



Interim Financial Report 2007

Newera Uranium Limited

ABN 27 118 554 359

Interim Financial Report 2007

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Directors' Report

Your directors submit the financial report of Newera Uranium Limited ("the Company") for the half-year ended 31 December 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 Greg Miles

Mr Winton Willesee (Director and Company Secretary)

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

Review of Operations

Western Australia

LAKE WAY - E53/1194

During the half, all necessary approvals were received by the Company to allow the planned drill program within E53/1194 to proceed. The program is a reconnaissance-style program designed to test a substantial palaeodrainage which is interpreted to be a feeder channel to Nova Energy's Lake Way uranium deposit, located immediately to the south.

A contract has been entered into with a drilling contractor and the program commenced in February 2008.

PELLS RANGE – E09/1193, E09/1386

Newera's Pells Range project consists of E09/1193 and ELA09/1386, straddling the Gascoyne River. It lies 36km east of Gascoyne Junction on the Meekatharra road and less than 10km from the Goldfields Gas Pipeline.

The project hosts identified uranium mineralisation discovered by Afmeco Australia Ltd (Afmeco) in the late 1970's. A mineralised zone of at least twice background radiation along a strike length of in excess of 25km has been delineated with imperial mile spaced (approximately 1600m) percussion holes. Some infill to 400m centres was carried out by Occidental Minerals (Occidental) in JV with Afmeco from 1980.

Occidental drilled an additional 4 diamond holes to twin previous rotary mud holes containing high grade intersections and selectively assayed the anomalous zones, with XRF results including 2.5kg/t U (2.24kg/t U³O⁸) from carbonaceous material at **54m depth** in MOG 60 and 1.9kg/t U (2.95kg/t U³O⁸) from **47m** in a carbonaceous silty sandstone in MOG23.

These results were not followed up due to the collapse of uranium exploration in the early 1980's.

A demonstrated correlation of uranium mineralisation with carbonaceous content of the host sandstone exists. Carbonaceous sediments are easily located using electromagnetic geophysical techniques, which become an effective exploration tool to determine the location of the most prospective ground.

Newera has previously announced that it had contracted Geoforce Pty Ltd to carry out an aerial EM survey over 245km² of the Company's Pells Range project in the Gascoyne region of Western Australia. The survey occurred in March 2007 and geophysical specialists Southern Geoscience Consulting (SGC) were engaged to interpret the survey data.

Analysis of the final EM survey data by SGC Corporation has produced a cohesive conductivity anomaly that extends over a strike length of 3.3 kilometres and a width of 1.6 kilometres, and at depths of between 40m in the south to 60m in the north (60m being the limit of the survey's penetration). This anomaly is therefore likely to extend further down-plunge to the north.

This anomaly is co-incident with many of the higher grade intercepts in the historic drilling including the results above, and shows the progression northwest (down-plunge) from 40m to 60m of a carbonaceous channel within the host Moogooloo Sandstone. Newera believes this is the same unit as that logged by Afmeco and Occidental in their broad spaced drilling in the early 1980's.

Newera has commenced the permitting process for a program of RC drilling designed to test this anomaly on several lines. Designed in two phases, the first stage of the program comprises 3250m, with the second stage comprising 3955m. Stage two will be dependent upon the results of stage one.

Newera is confident that the anomaly represents an excellent target for drilling and is highly likely, based on previous drill results, to contain significant uranium mineralisation.

Directors' Report

JAILOR BORE PROJECT – E09/1194 and E09/1298

A field trip to Jailor Bore was undertaken during the half to ground truth a number of new prospects. These were highlighted through acquisition of imagery (completed by Southern Geoscience Consultants of Perth) that covered the previously missing southern and northern portions of E09/1298, which were outside the imagery sourced for the original lease E09/1194.

Five anomalies were visited. The three in the south showed visible carnotite mineralisation in sites of excavation by previous workers, notably in shallow costeans from base-metal explorers in the 1970's but also in areas excavated by floodwaters in shallow gullies. These showed higher scintillometer readings than the outcrop seen at Ben Hur on E09/1194 and have been sent for assay by XRF to Kalgoorlie Assay Laboratories in Perth.

The occurrences are very similar to the occurrence at Ben Hur, in that they occur in the basal limestones of the Carnarvon Basin on the contact with the underlying granites and granitic gneisses. Encouragement is garnered from the fact that the areas are under thin surficial cover but still record a strong anomaly. The limestones dip to the west at approximately 30°.

Newera has located three new uranium and uranium/Thorium anomalies on the eastern side of E09/1298. Three lobes are separated by broad, shallow drainages with colluvial cover masking any radiation anomaly, over a strike length of 5km (fig 1), the mineralised limestones show visible yellow carnotite/tyuyamunite mineralisation wherever the surface cover has been penetrated.

The sample results below were received during the half:

Sample ID	U ₃ O ₈ ppm	V ₂ O ₅ ppm	Sample description	location description
J19090701	6	84	soil & limestone subcrop on surface	North anomaly
J19090702	53	116	soil & limestone outcrop on surface	North anomaly
J19090703	65	105	calcrete in weathered limestone, minor carnotite	North anomaly
J20090703	15	100	calcrete and limestone subcrop on gully slope	North anomaly
J20090704	235	195	weathered limestone in old costean; carnotite	North anomaly
J20090705	166	179	weathered limestone in old costean; carnotite	North anomaly
J20090706	165	262	weathered limestone in old costean; carnotite	North anomaly
J20090707	99	93	limestone in creek gully bank: carnotite on selvedges	North anomaly
J19090704	6	59	calcrete & limestone chips as subcrop	Central anomaly
J20090701	<1	52	soil and surface subcrop	Southern anomaly
J20090702	171	179	limestone & soil from old tip site excavation	Southern anomaly

Table 1: Surface grab samples from the Giant prospect. Results are whole rock from KAL, using XRF pressed pellet for U and V.

In many cases this mineralisation appears to have been leached at the surface. Surface soils over the limestones contain unmineralised pedogenic carbonate, which acts as a mask for anomalism. Rocks exposed at surface show no mineralisation due to weathering.

Mineralisation is exposed in any excavation that penetrates to a depth beyond 30cm. This includes shallow gullies cut by surface run-off on elevated ground. It is particularly strong where costeans for base metal exploration (circa the 1970's) have been placed to cross-cut the limestones, as these are relatively fresh and un-leached. A hand-dug rubbish tip that judging by the bottles was excavated in the 1930's also showed significant mineralisation in the limestones.

Newera is confident that any fresh excavation or drilling will expose more un-leached mineralisation.

A drill program is being planned to test the anomalies.

Northern Territory

WHITE LADY – EL25169

As previously reported this tenement was subject to a sale and purchase agreement between Newera and Oneva Pty Ltd, wherein Newera acquired a 100% interest. Newera was notified by the NT Department that the transfer had been completed and the title was registered in Newera's name on 11 July 2007.

White lady was acquired primarily as a uranium / copper / gold exploration project, with recent surface exploration producing a series of high grade copper rock chip sample results. The copper prospectivity was considered high enough by Newera to warrant a first phase of exploration, using VTEM (airborne electro-magnetic survey). The VTEM survey was completed by mid October, with data forwarded to Southern Geoscience for analysis and modelling.

Three separate VTEM anomalies were identified within EL25169, away from the pervasive surface copper enrichment previously identified.

Directors' Report

It is the Company's intent to conduct a reconnaissance field trip to the location of each of the anomalies in an attempt to identify any surface expression of those anomalies in order that a future program can be planned to test those anomalies.

QUARTZ HILL PROJECT – EL24838, EL25296 & EL25674

Newera's Quartz Hill project consists of EL24838, EL25296, EL25674 and several applications, located in the eastern Harts Ranges of the NT. 150km east-northeast of Alice Springs, the project lies at the eastern end of the Proterozoic Arunta Block, within granitic gneisses with high background uranium and mixed felsic and mafic intrusives.

Previous explorers found several instances of uranium mineralisation within the project area in the 1990's and Newera has previously announced U and REE mineralisation from the nearby True Grit and Spartacus pegmatite prospects.

During the half preliminary results have been received from the VTEM (Versatile Time-domain Electromagnetic) survey carried out on its Quartz Hill project in NT. Newera contracted Geotech Pty Ltd to carry out the survey over "bullseye" magnetic highs in EL24838. Geophysical specialists Southern Geoscience Consulting (SGC) have been engaged to interpret the survey data.

VTEM surveys measure conductivity, which is present in areas of massive sulphide. In IOCG deposits massive sulphides are often subordinate to disseminated sulphides, which do not have a conductivity signature. Graphite will also conduct electricity. Conductivity is not associated with the magnetite host, the origin of the magnetic anomalism, as magnetite has low conductivity.

Preliminary analysis of the data by SGC Corporation has produced a series of 16 conductors, including several priority one anomalies some of which are vertical and lie within the (sub-vertical) structural features. The anomalies vary from shallow to deep and are co-incident with the magnetic highs (fig 2).

Newera believes the anomalies represent high priority drilling targets and will design an exploration program as soon as full analysis of the data is complete.

CANNING BASIN – Applications E04/1724-26 and E04/1734

During the half, several applications were made within the Canning Basin south-west of Fitzroy Crossing. Applications were made to cover large semi co-incident Magnetic and Gravity highs and a second area to cover a point magnetic high nearby. It is considered the target anomalies represent valid IOCG targets with potential to host uranium, gold and copper.

Subsequent Events

Lake Way Drilling – E53/1194

Aircore drilling was conducted over E53/1194 for a period of 14 days during February. A total of 2,150m were completed, less than the initial proposed program as palaeochannel calcrete was not found to be as extensive as first interpreted. All results remain pending.

Tenement Application - Angela and Pamela

During the half, the Northern Territory Government advised that Newera's tender for the lease containing the historic Angela and Pamela uranium deposits had been unsuccessful.

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Greg Miles, Non-Executive Director of Newera Uranium Limited who is a member of the Australian Institute of Geoscientists. Mr Miles has sufficient experience, which is relevant to the style of mineralization and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Miles consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Financial Performance

Financial Position

The net assets of the Company have increased by \$146,425 to \$6,889,776 as at 31 December 2007 (30.6.2007 \$6,743,351)

Financial Performance

The loss of the company for the half year ended 31 December 2007 amounted to (\$332,475). At 31 December 2006: (\$263,016).

Directors' Report

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2007.

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



Winton Willesee
Director

DATED at PERTH this 11th day of March 2007

To The Board of Directors

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

This declaration is made in connection with our review of the financial report of Newera Uranium Limited for the half year ended 31 December 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 the review;
- no contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants



RANKO MATIĆ
Director

DATED at PERTH this 11th of March 2008

Income Statement

for the half-year ended 31 December 2007

	31.12.2007	31.12.2006
	\$	\$
Revenue	105,095	84,942
Audit and related services fees	(15,250)	(13,951)
Consultant fees	(123,225)	(138,345)
Employee benefits expense	(68,268)	(61,902)
Tenement management fees	(38,434)	(39,464)
Other expenses from ordinary activities	(192,393)	(94,296)
Profit from ordinary activities before income tax expense	(332,475)	(263,016)
Income tax expense relating to ordinary activities	-	-
Profit from ordinary activities after income tax expense	(332,475)	(263,016)
Profit attributable to members of the company	(332,475)	(263,016)
Overall Operations		
Basic earnings / (loss) per share (cents per share)	(0.74)	(0.72)

The accompanying notes form part of these financial accounts

Balance Sheet

as at 31 December 2007

	31.12.2007	30.6.2007
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	2,989,948	3,740,507
Trade and other receivables	40,013	37,500
TOTAL CURRENT ASSETS	3,029,961	3,778,007
NON CURRENT ASSETS		
Property, plant and equipment	30,837	31,833
Exploration costs	3,852,611	2,974,094
TOTAL NON-CURRENT ASSETS	3,883,448	3,005,927
TOTAL ASSETS	6,913,409	6,783,934
CURRENT LIABILITIES		
Trade and other payables	23,633	40,583
TOTAL CURRENT LIABILITIES	23,633	40,583
TOTAL LIABILITIES	23,633	40,583
NET ASSETS	6,889,776	6,743,351
EQUITY		
Issued capital	7,617,928	7,167,928
Reserves	218,981	190,081
Retained profits	(97,133)	(614,658)
TOTAL EQUITY	6,889,776	6,743,351

The accompanying notes form part of these financial accounts

Statement of Changes in Equity

for the half-year ended 31 December 2007

	Note	Issued Capital	Retained Profits	Option Reserve	Total
BALANCE AT 1 JULY 2006		5,374,003	(76,058)	-	5,297,945
Profit attributable to members		-	(263,016)	-	(263,016)
SUB-TOTAL		5,374,003	(339,074)	-	5,034,929
Dividends paid or provided for		-	-	-	-
Options issued		-	-	183,500	183,500
Shares issued on exercise of options		1,363	-	(55)	1,308
BALANCE AT 31 DECEMBER 2006		5,375,366	(339,074)	183,445	5,219,737
BALANCE AT 1 JULY 2007		7,167,928	(614,658)	190,081	6,743,351
Profit attributable to members		-	(332,475)	-	(332,475)
SUB-TOTAL		-	(947,133)	-	6,410,876
Dividends paid or provided for		-	-	-	-
Options issued		-	-	28,900	28,900
Shares issued		450,000	-	-	450,000
Shares issued on exercise of options		-	-	-	-
BALANCE AT 31 DECEMBER 2007		7,617,928	(947,133)	218,981	6,889,776

The accompanying notes form part of these financial accounts

Cash Flow Statement

for the half-year ended 31 December 2007

	31.12.2007	31.12.2006
		\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers and employees	(427,597)	(487,453)
Interest received	105,095	84,942
Borrowing costs	-	-
Income tax paid	-	-
Payment for deferred exploration expenditure	(421,917)	-
Net Cash Provided by Operating Activities	(744,419)	(402,511)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,140)	(24,468)
Purchase of tenement assets	-	(205,000)
Net Cash Used in Investing Activities	(6,140)	(229,468)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of options	-	1,363
Proceeds from issue of shares	-	183,500
Share issue costs	-	-
Net Cash Used in Financing Activities	-	184,863
Net Increase/(Decrease) in cash held	(750,559)	(447,116)
Cash at 1 July 2007	3,740,507	3,289,093
Cash at 31 December 2007	2,989,948	2,841,977

The accompanying notes form part of these financial accounts

Notes to the Financial Statements

for the half-year ended 31 December 2007

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2007 and any public announcements made by Newera Uranium Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

a. Basis of Preparation

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.

NOTE 2. EVENTS AFTER THE BALANCE SHEET DATE

Lake Way Drilling – E53/1194

Aircore drilling was conducted over E53/1194 for a period of 14 days during February. A total of 2,150m were completed, less than the initial proposed program as palaeochannel calcrete was not found to be as extensive as first interpreted. All results remain pending.

Tenement Application - Angela and Pamela

During the half, the Northern Territory Government advised that Newera's tender for the lease containing the historic Angela and Pamela uranium deposits had been unsuccessful.

NOTE 3. CONTINGENT ASSETS AND LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 14, are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - (b) give a true and fair view of the Company's financial position as at 31 December 2007 and of its performance for the half-year ended on that date.
2. In the directors' 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.



Winton Willesee
Director

DATED at PERTH this 11th day of March 2008

Independent Auditor's Review Report

To the Members of Newera Uranium Limited

We have reviewed the accompanying half-year financial report of Newera Uranium Limited which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

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Directors Responsibility for the Half-Year Financial Report

The directors of the entity are responsible for the preparation and fair presentation of the half-year 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 half-year 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Newera Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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 11th of March 2008, would be in the same terms if provided to the directors as at the date of this auditor's review report

Independent Auditor's Review Report

To the Members of Newera Uranium Limited (Continued)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Newera Uranium Limited is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



BENTLEYS
Chartered Accountants



RANKO MATIĆ
Director

DATED at PERTH this 11th of March 2008