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**newera**  
**uranium**

LIMITED *annual report 2007*

ACN 118 554 359



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## CORPORATE DIRECTORY

### DIRECTORS

Mr Martin Blakeman  
*Executive Chairman*

Mr Winton Willesee  
*Non-Executive Director*

Mr Greg Miles  
*Non-Executive Director*

### COMPANY SECRETARY

Mr Winton Willesee

### PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE

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SUBIACO, WA 6008

### CONTACT DETAILS

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### SOLICITORS TO THE COMPANY

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WEST PERTH WA 6005

### STOCK EXCHANGE

Australian Securities Exchange  
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Perth, Western Australia 6000

## DIRECTORS' REPORT



Your directors' present their report on the Company for the year ended 30 June 2007.

### DIRECTORS

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

Mr Martin Blakeman  
Mr Mark Maine  
(Resigned 31 March 2007)  
Mr Greg Miles  
Mr Winton Willesee  
(appointed 31 March 2007)

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

### COMPANY SECRETARY

Mr Winton Willesee

### PRINCIPAL ACTIVITIES

The Company is an exploration company focussing on uranium exploration.

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

### OPERATING RESULTS

The loss of the Company after providing for income tax amounted to \$538,600.

### 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.

### REVIEW OF OPERATIONS

The Company was incorporated with the primary objective to build a uranium exploration and mining company at a time when the global demand for the commodity is increasing significantly.

Newera intends to achieve this goal by:

- exploring the existing three projects with a focus on the Jailor Bore and Pells Range projects;
- maintaining a watching brief over the uranium sector in Australia (and overseas) and pursuing uranium development and acquisition opportunities; and
- assembling a team of experienced uranium and mining industry professionals to develop a portfolio of high quality uranium production and advanced exploration assets.

The Company has secured a portfolio of tenements, across highly prospective ground in Western Australia and the Northern Territory.

Previous exploration within Newera's project areas has identified uranium mineralisation in a variety of host rock settings from calcrete-hosted mineralisation at Lake Way and Jailor Bore, sandstone hosted roll-front mineralisation at Pells Range to granitic pegmatite hosted uranium-REE mineralisation at Quartz Hill in the Northern Territory. The project areas remain under-explored with the potential to host significant uranium mineralisation.

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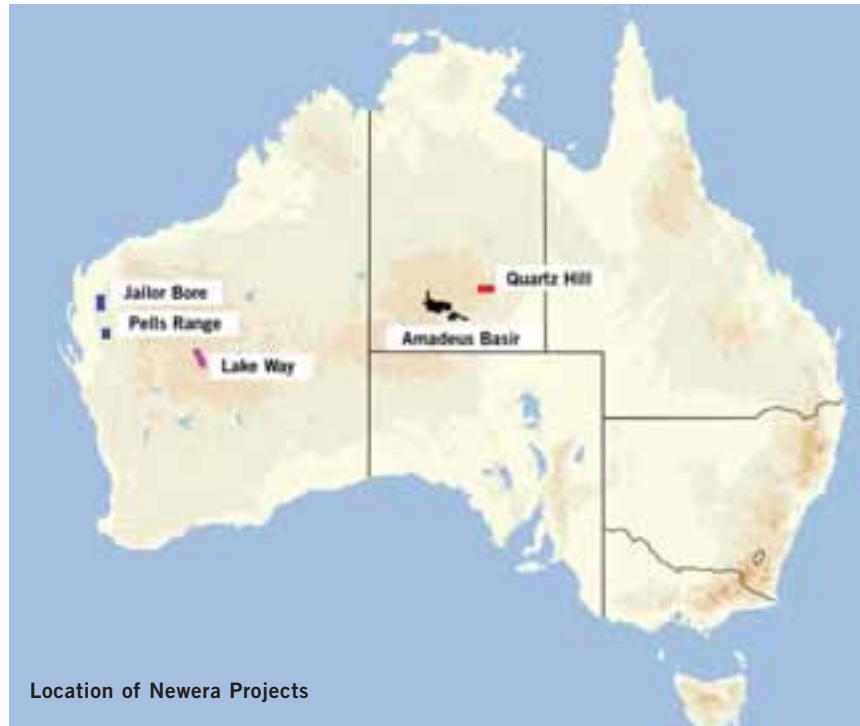
## DIRECTORS' REPORT

### GASCOYNE - JAILOR BORE PROJECT – EL09/1194, EL09/1298 and ELA09/1436

The Jailor Bore Project covers prospective terraced calcrete deposits surrounding Willaraddie Creek in the Gascoyne Province of Western Australia, 195 km NE of Carnarvon.

The area is prospective for calcrete-hosted uranium mineralisation with previous explorers identifying a modest low grade resource ( 365t U3O8 at 0.3kg/t indicated and 350t U3O8 at 0.3 kg/t inferred ) in a drainage channel largely within an excised portion of the tenement. The target in EL09/1194 has been terraced silcrete/calcrete deposits seen along the banks of Willaraddie Creek and bearing much radiation damaged black quartz & chalcodony. Similar terraced calcrete-hosted uranium deposits such as Minindi Creek have also been identified in the Gascoyne Province.

The Project area covers the contact of the basal sediments of the Merlinleigh sub-basin of the Carnarvon Basin and Early Proterozoic granitoid basement. These early Proterozoic granitoid rocks have been intruded by Proterozoic dolerite dykes and sills. Devonian sediments outcrop to the north and west of the area with Quaternary cover occupying areas of low relief.



The source of the uranium is thought to be the Early Proterozoic gneisses and granitic rocks which exhibit anomalous radioactivity of up to eight times background. These anomalous rocks outcrop extensively in the catchment area of the Willaraddie Creek.

The main units of exploration interest are a palaeo-calcrete which forms part of a river terrace along the banks of the Willaraddie Creek and the outcropping porous, calcareous Carnarvon Basin sediments striking north/south and dipping to the west out of EL09/1194 and into EL09/1298.

The “dirty” limestones of the basal contact sediments, the Gneudna Formation, have been shown to contain carnotite, with the mineral identified in hand specimen by Roger Townend and Associates using a Scanning Electron Microscope (Fig. 2). A substantial radiometric Uranium (U) and Uranium over Thorium (U/Th) anomaly exists in the limestones where Willaraddie Creek, a drainage which follows a structure with some 400m of displacement, flows southwest from the granites across the sediment contact, and this along with the calcretes will be drill tested once approvals are received for the program.

## DIRECTORS' REPORT

Previous work in the area has identified secondary uranium mineralisation in river terraces along the banks of the Willaraddie Creek. The calcrete host unit is a surficial siliceous limestone formed by precipitation from surface groundwater. Widely spaced RC drilling over two radiometric anomalies within the project area encountered uranium mineralisation (i.e. 145 ppm from 2-3m and 110 ppm U from 5-5.5 m in hole 232) in clayey limestone to the north of Nardarra Well. No follow-up exploration activities have been undertaken in this area. As yet untested calcrete outcrops exist along Willaraddie Creek downstream from the Jailor Bore Deposit. These units have strong potential to contain secondary uranium mineralisation.

**In summary**, the Jailor Bore Project covers prospective terraced calcrete deposits along Willaraddie Creek 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. The Project is significantly under-explored and the potential to locate further mineralised calcrete deposits remains.

Newera has recently completed DoIR approvals to drill the anomalies at Ben Hur and Willi Creek.

### **GASCOYNE – JAILOR BORE PROJECT – EL09/1298 (optioned JV tenement)**

During the year, Newera moved to secure a highly uranium prospective tenement covering 600 square kilometres within the western margins of the Carnarvon Basin and adjacent to the western boundary of Newera's EL09/1194 Jailor Bore tenement.

Newera has entered into an agreement with Coccinella Pty Ltd ("Coccinella"), giving it a three-year option to secure 100% of Coccinella's rights to Western Australian exploration licence EL09/1298.

The option gives Newera the capacity to consolidate its ground position in the Carnarvon Basin to the west of Newera's Jailor Bore project and represents a highly prospective and significant uranium exploration opportunity.

Limestones regarded as favourable uranium trap sites due to their high carbonate content outcrop on the contact of the Carnarvon Basin and the "hot" granites of the Pilbara Craton east along the margin of the basin. These are also overlain by "red bed" oxidised sandstones and conglomerates.

At the Ben Hur prospect within Newera's current Jailor Bore tenement (EL09/1194) and adjacent to the boundary of the optioned tenement (EL09/1298), outcropping uranium-trap-site favourable porous calcareous sediments dip at ~ 25° to the west into the optioned tenement.

Significant structures have also been interpreted from aeromagnetic data crossing from the granites to the east under the basement sediments, suggesting the possibility of locating unconformity uranium deposits at the contact of the sediments and the underlying granites along the structures.

**EL09/1298** contains substantial exposures of the Gneudna Formation limestones along the contact with the Pilbara Craton granitoids, with numerous structures interpreted from aeromagnetics crossing in a similar orientation to the fault on Willaraddie Creek (Fig.1).

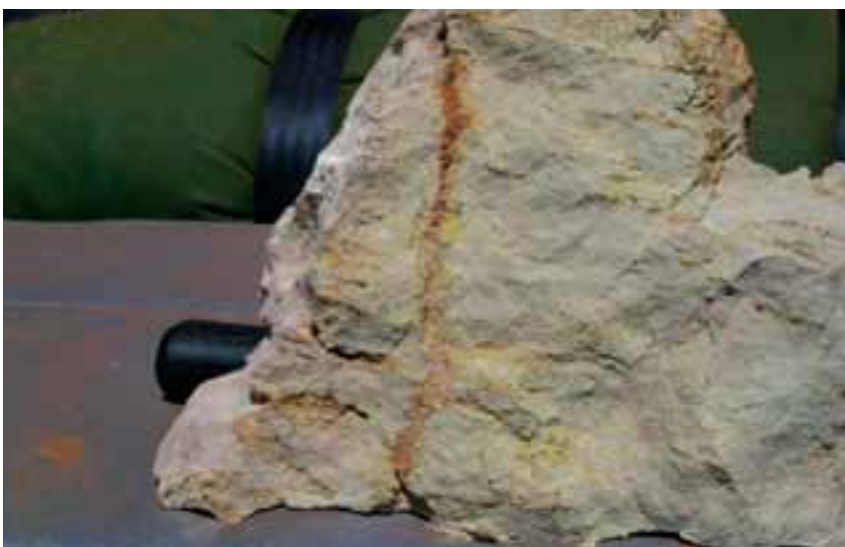
Overlying these limestones are the highly porous conglomerates and sandstones of the Lyons Group, which on EL09/1298 exhibit red Fe-oxide staining and gossanous iron oxides at surface. These sandstones are typical of the host rocks of sandstone hosted redox front deposits, with the uranium dropping out of solution at the limit of the oxidation.

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## DIRECTORS' REPORT



**Figure 1:** GSWA geology with the outline of the Newera tenements EL09/1194 and EL09/1434, with optioned tenement EL09/1298 as dashed line between.



**Figure 2:** Visible Carnotite in sandy limestone from Newera's Ben Hur prospect within EL09/1194 of Newera's Jailor Bore project.

The tenement encompasses the Merlinleigh sub-basin of the Gascoyne region of the Carnarvon Basin, with a tongue of granite of the Pilbara Craton extending south into the lease. This gives Newera exposure to two edges of the craton and their prospectivity.

The lease is considered prospective for chemical trap deposits (similar in their origin to calcrete deposits) in the Gneudna Formation limestones, for "roll front" type redox boundary deposits in the porous sandstones and conglomerates, and for unconformity deposits similar to those in the Alligator River and Athabaskan basins along the major structures that underlie the basin.

Recent sampling of the limestones on EL09/1194 and a gossanous sandstone on EL09/1298 has encountered values of 28ppm U, 92ppm V and 3ppm U, 178ppm V respectively. The high vanadium results suggest surface depletion of U has occurred in each case.

### **GASCOYNE – JAILOR BORE PROJECT – EL09/1434 (Newera Application)**

EL09/1434 overlies the sandstones of the Lyons Formation, with associated conglomerates, siltstones and glacial varves and tillites. Several major and many less significant structures cross the floor of this basin and these are considered prospective for unconformity type deposits. In addition there is also the possibility of redox front type deposits within the sandstones where U-laden waters cross them.

## DIRECTORS' REPORT

### Proposed Exploration

In view of the success of other explorers with electromagnetic (EM) geophysical techniques in the exploration of the Athabasca Basin in Canada, Newera proposes to conduct an aerial EM survey across both new leases as soon as practicable. The contact of the granites and the basal limestones on their EL09/1194 lease will also be covered, and Newera has already begun by flying a pair of profiles across this contact as part of a recent survey on another tenement.

Aerial EM will enable cost-effective targeting of exploration of the basin floor and within the sediments and enable swift action on the finalisation of the option agreement.

### GASCOYNE – PELL'S RANGE PROJECT – EL09/1193 and EL09/1386

Newera's Pells Range project consists of EL09/1193 and ELA09/1386, and covers rocks that overlie the prospective Lower Permian Moogooloo Sandstone unit and is situated in the Gascoyne Province, some 36 km ESE of Gascoyne Junction, Western Australia, 170 km E of Carnarvon.

The target within the Project is a roll-front sandstone hosted uranium deposit located within the Lower Permian Moogooloo Sandstone which strikes fairly consistently to the NNW except at the Pells Range area where it has been folded through nearly 90° to strike WSW. Several similar deposits have been located along the eastern margin of the Carnarvon Basin adjacent to the Gascoyne Complex including the Manyingee Deposit, 85 km south of Onslow W.A.

The project tenements host identified uranium mineralisation discovered by Afmeco in the late 1970's when that Company was prospecting for sandstone hosted roll front type uranium deposits in the Carnarvon Basin. A mineralised zone of at least twice background radiation along a strike length of in excess of 25km has been delineated in the Moogooloo Sandstone (Fig.3) with imperial mile spaced (approximately 1600m) percussion holes. Some infill to 400m centres was carried out by Occidental Minerals in JV with Afmeco from 1980.

Occidental drilled an additional 4 diamond holes as twins of rotary mud holes in order to selectively assay the zones with anomalous eU readings. The radiometric anomaly of 40 times background from Rotary-mud hole MOG 23 assayed 1900 ppm (1.9 kg/t) U and was contained within a 40 cm mineralized width averaging 830 ppm (0.8 kg/t) U. The peak radiometric anomaly of 1326 cps from 54 – 55m in RC hole MOG 60 returned assays of 2500 ppm (2.5 kg/t) U and 25 ppm U from carbonaceous shale and sandstone material respectively.

There is a clear relationship between radioactivity and the proportion of carbonaceous matter present. A rather irregular and diffuse solution front has been defined by the very broadly spaced drilling. These results were not followed up due to the collapse of the uranium exploration boom in the early 1980's.

Uranium gamma anomalies of up to twice background were found to be associated with secondary uranium mineralisation and ferruginous material within the Moogooloo Sandstone. Rock samples returned assays up to 1950 ppm (1.95 kg/t) U and ground water samples from Boonaberrie and Pells Range Bores returned highly anomalous results of 25 ppb and 85 ppb U respectively.

**In summary**, significant uranium mineralisation has been identified within the Project area; particularly around the Moogooloo Sandstone flexure near Pells Range Well where limited very broadly spaced drilling has defined an irregular solution front within Moogooloo Sandstone. The Project is under explored and there remains potential for significant uranium mineralisation to be located in sandstone channels near the Pells Range Well.

### Exploration during the year

During the year Newera contracted Geoforce Pty Ltd to carry out an aerial EM survey over 245km<sup>2</sup> of Pells Range, using Geoforce's Skytem system on a 200m line spacing at 30 metre loop height. The survey commenced in mid April and final results were received in July 2007.

The survey has highlighted strong conductivity anomalies in the area of Afmeco's good results (Fig.4), which are interpreted to be the portions of the channel high in carbonaceous content and which represent excellent drilling targets. A drilling program has been designed and at the time of writing the permitting process is underway.

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## DIRECTORS' REPORT

### LAKE WAY PROJECT – EL09/1193 and ELA09/1386

The Lake Way Project covers prospective calcrete deposits along significant tertiary palaeochannels to the north of Lake Way. The tenements lie to the north and east of Wiluna in the Eastern Goldfields of Western Australia.

The area is highly prospective for uranium mineralisation with several significant uranium deposits in close proximity; including the Yeelirrie Deposit (52,000t U3O8) and Nova Energy's Lakeway Deposit.

The Project area overlies the eastern margin of the NNW trending Archaean Wiluna Greenstone Belt and adjacent Archaean granitoid rocks. The northern tenements lie in close proximity to the edge of the Yerrida Basin and the Yilgarn Craton. Most of the project area is covered by recent surficial deposits.

Previous work in the project has identified significant low-grade calcrete-hosted uranium mineralisation including 8 metres at 147.5 ppm U in RC drill holes along Uramurdah Creek, immediately to the north of Nova Energy's tenements. The uranium mineralisation which is contained within a siliceous calcrete unit remains open to the north and east of the existing drill holes.

Landsat and radiometric data over the area to the northeast of Uramurdah Well suggests the leases follow an historic palaeochannel which feeds the Lake Way deposit.

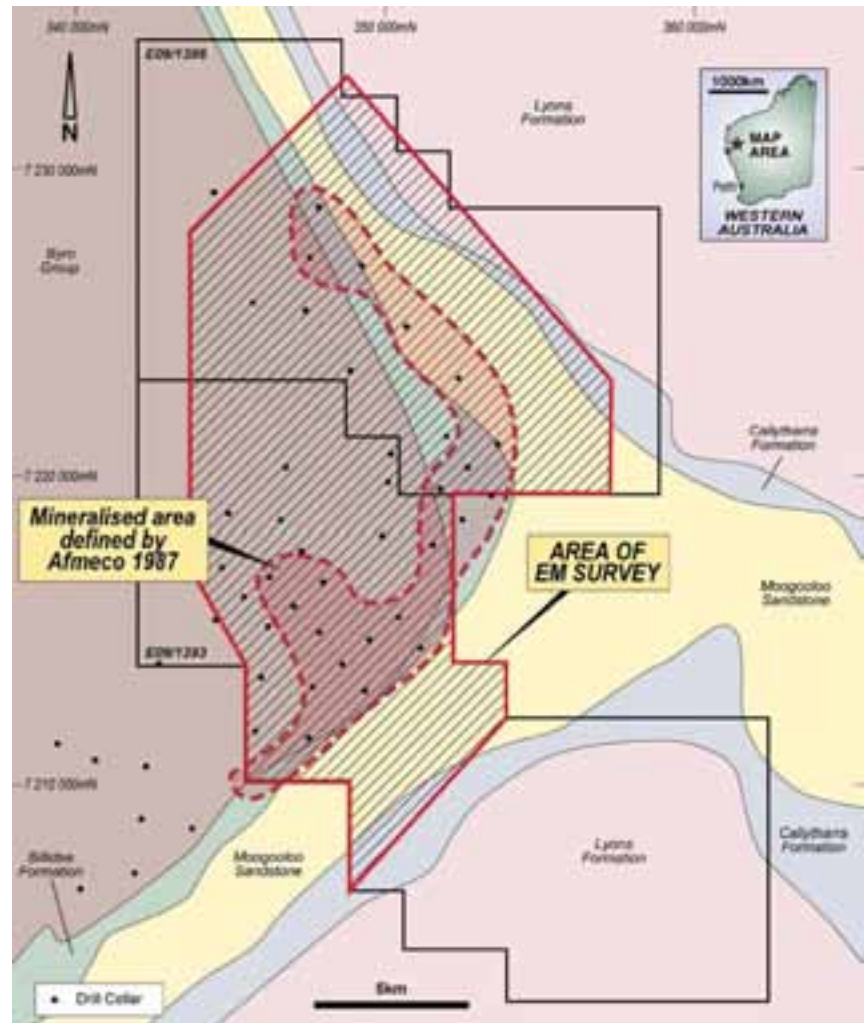


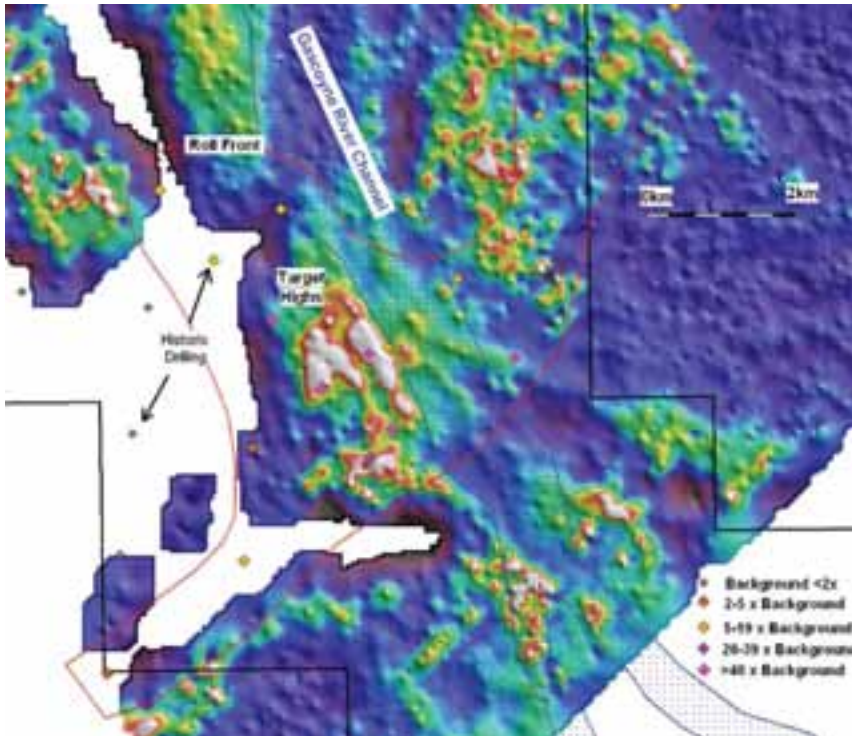
Figure 3: Pells Range Project and aerial EM survey outline

The area remains to be explored, but radiometric data has identified U/Th anomalies (important as the ratio indicates a concentration of U) in 10km of calcrete within the northern tenements. These are Greenfield areas with no previous exploration activity.

The Company holds some 475 square kilometres of prospective ground in the region, all of which remains to be explored.

In summary, the Lake Way Project is a significant land holding in a region known to contain world class uranium deposits. The Project area is dominated by Tertiary palaeochannels containing prospective outcropping calcrete deposits, some of which are known to be uraniferous. The Board is of the view that the whole project area is under-explored.

**DIRECTORS' REPORT**



**Figure 4:** Conductivity anomaly at 60m below surface, Pells Range Aerial EM survey, showing historic drilling and Afmeco's approximate position for the roll front.

During the 2006/07 period, the Company was restricted by land access issues to undertaking desk top studies, planning and lodging work programs, and negotiating with the local Native Title applicants with regard to land access and heritage studies. By the end of the reporting year the heritage issues had been partly resolved and a drilling program given heritage clearance.

**QUARTZ HILL PROJECT – Harts Range – Northern Territory**

The Quartz Hill Project contains uranium-REO rich and brecciated pegmatites and strong regional sodic/potassic alteration within the Arunta Province in the Harts Ranges, 160 km ENE of Alice Springs, Northern Territory.

The region is highly prospective for uranium mineralisation with a number of uranium anomalies being identified in the general area, including Yambla.

The immediate target within the Project is uraniumiferous rare-earths contained in garnets in granitic pegmatite, in a similar setting to the Rössing deposit in Namibia, Africa.

The presence of two “bullseye” magnetic anomalies (with no coincident gravity data) within the tenements in the vicinity of mixed magma types (mafic and felsic) related to the Hukitta dome granites is also a target of significant interest.

The Quartz Hill Project is situated within the SE corner of the Arunta Inlier which comprises a sequence of sedimentary, igneous and high grade metamorphic rocks transected by a network of regional and local scale EW and NW – SE anastomosing faults.

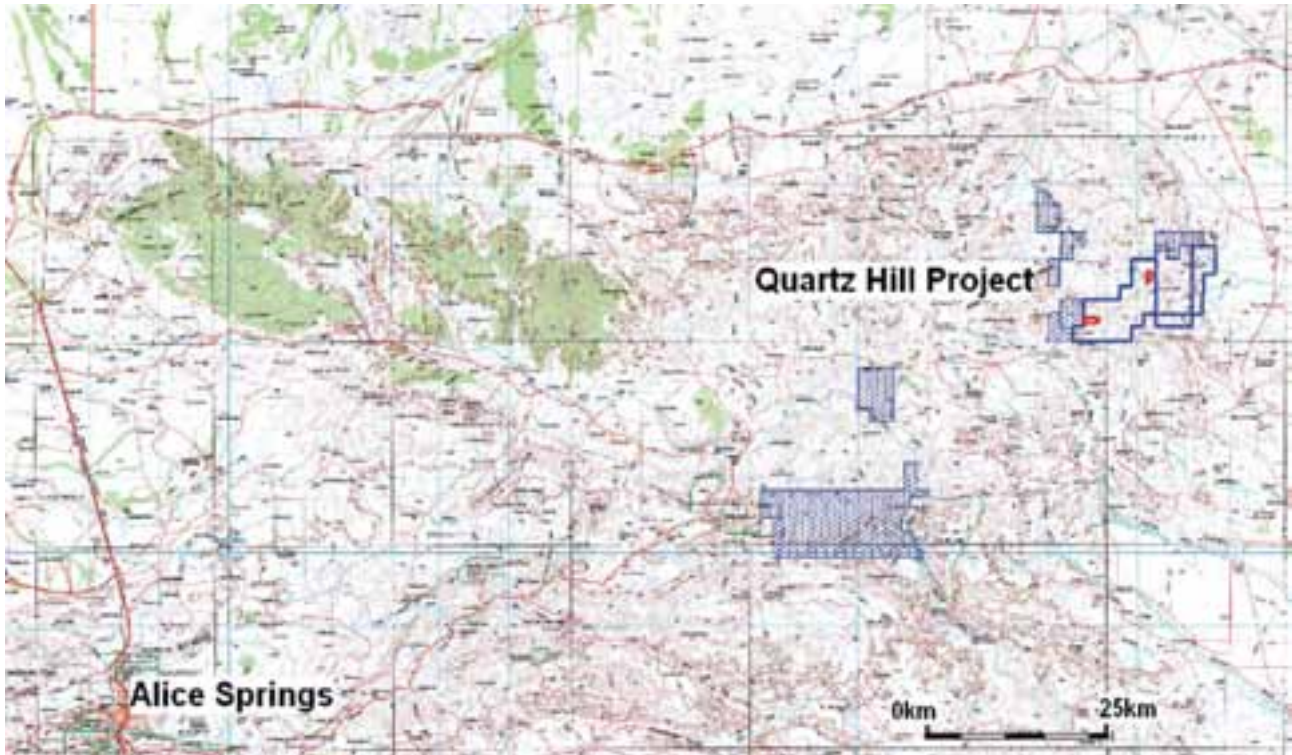
The uranium/yttrium/tantalite-niobium/REE oxide (REO) rich pegmatites at Quartz Hill are thought to have a metamorphic source, derived from partial melting during the Alice Springs Orogeny.

Previous work in the project has identified uranium and REO mineralisation within a series of radioactive pegmatites and associated quartz veins which have been intruded along a NW-SE trending structure. Pacific nuclear corporation (PNC) found the mineralisation to be intergrown samarskite, uraninite, coffinite and U-tanteuxenite in garnets, all of which contain uranium along with variable amounts of yttrium, niobium, tantalum and titanium.



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## DIRECTORS' REPORT



**Figure 5:** Topographical plan outlining Quartz Hill project area location. True Grit and Spartacus are outlined in red.

During the year Newera undertook reconnaissance field work within EL/24838 and EL/25296 of the project, testing for uranium mineralisation within pegmatites. Analysis of soil and rock chip samples collected from site, has confirmed the presence of significant uranium mineralisation within rare earth pegmatite host rocks within the Quartz Hill project, at the True Grit and the Spartacus prospects.

### **True Grit Prospect**

At the True Grit prospect, the amount and size of the pegmatite's (up to 30m wide and often over 200m long) indicates that if the pegmatite's can be demonstrated to be uraniumiferous there is likely to be sufficient scale to justify development.

Exploration for Rare Earths is also highly attractive, as the pegmatite's in the area are enriched in the heavy rare earths, dominantly Lanthanum and Niobium, which are the high value end members of the REEs.

Samarskite and Euxenite are highly radioactive minerals forming a solid solution, and contain significant amounts of Niobium, Tantalum and other REE's in an iron oxide matrix which also contains up to 38% U. Both massive and crystalline forms are present on the project and specimens found to date are up to 55mm in diameter.

**DIRECTORS' REPORT**



**Figure 6:** Location of Spartacus and True Grit prospects within Newera's Quartz Hill Project leases, Harts Range, NT.

SAMPLE	U ppm	Nb ppm	Ta ppm	Y ppm	Tb ppm	Dy ppm	Eu ppm	Nd ppm	Yb ppm	Ga ppm	Gd ppm	Sm ppm	W ppm	Pr ppm	La ppm
3QH14	>1000	9830	4310	3670	75.5	421	3.53	79.6	83.4	26	274	113	415	8.34	5.6
3QH19	927	2410	955	1035	15.15	92.5	1.12	10	43.8	21.4	47.9	17.35	96	1.12	1.6
3QH13	100	72.5	121	13.4	0.21	1.44	0.2	0.9	0.69	41.8	0.7	0.33	3	0.23	2
3QH18	19.6	47.1	24	18.9	0.39	2.1	0.24	0.8	0.44	12.7	1.36	0.6	3	0.16	1.1
3QH15	4.69	4	9.2	5.3	0.1	0.55	0.25	0.7	0.3	15.8	0.34	0.21	2	0.16	1.2
3QH17	3.66	3.2	8.6	1.2	0.03	0.13	0.24	0.6	0.07	17.2	0.13	0.1	<1	0.18	1.4
3QH12	1.24	1.7	1.1	1.6	0.02	0.18	0.26	0.3	0.15	15.5	0.13	0.05	1	0.08	1.1
3QH16	0.54	4.6	8.4	0.7	0.02	0.1	0.26	0.7	0.05	11.8	0.11	0.11	2	0.18	1.2
3QH11	0.14	0.8	0.3	0.7	0.01	0.08	0.18	0.1	0.07	13.5	<0.05	0.05	<1	<0.03	<0.5

**Table 1:** Pegmatite samples. True Grit prospect

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## DIRECTORS' REPORT

### Spartacus Prospect

The Spartacus host pegmatites outcrop as a pair of overlapping, sub-parallel units each in excess of 650m long and with a lateral extent of in excess of 100m. Smaller parallel external units surround the main pegmatite's and they contain internal rafts of the host granitoid gneiss. This volume gives ample scope for scale. Concentrations have yet to be determined, but mapping evidence suggests the minerals occur throughout the pegmatite's with higher density clusters or patches.

Uraniferous Samarskite-Euxenite, grading to in excess of 1000ppm U, has been identified in the pegmatite system with a strike extent of over 1300m at Spartacus. The minerals also occur as inclusions within garnets, which are common in the pegmatite system.

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 pit

**Table 2:** Pegmatite samples. Spartacus prospect

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

#### Rare Earths

Rare earth designated minerals are confined to 15 elements. Today the metal derivatives of rare earths are essential components to products relating to the electronics and technology industries, energy efficiency and greenhouse gas reduction.

Markets for rare earth metals and/or their alloys are considered to have significant future world wide growth potential. Reflecting rising demand, prices of rare earth elements have continued to rise over the past several years and of late have increased strongly.

#### Exploration programs

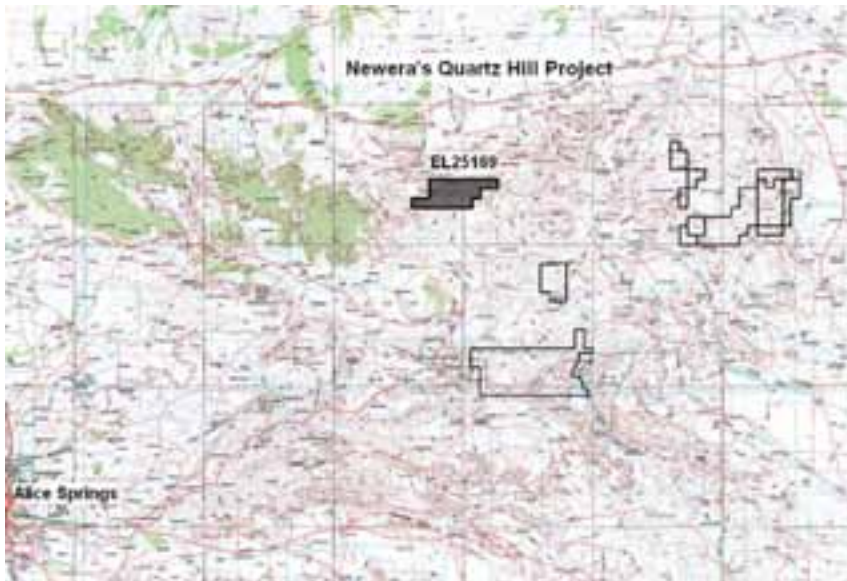
Newera believes the presence of pegmatites containing magnetite in the vicinity of sporadic outcrops of copper mineralisation within the Harts Range region suggests the two large "bulls-eye" magnetic highs on the edge of the dome within Newera's leases are significant exploration targets for IOCG mineralisation.

Near the end of the reporting year Newera commissioned an aerial VTEM survey to test the three targets on the leases to establish the presence or otherwise of a significant sized conductor/s. If present, such a conductor would indicate the possibility of the presence of IOCG mineralisation.

Within the coming year Newera also plans to initiate a close-spaced and detailed radiometric and aeromagnetic survey over the leases, to assist with the definition and targeting of uranium pegmatite bodies, and to extensively map and analyse all the pegmatites for both uranium and REEs.

## DIRECTORS' REPORT

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**Figure 7:** Location of White Lady (E25169) in relation to Newera's Quartz Hill Project

### In summary:

The project is known to contain significant pegmatite-style uraniferous REE mineralisation and may contain other mineralisation types. The extent and density of mineralisation in the pegmatites and their potential for hosting economic U-REO deposits remains to be determined.

Field work confirmed the presence of numerous large pegmatites occurring within the Quartz Hill project area, giving Newera encouragement that not only do these pegmatites have potential to carry grade but that cumulatively, they have potential to provide scale.

Field observations confirm that these 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.

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

### Quartz Hill Project – White Lady – EL25169

During the period Newera further increased its exposure to the Harts Range region in the Northern Territory by reaching agreement with Oneva Pty Ltd wherein Newera has acquired a 100% direct interest in E25169 for \$50,000 cash and transfer of the tenement title to Newera. EL 25169 is a granted exploration tenement with an area of 66.3 km<sup>2</sup> some 41km west of the other Quartz Hill leases.

Several large scale pegmatite systems exist on the lease, in similar settings (late stage and mostly cross-cutting the gneissic layering) to the pegmatite systems Newera is exploring on its other Quartz Hill Project leases. Like the other pegmatites these have been historically worked for mica and possibly contain uraniferous Rare Earth Element (REE) minerals.

The prospect is named for the White Lady mica mine, which lies within the tenement.

White Lady has numerous outcropping areas mineralised with copper and co-incident gold showings, with samples collected recently by Newera staff grading up to 8.20% Cu and up to 1.7g/t Au (table 4). In addition, imaged aeromagnetic data indicates that White Lady is located over a zone of high stress on a macro scale. The data shows the strongly magnetic character of the Harts Range gneisses to be significantly degraded within the lease, associated with intense deformation, and possibly indicates increased hydrothermal fluid flows. Carbonate and epidote alteration is extensive.

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## DIRECTORS' REPORT

Newera believes the tenement to be prospective for pegmatitic uraniferous REE minerals and for hydrothermal copper – gold mineralisation, and that the high background in uranium of the host gneissic material suggests the possible presence of associated uranium enrichment.

Sample Number	AU ppm PM219 0.001	CU 2ppm G001 >1%A101	Sample Number	AU ppm PM219 0.001	CU 2ppm G001 >1%A101	Sample Number	AU ppm PM219 0.001	CU 2ppm G001 >1%A101
NH-002	0.121	4.30%	K31002	2.81	21.10%	NAV-E5	0.726	5.64%
NH-003	1.08	13.20%	K31003	2.52	7.45%	NAV-F5	0.105	6.10%
RIM303	.362	10.70%	K31004	1.21	14.00%	NAV-O1	0.360	9.26%
LIZ115	1.80	7.88%	DOC-01	0.251	5.84%	NAV-P1	0.187	3.30%
LIZ129	0.089	3.58%	DOC-03	1.11	3.78%	NAVCU-1	1.01	5.73%
KLP301	0.166	4.45%	DOC-08	0.430	4.87%	NAVCU-2	1.54	7.79%
KLP303	0.113	4.25%	PC-703	0.19	22.50%	NAVCU-3	0.572	7.31%
KLP304	0.231	4.79%	PC-704	4.90	9.12%	NAVCU-4	1.07	6.04%
KLP305	0.413	4.13%	PC-901	0.522	15.70%	WL-104	0.221	5.15%
KLP306	1.39	8.16%	PC-1201	0.16	4.21%	WL-105	0.292	6.20%
			PC-1202	0.473	7.46%	WL-306	0.058	6.20%

**Table 3:** Highlight Vendor rock chip sample results from Copper showings (>3%Cu), EL25169

Your Company has initiated an aerial VTEM (electromagnetic) survey over the entire White Lady lease as part of the survey over the Quartz Hill project. This will indicate the presence or absence of magnetite or copper sulphide mineralisation on the prospect and enable planning of further exploration.

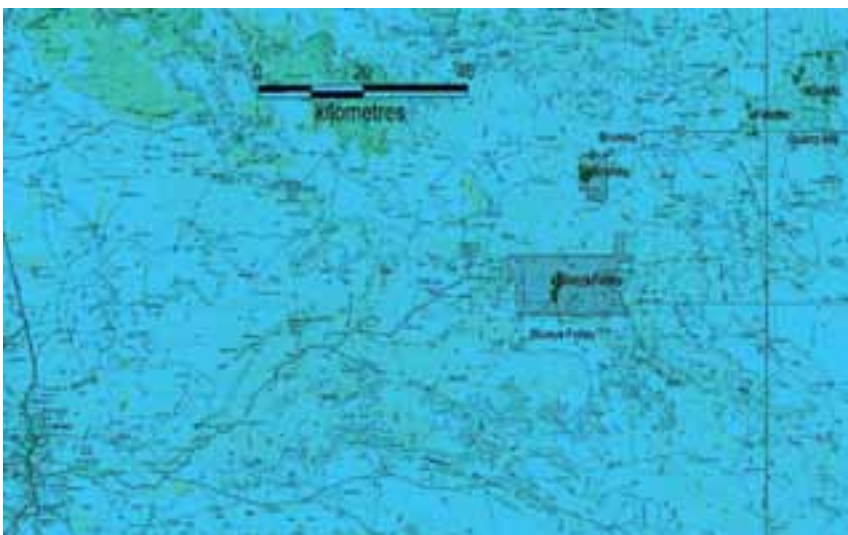
SAMPLE	Cu_ %	Au g/t	Ag g/t	Ca %	Fe %	Description
16901	1.05	0.01	0	0.39	13.35	Malachite & Fe oxide in carbonate gneiss
16902	0.70	0.06	0	0.44	15.4	Malachite & Fe oxide in carbonate gneiss
16903	1.80	0.15	0	16.75	3.88	Malachite in crystalline carbonate with magnetite
16904	8.20	0.73	14	5.05	10.75	Malachite in & on qtz-biotite gneiss; haematite
16908	4.68	0.44	1	5.21	7.25	Malachite in qtz-biotite gneiss
16910	4.44	0.96	6	2.21	9.08	Malachite in carbonate gneiss
16911	0.02	0	0	10.95	5.37	Carbonate-epidote-biotite gneiss; host to 16910
16912	6.15	1.7	13	0.19	3.93	Malachite in carbonate-epidote-biotite gneiss
16913	0.11	0	0	12.7	6.17	Carbonate-biotite-qtz gneiss; host to 16912

**Table 4:** Highlights from Newera's due diligence Rock chip samples of Copper showings, White Lady, EL25169.

**DIRECTORS' REPORT**



**Figure 8:** Carbonate-epidote gneiss containing Malachite at White Lady, Harts Range, NT. Sample 16910 (see Table 4).



**Fig 9:** Topographical plan showing Newera Project areas and infrastructure.

**NEW PROJECTS**

**“Brumby” - E/25700 and EL25926**

Also during the year Newera moved to secure a highly uranium and rare earth prospective ground package consisting of two (2) tenements covering 230 square kilometres within the Harts Range Province of the Northern Territory to the southwest of the Quartz Hill package.

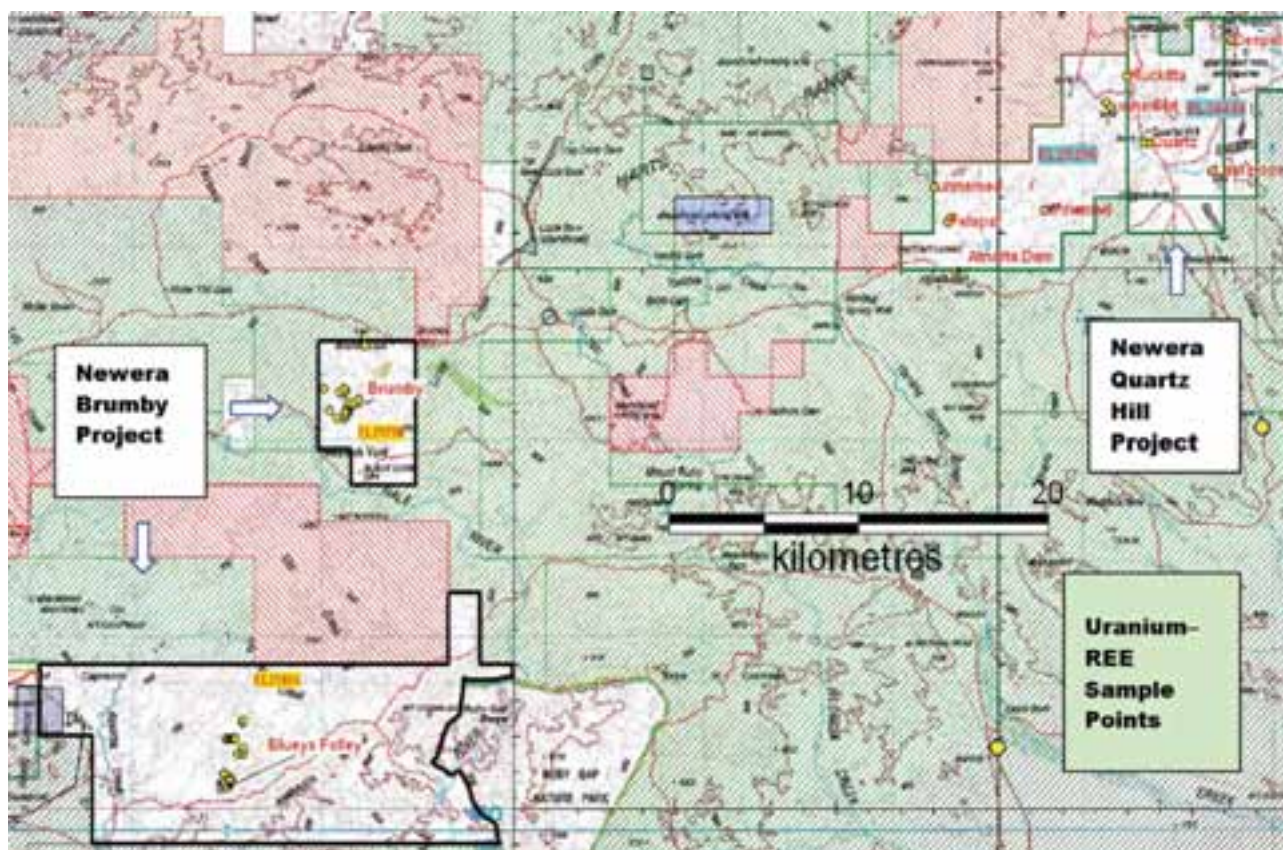
Newera has entered into an agreement with Fermi Pty Ltd (“Fermi”), giving us a three-year option to secure 80% of Fermi’s rights to Northern Territory exploration licences EL25700 and EL25926.

The tenement package designated the “Brumby” project represents a highly prospective and significant uranium exploration opportunity and consolidates Newera’s ground position within the Harts Range province. The Brumby tenements are within 25kms of Newera’s existing Quartz Hill project.

Uranium mineralisation at the Brumby prospect is hosted by pegmatite dykes intruding gneisses and schists of the Illogwa Shear Zone. The pegmatites occur as a swarm radiating from the nearby Entia Dome, a granite intrusion 20km to the north east and are probably related to late stage granite emplacement. The pegmatites contain allanite, a common rare earth element (REE) and uranium bearing mineral typically occurring in pegmatites and some granites. This style of mineralisation is similar to that identified at Newera’s Quartz Hill Project which hosts numerous pegmatite dykes, each typically 10m wide by several hundred metres long.

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## DIRECTORS' REPORT



**Fig 10:** Topographical plan showing Newera Project areas and Uranium – REE sample points.

Within EL25926, the Bluey's Folly prospect outcrops over an area of about 4km<sup>2</sup> that consists predominantly of pegmatite and is believed to contain a significant resource of allanite (Murrell 1988).

The Fermi tenements now optioned by Newera are prospective for both Uranium and Rare Earth as indicated in table 5 below.

**Table 1:** Historical sample results from the Brumby leases

Prospect Name	Easting	Northing	anomalous elements	U ppm	Th ppm	P ppm	Ba ppm	Ce ppm	La ppm	Nb ppm	Y ppm	Ta ppm
Brumby	491275	7421472	U>Th, LREE, Y, Zr, P	9000	2600	4900	390	28000	15000	40	8300	0
Brumby	491307	7421879	Th>U, LREE,	1700	2100	3800	200	23000	13000	20	600	0
Brumby	491036	7422415	Th>U, LREE, Zr	260	2000	1900	400	3400	1900	20	140	0
Brumby	490344	7421505	Th>U, LREE, P	290	2800	51000	88	29000	16000	0	900	0
Brumby	491270	7421470	U>Th, LREE, Y, Zr, P	22000	2500	7200	280	18000	9400	0	6000	0
Brumby	491247	7421454	U>Th, LREE, Y, Zr, P	11000	1500	7800	220	17000	8800	90	5300	20
Brumby	491203	7421537	Th>U, LREE, P	190	1600	4200	790	10000	6100	0	300	0

**DIRECTORS' REPORT**

Prospect Name	Easting	Northing	anomalous elements	U ppm	Th ppm	P ppm	Ba ppm	Ce ppm	La ppm	Nb ppm	Y ppm	Ta ppm
Brumby	490838	7422454	U>Th, LREE, Y, Zr, P	3300	1900	12000	520	28000	17000	0	1000	0
Brumby	490836	7422445	U>Th, LREE, Y, Zr	3800	2700	280	310	31000	19000	0	930	0
Brumby	491167	7421285	U>Th, LREE, Y, Zr, P	7100	1900	8700	100	14000	8000	20	870	0
Brumby	491192	7422519	Th>U, LREE, Y, Zr, P	850	2600	4200	560	7700	3900	0	1500	0
Brumby	491560	7421913	Th>U, LREE, Y, Zr, P	280	2500	4000	320	13000	7200	0	990	0
Brumby	491863	7422109	Th>U, LREE, Y, Zr, P	2500	7800	18000	280	24000	14000	10	3800	0
Brumby	491174	7421281	Th>U, LREE, Y, Zr, P	7100	9500	14000	240	19000	11000	10	1000	0
Brumby	491095	7421105	Th>U, LREE, P	1400	9900	4700	630	9400	5400	0	390	0
Brumby	490693	7421135	Th>U, LREE, P	93	3400	4500	1100	5900	3300	0	620	0
Brumby	492201	7424920	Th>U, LREE, Y	690	960	470	220	1400	540	210	1100	10
Brumby	491086	7421293	Th>U, LREE, P	500	2400	2400	430	3400	1800	10	230	0
Brumby	491192	7421492	U>Th, LREE, P, Zr	2100	2000	4500	370	11000	6300	0	750	0
Unnamed	490054	7422685	Th>U, LREE, P	410	3400	2900	260	5700	3100	0	210	0
Brumby	491091	7422659	U>Th, Y, W	536000	69000	1	0	1000	1000	750	35000	0
Blueys Folly	484800	7402850	Th>>U, LREE, Ba, Zr	0	1100	2180	5760	7199	4002	0	128	0
Blueys Folley	485100	7402700	Th>>U, LREE, P, Ba, Zr	0	4000	5280	1780	25782	14568	0	498	0
Blueys Folley	485000	7402200	Th>>U, LREE, P, Zr	0	1740	4540	370	8796	4936	0	170	0
Blueys Folley	485200	7402550	Th>>U, LREE,	0	855	1048	1530	5406	3093	0	103	0
Blueys Folly	485100	7402550	Th>>U, LREE, Zr	0	831	305	0	4841	2623	0	77	0
Blueys Folly	485500	7403900	Th>>U, LREE, Zr	65	1220	349	0	8147	4993	0	131	0
Blueys Folly	485800	7403950	Th>>U, LREE, Zr	0	1390	305	0	9231	5231	0	192	0
Blueys Folly	485800	7404200	Th>>U, LREE, P, Zr	0	3960	13880	910	24973	14033	0	668	0
Blueys Folly	484900	7404700	Th>>U, LREE, Ba, Zr	0	4040	1964	2000	29391	17100	0	350	0
Blueys Folly	485100	7404700	Th>>U, LREE, Ba, Zr	0	2080	698	1910	15781	8345	0	157	0
Blueys Folly	485200	7404700	Th>>U, LREE, P, Zr	0	5900	10520	0	43387	28600	0	858	0
Blueys Folly	485250	7404700	Th>>U, LREE, Zr	0	1190	1746	840	9164	4945	0	117	0
Blueys Folly	485300	7404700	Th>>U, LREE, Ba, Zr	0	837	698	3350	6367	3575	0	85	0
Blueys Folly	485350	7404700	Th>>U, LREE, P, Zr	0	5940	10520	0	45411	29067	0	838	0
Blueys Folly	485750	7405550	Th>>U, LREE	0	637	480	1050	4140	2309	0	39	0
Blueys Folly	485800	7405600	Th>>U, LREE, Zr	0	660	3667	0	43936	26067	0	520	0
Blueys Folly	484865	7402861	Th>>U, LREE	0	0	0	0	0	0	0	0	0

(Table 5 Ref: Hussey KJ, 2003. Rare earth element mineralisation in the eastern Arunta Region. *Northern Territory Geological Survey, Record 2003-2004*)

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## DIRECTORS' REPORT

The principle terms of the Option Agreement are:

A three (3) year option to acquire 80% of Fermi's rights to the exploration licence applications listed above, an option fee on signing of the agreements of \$80,000 plus an issue of fully paid shares to the value of \$90,000 (300,000 shares @ 30c fixed), plus 160,000 options exercisable at 35c with an expiry date of September 4, 2010.

On exercise of the option (at Newera's discretion), Newera would be required to pay \$200,000 cash plus issue fully paid shares to the value of \$800,000 (at the volume weighted average share price for the last five days trading of Newera on ASX prior to the exercise date) plus 600,000 options exercisable at 50c, with three years to expiry from the date of grant.

In lieu of the issue of shares, Newera has the right to pay up to 60% of the exercise price in cash, at Newera's election. Fermi retains a 2% FOB product sales royalty.

**Amadeus Basin - EL25487, EL25488, EL25500, EL25502, EL25503, EL25572 and EL25680**

During the reporting year Newera also moved to secure a significant, strategic, coherent and highly uranium prospective ground package consisting of seven (7) tenements covering 4,951 square kilometres within the Amadeus Basin in the Northern Territory.

Newera entered into an agreement with Fermi Pty Ltd ("Fermi"), giving us a three-year option to secure 80% of Fermi's rights to NT exploration licence applications EL25487, EL25488, EL25500, EL25502, EL25503, EL25572 and EL25680.

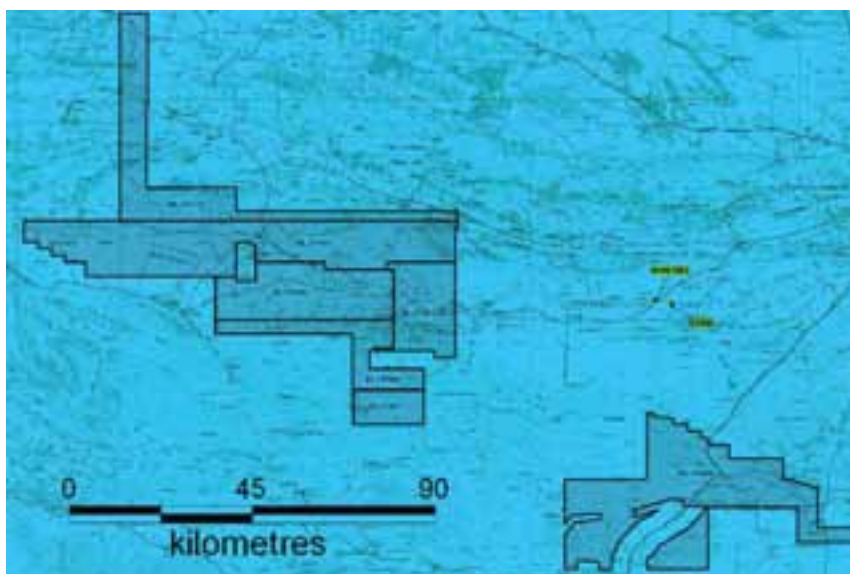
The large tenement package represents a strategic, highly prospective and significant uranium exploration opportunity which includes almost the entire western portion of the Amadeus Basin, in what could be described as the least explored portion of the basin.

Fermi's holdings include the same geological formation (the Undandita Member and the Brewer Formation) known to host significant uranium deposits and mineralisation in the Eastern (Pamela and Angela) and the central (Nonuba /Daria) portions of the Amadeus Basin.

Exploration in the 1970's in the Eastern and central portion of the basin followed up on subtle airborne radiometric anomalies resulting in the discovery of the large Angela and Pamela uranium deposits (not within Fermi's tenure). The Angela deposit has a resource of 12,650t U3O8 grading 0.1% U3O8 with significant potential upside.

Newera is currently one of 34 accepted applicants for the Angela and Pamela deposits.

The Fermi tenements now optioned by Newera include part of a recently delineated, large geophysical radiometric uranium anomaly. The Company believes that this uranium anomaly is highly significant; as it was identified from a recent dataset acquired after the last uranium boom and has never been followed up on the ground. The anomaly represents a high-priority target for Newera.



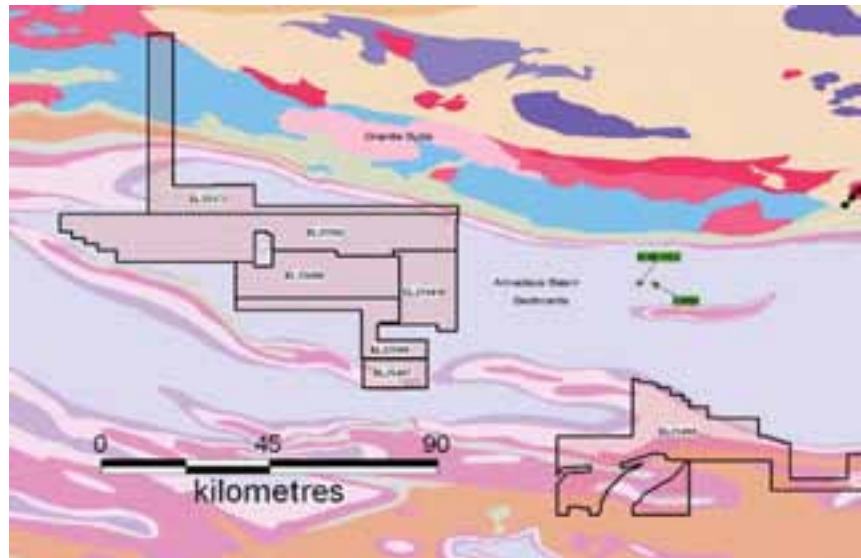
**Fig 11:** Topographical map showing tenement locations and infrastructure.

**DIRECTORS' REPORT**

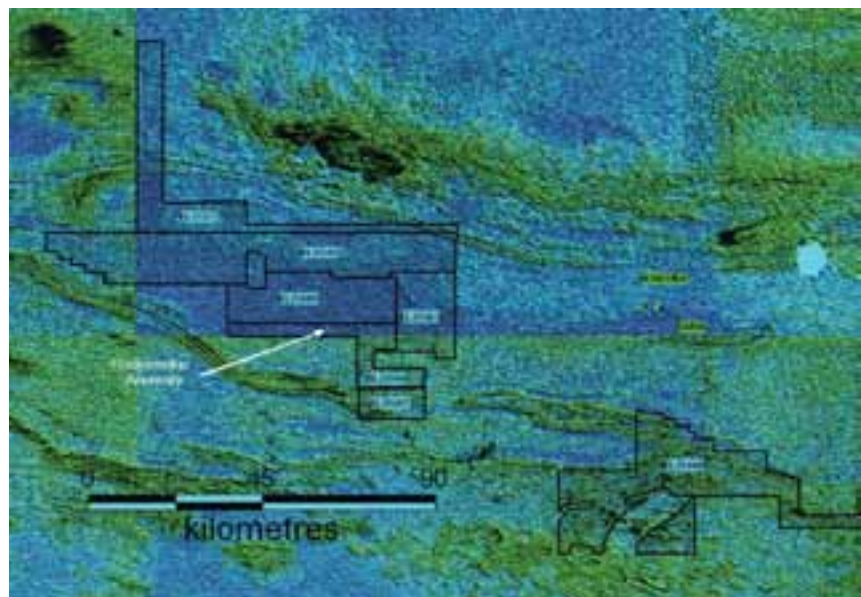
The principle terms of the Option Agreement are:

A three (3) year option to acquire 80% of Fermi's rights to the exploration licence applications listed above, an option fee on signing of the agreements of \$100,000 plus an issue of fully paid shares to the value of \$360,000 (1.2m @ 30c fixed), plus 500,000 options exercisable at 35c with an expiry date of September 4, 2010.

On exercise of the option (at Newera's discretion), Newera would be required to pay \$500,000 cash plus issue fully paid shares to the value of \$2 million (at the volume weighted average share price for the last five days trading of Newera on ASX prior to the exercise date) plus 1.5 million options exercisable at 50c, with three years to expiry from the date of grant. In lieu of the issue of shares, Newera has the right to pay up to 60% of the exercise price in cash, at Newera's election. Fermi retains a 2% FOB product sales royalty.



**Fig 12:** Newera Uranium Limited Tenements (under option from Fermi Pty Ltd), known deposits and Amadeus Basin geology.



**Fig 13:** Radiometric (U-channel ) outline of the Amadeus basin (400m line spacing). Note: uranium "hot" granites to the North and Northwest. These are a potential source of any uranium mineralisation within Newera's optioned tenements.

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## DIRECTORS' REPORT



### SUMMARY

During the course of the year the Company successfully undertook field programs covering the Pells Range project (comprehensive Radiometrics survey) the Jailor Bore project (Reconnaissance rock chip sampling, mapping and two lines of radiometrics) and the Quartz Hill project (reconnaissance rock chip sampling and mapping).

In addition, the Company was able to consolidate its ground positions at Pells Range (one application), Jailor Bore (one option agreement and one application) and Quartz Hill (four applications), while securing a further single uranium/copper prospective tenement (EL25169) within the Harts Range province to the north west of Quartz Hill.

As part of a strategic re-alignment of its exploration focus towards the Northern Territory, Newera was able to secure an option agreement over a large tract of Uranium prospective ground, covering a significant portion of the western Amadeus Basin. In all, seven tenements are included within the Amadeus Basin package.

Newera was also, as part of this re-alignment, able to secure an option agreement over two uranium Prospective tenements located within the Harts Range province south west of Quartz Hill.

The Company is satisfied that with the recent additions to its uranium prospective ground position within Australia it has acquired a significant number of new uranium exploration targets to be included within future exploration programs.

During the year the Northern Territory Government announced the release for public application, the tenement areas covering the known Angela and Pamela Uranium Resources. Newera prepared and lodged comprehensive applications for the ground and was subsequently advised that it was one of 34 accepted applicants for the projects. At the end of the period, the Northern Territory Government had not announced the successful applicants.

Native Title negotiations were conducted with the indigenous groups covering the Amadeus basin optioned tenements, the Jailor Bore tenements, the Pells Range tenements and the Jailor Bore tenements. The Company engaged the services of Indigenous affairs specialist consultants, Itteams Australia Pty Ltd and by the end of the period the Company believes it has established working relationships with all these groups which should assist with land access for exploration.

Corporately the Company reviewed a number of offshore opportunities during the year, rejecting the majority but failing to secure a favoured South American opportunity due to other companies being prepared to bid at very high values.

While Newera continues to search for Australian and offshore opportunities, the priority for the coming year is to successfully explore and discover uranium deposits within its highly uranium prospective Australian project areas.

## DIRECTORS' REPORT

### Newera's Tenement Schedule

#### Newera's Leases

Lease	Project	Status	Application Date	Grant Date	Expiry Date	Area	Commitment	Rent	Holders
E09/1386	Pells Range	Application	27/09/2006				\$0.00	\$0.00	Newera Uranium Limited (100%),
E09/1434	Jailor Bore	Application	13/02/2007				\$0.00	\$0.00	Newera Uranium Limited (100%),
EL25674	Qtz Hill	Application	27/10/2006				\$0.00	\$0.00	Newera Uranium Limited (100%),
EL25775	Angela Prospect	Application	07/12/2006				\$0.00	\$0.00	Newera Uranium Limited (100%),
EL25776	Angela Prospect	Application	07/12/2006				\$0.00	\$0.00	Newera Uranium Limited (100%),
EL26046	Qtz Hill	Application	16/04/2007				\$0.00	\$0.00	Newera Uranium Limited (100%),
EL26047	Qtz Hill	Application	16/04/2007				\$0.00	\$0.00	Newera Uranium Limited (100%),
EL26048	Qtz Hill	Application	16/04/2007				\$0.00	\$0.00	Newera Uranium Limited (100%),
EL25169	Qtz Hill	Granted	30/01/2006	06/11/2006	05/11/2012	21 Blocks	\$14,860.00	\$231.00	Newera Uranium

#### Newera's Joint Venture and Optioned Leases

Lease	Project	Status	Application Date	Grant Date	Expiry Date	Area	Commitment	Rent	Holders
E09/1193	Pells Range JV	Granted	16/02/2005	17/11/2005	16/11/2010	70 Blocks	\$70,000.00	\$7,707.70	Newera 35% Cazaly Iron Pty Ltd 65% Ltd 65%
E09/1194	Jailor Bore JV	Granted	16/02/2005	09/12/2005	08/12/2010	63 Blocks	\$63,000.00	\$6,936.93	Newera 35% Cazaly Iron Pty Ltd 65%
E09/1298	Jailor	Granted	03/04/2006	05/04/2007	04/04/2012	191 Blocks	\$191,000.00	\$21,031.01	Coccinella Pty Ltd (100%),
E53/1178	Lake Way JV	Granted	19/07/2005	24/04/2006	23/04/2011	46 Blocks	\$46,000.00	\$5,065.06	Newera 35% Cazaly Iron Pty Ltd 65%
E53/1180	Lake Way JV	Granted	26/07/2005	24/04/2006	23/04/2011	17 Blocks	\$20,000.00	\$1,871.87	Newera 35% Cazaly Iron Pty Ltd 65%
E53/1193	Lake Way JV	Granted	06/09/2005	06/06/2006	05/06/2011	70 Blocks	\$70,000.00	\$7,707.70	Newera 35% Cazaly Iron Pty Ltd 65%
E53/1194	Lake Way JV	Granted	09/09/2005	06/06/2006	05/06/2011	57 Blocks	\$57,000.00	\$6,276.27	Newera 35% Cazaly Iron Pty Ltd 65%
EL24838	Quartz Hill JV	Granted	08/08/2005	06/04/2006	05/04/2012	14 Blocks	\$25,000.00	\$154.00	Newera 35% Cazaly Iron Pty Ltd 65%
EL25296	Quartz Hill JV	Granted	10/04/2006	02/11/2006	01/11/2012	33	\$15,000.00	\$363.00	Newera 35% Cazaly Iron Pty Ltd 65%

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## DIRECTORS' REPORT

### Newera's leases optioned under the agreement with Fermi Uranium Pty Ltd.

Holder	Permit	Locality	Blocks	Area km <sup>2</sup>	Application Date	Grant Date	1st Year Rent	Expend Commit
Fermi Uranium	EL25487	"Areyonga Valley"	55	157	19/07/2006	26JUL07	\$550	\$30,000
Fermi Uranium	EL25488	"Hugh River"	492	1522	19/07/2006	26JUL07	\$5000	\$80,000
Fermi Uranium	EL25500	"James Ranges"	106	322	24/07/2006		\$1060	\$37,100
Fermi Uranium	EL25502	"Missionary Plain"	414	1285	24/07/2006		\$4140	\$144,900
Fermi Uranium	EL25503	"Hermannsburg"	124	368	24/07/2006		\$5000	\$43,400
Fermi Uranium	EL25572	"Macdonnell Ranges"	251	718	24/08/2006		\$5000	\$75,000
Fermi Uranium	EL25680	"Larapinta Drive"	188	579	02/11/2006		\$1880	\$42,000
Fermi Uranium	EL25700	"Brumby Dam"	11	35	06/11/2007		\$110	\$55,000
Fermi Uranium	EL25926	"Amarata Range"	67	199	15/02/2007		\$670	\$30,000

### FINANCIAL POSITION

The net assets of the Company are \$6,743,351. Full details of the financial position of the Company can be found in the Financial Report within this Annual Report. The directors believe the Company is in a strong and stable financial position to pursue its current operations.

### AFTER BALANCE DATE EVENTS

On 28th August 2007 the Company release results from its exploration program at Pells Range.

On 4th September 2007 the Company issued 1,500,000 shares and 660,000 unlisted options to Fermi Uranium Pty Ltd as consideration for the option to acquire the Brumby and Amadeus projects as announced to ASX on 23 April 2007.

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

### FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Company intends to continue to pursue its goals to acquire, explore, and exploit uranium deposits and explore prospective uranium tenements.

### ENVIRONMENTAL ISSUES

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

### INFORMATION ON DIRECTORS

#### MR MARTIN BLAKEMAN

Executive Chairman

**QUALIFICATIONS:** B Ec.

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 22 years experience at board level in junior 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), and Kagara Ltd (now Kagara Zinc Ltd), retiring in 1999 after 16 years continuous service.

## DIRECTORS' REPORT

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Martin promoted and was appointed to the Board as a founding director of Metex Resources NL in September 1992. Over a 4-year period to June 1996, he held the position as Manager Corporate of Metex, forming an integral part of that company's executive management team. Mr Blakeman remains a non - executive director of Metex Resources NL.

In 2003, Martin incorporated and became a founding director of Mantle Mining Corporation Ltd. 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 the successful 2006 listing on ASX of that company.

Other than disclosed above, over the past three years Martin has not held any directorships of ASX Listed companies.

### **MR WINTON WILLESEE**

Non-Executive Director and Company Secretary

**QUALIFICATIONS:** BBus., DipEd., PGDipBus., MCom., FFin, ASA

Winton has broad experience in the company administration of ASX listed companies, corporate governance and corporate finance. Winton has a Master of Commerce, Post-Graduate Diploma in Business (Economics and Finance), a Diploma in Education and a Bachelor of Business. Winton is a Fellow of the Financial Services Institute of Australasia and an Associate of CPA Australia.

Winton is also a Director of Hawk Resources Limited and has filled the role of Company Secretary with a number of listed and unlisted public companies. He is currently also the Company Secretary of Mantle Mining Corporation Ltd, Balkans Gold Limited, Boss Energy Limited and Hawk Resources Limited.

Other than disclosed above, over the past three years Winton has held directorship of the following ASX Listed companies – Wytomic Limited (now Sultan Corporation Limited)

### **MR GREG MILES**

Non-Executive Director

**QUALIFICATIONS:** Bsc GDip (Geol), MAIG

Greg is a geologist with over 13 years experience in minerals exploration after graduating from the Australian National University in Canberra. Greg began his career with Plutonic Resources Limited and was a senior member of the team that discovered the 2.3Moz Centenary Deposit in the Yandal Belt of Western Australia. He then worked for New Hampton Goldfields and Harmony Gold in the Murchison District of Western Australia, enjoying near-mine success at the Cuddingwarra and Golden Crown Mining Centres. Greg joined Cazaly Resources Limited in October 2003 and is the Exploration Manager of the Company. His experience extends to numerous commodities including gold, silver, copper, nickel, iron ore and uranium throughout Australia and abroad. Greg is also a member of the Australian Institute of Geoscientists.

Other than disclosed above, over the past three years Greg has not held directorships of any ASX Listed companies.

## REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of Newera Uranium Limited, and for the executives receiving the highest remuneration.

## REMUNERATION POLICY

In determining competitive remuneration rates, the Board seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes benefit plans and share plans. Independent advice should be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

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## DIRECTORS' REPORT



### PERFORMANCE-BASED REMUNERATION

The Board recognises that Newera Uranium Limited operates in a global environment. To prosper in this environment the Company must attract, motivate and retain key executive staff.

The principles supporting the company's remuneration policy are that:

- Remuneration reflects the competitive global market in which the Company operates.
- Individual remuneration is based on performance across a range of indicators that apply to delivering results across the Company.
- Remuneration to executives are linked to creating value for shareholders.
- Executives remuneration is for both financial and non financial performance.

- Remuneration arrangements are equitable and facilitate the development of senior management across the Company
- Senior managers should receive a component of their remuneration in equity.

### MARKET COMPARISONS

Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. The Board continues to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the committee to reward key employees when they deliver consistently high performance.

### BOARD REMUNERATION

Shareholders approve the maximum aggregate remuneration for non-executive directors. The Board determines actual payments to directors and reviews their remuneration annually based, on independent external advice with regard to market practice, relativities, and the duties and accountabilities of directors. A review of directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

## DIRECTORS' REPORT

## DETAILS OF REMUNERATION FOR YEAR ENDED 30 JUNE 2007

The remuneration for each director and each of the sole executive officer of the Company receiving the highest remuneration during the year was as follows:

2007	Salary, Fees and Commissions \$	Super- annuation Contribution \$	Cash Bonus \$	Non- cash Benefits \$	Options \$	Total \$	Performance related %
<b>Directors</b>							
Martin Blakeman	176,044	-	-	-	-	176,044	0
Mark Maine	22,500	-	-	-	-	22,500	0
Greg Miles	27,000	-	-	-	-	27,000	0
Winton Willesee	52,764	-	-	-	-	52,764	0
	<b>278,309</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>278,309</b>	<b>0</b>
<b>Specified Executives</b>							
Phill Schiemer	134,948	11,656	-	-	6,581	153,185	4
	<b>134,948</b>	<b>11,656</b>	<b>-</b>	<b>-</b>	<b>6,581</b>	<b>153,185</b>	<b>4</b>

2006	Salary, Fees and Commissions \$	Super- annuation Contribution \$	Cash Bonus \$	Non- cash Benefits \$	Options \$	Total \$	Performance related %
<b>Directors</b>							
Martin Blakeman	14,235	-	-	-	-	14,235	0
Mark Maine	10,000	-	-	-	-	10,000	0
Greg Miles	6,000	-	-	-	-	6,000	0
Samuel Willis	-	-	-	-	-	-	0
Graeme Boden	-	-	-	-	-	-	0
	<b>30,235</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,235</b>	<b>0</b>
<b>Specified Executives</b>							
Winton Willesee	10,500	-	-	-	-	10,500	0
	<b>10,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,500</b>	<b>0</b>

## OPTIONS ISSUED AS PART OF REMUNERATION FOR THE PERIOD ENDED 30 JUNE 2007.

Phill Schiemer was granted 500,000 options as part of his remuneration in the current period, otherwise no options have been issued to directors and executives as part of their remuneration in the current period.

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## DIRECTORS' REPORT

### OPTIONS GRANTED AS REMUNERATION

	Vested No.	Granted No.	Grant Date	Terms & Conditions for Each Grant			
				Value per Option at Grant Date	Exercise Price	First Exercise Date	Last Exercise Date
<b>Key Management Personnel</b>							
Phill Schiemer	250,000	250,000	21 Nov 2006	0.019	0.35	21 May 2007	21 Nov 2009
Phill Schiemer	-	250,000	21 Nov 2006	0.007	0.41	21 May 2008	21 Nov 2009
	<b>250,000</b>	<b>500,000</b>					

The 250,000 unvested options will vest on 21 May 2008 subject to Mr Schiemer's continued employment with the Company.

### SHARES ISSUED ON EXERCISE OF COMPENSATION OPTIONS

No options granted as compensation in prior periods were exercised through the period.

### EMPLOYMENT CONTRACTS OF DIRECTORS AND SENIOR EXECUTIVES

The employment conditions of the Managing Director, Martin Blakeman, are formalised in a contract of employment. Mr Blakeman's contract is a fixed 24 month contract, which commenced on 28 April 2006 and expires on 28 April 2008.

The employment contracts stipulate 3 month resignation periods. The Company may terminate the employment contract without cause by providing 3 months written notice or making payment in lieu of notice, based on the individual's annual salary component.

Mr Schiemer is a full time employee of the Company. Neither Messrs Miles or Willesee are employed on a formal contract.

## DIRECTORS' REPORT

### MEETINGS OF DIRECTORS

During the financial year, eight meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors	Directors' Meetings	
	Number eligible to attend	Number Attended
Martin Blakeman	8	8
Mark Maine	6	6
Greg Miles	8	7
Winton Willesee	2	2

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

### INDEMNIFYING OFFICERS OR AUDITOR

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. During the year the Company paid \$8,623.45 in premiums for Directors and Officers insurance.

### OPTIONS

At the date of this report, the unissued ordinary shares of Newera Uranium Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
1 and 25 Sep 2006	30 April 2008	\$0.25	18,333,897
21 Nov 2006	21 Nov 2009	\$0.35	250,000
21 Nov 2006	21 Nov 2009	\$0.41	250,000
			18,833,897

During the year ended 30 June 2007, the following ordinary shares in the capital of the Company were issued on the exercise of options.

Grant Date	Exercise Price	Number of Shares Issued
01 September 2006	\$0.25	16,103

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## DIRECTORS' REPORT

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No options granted under the Company's Employee Option Plan have been exercised.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

### PROCEEDINGS ON BEHALF OF 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, in accordance with advice from the audit committee, 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 audit committee 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 as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2007:

	\$
Taxation services	600
Corporate services	5,750
	<b>6,350</b>

## DECLARATION

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### AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2007 has been received and can be found on page 11 of annual report.

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



**MARTIN BLAKEMAN**  
Director

Dated at Perth this 17<sup>th</sup> day of September 2007

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## CORPORATE GOVERNANCE STATEMENT

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The Company is committed to implementing the highest 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 2007.

### 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 independent directors of the Company are:

Mr Winton Willesee (appointed 31 March 2007)

Mr Greg Miles

When determining the independent status of a director the Board considers whether the director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company
- is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board
- has within the last three years been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided
- is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer
- has a material contractual relationship with the Company or another group member other than as a director

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

## CORPORATE GOVERNANCE STATEMENT

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 Uranium 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 <a href="http://www.nru.com.au">www.nru.com.au</a> within the Corporate Governance Statement.
1.2 Companies should disclose the process for evaluating the performance of senior executives.	Satisfied. Board Charter is available at <a href="http://www.nru.com.au">www.nru.com.au</a> in the Corporate Governance Statement.
2.1 A majority of the Board should be independent directors.	Satisfied. Both Mr Miles and Mr Willesee are independent.
2.2 The Chair should be an independent director.	Not Satisfied. Due to the size of the Company and its operations Mr Martin Blakeman is both an Executive Director and 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 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 <a href="http://www.nru.com.au">www.nru.com.au</a> in the Corporate Governance Statement.
3.1 Companies should disclose a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none"> <li>• The practices necessary to maintain confidence in the Company’s integrity</li> <li>• The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders</li> <li>• The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</li> </ul>	Satisfied. The Code of conduct is available at <a href="http://www.nru.com.au">www.nru.com.au</a> within the Corporate Governance Statement.
3.2 Companies should establish a policy concerning trading in the Company’s securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	Satisfied. The Trading Policy is available at <a href="http://www.nru.com.au">www.nru.com.au</a> within the Corporate Governance statement.

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## CORPORATE GOVERNANCE STATEMENT

Recommendation	Newera Uranium Limited current practice
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 Audit committee should be structured so that it: <ul data-bbox="213 909 783 1061" style="list-style-type: none"><li>• Consists only of non-executive directors</li><li>• Consists of a majority of independent directors</li><li>• Is chaired by an independent chair, who is not chair of the Board</li><li>• Has at least three members</li></ul>	Not satisfied. The Company has adopted a policy which includes Executive Directors as audit committee members
4.3 The audit committee should have a formal charter.	Satisfied. Audit Committee charter is available at <a href="http://www.nru.com.au">www.nru.com.au</a> within the Corporate Governance statement.
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 <a href="http://www.nru.com.au">www.nru.com.au</a> within the Corporate Governance statement.
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 <a href="http://www.nru.com.au">www.nru.com.au</a> within the Corporate Governance statement.
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Satisfied. Risk management program is available at <a href="http://www.nru.com.au">www.nru.com.au</a> 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 Managing Director, routinely consider risk management matters.

## CORPORATE GOVERNANCE STATEMENT

### Recommendation

### Newera Uranium Limited current practice

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 2007 financial period.

8.1 The Board should establish a remuneration committee.

Not Satisfied. The Board consider that given the current size of the Board, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a remuneration committee.

8.2 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.

### 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](http://www.nru.com.au).

## AUDITOR'S INDEPENDENCE DECLARATION



Directors  
Phillip Rix ACA  
Ranko Matić CA  
Chris Watty CA

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To the Board of Directors of Newera Uranium Limited

### Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

This declaration is made in connection with our audit of the financial report of Newera Uranium Limited for the period ending 30 June 2007 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to this audit;
- No contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to this audit.

Yours faithfully

A handwritten signature in green ink that reads 'Rix Levy Fowler'.

**RIX LEVY FOWLER**  
Audit & Corporate Pty Ltd

A handwritten signature in green ink that reads 'Ranko Matić'.

**RANKO MATIĆ**  
Director

Dated at Perth this 17<sup>th</sup> day of September 2007

**INCOME STATEMENT** for the year ending 30 June 2007

	Note	2007 \$	1 March 2006 to 30 June 2006 \$
Interest income		195,215	19,837
Administrative expenses		(145,877)	(15,089)
Consultancy and legal expenses		(87,737)	(12,145)
Compliance and regulatory expenses		(97,742)	(7,500)
Communication expenses		(19,055)	-
Depreciation and amortisation		(10,043)	-
Director and employee related expenses		(292,283)	(30,236)
Occupancy related expenses		(37,964)	-
Tenement management fees		(22,357)	(30,925)
Travel and accommodation related expenses		(20,757)	-
Loss from ordinary activities before income tax expense		(538,600)	(76,058)
Income tax expense relating to operating activities	3	-	-
Net loss from ordinary activities after income tax expense attributable to members of the company		(538,600)	(76,058)
Total changes in equity other than those resulting from transactions with owners as owners		(538,600)	(76,058)
Basic earnings / (loss) per share (cents per share)	4	(1.38)	(0.55)
Diluted earnings / (loss) per share (cents per share)	4	(0.99)	(0.55)

The accompanying notes form part of these financial statements.

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## BALANCE SHEET as at 30 June 2007

		2007	2006
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	3,740,507	3,289,093
Trade and other receivables	6	37,500	18,754
<b>TOTAL CURRENT ASSETS</b>		<u>3,778,007</u>	<u>3,307,847</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	31,833	-
Exploration costs	8	2,974,094	2,100,000
<b>TOTAL NON CURRENT ASSETS</b>		<u>3,005,927</u>	<u>2,100,000</u>
<b>TOTAL ASSETS</b>		<u>6,783,934</u>	<u>5,407,847</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	40,583	109,902
<b>TOTAL CURRENT LIABILITIES</b>		<u>40,583</u>	<u>109,902</u>
<b>TOTAL LIABILITIES</b>		<u>40,583</u>	<u>109,902</u>
<b>NET ASSETS</b>		<u>6,743,351</u>	<u>5,297,945</u>
<b>EQUITY</b>			
Issued capital	10	7,167,928	5,374,003
Reserves		190,081	-
Retained profits / (Accumulated losses)		(614,658)	(76,058)
<b>TOTAL EQUITY</b>		<u>6,743,351</u>	<u>5,297,945</u>

The accompanying notes form part of these financial statements.

**CASH FLOW STATEMENT** for the year ending 30 June 2007

	Note	1 March 2006 to 30 June 2007	2006
		\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		-	-
Payments to suppliers and employees		(805,256)	(11,107)
Interest received		195,215	19,837
Borrowing costs paid		-	-
Income tax paid		-	-
Payment for deferred exploration expenditure		(874,094)	-
<b>Net Cash Provided by Operating Activities</b>	12(b)	<u>(1,484,135)</u>	<u>8,730</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(41,876)	-
Purchase of tenement assets		-	(100,000)
<b>Net Cash used in Investing Activities</b>		<u>(41,876)</u>	<u>(100,000)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		1,977,425	3,646,200
Share issue costs		-	(265,837)
<b>Net Cash used in Financing Activities</b>		<u>1,977,425</u>	<u>3,380,363</u>
Net increase/(decrease) in cash held		451,414	3,289,093
Cash at 1 JULY 2006	12(a)	<u>3,289,093</u>	-
<b>Cash at 30 JUNE 2007</b>		<u><b>3,740,507</b></u>	<u><b>3,289,093</b></u>

The accompanying notes form part of these financial statements.

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## STATEMENT OF CHANGES IN EQUITY for the period ending 30 June 2007

	Note	Issue Capital \$	Retained Losses \$	Option Reserve \$	Total \$
BALANCE AT 1 MARCH 2006		-	-	-	-
Profit attributable to members			(76,058)		(76,058)
Shares issued during the year		5,374,003		-	5,374,003
SUB-TOTAL		5,374,003	(76,058)	-	5,297,945
Dividends paid or provided for					
<b>BALANCE AT 30 JUNE 2006</b>		<b>5,374,003</b>	<b>(76,058)</b>	<b>-</b>	<b>5,297,945</b>
BALANCE AT 1 JULY 2006		5,374,003	(76,058)	-	5,297,945
Profit attributable to members			(538,600)		(538,600)
Shares issued during the year		1,793,925			1,793,925
Options issued during the year				190,081	190,081
SUB-TOTAL		7,167,928	(614,658)	190,081	6,743,351
Dividends paid or provided for					
<b>BALANCE AT 30 JUNE 2007</b>		<b>7,167,928</b>	<b>(614,658)</b>	<b>190,081</b>	<b>6,743,351</b>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS** for the year ending 30 June 2007

**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the Company of Newera Uranium Limited. Newera Uranium Limited is a listed public company, incorporated and domiciled in Australia.

The financial report of Newera Uranium Limited complies with all Australian equivalents to International Financial Reporting Standards ("AIFRS") in their entirety.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**a Basis of Preparation**

The accounting policies set out below have been consistently applied to all years presented.

**Reporting Basis and Conventions**

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

**b Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

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## NOTES TO THE FINANCIAL STATEMENTS for the year ending 30 June 2007

### c. Property, Plant and Equipment

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

#### Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

#### Plant and equipment

Plant and equipment are measured on the cost basis.

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.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

#### Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**d Exploration, evaluation and development expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development on the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserve.

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 area 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 carry forward costs in relation to that area of interest.

**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 that is transferred to entities in the economic entity, 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 period.

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 periods 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.

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## NOTES TO THE FINANCIAL STATEMENTS for the year ending 30 June 2007

### f. Financial Instruments

#### Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges.

Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

#### 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 stated at amortised cost using the effective interest rate method.

#### Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

#### Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

#### Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

#### Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

#### Fair value

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.

#### Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

**NOTES TO THE FINANCIAL STATEMENTS**

**g Impairment of Assets**

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

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.

**h Interests in Joint Ventures**

The Company's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the financial statements. Details of the Company's interests are shown at Note 12 and in the Directors' Report.

**i Provisions**

Provisions are recognised when the group 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.

**j Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**k Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**l Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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## NOTES TO THE FINANCIAL STATEMENTS for the year ending 30 June 2007

### m. 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"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### n. Comparative Figures

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

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 KEY MANAGEMENT PERSONNEL COMPENSATION

**a) Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:**

Martin Blakeman	Managing Director
Mark Maine	Non-Executive Chairman (retired)
Winton Willesee	Non-Executive Director and Company Secretary
Greg Miles	Non-Executive Director

**b) Compensation Practices**

In determining competitive remuneration rates, the Board, acting in its capacity as the remuneration committee, seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes benefit plans and share plans. Independent advice should be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Board recognises that Newera Uranium Limited operates in a global environment. To prosper in this environment we must attract, motivate and retain key executive staff.

Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. The Board continues to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the committee to reward key employees when they deliver consistently high performance.

Shareholders approve the maximum aggregate remuneration for non-executive directors. The Board determines actual payments to directors and reviews their remuneration annually based, on independent external advice with regard to market practice, relativities, and the duties and accountabilities of directors. A review of directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

The employment conditions of the Managing Director, any Executive Director and specified executives are formalised in contracts of employment when such an arrangement is considered appropriate. The Managing Director is employed under a fixed 2 year contract, which commenced on 28 April 2006.

The employment contracts stipulate 3 month resignation periods. The Company may terminate an employment contract without cause by providing 3 months written notice or making payment in lieu of notice, based on the individual's annual salary component.

The Exploration Manager, appointed in August 2006, is a permanent employee of Newera Uranium Limited.

## c) Key Management Personnel Compensation

2007 Key Management Person	Short-term Benefits				Post-employment benefits	Other Long-term benefits	Share based		Total Performance	
	Cash, salary & commissions	Cash profit share	Non-cash benefit	Other	Super-annuation	Other	Equity	Options	\$	%
Martin Blakeman	176,094	-	-	-	-	-	-	-	176,094	0
Mark Maine	22,500	-	-	-	-	-	-	-	22,500	0
Winton Willesee	52,794	-	-	-	-	-	-	-	52,794	0
Greg Miles	27,000	-	-	-	-	-	-	-	27,000	0
Phill Schiemer	134,948	-	-	-	11,656	-	-	6,581	153,185	4
	413,336	-	-	-	11,656	-	-	6,581	431,573	

2006 Key Management Person	Short-term Benefits				Post-employment benefits	Other Long-term benefits	Share based		Total Performance	
	Cash, salary & commissions	Cash profit share	Non-cash benefit	Other	Super-annuation	Other	Equity	Options	\$	%
Martin Blakeman	14,235	-	-	-	-	-	-	-	14,235	0
Mark Maine	10,000	-	-	-	-	-	-	-	10,000	0
Winton Willesee	10,500	-	-	-	-	-	-	-	10,500	0
Greg Miles	6,000	-	-	-	-	-	-	-	6,000	0
Samuel Willis	-	-	-	-	-	-	-	-	-	0
Phill Schiemer	-	-	-	-	-	-	-	-	-	0
	40,735	-	-	-	-	-	-	-	40,735	0

## d) Number of Options Held by Key Management Personnel

Key Management Person	Balance 1.7.2006	Granted as compensation	Options Exercised	Net Change	Balance 30.6.2007	Total Vested 30.6.2007	Total Exercisable 30.6.2007	Total Un-exercisable 30.6.2007
				Other				
Martin Blakeman	-	-	-	500,000	500,000	500,000	500,000	-
Mark Maine	-	-	-	50,000	50,000	50,000	50,000	-
Greg Miles	-	-	-	50,000	50,000	50,000	50,000	-
Winton Willesee	-	-	-	150,000	150,000	150,000	150,000	-
Phill Schiemer	-	500,000	-	750,000	1,250,000	1,000,000	1,000,000	250,000
	-	500,000	-	750,000	1,250,000	1,000,000	1,000,000	250,000

**NOTES TO THE FINANCIAL STATEMENTS**

**e) Number of Shares Held by Key Management Personnel**

Key Management Person	Balance 1.7.2006	Received as Compensation	Options Exercised	Net change Other	Balance 30.6.2007
Martin Blakeman	1,000,000	-	-	-	1,000,000
Mark Maine	100,000	-	-	-	100,000
Greg Miles	100,000	-	-	27,500	127,500
Winton Willesee	50,000	-	-	(30,000)	20,000
	1,250,000	-	-	(2,500)	1,247,500
				<b>2007</b>	<b>2006</b>
				\$	\$

**NOTE 2 AUDITORS' REMUNERATION**

Remuneration of the auditor for:

Auditing or reviewing the financial report	11,000	5,500
Taxation services and corporate services	6,350	2,000
Investigating accountant	-	5,000
	<u>17,350</u>	<u>12,500</u>

**NOTE 3 INCOME TAX**

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

Prima facie tax on operating profit at 30%	(161,580)	(22,817)
Add / (Less)		
Tax effect of:		
Deferred tax asset not brought to account	161,580	22,817
Income tax attributable to operating loss	-	-

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward amounting to approximately \$161,580 (2006: \$22,817) have not been brought to account at 30 June 2007 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 Company 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 Company continues to comply with the conditions for deductibility imposed by law; and
- iii) no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss and exploration expenditure.

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## NOTES TO THE FINANCIAL STATEMENTS for the year ending 30 June 2007

	2007 \$	2006 \$
<b>NOTE 4 EARNINGS PER SHARE</b>		
(a) Earnings used to calculate basic EPS	(538,600)	(76,058)
	<b>Number of Shares</b>	<b>Number of Shares</b>
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	38,983,892	13,808,974
(c) Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	54,317,454	13,808,974

### NOTE 5 CASH AND CASH EQUIVALENTS

Cash at bank and in hand	3,740,507	3,289,093
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### NOTE 6 TRADE AND OTHER RECEIVABLES

GST and ABN withholding tax receivables	37,500	18,754
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### NOTE 7 PROPERTY, PLANT & EQUIPMENT

#### PLANT AND EQUIPMENT

Plant and equipment – at cost	18,973	-
Accumulated depreciation	(2,814)	-
	<u>16,159</u>	<u>-</u>
Office equipment – at cost	22,903	-
Accumulated depreciation	(7,229)	-
	<u>15,674</u>	<u>-</u>
Total property, plant and equipment	<u>31,833</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**(a) Movements in Carrying Amounts**

Movement 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	Office equipment	Total
	\$	\$	\$
Opening balance at 1 July 2006	-	-	-
Additions	18,973	22,903	41,876
Depreciation expense	(2,814)	(7,229)	(10,043)
Balance at 30 June 2007	16,159	15,674	31,833

**NOTE 8 EXPLORATION EXPENDITURE**

2007  
\$

2006  
\$

Exploration and evaluation phase expenditure capitalised 2,974,094 2,100,000

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

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

The economic entity 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.

**NOTE 9 TRADE AND OTHER PAYABLES**

Other payables 40,583 109,902

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## NOTES TO THE FINANCIAL STATEMENTS for the year ending 30 June 2007

### NOTE 10 ISSUED CAPITAL

43,816,146 Fully paid ordinary shares

	2007 \$	2006 \$
	7,167,928	5,374,003
	<b>Number of Shares</b>	<b>Number of Shares</b>
<b>(a) Ordinary Shares</b>		
At the beginning of the reporting period	36,700,000	-
Shares issued during the period		
1 March 2006	-	4,500,000
31 March 2006	-	1,200,000
7 April 2006	-	6,000,000
13 June 2006	-	25,000,000
21 November 2006	3,900	-
4 December 2006	1,050	-
21 December 2006	500	-
19 February 2007	5,075,043	-
10 April 2007	5,653	-
12 April 2007	2,000,000	-
20 April 2007	25,000	-
8 May 2007	5,000	-
At reporting date	43,816,146	36,700,000

On 21 November 2006 the company issued 3,900 ordinary shares at \$0.25 each to shareholders.  
 On 4 December 2006 the company issued 1,050 ordinary shares at \$0.25 each to shareholders.  
 On 12 December 2006 the company issued 500 ordinary shares at \$0.25 each to shareholders.  
 On 8 December 2006 the company issued 5,000 ordinary shares at \$0.25 each to shareholders.  
 On 19 February 2007 the company issued 5,075,043 ordinary shares at \$0.25 each to shareholders.  
 On 10 April 2007 the company issued 5,653 ordinary shares at \$0.25 each to shareholders.  
 On 12 April 2007 the company issued 2,000,000 ordinary shares at \$0.25 each to shareholders.  
 On 20 April 2007 the company issued 25,000 ordinary shares at \$0.25 each to shareholders.  
 On 8 May 2007 the company issued 5,000 ordinary shares at \$0.25 each to shareholders.

### NOTE 11 RESERVES

#### (a) Option Reserve

The option reserve records items recognised as expenses on valuation of employee share options.

**NOTES TO THE FINANCIAL STATEMENTS**

2007  
\$

2006  
\$

**NOTE 12 COMMITMENTS**

**Joint Venture Commitments**

The economic entity has entered into the following joint ventures:

**SALE AND JOINT VENTURE AGREEMENT – GASCOYNE AREA**

On 9 May 2006 the Company acquired 35% interest in tenements held by Cazaly Iron Pty Limited by virtue of farm-in and joint venture agreement for the consideration of a cash payment and equity in Newera Uranium Limited.

Newera has the sole right to earn up to an 80% interest in the tenements by expending or causing to be expended the sum of \$1,000,000, over a period of five years from the date of commencement.

The Company also has a 100% share of tenements rental and expenditure commitments of:

Payable:

– not later than 12 months	148,000	150,895
– between 12 months and 5 years	337,500	603,578
– greater than 5 years	-	-
	<u>485,500</u>	<u>754,473</u>

**JOINT VENTURE AGREEMENT – LAKEWAY PROJECT – WA**

On 9 May 2006 the Company acquired 35% interest in tenements held by Cazaly Iron Pty Limited by virtue of farm-in and joint venture agreement.

Newera has the sole right to earn up to an 80% interest in the tenements by expending or causing to be expended the sum of \$1,000,000, over a period of five years from the date of commencement.

This is in addition to the \$1,000,000 noted above.

The Company also has a 100% share of tenements rental and expenditure commitments of:

Payable:

– not later than 12 months	215,000	212,270
– between 12 months and 5 years	403,500	849,079
– greater than 5 years	-	-
	<u>618,500</u>	<u>1,061,349</u>

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## NOTES TO THE FINANCIAL STATEMENTS for the year ending 30 June 2007

	2007	2006
	\$	\$

### JOINT VENTURE AGREEMENT – QUARTZ HILL PROJECT – NT

On 9 May 2006 the Company acquired 35% interest in tenements held by Cazaly Iron Pty Limited by virtue of farm-in and joint venture agreement.

Newera has the sole right to earn up to an 80% interest in the tenements by expending or causing to be expended the sum of \$1,000,000, over a period of five years from the date of commencement.

The Company also has a 100% share of tenements rental and expenditure commitments of:

Payable:

– not later than 12 months	40,700	24,767
– between 12 months and 5 years	183,200	99,067
– greater than 5 years	-	24,767
	223,900	148,601

### Option Agreements

The economic entity has entered into the following Option Agreements:

#### OPTION AGREEMENT – GASCOYNE PROJECT – WA

On the 15th May 2007 the Company entered into a three year Option Agreement with Coccinella Pty Ltd.

Newera has the right, within three years from 15th May 2007, to acquire a 100% interest in Western Australian tenement E09/1298 through payment of \$20,000 for reimbursement of vendor's expenses, meeting the statutory expenditure requirements applicable to the tenement for a period of three years, and then upon exercise of the Option, pay to Coccinella, \$500,000 and grant to Coccinella, either a 1.5% Smelter Royalty or a 1.5% FOB Royalty.

Newera to be the managers of the tenement during the period of the option.

The Company has a 100% share of tenement rental and expenditure commitments of:

Payable:

– not later than 12 months	212,000	-
– between 12 months and 5 years	476,500	-
– greater than 5 years	-	-
	688,500	-

**NOTES TO THE FINANCIAL STATEMENTS**



	2007	2006
	\$	\$

*OPTION AGREEMENT – AMADEUS PROJECT - NT*

On the 19th April 2007 the Company entered into a three year Option agreement with Fermi Uranium Pty Ltd.

Newera has the right, within three years of the 19th April 2007, to acquire an 80% interest in Northern Territory tenements ELA 25487, ELA25488, ELA25500, ELA25502, ELA25503, ELA25572 and ELA25680 through payment of an option fee of \$100,000 and the issue of 1,200,000 shares and 500,000 initial options and on exercise of the Option, \$500,000 and shares to the value of \$2,000,000. On exercise of the Option, Newera to grant Fermi a 2% FOB product sales royalty.

On grant of the tenements Newera will be responsible for tenement management, statutory expenditure and rents and rates if applicable.

Newera to be the managers of the tenement during the period of the option.

As 5 tenements are current applications, no amounts are payable on these tenements.

EL25487 and EL25488 were granted on the 26th July 2007.

Payable:

– not later than 12 months

115,500

– between 12 months and 5 years

537,500

– greater than 5 years

-

653,000

*OPTION AGREEMENT – BRUMBY PROJECT - NT*

On the 19th April 2007 the Company entered into a three year Option agreement with Fermi Uranium Pty Ltd.

Newera has the right within three years of 19th April 2007, to acquire an 80% interest in Northern Territory tenements EL25700 (granted) and ELA 25926 through payment of an Option fee of \$80,000, the issue of 300,000 shares and 160,000 Initial options, and on exercise of the Option, \$200,000 and shares to the value of \$800,000. On exercise of the Option, Newera to grant Fermi a 2% FOB product sales royalty.

On grant of the tenements Newera will be responsible for tenement management, statutory expenditure and rents and rates if applicable.

Newera to be the managers of the tenement during the period of the option.

To date only EL25700 is granted; EL 25926 remains an application.

Payable:

– not later than 12 months

55,000

– between 12 months and 5 years

221,750

– greater than 5 years

-

276,750

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## NOTES TO THE FINANCIAL STATEMENTS for the year ending 30 June 2007

	2007	2006
	\$	\$
<b>Acquisitions – Newera 100%</b>		

### SALE AND PURCHASE AGREEMENT – QUARTZ HILL PROJECT – NT

On the 7th April 2007 the Company entered into a sale and purchase agreement with Oneva Pty Ltd to acquire a 100% interest in Northern Territory EL for \$50,000 cash. A cheque was issued to Oneva on 27/04/07.

The purchase has been completed and Newera has assumed all responsibilities under the NT Mining Act with regard to the tenement.

#### Payable:

– not later than 12 months	15,000	-
– between 12 months and 5 years	61,750	-
– greater than 5 years	-	-
	<u>76,750</u>	<u>-</u>

### Applications – Quartz Hill NT

During the period, having consolidated its ground position around the Quartz Hill project via four applications, Newera received a grant on EL2567

EL's 26046, 26047 and 26048 remain applications. Commitments on EL25674 are as follows:

<b>Payable:</b>		
– not later than 12 months	5,050	-
– between 12 months and 5 years	20,750	-
– greater than 5 years	-	-
	<u>25,800</u>	<u>-</u>

### NOTE 13 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or assets.

### NOTE 14 CASH FLOW INFORMATION

#### (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	3,740,507	3,289,093
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## NOTES TO THE FINANCIAL STATEMENTS

	2007	2006
	\$	\$
<b>(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax</b>		
Operating profit after income tax	(538,600)	(76,058)
Non-cash flows in profit from ordinary activities		
Share-based payment	6,581	-
Depreciation and amortisation	10,043	-
Changes in assets and liabilities		
(Increase)/decrease in receivables	6,581	(7,584)
(Increase)/decrease in other assets	(892,840)	-
Increase/(decrease) in trade and other payables	(69,319)	92,372
Net Cash Flow from/(used in) Operating Activities	<u>(1,419,135)</u>	<u>8,730</u>

**NOTE 15 EVENTS AFTER THE BALANCE SHEET DATE**

On 28th August 2007 the Company released results from its exploration program at Pells Range.

On 4th September 2007 the Company issued 1,500,000 shares and 660,000 unlisted options to Fermi Uranium Pty Ltd as consideration for the option to acquire the Brumby and Amadeus projects as announced to ASX on 23 April 2007.

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

**NOTE 16 RELATED PARTY TRANSACTIONS**

There were no related party transactions completed during the reporting period.

**NOTE 17 FINANCIAL INSTRUMENTS**
**(a) Financial Risk Management**

The Company's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

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

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

**Treasury Risk Management**

Senior executives of the Company 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.

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## NOTES TO THE FINANCIAL STATEMENTS for the year ending 30 June 2007

### ii. Financial Risks

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

#### Interest rate risk

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

#### Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

#### 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 Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

### (b) Interest Rate Risk

The Company'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:

	Floating Interest Rate		Fixed Interest Rate				Non Interest Bearing		Total		Weight Effective Interest Rate	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial Assets												
Cash	3,740,507	3,289,093	-	-	-	-	-	-	3,740,507	3,289,093	6.30	5.36
Trade and other receivables	-	-	-	-	-	-	37,500	18,754	37,500	18,754	N/A	N/A
<b>Total Financial Assets</b>	<b>3,740,507</b>	<b>3,289,093</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,500</b>	<b>18,754</b>	<b>3,778,007</b>	<b>3,307,847</b>		
Financial Liabilities												
Trade and other payables	-	-	-	-	-	-	40,583	109,902	40,583	109,902	N/A	N/A
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,583</b>	<b>109,902</b>	<b>40,583</b>	<b>109,902</b>		

### NOTE 18 SEGMENT REPORTING

Newera operates wholly in one business and geographical business segment.

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 19 COMPANY DETAILS**

The registered office and principal place of business of the Company is:  
Suite 5 / 2 Centro Avenue  
SUBIACO, WA 6008

**NOTE 20 CHANGE IN ACCOUNTING POLICY**

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

<b>AASB Amendment</b>	<b>Standards Affected</b>	<b>Outline of Amendment</b>	<b>Application Date of Standard</b>	<b>Application Date for Company</b>
AASB 2005-10: Amendments to Australian Accounting Standards	AASB 1: First time adoption of AIFRS AASB 4: Insurance Contracts AASB 101: Presentation of Financial Statements AASB 114: Segment Reporting AASB 117: Leases AASB 133: Earnings per Share AASB 1023: General Insurance Contracts AASB 1038: Life Insurance Contracts AASB 139: Financial Instruments: Recognition and Measurement	The disclosure requirements of AASB 132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments will involve changes to financial instrument disclosures within the financial report. However, there will be no direct impact on amounts included in the financial report as it is a disclosure standard.	1 Jan 2007	1 July 2007
AASB 7: Financial Instruments: Disclosures	AASB 132: Financial Instruments: Disclosure and Presentation	As above	1 Jan 2007	1 July 2007

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## DIRECTORS' DECLARATION

### Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 12 to 31, are in accordance with the Corporations Act 2001 and:

(a) comply with Accounting Standards and the Corporations Regulations 2001; and

(b) give a true and fair view of the financial position as at 30 June 2007 and of the performance for the year ended on that date of the company and economic entity;

2. the officers fulfilling the roles of Chief Executive Officer and Chief Finance Officer have each declared that:

(a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

(b) the financial statements and notes for the financial year comply with the Accounting Standards; and

(c) the financial statements and notes for the financial year give a true and fair view;

3. In the director's opinion there are reasonable grounds to believe that the company 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



**MARTIN BLAKEMAN**

Director

Dated at Perth this 17th day of September 2007.

**INDEPENDENT AUDITOR'S REPORT**



Directors  
Phillip Rix ACA  
Randy Matic CA  
Chris Watts CA

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**TO THE MEMBERS OF NEWERA URANIUM LIMITED**

**Report on the Financial Report**

We have audited the accompanying financial report of Newera Uranium Limited (the company), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company.

**Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

**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 whether the financial report is free from material misstatement and that the remuneration disclosures in the directors' report comply with Accounting Standard AASB 124.

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## INDEPENDENT AUDITOR'S REPORT

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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 judgment, 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 and the remuneration disclosures in the directors' 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, provided to the directors of Newera Uranium Limited on the 17 September 2007, would be in the same terms if provided to the directors as at the date of this auditor's report.

### **Audit Opinion**

In our opinion:

(a) the financial report of Newera Uranium Limited is in accordance with the Corporations Act 2001, including;

(i) giving a true and fair view of the company's financial position as at 30 June 2007 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**RIX LEVY FOWLER**  
Audit & Corporate Pty Ltd

**RANKO MATIĆ**  
Director

Dated at Perth this 17<sup>th</sup> day of September 2007

## SHAREHOLDER INFORMATION

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

### CLASS OF SHARES AND VOTING RIGHTS

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

- (a) 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
- (b) 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 2007)

Spread of Holdings	Number of Holders	Units	% of issued capital
1 – 1,000	97	38,181	.08
1,001 – 5,000	383	1,140,081	2.52
5,001 – 10,000	656	5,300,402	11.70
10,001 – 100,000	473	14,875,892	32.83
100,001 – over	42	23,961,590	52.88
	<b>1651</b>	<b>45,316,146</b>	<b>100.00</b>

There were 341 shareholders holding less than a marketable parcel at 24 September 2007. The percentage of shares held by 20 largest shareholders is 45.33%. There are 1,300,000 shares subject to escrow until 15 June 2008. There is no current on-market buy back taking place. At the date of this report there were no substantial shareholders.

### DISTRIBUTION OF LISTED OPTIONHOLDERS (AS AT 24 SEPTEMBER 2007)

Spread of Holdings	Number of Holders	Units	% of issued capital
1 – 1,000	13	9,332	.05
1,001 – 5,000	63	262,247	1.43
5,001 – 10,000	63	471,757	2.57
10,001 – 100,000	109	4,215,905	23.00
100,001 – over	27	13,374,656	72.95
	<b>275</b>	<b>18,333,897</b>	<b>100.00</b>

Percentage held by 20 largest option holders is 67.79%

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## SHAREHOLDER INFORMATION

### UNLISTED OPTIONS

- 1 there are presently 4,000,000 unlisted options with an exercise price of \$0.25 and an expiry date of 31 December 2009 on issue. These are held by two holders each holding 2,000,000 options.
- 2 there are presently 250,000 unlisted options with an exercise price of \$0.35 and an expiry date of 21 November 2009 and 250,000 unlisted unvested options with an exercise price of \$0.41 and an expiry date of 21 November 2009 on issue. These are held by one holder.

During the reporting period the Company used its cash and assets in a manner consistent with its business objectives.

### TWENTY LARGEST SHAREHOLDERS (AS AT 24 SEPTEMBER 2007)

Name	Number of ordinary shares held	Percentage of capital held
ANZ NOMINEES LIMITED <CASH INCOME A/C>	6,22,947	13.74
FORTIS CLEARING NOMINEES P/L <SETTLEMENT A/C>	4,655,827	10.27
FERMI URANIUM PTY LTD	1,500,000	3.31
M A BLAKEMAN <THE BLACKWOOD A/C>	1,000,000	2.21
MR CLIVE BRUCE JONES	796,070	1.82
CITICORP NOMINEES PTY LTD	786,861	1.74
MR BARRY FRANCIS CRONIN & MRS KERRY ANNE CRONIN <HILLVIEW 52 SUPER FUND A/C>	570,000	1.26
ETRADE AUSTRALIA NOMINEES PTY LTD	550,000	1.21
MISS ANNABEL WALLACE	500,000	1.10
MR KENNETH CLEMENTS <MOLLOY ISLAND SUPER FUND A/C>	500,000	1.10
CRAWFORD FALLS PTY LTD	475,000	1.05
SUNRISE WA PTY LTD	440,000	0.97
MR NATHAN BRUCE MCMAHON	428,204	0.94
NEW HORIZONS INVESTMENTS PTY LTD	400,000	0.88
DR SALIM CASSIM	350,000	0.77
DEASIL TRADING PTY LTD	350,000	0.77
KEYGROWTH TRADING PTY LTD	300,000	0.66
PAUL MENAHEM	300,000	0.66
MR MELVIN HON LUONG	220,000	0.49
MAINCOAST PTY LTD	200,000	0.44
<b>Total</b>	<b>20,549,909</b>	<b>45.33</b>

## SHAREHOLDER INFORMATION

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**TWENTY LARGEST OPTIONHOLDERS (LISTED OPTIONS – NRUO)  
(AS AT 24 SEPTEMBER 2007)**

Name	Number of ordinary shares held	Percentage of capital held
CAZALY RESOURCES LIMITED	5,000,000	27.27
SUNRISE WA PTY LTD	1,800,000	9.82
ANZ NOMINEES LIMITED <CASH INCOME A/C>	1,688,623	9.21
MA BLAKEMAN <THE BLACKWOOD A/C>	500,000	2.73
RENSIM PTY LIMITED	320,500	1.75
CHIMAERA CAPITAL LIMITED	308,997	1.69
MR ARNOLD OLSCHYNA	300,000	1.64
BIOSPACE INVESTMENTS LIMITED	250,000	1.36
MR JOHN JOSEPH RALPH	247,553	1.35
CRAWFORD FALLS PTY LTD	237,500	1.30
KINGSGREEF PTY LTD <NB & DL FAMILY A/C>	212,140	1.16
MISS ANNABEL WALLACE	200,000	1.09
MR TONY VANSHILFGAARDE	200,000	1.09
MR MARK MAINE & MR GARY GLIDDON <INVESTMENT SYNDICATE A/C>	195,000	1.06
MR YING ZHAO	180,625	0.99
MRS KATIE ANNE MCMAHON	171,666	0.94
VINCENZO BRIZZI AND RITA LUCIA BRIZZI <BRIZZI FAMILY S/F A/C>	155,277	0.85
MR GEOFF KEVIN CAMMELL	155,000	0.85
PAUL THOMSON FURNITURE PTY LTD <THOMSON SUPER FUND A/C>	150,000	0.82
MR PETER DAVIES	150,000	0.82
	<b>12,422,881</b>	<b>67.79</b>

**newera-**  
**uranium**  
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