28 July 2006

Dear Shareholder

NON-RENOUNCEABLE RIGHTS ISSUE

On 28 July 2006, Newera Uranium Limited (**Company**) lodged a prospectus (**Prospectus**) with Australian Stock Exchange Limited (**ASX**) and the Australian Securities & Investments Commission (**ASIC**) for a pro-rata non-renounceable rights issue of one (1) option exercisable at 25 cents on or before 30 April 2008 (**Option**) for every two (2) shares held by Shareholders registered at 5.00pm (WST) on Monday 7th August 2006 (**Record Date**) at an issue price of 1 cent per Option to raise up to approximately $183,500 (**Rights Issue**).

Fractional entitlements will be rounded down to the nearest whole Share. Shareholder approval is not required in relation to the Rights Issue.

A full copy of the Prospectus will be mailed to all Shareholders who held shares on the Record Date on or about 11 August 2006. However, the Prospectus will not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer. Accordingly, it is the responsibility of non-resident applicants to obtain all necessary approvals for the allotment and issue to them of Shares pursuant to the Prospectus.

The Prospectus is available on the ASX website at www.asx.com.au.

It is intended that the proceeds will be applied toward general working capital expenses of the Company and to meet estimated expenses of the offer of approximately $8,000.

The quoted securities on issue in the Company following completion of the Rights Issue, assuming no existing options are exercised prior to the Record Date, are as follows:

Number	Class
18,225,000	Fully paid ordinary shares
18,350,000	Options exercisable at $0.25 on or before 30 April 2008

The unquoted securities on issue in the Company following completion of the Rights Issue are as follows:

Number	Class
18,475,000	Fully paid ordinary shares
4,000,000	Options exercisable at $0.25 on or before 31 December 2009

Holders of the unlisted options already on issue will, however, be entitled to exercise their options prior to the Record Date in order to participate in the Rights Issue.

The Company will apply for Official Quotation by ASX of the Options to be issued pursuant to the Rights Issue.

The timetable for the Rights Issue is as follows:

EVENT	**DATE**
Prospectus lodged with the ASIC and ASX/ Option holders informed of Rights Issue	Friday 28th July
Notice in relation to the Rights Issue dispatched to Shareholders	Monday 31st July
Shares quoted on an "ex" basis	Tuesday 1st August
Record Date for determining entitlements under Rights Issue	Monday 7th August
Despatch Prospectus / Opening Date	Friday 11th August
Closing Date	Tuesday 22nd August
Options quoted on a deferred settlement basis	Wednesday 23rd August
ASX informed of under subscriptions	Friday 25th August
Deferred settlement trading ends, holding statements dispatched and normal trading commences	Wednesday 30th August

Note: These dates are determined based upon the current expectations of the Directors and may, subject to the Listing Rules, be changed without notice. The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.

Yours faithfully

Winton Willesee
Company Secretary
Newera Uranium Limited.