.5(c).
Mexican Vendors	has the meaning set forth in Section 1.3.
Option	means an option to acquire a Share in the Company.
Notice or **Notice of Meeting**	means the notice of general meeting incorporating this Explanatory Statement.
Proxy Form	means the Proxy Form attached to this Notice.
Resolution	means a resolution contained in this Notice.
Share	means fully paid ordinary share in the capital of the Company.
Shareholder	means shareholder of the Company.
WST	means Western Standard Time in Australia.

Schedule 1 – Proposed Structure



Schedule 2 – Concessions

Plomosas Project Concessions - Chihuahua State, Mexico							
Concession	Name	Conc Type	Equity (%)	Area (ha)	Rates 2014 H2 (USD)	Owner	Expiry Date
235942	Don Sebastian	Mining	100%	641.94	$1066	Luis Rogelio Martinez Valles	19 April 2060
230175	Don Lucas IV	Mining	100%	767.57	$2564	Luis Rogelio Martinez Valles	26 July 2057
217641	La Falla	Exploitation	100%	267.31	$3148	Luis Rogelio Martinez Valles	5 August 2052
218242	La Verdad	Exploitation	100%	120.00	$1410	Luis Rogelio Martinez Valles	16 October 2052
225527	El Olvido	Exploration	100%	2.36	$20	Luis Rogelio Martinez Valles	19 September 2055
218272	Ripley	Exploitation	100%	112.00	$1316	Luis Rogelio Martinez Valles	16 October 2052
216882	La Mexico	Exploitation	100%	75.45	$893	Luis Rogelio Martinez Valles	4 June 2052
227664	Don Lucas III	Mining	100%	477.10	$3191	Luis Rogelio Martinez Valles	27 July 2056
227078	Don Lucas II	Mining	100%	217.77	$1455	Mauricio Martinez Ontiveros	To be confirmed
227077	Don Lucas	Mining	100%	185.83	$1242	Mauricio Martinez Ontiveros	3 May 2056
224880	Pronto	Exploration	100%	152.00	$1015	Compania Retec Guaru S.A. de C.V.	20 June 2055
TOTAL				3,019.33			

Schedule 3 – Effect of Proposed Acquisition and Capital Raisings

Particulars	Prior to Transaction 30.06.14	Prior to Transaction Incorp signif trans	Effect of Transaction	Post Transaction Analysis Pro forma 30.06.14	Post Transaction Analysis Pro forma Incorp signif trans	% change due to Transaction to 30.06.14	% change due to Transaction Incorp signif trans
Total Consolidated Assets	1,786,429	2,644,665	5,693,000	7,479,429	8,337,665	319%	215%
Total Equity	1,216,093	2,371,329	5,693,000	6,909,093	8,064,329	468%	240%
Annual Revenue	-	-					
Annual Loss (b/tax and extraord)	1,374,434						
Total No. of Shares	485,161,682	1,219,166,028	3,048,947,336	3,534,109,018	4,268,113,364	628%	250%
Total No. of Listed Options	-	467,002,173	-	-	467,002,173	#DIV/OI	0%
Total No. of Unlisted Options	195,750,000	365,750,000	-	195,750,000	365,750,000	0%	0%
Total Dilution	680,911,682	2,051,918,201	3,048,947,336	3,729,859,018	5,100,865,537	448%	149%

Notes:

1. The above table does not include the following Equitable Securities to be issued pursuant to the Resolutions included in this Notice:

Shares

- 20,000,000 in total Shares to be issued to the lenders as payment for interest pursuant to Resolution 5;
- 20,000,000 Shares to be issued to Mr Andrew Richards pursuant to Resolution 11(a);
- 20,000,000 Shares to be issued to Mr Will Dix pursuant to Resolution 11(b); and
- 50,000,000 Shares to be issued to Richmond Food Systems Pty Ltd pursuant to Resolution 12.

Options

- 50,000,000 Directors Options to be issued to Mr Andrew Richards pursuant to Resolution 11(a);
- 100,000,000 Directors Options to be issued to Mr Will Dix pursuant to Resolution 11(b); and
- 100,000,000 unlisted Options to be issued to Richmond Food Systems Pty Ltd pursuant to Resolution 12.

Schedule 4 – Use of Funds

Use of $4m raised under Proposal	Year 1	Year 2
Vendor payments and debt reduction	$1,000,000	
Mexico- Plomosas Project	$900,000	$1,000,000
Sweden Project	$150,000	$150,000
Jailor Bore Project	$85,000	$100,000
Working Capital (admin)	$300,000	$300,000
Total	**$2,435,000**	**$1,550,000**

Notes:

1. Given the nature of mineral exploration, the Company reserves the right to review its budget as exploration results become known.

Schedule 5 – Risks

Risks relating to the Plomosas Project

Risks associated with operating in Mexico

The Plomosas Project is located in Mexico and the Company will be subject to the risks associated with operating in that country. Such risks can include economic, social or political instability or change, 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, mine safety, labour relations as well as government control over mineral properties or government regulations.

Changes to Mexico's mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability.

Mineral Resource Estimation Risk

There are currently no Mineral Resource or Reserve estimates defined at the Plomosas Project, Jailor Bore or Sweden projects in accordance with the JORC Code and Guidelines for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012).

The Company aims to define a JORC Code compliant Mineral Resource on the Plomosas Project following completion of the acquisitions. It is uncertain if, following evaluation and/or further exploration, that the existing resources estimate will ever be reported in accordance with the JORC Code. If a JORC Code compliant mineral resource is able to be reported by the Company, there is a risk that the resource may be lower than that reported by the Company during its due diligence of the Plomosas Project.

Exploration and development risks

The business of mineral exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

(a) the discovery and/or acquisition of economically recoverable reserves;

(b) access to adequate capital for project development;

(c) design and construction of efficient development and production infrastructure within capital expenditure budgets;

(d) securing and maintaining title to interests;

(e) obtaining consents and approvals necessary for the conduct of mineral exploration, development and production; and

(f) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities. Factors including costs and commodity prices affect successful project development and operations.

Drilling activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drill rigs or other equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown, blow outs, pipe failures and environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of zinc or other minerals. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

Zinc price volatility

The demand for, and price of, zinc is highly dependent on a variety of factors, including international supply and demand, weather conditions, the price and availability of alternative metals, actions taken by governments, and global economic and political developments.

A material decline in the price of zinc may have a material adverse effect on the Company's business, financial condition and results of operations.

Reserves and resource estimates

Reserve and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis the estimates are likely to change. This may result in alterations to development and production plans which may in turn, adversely affect the Company’s operations.

Concession Title and Renewal

Interests in mining concessions in Mexico are governed by legislation and are evidenced by the granting of concessions. Each concession is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. The Company could potentially lose its interest in the Concessions comprising the Project if conditions of the Concessions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise, in line with the Mexican mining legislation.

General economic and political risks

Changes in the general economic and political climate in Mexico, Australia and on a global basis that could impact on economic growth, zinc and other mineral prices, interest rates, the rate of inflation, taxation and tariff laws, or domestic security may affect the value and viability of any zinc activity that may be conducted by the Company.

Commodity price volatility and exchange rate risks

If the Company achieves success leading to zinc or other mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices

fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for zinc or other minerals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian and Mexican currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, the Australian dollar and Mexican peso as determined in international markets.

Environmental risks

The Company will be subject to environmental laws and regulations in connection with operations it may pursue in the mining industry, which operations are currently in Mexico. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

Competition

The Company will compete with other companies, including major zinc companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

Regulatory

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

Insurance

Insurance against all risks associated with zinc production is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify zinc or other mineral reserves, failure to achieve predicted production rates, operational and technical difficulties encountered in production, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, adverse weather conditions, industrial and environmental

accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

General Risks

Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in the future. 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 and scale back its exploration programs as the case may be.

Potential acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

Economic risks

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.

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:

(a) general economic outlook;

(b) interest rates and inflation rates;

(c) currency fluctuations;

(d) changes in investor sentiment toward particular market sectors;

(e) the demand for, and supply of, capital; and

(f) 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.

Reliance on key management

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.

Investment Speculative

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 Company's securities.

Schedule 6 – Terms and Conditions of Directors Options

(Defined terms used in this Schedule 6 shall only be applied to this Schedule 6, unless stated otherwise.)

1. Four tranches of options (**Directors Options**) will be issued with the following exercise prices:

Tranche	Number of Options	Exercise Price	Vesting Conditions
1st	25,000,000	$0.003	Upon definition of a JORC compliant resource for Plomosas Project of at least 2 million tons (25,000,000 to each Richards and Dix).
2nd	25,000,000	$0.003	Successful completion of Feasibility Study and financing of the Plomosas Project (25,000,000 to Dix only).
3rd	25,000,000	$0.003	Upon first commercial production from the Plomosas Project (25,000,000 to each Richards and Dix).
4th	25,000,000	$0.003	Upon completion of 12 months continuous and profitable mining operations from the Plomosas Project (25,000,000 to Dix only).

2. Each Directors Option will be issued for $0.00001.

3. Each Directors Option will entitle the holder to one Share in the capital of the Company.

4. The term of each Tranche of Directors Options is 5 years from their date of issue (**Expiry Date**) in which time they may be exercised at any time in whole or in part and upon payment of the Exercise Price ($0.003) per Directors Option.

5. The Directors Options will be unlisted and will be transferable.

6. The Company will provide to each Directors Option holder a notice that is to be completed when exercising the Directors Options (**Notice of Exercise**). Subject to these terms, the Directors Options may be exercised by the Directors Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the Expiry Date. The Notice of Exercise must state the number of Directors Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Directors Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the Exercise Price per Share.

7. All Shares issued upon the exercise of the Directors Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX within 7 business days after the date of issue of all Shares pursuant to the exercise of Directors Options to be admitted to quotation.

8. There are no participating rights or entitlements inherent in the Directors Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Directors Options. Thereby, the Directors Option holder has no rights to a change in the Exercise Price of the Directors Option or a change to the number of underlying securities over which the Directors Option can be exercised except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Directors Option holder will be notified of a proposed issue after the issue is announced. This will give Directors Option holders the opportunity to exercise their Directors Options prior to the date for determining entitlements to participate in such issues.

9. If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (**Bonus Issue**), then upon exercise of his or her Directors Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Directors Options had been exercised before the record date for the Bonus Issue.

10. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Directors Option holder shall be reconstructed (as appropriate) in accordance with the Listing Rules.

Schedule 7 – Terms and Conditions of Options

(Defined terms used in this Schedule 7 shall only be applied to this Schedule 7)

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

(a) The amount payable upon exercise of each Option will be $0.0032 ("**Exercise Price**").

(b) Each Option will expire at 5.00pm (WST) on 6 March 2018 ("**Expiry Date**"). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

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

(d) The 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 Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(e) 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 Option being exercised in cleared funds ("**Exercise Date**").

(f) 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.

(g) Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(h) 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 Options.

(i) 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.

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

(k) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) The Company intends to endeavour to have the Options listed on ASX however, it is not guaranteed that this will ultimately be the case.

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

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NEWERA RESOURCES LIMITED

ACN: 118 554 359

«EFT_REFERENCE_NUMBER»

«HOLDER_NAME»
«ADDRESS_LINE_1»
«ADDRESS_LINE_2»
«ADDRESS_LINE_3»
«ADDRESS_LINE_4»
«ADDRESS_LINE_5»

REGISTERED OFFICE:
SUITE 5
2 CENTRO AVENUE
SUBIACO WA 6008

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd

All Correspondence to:
Suite 5, 2 Centro Avenue
Subiaco WA 6008
T: +61 8 9382 3100 F: +61 8 9382 3866
W: http://www.nru.com.au

Code: NRU

Holder Number: «HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐ The meeting chairperson **OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 10:00am WST on Friday 5 June 2015 at Butler Settineri, Unit 16 First Floor Spectrum Offices, 100 Railway Road Subiaco WA and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.
In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*
1. Approval to change of scale of activities	☐	☐	☐
2a. Issue of Consideration Securities to the Vendors	☐	☐	☐
2b. Issue of Consideration Securities to the Vendors	☐	☐	☐
3a. Approval to refresh the Company's 15% placement capacity	☐	☐	☐
3b. Approval to refresh the Company's 15% placement capacity	☐	☐	☐
3c. Approval to refresh the Company's 15% placement capacity	☐	☐	☐
3d. Approval to refresh the Company's 15% placement capacity	☐	☐	☐
3e. Approval to refresh the Company's 15% placement capacity	☐	☐	☐
4. Approval for Future Share Placements	☐	☐	☐
5a. Approval to issue securities for loan conversions	☐	☐	☐
5b. Approval to issue securities for loan conversions	☐	☐	☐
5c. Approval to issue securities for loan conversions	☐	☐	☐
5d. Approval to issue securities for loan conversions	☐	☐	☐
5e. Approval to issue securities for loan conversions	☐	☐	☐
5f. Approval to issue securities for loan conversions	☐	☐	☐
5g. Approval to issue securities for loan conversions	☐	☐	☐
6. Consolidation of Capital	☐	☐	☐
7. Appointment of Mr Steve Copulos	☐	☐	☐
8. Appointment of Mr Luis Rogelio Martinez Valles	☐	☐	☐
9. Appointment of Mr Will Dix	☐	☐	☐
10. Election of Director - Mr Andrew Richards	☐	☐	☐
11. Issue of Shares in lieu of Salary and Directors Options owed to Mr. Andrew Richards and Mr. Will Dix	☐	☐	☐
12. Issue of Shares and Options to Richmond Food Systems Pty Ltd	☐	☐	☐
13. Change of Company Name	☐	☐	☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder	Security Holder 2	Security Holder 3
Sole Director & Sole Company Secretary	Director	Director/Company Secretary

Proxies must be received by Newera Resources Limited no later than 10:00am WST on Wednesday 3 June 2015.

My/Our contact details in case of enquiries are:

Name:

Number:

( )

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and

b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by **Newera Resources Limited** no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

Newera Resources Limited

Postal Address Suite 5
2 Centro Avenue
Subiaco WA 6008 AUSTRALIA

Telephone +61 8 9382 3100

Facsimile +61 8 9382 3866