

ASX Release

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#### DIRECTORS

Mr Martin Blakeman  
Executive Chairman

Mr Winton Willesee  
Non-Executive Director

Mr Eric de Mori  
Non-Executive Director

#### COMPANY SECRETARY

Mr Winton Willesee

#### PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE

Suite 5 / 2 Centro Avenue  
SUBIACO, WA 6008

#### CONTACT DETAILS

Website: [www.nru.com.au](http://www.nru.com.au)  
Email: [info@nru.com.au](mailto:info@nru.com.au)

Ph: + 61 (8) 9382 3100  
Fax: + 61 (8) 9382 3866

Postal: P.O. Box 668  
SUBIACO WA 6904

## Significant shallow coal intercepts in phase 3 drilling

**Newera Resources Limited (ASX: NRU)** is pleased to advise that it has had continued success at the Shanagan East ("Shanagan") coal project in Mongolia. The phase 3 drilling program has recently been completed and results show numerous thick, near surface coal intercepts. The drilling was completed in a new section of the permit to the north, as indicated in Figure 1. These new coal intercepts sit partly outside the current Exploration Target area and provide significant upside potential in both coal tonnage and quality for Newera.

### HIGHLIGHTS

- Successful drill testing to the northern extremities of the known coal seams within the Shanagan project area produces excellent results and will be analysed to test for coal quality and potential coking properties.
- The intersection of significant coal seams in SHDH30, 31, 32, 33, 34 and 35 gives confidence that the existing Exploration Target (as defined under Section 17 of the JORC Code) of **64 to 111 million tonnes\*** of coal (as announced 18 March 2013) that exists within the central and southern portions of the Shanagan licence can be considerably upgraded.
- Importantly, SHDH30 and SHDH32, designed to explore the stratigraphically lowermost inferred mapped coal Seam I, intersected significant shallow coal. This lower seam was not specifically targeted during phase 1 and 2 drilling.

### New phase 3 drill hole intercepts

- **14.50 metres** of net coal intersected between 8.00 metres and 37.00 metres depth in Drill hole SHDH31;
- **7.60 metres** of net coal intersected between 11.70 metres and 22.80 metres depth in Drill hole SHDH32;
- **7.20 metres** of net coal intersected between 5.70 metres and 44.50 metres depth in Drill hole SHDH33;
- **5.60 metres** of net coal intersected between 5.70 metres and 44.50 metres depth in Drill hole SHDH35; and
- Sufficient core sample material collected from SHD34 and SHDH35 (twin of SHDH31) to undertake general and coking coal analysis testing through a qualified analytical laboratory.

## Background

Since entering into an option agreement over the Shanagan coal project licence in late May 2012, Newera has rapidly and systematically progressed the project through several phases of exploration; an initial desk top study, field mapping, a phase one drilling program (drill holes SHDH1 to SHDH24), a geophysical program (a Dipole Dipole resistivity survey), analysis and modelling of the geophysical survey results, a phase two drilling program (drill holes SHDH25 to SHDH28) and following the phase 1 and phase 2 drilling, a determination that **an Exploration Target of 64 to 111 million tonnes of coal** can currently be attributed to Newera's Shanagan coal project, based on phase 1 and 2 exploration to 31 December 2012.

A phase 3 drilling program has just been completed.

## Phase 3 drilling

The phase 3 drilling program was designed as an exploratory program and as such a combination of HQ coring and open hole (PCD) drilling (non core) was undertaken. Down hole intercepts quoted have been determined by geophysical coal combination sonde.

Drill hole SHDH29 was designed and located to test for previously unknown coal seams in the northernmost "potential new coal zone" where the previously undertaken Dipole Dipole survey had indicated an anomaly likely to contain coal. SHDH29 intercepted coal indicators (e.g. common organic debris and rootlets) but no coal seams as such.

Drill holes SHDH30 to SHDH33 were a combination of HQ3 core and (PCD) open holes located on new surface coal indicators at the northern extremity of the projected known coal seam within the Shanagan Licence. These holes were designed to try and locate the projected seams, test for thickness and potential coking coal properties as research on public information had indicated that previous explorers had located coal seams containing coking coal abutting the Shanagan licence border on the other side.

SHDH30 and SHDH32 were designed to explore the stratigraphically lowermost inferred mapped coal seam I in the northeast sector. This inferred lower seam was not specifically targeted during phase 1 and 2 drilling due to lack of outcrop information.

Drill hole SHDH34 was located at a site on Dipole Dipole Line C recommended by Professor Arvisbaatar, to try and test the depo centre of the sedimentary syncline with a deeper hole (200m). SHDH34 intersected 8.40 metres of net coal between 57.2 metres and 144.8 metres.

Drill hole SHDH35 was a hole designed to twin SHDH31 which intersected 14.5 metres of net coal between 8 and 37 metres. The purpose of twinning SHDH31 was to use core drilling through the coal to collect sufficient sample material to have the coal analysed for general coal attributes, plus coking coal properties.

The sample material collected has now been conveyed to a certified analysis laboratory in Ulaanbaatar.

Hole #	Total Depth	Total Net Coal (m)	Within Width (m)	Easting	Northing	RL (m)	Dip	Geophysically logged
<b>Phase 1 Drilling Results</b>								
SHDH01	114.0	0.10	0.00	299255	5229880	1406	-90	No
SHDH02	300.0	14.70	33.73 to 263.50	299189	5230915	1428	-90	Yes
SHDH03	103.0	0.00	0.00	298895	5227435	1462	-90	No
SHDH04	164.5	6.67	77.23 to 140.51	297102	5228183	1442	-90	Yes
SHDH05	39.0	2.20	19.40 to 20.80	299313	5231721	1416	-90	Yes
SHDH06	40.0	1.80	7.10 to 13.80	299310	5231740	1439	-90	Yes
SHDH07	57.2	0.00	0.00	298739	5229489	1438	-90	Yes
SHDH08	46.0	0.24	0.00	296690	5228137	1458	-90	Yes
SHDH09	40.0	12.00*	6.20 to 27.50	296770	5227207	1405	-90	Yes
SHDH10	54.0	0.57	0.00	296821	5227648	1413	-90	Yes
SHDH09R	56.0	19.45	27.5 to 49.30	297069	5227712	1454	-90	Yes
SHDH11	32.5	8.00	5.80 to 28.30	298461	5227876	1447	-90	Yes
SHDH12	42.5	0.00	0.00	297476	5227810	1443	-90	No
SHDH13	46.0	6.40	19.90 to 37.30	298297	5228053	1420	-90	Yes
SHDH14	44.0	12.80	9.10 to 25.40	296697	5227802	1418	-90	Yes
SHDH15	35.0	2.50	3.10 to 26.90	297650	5229100	1435	-90	Yes
SHDH16	30.0	2.00	13.40 to 16.20	297147	5228384	1455	-90	Yes
SHDH17	50.0	7.50	16.00 to 43.30	298877	5230651	1419	-90	Yes
SHDH06R**	50.0	7.10	16.80 to 42.40	299254	5231552	1405	-90	Yes
SHDH18	62.0	2.70	8.40 to 55.80	297016	5228007	1431	-90	Yes
SHDH19	38.0	4.30	3.90 to 22.60	297205	5228718	1439	-90	Yes
SHDH20	26.0	2.80	9.60 to 20.90	298135	5229116	1450	-90	Yes
SHDH21	23.0	0.30	21.80 to 22.10	298336	5227995	1416	-90	Yes
SHDH22	17.0	2.00	9.10 to 11.10	298695	5228305	1441	-90	Yes
SHDH23	28.0	1.60	6.30 to 22.20	298719	5228564	1430	-90	Yes
SHDH24	44.0	3.63	16.38 to 40.12	297395	5227726	1430	-90	Yes
<b>Phase 2 Drilling Results</b>								
SHDH25	100.0	21.98	4.22 to 52.69	297092	5227711	1422	-90	Yes
SHDH26	150.0	18.55	21.46 to 106.58	297089	5228013	1427	-90	Yes
SHDH27	160.0	18.34	3.46 to 129.59	296984	5227569	1410	-90	Yes
SHDH28	110.0	5.77	8.19 to 77.82	296735	5228000	1429	-90	Yes
<b>Phase 3 Drilling Results</b>								
SHDH29	150.0	0.00	0.00	297720	5231800	1510	-90	Yes
SHDH30	50.0	6.10	16.00 to 39.70	299238	5231939	1426	-90	Yes
SHDH31	50.0	14.50	8.00 to 37.00	299324	5231787	1420	-90	Yes
SHDH32	58.0	7.60	11.70 to 22.80	299081	5231623	1404	-90	Yes
SHDH33	50.0	7.20	5.70 to 44.50	299246	5231313	1410	-90	Yes
SHDH34	200.0	8.40	57.20 to 144.80	297520	5228525	1432	-90	Yes
SHDH35	35.0	5.60	10.90 to 27.60	299332	5231796	1419	-90	Yes

**Table 1.** Newera Resources Ltd – Shanagan East Project – drill hole summary table including geologically logged coal intercepts and net coal intercepts.  
(Grid co-ordinates refer to UTM Zone 49 North. \* core loss. \*\* Hole Re-drilled)

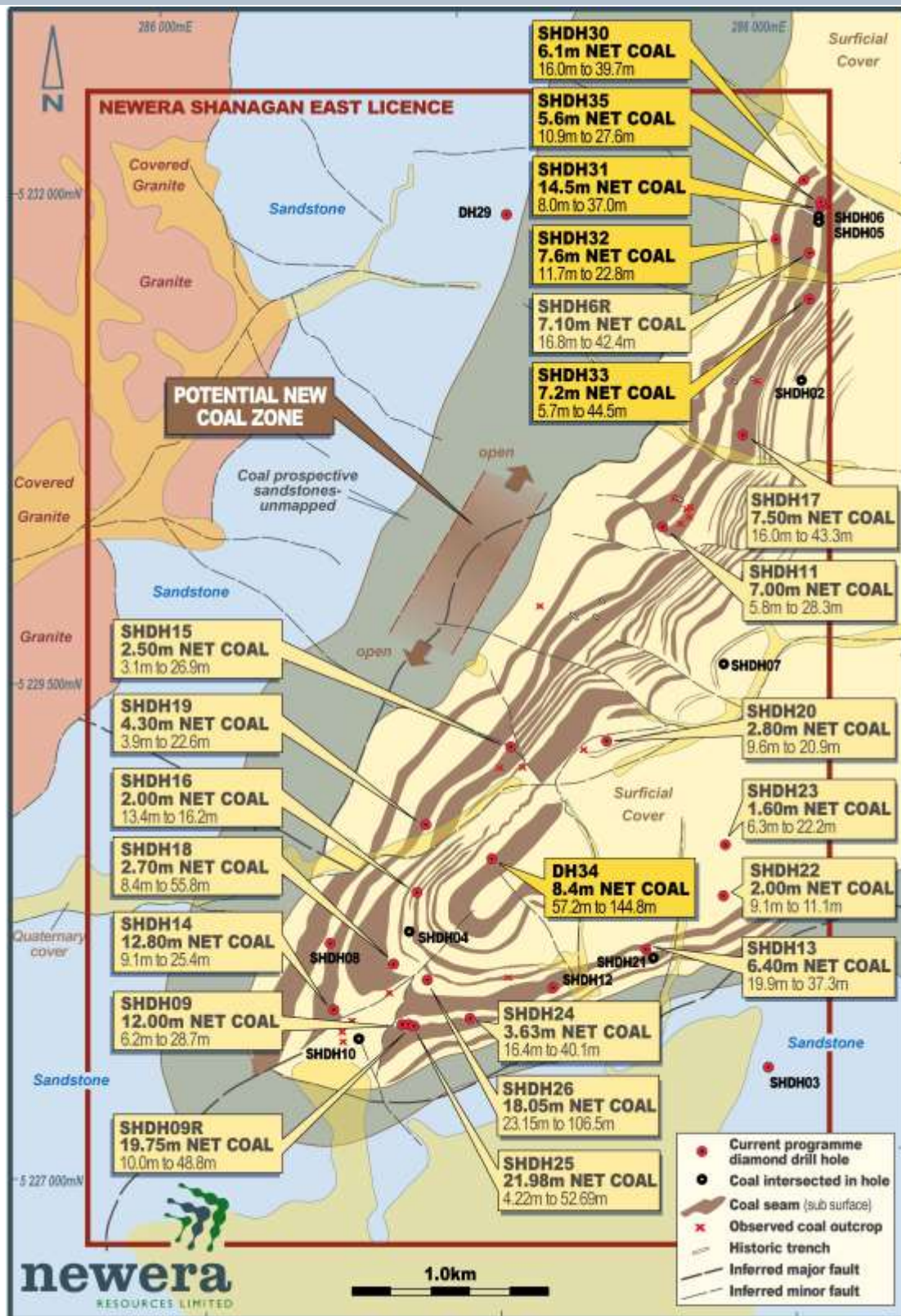


Figure 1: New coal intercepts highlighted in dark yellow (DH 30,31,32,33,34 and 35)

## Washability testing

In order to try and get a definitive result on the washability of the Shanagan coal, significant progress has been made in locating a suitable mining contractor to sink an approximately 30m long inclined shaft in order to collect sufficient coal as a bulk sample, to allow Sedgman Ltd to design a washing process and undertake comprehensive washability testing of the Shanagan coal collected. It is expected that the shaft sinking and sample recovery exercise will take one month to complete.

Newera expects the bulk sampling program to commence shortly.



**Figure 2:** Location of Newera's Shanagan East and Ulaan Tolgoi coal Projects.

Further Information;  
 Martin Blakeman  
 Executive Chairman  
 Ph: (08) 9382 3100

## **Competent Person Statement**

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

## **Exploration Target**

*\* Newera Resources Ltd cautions that the Exploration Target quantity and quality is conceptual in nature. There has been insufficient exploration at Shanagan East to define a mineral resource and it is uncertain if further exploration will result in the Exploration Target being delineated as a mineral resource.*