

30 October 2006

QUARTERLY ACTIVITIES REPORT to 30 September 2006

CORPORATE ACTIVITY

During the quarter Newera Uranium Limited ("Newera") completed the establishment of a fully functional office, Mr Phillip Schiemer BSc (hons) MAusIMM, AIG, was appointed exploration manager and the Company completed a non-renounceable rights issue of options to eligible shareholders on the basis of one option for every two shares held.

The net result was that the rights issue of options received a 93% acceptance level with the shortfall of 1,224,279 options being placed with investors. In total 18,350,000 options were issued under the rights issue.

PROJECTS

The Quartz Hill Project Farm-in and Joint Venture Agreement was amended to include the Northern Territory Exploration Licence 25296. The consideration paid for this tenement was \$205,000 plus GST. This payment negates the monthly management fee of \$15,000, payable to Cazaly Iron Pty Ltd beyond the initial three months.

Application was made for Exploration Licence 1386 to consolidate ground covering an interpreted extension of a structure considered vital to the origins of uranium mineralised within the Pells Range project. The application covers a total of 174km².

Newera continues to actively research new project opportunities where the target project has potential to contribute to the future growth of the Company. Identified opportunities have included potential ground consolidation opportunities, potential new areas for application based on defined uranium prospectivity and uranium prospective tenements identified for potential farm in. All identified opportunities will be carefully evaluated prior to commitment of any funding.

LAKE WAY PROJECT

The tenements lie to the north and east of Wiluna in the Eastern Goldfields of Western Australia. The Lake Way Project covers prospective calcrete deposits along significant Tertiary paleochannels immediately to the north of Nova Energy's Lake Way deposit.

The area is highly prospective for uranium mineralisation with several significant uranium deposits in close proximity, including the world class Yeelirrie valley calcrete deposit and Nova's Lakeway deltaic type deposit.

The Newera Lake Way Project holds high potential to host a valley calcrete deposit similar to that at Yeelirrie. Spanning significant lengths of the Uramurdah creek system, the feeder system to Nova's Lakeway deposit, it holds in excess of 10km strike length of a recognised radiometric uranium/thorium anomaly.

Spot soil samples containing anomalous Vanadium (the element associated with the uranium ore mineral carnotite) were taken during reconnaissance field trips to the leases, siliceous calcrete was found in historic (gold focussed) RAB holes all along the Uramurdah creek system.

GASCOYNE PROJECT – PELL'S RANGE

The Pells Range tenement E 09/1193 overlies the prospective Lower Permian Moogooloo Sandstone unit and is situated in the Gascoyne Province, some 30 km ESE of Gascoyne Junction, Western Australia, 170 km E of Carnarvon.

Newera has made application for a further 174km² of ground to the north of E 09/1193 over the Moogooloo sandstone.

Significant uranium mineralisation has been identified within the Project area by Afmeco geologists working in the area up to the end of 1980. Most prospectivity is in the Moogooloo Sandstone unit near Pells Range Well where limited drilling at 1600m spacing with some infill of drill centres has defined an irregular solution front. Afmeco's results were very encouraging, including 0.4m @ 1.9kg/t U from 47m in MOG23 and rock chip samples up to 1.95kg/t U (XRF).

The mineralisation at Pells Range is related to channels in the sandstone and carbonaceous material in the underlying silty shales. Both these features are highly amenable to modern aerial electromagnetic exploration methods. This means that Newera's comparative costs of exploration will be well below Afmeco's original programs 26 years ago in a gridded drill-out.

The ground acquired in the quarter by Newera covers the Moogooloo sandstone along the strike of Afmeco's projected roll front. This extends the area under our control within the structural flex zone of the basin, giving Newera greater exposure to the mineralisation trend.

GASCOYNE PROJECT - JAILOR BORE

The Jailor Bore tenement E 09/1194 covers prospective terraced calcrete deposits surrounding Willaraddie Creek in the Gascoyne Province of Western Australia, 195 km NE of Carnarvon, where uranium mineralisation is known to have been concentrated. Broad reconnaissance exploration activities in the project area located uranium mineralisation in clayey limestone to the north of Bee Well Creek.

A site visit during the quarter located siliceous calcrete under laterite cover in

terraces, shedding large quantities of black radiation damaged quartz as scree below the breakaway. This suggests targeting of the area with shallow RC holes along the strike of the paeleochannel in the terrace from the top of the breakaway will provide quick and cost-effective exploration.

QUARTZ HILL PROJECT

The Quartz Hill Project contains uranium-REO rich pegmatites within the Arunta Province in the Harts Ranges, 160 km ENE of Alice Springs, Northern Territory. With the application acquired last quarter Newera now has interests in a significant land holding in the area.

The region is prospective for uranium mineralisation with a number of uranium anomalies being identified in the region, including Yambla. The primary target within the Project area is granitic rare-earth pegmatite-style uranium mineralisation. Typically this group forms very large tonnage low grade deposits. The largest example of this type is the operating Rossing deposit in Namibia, Africa (350mt @ .03%U).

The Harts Range pegmatites are generally characterised by black radiation damaged quartz with radiation counts twice to several hundred times background.

On a recent site visit rock chip samples were collected from historic workings over several target zones and lodged for analysis, with results pending. Shear zones in the granites are very common and many were found to be anomalous. The identified pegmatites in the area are large, with some units in the order of 500m x 100m in outcrop giving any economic discovery scope for significant scale.

ACTIVITIES



Reconnaissance field trips to each of the project areas were undertaken by technical staff during the quarter, with reconnaissance mapping, sampling and specimen collection. In addition, extensive office based analysis of the data available for each project was undertaken, followed by formulation of future exploration strategies.

For further information please contact;
Martin Blakeman
Managing Director
Newera Uranium Limited

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Newera Uranium Limited

ABN

27 118 554 359

Quarter ended ("current quarter")

30 September 2006

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(118)	(118)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	42	42
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(194)	(194)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(225)	(225)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(225)	(225)
1.13 Total operating and investing cash flows (carried forward)	(419)	(419)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(419)	(419)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	183	183
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	183	183
Net increase (decrease) in cash held			
		(236)	(236)
1.20	Cash at beginning of quarter/year to date	3,289	3,289
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,053	3,053

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	60
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

Directors Fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	
Total	150

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	158	3,289
5.2 Deposits at call	2,895	
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,053	3,289

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	EL 25296 Quartz Hill	Joint Venture	Nil	35%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	36,700,000	36,70,0000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	4,000,000 18,350,000	Nil 18,350,000	<i>Exercise price</i> \$0.25 \$0.25	<i>Expiry date</i> 31 Dec 2009 30 Apr 2008
7.8 Issued during quarter	18,350,000	18,350,000	\$0.25	30 Apr 2008
7.9 Exercised during quarter	-			
7.10 Expired during quarter	-			
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~does not~~ give a true and fair view of the matters disclosed.



Sign here: Date:30 October 2006.....
(Director/Company secretary)

Winton Willesee
Print name:

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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