



newera
RESOURCES LIMITED

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UPDATE – POSIT RESOURCES AUSTRALIA PTY LTD – PROPOSED TRANSACTION

Newera Resources Limited (ASX: NRU) wishes to provide the market with an update on the previously announced, 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.

Following elections in 2010, the Kyrgyz republic became the first parliamentary democracy to be formed within Central Asia. The country is now operating under a new constitution and has only had a democratically elected government and Prime Minister in position since December of 2010.

The Prime Minister and new Government have the task of putting in place revised governing procedures and processes across all Departments within the Kyrgyz Republic. This is not a straightforward process and elected Government officials and Department administrators are grappling with rapid change and decision making with regard to procedural courses of action. This process has resulted in difficulties in gaining clarity on title to resource projects.

This led to delays in Posit being able to confirm to Newera's satisfaction whether it had secured the identified gold projects such that Newera can be absolutely satisfied under its due diligence process.

Current Position

Since the conclusion of the initial option agreement relating to Posit in 2010, two new entities, Posit Resources Australasia Pty Ltd ("PST") and PRA KG LLC ("PRAKG"), have been registered to hold additional project acquisitions by the Posit group.

Given the findings of Newera's due diligence on the initial gold projects presented, as a consequence and by mutual consent it was agreed that the original "Option to acquire Posit Resources Australia Pty Ltd" Term Sheet, would be terminated on the ninth of June 2011.

Newera, PRAKG, Posit and PST have acknowledged the termination of the original option for Newera to acquire Posit, and contemporaneously entered into a new agreement which grants Newera a first right of refusal for a period of 180 days to procure the sale of all the issued shares in either Posit, PST or PRAKG should any of the Posit parties acquire assets in Kyrgyzstan.

PST has made substantial progress in the review and negotiation of several high value projects in Kyrgyzstan, and every effort is being made to materialise these negotiations into a transaction that may appeal to Newera.

Newera is able to confirm Mr Graeme Rowley has re-affirmed his commitment to working with PST and Newera so as to facilitate a future merger of the two entities. Mr Rowley is of the belief that whilst PST are still to secure a suitable project/projects, the opportunities potentially available to PST through its contact network in Kyrgyzstan are considered by PST to be significant.

Further Information
Martin Blakeman
Executive Chairman