

#### 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

ASX Release

2 December 2013

### OUTSTANDING SEISMIC RESULTS FOR NEWERA'S ULAAN TOLGOI PROJECT IN MONGOLIA

#### FUNDING AND SHANAGAN PROJECT UPDATE

**Newera Resources Limited (ASX: NRU)** is pleased to report that the recently completed mini-sosie seismic survey conducted over sections of Newera's Ulaan Tolgoi joint venture area has produced outstanding results.

The survey identified multiple, flat lying, gently folded seismic reflectors within a 150-200 metre thick interpreted P2 Late Permian strata that is considered to have high coal-bearing potential.

The Ulaan Tolgoi licence is located within the coking coal prolific South Gobi region of Mongolia, approximately 100 kilometres north of the Chinese border, 115 kilometres south of the +6 billion tonne Tavan Tolgoi coking coal mine and 150 kilometres west of the giant Oyu Tolgoi copper mine.

#### HIGHLIGHTS – *Ulaan Tolgoi Project*:

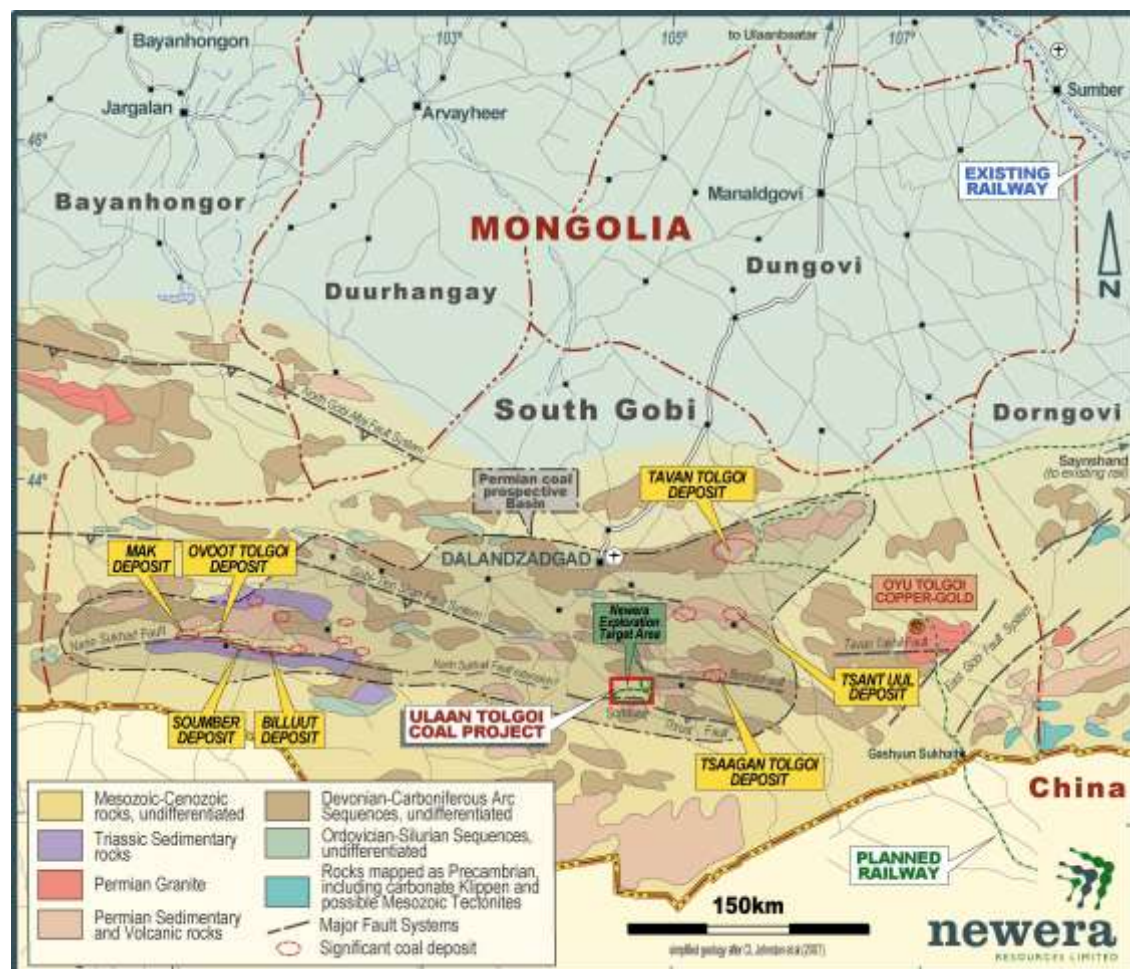
- Newera has received a final seismic survey report, inclusive of final interpretations for a limited work program carried out over the Ulaan Tolgoi licence by consulting seismic geophysicists, Logantek.
- Seismic lines A, B, D, E and F interpreted to be underlain by potentially coal-bearing P2 Late Permian sedimentary strata approximately 150 - 200 metres thick.
- Multiple, consistent, thick, gently folded seismic reflectors interpreted to underlie seismic lines A, B, D, E and F.
- In the opinion of Logantek, the reflectors are considered to be consistent with seismic reflectors from previous coal discoveries in the South Gobi basin, indicating a very good potential for coal. The South Gobi basin is recognised as highly prospective in terms of the potential to produce very large coking coal deposits.
- Lines E, B and F are all 2.5 kilometres long in a south to north direction and indicate an east to west strike of at least 2 kilometres with the interpreted seismic reflectors being seen to be open to the east, west and north.
- Line A which is approximately 8 kilometres due west and interpreted to be along strike from line E, is interpreted to be underlain by approximately 5 kilometres of Permian strata along the line from south to north and also contains consistent, thick, gently folded reflectors very similar to lines E, B and F.

- The Sonduult Tolgoi Thrust fault which is considered to be important due to its potential for the over thrust to uplift the Permian strata nearer to the surface, can be clearly seen cross cutting lines F, B, E, from east to west.
- Logantek in association with Newera's Mongolia-based consulting geologists, Nordic Geological Solutions, have outlined appropriate "best fit" drill hole collar locations designed to test the interpreted coal reflectors in a drilling program to commence in early 2014.

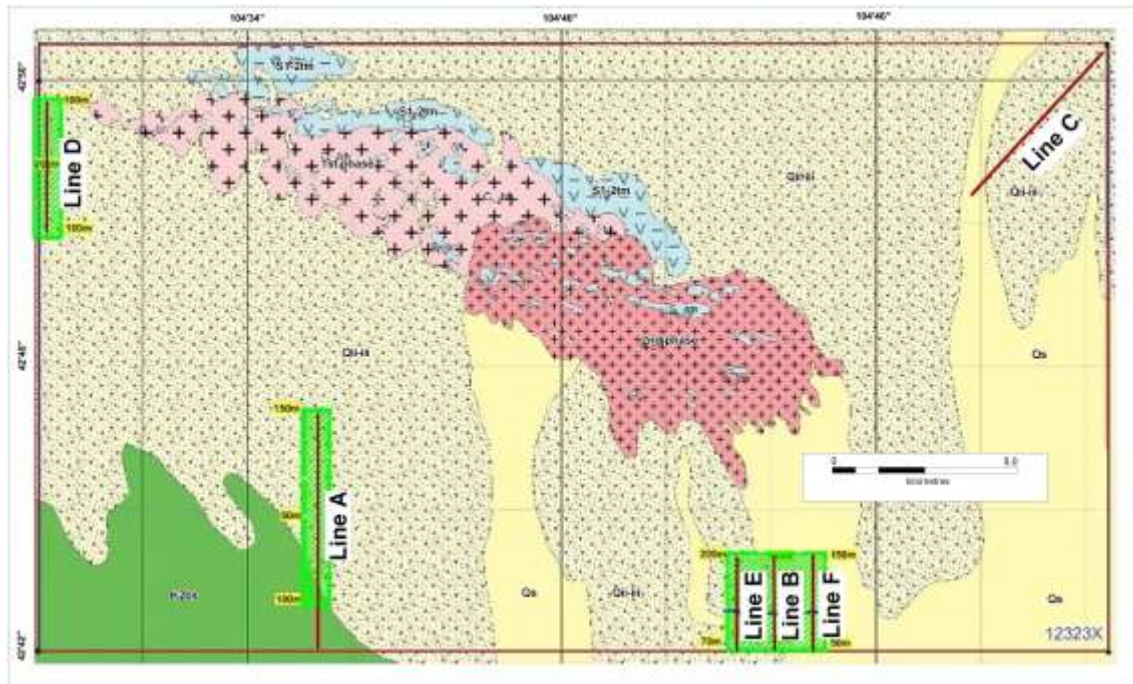
#### HIGHLIGHTS – Funding:

- The Company has entered into a series of convertible loans with various parties (including the Directors) with a total value of \$500,000 (Loans) on the terms and conditions summarised below which includes a first right of refusal for Cygnet Capital Pty Ltd to manage the next capital raising undertaken by the Company and goes to help secure the funding required for the next stage of Newera's activities. The Directors currently anticipate a rights issue to shareholders will be undertaken in the first half of calendar 2014.

#### ULAAN TOLGOI PROJECT:



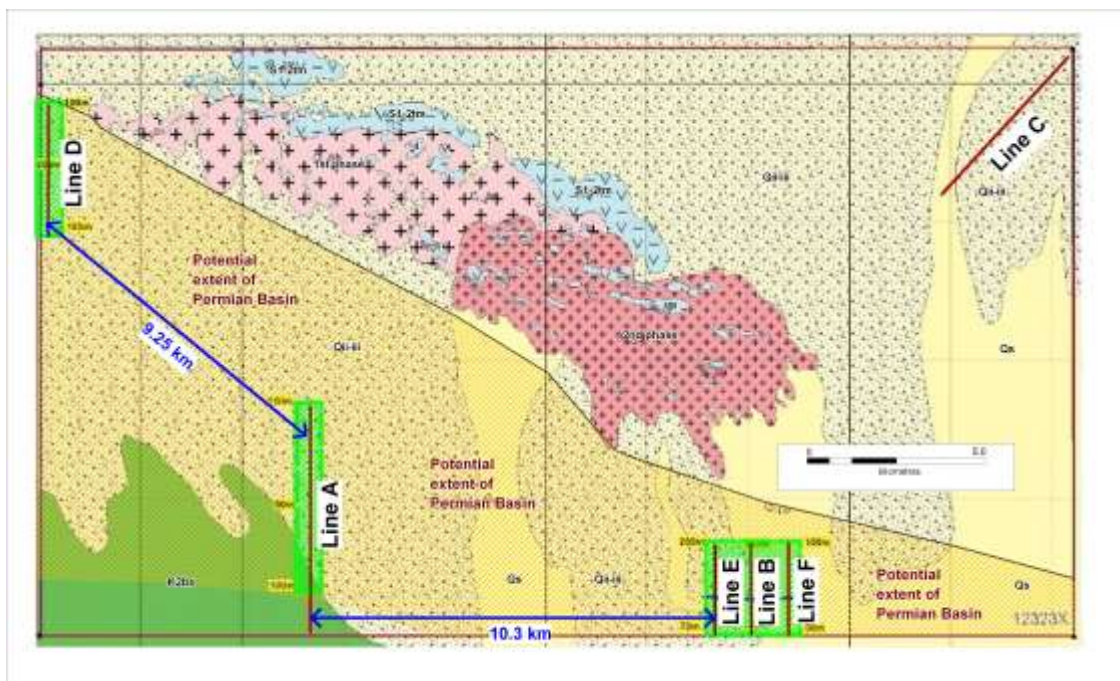
**Figure 1:** Ulaan Tolgoi licence area within South Gobi regional geology map –showing interpreted boundary of the Permian coal prospective South Gobi basin – the Nariin Sukhait and Sonduult Tolgoi thrust faults indicated. Relevant major coal projects indicated.



**Figure 2:** Ulaan Tolgoi licence, plan view, showing projected top of possible P2 units (green shading along lines) underlying lines F, B, E, A and D and depths to P2 in metres. The Sondult Thrust Fault indicated on Lines E, B and F.

### Logantek Interpretation of Figure 2:

“Figure 2 shows the projected location of interpreted P2 (Permian P2) units from the recent Newera seismic survey. A significant length of basin is possible if these P2 units are intersected through future drilling under lines D, A, E, B and F.”



**Figure 3:** Ulaan Tolgoi licence plan view, showing projected top of possible P2 units (green shading along lines) underlying lines F, B, E, A and D with depths in metres and arrows to indicate projected open positions of the interpreted Permian P2 units along the lines. A postulated outline of a South Gobi Permian sedimentary basin is indicated.

### Exploration upside:

The indication of a c.150 – 200m thick package of potential Late Permian coal-bearing strata preserved along the entire length of seismic lines E, B, F and D, and for at least 5 kilometres along line A is considered very significant by Newera for the following reasons:

1. Line A with its very extensive underlying late Permian (P2) and potentially coal-bearing strata, offers huge potential for a very large scale deposit. Planned drill testing in early 2014 will provide definitive answers.
2. The potential coal measures under lines A, E, B, F are considered to be associated with the Sonduult Tolgoi Thrust Fault (STTF) which can be traced extensively east-west along the southern sector of the tenement. The fact that the Interpreted P2 strata underlying lines A, E, B and F remains open to the east, west and north, also indicates great potential for scale.
3. The STTF is considered by Newera to represent an eastern extension of the Narin Sukhait Thrust Fault which is associated with a number of large coking coal mines and deposits (e.g. MAK, Ovoot Tolgoi, Soumber and Biluut).
4. The relatively shallow depth and piggyback architecture of the potential Late Permian Tavan Tolgoi Coal Measures along the STTF effectively pushes the strata within an along strike mineable depth.
5. The coking properties of the Late Permian Tavan Tolgoi Coal Measures are well documented.
6. The Ulaan Tolgoi tenement is situated only c. 100 km (i.e. direct line) from the Chinese border.
7. The Mongolian Government has well advanced plans to construct a Chinese gage rail line from the Tavan Tolgoi coking coal mine (110 kilometres north of Ulaan Tolgoi), east to Oyu Tolgoi and then south east to connect directly into the Chinese rail system.

### BACKGROUND

During March 2013, Newera entered into a Binding Memorandum of Understanding (“MOU”) to work towards completing a formal Joint Venture agreement covering an Exploration Licence in the South Gobi region of Mongolia. The project was designated the Ulaan Tolgoi project.

Under the terms of the Joint Venture, Newera is required to expend US\$200,000 prior to 30 June 2014 to earn a 51% interest. Newera advises that it is now well advanced in this process.

### Project Highlights:

- The Ulaan Tolgoi project is located in the South Gobi province of Mongolia – 100 kilometres from the Chinese Border.
- In terms of coal, the South Gobi province of Mongolia is known as the epicentre of recent exploration and mining developments particularly for coking coal and high energy thermal coal within southern Mongolia.

- The Ulaan Tolgoi Licence is a large licence covering 43,000 hectares in area.
- Visible in satellite imagery, striking east to west through the south of the licence is the Sonduult Tolgoi thrust fault. The Sonduult Tolgoi thrust fault is postulated to be an eastern extension of the Nariin Sukhait thrust fault which is a prominent structural feature further to the west.
- Minor coal outcrops and a number of water wells along the Nariin Sukhait thrust fault 300km to the west of Ulaan Tolgoi led to the discovery of the large MAK and Ovoot Tolgoi coking/thermal coal deposits.

#### **NEXT STEPS FOR ULAAN TOLGOI:**

Following review of the Ulaan Tolgoi Seismic Survey data, the Logantek principal geophysicist and Newera's Mongolian-based consultant geologists, Nordic Geological Solutions, have determined a series of "best fit" drill hole collars in preparation of a drilling program to commence in early 2014. The drilling will comprise a program of up to 2,000m of diamond core drilling and should provide a definitive test of the current interpretations.

#### **Chairman's Comments:**

Newera Chairman Mr Martin Blakeman offered the following comments:

"In terms of a first pass seismic survey for the Ulaan Tolgoi project, the outcome of the survey conducted by Logantek represents an almost startlingly good result. Understanding that seismics is an imprecise science and all results are interpretive until proven by drilling, nonetheless, the fact that very extensive areas underlying seismic lines A, E, B, F and D have been interpreted to be thick, potentially coal bearing P2 Permian sequences gives the impression that should drilling determine the presence of thick seams of coal within the P2 strata, there is the potential for a number of very large coal deposits within Ulaan Tolgoi.

The history of South Gobi basin coal deposits is that they can contain large tonnages of coking coal. The discovery and development of the plus six billion tonne Tavan Tolgoi coking coal mine provides encouragement that other yet to be discovered, very large coking coal deposits may be lurking in the basin under thin cover. We would like to think that as a consequence of the exceptional interpretive results of our seismic survey within Ulaan Tolgoi, that Newera has every chance of discovering the next big deposit within the South Gobi basin."



**Photo 1:** Mr Kieran Logan principal of Logantek Geophysical Services supervising Newera's Ulaan Tolgoi Seismic Survey October 2013.

#### **NEWERA FUNDING:**

Newera has completed an interim funding measure by entering into a Capital Raising Mandate with long term supporters Cygnet Capital Pty Ltd ("Cygnet"). Cygnet has managed the capital raising of \$500,000 in convertible loans (Loans).

In accordance with the various loan agreements which have now all been executed, the Loans will be converted, subject to Shareholder approval, to Convertible Notes with a face value of \$1,000 each (Notes). The Company intends to convene a general meeting of Shareholders on or before 28 February 2014 to seek approval for the issue of Notes.

The Board sees this as an attractive option to access sufficient capital to meet the ongoing programs of the Company in the near term whilst also putting in place the relationships aimed to maximise the success of the next capital raising which is currently intended to be a rights issue undertaken in 2014.

If approved, the key terms of the Notes to be issued will be as follows:

- The Notes will mature 12 months from the date of issue and can be converted any time following the first subsequent capital raising to the issue of the Convertible Notes;
- The conversion price will be the lesser of 0.4 cents per ordinary share, or 80% of the subscription price per ordinary share under the Company's next capital raising (Conversion Price);

- For each share issued on conversion, the Noteholder will be issued with 1 free option to subscribe for an additional ordinary share in the Company exercisable not less than 3 years from the date of issue at an exercise price no more than a 100% premium to the Conversion Price per share (Options). It is the intention of the Directors that the Options be listed.
- The Notes will accrue interest at a rate of 12% per annum; and
- The Notes will be unsecured.

The Convertible Notes will be issued to sophisticated and institutional investors under sections 708(8), 708(10) and 708(11) of the Corporations Act 2001 (Cth) (the Act), without disclosure to investors under Part 6D.2 of the Act.

The Board advises that related parties of the Company have participated in the issue. Full details will be set out in the Notice of General Meeting at which the Company will seek the necessary shareholder approval to approve the issue.

The capital raised will be applied to both the current working capital requirements of the Company and the development of its Ulaan Tolgoi project in Mongolia.

On successfully completing the raise, Cygnet will be entitled to a success fee of 10,000,000 options exercisable at A\$0.01 within three years of issue.

The Board would like to thank Cygnet Capital for assisting Newera in raising the interim working capital in a very difficult capital raising market and for proposing a first right of refusal to manage our next capital raising. We now have the financial comfort required to start planning what we expect will be a very interesting drilling program at Ulaan Tolgoi.

### **SHANAGAN PROJECT OPTION AGREEMENT**

During May 2012 Newera entered into an Option Agreement with a Mongolian registered company, Geomaster LLC ("Geomaster") covering the Mongolian Exploration Licence designated the Shanagan Uul East ("Shanagan") project by Newera.

The Option Agreement gave Newera the option to acquire 80% of the Shanagan project within eighteen months of the execution date of the Option Agreement by paying US\$1 million to Geomaster on or before the Expiry date. The option expiry date was 28 November 2013.

Newera has to-date explored the Shanagan project and established a coal Exploration Target within the boundaries of the Shanagan project. Newera has also determined that the coal contained within Shanagan is a very high ash coal which represents particularly significant challenges when attempting to obtain a satisfactory coal yield and locate a suitable market for that type of coal.

Newera has to-date met all its obligations under the Option Agreement but has been mindful of the current financial resources available to Newera to:

- a) In the first instance push forward with exploration on the potentially far more rewarding Ulaan Tolgoi project;
- b) in the second, fund a Shanagan option roll over fee satisfactory to Newera; and
- c) in the third, meet the US\$1 million Shanagan Option Fee when due.

Newera entered into negotiations with Geomaster with the intent of reaching an agreement on terms that would facilitate the roll over of the Option Expiry date until 28 November 2014.

The Directors of Newera determined that despite offers and counter offers, a satisfactory compromise was not able to be reached between the parties before close of business on 28 November 2013 and therefore the Option was allowed to lapse and the Company will no longer have an interest in the Shanagan project.

Newera will hold further discussion with the vendor to determine if a new deal more suited to the current climate can be structured but the Company cautions that the vendor is under no obligation negotiate with Newera on any new structure and there can be no certainty that Newera will be successful in this regard.

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

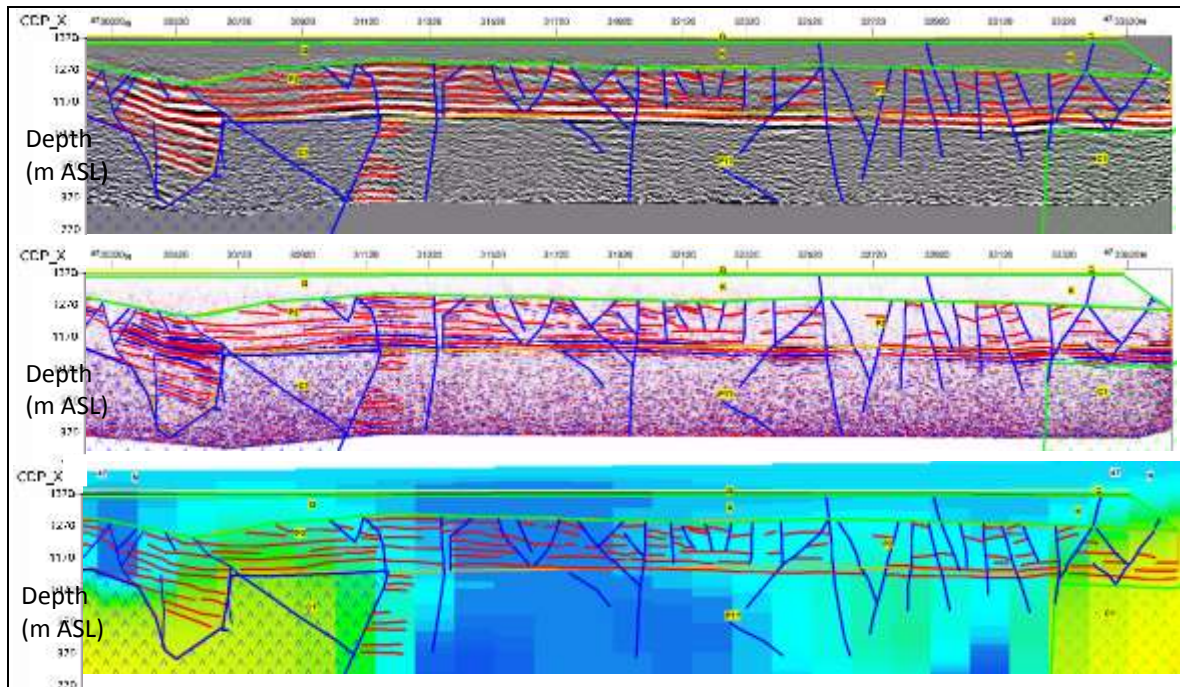
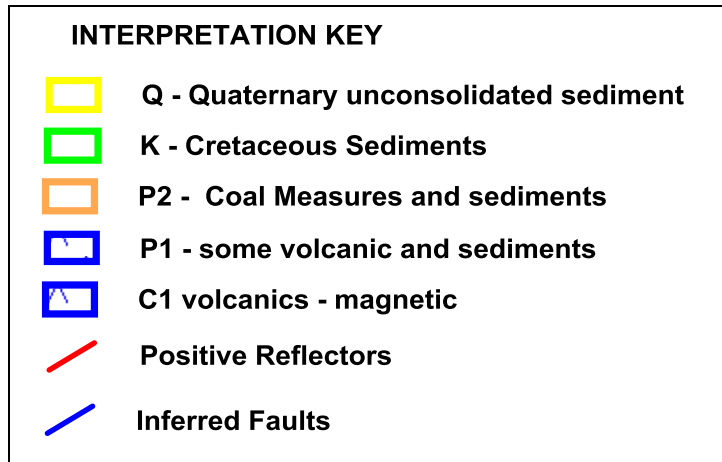
#### **Competent Person Statement**

*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.*

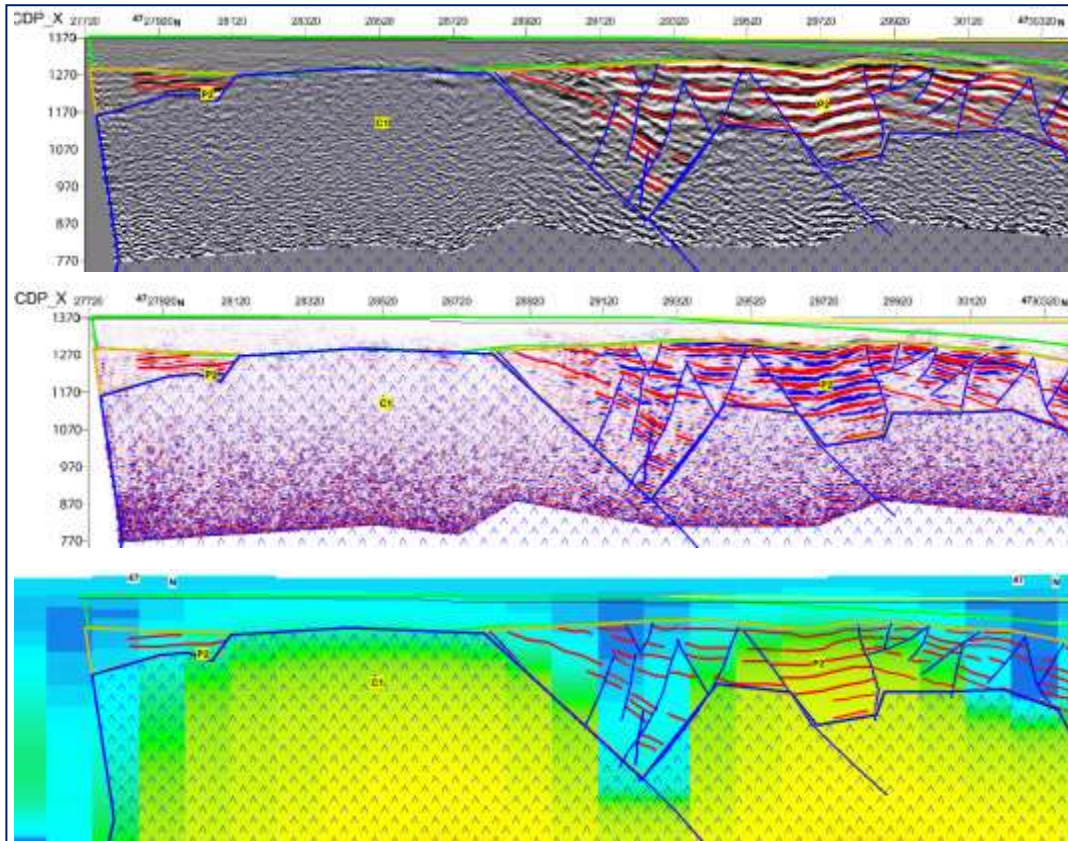


## APPENDIX A

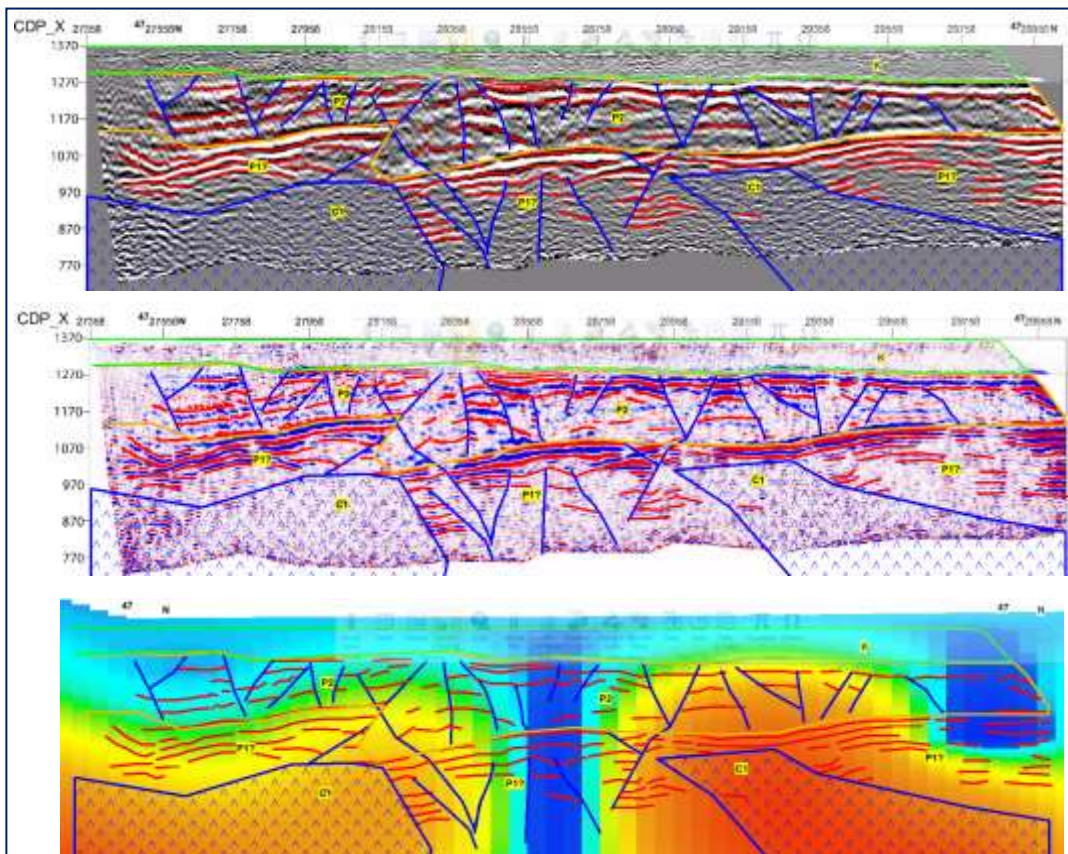
### Seismic line images and interpretations:



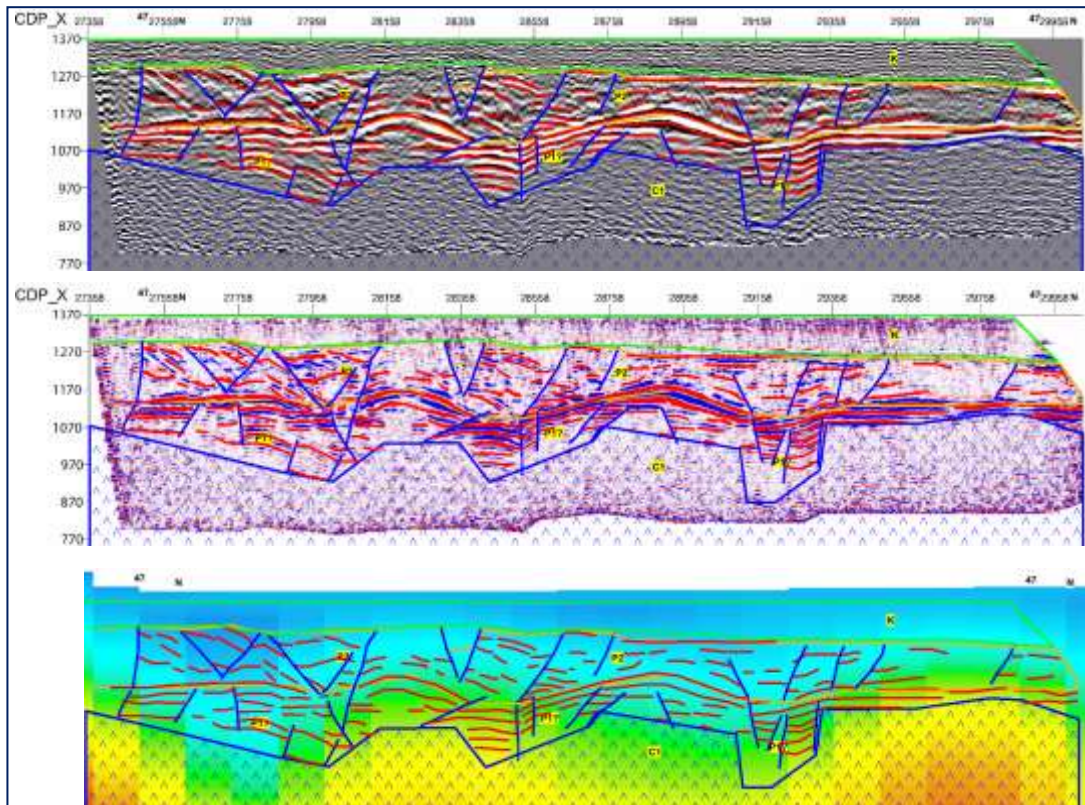
**Figure 3: Line A North**, showing flat lying to gently folded interpreted seismic reflectors within interpreted Permian strata. Bottom image shows interpreted seismic reflectors over ground magnetic image.



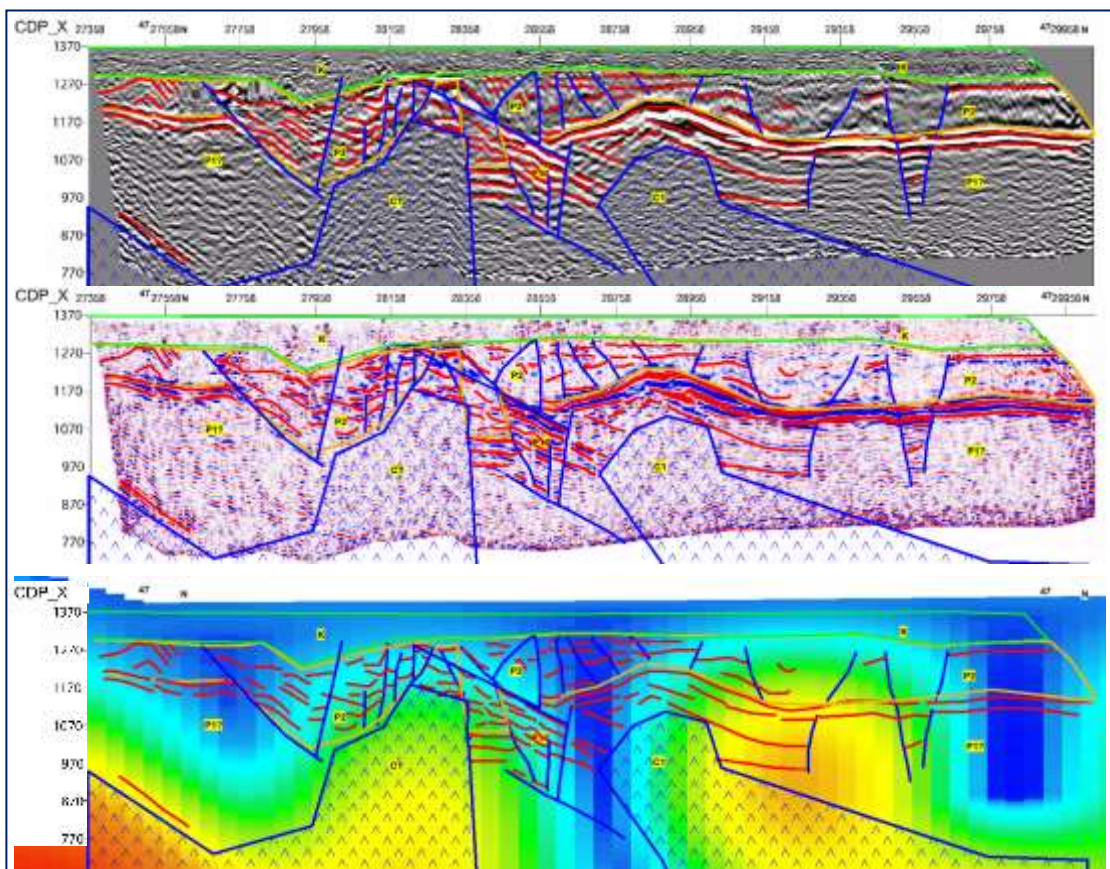
**Figure 4: Line A South**, showing gently folded, interpreted seismic reflectors within interpreted Permian strata in the north, interrupted from the mid section to the southern end of the line. Bottom image shows interpreted seismic reflectors over ground magnetic image.



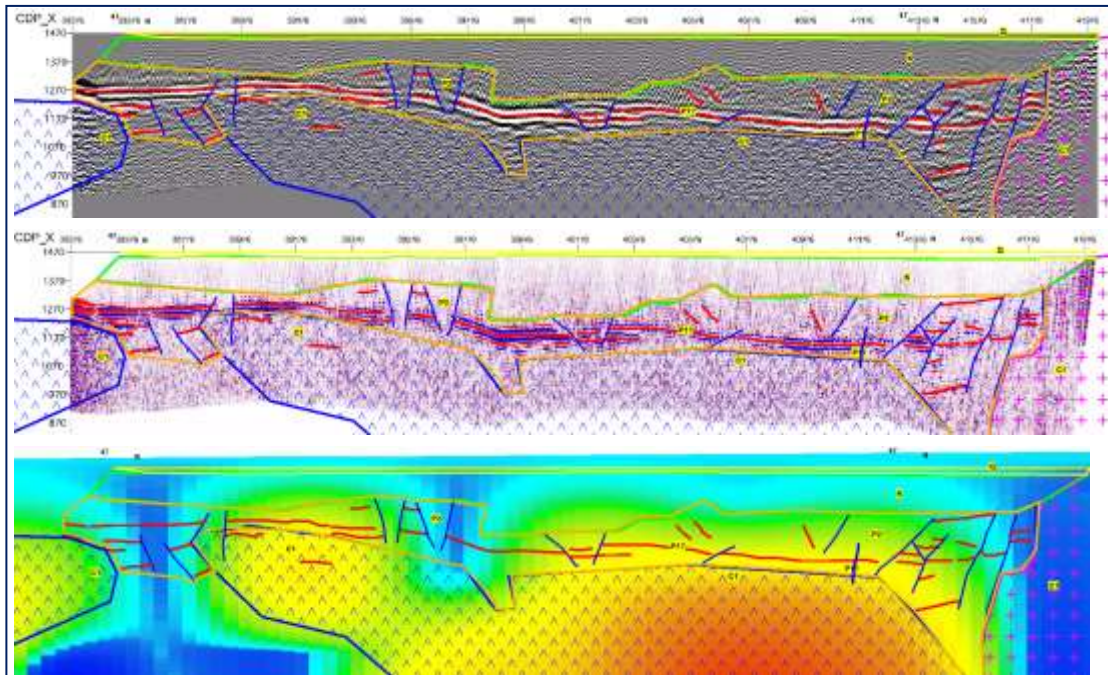
**Figure 5: Line E**, showing flat lying interpreted seismic reflectors within interpreted Permian strata. Sondault Thrust fault visible dipping to the south. Line E is 8 Kilometres east of line A.



**Figure 6:** Line B, showing gently folded and faulted interpreted seismic reflectors within interpreted Permian strata with the Sondault Thrust fault clearly visible as a heavy blue line dipping to the south. Line B is one kilometre east of line E.



**Figure 7:** Line F, showing gently folded and faulted interpreted seismic reflectors within interpreted Permian strata with the Sondault Thrust fault visible as a blue line dipping to the south. Line F is one kilometre east of line B.



**Figure 8: Line D**, showing flat lying to gently folded and faulted interpreted seismic reflectors within interpreted Permian strata. Line D is in the far north west corner of the Ulaan Tolgoi licence area.

#### **Line by line Interpretation by Logantek:**

##### **Line A – 466350E**

This section is large, so is shown in a north and south section. (Figures 3 and 4).

Line A, prominent features include:

1. The potential area for P2 (Permian P2) is from 466350E, 4728800N to 4733550N. Depth to top of P2 is 100m in south, 50m in middle and 150m in north.
2. A continuous positive reflector occurs at the base of the P2.
3. A number of positive reflectors occur in the P2, Some of these are possibly coal or coaly siltstones.

##### **Line E – 477230E**

The section interpretation for Line E is shown in Figure 5.

Line E, prominent features include:

1. The potential locations of P2 at depth are; 4727350N, 478230E to 473000E (whole of line). Depth to P2 – from 70m to 200m. Thickness of P2 – from 50m to 200m.
2. Thrust fault at 4724040N dipping 45deg to south, at 70m depth in top of K with 100 displacement.
3. Faulting and folding in southern portion most prominent.
4. Possible coal seams and/or coaly siltstone within P2, up to 4 prominent reflectors. More continuous than Line B. Reflector at base is likely P1 boundary.

**Line B – 478230E**

The section interpretation for Line B is shown in Figure 6.

Line B, prominent features include:

1. The potential locations of P2 at depth are; 4727350N, 478230E to 473000E. Depth to P2 – from 70m to 100m. Thickness of P2 - from 50m to 200m.
2. Thrust fault at 4728640N dipping south approximately 30deg, at 120m depth in top of K.
3. Faulting and folding in southern portion most prominent.
4. Possible coal seams and/or coaly siltstone within P2, up to 4 prominent reflectors.

**Line F – 479230E**

The section interpretation for Line F is shown in Figure 7.

Line F, prominent features include:

1. The potential locations of P2 at depth are; 4727350N, 478230E to 473000E. Depth to P2 – from 50m to 150m. Thickness of P2 – from 50m to 200m.
2. Thrust fault at 4728600N, at 50m depth in top of K.
3. Faulting and folding in southern portion most prominent. Clear anticline at 4728200N and 4728860N, either side of the thrust. Syncline at 4728000N with thickest P2.
4. Possible coal seams and/or coaly siltstone within P2, up to 4 prominent reflectors.

**Line D – 459335E**

The section interpretation for Line D is shown in Figure 8.

Line D, prominent features include:

1. Possible P2 from 4738370N, to 4741800N. A very continuous reflector exists within the P2, or at its base.
2. Depth to P2 - from 100m to 200m in centre to 100m, Thickness of P2 - from 50m to 200m.

**Line C** – No significant P2 strata indicated.