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Memorandum

DATE: 19/5/2008

FROM: Paul Mutton, SGC

TO: Martin Blakeman

HARTS RANGE – QUARTZ HILL VTEM SURVEY

Executive Summary

- In October 2007, 697 line kilometres were flown with the VTEM system over 4 Harts Range project areas for Newera Uranium Ltd.
- Three small areas (totalling 189 line km) over the Quartz Hill prospect have been interpreted and the results are presented in this memo.
- The areas do not contain any anomalies that are due to large or deep conductors. Up to 5 small, shallow conductors have been identified. These are not considered to be high priority targets for massive sulphides.
- Visual inspection of the sites is the only further work recommended for these low priority targets.

Introduction

In October 2007 a helicopter electromagnetic survey (HEM) was flown for Newera Uranium Ltd over parts of their Quartz Hill and White Lady Prospects on their Harts Range Project. The Geotech Airborne Pty Ltd's "VTEM" system was used and the survey specifications are contained in the contractors report (attached)

The target was massive sulphides that could be associated with large magnetic anomalies that may possibly be caused by Iron-Oxide-Copper-Gold (IOGC) mineralisation.

The final data for the Quartz Hill areas (Figure 1) was only delivered by Geotech in May 2008 and subsequently processed and interpreted by Southern Geoscience Consultants. Processing for the large White Lady area is yet to be completed.

This memo presents the results for the Quartz Hill VTEM surveys.

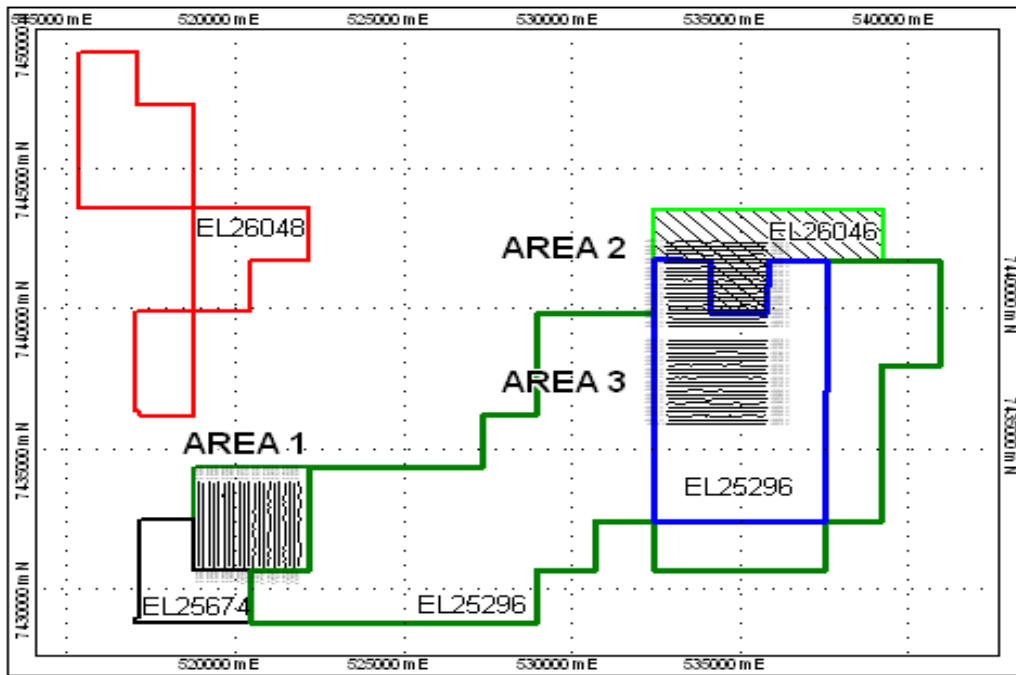


Figure 1: Newera Uranium's Harts Range Tenements and VTEM survey areas.

Interpretation

The data delivered by Geotech has low noise levels and is of high quality.

A summary of the interpretation of the three areas is given below.

Quartz Hill Area 1

The area 1 HEM survey consisted of 63 line kilometres flown over EL 26047.

The target was basements conductors associated with magnetic anomalies in the area that may be associated with massive sulphides.

The VTEM interpretation is shown in Figure 2 on images from different airborne datasets.

In general the ground is very resistive which is very useful in identifying good conductors. Ground polarisation due to surficial changes in the cover is present in the survey area and can be identified as negative anomalies in the HEM data.

Three anomalies have been identified. The two eastern anomalies are likely to be due to the same small, shallow feature (QHC1) and is not considered to be a high priority target for follow-up due to its small size and shallow source. The western anomaly is near noise levels and may well be a noisy artefact. All anomalies are around the perimeter of a large area affected by ground polarisation.

The VTEM survey has not detected any large conductive targets that are likely to be associated with massive sulphide-bearing basement conductors.

Quartz Hill Area 2 and Area 3

The area 2 and area 3 blocks covered a total of 91 line kilometres in EL 24838, and 35 line kilometres over EL 26046.

The target was basements conductors associated with magnetic anomalies in the area that may be associated with massive sulphides.

The VTEM interpretation is shown in Figure 3 on images from different airborne datasets.

In general the ground is very resistive which is very useful in identifying good conductors. Ground polarisation due to surficial changes in the cover is present in the survey area and can be identified as negative anomalies in the HEM data.

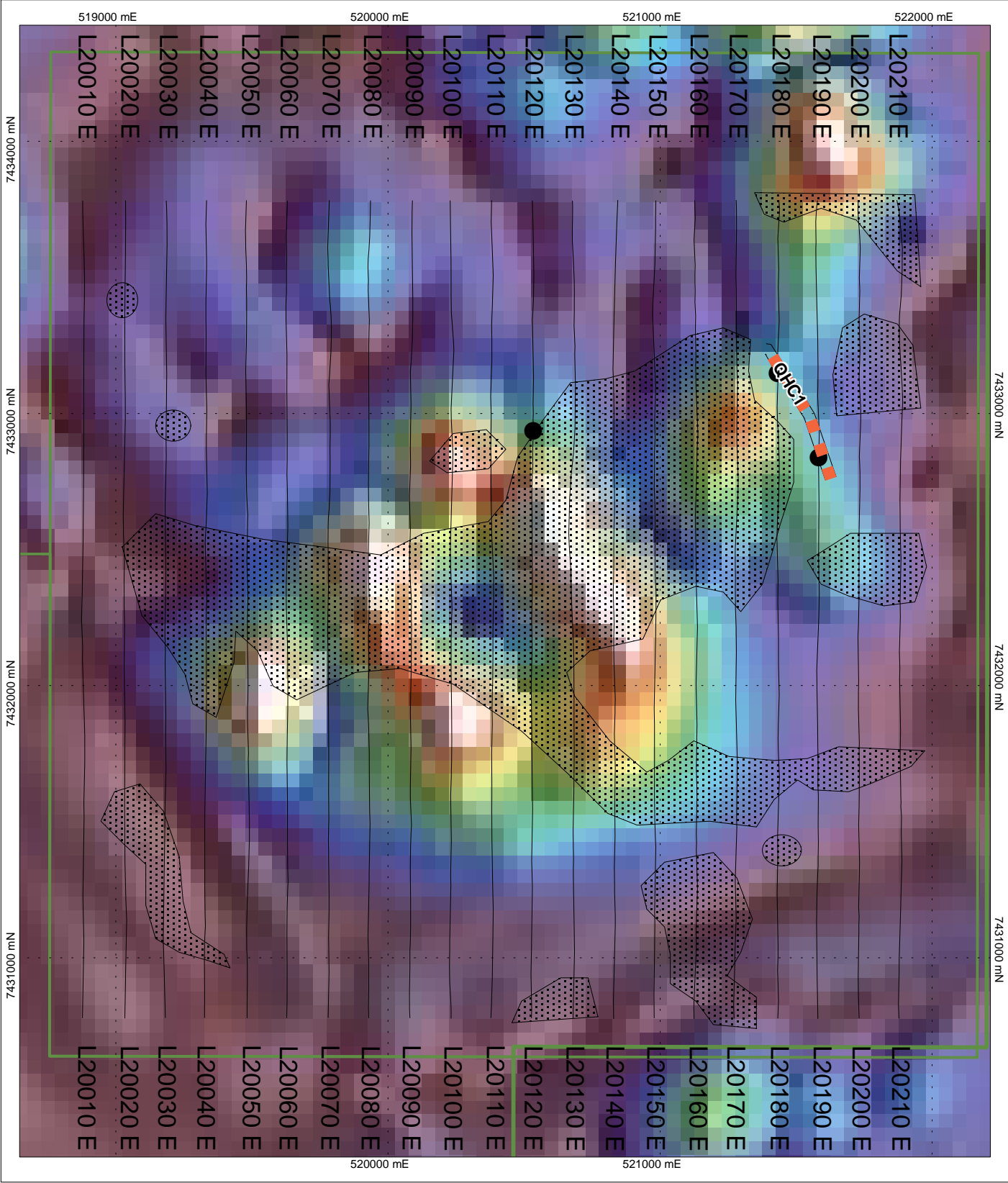
Only three weakly conductive targets have been detected (QHC1, QHC2, QHC3). All are very small anomalies and are associated with small (<50m), shallow (<50m) sources. QHC3 may even be cultural (eg metal tank, stockyards). QHC1 is only weakly conductive, and QHC2 is barely above noise levels.

The VTEM survey has not detected any large conductive targets that are likely to be associated with massive sulphide-bearing basement conductors.

Recommendations

The six shallow anomalies detected are considered to be low priority targets for economic massive sulphide mineralisation due to their very small size and shallow depth. No modelling has been completed. At this stage these targets are not significant to warrant drill testing.

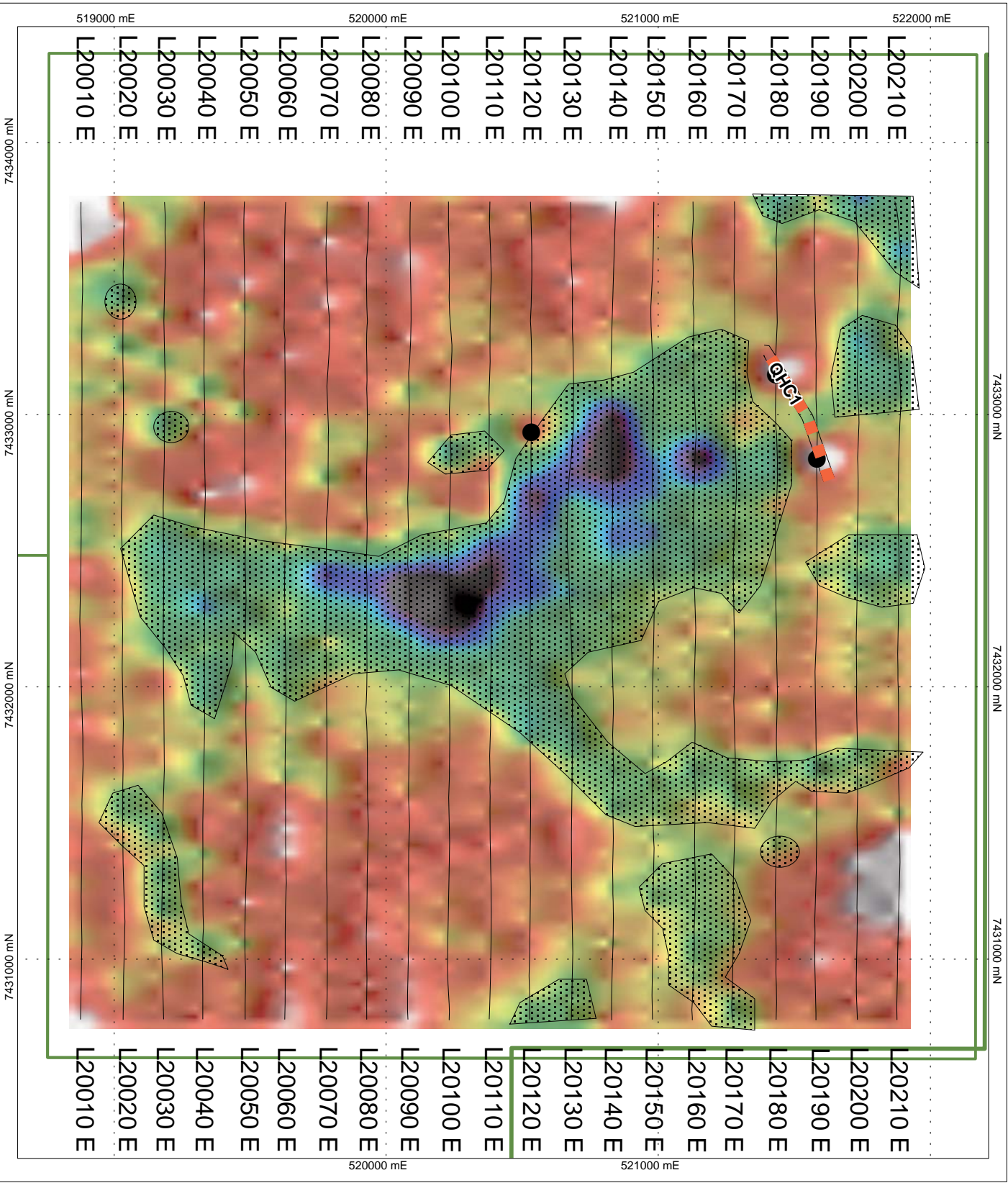
The anomalies should be considered low priority targets for surface investigation. Further work is only recommended if additional information (eg anomalous soil geochemistry) increases the priority.



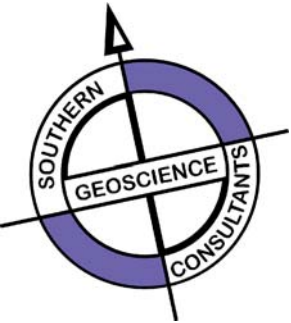
ANALYTIC SIGNAL OF MAGNETIC FIELD IMAGE

LEGEND

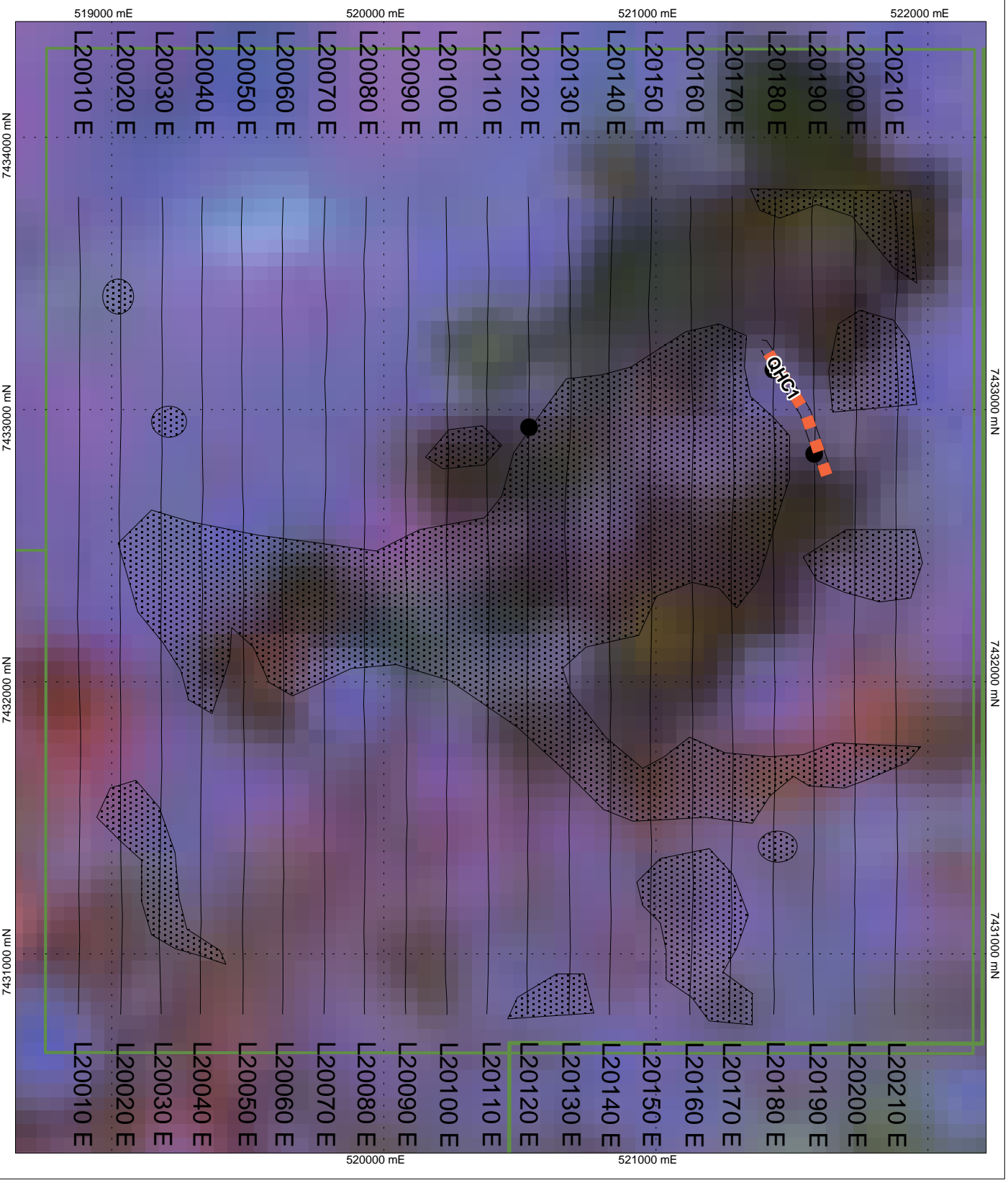
- HEM anomaly from discrete conductor
- ▨ Ground Polarisation
- Conductor Axis
- VTEM Flight Line
- Newera Uranium Tenement Boundary



CHANNEL 12 (0.818ms) VTEM IMAGE



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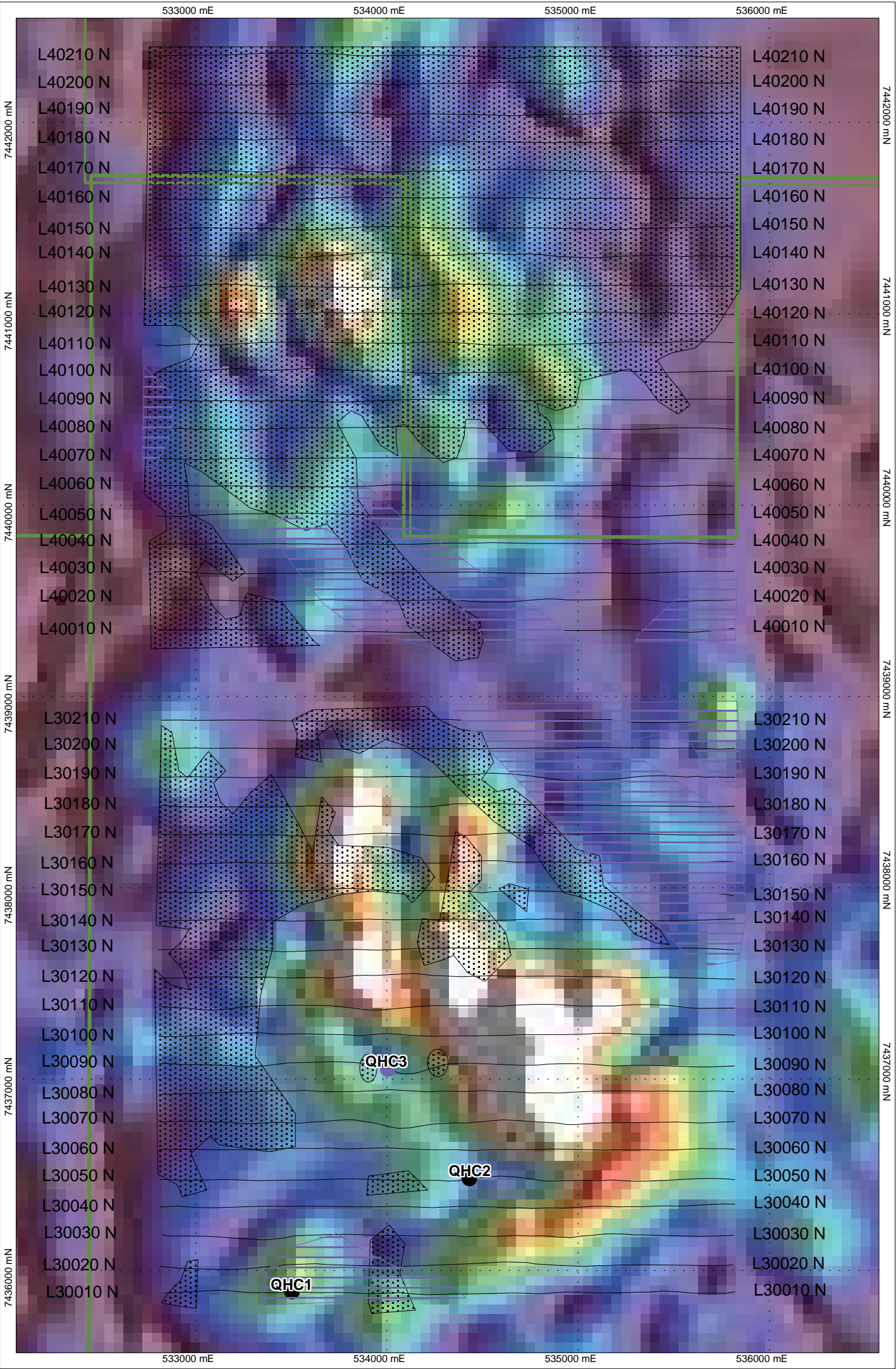


TERNARY RADIOMETRIC IMAGE
(K:Red, U:Blue, Th:Green)

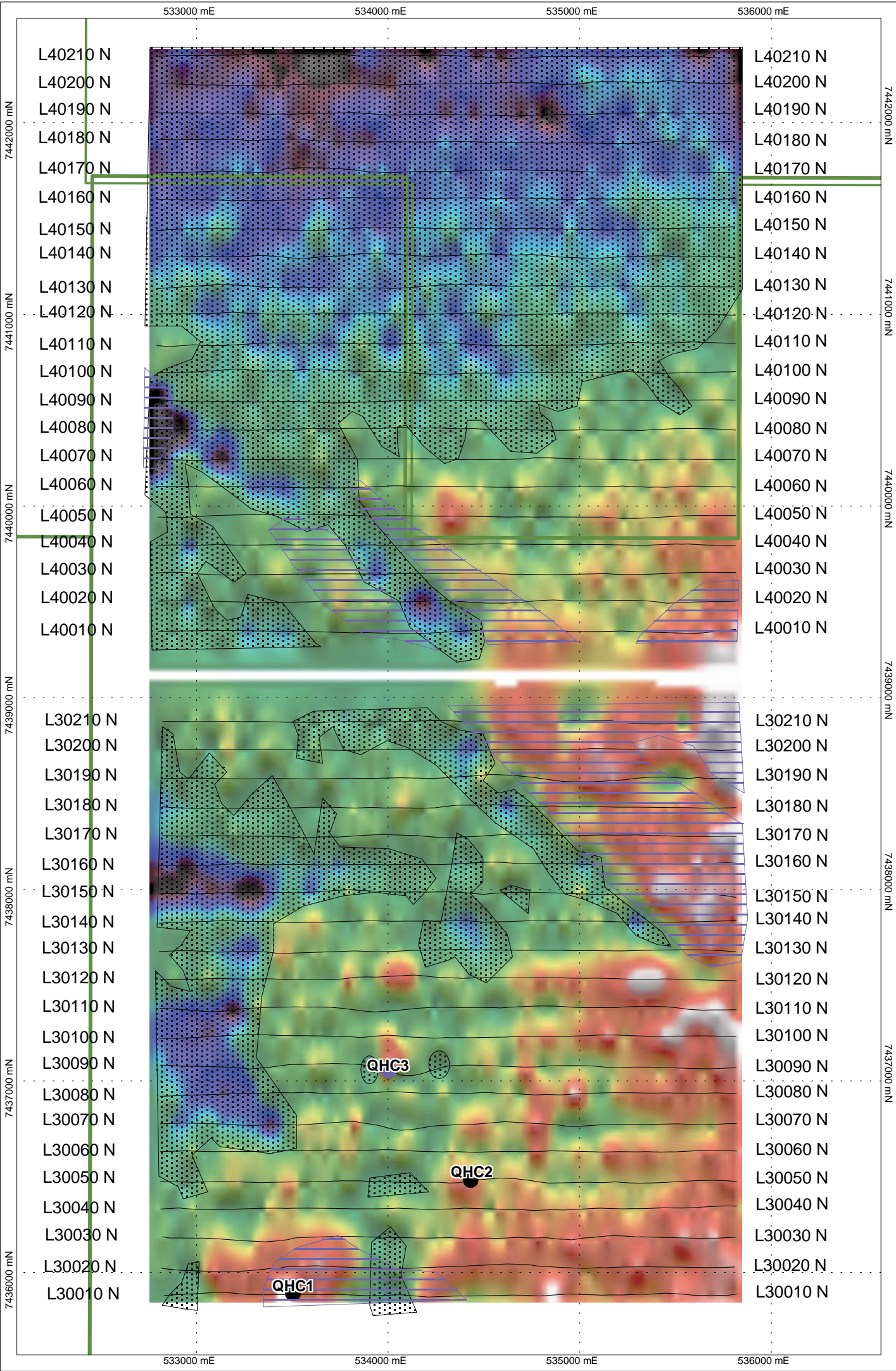
NEWERA URANIUM
HARTS RANGE PROJECT
QUARTZ HILL AREA 1
VTEM SURVEY INTERPRETATION
ON AIRBORNE DATASETS

1:20000
GDA94 Zone 53

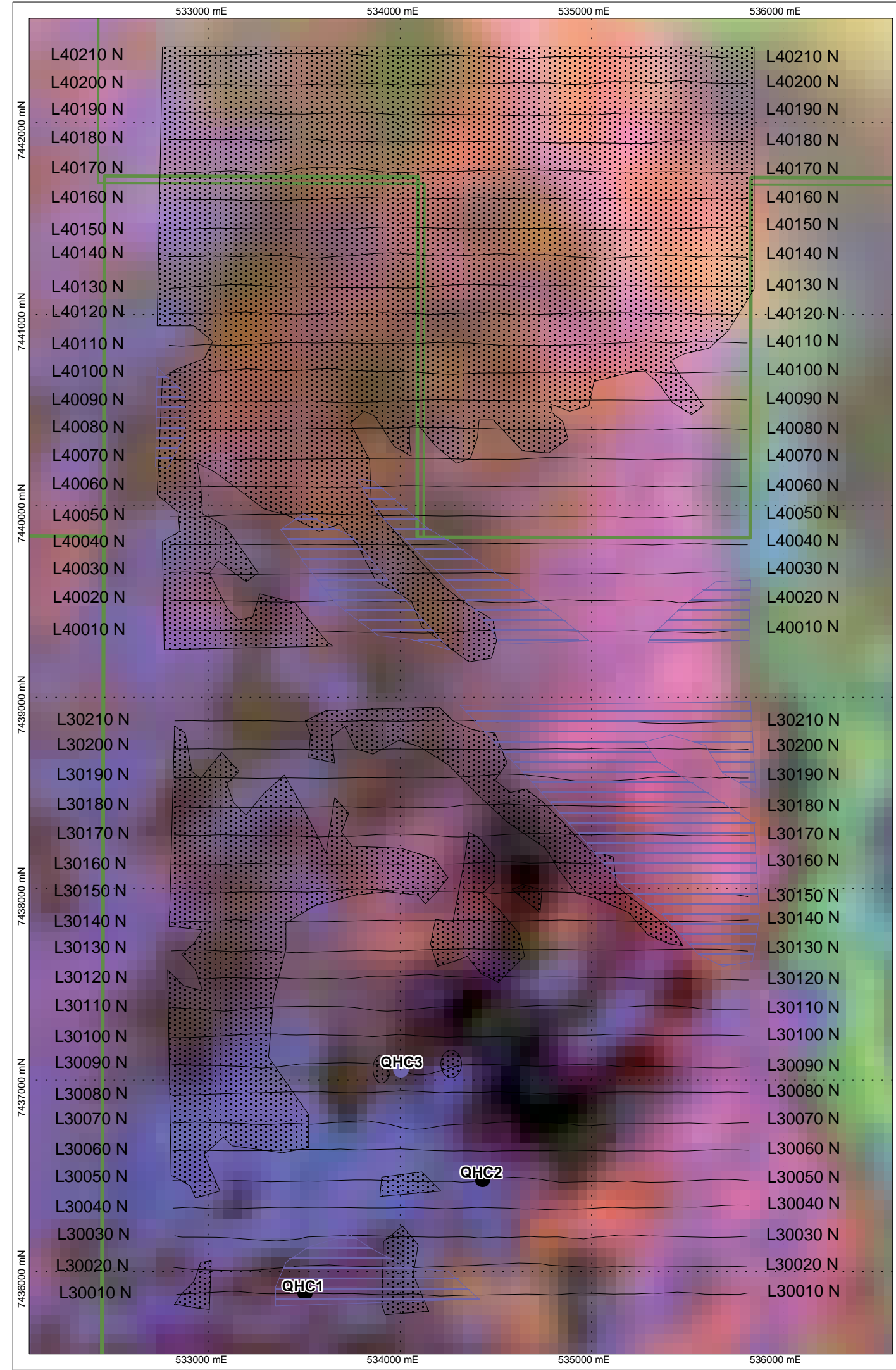
Figure 2



ANALYTIC SIGNAL OF MAGNETIC FIELD IMAGE



CHANNEL 12 (0.818ms) VTEM IMAGE



TERNARY RADIOMETRIC IMAGE
(K:Red, U:Blue: Th:Green)

LEGEND

- HEM anomaly from discrete conductor
- Ground Polarisation
- Weakly conductive ground (surficial?)
- VTEM Flight Line
- Newera Uranium Tenement Boundary



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NEWERA URANIUM
HARTS RANGE PROJECT
QUARTZ HILL AREAS 2 & 3
VTEM SURVEY INTERPRETATION
ON AIRBORNE DATASETS

1:25000
GDA94 Zone 53