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QUARTERLY ACTIVITIES REPORT

December Quarter 2006

Highlights for the Quarter:

- **Highly encouraging sample results received from reconnaissance field program on Quartz Hill project area in the Northern Territory.**
- **Research and reconnaissance field programs identified Newera held feeder channel continuing north from the known Lake Way uranium deposit for over 65 kilometres.**
- **Application made for area south of Alice Springs covering the Angela and Pamela uranium resources, which was released from reserve status by the Northern Territory Department of Primary Industry, Fisheries and Mines.**
- **Applications made for two separate areas totalling 5 sub-blocks in the Hartz Range area to the east of Alice Springs and adjacent to Newera's Quartz Hill project.**
- **The Company continues to identify and review corporate opportunities.**

Quartz Hill

During the quarter Newera received results from a limited number of samples taken during reconnaissance field work on the Company's Quartz Hill project in the Northern Territory. Quartz Hill lies in the Eastern Harts Ranges in the Northern Territory, 120 kilometres east of Alice Springs.

Analysis of soil and rock chip samples collected from site has confirmed the presence of **significant uranium mineralisation within Rare Earth pegmatite host rocks located at Quartz Hill**.

Spot reconnaissance sampling of anomalous areas of radiation detected by ground survey (Q05-07, below), and a site of historic sampling by PNC (TQ201 – 203), has demonstrated the presence of uranium in the pegmatites and the dissemination of uranium, rare earth elements (REE) and thorium into the surrounding host rocks from the pegmatites.

Sample ID	**Ba** ppm	**Ce** ppm	**Cs** ppm	**Ga** ppm	**In** ppm	**La** ppm	**Rb** ppm	**Th** ppm	**Y** ppm	**U ppm**	**Rock Description**
Q007	520	107.0	0.82	220	1.19	10300	7	2580	990	**374**	Fine grained mafic adjacent to pegmatite vein
Q006	80	24.2	55.4	55.4	0.03	7.3	163	8.3	300	**411**	Black qtz & feldspar in mica workings
Q005	220	65.1	0.32	18.3	0.04	30.4	8	22	290	**80.4**	?Na altered mafic
TQ201	10	0.35	0.32	0.41	0.002	0.2	6	1.2	28	**8.1**	Back glassy qtz
TQ202	90	1.52	12	37.2	0.002	0.8	409	2.6	49.4	**17.2**	Feldspar pegmatite
TQ203	150	103.5	4.58	36.2	0.03	22.2	43	1190	18800	**7070**	Scree from sample pit

The results above show grades up to 0.04% U, which compares to the giant Rossing mine in Namibia (0.035%) and are significant if found in volume. Strong REE values are shown in the pegmatite material, with up to 1.0% Lanthanum, indicating the materials are highly fractionated and of the requisite nature to host uranium mineralisation.

Uranium and REEs are often found in conjunction with each other. Extraction and processing of REE is under feasibility study by Arafura Resources at the Nolans Bore REE deposit 230km west of Quartz Hill. Nolans Bore also contains low grade (0.019%) uranium.

The Quartz Hill project area field work also confirmed the presence of numerous large pegmatites occurring as a "swarm" within sheared biotitic gneiss, giving Newera encouragement that not only do these pegmatites have potential to carry encouraging grade but that cumulatively, they have potential to provide significant scale.

Field observations confirm that the Quartz Hill pegmatites are areally extensive with outcropping dimensions ranging up to several hundred metres long and over one hundred metres wide. Some have been exposed by historical workings for mica.

High rare earth elements (REE) including lanthanum of up to 1.0% suggest there may be valuable by-products in any future production scenario.

A detailed mapping program is planned to enable the targeted location of drill hole collars in preparation for a targeted drill program.

In summary:

- **Soil and rock chip samples confirm significant Quartz Hill uranium mineralisation.**
- **Extensive outcropping pegmatites up to 100m wide and several hundred metres long have been identified.**
- **Strong rare earth elements and thorium in surrounding host rocks.**

Lake Way

Newera's Lake Way project at Wiluna in Western Australia comprises E53/1178, E53/1180, E53/1193 and E53/1194 and extends north from the common boundary of E53/1180 and Nova Energy's tenement which contains the known **Lake Way Uranium Deposit (8.51Mt @ 0.054% U_3O_8 for a contained 4,600t U_3O_8)**. Newera's tenements follow the traces of the Kukabubba and Uramurdah Creek palaeochannels.

The Lake Way deposit is a delta fan style deposit which is believed to have historically been reliant on a feeder source for the uranium accumulates in the delta fan. Newera has extensive ground holdings over the Kukububba Creek and Uramurdah Creek palaeochannels.

While there has been no conclusive study on the primary source of the uranium at Lake Way, the Company has interpreted through field reconnaissance and research that the Kukububba Creek and Uramurdah

Creek systems represent **feeder sources for the Lake Way deposit.** The Kukubbuba Creek palaeochannel system has been interpreted by Newera to extend through Newera's tenements for in excess of 65 Kilometres (refer figure 2.).

To the south and adjacent to Nova's Lake Way tenement, Newera's E53/1180 is known to contain valley-calcrete hosted uranium mineralisation, with significant lower grade mineralisation **(eg: 8m @ 147.5ppm U_3O_8 from 4 metres in hole MUWRC08)** being intersected in widely spaced drill holes to the south of Uramurdah Well, within the boundaries of the interpreted north-south striking palaeochannel. This mineralisation remains open to the north and east of the existing drill holes.

Figure 1. Calcrete in historic Au RAB holes within Kukubbuba creek

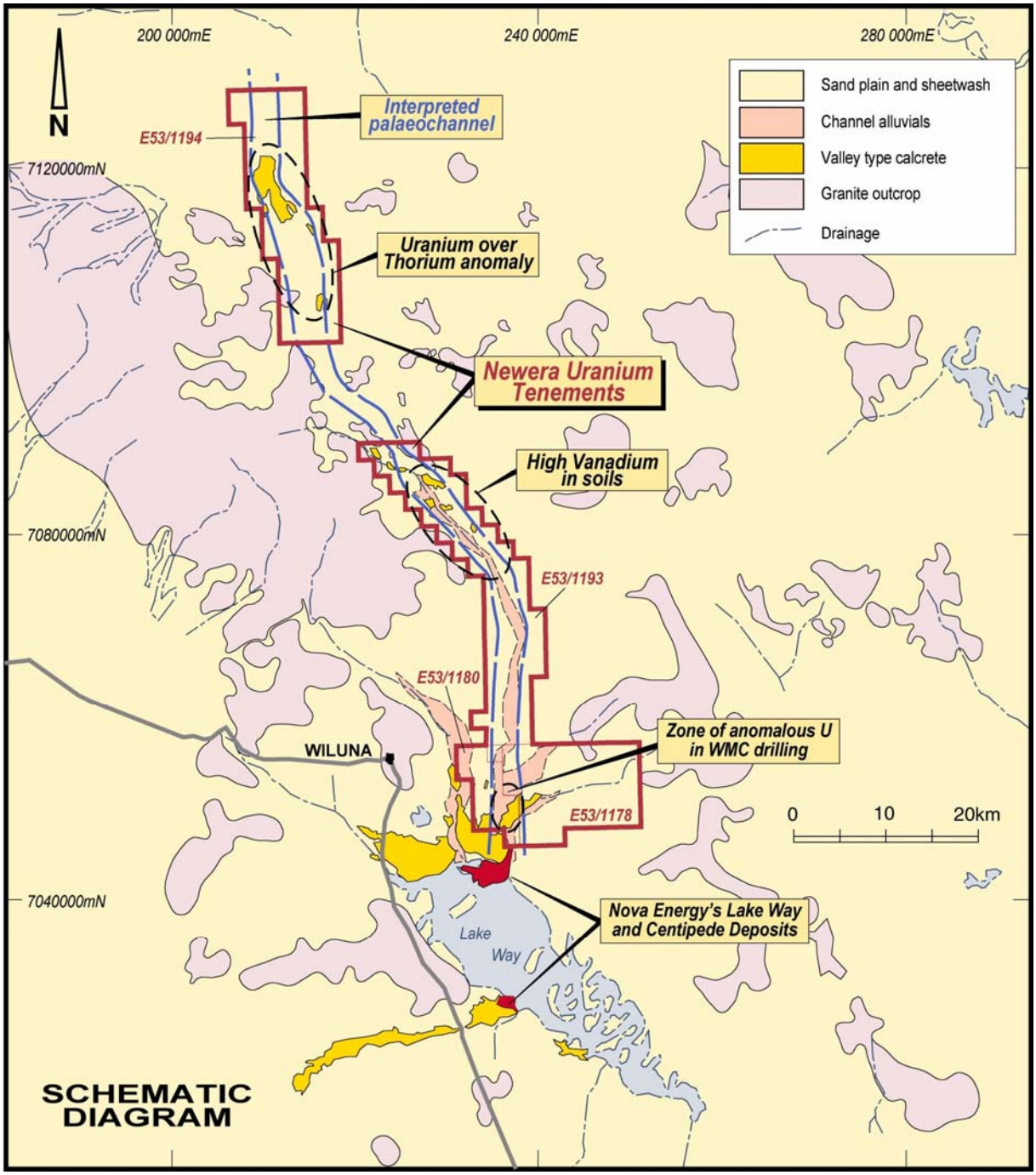

Figure 2. Newera Lake Way project tenements

To the north within E53/1193, recent reconnaissance field work by Newera identified siliceous calcretes in historic, widely spaced gold drill hole spoils, running north for 12km along the palaeochannel system.

Field reconnaissance over a radiometric anomaly along the palaeochannel system in Kukububba creek in the north of E53/1193 identified calcrete samples with **highly anomalous vanadium** (up to

229ppm V from a background of ≈10ppm) in an area of mild radiometric anomalism. Vanadium is an important uranium accessory element as it combines with uranium to form the ore mineral carnotite. Further to this, the remainder of the interpreted palaeochannel in the southern portion of E53/1193 is postulated to exist under shallow cover thus potentially masking any noticeable surface anomaly.

Further north within E53/1194, Newera also holds a 14km strike length of uranium over thorium radiometric anomaly, meaning that uranium is enriched with respect to other radioactive elements for 14km lying close to the surface in the palaeochannel system.

Subject to completion of negotiations with the registered native title applicants, Newera plans an extensive drill program to identify pooled uranium concentrations within the Kukububba and Uramurdah palaeochannels.

In summary:

- **65km palaeochannel system striking through Newera's tenements interpreted as feeder source for adjacent tenement hosting 4.6Mt U_3O_8 Lake Way uranium Deposit.**
- **14km strike length of radiometric uranium anomalism close to surface – E53/1194**
- **Highly anomalous vanadium, an important U indicator mineral within E53/1193**
- **Extensive drill program planned - subject to approvals.**

Tenement Applications

Angela and Pamela:

During the quarter the Northern Territory Government announced that it intended to release areas of ground within the territory, which had previously been excluded from potential application by the Government previously placing those areas under reserve status.

One of those reserve areas contained the previously defined Angela and Pamela Uranium resources. The NT Government announced a process through which, on the 6th of December 2006, the specific reserve areas would be released and be available for application.

Newera followed the Department's process guidelines and lodged an application on the 6th December 2006. The Company believes the application to be compliant and competitive, but acknowledges that up to thirty five other parties also followed the process and lodged applications on the same day.

Angela Resource:

Angela is located 25km south of Alice Springs and the lesser occurrence, Pamela is 4km north of Angela. Both occurrences are about 6km east of the Darwin / Adelaide railway.

Quoted resources for the Angela deposit are as follows:

Above a maximum depth of 650m there are Measured resources of 4,700t eU_3O_8, at an average grade of 0.13% (1300ppm) eU_3O_8; with an additional Indicated resource of 1,950t t eU_3O_8 averaging 0.1% (1,000ppm) eU_3O_8 (Borschoff & Faris, 1990).

Wider spaced drilling in the deeper western extensions of the Angela deposit and the adjacent northern satellite ore bodies showed an inferred resource of 3,600 to 6,000t eU_3O_8 in the grade range 0.1 to 0.13% (1000 – 1300 ppm) eU_3O_8.

Quartz Hill:

During the quarter as part of a ground consolidation policy, Newera made application for two areas adjacent to Newera's Quartz Hill project tenements. Application one, ELA/ 25674 is for six sub-blocks and application two, ELA/25775 is for two sub-blocks.

Corporate Activity:

The Company continues to research and review opportunities within the Uranium sector with a view to securing projects / opportunities that have potential to fit within Newera's structure and add value.