



newera
RESOURCES LIMITED

DIRECTORS

Mr Martin Blakeman
Executive Chairman

Mr Winton Willesee
Non-Executive Director

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Non-Executive Director

COMPANY SECRETARY

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UPDATE – POSIT RESOURCES AUSTRALIA PTY LTD TRANSACTION

Newera Resources Limited (ASX: NRU) wishes to provide the market with an update on the proposed merger between Posit Resources Australia Pty Ltd ("Posit") and Newera Resources Limited ("Newera").

Background

In December 2010, Newera entered into an option agreement with Posit to procure the acquisition, (subject to, amongst other things, due diligence and exercise of the option), of 100% of the issued capital of Posit.

During the initial due diligence period, having become aware that problems relating to the tenure of a number of Posit's projects existed, Posit advised Newera that it had actively been pursuing new opportunities in Kyrgyzstan and that negotiations relating to those new project opportunities were continuing.

Newera formed the view that the new project opportunities, had sufficient merit for Newera to agree to a proposal from Posit to extend the due diligence period for a further period to early April 2011. This was designed to allow Posit sufficient time to finalise formal agreements covering the proposed new project opportunities and for Newera to conduct due diligence on any new project opportunities that it considered suitable.

Current Position

During the current due diligence period, Posit has carried out a significant amount of due diligence on the project opportunities and is in advanced negotiations with the project vendors on this new suite of projects which cover a number of commodities.

Newera is also able to confirm Mr Graeme Rowley has re-affirmed his commitment to accept a role as Chairman of Newera, should the merger between Posit and Newera complete. Mr Rowley is of the belief that whilst Posit are still to finalise certain details, the potential of the opportunities is significant and is therefore supportive of the progress towards formalising negotiations and bringing them to a successful conclusion.

However given the termination date on the second due diligence period is approaching and delays relating to the regulatory processes of the new democratic Kyrgyzstani Government are beyond the control of Posit, Posit has requested further time to formally secure the project opportunities.

Newera has considered Posit's request and based on the geological merit, scale and potential economic merit of the projects, has determined that, whilst it is anticipated the process will not require the full period, it will grant Posit a further 60 day extension to the due diligence period.

Further Information
Martin Blakeman
Executive Chairman