NEWPORT EXPLORATION LTD.

FINANCIAL STATEMENTS

April 30, 2007
(Unaudited-prepared by Management)

The accompanying unaudited interim consolidated financial statements of Newport Exploration Ltd. for the nine month period ending April 30, 2007 have been prepared by management and approved by the audit committee and the Board of Directors of the Company. These interim consolidated financial statements have not been reviewed by the Company’s external auditors.

NEWPORT EXPLORATION LTD.
INTERIM BALANCE SHEETS
AS AT
(Unaudited-prepared by management)

	April 30, 2007	July 31, 2006
ASSETS		
Current		
Cash	$ 581,118	$ 2,710
Term deposits	2,254,451	739,723
Marketable securities (Note 3)	6,609	6,609
Receivables	36,853	79,799
Prepaids	-	731
	2,879,031	829,572
Equipment (Note 4)	17,440	30,774
Exploration advances (Note 5)	28,611	24,391
Mineral properties (Note 5)	1,108,992	944,930
	$ 4,034,074	$ 1,829,667
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 35,609	$ 43,964
Asset retirement obligation (Note 6)	17,368	17,368
	52,977	61,332
Shareholders' equity		
Capital stock (Note 8)	37,027,792	34,383,271
Contributed surplus (Note 8)	776,244	181,596
Deficit	(33,822,939)	(32,796,532)
	3,981,097	1,768,335
	$ 4,034,074	$ 1,829,667

Nature and continuance of operations (Note 1)
Commitment (Note 13)
Subsequent event (Note 14)
On behalf of the Board:

"Ian T. Rozier" Director — *"Barbara E. Dunfield"* Director

Ian T. Rozier, Director — Barbara E. Dunfield, Director

The accompanying notes are an integral part of these interim financial statements.

NEWPORT EXPLORATION LTD.
INTERIM STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited-prepared by management)

	Three Months ended April 30, 2007	Three Months ended April 30, 2006	Nine Months ended April 30, 2007	Nine Months ended April 30, 2006
EXPENSES				
Administrative services	$ 3,750	$ 2,500	$ 11,250	$ 17,500
Amortization	5,349	8,105	17,346	19,024
Automobile	-	3,528	-	11,051
Consulting	49,072	45,408	143,794	127,940
Director's fees	5,000	5,000	15,000	13,333
Management fees	24,000	22,500	69,500	66,000
Office and miscellaneous	557	3,399	3,657	12,461
Professional fees	5,570	5,588	63,574	21,322
Property investigation	-	-	22,500	11,799
Regulatory fees	12,969	5,579	30,749	11,648
Rent	13,000	12,000	37,000	36,000
Shareholder communications	200	3,379	3,041	3,379
Stock-based compensation (Note 9)	706,477	-	709,219	-
Travel and related costs	-	2,446	4,144	7,838
Loss before other items	(825,944)	(119,432)	(1,130,774)	(359,295)
OTHER ITEMS				
Interest income	25,904	5,619	43,375	19,047
Foreign exchange	-	2,948	-	12,836
Petroleum royalty (Note 7)	7,328	45,052	60,992	58,326
Write-down of marketable securities	-	-	-	(3,909)
	33,232	53,619	104,367	86,300
Loss for the period	(792,712)	(65,813)	(1,026,407)	(272,995)
Deficit, beginning of period	(33,030,227)	(32,635,253)	(32,796,532)	(32,428,071)
Deficit, end of period	$ (33,822,939)	$ (32,701,066)	$ (33,822,939)	$ (32,701,066)
Basic and diluted loss per common share	$ (0.02)	$ (0.01)	$ (0.04)	$ (0.02)
Weighted average number of common shares outstanding	36,410,234	14,977,874	25,177,032	14,943,808

The accompanying notes are an integral part of these interim financial statements.

NEWPORT EXPLORATION LTD.
INTERIM STATEMENTS OF CASH FLOWS
(Unaudited-prepared by management)

	Three months ended April 30, 2007	Three months ended April 30, 2006	Nine months ended April 30, 2007	Nine months ended April 30, 2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$ (792,712)	$ (65,813)	$ (1,026,407)	$ (272,995)
Items not affecting cash:				
Amortization	5,349	8,105	17,346	19,024
Stock-based compensation	706,477	-	709,219	-
Write-down of marketable securities	-	-	-	3,909
Changes in non-cash working capital items:				
(Increase) decrease in receivables	41,056	(3,888)	42,946	(38,370)
Decrease in prepaids	-	833	731	16,308
Increase (decrease) in accounts payable and accrued liabilities	(48,221)	968	(8,355)	(191,544)
Net cash used in operating activities	(88,051)	(59,795)	(264,520)	(463,668)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of term deposits	-	-	(2,100,000)	-
Redemption of term deposits	352,296	94,377	585,272	747,849
Mineral properties acquisition	-	-	(45,000)	(60,000)
Deferred exploration costs	(37,803)	(26,487)	(65,062)	(242,775)
Acquisition of equipment	(4,012)	-	(4,012)	-
Exploration advances	37,803	-	(4,220)	-
Net cash provided by (used in) investing activities	348,284	67,890	(1,633,022)	445,074
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital stock issued for cash	240,750	-	2,475,950	-
Net cash provided by financing activities	240,750	-	2,475,950	-
Change in cash during the period	500,983	8,095	578,408	(18,594)
Cash, beginning of period	80,135	26,157	2,710	52,846
Cash, end of period	$ 581,118	$ 34,252	$ 581,118	$ 34,252

Supplemental disclosure with respect to cash flows (Note 11)

The accompanying notes are an integral part of these interim financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Newport Exploration Ltd. (the "Company") is a Canadian company incorporated under the Business Corporations Act of British Columbia. The Company is primarily engaged in the acquisition and exploration of mineral properties. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

These interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. These interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

The interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

	April 30, 2007	July 31, 2006
Working capital	$ 2,826,054	$ 785,608
Deficit	(33,822,939)	(32,796,532)

2. BASIS OF PRESENTATION

The accompanying financial information does not include all of the disclosure required by generally accepted accounting principles for annual financial statements. In the opinion of management the accompanying financial information reflects all adjustments, consisting primarily of normal and recurring adjustments considered necessary for fair presentation of the results for the interim period. Operating results for the nine-month period ended April 30, 2007 are not necessarily indicative of the results that may be expected for the year ended July 31, 2007. These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information and follow the same accounting policies as the annual financial statements of the Company except as noted below. Accordingly, these financial statements should be read in conjunction with the 2006 annual financial statements and notes thereto.

3. MARKETABLE SECURITIES

Marketable securities are comprised of shares in publicly traded companies:

	April 30, 2007	July 31, 2006
Market value	$ 7,619	$ 10,066

During the year ended July 31, 2006, marketable securities were written-down by $3,909.

4. EQUIPMENT

	April 30, 2007				July 31, 2006		
	Cost	Additions	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	$ 37,067	$ 4,012	$ 32,164	$ 8,915	$ 37,067	$ 31,704	$ 5,363
Furniture and fixtures	21,758	-	18,331	3,427	21,758	17,317	4,441
Leasehold improvements	105,816	-	100,718	5,098	105,816	84,846	20,970
	$ 164,641	$ 4,012	$ 151,213	$ 17,440	$ 164,641	$ 133,867	$ 30,774

5. MINERAL PROPERTIES

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

	April 30, 2007	July 31, 2006
	Mulga Tank Nickel Project, Australia	Mulga Tank Nickel Project, Australia
Acquisition costs		
Balance, beginning of period	$ 198,000	$ 78,000
Acquisition costs	99,000	120,000
Balance, end of period	297,000	198,000
Deferred exploration costs		
Balance, beginning of period	746,930	464,086
Additions:		
Asset retirement obligation	-	17,368
Claim cost	-	1,140
Consulting	-	31,645
Drilling	-	115,827
Field administration	8,825	44,149
Field supplies	6,314	10,698
Project management fees	32,134	17,821
Property maintenance fees	6,257	-
Technical consulting	2,783	33,632
Travel	8,749	10,564
	65,062	282,844
Balance, end of period	811,992	746,930
Total	$ 1,108,992	$ 944,930

Mulga Tank Nickel Project, Australia

During the year ended July 31, 2004, the Company entered into an agreement to acquire an 80% interest in an exploration license and a 75% interest in an application exploration license, collectively known as the Mulga Tank Nickel Project ("Mulga Tank") located in Western Australia. As at April 30, 2007, the Company has paid $165,000 and issued 675,000 common shares with a value of $132,000. To acquire its interest, the Company is required to:

i) On or before June 1, 2007, pay $45,000, (paid subsequently) issue 225,000 common shares (issued subsequently) and incur additional expenditures of $500,000.

5. MINERAL PROPERTIES (cont'd…)

Mulga Tank Nickel Project, Australia (cont'd…)

ii) On or before September 1, 2007, pay $150,000, issue 600,000 common shares and incur additional expenditures of $750,000.

iii) On or before September 1, 2008, incur additional expenditures of $1,000,000.

Upon completion of a feasibility study, the Company will be required to pay $240,000 and issue 750,000 common shares. Upon commencement of commercial production, the Company will be required to issue an additional 1,000,000 common shares.

As at April 30, 2007, the Company had advanced $28,611 for future exploration work.

6. ASSET RETIREMENT OBLIGATION

The Company estimates its asset retirement obligation at the Mulga Tank property based on its understanding of its requirements to reclaim the currently disturbed areas. The operator of the property has posted a bond for $9,264 representing costs required to mitigate the proposed disturbance, which has been included in advances.

The Mulga Tank property and some additional disturbance are authorized for drill site access and drilling sites for further exploration activity. The existing disturbance consists of access roads and drill sites. At April 30, 2007, the total cost of reclamation for this disturbance was estimated to be approximately $17,368. The asset retirement obligation is considered to be present value.

The asset retirement obligation accrual required management to make significant estimates and assumptions. Actual results could differ from these estimates.

7. PETROLEUM SALES

Under the terms of an agreement over the sale of CVL Resources (Barbados) Ltd. (formerly a wholly owned subsidiary of the Company), the Company retained a 2.5% royalty for any hydrocarbons discovered on certain petroleum exploration permits in Australia. Oil and gas production commenced in November 2005. Included in receivables at April 30, 2007 is $14,312 for the Company's royalty.

8. CAPITAL STOCK

	Number of Shares	Capital Stock	Contributed Surplus
Authorized			
Unlimited common shares without par value			
As at July 31, 2006	14,977,874	$ 34,383,271	$ 181,596
Shares issued for cash	20,000,000	2,200,000	-
Shares issued for mineral properties	225,000	54,000	-
Exercise of stock options	1,420,000	227,200	-
Exercise of warrants	325,000	48,750	
Reclassification of contributed surplus on the exercise of options	-	114,571	(114,571)
Stock-based compensation	-	-	709,219
As at April 30, 2007	36,947,874	$ 37,027,792	$ 776,244

During the nine months ended April 30, 2007, the Company:

a) completed a non-brokered private placement which consisted of 20,000,000 units at a price of $0.11 per unit for total proceeds of $2,200,000. Each unit is comprised of one common share and one share purchase warrant, each warrant exercisable at a price of $0.15 per share for a period of two years from the date of closing.

b) issued 1,420,000 common shares on exercise of options for proceeds of $227,200.

c) issued 325,000 common shared on exercise of share purchase warrants for proceeds of $48,750.

d) issued 225,000 common shares on the acquisition of a mineral property valued at $54,000.

9. STOCK OPTIONS AND WARRANTS

Stock options

At April 30, 2007, the Company had outstanding stock options, enabling the holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
45,000	$ 0.16	October 12, 2008
3,615,000	0.30	March 5, 2010

9. STOCK OPTIONS AND WARRANTS (cont'd…)

Stock options (cont'd…)

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, July 31, 2006	1,450,000	$	0.16
Options granted	3,660,000		0.30
Options exercised/expired	(1,450,000)		0.16
Balance, April 30, 2007	3,660,000	$	0.30
Number of options currently exercisable	3,660,000	$	0.30

Stock-based compensation

During the nine months ended April 30, 2007, the Company granted 3,660,000 stock options resulting in stock-based compensation expense of $709,219 using the Black-Scholes option pricing model which was also recorded as contributed surplus on the balance sheet.

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options granted:

	April 30, 2007
Risk-free interest rate	3.87%
Expected life of options	3 years
Annualized volatility	103.6%
Dividend rate	0%

9. STOCK OPTIONS AND WARRANTS (cont'd…)

As at April 30, 2007, the Company had outstanding share purchase warrants enabling the holders to acquire further common shares as follows;

Number of Shares	Exercise Price	Expiry Date
19,700,000	$0.15	December 16, 2008

Warrant transactions and the number of warrants are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
As at July 31, 2006	-	$ -
Issued	20,000,000	0.15
Exercised	(300,000)	0.15
As at April 30, 2007	19,675,000	$ 0.15

10. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

a) Paid or accrued consulting fees of $116,000 (2006 - $104,000) to companies controlled by two directors.

b) Paid or accrued management fees of 69,500 (2006 - $66,000) to a company controlled by a director.

c) Paid or accrued rent of $37,000 (2006 - $36,000) to a company controlled by a director.

d) Paid or accrued automobile costs of $Nil (2006 - $11,051) under a vehicle operating lease for use by directors and officers.

e) Paid or accrued directors fees of $15,000 (2006-$13,333) to a director of the Company.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2007	2006
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

The significant non-cash transaction for the nine months ended April 30, 2007.

a) issuing 225,000 common shares at a value of $54,000 for the acquisition of a mineral property (Note 5).

b) reallocating $114,571 to share capital from contributed surplus for option exercised.

The significant non-cash transaction for the nine months ended April 30, 2006 consisted of:

a) issuing 300,000 common shares at a value of $60,000 for the acquisition of a mineral property (Note 5).

12. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. Geographical information is as follows:

	April 30, 2007	July 31, 2006
Capital assets		
Canada	$ 17,440	$ 30,774
Australia	1,108,992	944,930
	$ 1,126,432	$ 975,704

13. COMMITMENT

The Company has an obligation under an operating lease for its premises to a company controlled by a director. The annual lease commitments under this lease is as follows:

2007	$ 15,000
2008	60,000
2009	40,000
	115,000

14. SUBSEQUENT EVENTS

Subsequent to April 30, 2007, the Company entered into the following transactions:

a) issued 300,000 common shares pursuant to the exercise of share purchase warrants for total proceeds of $45,000.

b) paid $45,000 and issued 225,000 common shares pursuant to the terms of the Mulga Tank agreement (Note 5).

c) announced a brokered private placement for gross proceeds of up to $4.9 million. The private placement will consist of up to 14 million units of the Company at a price of $0.35 per unit. Each unit will consist of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to acquire a further common share of the Company at a price of $0.50 per share for a term of two years.

The Company has also granted an overallotment option, exercisable by notice at least two days prior to closing of the private placement, to increase the private placement by up to 15 per cent or 2.1 million units.

Under terms of the engagement, the agent will receive a commission equal to 6.5 per cent of the gross proceeds from the sale of units, payable in cash or units at the agent's election. The agent will also be entitled to receive agent's warrants entitling them to acquire up to 6.5 per cent of the number of units sold in the private placement at a price of $0.35 per unit.

NEWPORT EXPLORATION LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Nine Months Ended April 30, 2007

This discussion and analysis of financial position and results of operations is prepared as at June 29, 2007 and should be read in conjunction with the unaudited financial statements for the nine months ended April 30, 2007 and the related notes thereto. Those unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and, as a result, do not contain all disclosure required under generally accepted accounting principles for annual financial statements. Accordingly, readers are referred to the July 31, 2006 annual audited financial statements of Newport Exploration Ltd. (the “Company” or “Newport”) and the accompanying notes. These documents are available for viewing at www.sedar.com. All dollar amounts included therein and in the following management discussion and analysis (“MD&A”) are in Canadian dollars except where noted.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company’s management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

Description of Business

Newport Exploration Ltd. is a mineral exploration company engaged in the acquisition and exploration of mineral properties in Western Australia. The Company’s head office is in Vancouver, British Columbia. The Company has a nickel-uranium exploration property in Western Australia where it holds an option to acquire an 80% interest in an exploration licence and a 75% interest in an application exploration licence. The Company is a reporting issuer in British Columbia, Alberta and Saskatchewan and trades on the TSX Venture Exchange under the symbol NWX.

Overview

On June 29, 2007 and subsequent to the quarter, the Company announced a brokered Private Placement to raise gross proceeds of up to Cdn$4,900,000 with PowerOne Capital Markets Limited (“PowerOne”) acting as agent. The Private Placement will consist of up to 14 million units at a price of $0.35 per unit. Each unit will consist of one common share of the Company and one share purchase warrant. Each warrant will entitle the holder to acquire a further common share of the Company at a price of $0.50 per share for a term of two years.

The Company also granted the agent an over-allotment option, exercisable by notice at least two days prior to closing to increase the Private Placement by up to 15% or 2,100,000 Units. Under the terms of the engagement PowerOne will receive a commission equal to 6.5% of the gross proceeds from the sale of Units, payable in cash or Units at PowerOne's election. PowerOne will also be entitled to receive agent’s warrants entitling them to acquire up to 6.5% of the number of Units sold in the Private Placement at a price of $0.35 per Unit.

In accordance with applicable securities laws the Shares and the Warrants will be subject to a four month hold period from the date of the closing of the Private Placement.

Proceeds from the Private Placement will be used for further exploration of the Company’s Mulga Tank nickel-uranium prospects in Western Australia and for general working capital.

Results of Operations

During the three months ended April 30, 2007, the Company incurred a loss of $792,712 compared to a loss of $65,813 for the three month period ended April 30, 2006. The significant changes during the three months ended April 30, 2007 compared to the three month period ended April 30, 2006 are as follows:

- Consulting fees increased to $49,072 during the three months ended April 30, 2007 from the $45,408 incurred during the three months ended April 30, 2006 due to an increase in consulting fees to a director to $12,000 per month from $10,000 per month during the current quarter.

- During the three months ended April 30, 2007 the Company incurred automobile expenses of $Nil as compared to the $3,528 incurred during the three month period ended April 30, 2006. This decrease was a result of an auto lease the Company had in the previous comparative period.

- During the three months ended April 30, 2007 management fees increased to $24,000 from $22,500 during the three month period ended April 30, 2006 due to an increase in management fees to a director to $8000 per month from $7500 per month during the current quarter.
- Stock-based compensation expense of $706,477 was recorded during the three months April 30, 2007 with respect to 3,615,000 stock options granted during the current period. There were no stock-based compensation expenses recorded during the three months ended April 30, 2006.

- The Company earned $7,328 in a petroleum royalty during the three months ended April 30, 2007 compared to $45,052 earned during the three months ended April 30, 2006, this was a result of the Company's retained 2.5% royalty on certain exploration permits in Australia oil and gas production commenced in November 2005. Production decreased during the current quarter.

- Interest income of $25,904 was earned during the three months ended April 30, 2007 on cash held in short-term investments. This compares to interest income of $5,619 earned during the three month period ended April 30, 2006. The interest income in the current quarter increased as a result of the $2.2 million private placement completed in the previous quarter. Additionally, stock options and share purchase warrants were exercised during the current quarter for total proceeds of $256,750.

The Company recorded a loss of $1,026,407 for the nine months ended April 30, 2007 (2006-$272,995). The increase in the loss over the prior year's comparative period was primarily due to $709,219 stock-based compensation expense recorded during the current period. This was a result of the 3,660,000 stock options granted during the nine months ended April 30, 2007.

Liquidity and Capital Resources

The Company's working capital position at April 30, 2007 was $2,826,054 as compared to a working capital position of $785,608 at July 31, 2006. The increase in working capital is primarily a result of the $2.2 million raised in the second quarter as mentioned above. As well $256,750 was raised through the exercise of share purchase warrants and stock options.

As at April 30, 2007, the Company had current assets of $2,879,031, total assets of $4,034,074 and total liabilities of $52,977. There is no long-term debt. There are no known trends in the Company's liquidity or capital resources.

The principal assets of the Company are its mineral exploration properties, amounting to $1,108,992 as at April 30, 2007.

During the second quarter of fiscal 2007, the Company completed a private placement for gross proceeds of $2.2 million. These funds, combined with funds on hand, will provide the Company with sufficient funds to meet its operating expenses and 2007 budgeted exploration programs on the Company's project in Australia.

Additionally, during the three months ended April 30, 2007, the Company issued 1,300,000 common shares on the exercise of options for proceeds of $208,000. Also, during the current quarter the Company issued 325,000 common shares on the exercise of share purchase warrants for proceeds of $48,750.

The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

Commitments and Contractual Obligations

The Company has work commitments on the Mulga Tank project pursuant to its underlying agreements. Newport has fulfilled its obligations in accordance with the amended commitment schedule. The work and acquisition commitments outlined below are contingent on successful exploration results being obtained.

Expiry Date	Exploration Expenditures	Acquisition Costs	Share Issuances	
Sept 1, 2005	$ 250,000	$ 60,000	300,000	(completed)
June 1, 2007	500,000	45,000	225,000	(completed)
Sept 1, 2007	750,000	150,000	600,000	
Sept 1, 2008	1,000,000			

Quarterly Financial Information

	Three Months Ended April 30, 2007	Three Months Ended Jan 31, 2007	Three Months Ended Oct 31, 2006	Three Months Ended Jul 31, 2006
Total assets	$ 4,034,074	$ 3,927,780	$ 1,735,552	$ 1,829,667
Mineral properties and deferred costs	1,108,992	1,071,189	969,339	944,930
Working capital	2,826,054	2,663,218	666,047	785,608
Loss for the period	(792,712)	(132,016)	(101,679)	(95,484)
Loss per share – basic and diluted	(0.02)	(0.01)	(0.01)	(0.01)

	Three Months Ended Apr 30, 2006	Three Months Ended Jan 31, 2006	Three Months Ended Oct 31, 2005	Three Months Ended Jul 31, 2005
Total assets	$ 1,880,057	$ 1,944,902	$ 2,069,386	$ 2,284,596
Mineral properties and deferred costs	904,861	878,374	862,050	542,086
Working capital	912,561	996,756	1,120,379	1,469,307
Loss for the period	(65,813)	(113,640)	(93,542)	(117,108)
Loss per share – basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)

Fiscal 2007

During the third quarter of fiscal 2007, the Company received $208,000 from the exercised of 1,300,000 stock options and $48,750 from the exercise of 325,000 share purchase warrants. Additionally, the Company granted 3,615,000 stock options resulting in the recording of $706,477 in stock-based compensation expense.

During the second quarter of fiscal 2007, the Company raised $2.2 million pursuant to a non-brokered private placement financing. Also, 120,000 common shares were issued for the exercise of options for proceeds of $19,200. The Company also made a payment of $45,000 and issued 225,000 common shares in connection with the option agreement on the Mulga Tank property. Additionally, the Company advanced $60,000 for upcoming exploration expenditures on the Mulga Tank project.

During the first quarter of fiscal 2007, administrative expenses remained constant with the previous quarter. The Company incurred $24,409 in exploration costs during this quarter.

Fiscal 2006

During the first quarter of the fiscal 2006, management fees and consulting increased as a result of new contracts with two directors during this quarter. During this quarter, the Company incurred $60,000 in acquisition costs and $199,964 in deferred exploration costs on the Mulga Tank project. The Company also commenced paying director's fees to a director totaling $5,000 per quarter. The Company spent $16,324 on the Mulga Tank project during the quarter.

During the second quarter, the Company's administrative expenses remained consistent with the previous quarter.

During the third quarter, the Company received $45,052 on the 2.5% held royalty held on certain oil and gas permits held in Australia. A total of $26,487 was spent during the quarter on Mulga Tank.

During the fourth quarter, professional fees were higher than in the previous quarter as a result of the year-end audit accrued. The Company also earned $60,663 during the fourth quarter as a result of the 2.5% royalty from production of the petroleum permits in Australia.

Fiscal 2005

During the fourth quarter of 2005 consulting fees increased as a result of the work under taken at the Mulga Tank project.

Related Party Transactions

During the nine months ended April 30, 2007, the Company paid or accrued $98,000 (2006 - $86,000) to Buccaneer Management Inc., a company controlled by Ian Rozier, the President, and paid or accrued $18,000 (2006 - $18,000) to 676421 B.C. Ltd., a company controlled by David Cohen a director, for consulting fees. Also during the nine months ended April 30, 2007, the Company paid or accrued $69,500 (2006 - $66,000) for management fees to Tabo Investments Ltd. and Prospect Point Consulting Ltd., companies controlled by Barbara Dunfield, the Chief Financial Officer of Newport. Additionally, the Company paid or accrued $37,000 (2006 - $36,000) for rent charged by 641485 B.C. Ltd., a company controlled by Mr. Rozier. Lastly, the Company paid or accrued $15,000 (2006 - $13,333) for director's fees to Douglas B. Hyndman.

Disclosure Controls and Procedures

The Company's system of disclosure controls and procedures includes our Disclosure Policy, our Code of Conduct and Business Ethics and the effectiveness of our Audit Committee. The Company has established procedures that allow the identification of matters warranting consideration of disclosure by the Audit Committee, as well as procedures for the verification of individual transactions and information that would be incorporated in annual and interim filings, including Financial Statements, Management's Discussion and Analysis, and other related documents.

As required by CSA Multilateral Instrument 52-109, Certification of Disclosure in an Issuer's Annual and Interim Filings, an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures was conducted as of April 30, 2007 under the supervision of management, including the President and the Chief Financial Officer. The evaluation included review of documentation, enquiries of Company staff and other procedures considered by Management to be appropriate under the circumstances.

As a result of their evaluation, the President and Chief Financial Officer are of the opinion that the design and operation of the system of disclosure controls was effective as at April 30, 2007.

The President and Chief Financial Officer are also required to file certifications of our annual filings under Multilateral Instrument 52-109. These certifications may be accessed at www.sedar.com.

Risk, Uncertainties and Outlook

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company's property has no known commercial ore deposit. Other risks facing the Company include competition for mineral properties, environmental and insurance risks, fluctuations in metal prices, fluctuations in exchange rates, share price volatility and uncertainty of additional financing.

Subsequent Events

Subsequent to April 30, 2007, the Company entered into the following transactions:

a) issued 300,000 common shares pursuant to the exercise of share purchase warrants for total proceeds of $45,000.

b) paid $45,000 and issued 225,000 common shares pursuant to the terms of the Mulga Tank agreement.

c) announced a brokered private placement for gross proceeds of up to $4.9 million. The private placement will consist of up to 14 million units of the Company at a price of $0.35 per unit. Each unit will consist of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to acquire a further common share of the Company at a price of $0.50 per share for a term of two years.

The Company has also granted an overallotment option, exercisable by notice at least two days prior to closing of the private placement, to increase the private placement by up to 15 per cent or 2.1 million units.

Under terms of the engagement, the agent will receive a commission equal to 6.5 per cent of the gross proceeds from the sale of units, payable in cash or units at the agent's election. The agent will also be entitled to receive agent's warrants entitling them to acquire up to 6.5 per cent of the number of units sold in the private placement at a price of $0.35 per unit.

Share Capital

As at June 29, 2007, the Company had 37,472,874 common shares outstanding and the following outstanding warrants and options:

Outstanding Options:

Number of Options	Exercise Price	Expiry Date
45,000	$0.16	October 12, 2008
3,615,000	0.30	March 5, 2010

Outstanding Warrants:

Number of Warrants	Exercise Price	Expiry Date
19,700,000	$0.15	December 16, 2008

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure document provided by the Company, which can be accessed www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward-Looking Information

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: mineral exploration and development costs and results, fluctuation in the prices of commodities for which the Company is exploring, foreign operations and foreign government regulations, competition, uninsured risks, recoverability of resources discovered, capitalization requirements, commercial viability, environmental risks and obligations, and the requirements for obtaining permits and licenses for the Company's operations in the jurisdictions in which it operates.