PROJECT NAME: Quartz Hill Project

TENMENT NUMBER: EL26046

HELD BY: Newera Uranium Limited

MANAGER & OPERATOR: Newera Uranium Limited

REPORT TYPE: Final

REPORT TITLE: 2009 Final Report for EL 26046

REPORT PERIOD: 26 November 2007 – 11 August 2009

AUTHOR: P Anderton

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MAP SHEETS: 1:250,000: Illogwa Creek SF53-15, 1:100,000: Quartz 5951

COMMODITY(s): Uranium

KEY WORDS: Open File Research, Arunta Region, Rare Earth elements, rock chips, Entia Dome, airborne magnetics/radiometrics.

ABSTRACT:

Location: EL26046 is located about 148 km ENE of Alice Springs and 35 km SE of the Harts Range settlement. The tenement falls within Newera's Quartz Hill project area.

Geology: The Project lies within the eastern Arunta Region in the southern NT, towards the south western flank of the Entia Dome.

Work Done: Exploration activities carried out in the total reporting period includes acquisition and processing of airborne magnetics/radiometrics and Landsat TM data acquisition and interpretation, field reconnaissance and rock chip sampling.

Results: A number of areas of Landsat TM alteration were visited on a 2008 field trip, however the areas didn't appear worthy of further follow up work, with no obvious mineralogical or weathering alteration present. Two further areas were of interest but Newera Uranium Limited decided to surrender the tenement.

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Summary

EL 26046 is located about 162 km ENE of Alice Springs and 44 km ESE of the Harts Range settlement (Figure 1). The tenement falls within Newera's Quartz Hill project area.

The Project lies within the eastern Arunta Region in the southern NT, towards the eastern flank of the Entia Dome.

Exploration activities carried out in the total reporting period includes acquisition, processing and interpretation of airborne magnetics and radiometrics as well as Landsat TM data acquisition and interpretation, helicopter assisted field reconnaissance, rock chip sampling and assaying.

A number of areas of Landsat TM alteration were visited on a recent field trip, however the areas didn't appear worthy of further follow up work, with no obvious mineralogical or weathering alteration present.

EL 26046 was surrendered on 11 August 2009.

1.0 Introduction

EL 26046 is located about 162 km ENE of Alice Springs and 45 km ESE of the Harts Range settlement (Figure 1). The tenement falls within Newera's Quartz Hill project area.

Access is good with the major graded tourist route of the Ross Highway from Alice springs to the Arltunga Tourist Camp (~105km), then after Arltunga there is a graded road north to the Claraville (~15km), there after are a number of station tracks which head east to the tenement.

The nearest medical clinics and RFDS-rated airstrips are located at Harts Range. Additional light aircraft-capable airstrips are located at Claraville.

2.0 Tenement Status

Exploration Licence 26046 was granted to Newera Uranium Ltd on 26 November 2007 and Newera is the manager and operator of the tenement.

The exploration licence is within the Arunta Region and covers an area of 16 km^2.

Table 1: Tenement Details

Tenement No.	Area	Holder	Manager	Granted	Commitment
EL 26046	5 blocks	Newera Uranium Ltd	Newera Uranium Ltd	26/11/07	$15,000

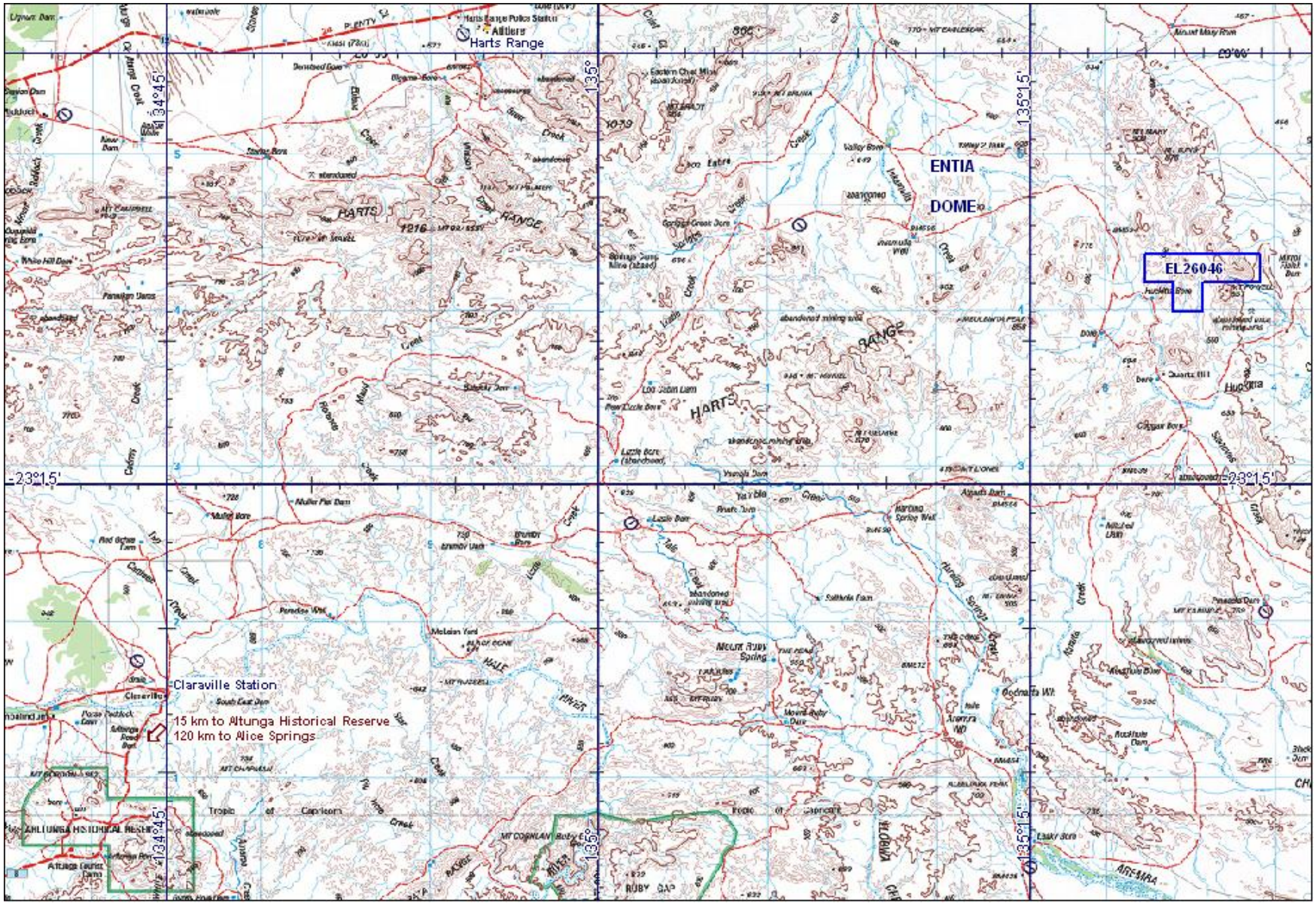

Figure 1: Location Map

3.1 Regional Geology

The Quartz Hill Project area is situated towards the western extent of the Arunta Inlier. This inlier is a complex of high grade metamorphic sedimentary and igneous rocks, located at the southern margin of the North Australian Craton. The contact with the Central Australian Craton is overlain by the Neoproterozoic Amadeus Basin (Figure 2).

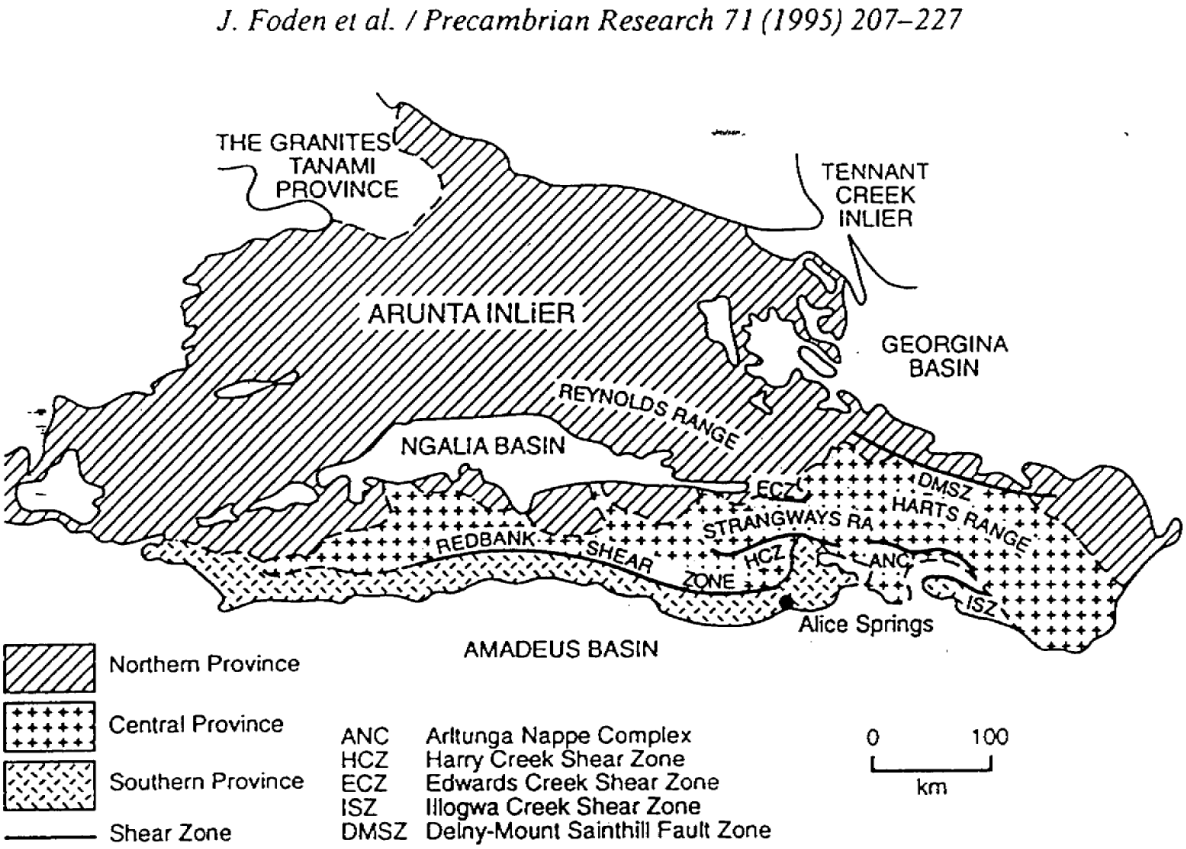

Figure 2: Regional Map of the Arunta Inlier.

The Arunta complex is transected by a series of regional and local scale east-west and northwest-southeast trending faults, which have been the loci of multiple phases of north-over-south thrusting during the Proterozoic and later the Carboniferous Alice Springs Orogeny. This orogeny was responsible for retrograde metamorphism along the east-west structures, more widespread in the Harts Ranges than in the Central Province where it is intensely focussed on these structures. Metamorphic grades range from greenschist to granulite in the Northern Province and from amphibolite to granulite in the Central and Southern Provinces, with greenschist grades being associated with the retrogression in the south and central provinces.

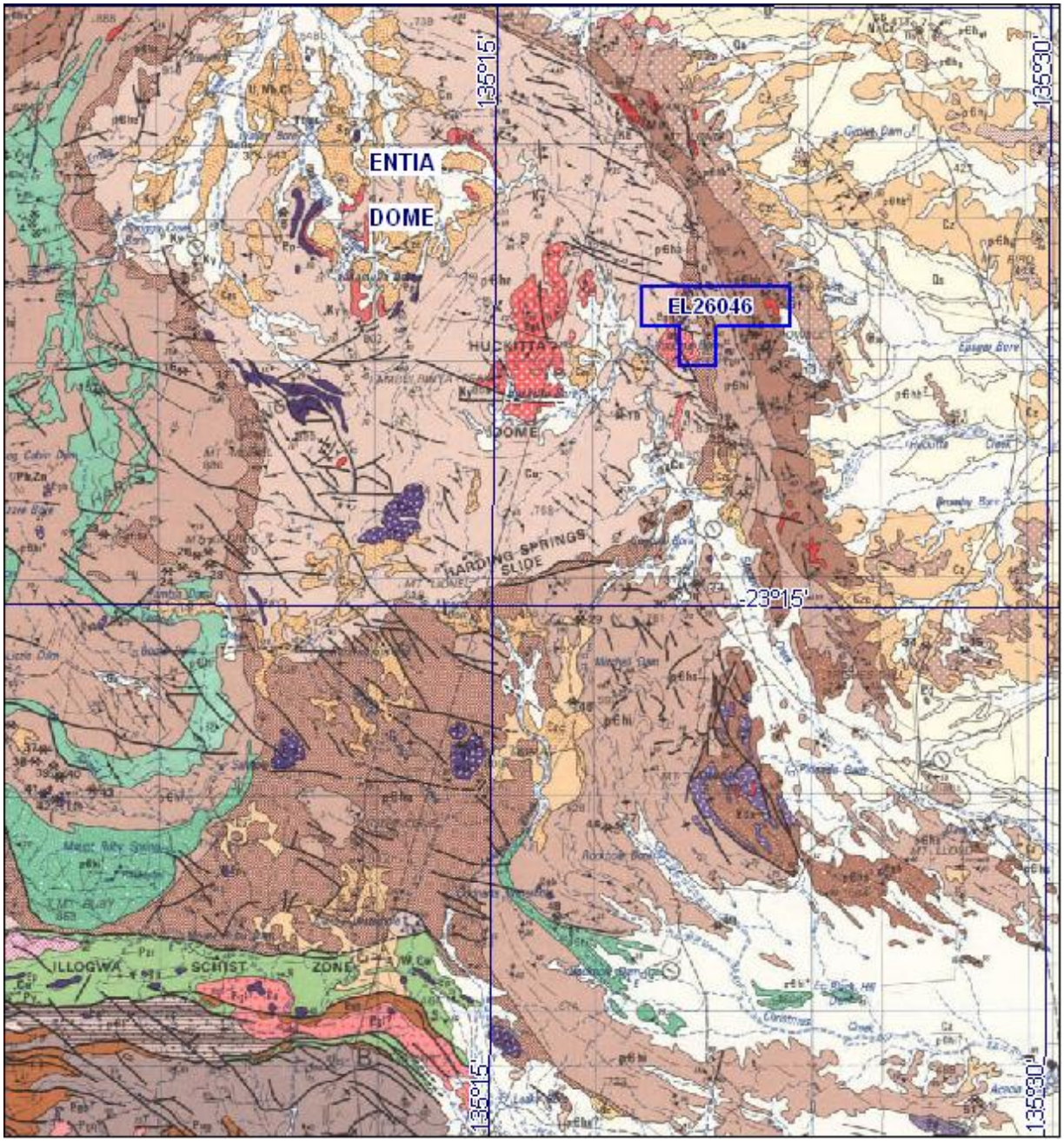

Figure 3: BMR (1985) Illogwa 1:250,000 Geology.

Stratigraphy is largely overprinted by the structural thrusting and the division of the Inlier into structural provinces, but there are divisions of groups based on age dating and relationships. The older basement rocks have been considered to be the Strangways Metamorphic Complex, but age dating by AGSO suggests the Weldon and Aileron Metamorphics in the Napperby area to the west may be older.

The Harts Range Group in the south eastern Arunta is essentially a pelitic and calcareous metasedimentary assemblage metamorphosed predominantly to amphibolite facies. The basal unit, the Entia Gneiss, has attained granulite facies but has been retrogressed to amphibolite facies and affected by the Palaeozoic Alice Springs Orogeny. The bulk of the Harts Range Group, the Irindina Gneiss and the younger Brady Gneiss, show little evidence of having exceeded amphibolite facies

and are clearly younger than the Entia Dome (Figures 3 & 4). The Bruna Gneiss, a felsic intrusive, or less likely a part-extrusive porphyroblastic rock, has been dated at 1750Ma but this date only puts a minimum age to the sequence.

Post-orogenic platform cover sediments are sporadically distributed throughout the Arunta Inlier. At least three age groups were named but the Hatches Creek Group (1 830-l800Ma) and the Reynolds Range Group (1820-1780Ma) are now both considered SMC equivalents. The Simpsons Gap Metasediments of the Iwupataka Metamorphic Complex (1660Ma) are truly covered.

The youngest sediments are the neo-proterozoic Amadeus Basin to the south and the Ngalia Basin in the centre (Figure 2), which cover substantial portions of the Inlier.

The Arunta Inlier has a complex and virtually continuous history of igneous activity. There are at least six major recorded felsic igneous intrusive episodes. Of these the Ngadarunga Granite (1880Ma), the Napperby-Huckitta-Jervois Granites (1780-1760Ma) and the Yarangunyi Granite (1600-1570Ma) are the most extensive and geologically most important. Other recorded igneous events, of relatively small areal extent, are the Andrew Youngs Igneous Complex (l635Ma), Mordor Igneous Complex (1200Ma), Stuart (mafic) Dyke Swarm (1050Ma), Gum Tree Granite (990Ma), Mud Tank Carbonatite (730Ma) and the Harts Range Pegmatites (520,400Ma).

4.0 Exploration History

PNC began their exploration of the Quartz Hill area (then known as EL 8036) in 1992. Prior work to that had been poorly recorded mica mining from the depression era, with re-opening of the mica mines allegedly using POW labour during the war. Many of the Italians who had worked here during the war may have returned in the post-war era, as the anecdotal evidence from prospectors and station managers in the area is that much of the post-war work in what would have been very isolated, primitive and remote camps was carried out by the newly immigrated Italian community.

Some geological work had been done on the mica mines however, as PNC report that one of the mica mines on the Quartz Hill project was known to contain uraniferous minerals. This was probably related to the burst of exploration for uranium that occurred shortly after the war in the 1950's, but the relevant research paper has not been located to date by Newera.

PNC initially flew airborne radiometrics, by both Kevron and Geoterrex, and followed up the data in 1993-4. Their 1996 surrender report (Drake-Brockman et al) copies directly from their 1994 Annual report (Drake-Brockman, 1995). In general their work consisted of large-scale airborne magnetic and radiometric surveys followed by ground mapping and rock chip sampling.

Follow-up of two airborne anomalies resulted in the discovery of the Quartz and Feldspar pegmatite prospects (Figure 4). The Feldspar pegmatite prospect coincides with Newera's Spartacus prospect (Figure 3).

Feldspar was a strong anomaly caused by float of a uranium rich mineral associated with a large E-W pegmatite. The mineral was massive, black, glassy, had a conchoidal fracture and didn't show weathering. It was identified as a Y-Nb>U mineral of the fergusonite series plus alteration products. They found only one anomaly roughly 30 X 30 m in extent and claimed it was caused by a small mineral occurrence spread by movement of float downhill, though they did mention other hot-spots. The mineral assayed 6.8% U. Further prospecting was limited.

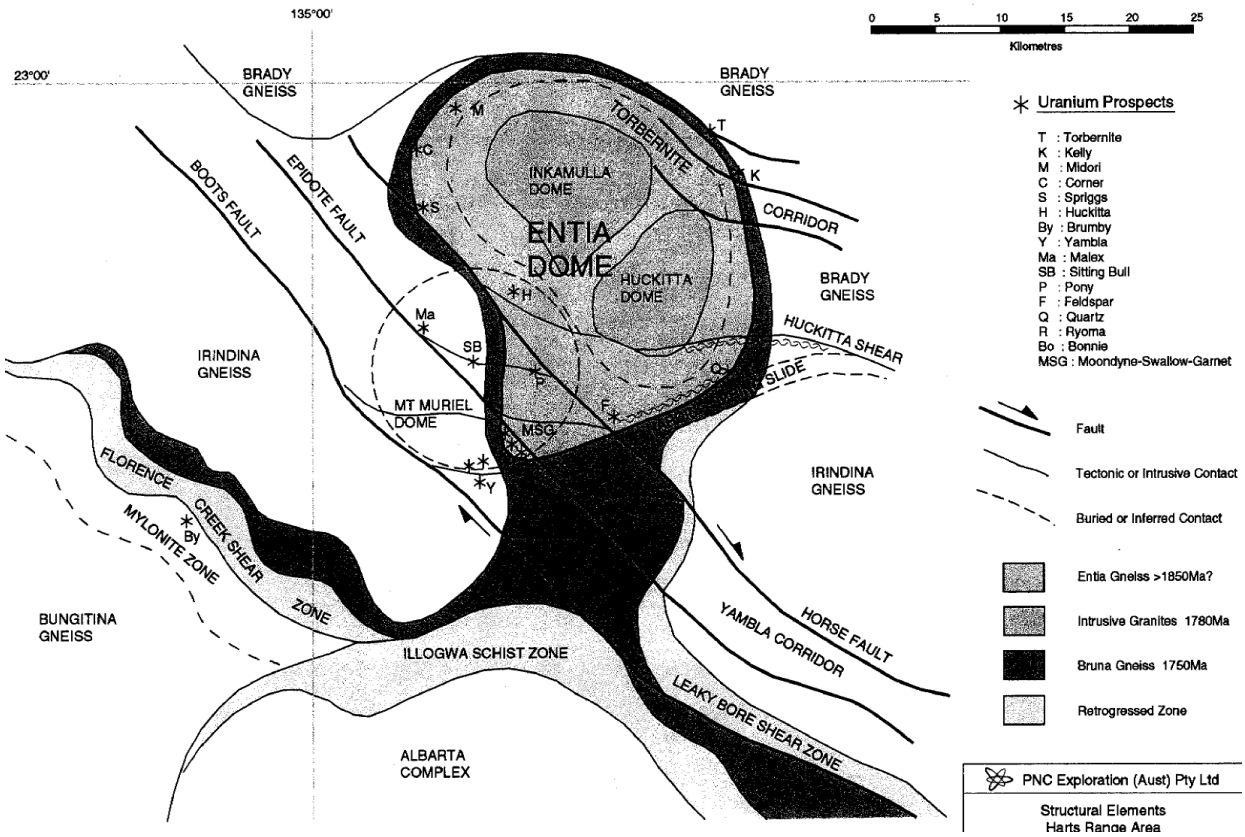

Figure 4: PNC map of the Harts Range and Entia Dome complex (Drake Brockman et al 1996)

5.0 2008 and 2009 Exploration

Exploration activity undertaken on EL26046 during the total reporting period includes:

- Open file research and database compilation
- Aboriginal Areas Protection Authority Certificate for Mineral Exploration
- Airborne Magnetics, Radiometrics acquisition and interpretation
- Landsat acquisition, processing and interpretation
- Reconnaissance Mapping, GIS-Geology interpretation and rock chipping
- Rehabilitation of Disturbed Areas Statement

5.1 Open file research and database compilation

During the 2008 reporting period, CSA Australia was commissioned by Newera to summarise previous exploration efforts across the Quartz Hill project.

CSA concluded that the area was prospective for base metals, Nickel, Rare Earth Elements (REE's) and uranium. They summarised the findings from various reports and found that of all the work done, that undertaken by PNC Australia is by far the most exhaustive and of the greatest value. A large tenement holding covering both Newera's exploration licences were explored by PNC Australia in the mid 1990s. It was noted that the work carried out by this company used the latest instruments available at the time and was managed by skilled and experienced geologists who

reached correct conclusions based on the data collected and for the time in which they operated.

PNC abandoned the project despite some of the good results obtained, however, the company also walked away from the world-class Nolan's Bore Phosphate-REE-Uranium mineralisation.

5.2 Aboriginal Areas Authority Certificate

The application for the Authority Certificate for Mineral Exploration from the Aboriginal Areas Protection Authority was dated 22 November 2007. The information meeting between the Central Land Council (CLC) and company representatives from Newera, as well as a site visit by the CLC representatives, occurred during May 2008. A little over eleven months after application, an Authority Certificate, dated 27 October 2008, covering Newera's Quartz Hill project, including EL26046, was issued to Newera Uranium Limited. In less than one month after approval, Newera had a helicopter and team within the tenement commencing field work.

5.3 Airborne Magnetics & Radiometrics

Southern Geoscience Consultants (SGC) acquired publicly available Magnetics and Radiometrics data from the Geoscience Australia data download facility on the website or from the NTGS. SGC has merged and reprocessed the images as required.

5.4 Landsat TM

Two Landsat TM scenes were acquired by EarthScan Pty Ltd, merged and processed to produce 14 Mapinfo images mapping the various channels and useful ratios.

These were systematically reviewed in conjunction with the magnetic and radiometric images to assess zones of interest worthy of field reconnaissance. Three areas of interest were identified (Figure 5); QH46-1 and 2 were identified from the Landsat images as possible mineral alteration, and QH46-3 showed elevated uranium in the radiometrics.

5.5 Reconnaissance Mapping and Rock Chip Sampling

Following the identification of three areas of interest (Figure 5), a field trip was organised in November 2008 to assess the targets.

The lithology within area QH46-1 was a highly sheared mylonite and one sample was collected (Table 2). As we traversed from the east to west across QH46-1, the lithology changed to a fresh, unaltered augen gneiss (Figure 6). This gneiss continued to the west across to the eastern boundary of alteration area QH46-2 (Figure 7).

The sample was submitted to Ultratrace for analysis using a mixed acid digest and ICPOES, ICPMS finish. Results are tabulated below in Table 2.

Table 2: Sample location within area QH46-1.

Sample No		Easting		Northing		Lithology						
NR099		535065		7443141		mylonite						
SAMPLE_ID		EASTING		NORTHING		Cu	Pb	Zn	Ag	As	Bi	Mo	Mn
NR099		535065		7443141		18.04	2.8	63.46	-0.01	1.4	0.221	0.116	1566
Fe	Ni	Co	Cr	V	Ba	Cd	Sn	Sb	Te	W	Zr		
76420	501.8	61.27	1230	86	195.82	0.135	0.54	0.041	-0.05	0.1	6.08		
Ti	Mg	Th	U	S	K	Ca	Al	Se	Ce	Eu	La		Ta
2353	108023	3	2	0.06	0.54	4.87	7.4	0.33	12.285	0.394	5.264		0.077
Tb	Yb	Sc	Li	Nb	Pr	Sm	Dy	Ho	Er	Tm	Lu	Cs	Re
0.213	0.924	33.79	16.4	1.006	1.45	1.249	1.576	0.323	0.876	0.098	0.08	1.52	0.001

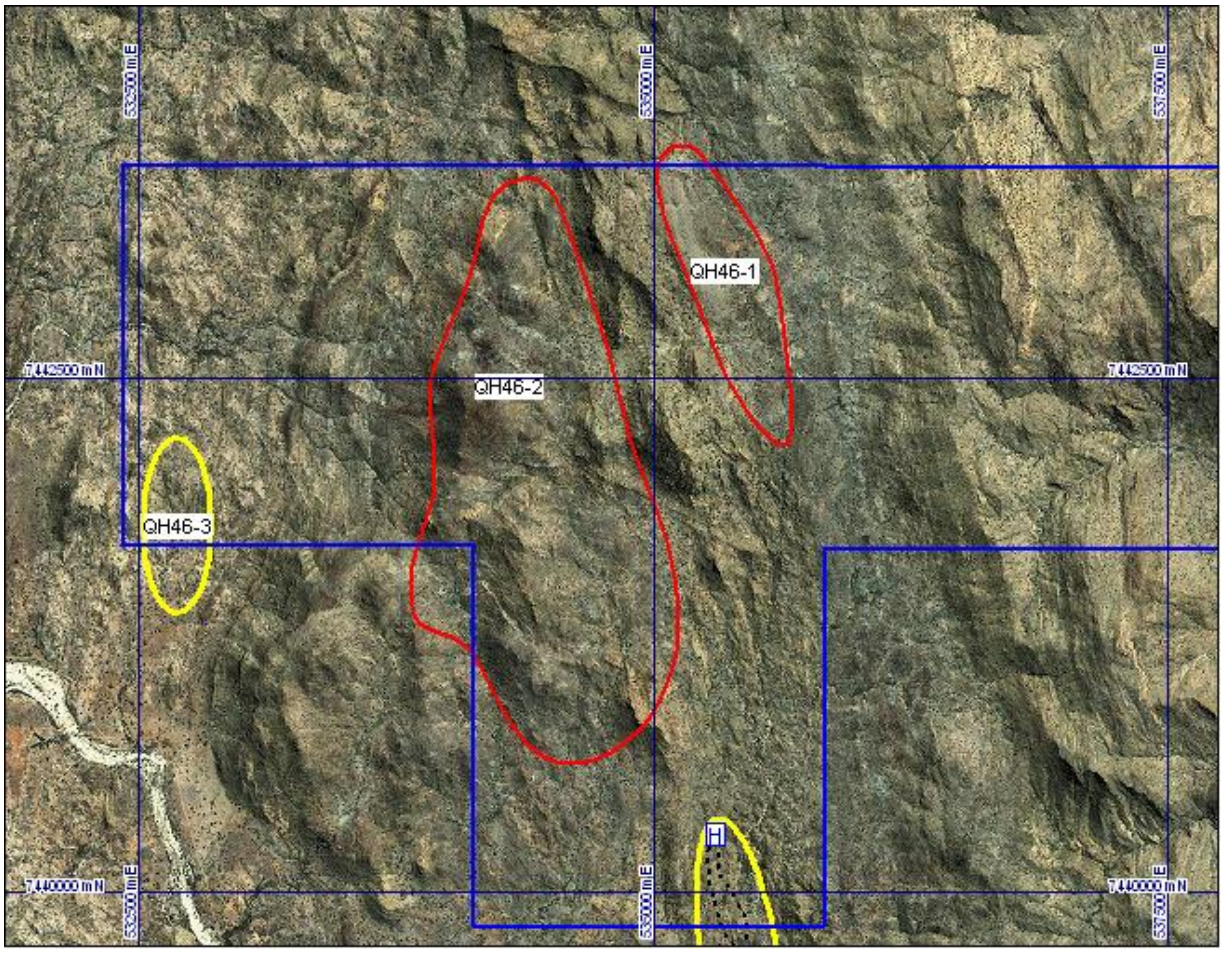

Figure 5: Areas of Interest identified by GIS review of geophysical datasets

Figure 6: Augen gneiss located immediately west of QH46-1.

Figure 7: Looking west across to QH46-2, with augen gneiss in the foreground.

Due to the early afternoon onset of inclement weather in November, we were unable to visit target areas QH46-2 or 3.

5.6 Rehabilitation of Disturbed Areas Statement

No areas within the tenement EL 26046 incurred ground disturbance by Newera Uranium Limited or any contractors for Newera. Therefore no areas have been rehabilitated.

6.0 Conclusions

Preliminary field assessment of the QH46-1 area by Newera supports the view that there is no further interest in this area due to a lack of obvious mineral alteration, however target areas QH46-2 and 3 remain valid and warrant field assessment.

In early 2009 due to the Global Financial Crisis, the Newera Uranium Limited company priorities changed and during August 2009 Newera surrendered EL 26046.

7.0 References

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