



NEWERA RESOURCES LIMITED

And its Controlled Entity

Annual Report 2014

ABN 27 118 554 359

NEWERA RESOURCES LIMITED

ABN 27 118 554 359

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DIRECTORS

Mr Martin Blakeman - Executive Chairman
Mr Eric de Mori - Non-Executive Director
Mr Chris Watts – Non-Executive Director

COMPANY SECRETARY

Mr Chris Watts

PRINCIPAL PLACE OF BUSINESS & REGISTERED OFFICE

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SUBIACO, WA 6008

CONTACT DETAILS

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SOLICITORS OF THE COMPANY

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16 Milligan Street
PERTH WA 6000

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
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APPLECROSS WA 6153

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AUDITORS

RSM Bird Cameron Partners
8 St Georges Terrace
West Perth WA 6000

STOCK EXCHANGE

Australian Securities Exchange
Exchange Plaza
2 The Esplanade
Perth, Western Australia 6000

(ASX: NRU)

DIRECTORS REPORT

Your Directors present their report, together with the financial statements of the Group, being the Company and its controlled entity, for the financial year ended 30 June 2014.

DIRECTORS

The names of the Directors in office at any time during or since the end of the year are:

- Mr Martin Blakeman
- Mr Eric de Mori
- Mr Chris Watts (*Appointed 1 July 2014*)
- Mr Winton Willesee (*Resigned 31 July 2014*)

Directors have been in office since the start of the financial year to the date of this report.

COMPANY SECRETARY

Mr Chris Watts

PRINCIPAL ACTIVITIES

The Group's principal activities during the financial year were that of minerals exploration.

During the year the Group continued activities exploring for uranium, coal and base metals on its tenements. In addition the Group continued its review of complementary energy and other resource projects.

There were no significant changes in the nature of the Group's principal activities during the financial year.

OPERATING RESULTS

The loss of the Group after providing for income tax amounted to \$1,374,434 (2013: \$2,411,780).

DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the group during the financial year.

BUSINESS OVERVIEW

During the period, the Company's key focus was on Mongolia and in particular the Shanagan and Ulaan Tolgoi coal projects. Concurrently, the Company progressed its Swedish portfolio and narrowed its focus in Australia to the most prospective of its Australian project portfolio.

DIRECTORS REPORT

MONGOLIA

The Company has interests in the following projects:

- *Shanagan Project (14030X)* - Newera had entered into an Option agreement to acquire 80% of the Shanagan Project, which comprises one exploration license covering an area of approximately 2,223 hectares in a known coal bearing region, 140 kilometres southeast of Ulaanbaatar. The target commodity was coal.
- *Ulaan Tolgoi Project (12323X)* - Newera has entered into a Binding Joint Venture Agreement covering Mongolian exploration licence 12323X in the South Gobi region of Mongolia. The Ulaan Tolgoi Licence covers approximately 43,830 hectares in area. The target commodity is coal.

SWEDEN

The Company has interests in two Swedish exploration licences, Varmland 100 and Varmland 101, which cover a 40 kilometre long SE-NW trending shear zone termed the "Mylonite Zone" striking towards the border of Norway. This area has been identified as having potential for sulphidic bodies carrying copper, gold and PGM's,

AUSTRALIA

The Company has interests in the following projects:

- *Jailor Bore Project* – The project area is located 260 kilometres east of Carnarvon in Western Australia and contains the Giant, Red Hill Well and Relief Well Prospects. The target commodity is uranium.
- *Cummins Range Project (E80/4308 and E80/4632)* – The project area is located 160 kilometres south west of Halls Creek in the southern Kimberley region of Western Australia in the vicinity of the Cummins Range. The target commodities are rare earth elements and phosphate.

REVIEW OF OPERATIONS**Principal activities**

Newera Resources Limited is an Australian based diversified minerals exploration company holding projects in Australia, Mongolia and Sweden covering a commodity mix including coal, uranium, copper, gold, rare earth elements (Rees) and potential for nickel and platinum group metals (PGM's).

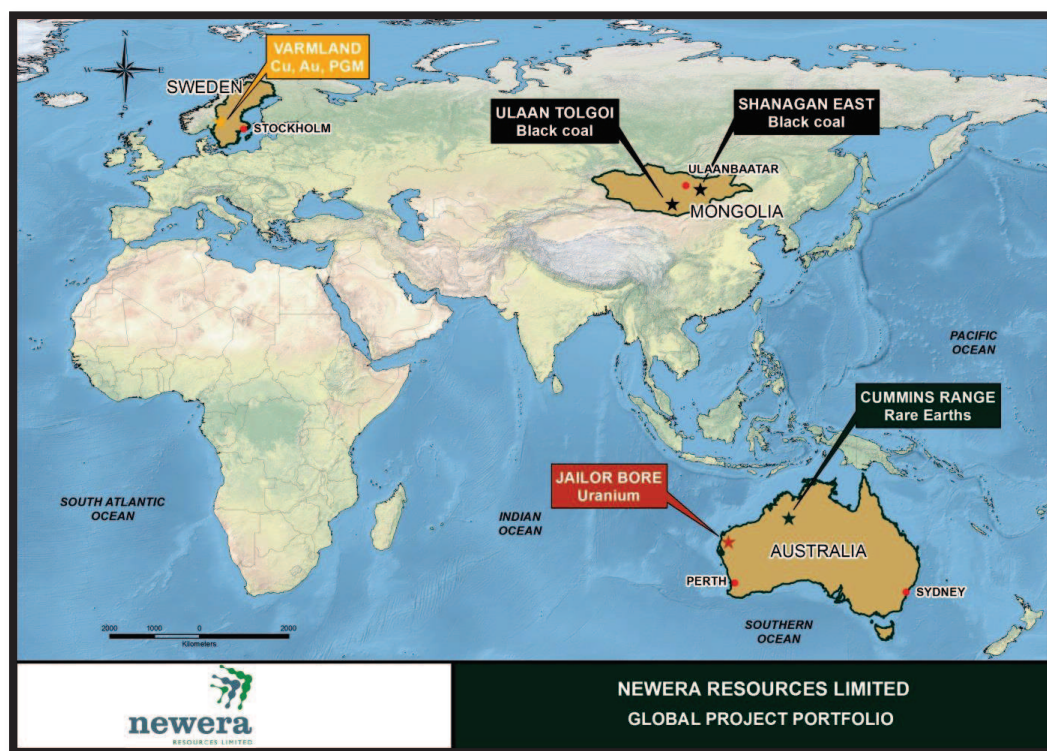


Figure 1: Newera Resources Limited global project portfolio plan.

The Company's principal activities are to acquire exploration tenements holding potential for high demand mineral commodities, explore those tenements, discover economic mineral deposits and proceed to upgrade and develop those deposits into economically viable mining projects.

The Company ensures its activities are carried out in a safe, environmentally, socially and financially responsible manner.

MONGOLIA

During the period, the Company's key focus was on Mongolia and in particular the Shanagan and Ulaan Tolgoi coal projects within Mongolia.

Newera's management had identified Mongolia as a growth locality due to the already known significant mineral endowment across a broad range of commodities, the number of good projects being presented for potential acquisition and the perceived potential upside from exploring in a mineral rich geological environment. At the time, Mongolia was also seen to have an environment that offered a reasonably stable political environment, had a workable Mining Act and a perception of a lower level of sovereign risk.

Newera's first project in Mongolia, the Shanagan Project, comprised one exploration license covering an area of approximately 2,223 hectares in a known coal bearing region, 140km southeast of Ulaanbaatar. The Shanagan Project is ideally located approximately 50km (straight line) from an existing rail siding that services the nearby Baganuur lignite coal mine, and connects to the trans-Siberian railway which services China in the South to Russia in the North.

Newera's initial interest in the Shanagan Project was generated by a single, previously identified and sampled coal seam, outcropping over several kilometres.

Newera's second project in Mongolia, the Ulaan Tolgoi Project comprised a joint venture covering one exploration licence with an area of approximately 43,000 hectares in the coking coal prolific South Gobi region of Mongolia, c. 100km north of the Chinese border, 115 km south of the giant +6Bn tonne Tavan Tolgoi coking coal mine and 150km west of the giant Oyu Tolgoi copper mine.

During the period Newera commenced exploration within the Ulaan Tolgoi licence area by undertaking a Mini Sosie seismic survey in an attempt to locate seismic reflectors that may indicate the presence of coal under pervasive quaternary cover.

MONGOLIA – Shanagan Project



Figure 2: Newera's Shanagan East Project location plan with infrastructure.

Background:

Since entering into an option agreement over the Shanagan 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 Project, based on phase 1 and 2 exploration to 31 December 2012 (See ASX Release dated 18 March 2013).

***On Exploration Targets**

This announcement refers to Exploration Target as defined under Section 17 of the updated JORC Code. 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. Nordic Geological Solutions considers that Newera's phased exploration strategy is justified, and that further work is warranted before a mineral resource (under sections 20-23 of the JORC Code) can be determined at Shanagan.

A subsequent phase 3 drilling program produced the following coal intercept results which have not as yet been incorporated into the calculation of the Exploration Target as stated above.

Phase 3 Drilling - drill hole intercept results:

The phase 3 drilling program successfully intersected the known Shanagan number one and number two coal seams and has also intersected a previously postulated number three seam, giving confidence that the previously determined Exploration Target may be extended.

Hole #	Total Depth	Total Net Coal (m)	Within Width (m)	Easting	Northing	RL (m)	Dip	Geophysically logged
Phase 3 Drilling Results								
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: Shanagan Project – Phase 3 drilling drill hole summary table including geophysically logged coal intercepts and net coal intercepts. (Grid co-ordinates refer to UTM Zone 49 North).

Phase 3 Drilling – coal quality analysis results:

During the period, Newera also received the coal quality analysis results for the phase 3 drilling program completed in the previous period at the Shanagan Project in Mongolia.

Newera had successfully drill tested the northern extremities of the known coal seams within the Shanagan Project area producing excellent coal intercept results. The drilling program was an “open hole” (PCD) program, not core, however a total of four samples were collected and sent to SGS Laboratories in Ulaanbaatar for coal quality analysis. The results of that analysis are listed in Table 1 above.

The analysis of the Shanagan phase 3 drilling program samples indicated a bright black coal with a high calorific value, low moisture, low sulphur and high ash, which is generally in line with previous sampling from Shanagan phase 1 and phase 2 drilling programs.

The intersection of significant coal seams in SHDH31, 32, 33 and 35 has given confidence that the Exploration Target (as defined under Section 17 of the JORC Code) of **64 to 111 million tonnes*** of coal previously calculated to exist within the central and southern portions of the Shanagan licence may be extended.

Shanagan Project - Recent Sample Analytical Results									
Sample Number	Total Moisture (ARB)	Residual Moisture (ADB)	Ash (DB)	Volatile Matter (DB)	Fixed Carbon (DB)	Gross Calorific Value (DAF)	Gross Calorific Value (ADB)	% Sulphur (DB)	Crucible Swelling Number (CSN)
Drill Hole SHDH35									
1	2.71	2.42	77.23	9.55	13.23	6384	1419	0.10	0.00
2	21.09	3.24	61.65	10.20	28.15	6845	2540	0.20	0.00
3	24.98	6.22	35.90	16.50	47.61	6945	4175	0.25	0.00
Drill Hole SHDH34									
1	24.15	0.54	35.94	10.95	55.13	8130	5341	0.70	0.50

Table 2: Shanagan Project – Analytical results – Batch Number 6.

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Newera Resources Limited - Shanagan East Project - Analytical results – Batch Number 1-5

Sample Number	Total Moisture (ARB)	Residual Moisture (ADB)	Ash (DB)	Volatile Matter (DB)	Fixed Carbon (DB)	Gross Calorific Value (DAF)	Gross Calorific Value (ADB)	% Sulphur (DB)	Crucible Swelling Number (CSN)
Drill Hole SHDH02									
2	0.99	0.66	57.52	6.96	35.52	7320	3089	0.52	0.00
3	3.42	1.34	40.76	7.07	52.17	8323	4865	0.30	0.00
Drill Hole SHDH04									
1	7.40	1.18	45.55	11.61	42.84	8191	4407	0.51	0.00
2	6.93	1.37	34.66	9.00	56.33	8546	5507	0.84	0.00
3	1.08	0.74	42.81	8.49	48.70	8453	4798	0.72	0.00
4	2.27	1.15	45.74	8.25	46.01	8453	4534	0.45	0.50
5	1.28	1.18	51.32	11.98	36.70	7776	3740	1.05	0.50
Drill Hole SHDH05									
1	10.53	2.28	47.06	11.16	41.77	8120	4200	0.62	0.00
Drill Hole SHDH09									
1	21.52	4.60	74.55	11.74	13.71	5636	1369	0.10	0.00
2	23.72	8.55	58.58	16.28	25.14	5776	2188	0.18	0.00
3	12.37	0.46	51.11	9.19	39.70	8520	4146	0.44	0.00
4	13.19	0.54	56.01	9.14	34.85	8303	3633	0.46	0.00
5	11.53	0.80	65.50	7.60	26.90	7878	2696	0.38	0.00
Drill Hole SHDH09R									
1	10.06	0.52	43.11	9.86	47.02	8514	4818	0.52	1.00
2	7.24	0.87	62.31	7.42	30.27	7147	2670	0.30	0.50
3	13.43	0.61	36.12	11.66	52.22	8494	5393	0.53	1.00
5	11.00	0.41	26.07	12.63	61.31	8716	6417	0.63	4.50
6	8.13	0.55	43.20	10.46	46.34	8605	4861	0.53	1.00
7	9.32	0.60	36.74	11.44	51.81	8564	5385	0.60	1.00
8	8.91	0.66	52.54	10.35	37.11	8120	3828	0.47	0.50
9	5.72	0.75	53.03	9.56	37.42	8342	3889	0.44	0.50
10	7.16	0.51	41.67	12.37	45.96	8262	4795	0.48	0.50
11	4.69	0.51	52.07	9.67	38.27	8308	3962	0.34	0.50
12	6.95	0.59	56.53	10.48	32.99	8003	3459	0.33	0.50
13	2.80	0.41	51.83	13.29	34.88	7803	3743	0.32	0.50
14	7.88	0.50	47.23	10.35	42.41	8483	4454	0.39	0.50
15	5.51	0.45	55.10	6.81	38.09	7840	3504	0.22	0.00
Drill Hole SHDH11									
1	26.78	5.24	61.57	15.17	23.26	5842	2127	0.21	0.00
2	22.92	3.40	55.15	12.78	32.07	6463	2800	0.24	0.00
3	17.10	1.66	44.39	11.20	44.41	7448	4073	0.29	0.00
4	16.01	0.64	44.15	8.10	47.76	8030	4457	0.32	0.00
Drill Hole SHDH13									
1	15.24	0.52	46.24	13.01	40.75	7969	4262	0.42	1.00
2	8.25	0.54	36.02	10.18	53.80	8468	5389	0.76	3.00
3	L.N.R	L.N.R	L.N.R	L.N.R	L.N.R	L.N.R	L.N.R	L.N.R	LNR
4	7.42	0.61	46.59	9.60	43.80	8275	4392	0.43	1.50
5	7.12	0.63	34.10	9.85	56.05	8459	5539	0.67	1.50
6	12.49	0.84	55.03	8.30	36.67	7919	3531	0.39	0.50
7	15.20	0.65	39.09	10.10	50.81	8302	5024	1.19	1.00
Drill Hole SHDH14									
1	26.02	6.31	39.23	18.21	42.56	6911	3935	0.27	0.00
2	18.22	3.39	43.49	13.07	43.45	7409	4045	0.24	0.00
3	15.89	1.07	56.84	7.19	35.97	7373	3148	0.28	0.00
4	15.05	1.62	36.45	8.59	54.96	8558	5350	0.79	0.50
5	12.91	0.91	57.81	6.62	35.57	7598	3177	0.41	0.00
6	16.28	0.55	52.47	7.68	39.85	8328	3936	0.51	0.50
7	16.34	0.88	50.02	8.68	41.3	8229	4076	0.67	0.50
8	16.76	0.90	39.44	9.26	51.3	8599	5160	0.51	0.50
Drill Hole SHDH15									
1	32.79	5.48	55.74	16.80	27.46	6060	2535	0.29	0.00
2	9.43	0.64	42.99	9.64	47.37	8164	4625	0.72	0.50

Table 3: Shanagan Project – combined coal quality analytical results for phase 1, 2 and 3 drilling programs.

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Newera Resources Limited - Shanagan East Project - Analytical results – Batch Number 1-5

Sample Number	Total Moisture (ARB)	Residual Moisture (ADB)	Ash (DB)	Volatile Matter (DB)	Fixed Carbon (DB)	Gross Calorific Value (DAF)	Gross Calorific Value (ADB)	% Sulphur (DB)	Crucible Swelling Number (CSN)
Drill Hole SHDH16									
1	19.10	4.39	47.60	11.31	41.09	7565	3790	0.33	0.00
2	20.80	2.53	55.84	7.15	37.01	7363	3169	0.30	0.00
3	18.05	4.29	46.54	9.81	43.65	7163	3665	0.34	0.00
Drill Hole SHDH17									
1	8.48	0.56	52.04	17.67	30.29	6985	3331	0.93	0.00
2	14.82	1.11	40.79	6.75	52.46	8169	4783	0.73	0.50
3	13.57	0.86	46.38	8.30	45.32	7744	4117	0.62	0.50
4	12.06	1.40	46.37	6.02	47.61	8073	4269	0.40	0.00
5	15.53	0.92	27.68	7.26	65.06	8490	6084	0.63	0.50
Drill Hole SHDH6R									
1	12.01	1.18	66.47	5.46	28.07	7166	2375	0.38	0.00
2	18.42	1.39	64.18	5.60	30.22	7356	2598	0.37	0.50
3	7.78	0.43	62.36	7.44	30.20	7360	2758	1.92	0.00
4	11.30	0.61	57.13	8.26	34.61	7158	3050	0.59	0.00
5	8.18	0.73	76.98	5.54	17.57	6133	1401	0.27	0.50
Drill Hole SHDH25									
Sample material dedicated to washability testing									
Drill Hole SHDH26									
1	20.56	3.07	48.78	12.05	39.17	7503	3726	0.45	0.00
2	19.16	3.28	45.64	12.17	42.18	7526	3957	0.57	0.00
3	13.58	1.79	40.30	12.29	47.41	8025	4705	0.41	0.00
4	5.92	0.75	55.63	8.54	35.83	8368	3685	0.49	0.00
5	20.55	2.43	51.18	10.59	38.23	7326	3490	0.36	0.00
6	11.32	1.10	42.73	11.51	45.76	7952	4505	1.13	0.00
7	19.97	2.87	49.96	10.03	40.01	7521	3656	0.52	0.00
8	8.14	0.62	48.11	9.74	42.15	8220	4239	0.68	0.00
9	4.76	1.25	47.41	9.61	42.98	8213	4265	0.59	0.00
10	14.29	3.28	34.55	10.78	54.67	8216	5202	0.54	0.00
11	5.33	1.23	43.63	10.30	46.07	8388	4670	0.47	0.00
Drill Hole SHDH27									
1	31.24	6.33	35.88	17.56	46.56	7072	4248	0.34	0.00
2	27.30	6.82	30.63	17.11	52.26	7444	4812	0.39	0.00
3	22.23	5.41	38.02	13.79	48.19	7782	4563	0.35	0.00
4	23.60	1.48	33.55	12.42	54.03	7929	5191	0.37	0.00
5	13.18	0.92	43.06	13.18	43.76	7794	4397	0.44	0.00
6	13.55	0.37	45.62	11.23	43.15	7939	4302	1.51	0.00
7	17.42	1.63	37.85	13.79	48.36	7428	4541	0.34	0.00
8	18.16	1.81	44.23	11.89	43.88	7310	4004	0.30	0.00
Drill Hole SHDH28									
1	20.31	1.09	56.36	13.52	30.12	7137	3080	0.46	0.00
2	21.70	5.00	66.51	11.48	22.01	6491	2065	0.22	0.00
3	16.02	0.32	56.64	8.32	35.04	8102	3502	0.64	0.00

Table 3 (continued): Shanagan Project – combined coal quality analytical results for phase 1, 2 and 3 drilling programs.

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Hole #	Total Depth	Total Net Coal (m)	Within Width (m)	Easting	Northing	RL (m)	Dip	Geophysically logged
Phase 1 Drilling Results								
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
Phase 2 Drilling Results								
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
Phase 3 Drilling Results								
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 4: 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)

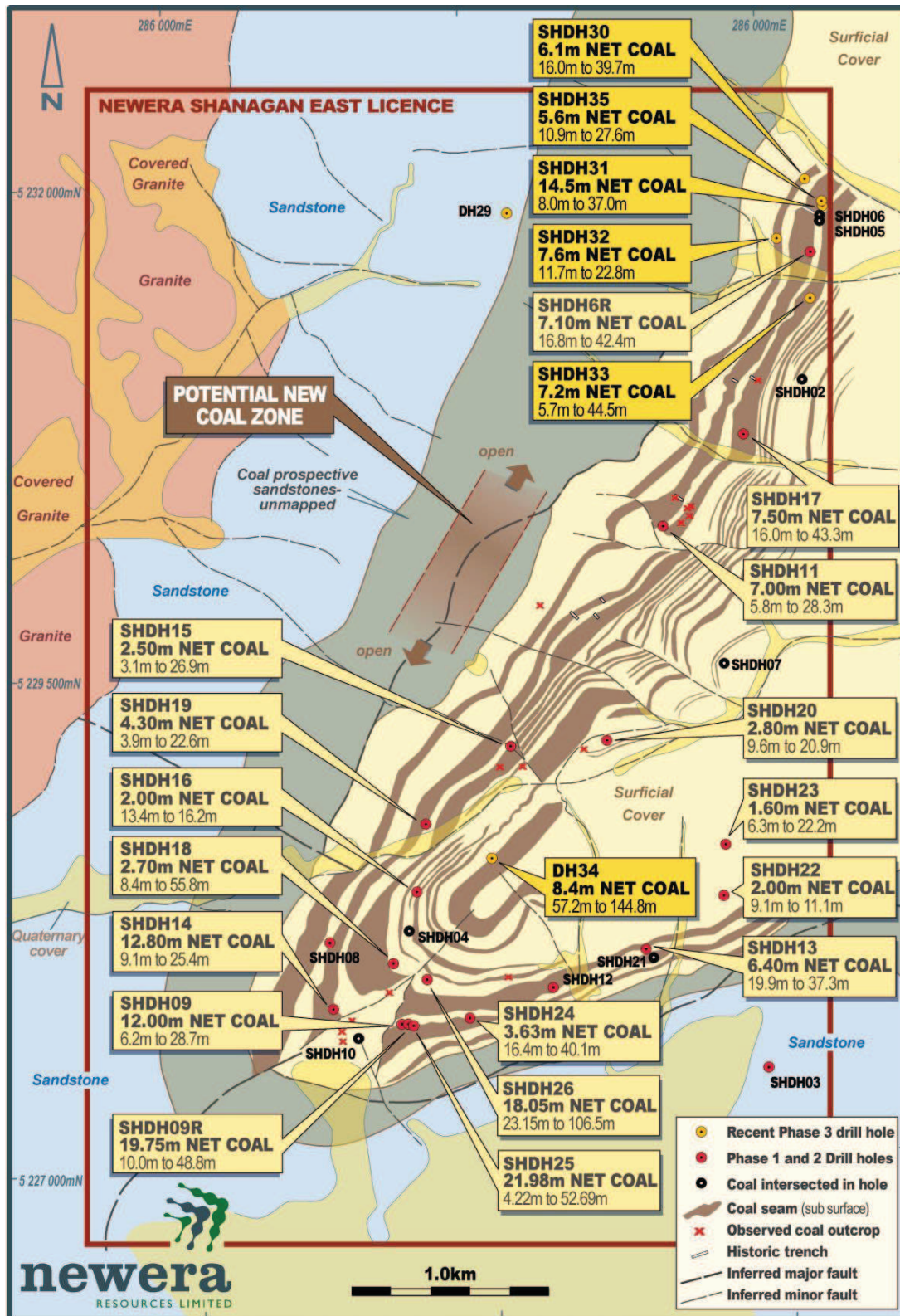


Figure 3: Recent Phase 3 drilling results highlighted in dark yellow, drill hole SHDH14 is the site where the inclined coal bulk sample shaft was sunk.

Coal bulk sample shaft sinking:

Photo 1: Shanagan Project showing the bulk sample inclined shaft entrance and stockpiled coal.

In early July, Newera completed the sinking of an inclined coal bulk sample extraction shaft proximal to Newera's drill hole SHDH14 at the Shanagan Project in Mongolia. The shaft was constructed to extract approximately three tonnes of coal bulk sample material which was used to undertake definitive coal quality and washability testing, under the supervision of international coal preparation specialists, Sedgman LLC.

Sedgman is a leading provider of mineral processing and associated infrastructure solutions to the global resources industry. Specialising in the design, construction and operation of coal handling and preparation plants, Sedgman is recognised internationally for its mineral processing and materials handling technologies.

Coal sample material was collected as the shaft progressed through the plies of the coal seams indicated through the previously announced results of drill hole SHDH14 and was then deposited into one tonne bulka bags, ready for transport.

One, one tonne sample was submitted to ALS Group LLC laboratory in Ulaanbaatar for washability testing under the supervision of Sedgman Ltd.



Photo 2: Showing a miner working within the bulk sample decline shaft with lighting and air ventilation.



Photo 3: Showing Shanagan inclined shaft miners placing Shanagan bulk sample coal into a bulka bag.

DIRECTORS REPORT

Shanagan project coal washability tests:

During the period Newera received the results of coal washability tests conducted on its Shanagan Project coal bulk sample.

ALS Group LLC Laboratories in Mongolia had successfully concluded the detailed washability tests under a coal quality and test work plan supplied and overseen by Sedgman Limited.

Highlights:

- Coal from the Shanagan Project coal bulk sample was confirmed to be readily washable.
- Sizing and washability test work on the Shanagan Project coal bulk sample extracted from adjacent to drill hole SHDH14, has confirmed the coal was able to be washed through a standard and common coal handling and processing plant ("CHPP").
- Coal quality analysis confirms previous results indicating a semi-anthracite/low-vol bituminous type coal, low in moisture, with low volatiles, high calorific value and high ash.
- Shanagan coal could potentially be mined to produce a lower energy product without washing.
- If used for power generation, the low volatile contents would mean lower quantities of flue gas would be generated, meaning less pollutants being released into the atmosphere (a clean coal).
- High ash deformation temperatures (>1400°C) allowing high temperature boiler operation, delivering greater efficiency and lower capital cost on any power plant construction.
- Normal sulphur (0.54% adb) and nitrogen (1.72% adb) levels.
- High hardgrove grindability index (>100) lowering power station pulverising requirements.
- Sedgman consider the range of potential specifications of both as-mined and washed products should allow flexibility going forward in the development of the resource as different potential customers and end users are considered.
- The Shanagan Coal Quality Report by Sedgman is attached to the ASX Release dated 9 September 2013.

Washability test results:

A summary of the washability test results are set out in the table below and suggests that if the Shanagan Project coal is passed through a common CHPP, on balance, the washing process could be optimised to produce a yield in the region of 50% with a contained 30% ash.

DIRECTORS REPORT

Washed/Raw	Ash % (adb)	Yield % (arb)	Total Moisture % (arb)	Fixed Carbon % (arb)	Vols % (arb)	Gross Calorific Value kcal/kg (arb)	Net Calorific Value kcal/kg (arb)
Raw	43.5	100	7.9	44.0	7.9	4430	4274
Washed	31.9	54.4	9.4	52.0	9.4	5230	5056
Washed	30.0	49.3	9.6	53.3	9.6	5365	5188
Washed	25.0	35.5	10.1	56.8	10.2	5716	5532
Washed	20.0	23.0	11.0	60.0	10.8	6037	5845
Washed	18.0	18.6	11.5	61.1	11.0	6150	5953

Table 5: The Shanagan Project – Summary of washability test results

Outcome of coal washability tests:

During the period, the patient and very efficient work by Sedgman and ALS Laboratories produced an outstanding result for Newera given the previously indicated coal quality parameters of the Shanagan coal project.

The coal quality analysis results through the ALS Group's Ulaanbaatar laboratory confirmed previous coal analysis results and the coal handling and preparation plant simulation proved that Shanagan type coal can be readily washed through standard and common coal handling and preparation plant technology.

These results will now allow Newera to consider a range of development, end user and marketing options when considering the potential future development of the Shanagan coal deposit.

Those options could conceptually include; bulk mining and direct shipment without processing, bulk mining and direct shipment to a boutique mine mouth power station and delivering clean power to Ulaanbaatar and the surrounding region, washing the coal through a suitable coal handling and preparation plant to produce a product stream for either on-shipment for power generation or a range of other uses including briquetting.

The results vindicated the Newera Board's decision to employ Sedgman as specialist coal preparation and process advisors to oversee the washability testing of the Shanagan Project bulk sample. Their experience, methodical and detailed approach has produced very positive results for Newera. The Board feels confident that it can now rely on these results in planning any future for the Shanagan coal project.

Coal Beneficiation (washing) – a definition:

Coal beneficiation (commonly referred to as "coal washing") refers to mined coal being subjected to various separation processes to upgrade product coal quality specifications. Coal beneficiation typically includes sizing, density and flotation based separation processes. Different coal quality properties are considered when washing coal for different end user purposes but often include ash, moisture, energy content and various properties favourable to steel making processes. Other advantages of coal beneficiation can include increases in coal handle-ability and reduction of transport costs through removal of clay and rock and improved consistency of coal sizing.

DIRECTORS REPORT

Shanagan Project - Option Agreement:

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

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

On the 21st October 2013 Newera entered into negotiations with Geomaster with the intent of reaching agreement on terms that would enable the parties to agree to roll over the Option Expiry date until 28th November 2014.

Newera management advises that it was unable to reach a reasonable agreement with Geomaster and mindful the growing prospectivity of the Ulaan Tolgoi project, the expected future difficulty in marketing a high ash coal and the current financial resources available to Newera to meet the Option Fee, it was determined that the Shanagan project option should be allowed to lapse. The Option lapsed on the 28th November 2013.

Mongolia**Ulaan Tolgoi Joint Venture:**

On 18 June 2013, Newera announced that it had executed a formal Joint Venture Agreement ("JVA") with its joint venture partner, CNMN Co Ltd of Ulaanbaatar Mongolia, covering Mongolian Exploration Licence 12323X – "The Ulaan Tolgoi Project".

The JVA provides for a Stage 1 earn in whereby Newera could earn a 51% interest in CNMN Co Ltd (a single project company holding licence 12323X), by reimbursing the holder of CNMN Co Ltd US\$64,500 for past expenditure on the tenement, paying US\$30,000 as a Licence roll over fee and spending US\$200,000 on exploration before 30 June 2014. The US\$64,500 reimbursement figure is to be deducted from the US\$200,000 exploration expenditure.

Should Newera complete the Stage 1 earn in, Newera will then have the option to commence a Stage 2 earn in to take Newera to a 70% holding in CNMN Co Ltd. The Stage 2 earn in requires Newera to:

- (a) spend a total of US\$1,200,000 on or in respect of the licence (Stage 2 Sole Funding Amount); or
- (b) undertake no less than 4,000 metres of drilling within the licence area, within 36 months of completion of the Stage 1 (or such other date as agreed by the parties).

Should CMNM LLC subsequently undertake a decision to mine, Newera will be required to pay the existing Shareholder (or its nominee) an amount of US\$300,000 in immediately available funds.

The JVA also contains dilutions clauses which gives either party the right to convert to a 50 cents /tonne royalty on any coal shipped from the licence to a purchasing party or, retain a 10% Company interest which will be free carried, should that party dilute to below 10% of the issued capital of CMNM LLC.

DIRECTORS REPORT

Newera may terminate the JVA at any time by giving written notice to the existing shareholder and transferring its shareholding in CMNM LLC back to the existing shareholder.

Note: Under current Mongolian mining law, Licences must be held in a Company structure and cannot be partitioned into separate holders registered against the licence.

Project Highlights:

- The Ulaan Tolgoi Licence is located in the coking coal prolific South Gobi region of Mongolia, c. 100km north of the Chinese border, 115 km south of the giant +6Bn tonne Tavan Tolgoi coking coal mine and 150km west of the giant Oyu Tolgoi copper mine.
- The Ulaan Tolgoi Licence is a large licence covering 43,000 hectares in area.
- The Ulaan Tolgoi licence is characterised by large areas of quaternary cover in the south west and north eastern sectors with outcropping basement rocks in the central sector. The basement rocks have a small number of isolated rock chip indicators for gold, bismuth and molybdenum.
- It was interpreted that the quaternary cover sequences may have overlain South Gobi basin sedimentary sequences with prospects for the discovery of coking coal.
- Visible in satellite imagery, striking east to west through the south of the licence is the Sonduult thrust fault. The Sonduult thrust fault is interpreted to be an eastern extension of the Nariin Sukhait thrust fault which is very well developed further to the west.
- Minor coal outcrops along the Nariin Sukhait thrust fault 300km to the west of Ulaan Tolgoi led to the discovery of the large MAK, Ovoot Tolgoi, Soumber and Billuut coking/thermal coal deposits as well as a number of smaller deposits.



Figure 4: Newera Resources Ltd, Mongolian coal project location plan with transport infrastructure and Chinese coal usage facilities. Shanagan East and Ulaan Tolgoi projects indicated.

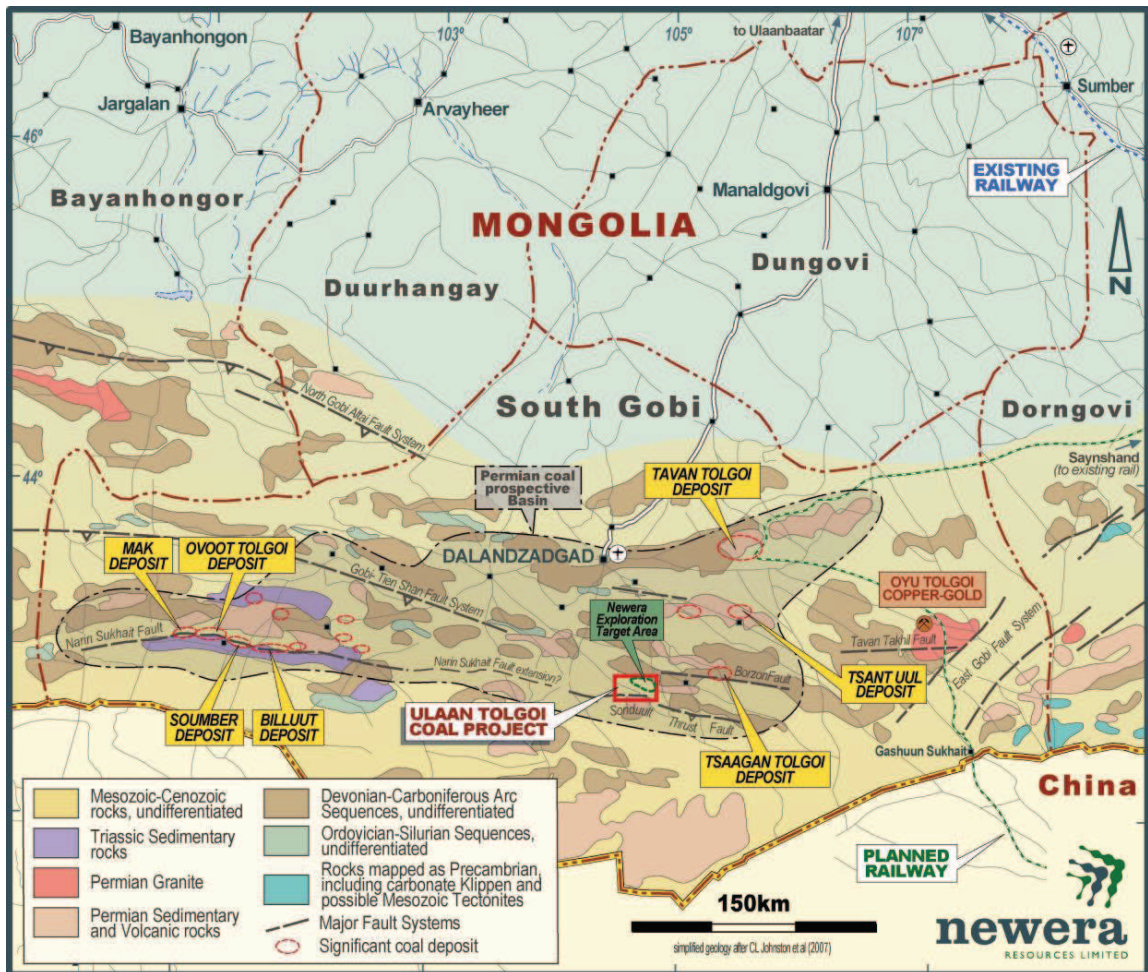


Figure 5: Ulaan Tolgoi licence area within South Gobi regional geology map – showing interpreted boundary of the Permian coal prospective South Gobi Basin – the Nariin Sukhait and Soudoult thrust fault indicated. Relevant major coal projects indicated.

Ulaan Tolgoi Seismic Survey:

Upon entering into the Joint Venture as the managing party, Newera immediately set about planning a Minin Sosie seismic survey to, in particular, test the area adjacent to the interpreted Soudoult Tolgoi thrust fault. Newera had previously interpreted that the Soudoult Tolgoi thrust fault was a possible extension of the Nariin Sukhait thrust fault.

The intent was to use seismics in an attempt to locate potential coal bed markers under cover, within the Ulaan Tolgoi joint venture area and if successful, establish appropriate drill hole collar locations for future drilling.

Logantek, an Australian owned seismic contracting business with previous experience in conducting such surveys in Mongolia was selected to carry out the survey. On site supervision of data collection and day end modelling was carried out by the contractor principal. Day end modelling of data allowed rapid interpretation of structure and allowed for modification to the program as required.

DIRECTORS REPORT

During the period, Newera completed the seismic survey along 6 lines, designated Lines A, B, C, D, E, and F, within the Ulaan Tolgoi project licence. The seismic survey was seeking coal bed markers under cover, within the Ulaan Tolgoi JVA area in the South Gobi region of Mongolia.

The interpreted Sonduult Tolgoi thrust fault zone was tested in the first instance by line B which crossed the interpreted fault structure from south to north.

Immediate success with strong seismic reflectors appearing under line B, led to a modification of the program to step out one Kilometre to the west of line B and complete line E, then step out one kilometre to the east of line B and complete line F. Lines E and F were also successful in identifying underlying strong reflectors.

Subsequently, Line A, ten kilometres to the west of Line E was completed, as was Line D in the north west corner of the licence area and line C in the far north east corner of the licence area.

Subsequent to the completion of the seismic survey, Newera received a final Ulaan Tolgoi Seismic Survey report, inclusive of final interpretations from consulting seismic geophysicists Logantek.

Seismic lines A, B, D, E and F were interpreted to be underlain by late Permian P2 sedimentary strata approximately 150 - 200 metres thick.

Depth to the top of the late Permian P2 strata interpreted to range from 50 metres to 200 metres.

Consistent, thick, gently folded seismic reflectors interpreted to exist within the late Permian strata underlying 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 world wide for its potential to produce very large coking coal deposits such as the Tavan Tolgoi deposit.

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 3 kilometres with the interpreted seismic reflectors being seen to be open to the east, west and north.

Line A which is approximately 10 kilometres due west and interpreted to be along strike from line E, is interpreted to be underlain by 6 kilometres of Permian strata along the line from south to north and also contains consistent, thick, flat lying, gently folded reflectors very similar to lines E, B and F.

Line D located in the North West sector of the Ulaan Tolgoi licence area also produced thick, flat lying gently folded reflectors within the interpreted late Permian P2 Strata. Line C failed to produce any seismic reflector considered to be significant.

The interpreted Permian P2 strata appeared to come to within an open pitable depths from surface adjacent to the Sonduult Tolgoi thrust fault, and appeared to have analogies to the Burton North mine in the Bowen Basin of Australia where along strike mining occurs adjacent to the Burton Range fault.

Logantek in association with Newera's consulting geologists, Nordic Geological Solutions outlined appropriate drill hole collar locations designed to test the interpreted coal reflectors in a drilling program to commence in the Mongolian spring of 2014.

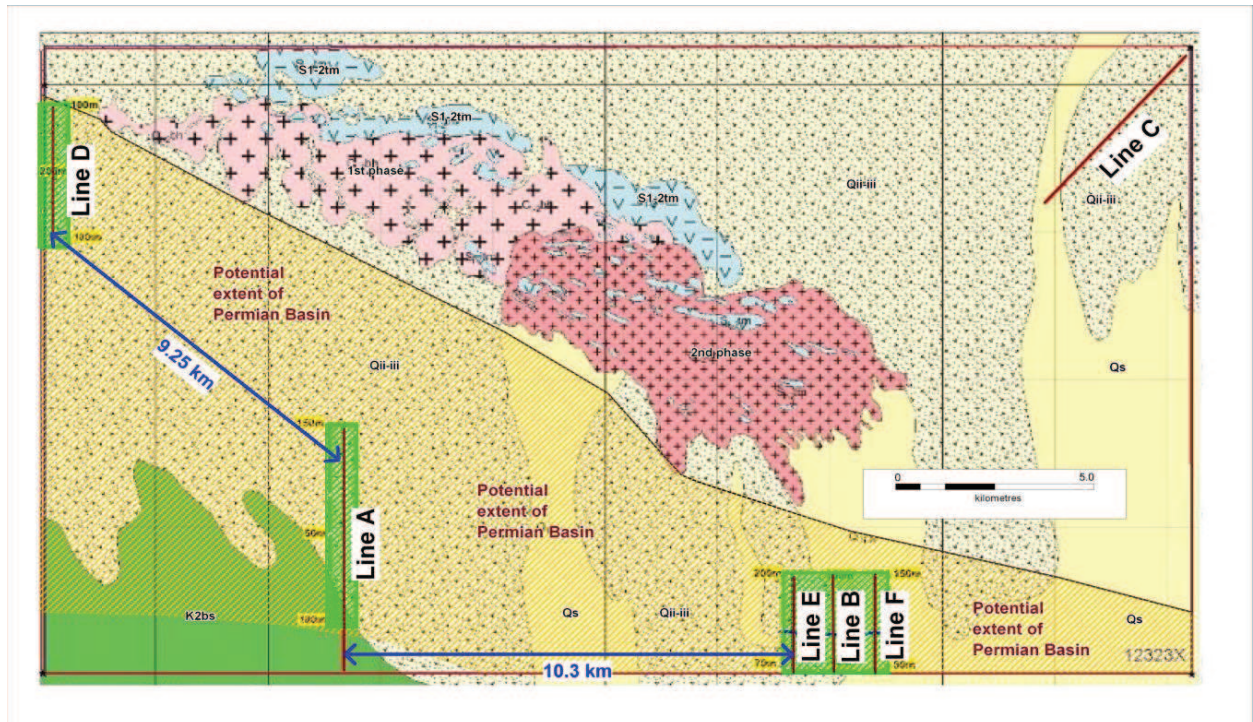


Figure 7: Ulaan Tolgoi licence, plan view, showing projected top of possible P2 units (Green shading along lines) underlying lines F, B, E, A and D and depths in metres. Also showing the potential extent of the late Permian P2 basin strata that is interpreted to exist within the south western sector of the Ulaan Tolgoi licence area. The flat lying late Permian strata are overlain by quaternary cover.

Logantek Interpretation of figure 7:

"Figure 7, 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."

Seismic line images:

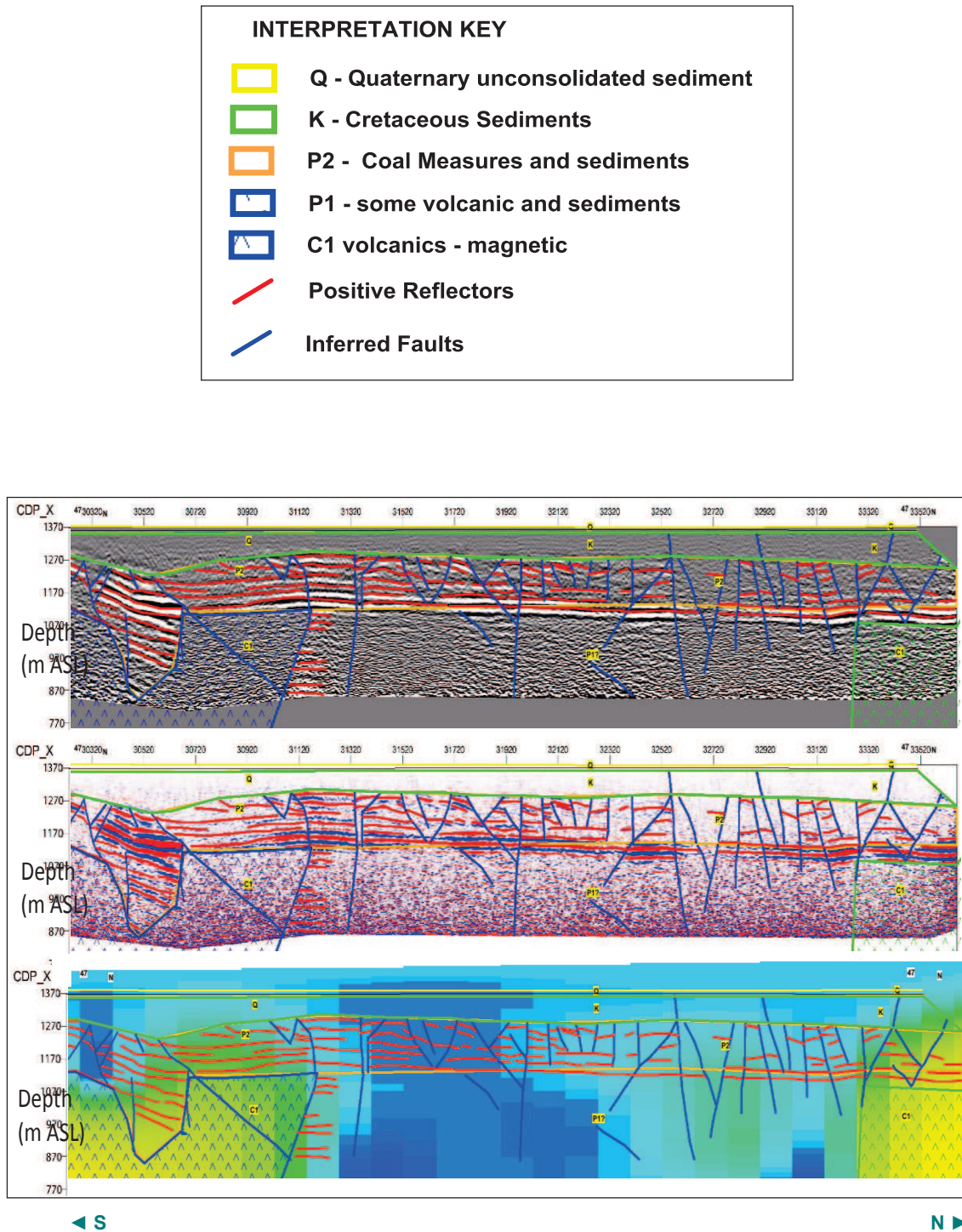


Figure 8: Line A North, showing flat lying to gently folded interpreted seismic reflectors within interpreted Permian strata. Bottom image shows interpreted seismic reflectors over ground magnetic image.

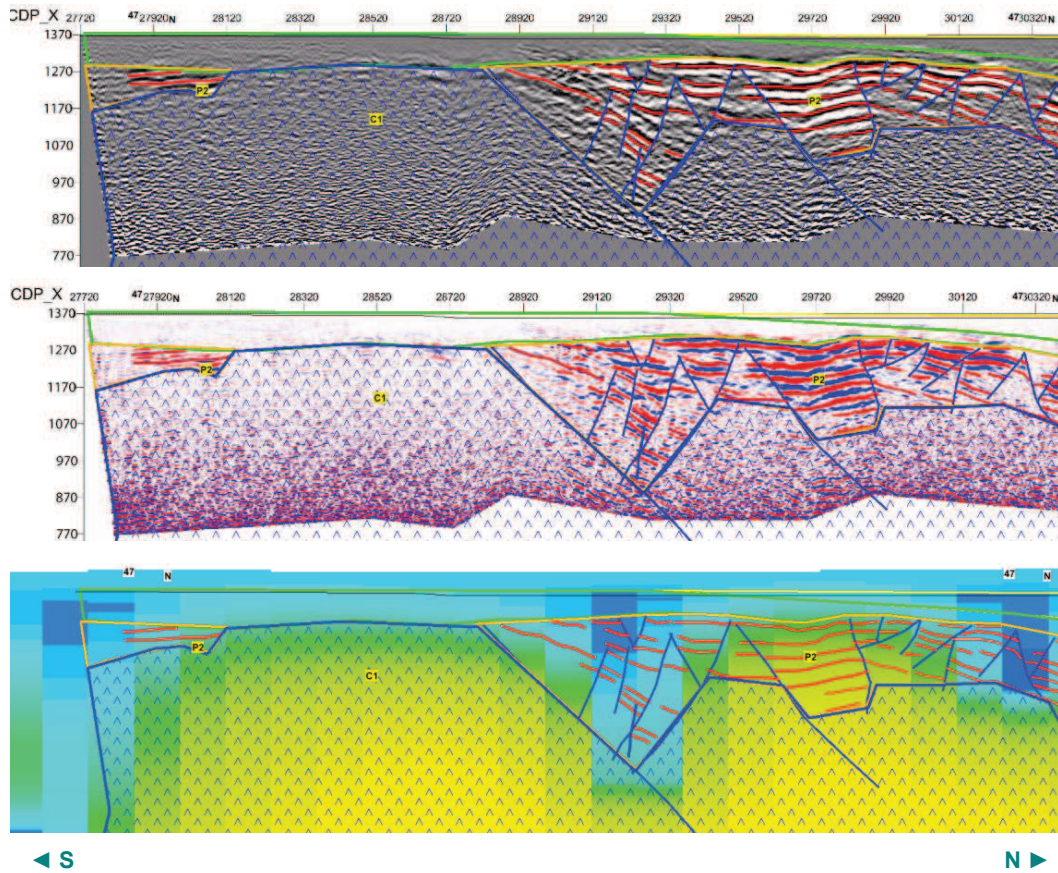


Figure 9: Line A South, showing gently folded, interpreted seismic reflectors within interpreted Permian strata in the north, interrupted from the mid section to the southern end of the line. Bottom image shows interpreted seismic reflectors over ground magnetic image.

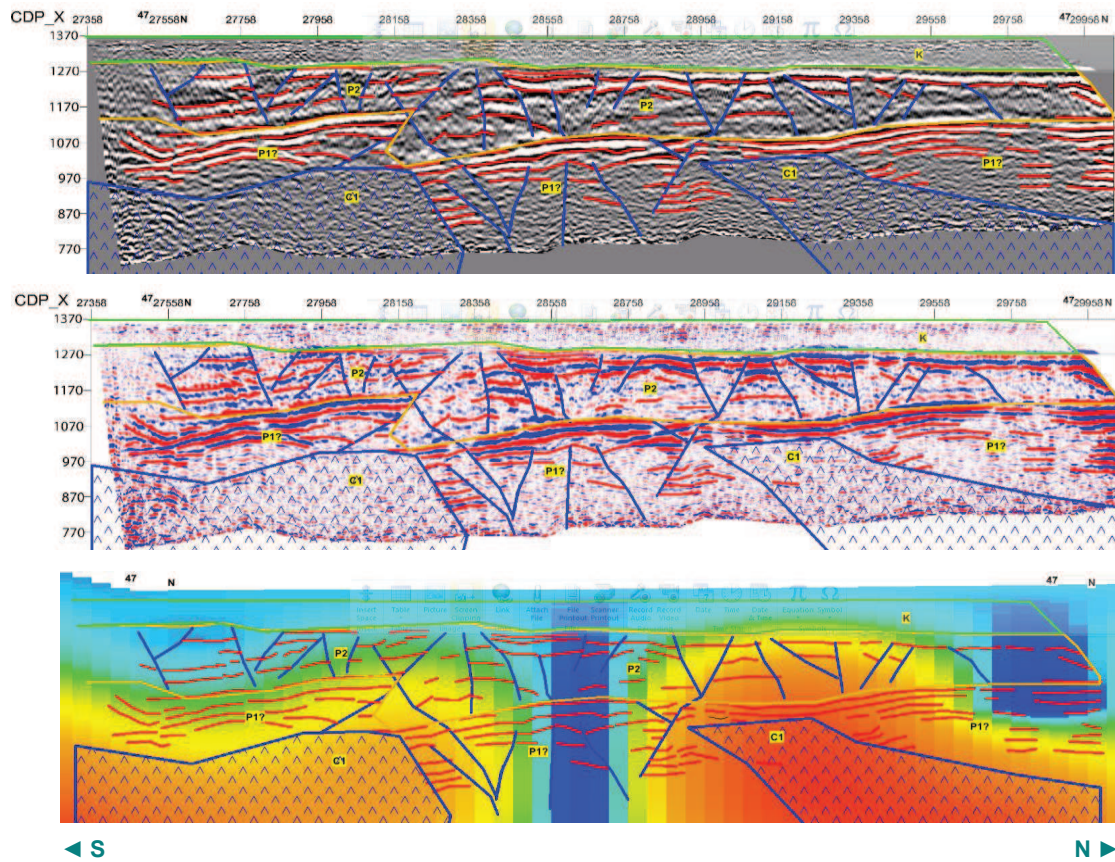


Figure 10: Line E, showing flat lying interpreted seismic reflectors within interpreted Permian strata. Sonduult Thrust fault visible dipping to the south. Line E is 8 Kilometres east of line A.

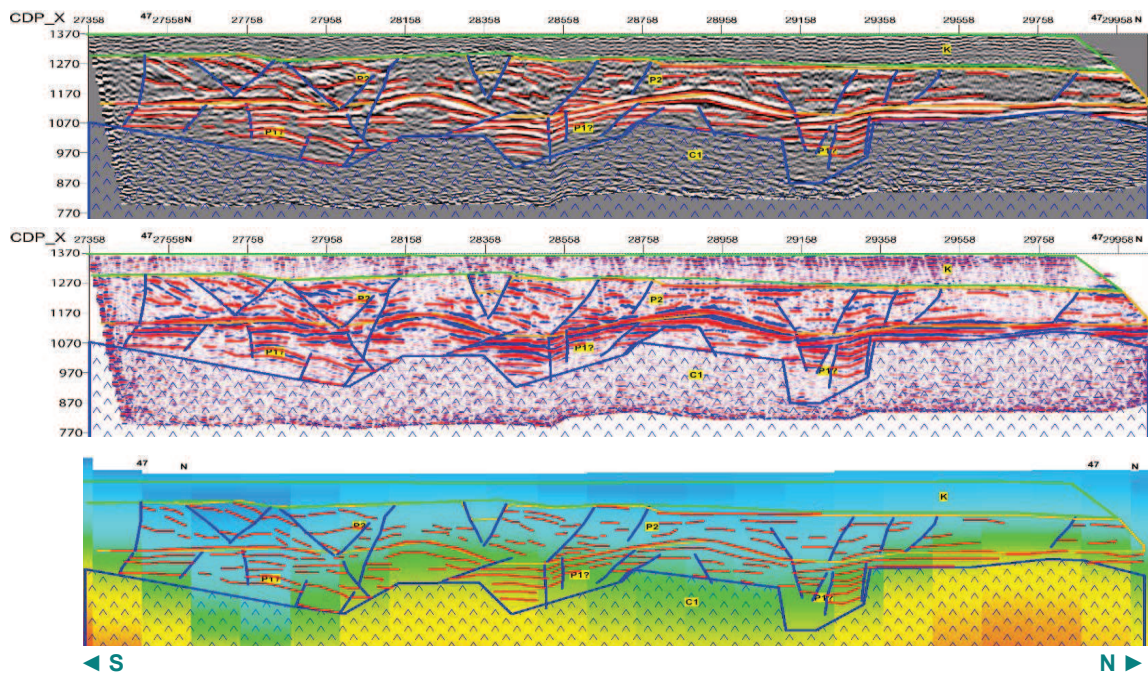


Figure 11: Line B, showing gently folded and faulted interpreted seismic reflectors within interpreted Permian strata with the Sonduult Thrust fault clearly visible as a heavy blue line dipping to the south. Line B is one kilometre east of line E.

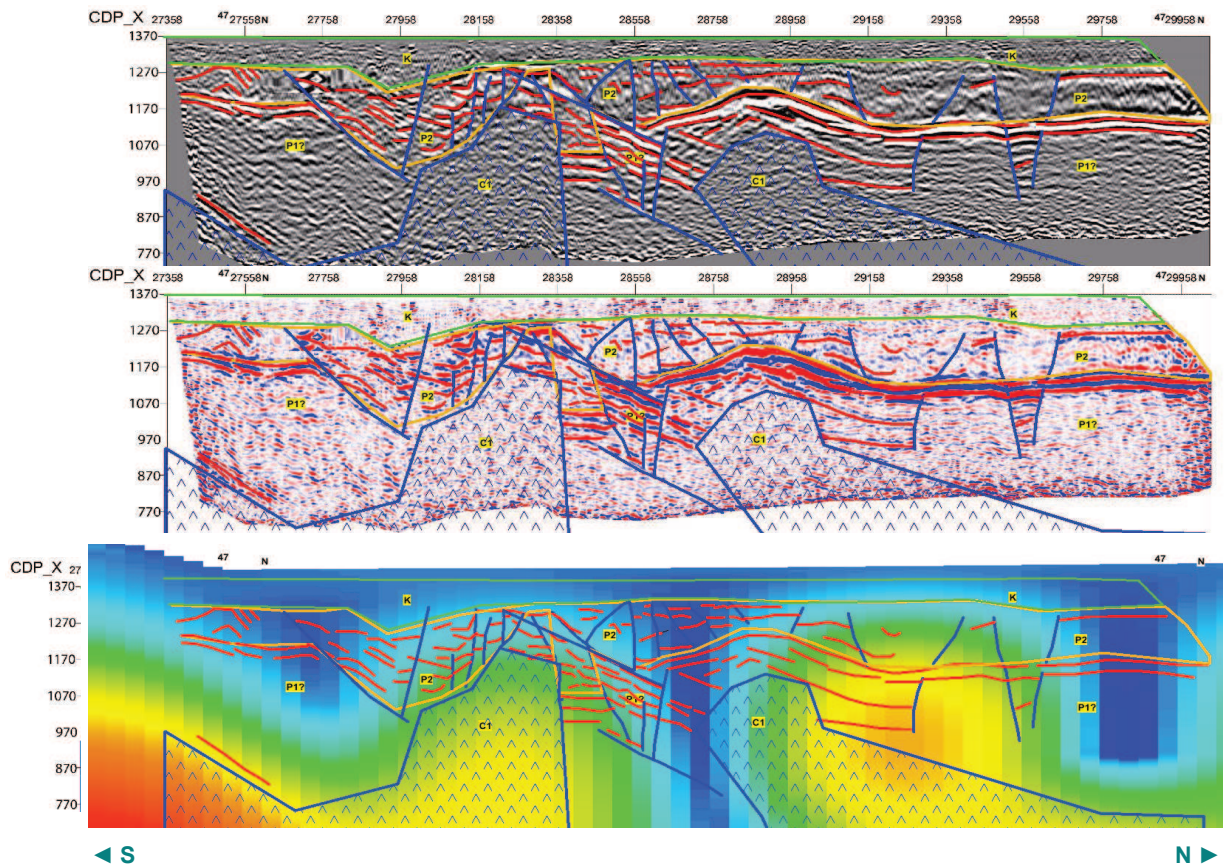


Figure 12: Line F, showing gently folded and faulted interpreted seismic reflectors within interpreted Permian strata with the Sonduult Thrust fault visible as a blue line dipping to the south. Line F is one kilometre east of line B.

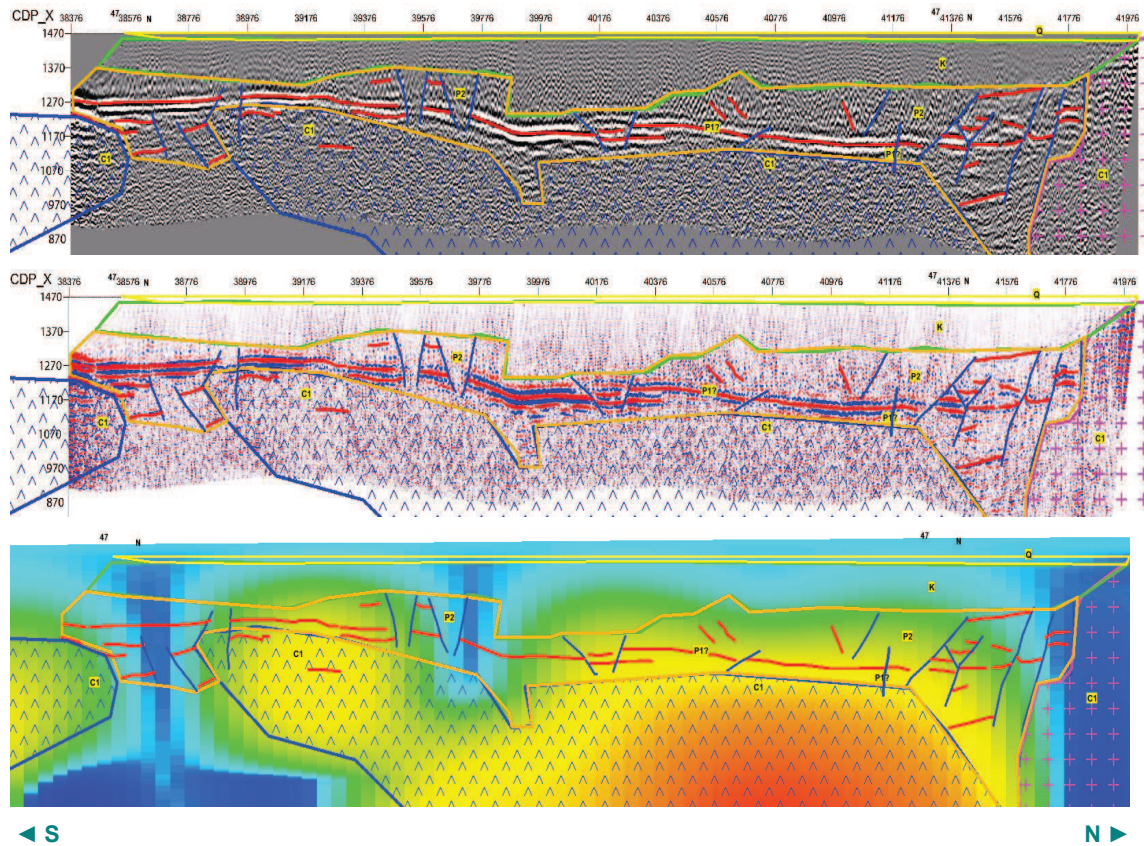


Figure 13: Line D, showing flat lying to gently folded and faulted interpreted seismic reflectors within interpreted Permian strata. Line D is in the far North West corner of the Ulaan Tolgoi licence area.

Ulaan Tolgoi – Seismic Survey - Interpreted 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 6 kilometres along line A was 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, which was open to the north, west and east, offered huge potential for a very large scale deposit. Planned drill testing in early 2014 would provide definitive answers.
2. The potential late Permian (P2) coal measures under lines E, B, F are considered to be associated with the Soudult 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 E, B and F remained open to the north, west and east, also indicates high potential for scale.
3. The potential late Permian (P2) coal measures under line D in the north western sector of the licence gave confidence that The Ulaan Tolgoi licence contains a significant area of a late Permian basin within its boundaries. The potential coal measures underlying line D remained open to the south and west.

4. The STTF was 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).
5. The relatively shallow depth and piggyback architecture of the potential Late Permian Tavan Tolgoi Coal Measures along the STTF effectively pushes up the strata to within an along strike mineable depth.
6. As an example of the type of coal being mined in the South Gobi basin, the coking properties of the Late Permian Tavan Tolgoi Coal Measures are well documented.
7. The Ulaan Tolgoi tenement is situated only c. 100 km (i.e. direct line) from the Chinese border.
8. 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.

Ulaan Tolgoi – Planned drill program

Following review of the Ulaan Tolgoi Seismic Survey data, the Logantek principal geophysicist and Newera's consultant geologists in Mongolia, Nordic Geological Solutions, determined a series of "best fit" drill hole collars in preparation of a drilling program to commence in February of 2014 – dependent upon climatic conditions in the south Gobi region of Mongolia at that time. The drilling would comprise a planned program of up to 2,000m of diamond core drilling and were intended to provide a definitive test of the current interpretations.



Photo 4: Mr Kieran Logan principal of Logantek Geophysical Services

DIRECTORS REPORT

Ulaan Tolgoi Project – Drilling March 2014

During the March Quarter of 2014, Newera completed a Phase 1 drilling program testing the seismic reflectors interpreted to exist within the southern and far north-eastern sectors of the licence by seismic consultants Logantek LLC.

The Phase 1 program initially called for two c. 300m deep diamond drilling holes designed to penetrate through the interpreted late Permian P2 sequence into basement.

Due to the recognition of strongly weathered basement in the drill core higher up in the sequence than anticipated, the program was varied to provide an adequate test of the interpreted seismic reflectors and the number of holes was increased to 5.

The program commenced with drill hole UTPDH01 which failed to intersect any late Permian strata and was terminated at 152.6 metres. UTPDH01 was followed by UTPDH02, 03, 04 and 05.

Hole ID	UTM* Easting	UTM Northing	RL (m)	Seismic Line	Logant ek ID	Total Depth	PCD (m)	HQ (m)
UTPDH01	4729720	466350	1368	A (south)	PDH01	152.6	50	102.6
UTPDH02	4729200	478230	1372	B	PDH03	200	85	115
UTPDH03	4742809	486635	1581	C	NA	92.6	77.6	15
UTPDH04	4729381	477235	1390	E	NA	150	150	0
UTPDH05	4731450	466350	1374	A (north)	PDH07	230	230	0
Total m						825.2	592.6	232.6

Table 6: Ulaan Tolgoi phase 1 drill hole data.

Drill hole UTPDH02 intersected a 85m thick sequence of unconsolidated Quaternary - Tertiary sand and gravel, underlain by semi-consolidated to consolidated Cretaceous fluvio-lacustrine conglomerates, sandstone, siltstone and claystone with common molluscan shells.

Drill hole UTPDH03 uncovered a 77.6m thick unconsolidated sequence dominated by pebbly sand, underlain by thin (1.05m) Cretaceous clast-supported conglomerate unit. Weathered Silurian-Carboniferous volcanic basement was intersected at 78.55m.

Drill hole UTPDH04 intersected a 150m thick unconsolidated – semi-consolidated Tertiary-Cretaceous sequence characterized by pebbly sand, aeolian sand, and fine-grained flood basin deposits. UTPDH05 uncovered a 230m thick unconsolidated sequence strongly dominated by well sorted fine-grained aeolian sand.

Points of interest:

- Initial interpretation and modelling of the Ulaan Tolgoi seismic program results by Logantek indicated a number of strong seismic reflectors.

DIRECTORS REPORT

- Very limited historical data existed for the southern sector of the Ulaan Tolgoi licence area. The Newera driven exploration program was a greenfields exploration program based on an interpretation of the boundaries of the South Gobi basin and the results and interpretation of the Ulaan Tolgoi seismic survey.
- The Ulaan Tolgoi Phase 1 drilling program produced no significant intersections of coal and effectively sterilised the south western sector of the Ulaan Tolgoi Licence from future exploration by Newera for coal.
- During the course of the drilling program in the southern sector of the Ulaan Tolgoi licence, Newera's consultant field geologist became aware of third party exploration activity within the exploration licence immediately north of, and abutting the northern boundary of the Ulaan Tolgoi licence.
- A number of field inspections determined that the third party had identified several outcrops of black Permian coal and were tracing the extent of the occurrence through the use of trenching, a ground magnetic survey and a limited drilling program which intersected Permian coal seams.
- Noting that the Ulaan Tolgoi licence is in excess of 40,000ha, and having conducted a limited drill test of the interpreted seismic reflectors located in southern and far north-eastern sector of the Ulaan Tolgoi licence, without success, Newera still considered the Ulaan Tolgoi Licence held solid potential for the discovery of black coal in the northern sector.
- The next step for Newera was to consider a change of focus to the northern sector where c. 2km north of the Ulaan Tolgoi licence boundary, black coal had been discovered outcropping on the edges of erosion gullies within an elongate sub-basin which appear to intersect the northern boundary of the Ulaan Tolgoi licence.

Ulaan Tolgoi - Ground Magnetics Survey

During the June 2014 quarter, Newera planned and commenced a ground magnetic survey. Comprised of approximately 700 straight line kilometres of survey, covering the Northern sector of the Ulaan Tolgoi licence area at 200m line spacing complete with an additional four lines in the southern sector repeating and extending a previously conducted ground magnetic survey in that sector.

Newera received a quote from a well respected Mongolian owned geophysical group Geo-Oron LLC to complete the survey for a total of ~ AUD\$14,000.00. The quote included mobilisation, the field data gathering exercise and the subsequent modelling of the collected data and de-mobilisation. There were modest additional costs for permitting, consultant geologist supervision and camp and catering requirements.

Newera had noted that the very recent discovery of a black coal bearing sub-basin immediately adjacent to the northern boundary of the Ulaan Tolgoi licence, and the testing of that sub-basin by a third party drilling within 1.5 kilometres of the northern boundary of the Ulaan Tolgoi licence, had produced shallow, mineable intersections of high quality black coal.

For continuity of local knowledge, work practices and work quality, Newera utilised the services of the same geophysical survey contractors (Geo-Oron LLC) whom conducted the ground magnetics survey immediately to the north of Newera's J/V Ulaan Tolgoi Licence and whom outlined the recently discovered black coal bearing sub basin in that location.

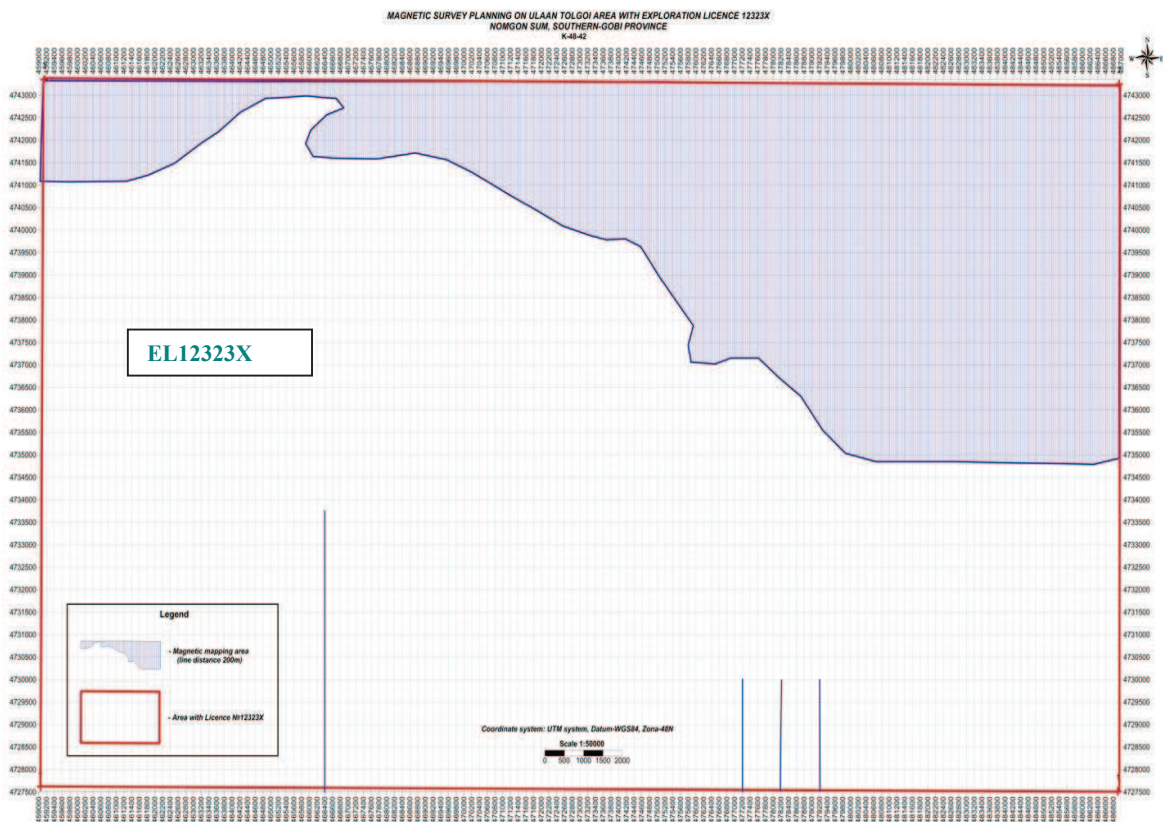


Figure 14: Newera Resources Ltd Ulaan Tolgoi project licence plan, inclusive of an outline of the May 2014 ground magnetics survey plan on 200 metre line spacing for a total of ~ 700 line kilometres of ground magnetics surveying.

The survey lines ran north to south in the survey area and were at an east west line spacing of 200 metres. The survey commenced on 25th May 2014 and was completed on time and within budget.

Subsequent to the completion of the survey, Geo-Oron LLC completed the modelling of the data collected and presented Newera with the final images and analysis of the most coal prospective areas.

Survey results - Highlights:

- Two substantial, interpreted sedimentary sub-basins identified.
- Six interpreted coal prospective areas (CPA's) identified within the two sub-basins – designated 4/1, 4/2, 4/3, 4/4, 4/5 and 4/6 in Figure 3.
- The interpreted limit of depth of sediments within the sub-basins placed at 250 metres.
- The sub-basin containing CPA's 4/1, 4/2, 4/3, 4/5 and 4/6 estimated to be up to 9kms in length and up to 7kms in width.
- The sub-basin containing CPA 4/4 estimated to be approximately 9kms in length and up to 1.8km wide.
- Drill hole collar locations currently being determined for a future, limited, prospect testing exploration program.
- Bright black coal discovered within a newly identified sub-basin within a third party licence immediately north of Newera's Ulaan Tolgoi and interpreted to be in-place, overlapping the Ulaan Tolgoi licence's northern boundary.

Ulaan Tolgoi – Next steps:

Newera's geological consultants in Mongolia – Nordic Geological Solutions, have been requested to determine the location of best fit for likely success drill hole collars over the interpreted sub-basins based on data produced from the Ulaan Tolgoi ground magnetics survey.

A limited phase 2 test diamond drilling program of approximately 600 metres is being planned to commence in late 2014.

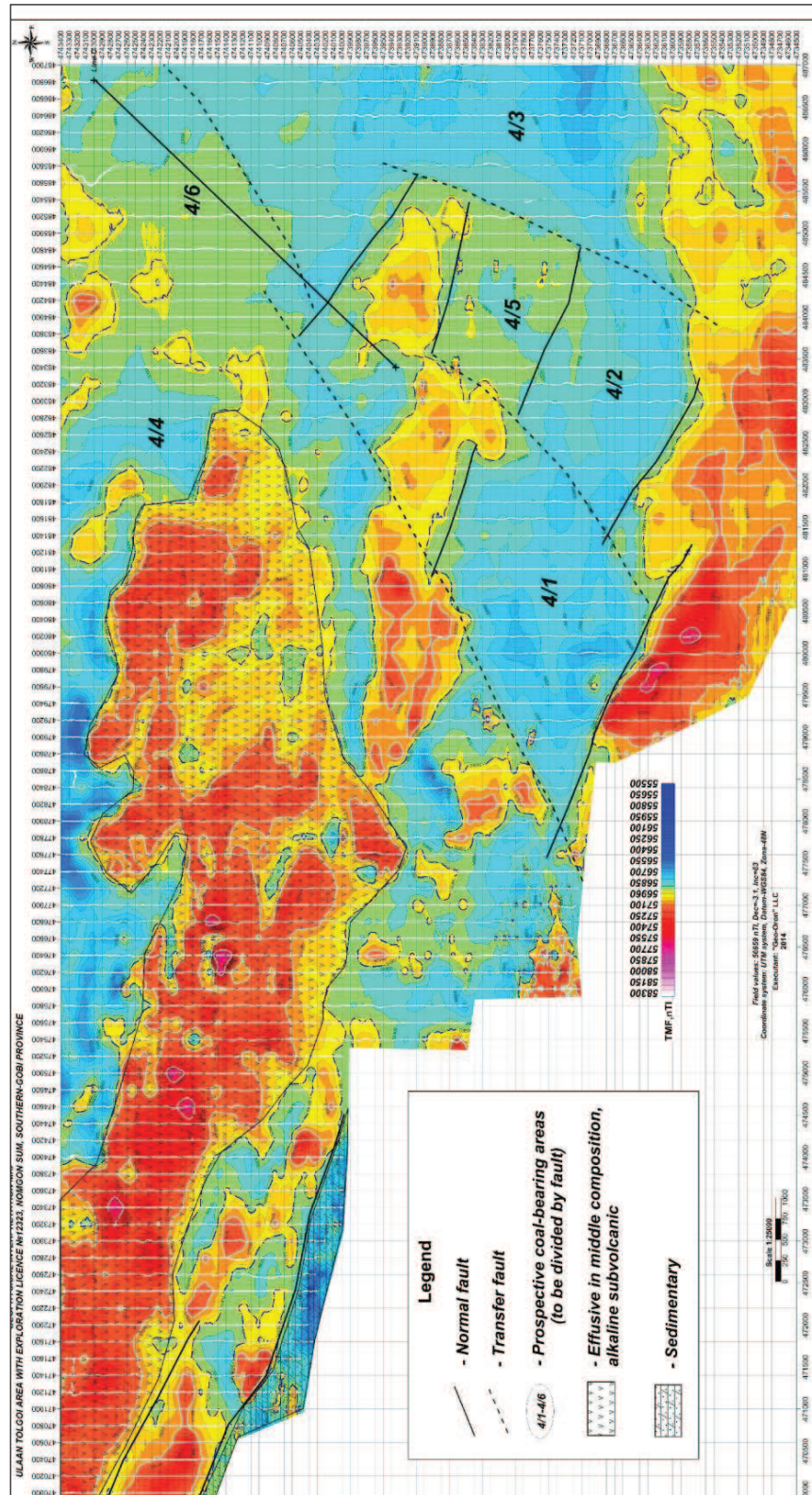


Figure 15: Ulaan Tolgoi project ground magnetic survey – image of interpreted Results. Pale to deeper blue representing areas of coal prospective non-magnetic Sediments. Coal prospective target are 4/1, 4/2, 4/3, 4/4, 4/5 and 4/6 indicated.

SWEDEN – The Varmland Project**Background:**

As part of an ongoing program to identify potential copper projects worldwide, some eighteen months ago Newera took out two Exploration Licence applications covering a large area within Sweden but immediately adjacent to the Norway 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 metals.

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

During the period Newera engaged SRK Geology (SRK) to complete two reconnaissance field sampling exercises over Newera's 100% held Varmland 100 (V100) and Varmland 101 (V101) exploration licences located in Sweden, northwest of the capital Stockholm and adjacent to the Sweden/Norway border.

During the reconnaissance field sampling exercises, selected individual and composite samples were collected and lodged for analysis.

Highlights:

- The identification of copper minerals, mainly chalcopyrite with some bornite and/or chalcocite in rock chip samples from a number of locations within V100 and V101.
- The identification of a mineralised (copper dominant) trend line, referred to as the Mangen trend within V100.
- The location of numerous reasonably substantial historical workings along the Mangen trend.
- The collection of 101 till and rock chip samples across prospective rock types from within both V100 and V101.

Points of interest:

- Senior geologists out of SRK Exploration's regional office in Denmark undertook the field reconnaissance exploration exercise within Varmland 100 and Varmland 101.
- Phase 1, exploration included regional scale, on ground exploration seeking indicators of copper, gold, pgm and molybdenum mineralisation within both V100 and V101.
- Phase 1 exploration identified a geological trend named the Mangen Trend within V100 as an area of interest
- Historical mines exist along this trend where mineralization is mainly recognized as pyrite/fe oxide on the margins of the mylonite zone and towards the center more copper minerals (mainly chalcopyrite +pyrite with some bornite and/or chalcocite in the better areas).
- Copper mineralisation appears to be closely associated with magnetite.

- 82 samples were collected in the phase 1 program.
- An area in north central V101 containing a significant greenstone rock sequences was recognized as having potential for pgm's and or gold.
- Phase 2, exploration was conducted within V101 over the area adjacent to and over the suggested greenstone rock sequences.



Figure 15: Location plan of Newera Resources Limited's granted Swedish Exploration Licences V100 and V101.

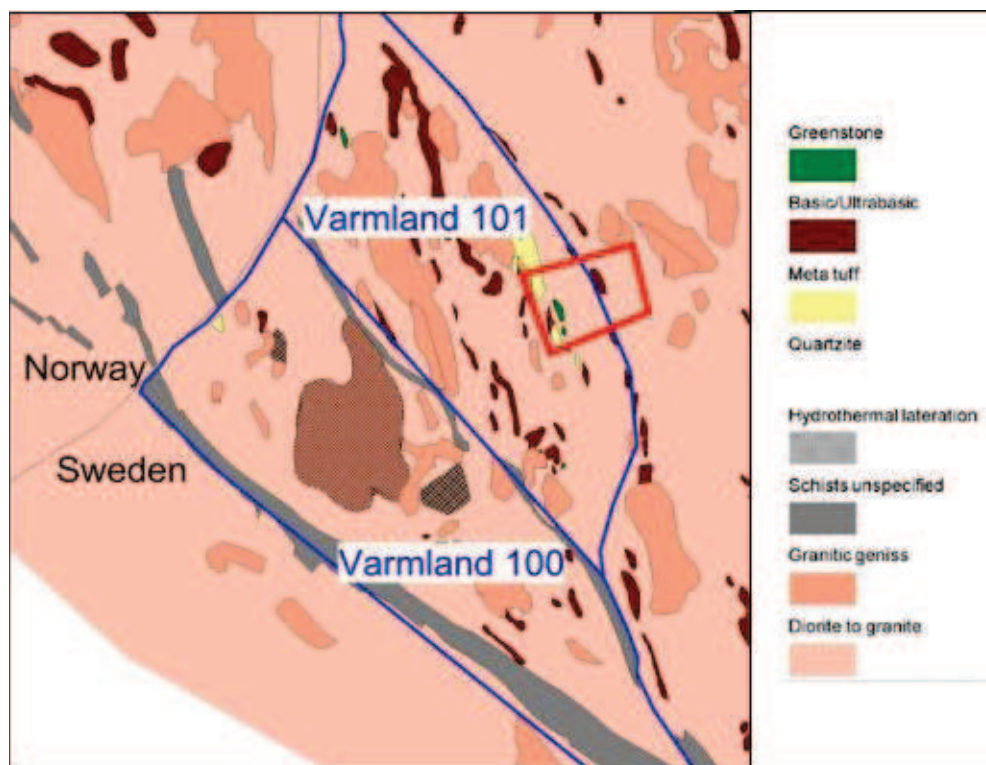


Figure 16: Simple geological map of the Varmland area in south-western Sweden, showing Newera licenses V100 and V101. The area outlined in red is the PGM target area.

Varmland project - reconnaissance field sampling – results:

Subsequent to the completion of the reconnaissance field sampling exercises, Newera received the analysis results of rock chip samples collected by SRK within V100 and V101.

Highlights:

- Copper mineralisation results to 4.6% Cu from reconnaissance rock chip sampling of old workings dumps in V100.
- A single iron mineralisation result at 47% Fe from reconnaissance rock chip sampling in V100
- Low order gold analysis results but significant areas recognised to have high alteration within V101
- Copper anomalism in V100 generally associated with magnetite making magnetics an effective future exploration tool.

Highlight V100 Copper Analysis Results:

Sample ID	Cu %	East_WGS	North_WGS
40361	3.14	373588	6644271
40363	3.15	372984	6643262
40367	1.2	372824	6645743
40368	2.7	372828	6645720
40370	1.45	360425	6657648
40383	4.6	373591	6644266
40386	1.95	373200	6644701
40387	2.48	372943	6645198
40394	1.94	370770	6648175

Table 7: Highlight V100 copper analysis results (9 out of a total 40 samples assayed).

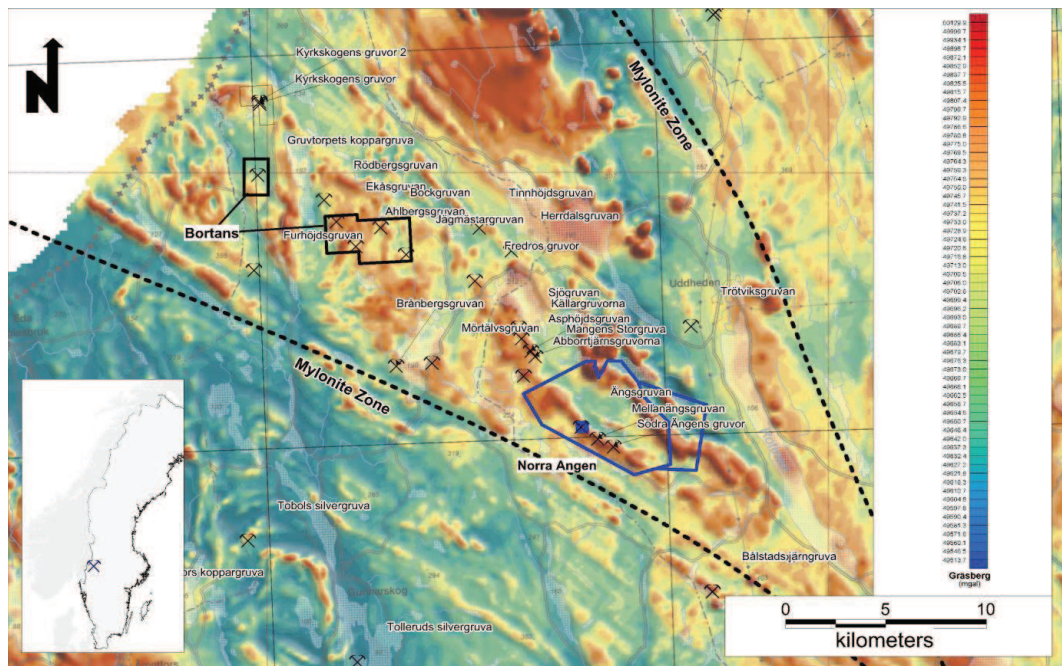


Figure 17: Airborne magnetic geophysics of the V100 and V101 projects and adjacent areas overlaid by historic mine sites (SGU:maps2.sgu.se/kartgenerato). Excisions outlined with blue and black borders.

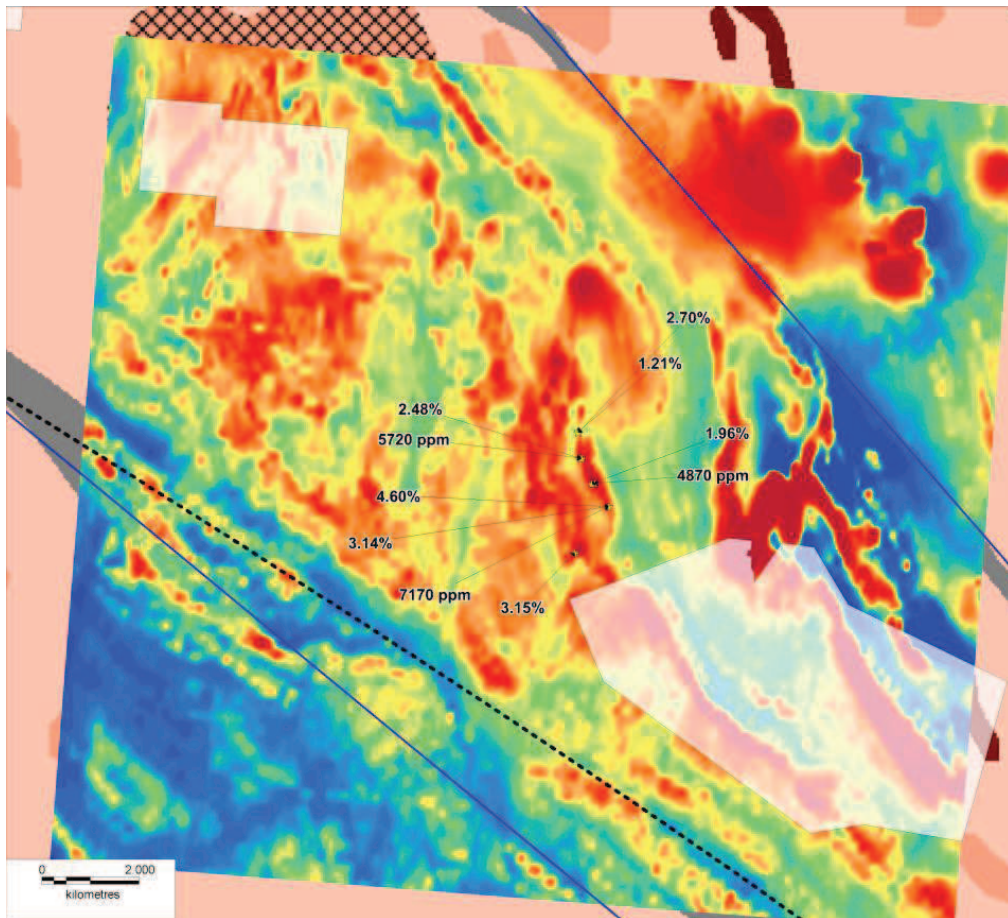


Figure 18: 2013, V100 licence highlight reconnaissance rock chip Copper anomalous field results on regional EM background. Legend, see Figure 2-2 above. Excisions shaded.

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Sample ID	Au ppm	Ag ppm	Cd ppm	Co ppm	Cu ppm	Cu %	Mn ppm	Ni ppm	Pb ppm	Zn ppm	Zn %	S %
40350	0.002	0.8	0.5	1	100				4250	876		0.1
40351	0.002	0.8	33.7	1	268				1400		3.29	1.4
40359	0.004	1.4	1.4	13	299			12	597	468		1.6
40361	0.135	1.6		159		3.14	17	52	3	2		7.7
40362	0.077	6.1		93	7170			19	4	8		1.5
40363	0.192	2.3		65	0	3.15	2	26	7	67		4.4
40366	0.014	0.6		299	5720		14	31	8	4		3
40367	0.017	0.5		46		1.2	1	5	3	3		1.2
40368	0.139	2		336		2.7	2	43	7	7		8.1
40370	0.016	1.2		139		1.45	3	13	0	16		4
40383	0.143	2.6		237		4.6	2	46	3			7.3
40385	0.043	0.8		509	4870		54	21	5	3		3.4
40386	0.872	0.7		24		1.95	8	10	7	2		2.4
40387	0.031	1.1		348		2.48		16	11	6		5.1
40394	0.061	6		706		1.94		1.35		12		0

Table 7. Selected elements for anomalous samples within licence V100 (15 out of a total 40 samples assayed).

Sample ID (Composite)	Al2O3 %	As %	CaO %	Cl %	Co %	Cu %	Fe %	K2O %	MgO %	Mn %
40332 & 40333	5.42	0.001	0.41	0.001	0.001	0.002	47.79	3.68	2.85	0.118
	Mn %	Ni %	P %	S %	Sn %	Sr %	V %	Zn %		
	0.018	0.003	0.01	0.014	0.002	0.003	0.013	0.006		

Table 8. A composite (2 samples) anomalous iron rich V100 licence rock chip sample.

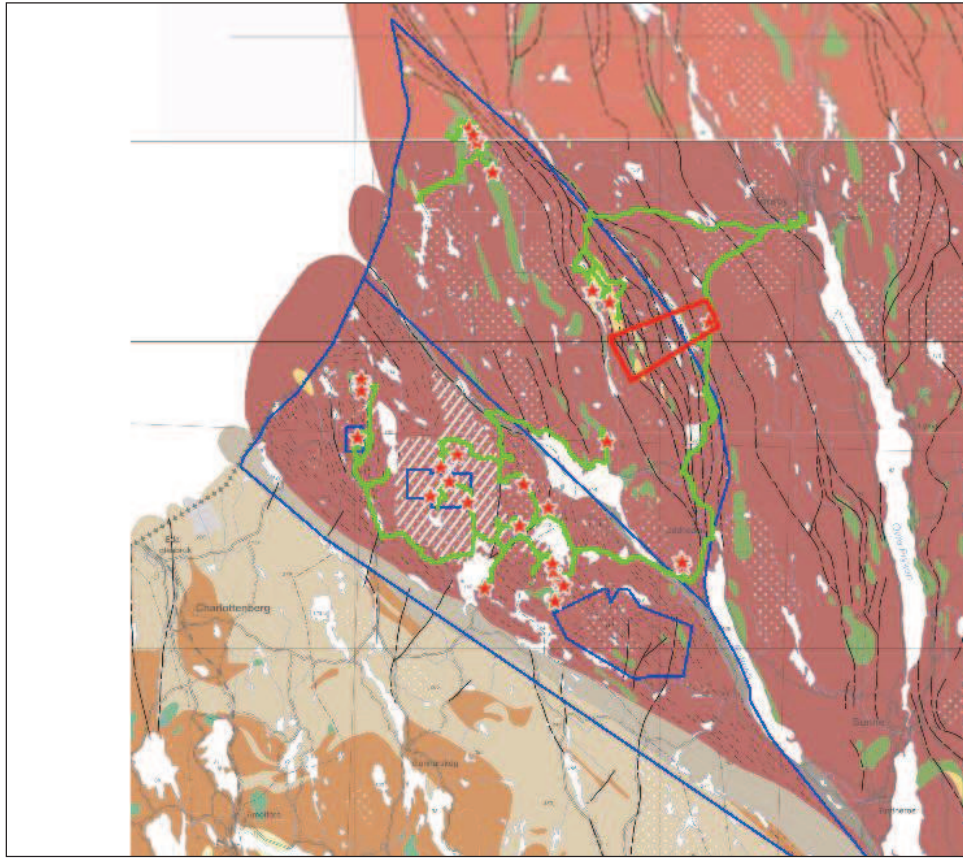


Figure 19: Phase 1 reconnaissance sampling exercise, showing routes travelled (green), and samples collected (red stars). Red outline indicates PGM target area.

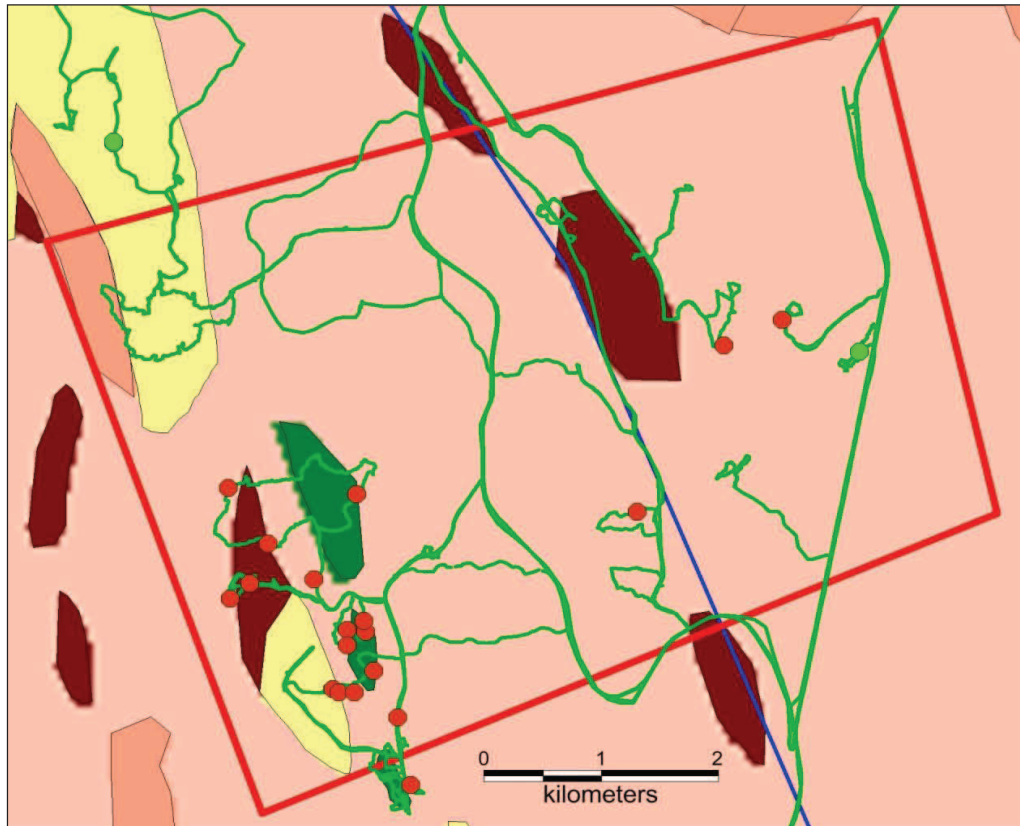


Figure 20: Phase 2 PGM target area reconnaissance field sampling exercise - green lines are GPS tracks and indicate the routes traversed and include tracks of the previous phase 1 fieldwork.



Photo 5: Typical steeply dipping historical workings along the Mangen trend.

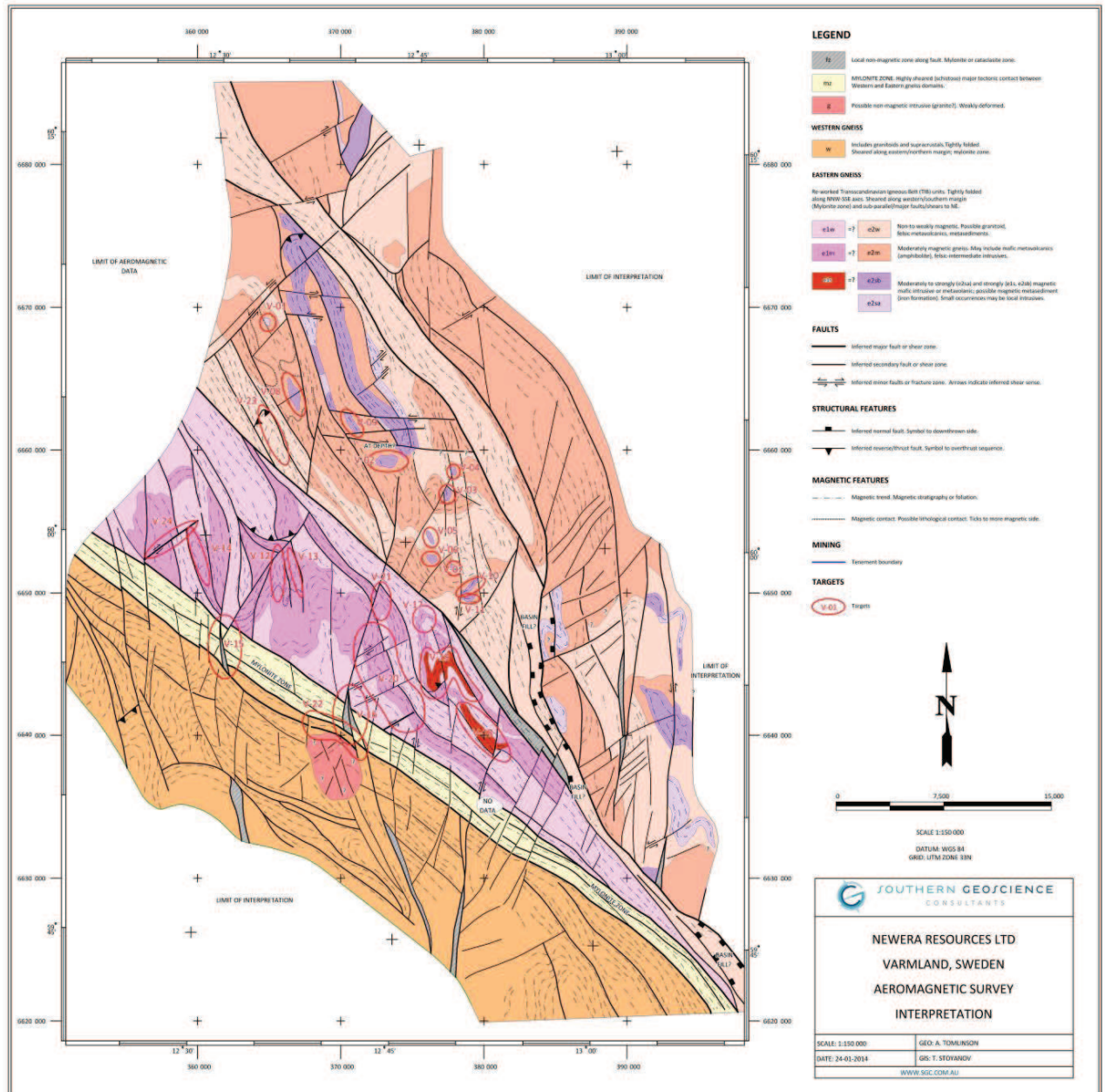


Figure 21: Plan of Newera's Varmland project (V100 & V101) with underlying geophysical (magnetics) interpretation and overlying structural interpretation of the magnetics. Priority structural targets outlined in red line boundaries.

Varmland Project – Structural Interpretation of Magnetics and geology

During the period Newera commissioned Southern Geoscience geophysical consultants to conduct a structural interpretation of the magnetics and geology underlying the Varmland project licences (V100 and V101).

Late in the period Newera received from Southern Geoscience, a hand drafted structural interpretation of the geological structures and rock units existing within the two Varmland project licences – V100 and V101.

DIRECTORS REPORT

The hand drafted interpretation was subsequently digitised and as a result of the completion of the structural interpretation, numerous potential structural targets were identified for consideration. The next step in the process will be to conduct a desk top review of all historical data and/or exploration results in an attempt to eliminate those indicated structural targets that are considered to have limited potential to produce gold or base metal prospects of a reasonable scale.

During the June 2014 quarter, all the structural interpretation data generated by Southern Geoscience was conveyed to SRK Global (SRK) – geological consultants (Denmark) in preparation for SRK undertaking the desk top review, eliminating the weaker targets and a prioritising the remaining targets.

Following the desk top review and a prioritisation of the remaining targets, the next step in the process would be to have SRK Global - geological consultants (Denmark), conduct a field reconnaissance exercise to field check the priority targets and collect samples for analysis.

AUSTRALIA***Jailor Bore project:***

During the period a Program of Work ("POW") application was lodged with the relevant Government department for the Jailor Bore project.

The application included provision for limited reconnaissance scout drilling within to test three separate potential Palaeo channels previously identified through gravity surveys previously undertaken by Newera within the Jailor Bore project area.

The POW application also contained provision to undertake limited reconnaissance scout drilling within E09/1298 to test recently identified potential uranium targets.

Cummins Range project:

As Exploration Licence E80/4308 located within the locality of the Cummins Range in the southern Kimberley was approaching the end of its life and its prospectivity was seen as limited, a decision was made to voluntarily relinquish the licence.

Newera continues to hold E80/4632 in the Cummins Range locality.

No field work was undertaken on the Cummins Range project licences during the period.

NEWERA PROJECT PORTFOLIO:**Mongolia:**

-
1. Ulaan Tolgoi J/V project – Prospective for Late Permian black coal.
-

Sweden:

-
1. Varmland Project (V100 and V101 Licences) – Prospective for Copper, Gold Iron and PGE's.
-

Australia:

-
1. Jailor Bore Project – Prospective for Uranium.
-
2. Cummins Range Project - prospective for Rare Earth Elements (REE's) Phosphate and Uranium.
-

Newera Resources Ltd - Funding:

Subsequent to the end of the September 2013 quarter, the Company entered into a series of convertible loans with various parties with a total value of \$500,000 (Loans). In accordance with the various loan agreements, the shareholders of the Company approved the conversion of the Loans to Convertible Notes with a face value of \$1,000 each (Notes) on 6 March 2014.

The key terms of the Notes are 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 Note holder 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 however it is not guaranteed that this will ultimately be the case;
- The Notes will accrue interest at a rate of 12% per annum; and
- The Notes will be unsecured.

The Convertible Notes were 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.

DIRECTORS REPORT

The Board advises that related parties of the Company have participated in the issue. Full details were set out in a Notice of General Meeting released to the ASX on 3 February 2014, at which the Company sought and received the necessary shareholder approval to approve the issue.

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

Operations:

Sweden – Varmland project

Newera has received a report from SRK Global (Denmark) covering the desk top review and correlation of the geology, geophysics, exploration results and the structural interpretation recently completed by Southern Geoscience Consultants.

Corporate:

Mr Winton Willesee resigned as a Director and Company Secretary on the 31 July 2014 and 1 July 2014, respectively, and Mr Chris Watts was appointed a Director and Company Secretary on the 1 July 2014.

CORPORATE STRATEGY

Newera continues its corporate strategy of growth by exploration of its existing projects and review of potential new acquisitions in Australia and overseas across a wide range of commodities.

COMPETENT PERSONS 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.*

EVENTS AFTER THE REPORTING DATE

On 10 July 2014, the Company announced a fully underwritten, non-renounceable entitlements issue (Offer) to shareholders to raise A\$1,048,259 before costs. The Offer was an offer of new fully paid ordinary shares (New Shares) on the basis of four (4) New Shares for every five (5) shares held by eligible shareholders on the Record Date (Existing Shares), at an offer price of A\$0.002 per New Share. Subscribers to the Offer would also receive one (1) free attaching listed option for every two (2) New Shares issued with an exercise price of A\$0.005 and an expiry of 31 July 2016 (New Options). On 3 September 2014, the Company announced the closure of the Non-Renounceable Entitlements Issue advising that it has received applications from Shareholders for 226,120,121 shares. The total shortfall of 298,009,225 shares along with free attaching options and 40,000,000 Underwriter options were issued on 18 September 2014.

On 15 July 2014, the Company announced the receipt of the approvals necessary to undertake phase two drilling program within the northern sector of the Ulaan Tolgoi licence. The Ulaan Tolgoi licence is located in the South Gobi basin in Southern Mongolia.

Other than disclosed above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

INFORMATION ON DIRECTORS

Mr Martin Blakeman, Executive Chairman

Qualifications: B Ec. Appointed 19 April 2006

Martin completed his tertiary studies at the University of WA graduating with a Bachelor of Economics in 1976. Since graduation, Martin has applied his skills in management and economics to the rural and mining industries. Martin's professional career in the mining industry has included over 30 years' experience at board level in Australian Stock Exchange listed resource companies, commencing with his appointment in 1983 as a founding Director of Harmark Pty Ltd (the founder and former controlling shareholder of Forrestania Gold NL, one of Australia's more successful resource investment companies of the time), retiring from Harmark and Kagara in 1999 after 16 years' continuous service.

Martin promoted, and was appointed to the Board as a founding Director, of Metex Resources NL (now Carbon Energy Limited) in September 1992. Over a 4 year period to June 1996, he held the position as Manager Corporate at Metex, forming an integral part of that company's executive management team.

On 26 November 2003, Martin incorporated and became a founding Director of Mantle Mining Corporation Ltd (ASX: MNM). He has overseen the strategic decisions of the Company including the acquisition of a substantial tenement package in the eastern highlands of Victoria and central north Queensland, and its successful 2006 listing on ASX. Martin oversaw the acquisition of the Mt Mulligan project in 2007 and remains Chairman of the Mantle Mining Corporation Ltd.

Martin was appointed the Managing Director of Newera Resources Ltd prior to the listing of Newera in June 2006 and was subsequently appointed Executive Chairman, a position he currently retains.

Other than disclosed above, Martin has not held directorships with any other ASX-listed companies over the last three years.

Interests in Shares and Options (at the date of this report): 218,797,450 ordinary shares and 153,746,656 options.

Mr Eric de Mori, Non-Executive Director

Qualifications: BA, Dip Fin Services Appointed 18 March 2009

Eric is the Associate Director of Corporate Finance for Corporate Advisory and stock broking firm Cygnet Capital. Eric has over 5 years investment banking and analyst experience covering a wide range of sectors, working with international and Australian based opportunities.

Eric has specialist skills in mergers and acquisitions, valuations, capital raisings, Initial Public Offerings, backdoor listings, project screening, due diligence investigations, and early stage project management.

Other than disclosed above, over the past three years Eric has previously held directorships with the following ASX Listed companies – Incitive Limited (now Hawkley Oil and Gas Limited), Coventry Resources Ltd and Alcyone Resources Limited. He is currently a Director of Lancaster Resources Ltd and Cobra Resources Ltd which are both unlisted and was a director of Cove Resources prior to that Company listing on ASX.

Interests in Shares and Options (at the date of this report): 11,597,223 ordinary shares and 15,354,427 options.

DIRECTORS REPORT

Mr Chris Watts, Non-Executive Director and Company Secretary (*Appointed 1 July 2014*)

Qualifications: BCom, CA, FCA

Chris is the Director of Regency Audit Pty Ltd, a corporate audit and advisory service, in Western Australia. With close to 20 years professional and commercial experience in auditing, financial accounting, assurance and due diligence – he previously held the position as Director of Audit and Corporate Services at national chartered accounting firm Bentleys. The industries Chris has been involved in are wide and varied including: aged care, aquaculture, biotechnology, building and construction, charities, education, engineering, food manufacturing, government, healthcare, hospitality, mining exploration and services, retail and viticulture. Mr Watts holds a Bachelor of Business degree from Curtin University, is a Member of the Australian Institute of Chartered Accountants, and a Registered Company Auditor (RCA). He is currently Company Secretary for ASX listed iCollege Limited.

Interests in Shares and Options (at the date of this report): Nil

Mr Winton Willesee Non-Executive Director and Company Secretary (*Resigned as Company Secretary 1 July 2014, resigned as a director 31 July 2014*)

Qualifications: BBus, DipEd, PGDipBus, MCom, FFin, CPA, MAICD, ACIS/ACSA.

Mr Willesee is an experienced company director. Mr Willesee brings a broad range of skills and experience in strategy, company administration, corporate governance, company public listings, merger and acquisition transactions, reconstructions and corporate finance from his background with listed and unlisted public and other companies.

Mr Willesee holds a Master of Commerce, Post-Graduate Diploma in Business (Economics and Finance), a Graduate Diploma in Applied Corporate Governance, a Graduate Diploma in Applied Finance and Investment, a Graduate Diploma in Education and a Bachelor of Business. He is a Fellow of the Financial Services Institute of Australasia, a Member of the Australian Institute of Company Directors, a Member of CPA Australia and a Chartered Secretary.

As well as his position with Newera, Mr Willesee is currently the chairman of Birimian Gold Limited (appointed 31 January 2013), BioProspect Limited (appointed 16 September 2011), Cove Resources Limited (appointed 4 June 2008), and Mining Group Limited (appointed 14 March 2011), and a director of Base Resources Limited (appointed 23 May 2007), Coretrack Limited (appointed 4 October 2010), Otis Energy Limited (appointed 18 Jan 2008) and Torrens Energy Limited (appointed 21 March 2012).

Interests in Shares and Options (at resignation): 37,691,667 ordinary shares and 37,375,000 options.

REMUNERATION REPORT (Audited)

The full Board fulfils the roles of remuneration committee and is governed by the Group's adopted remuneration policy.

Remuneration Policy

This policy governs the operations of the Board. The Board shall review and reassess the policy at least annually and obtain the approval of the Board.

General Director Remuneration

Shareholder approval must be obtained in relation to the overall limit set for non-executive directors' fees. The Directors shall set individual Board fees within the limit approved by shareholders.

Shareholders must also approve the framework for any broad based equity based compensation schemes and if a recommendation is made for a director to participate in an equity scheme, that participation must be approved by the shareholders.

Executive Remuneration

The Group's remuneration policy for executive directors and senior management is designed to promote superior performance and long term commitment to the Group. Executives receive a base remuneration which is market related, and may be entitled to performance based remuneration at the ultimate discretion of the Board.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the interests of the Group and shareholders to do so.

Executive remuneration and other terms of employment are reviewed annually by the Remuneration Committee having regard to performance, relevant comparative information and expert advice.

The Committee's reward policy reflects its obligation to align executive's remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Group. The main principles of the policy are:

- a) reward reflects the competitive market in which the Group operates;
- b) individual reward should be linked to performance criteria; and
- c) executives should be rewarded for both financial and non-financial performance.

The total remuneration of executives and other senior managers consists of the following:

- a) salary - executive directors and senior managers receive a sum payable monthly in cash;
- b) bonus - executive directors and nominated senior managers are eligible to participate in a bonus or profit participation plan if deemed appropriate;
- c) long term incentives - executive directors may participate in share option schemes with the prior approval of shareholders. Executives may also participate in employee share option schemes, with any option issues generally being made in accordance with thresholds set in plans approved by shareholders. The Board however, considers it appropriate to retain the flexibility to issue options to executives outside of approved employee option plans in exceptional circumstances; and

DIRECTORS REPORT

- d) other benefits - executive directors and senior managers are eligible to participate in superannuation schemes and other appropriate additional benefits.

Remuneration of other executives consists of the following:

- a) salary - senior executives receive a sum payable monthly in cash;
- b) bonus - each executive is eligible to participate in a bonus or profit participation plan if deemed appropriate;
- c) long term incentives - each senior executive may, where appropriate, participate in share option schemes which have been approved by shareholders; and
- d) other benefits – senior executive are eligible to participate in superannuation schemes and other appropriate additional benefits.

Non-executive Remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors. The Remuneration Committee recommends the actual payments to directors and the Board is responsible for ratifying any recommendations, if appropriate. The maximum aggregate remuneration approved for non-executive directors is currently \$150,000.

It is recognised that non-executive directors' remuneration is ideally structured to exclude equity based remuneration. However, whilst the Group remains small and the full Board, including the non-executive directors, are included in the operations of the Group more closely than may be the case with larger companies the non-executive directors are entitled to participate in equity based remuneration schemes.

All directors are entitled to have their indemnity insurance paid by the Group.

Bonus or Profit Participation Plan

Performance incentives may be offered to executive directors and senior management of the Group through the operation of a bonus or profit participation plan at the ultimate discretion of the Board.

Details of Remuneration for year ended 30 June 2014

The remuneration for each Director and the senior Executive of Newera Resources Limited during the year and the previous year was as follows:

2014

Key Management Person	Short-term Benefits				Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total	Total Remuneration Represented by Options	Performance Related
	Cash, salary & commissions	Cash profit share	Non-cash benefit	Other (i)	Super-annuation	Other	Equity (ii)	Options			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Martin Blakeman	77,300	-	-	10,899	-	-	58,000	-	146,199	-	-
Eric de Mori	24,000	-	-	1,060	-	-	12,000	-	37,060	-	-
Chris Watts ³	-	-	-	-	-	-	-	-	-	-	-
Winton Willesee ^{1,2}	24,000	-	-	3,707	-	-	12,000	-	39,707	-	-
	125,300	-	-	15,666	-	-	82,000	-	222,966		

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2013

Key Management Person	Short-term Benefits				Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total	Total Remuneration Represented by Options	Performance Related
	Cash, salary & commissions	Cash profit share	Non-cash benefit	Other	Super-annuation	Other	Equity	Options			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Martin Blakeman	191,570	-	-	-	-	-	-	96,532	288,102	34%	0%
Eric de Mori	36,000	-	-	-	-	-	-	48,266	84,266	57%	0%
Winton Willesee ¹	36,000	-	-	-	-	-	-	48,266	84,266	57%	0%
	263,570	-	-	-	-	-	-	193,064	456,634		

¹ In addition, an entity associated with Mr Willesee was paid \$57,000 (2013: \$54,000) for Company Secretarial services of which included \$18,000 paid via convertible note.

² Resigned as Company Secretary 1 July 2014, resigned as a non-executive director 31 July 2014.

³ Appointed Company Secretary and non-executive director 1 July 2014

(i) Interest accrued on the Convertible notes issued on 6 March 2014, refer to note 23 for details.

(ii) Directors received convertible notes in lieu of director and consulting fees during the year.

Details of number of Shares Held by Key Management Personnel

2014

Key Management Person	Balance 1.7.2013	Received as Compensation	Options Exercised	Net Change Other	Balance on Resignation	Balance 30.6.2014
Martin Blakeman	18,679,138	-	-	4,750,000	-	23,429,138
Eric de Mori	2,222,223	-	-	-	-	2,222,223
Chris Watts ³	-	-	-	-	-	-
Winton Willesee ²	3,066,667	-	-	34,625,000 ¹	-	37,691,667
	23,968,028	-	-	39,375,000	-	63,343,028

2013

Key Management Person	Balance 1.7.2012	Granted as Compensation	Options Exercised	Net Change Other	Balance on Resignation	Balance 30.6.2013
Martin Blakeman	18,659,785	-	-	19,353	-	18,679,138
Winton Willesee	3,066,667	-	-	-	-	3,066,667
Eric de Mori	2,222,223	-	-	-	-	2,222,223
	23,948,675	-	-	19,353	-	23,968,028

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DIRECTORS REPORT

Details of number of Options Held by Key Management Personnel

2014

Key Management Person	Balance 1.7.2013	Granted as Compensation	Options Exercised	Net Change Other(i)	Balance 30.6.2014	Total Vested 30.6.2014	Total Exercisable 30.6.2014	Total Unexercisable 30.6.2014
Martin Blakeman	6,000,000	-	-	1,000,000	7,000,000	7,000,000	7,000,000	-
Eric de Mori	3,000,000	-	-	-	3,000,000	3,000,000	3,000,000	-
Chris Watts ³	-	-	-	-	-	-	-	-
Winton Willesee ²	3,000,000	-	-	34,375,000 ¹	37,375,000	37,375,000	37,375,000	-
	12,000,000	-	-	35,375,000	47,375,000	47,375,000	47,375,000	-

2013

Key Management Person	Balance 1.7.2012	Granted as compensation	Options Exercised	Net Change Other(i)	Balance 30.6.2013	Total Vested 30.6.2013	Total Exercisable 30.6.2013	Total Unexercisable 30.6.2013
Martin Blakeman	2,332,474	6,000,000	-	(2,332,474)	6,000,000	6,000,000	6,000,000	-
Winton Willesee	383,334	3,000,000	-	(383,334)	3,000,000	3,000,000	3,000,000	-
Eric de Mori	277,778	3,000,000	-	(277,778)	3,000,000	3,000,000	3,000,000	-
	2,993,586	12,000,000	-	(2,993,586)	12,000,000	12,000,000	12,000,000	-

¹ Change in shareholdings and option holdings of Mr Willesee are a result of the conversion of convertible notes issued to the Directors based on arms-length commercial terms. For details of the Convertible Notes, refer to note 23.

² Resigned as Company Secretary 1 July 2014, resigned as a non-executive director 31 July 2014.

³ Appointed Company Secretary and non-executive director 1 July 2014.

(i) Net change in Directors Options Holdings relate to:

- Options issued to Directors as a participant in the rollover of unlisted options (refer Notice of Meeting dated 25 October 2012). The new options were issued on the same terms as all other participants in the rollover issue, and subsequently expired unexercised on 30 June 2013; and
- The expiry of Directors options holdings (3c, 30 June 2013) which expired unexercised during the year ended 30 June 2013.

Options issued as part of remuneration

Options granted as remuneration during the year ended 30 June 2014 were Nil (2013: nil).

At 30 June 2014, the following remuneration based options were on issue:

	Number	Date of Issue	Date of Expiry	Exercise Price
Incentive Options	12,000,000	28/12/2012	31 Dec 2015	\$0.05

The Incentive Options are means of incentivising the performance of the Directors in line with the success of the Company's present activities.

Shares Issued on Exercise of Compensation Options

No options granted as compensation in prior years were exercised through the year or the previous year.

DIRECTORS REPORT

Employment contracts of directors and senior executives

The employment of the Executive Chairman, Martin Blakeman, is on an ongoing basis. In the event Mr Blakeman's employment is terminated, he is entitled to 3 month's notice.

Neither Messrs de Mori, Willesee nor Watts are employed on a formal contract.

Consolidated entity performance and link to remuneration

There is no director remuneration directly linked to performance of the consolidated entity. A portion of bonus and incentive payments are at the discretion of the Board.

Voting and comments made at the Company's 2013 Annual General Meeting ("AGM")

The 2013 Remuneration Report was voted for without any commentary or discussion at the 2013 AGM, on a show of hands with proxy votes for of 8,538,327 (87.6%) and 1,202,400 votes against (12.4%) with 24,218,028 votes abstaining.

[End of Remuneration Report - Audited]

Meetings of Directors

During the financial year, 8 formal meetings of Directors (including committees of directors) were held. Attendances by each Director during the year were as follows:

Directors' Meetings		
	Number eligible to attend	Number Attended
Directors		
Martin Blakeman	8	8
Eric de Mori	8	8
Winton Willesee	8	8

The full Board fulfils the role of remuneration, nomination and audit committees.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

NEWERA RESOURCES LIMITED

ABN 27 118 554 359

DIRECTORS REPORT**Options**

At the date of this report, the unissued ordinary shares of Newera Resources Limited under options are:

Grant Date	Date of Expiry	Exercise Price	Number Under Option
28 Dec 2012	31 Dec 2015	\$0.05	12,000,000
6 Mar 2014	6 Mar 2017	\$0.01	10,000,000
Various	6 Mar 2018	\$0.0032	173,750,000
	Total		195,750,000

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings. The Company was not a party to any such proceedings during the year.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the full board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the year:

	2014	2013
	\$	\$
Taxation and other services	5,600	6,100
	<u>5,600</u>	<u>6,100</u>

Officers of the company who are former audit partners of RSM Bird Cameron Partners

There are no officers of the company who are former audit partners of RSM Bird Cameron Partners.

Auditors

RSM Bird Cameron Partners continues in office in accordance with section 327 of the Corporations Act 2001.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and is included within this annual report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'M. Blakeman', written over a horizontal line.

MARTIN BLAKEMAN
Director

DATED this 30th day of September 2014

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT

The Company is committed to implementing high standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines.

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2014.

BOARD COMPOSITION

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the Director's Report.

The names of independent directors of Newera Resources Limited are:

- Mr Eric de Mori
- Mr Chris Watts (*Appointed 1 July 2014*)

Independent Directors have the right to seek independent professional advice in the furtherance of their duties as directors at the Company's expense.

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

RECOMMENDATION		NEWERA RESOURCES LIMITED CURRENT PRACTICE
1.1	Companies should establish the functions reserved for the board and those delegated to senior executives and disclose those functions.	Satisfied. Board Charter is available at www.nru.com.au in the Corporate Governance Statement.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Satisfied. Board Performance Evaluation Policy is available at www.nru.com.au in the Corporate Governance Statement.
1.3	Companies should provide the information indicated in the Guide for reporting on Principle 1.	Satisfied. The Board Charter is available at www.nru.com.au in the Corporate Governance Statement. Whilst the performance of management is appraised on an ongoing basis. During the year no formal appraisal of management was conducted.
2.1	A majority of the board should be independent directors.	Satisfied. Both Mr de Mori and Mr Watts are independent.

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION		NEWERA RESOURCES LIMITED CURRENT PRACTICE
2.2	The chair should be an independent director.	Not Satisfied. Due to the size of the Group and its operations Mr Martin Blakeman who is an Executive Director is considered appropriate for the office of Chairman.
2.3	The roles of chair and Chief Executive Officer should not be exercised by the same individual.	Not Satisfied. Due to the size of the Company and its operations Mr Martin Blakeman is both Executive Director and the Chairman.
2.4	The board should establish a nomination committee.	Not satisfied. The Board consider that given the current size of the board (3), this function is efficiently achieved with full board participation. Accordingly, the Board has not established a separate nomination committee.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Satisfied. Board Performance Evaluation Policy is available at www.nru.com.au in the Corporate Governance Statement.
2.6	Companies should provide the information indicated in the guide to reporting on Principle 2.	Satisfied. Whilst the performance of the Board is appraised on an ongoing basis, during the year no formal appraisal was conducted.
3.1	Companies should disclose a code of conduct and disclose the code or a summary of the code as to: - The practices necessary to maintain confidence in the Company's integrity - The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders - The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Satisfied. The Code of conduct is available at www.nru.com.au in the Corporate Governance Statement.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	Not Satisfied. The Board is currently developing a diversity policy for adoption.
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	The Board is currently developing a diversity policy for adoption. Once adopted the Company will be in a position to disclose the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION		NEWERA RESOURCES LIMITED CURRENT PRACTICE
		towards achieving them.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	All three board members are male. There are no other employees of the Company.
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	Satisfied. The Board is currently developing a diversity policy for adoption which will be made available at that time.
4.1	The board should establish an audit committee.	Not satisfied. The Board consider that given the current size of the board (3), this function is efficiently achieved with full board participation. Accordingly, the Board has not established an audit committee.
4.2	The board committee should be structured so that it: - Consists only of non-executive directors - Consists of a majority of independent directors - Is chaired by an independent chair, who is not chair of the board - Has at least three members	Not satisfied. The full board fulfils the role of the audit committee and accordingly the Company has adopted a policy which includes Executive Directors acting as audit committee members.
4.3	The audit committee should have a formal charter.	Satisfied. Audit Committee charter is available at www.nru.com.au in the Corporate Governance statement.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	Satisfied.
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Satisfied. Continuous disclosure policy is available at www.nru.com.au in the Corporate Governance statement.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	Satisfied.
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of their policy.	Satisfied. Shareholders communication strategy is available at www.nru.com.au in the Corporate Governance statement.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	Satisfied.
7.1	Companies should establish policies for the oversight	Satisfied. Risk management program is available at

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION		NEWERA RESOURCES LIMITED CURRENT PRACTICE
	and management of material business risks and disclose a summary of those policies.	www.nru.com.au in the Corporate Governance statement.
7.2	The board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	Satisfied. The Board, including the Executive Chairman, routinely consider risk management matters.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Satisfied. The Board has received a section 295A declaration pursuant to the 2014 financial year.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	Satisfied.
8.1	The board should establish a remuneration committee.	Not Satisfied. The Board consider that given the current size of the board (3), this function is efficiently achieved with full board participation. Accordingly, the Board has not established a remuneration committee.
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair • has at least three members.	Not Satisfied. The Board consider that given the current size of the board (3), this function is efficiently achieved with full board participation in its current form.
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The structure of directors' remuneration is disclosed in the remuneration report of the annual report.
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	Remuneration committee charter is available at www.nru.com.au in the Corporate Governance statement.

Other Information

Further information relating to the Company's corporate governance practices and policies has been made publicly available on the Company's website at www.nru.com.au.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Newera Resources Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 30 September 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDING 30 JUNE 2014

	Note	2014 \$	2013 \$
Revenue			
Interest revenue		2,012	31,483
Realised gains on financial assets		26,000	-
Unrealised gain / (loss) on financial assets		200	(161,000)
Expenses			
Administrative expenses		(74,738)	(80,654)
Consultancy and legal expenses		(67,251)	(112,794)
Compliance and regulatory expenses		(81,410)	(162,340)
Communication expenses		(6,435)	(9,975)
Depreciation and amortisation		(312)	(468)
Director and employee related expenses		(74,772)	(184,012)
Occupancy related expenses		(67,125)	(63,465)
Exploration expenditure		(2,803)	(14,526)
Travel and accommodation related expenses		(12,849)	(48,074)
Exploration expenditure written off		(820,002)	(1,312,890)
Equity based payment expense		(100,000)	(293,065)
Relinquishment of Shanagan licence		(54,337)	-
Interest and finance expense		(40,612)	-
Loss before income tax expense		(1,374,434)	(2,411,780)
Income tax expense		-	-
Loss for the year after income tax expense	4	(1,374,434)	(2,411,780)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
(Loss) / Gain on translation of foreign controlled entity	15	(9,735)	53,543
Other comprehensive (loss) / income for the year, net of tax		(9,735)	53,543
Total comprehensive loss for the year		(1,384,169)	(2,358,237)
Earnings per share			
Basic and diluted loss per share (cents)	5	(0.52)	(0.92)

The accompanying notes form part of these financial statements

NEWERA RESOURCES LIMITED

ABN 27 118 554 359

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	6	115,797	392,170
Trade and other receivables	8	29,899	70,492
Financial assets	7	5,708	35,508
TOTAL CURRENT ASSETS		151,404	498,170
NON CURRENT ASSETS			
Plant and equipment	10	624	936
Exploration costs	11	1,634,401	1,845,177
TOTAL NON CURRENT ASSETS		1,635,025	1,846,113
TOTAL ASSETS		1,786,429	2,344,283
CURRENT LIABILITIES			
Trade and other payables	12	273,336	100,615
Borrowings	13	297,000	-
TOTAL CURRENT LIABILITIES		570,336	100,615
TOTAL LIABILITIES		570,336	100,615
NET ASSETS		1,216,093	2,243,668
EQUITY			
Issued capital	14	12,118,518	11,786,866
Reserves	15	735,667	720,460
Accumulated losses		(11,638,092)	(10,263,658)
TOTAL EQUITY		1,216,093	2,243,668

The accompanying notes form part of these financial accounts

NEWERA RESOURCES LIMITED
ABN 27 118 554 359

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR ENDING 30 JUNE 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(397,681)	(685,181)
Interest received		2,012	31,483
Payment for exploration expenditure		(590,297)	(833,626)
Net cash (used in) by operating activities	18	<u>(985,966)</u>	<u>(1,487,324)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		-	-
Proceeds from financial assets		56,000	157,246
Net cash provided by investing activities		<u>56,000</u>	<u>157,246</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		78,593	48,837
Proceeds from borrowings		575,000	-
Net cash provided by financing activities		<u>653,593</u>	<u>48,837</u>
Net (decrease) in cash held		(276,373)	(1,281,241)
Cash and cash equivalents at the beginning of the financial year		392,170	1,673,411
Cash and cash equivalents at the end of the financial year	18	<u>115,797</u>	<u>392,170</u>

The accompanying notes form part of these financial accounts

NEWERA RESOURCES LIMITED
ABN 27 118 554 359

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDING 30 JUNE 2014

	Note	Issued Capital \$	Accumulated Losses \$	Option Reserve \$	Foreign Currency Translation Reserve \$	Total \$
Balance at 1 July 2012		11,726,866	(7,851,878)	324,663	354	4,200,005
Loss for the year after income tax		-	(2,411,780)	-	-	(2,411,780)
Other comprehensive income for the year net of tax		-	-	-	53,543	53,543
Total comprehensive loss for the year		-	(2,411,780)	-	53,543	(2,358,237)
Transactions with owners						
Shares issued during the year (net of capital raising costs)		60,000	-	-	-	60,000
Issue of rollover options		-	-	48,837	-	48,837
Options issued – share based payment		-	-	293,063	-	293,063
Balance at 30 June 2013		11,786,866	(10,263,658)	666,563	53,897	2,243,668
Balance at 1 July 2013		11,786,866	(10,263,658)	666,563	53,897	2,243,668
Loss for the year after income tax		-	(1,374,434)	-	-	(1,374,434)
Other comprehensive (loss) for the year net of tax		-	-	-	(9,735)	(9,735)
Total comprehensive loss for the year		-	(1,374,434)	-	(9,735)	(1,384,169)
Transactions with owners						
Shares issued during the year (net of capital raising costs)		53,652	-	-	-	53,652
Convertible notes converted		278,000	-	-	-	278,000
Options issued – share based payment		-	-	24,942	-	24,942
Balance at 30 June 2014		12,118,518	(11,638,092)	691,505	44,162	1,216,093

The accompanying notes form part of these financial accounts

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDING 30 JUNE 2014

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the financial statements and notes of Newera Resources Limited and its controlled entity (the "consolidated group" or "group").

The separate financial statements of the parent entity, Newera Resources Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 30th September 2014 by the directors of the Company.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report is presented in Australian dollars. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by IASB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the company and consolidated entity incurred losses of \$1,011,128 and \$1,374,434 and the consolidated entity had net cash outflows from operating activities of \$985,966 for the year ended 30 June 2014. As at that date, the company and consolidated entity had net current liabilities of \$418,442 and \$418,932 respectively.

The Directors believe that it is reasonably foreseeable that the company and consolidated entity will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report, after consideration of the following factors:

- The company has the ability to issue additional shares in accordance with the Corporations Act 2001 to raise further working capital and has been successful in doing this previously, as evidenced by the successful capital raisings in the financial year ended 30 June 2014 and subsequent to balance date as disclosed in Note 26 whereby the company raised \$1,048,259 before costs;

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDING 30 JUNE 2014**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- Current liabilities of \$272,000 as at 30 June 2014 relating to borrowings of \$50,000 from related party and \$222,000 in convertible notes which were redeemed through the issue of equity subsequent to the year end;
- The directors have agreed by way of a circular resolution, signed and dated 4 August 2014, that subject to shareholder approval at the company's upcoming Annual General Meeting, up to 50% of the accrued Director's fees, which as at 30 June 2014 was \$159,000 will be paid by the issue of shares and new options (on the same terms as the Entitlements Issue disclosed at Note 26) to those Directors as a means of conserving the Company's cash;
- The directors have prepared a budget until 31 December 2015 which was approved by the Board on 25 September 2014, that shows a positive cash balance, even if no further capital raising are undertaken from the date of this report to 31 December 2015. This has been achieved through the reduction of expenditures from that of previous financial years.

a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Newera Resources Limited as at 30 June 2014 and the results of all subsidiaries for the year then ended. Newera Resources Limited and its subsidiaries together are referred to in these financial statements as the 'group'.

Subsidiaries are all those entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of financial position and statement of changes in equity of the group. Losses incurred by the group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDING 30 JUNE 2014**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

c) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the assets useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	33%
Office equipment	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d) Exploration and Development Expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDING 30 JUNE 2014**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the years in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

f) Financial Instruments**Recognition and Initial Measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDING 30 JUNE 2014**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iv. Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

v. Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

g) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDING 30 JUNE 2014

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

i) Employee Benefits*Short term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDING 30 JUNE 2014

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Equity-settled compensation

The entity operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

k) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

m) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

n) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDING 30 JUNE 2014**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

o) Revenue

Revenue is recognised when it is probable that the economic benefit will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

p) Borrowing costs

All borrowing costs to date are recognised in income in the period in which they are incurred.

q) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

r) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

s) Earnings per share***Basic earnings per share***

Basic earnings per share is calculated by dividing the profit attributable to the owners of Newera Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDING 30 JUNE 2014

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**t) Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

u) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO").

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

v) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**w) Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Key Judgements – Deferred exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(d).

Key Judgements – Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 22.

x) Operating segments

Identification and measurement of segments – AASB 8 requires the 'management approach' to the identification measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments.

y) Foreign Currency Transactions and balances*Functional and presentation currency*

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDING 30 JUNE 2014**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)***Transactions and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed of.

New accounting standards and interpretations

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

NEWERA RESOURCES LIMITED

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDING 30 JUNE 2014

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

AASB 9	Financial Instruments	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	Applicable to the Group from 1 July 2017
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	AASB 2012-3 principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of the effect or potential effect of netting arrangements. This includes rights of set-off associated with the entity's recognised financial assets and liabilities, on the entity's financial position, when the offsetting criteria of ASB 132 are not all met.	Applicable to the Group from 1 July 2014
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	Address inconsistencies in current practice when applying the offsetting criteria in AASB 132 Financial Instruments: Presentation. Clarifies the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.	Applicable to the Group from 1 July 2014
AASB 2013-6	Amendments to AASB 136 arising from Reduced Disclosure Requirements	Amends AASB 136 Impairment of Assets to establish reduced disclosure requirements for Tier 2 entities arising from AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.	Applicable to the Group from 1 July 2014

The Group has elected not to early adopt any of the new and amended pronouncements. These are not expected to have a significant impact on the financial performance or position of the Group upon adoption.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDING 30 JUNE 2014

NOTE 2. KEY MANAGEMENT PERSONNEL COMPENSATION

Names and positions held of the entity's key management personnel in office at any time during the financial year are:

Martin Blakeman	Executive Chairman
Eric de Mori	Non-Executive Director
Chris Watts	Non-Executive Director (appointed company secretary and non-executive director 1 July 2014)
Winton Willesee	Non-Executive Director and Company Secretary (resigned as company secretary 1 July 2014, resigned directorship 31 July 2014)

The aggregate compensation made to directors and other members of key management personnel of the group is set out below:

	2014	2013
	\$	\$
Short terms benefits	140,966	263,570
Share based payments	82,000	193,064
	<u>222,966</u>	<u>456,634</u>

In addition to the above, Azalea Consulting Pty Ltd, an entity associated with Mr Willesee, was paid \$57,000 (2013: \$54,000) for Company Secretarial services of which included \$18,000 paid via convertible note.

Other transactions with key management personnel

Transactions are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated:

Key management personnel balances

Fees Outstanding	2014	2013
	\$	\$
Executive fees and executive remuneration paid to Tonka Trading Pty Ltd, a company of which Martin Blakeman is a director (+)	81,500	11,000
Director fees paid to Eric De Mori (+)	24,000	9,000
Director fees and consulting fees paid to Azalea Consulting Pty Ltd, a company of which Winton Willesee is a director (+)	<u>63,500</u>	<u>18,000</u>

+ These amounts are included in the remuneration report in the directors' report.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDING 30 JUNE 2014

NOTE 2. KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

Convertible Notes Outstanding	2014	2013
	\$	\$
Convertible notes held by Tonka Trading Pty Ltd, a company of which Martin Blakeman is a director	157,000	-
Convertible notes held by Glamour Division Pty Ltd as trustee for the Hammer Trust, a Trust of which Eric De Mori is a beneficiary	15,000	-
Convertible notes held by Azalea Family Holdings Pty Ltd <No.2 A/C>, a company of which Winton Willesee is a beneficiary	-	-

For further details refer to the Remuneration Report in the Directors Report.

NOTE 3. AUDITORS' REMUNERATION

	2014	2013
	\$	\$
Remuneration of the auditor for:		
i. Auditing and reviewing the financial report	29,750	28,000
ii. Taxation services and corporate services	5,600	6,100
	<u>35,350</u>	<u>34,100</u>
	2014	2013
	\$	\$

NOTE 4. INCOME TAX

Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable on (benefit) from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax benefit on operating loss at 30% (2013: 30%)	(412,330)	(723,534)
Add Tax effect of:		
Non-deductible items	262,302	9,314
Deferred tax asset not brought to account	<u>150,028</u>	<u>714,220</u>
Income tax attributable to operating loss	<u>-</u>	<u>-</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDING 30 JUNE 2014**

NOTE 4. INCOME TAX (continued)

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward, amounts to approximately \$8,409,498 (2013: \$7,997,168) have not been brought to account at 30 June 2014 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- i. the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- ii. the Group continues to comply with conditions for deductibility imposed by law; and
- iii. no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss and exploration expenditure

NOTE 5. EARNINGS PER SHARE

	2014	2013
	\$	\$
a) Loss used to calculate basic EPS	(1,374,434)	(2,411,780)
	Number of	Number of
	Shares	Shares
b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	267,716,627	260,752,778

NOTE 6. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	115,797	392,170
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NOTE 7. FINANCIAL ASSETS

Financial assets at fair value through profit and loss

Held for trading listed shares	5,708	35,508
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NOTE 8. TRADE AND OTHER RECEIVABLES

Prepayments	4,082	53,908
Other	25,817	16,584
	29,899	70,492

NEWERA RESOURCES LIMITED

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDING 30 JUNE 2014

NOTE 9. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%)*	
		2014	2013
Subsidiaries of Newera Resources Limited:			
Newera Resources Mongolia LLC	Mongolia	100	100

NOTE 10. PLANT AND EQUIPMENT

	2014 \$	2013 \$
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	60,784	60,743
Accumulated depreciation	(60,160)	(59,807)
Total plant and equipment	624	936

a. Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Plant and Equipment

Balance at beginning of year	936	1,403
Additions	-	-
Depreciation expense	(312)	(467)
Balance at end of year	624	936

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDING 30 JUNE 2014

NOTE 11. EXPLORATION EXPENDITURE

	2014 \$	2013 \$
Exploration expenditure	1,634,401	1,845,177
Opening balance	1,845,177	2,212,369
Exploration incurred during the year	609,226	945,698
Impairment	(820,002)	(1,312,890)
Exploration and evaluation phase expenditure capitalised	1,634,401	1,845,177

The value of Group interest in exploration expenditure is dependent upon the:

- the continuance of the consolidated entity rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploration of the areas of interest, or alternatively, by their sale.

The exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

In May 2012 Newera entered into an Option Agreement with a Mongolian registered company, covering the Mongolian Exploration Licence Designated the Shanagan Uul East ("Shanagan") project by Newera. The Option Agreement gave Newera the option to acquire up to 80% of the Shanagan Project within eighteen months of the execution date of the Option Agreement by paying \$1 million to the vendor on or before the expiry date of 28 November 2013. On 21 October 2013 Newera entered into negotiations with the vendor with the intent of reaching agreement on terms that would enable the parties to agree to roll over the Option Expiry date until 28 November 2014. Newera management subsequently advised that it was unable rollover the agreement. As a result, included in the accounts for the financial year ending 30 June 2014 and in addition to the Impairment of \$820,002 is USD 50,000 plus \$4,337 in foreign currency translation project writedown.

NEWERA RESOURCES LIMITED**ABN 27 118 554 359****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****FOR YEAR ENDING 30 JUNE 2014****NOTE 12. TRADE AND OTHER PAYABLES**

	2014	2013
	\$	\$
Trade creditors	227,613	61,724
Other payables and accruals	45,723	38,891
	<u>273,336</u>	<u>100,615</u>

Trade creditors are expected to be paid on 30 day terms.

NOTE 13. BORROWINGS

Convertible notes	222,000	-
Related party loans (Director loans)	25,000	-
Non related party loans	50,000	-
	<u>297,000</u>	<u>-</u>

The convertible notes are unsecured.

Refer note 23 for terms of Convertible notes issued and non related party loans.

NEWERA RESOURCES LIMITED

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDING 30 JUNE 2014

NOTE 14. ISSUED CAPITAL

2014

2013

\$

\$

485,161,682 (2013: 261,411,682) Fully paid ordinary shares

12,118,518

11,786,866

The Group has issued capital amounting to 485,161,682 (2013: 261,411,682) with no par value.

a)	2014		2013	
	Number of Shares	\$	Number of Shares	\$
Ordinary Shares				
At the beginning of the year	261,411,682	11,786,866	258,411,682	11,726,866
Shares issued during the year				
Various – Shares issued in lieu of consulting fees @ 2 cents per share			3,000,000	60,000
16 June 2014 – Placement @ 2 cents per share	50,000,000	100,000	-	-
Conversion of 278 convertible notes	173,750,000	278,000	-	-
Share issue costs		(46,348)	-	-
At the end of the year	485,161,682	12,118,518	261,411,682	11,786,866

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDING 30 JUNE 2014**

NOTE 14. ISSUED CAPITAL (continued)**Capital risk management**

The Groups objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The capital risk management policy remains unchanged from the 30 June 2013 Annual Report.

b) Capital management

The working capital position of the Group as follows:

	2014	2013
	\$	\$
Cash and cash equivalents	115,797	392,170
Financial assets	5,708	35,508
Trade and other receivables	29,899	70,492
Trade and other payables	(273,336)	(100,615)
Borrowings	(297,000)	-
Working capital position	<u>(418,932)</u>	<u>397,555</u>

NOTE 15. RESERVES**a) Option Reserve**

Balance at the beginning of the year	666,563	324,663
Rollover options issued during year	-	48,837
Options issued during year	24,942	293,063
Options expired during year	-	-
Balance at the end of the year	<u>691,505</u>	<u>666,563</u>

The option reserve records items recognised on valuation of share options issued to employees, directors and consultants as part of their remuneration. Refer to Note 22.

b) Foreign Currency Translation reserve

Balance at the beginning of the year	53,897	354
Movement during the year	(9,735)	53,543
Balance at the end of the year	<u>44,162</u>	<u>53,897</u>

The foreign currency translation reserve is created on the consolidation of the Mongolian subsidiary as this is accounted for in US dollars and converted at balance date to AU dollars.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**FOR YEAR ENDING 30 JUNE 2014****NOTE 16. COMMITMENTS**

a) The Group has tenements rental and expenditure commitments of:

	2014	2013
	\$	\$
Payable:		
– not later than 12 months	50,882	67,486
– between 12 months and 5 years	-	-
– greater than 5 years	-	-
	50,882	67,486

b) Operating Lease

During the year, the Group elected to not renew the premise lease to 31 December 2013 for a further term but elected to continue on a month to month basis.

Payable:		
– not later than 12 months	-	29,337
– between 12 months and 5 years	-	
	-	29,337

NOTE 17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDING 30 JUNE 2014

NOTE 18. CASH FLOW INFORMATION

	2014	2013
	\$	\$
a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank and in hand	115,797	392,170
b) Reconciliation of Cash Flow from Operations with Operating Loss after Income Tax		
Operating loss after income tax	(1,374,434)	(2,411,780)
Non-cash flows in loss after income tax		
Share-based payment	100,000	293,065
Depreciation and amortisation	312	468
Interest on convertible notes	25,364	-
(Gain) / loss on sale of financial assets	(56,000)	161,000
Non-operating activities included in debtors	-	1,471
Exploration written down	820,002	1,312,891
Foreign currency translation	9,735	-
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	40,596	(41,951)
(Increase)/decrease in other assets	(731,097)	(833,626)
Increase in trade and other payables	179,556	31,138
<i>Net Cash Flow (used in) Operating Activities</i>	(985,966)	(1,487,324)
c) Non Cash Financing and Investing Activities		
Included in capital raising fees is the Issue of 10,000,000 options to Cygnet Capital Pty Ltd in relation to the Convertible Notes.	24,942	100,000

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDING 30 JUNE 2014**

NOTE 19. RELATED PARTY TRANSACTIONS

Other than remuneration disclosed in the Remuneration Report section of the Directors report, there have also been cash fees on arms-length terms for capital raising and corporate advisory services along with 10,000,000 listed options issued to Cygnet Capital, an entity in which Mr de Mori has an interest. Mr de Mori has not received any of those cash fees or options. Of this, 1,000,000 were issued to Mr Martin Blakeman in lieu of his services regarding the convertible notes capital raising.

There were loans from related parties as disclosed in note 13 during the current reporting date (2013: Nil).

These transactions have been entered into on normal commercial terms and conditions no more favourable than those available to other parties.

NOTE 20. FINANCIAL INSTRUMENTS**a) Financial Risk Management**

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for the Group's operations.

Derivatives are not currently used by the Group for hedging purposes. The Group does not speculate in the trading of derivative instruments.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2014	2013
	\$	\$
Financial Assets		
Cash and cash equivalents	115,797	392,170
Financial assets at fair value through profit or loss		
- Held for trading	5,708	35,508
Trade and other receivables	29,899	70,492
Total Financial Assets	151,404	498,170
Financial Liabilities		
Trade and other payables	273,336	100,615
Borrowings	297,000	-
Total Financial Liabilities	570,336	100,615

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDING 30 JUNE 2014**

NOTE 20 FINANCIAL INSTRUMENTS (Continued)**i. Treasury Risk Management**

The full board meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial Risks

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payable. The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk, and market risk (being equity price risk).

Interest rate risk

The Group does not have any debt that may be affected by interest rate risk.

Sensitivity analysis

At 30 June 2014, if interest rates had changed by +/- 75 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Group would have been \$151 lower/higher (2013 - \$2,361 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk by preparing forward looking cash flow analysis in relation to its operational, investing and financing activities and monitoring its cash assets and assets readily convertible to cash in the context of its forecast future cash flows. The Group continually monitors its access to additional equity capital should that be required, maintains a reputable credit profile and manages the credit risk of its financial assets.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

	2014	2013
	\$	\$
Cash and cash equivalents	115,797	392,170
	115,797	392,170

Market Risk – Equity/Securities Price Risk

The Group is also exposed to securities price risk on investments held for trading or for medium to longer terms. Such risk is managed through diversification of investments and by seeking the advice of suitably qualified specialist advisers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDING 30 JUNE 2014

NOTE 20 FINANCIAL INSTRUMENTS (Continued)**b) Fair value estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Group at the balance date are recorded at amounts approximating their carrying amount.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The following table represents a fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2014				
Financial Assets				
Financials assets at fair value through profit or loss:				
- Investments – held for trading	5,708	-	-	5,708
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2013				
Financial Assets				
Financials assets at fair value through profit or loss:				
- Investments – held for trading	35,508	-	-	35,508

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs. There were no transfers between levels during the year. The Group does not have any Level 2 or Level 3 assets.

Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDING 30 JUNE 2014

NOTE 20 FINANCIAL INSTRUMENTS (Continued)

	Floating Interest Rate		Fixed Interest Rate				Non-Interest Bearing		Total		Weight Effective Interest Rate	
			1 Year or Less		1 to 5 Years							
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 %	2013 %
Financial Assets												
Cash	115,797	392,170	-	-	-	-	-	-	115,797	392,170	2.35	2.25
Investments held for trading	-	-	-	-	-	-	5,708	35,508	5,708	35,508	-	-
Trade and other receivables	-	-	-	-	-	-	29,899	70,492	29,899	70,492	-	-
Total Financial Assets	115,797	392,170	-	-	-	-	35,607	106,000	151,404	498,170		
Financial Liabilities												
Trade and other payables	-	-	-	-	-	-	273,336	100,615	273,336	100,615	-	-
Borrowings	-	-	272,000	-	-	-	25,000	-	297,000	-	-	-
Total Financial Liabilities	-	-	272,000	-	-	-	298,336	100,615	570,336	100,615		

NOTE 21. OPERATING SEGMENTS

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of business category and geographical areas. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Segment assets

Where an asset is used across multiple segments, the asset is allocated proportionately to the applicable segments based on its use. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, deferred tax assets and intangible assets have not been allocated to operating segments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDING 30 JUNE 2014

NOTE 21 OPERATING SEGMENTS (Continued)*Segment liabilities*

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

The group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The group operates as a single segment which is mineral exploration, and there were no major customers.

The group is domiciled in Australia. All revenue from external parties is generated from Australia only. Segment revenues are allocated based on the country in which the party is located.

Segment assets are allocated to countries based on where the assets are located. Refer to table below for allocations.

Assets by geographical region

The location of segment assets by geographical location of the assets is disclosed below:

	2014	2013
	\$	\$
Australia	1,104,716	1,317,231
Sweden	308,178	294,777
Mongolia	373,535	732,275
Total assets	1,786,429	2,344,283

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDING 30 JUNE 2014

NOTE 22. SHARED-BASED PAYMENTS

During the year 10,000,000 options were issued as share based payments. (2013: 22,000,000)

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Group with full dividend and voting rights. Details of the options granted can be found below;

	2014		2013	
	Number of	Weighted	Number of	Weighted
	options	average	options	average
		exercise price		exercise price
		cents		cents
Outstanding at the beginning of the year	12,000,000	5.0	42,301,526	3.0
Granted – share based payment to Directors	-	-	12,000,000	5.0
Granted – share based payment to consultants	-	-	10,000,000	3.0
Granted – rights issue	-	-	24,418,374	3.6
Granted – share based payment to Cygnet	10,000,000	1.0	-	-
Granted – free attached to converted notes	173,750,000	0.32	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	(76,719,900)	3.0
Outstanding at year-end	195,750,000	0.64	12,000,000	5.0
Exercisable at year-end	195,750,000	0.64	12,000,000	5.0

a) Expenses arising from share-based payment transactions

There were \$100,000 (2013: \$293,065) in expenses arising from share-based payment transactions recognised during the year. The options issued in lieu of services provided has been calculated using Black Scholes as follows:

Year of issue	2013	2014
Weighted average exercise price	\$0.05	\$0.0036
Weighted average life of option	3.08 years	3.63 years
Expected share price volatility	100%	100%
Risk-free interest rate	2.70%	4.00%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns which may not eventuate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDING 30 JUNE 2014

NOTE 23. CONVERTIBLE NOTES

Movement in convertible notes

	2014	2013
	\$	\$
Not yet issued but monies received	50,000	-
Issued during the year	500,000	-
Converted during the year	(278,000)	-
	<u>272,000</u>	<u>-</u>

During the year, the Company received loan funding or conversion of amounts owed of \$550,000 from various parties with respect to the issuance of the Convertible Notes as announced 2 December 2013. Interest accrued on these funds amounted to \$36,469 as the reporting date. These notes were approved by shareholders at a general meeting held on 6 March 2014.

As at 30 June 2014, 278 convertible notes had been converted and interest accrued to 31 January 2014 totalling \$11,105 has been paid to Noteholders. A total of 50 convertible notes remaining at 30 June 2014 were issued on 24 July 2014.

The key terms of the Notes are 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDING 30 JUNE 2014

NOTE 24. PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australia Accounting Standards

	2014	2013
	\$	\$
Current Assets	145,795	433,913
Non-Current Assets	2,007,578	1,901,802
TOTAL ASSETS	2,153,373	2,335,715
Current Liabilities	564,237	92,046
TOTAL LIABILITIES	564,237	92,046
NET ASSETS	1,589,136	2,243,669
EQUITY		
Issued capital	12,118,518	11,786,866
Reserves	691,507	666,563
Accumulated losses	(11,220,889)	(10,209,761)
TOTAL EQUITY	1,589,136	2,243,668
STATEMENT OF COMPREHENSIVE INCOME		
Total Loss	(1,011,128)	(2,377,380)
Total Comprehensive Income	(1,011,128)	(2,377,380)

Newera Resources Limited does not hold any deed of cross guarantee for the debts of its subsidiary company as at 30 June 2014 (2013: Nil).

Newera Resources Limited has no contingent liabilities at 30 June 2014 (2013: Nil).

Newera Resources Limited has no commitments for the acquisition of property, plant and equipment as at 30 June 2014 (2013: Nil).

The accounting policies of the parent entity are consistent with those of the group, as disclosed in note 1.

NOTE 25. GROUP DETAILS

The registered office and principal place of business of the Group is:

Suite 5 / 2 Centro Avenue

SUBIACO, WA 6008

NOTE 26. EVENTS AFTER THE REPORTING DATE

Subsequent to 30 June 2014, the following events occurred:

On 10 July 2014, the Company announced a fully underwritten, non-renounceable entitlements issue (Offer) to shareholders to raise A\$1,048,259 before costs. The Offer was an offer of new fully paid ordinary shares (New Shares) on the basis of four (4) New Shares for every five (5) shares held by eligible shareholders on the Record Date (Existing Shares), at an offer price of A\$0.002 per New Share. Subscribers to the Offer would also receive one (1) free attaching listed option for every two (2) New Shares issued with an exercise price of A\$0.005 and an expiry of 31 July 2016 (New Options). On 3 September 2014, the Company announced the closure of the Non-Renounceable Entitlements Issue advising that it has received applications from Shareholders for 226,120,121 shares. The total shortfall of 298,009,225 shares along with free attaching options and 40,000,000 Underwriter options were issued on 18 September 2014.

On 15 July 2014, the Company announced the receipt of the approvals necessary to undertake phase two drilling program within the northern sector of the Ulaan Tolgoi licence. The Ulaan Tolgoi licence is located in the South Gobi basin in Southern Mongolia.

Other than disclosed above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

The directors of the Company declare that:

- (a) the financial statements and notes thereto are in accordance with the Corporations Act 2001 and;
 - (i) comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards; and
 - (ii) give a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year ended on that date;
- (b) In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- (c) The directors have been given the declarations required by s 295A of the *Corporations Act 2001*; and
- (d) As at the date of this declaration, in the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors:



MARTIN BLAKEMAN
Director

DATED this 30th day of September 2014

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NEWERA RESOURCES LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Newera Resources Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Newera Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Newera Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Newera Resources Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 30 September 2014

NEWERA RESOURCES LIMITED**ABN 27 118 554 359****SHAREHOLDER INFORMATION**

Additional information required by the Australian Securities Exchange Limited Listing Rules, and not disclosed elsewhere in this report.

SHAREHOLDINGS

The names of the substantial shareholders listed on the Company's register as at 24 September 2014:

Shareholder	Number	Percentage of issued capital held
Tonka Trading PL Jakessi S/F A/C	218,347,450	18.52
Copulos Group	178,000,000	15.09
Seefeld Investments Pty Ltd	59,375,000	5.03

CLASS OF SHARES AND VOTING RIGHTS

The voting rights attached to the Fully Paid Ordinary shares of the Company are:

At a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and

On a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

There are no voting rights attached to any Options on issue.

DISTRIBUTION OF SHAREHOLDERS (as at 24 September 2014)

Shares Range	No of Holders	Units	%
1 – 1000	111	32,893	0.00%
1001 – 5000	213	636,973	0.05%
5001 – 10000	255	2,055,407	0.17%
10001 – 100000	475	17,934,347	1.52%
100001 and above	354	1,158,631,408	98.25%
Total	1,408	1,179,291,028	

There are 1,174 holders of unmarketable parcels comprising a total of 41,987,460 ordinary shares.

There is not currently an on-market buy back in place.

There are currently no restricted securities on issue.

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SHAREHOLDER INFORMATION

DISTRIBUTION OF OPTIONHOLDERS (as at 24 September 2014)

Listed options (ASX:NRUO) exercisable at \$0.005 on or before 31 July 2016

Options Range	No of Holders	Units	%
1 – 1,000	7	3,831	0.00%
1,001 – 5,000	39	120,521	0.04%
5,001 – 10,000	18	142,474	0.05%
10,001 – 100,000	68	2,408,367	0.80%
100,001 and above	56	299,389,503	99.11%
Total	188	302,064,696	

Unlisted options

Unlisted Options	No of Holders	Units on issue
Exercisable at \$0.05 on or before 31 December 2015	1	12,000,000
Exercisable at \$0.06 on or before 6 March 2017	2	10,000,000
Exercisable at \$0.032 on or before 6 March 2018	5	173,750,000
Total		195,750,000

TWENTY LARGEST SHAREHOLDERS

(As at 24 September 2014)

	Name	Number of Shares	%
1	Tonka Trading PI Jakessi S/F A/C	218,347,450	18.52%
2	Hsbc Custody Nom Aust Ltd	101,041,557	8.57%
3	Mahsor Hldgs PI Rosham Family Supe	51,250,000	4.35%
4	Azalea Fam Hldgs PI No 2 A/C	47,691,667	4.04%
5	Parker Ian M P + C S Parker S/F A/C	47,663,317	4.04%
6	Seefeld Inv PI	46,875,000	3.97%
7	Hsbc Custody Nom Aust Ltd St A/C	35,000,000	2.97%
8	Traditional Sec Grp PI Lpr Fam A/C	27,500,000	2.33%
9	Dominet Digital Corp PI Carosa Fam A/C	25,000,000	2.12%
10	Mycatmax PI Viking S/F A/C	23,737,475	2.01%
11	Del Paggio Nom PI Del Paggio S/F A/C	21,857,955	1.85%
12	Invesco Nom PI	21,383,991	1.81%
13	D'ercole Tony	20,000,000	1.70%
14	Vector Nom PI Vector S/F A/C	19,000,000	1.61%
15	Zhang Zhiwu	18,207,752	1.54%
16	Bouta PI Jb Martel Practice	17,875,061	1.52%
17	Mandolin Nom PI Tj Cowcher Fam A/C	17,749,287	1.51%
18	Grasmere Nom PI	16,323,181	1.38%
19	Bouta PI	14,996,188	1.27%
20	Wimalex PI Trio S/F A/C	13,651,270	1.16%
		805,151,151	68.27%

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SHAREHOLDER INFORMATION

TWENTY LARGEST LISTED OPTIONS (ASX:NRUO) exercisable at \$0.005 on or before 31 July 2016

(As at 24 September 2014)

	Name	Number of Shares	%
1	Hsbc Custody Nom Aust Ltd	50,000,000	16.55%
2	Tonka Trading PI Jakessi S/F A/C	48,521,656	16.06%
3	Parker Ian M P + C S Parker S/F A/C	12,500,000	4.14%
4	Dominet Digital Corp PI Carosa Fam A/C	12,500,000	4.14%
5	Richmond Food Systems PL Monterey A/C	11,000,000	3.64%
6	Traditional Sec Grp PI Lpr Fam A/C	11,000,000	3.64%
7	Del Paggio Nom PI Del Paggio S/F A/C	10,928,978	3.62%
8	Mahsor Hldgs PI Rosham Family Supe	10,000,000	3.31%
9	D'ercole Tony	10,000,000	3.31%
10	Pareto Nom PL Damelle A/C	9,000,000	2.98%
11	Mandolin Nom PI Tj Cowcher Fam A/C	8,750,000	2.90%
12	KHE Sanh PL	8,750,000	2.90%
13	Wimalex PI Trio S/F A/C	8,075,635	2.67%
14	DJ Carmichael PL	8,000,000	2.65%
15	Cotton Ross	7,949,975	2.63%
16	Azalea Fam Hldgs PI No 2 A/C	7,500,000	2.48%
17	Vector Nom PI Vector S/F A/C	7,000,000	2.32%
18	Orca Cap GMBH	5,000,000	1.66%
19	Alitime NOM PL Honeyham Family A/C	4,375,000	1.45%
20	Bouta PI Jb Martel Practice	3,972,238	1.32%
		254,823,482	84.37%

TENEMENT SCHEDULE

Lease	Project	Lease Status
WA		
E09/1575	Jailor Bore	Granted
E09/1194	Jailor Bore	Granted
E09/1434	Jailor Bore	Granted
E09/1298	Jailor Bore	Granted
E09/1340	Jailor Bore	Granted
E09/1788	Jailor Bore	Granted
E80/4632	Cummins Range	Granted
Mongolia		
12323X	Ulaan Tolgoi	51% ownership
Sweden		
Varmland nr 100	Sweden	Granted
Varmland nr 101	Sweden	Granted