

NEW AMERICA ENERGY CORP.
Form 10-Q
July 14, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 2011

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

000-54243
Commission File Number

New America Energy Corp.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

N/A
(I.R.S. Employer Identification No.)

3651 Lindell Rd, STE D#138, Las Vegas Nevada
(Address of principal executive offices)

89103
(Zip Code)

(800) 508-6149
(Registrant's telephone number, including area code)

5614C Burbank Road SE, Calgary AB, Canada T2H 1Z4
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

50,900,000 common shares outstanding as of July 14, 2011

(Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.)

New America Energy Corp.

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PART I – FINANCIAL INFORMATION

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Article 210 8-03 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal recurring nature. Operating results for the nine month period ended May 31, 2011 are not necessarily indicative of the results that may be expected for the fiscal year ending August 31, 2011. For further information refer to the financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2010.

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NEW AMERICA ENERGY CORP.
(FORMERLY: ATHERON, INC.)
(AN EXPLORATION STAGE COMPANY)
BALANCE SHEETS
(unaudited)

	May 31, 2011	August 31, 2010
ASSETS		
Current Assets		
Cash and equivalents	\$ 14,741	\$-
TOTAL ASSETS	\$ 14,741	\$-
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable and accrued expenses	\$ 8,392	\$ 842
Accounts payable – related parties	1,000	-
Loan payable - related parties	-	54,985
Investor Deposits	75,000	-
Total Liabilities	82,306	55,827
Stockholders' Deficit		
Common Stock, \$.001 par value, 75,000,000 shares authorized 50,150,000 and 53,750,000 shares issued and outstanding at May 31, 2011 and August 31, 2010, respectively		
	50,150	53,750
Additional paid-in capital	467,835	(10,750)
Deficit accumulated during the exploration stage	(585,550)	(98,827)
Total stockholders' equity (deficit)	(67,565)	(55,827)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 14,741	\$-

See accompanying notes to the interim financial statements

NEW AMERICA ENERGY CORP.
(FORMERLY: ATHERON, INC.)
(AN EXPLORATION STAGE COMPANY)
THREE AND NINE MONTHS ENDED MAY 31, 2011 AND 2010,
AND CUMULATIVE FROM INCEPTION (MAY 8, 2006)
THROUGH MAY 31, 2011
(unaudited)

	Three Months Ended		Nine Months Ended		Cumulative From Inception
	May 31,		May 31,		
	2011	2010	2011	2010	
REVENUES	\$-	\$-	\$-	\$-	\$-
EXPENSES:					
Option mineral properties	75,000	-	435,000	-	435,000
Professional fees	9,938	2,000	32,073	6,000	130,900
Management Fees	7,500		17,500		17,500
General and administration	983	-	2,150	-	2,150
Total expenses	93,421	2,000	486,723	6,000	585,550
NET LOSS	\$(93,421)	\$(2,000)	\$(486,723)	\$(6,000)	\$(585,550)
NET LOSS PER SHARE	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	
WEIGHTED AVERAGE SHARES OUTSTANDING: BASIC AND DILUTED					
	50,150,000	53,750,000	51,462,821	53,750,000	

See accompanying notes to the interim financial statements

NEW AMERICA ENERGY CORP.
(FORMERLY: ATHERON, INC.)
(AN EXPLORATION STAGE COMPANY)
STATEMENTS OF CASH FLOWS (unaudited)
Nine Months Ended May 31, 2011 and 2010
Period from May 8, 2006 (Inception) to May 31, 2011

	Nine Months Ended		Period From May 8, 2006 (Inception) to May 31, 2011
	May 31, 2011	2010	
Cash Flows From Operating Activities			
Net loss	\$(486,723)	\$(6,000)	\$(585,550)
Shares issued to acquire option on mineral property	300,000	-	300,000
Accounts payable	6,464	-	7,306
Cash Flows Used by Operating Activities	(180,259)	(6,000)	(278,244)
Cash Flows From Financing Activities			
Proceeds from related parties	-	6,000	54,985
Investor deposits	75,000	-	75,000
Proceeds from sales of common stock	120,000	-	163,000
Cash Flows Provided By Financing Activities	195,000	6,000	292,985
Net Increase In Cash	14,741	-	14,741
Cash, beginning of period	-	-	-
Cash, end of period	\$14,741	\$-	\$14,741
Supplemental Cash Flow Information			
Interest paid			
Income taxes paid	\$-	\$-	\$-
	\$-	\$-	\$-
Supplemental non-cash financing activity:			
Related party loan forgiven as additional paid in capital	\$(54,985)	\$-	\$(54,985)
Shares issued to acquire option on mineral property	300,000	-	300,000
	\$245,015	-	\$245,015

See accompanying notes to the interim financial statements

NEW AMERICA ENERGY CORP.
(FORMERLY: ATHERON, INC.)
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2011

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES

Nature of Business

New America Energy Corp (formerly “Atheron, Inc.”) was incorporated in Nevada on May 8, 2006 as a development stage company, initially developing a technology for ethanol-methanol gasoline. The Company did not progress the development of this technology.

On November 5, 2010, we underwent a change of control and the Company’s newly appointed sole director and majority shareholder approved a name change to New America Energy Corp. and a twenty-five (25) new for one (1) old forward stock split of the Company’s issued and outstanding shares of common stock, such that its issued and outstanding shares of common stock increased from 2,150,000 to 53,750,000. This forward split did not affect the number of the Company’s authorized common shares, which remains at 75,000,000.

On November 16, 2010, the Nevada Secretary of State accepted for filing of the Certificate of Amendment to the Company’s Articles of Incorporation to change our name from Atheron Inc. to New America Energy Corp.

The forward stock split and name change has become effective with the Over-the-Counter Bulletin Board at the opening of trading on December 1, 2010 under the Company’s new symbol “NECA”. Our new CUSIP number is 641872 106.

The effect of the stock split has been recognized retroactively in the stockholders’ equity accounts as of May 8, 2006, the date of our inception, and in all shares and per share data in the financial statements.

On February 3, 2011 we entered into property acquisition agreements with First Liberty Power Corp. (“FLPC”), and GeoXplor Inc. (“GeoXplor”). Pursuant to the terms of the agreements, we acquired an option, as well as exploration rights, in certain unpatented mining claims located in Southern Utah which we refer to the “Uravan Property”.

On May 31, 2011, we entered into a property acquisition agreement with GeoXplor Corp. Pursuant to the terms of the agreement. Pursuant to the terms of the agreement, we acquired an option, as well as exploration rights, in certain unpatented mining claims located in Clayton Valley, Nye County, Nevada.

As a result of these agreements, the Company will be focused exclusively on the acquisition and development of mineral resource properties.

Exploration Stage Company

The Company is an Exploration Stage Company, as defined by Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 915, Development Stage Entities. The Company’s principal business is the acquisition and exploration of mineral resources. The Company has not presently determined whether its properties contain mineral reserves that are economically recoverable.

Basis of Presentation

Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. We believe that the disclosures are adequate to make the financial information presented not misleading. These condensed financial statements should be read in conjunction with the audited financial statements and the notes thereto for the year ended August 31, 2010. All adjustments were of a normal recurring nature unless otherwise disclosed. In the opinion of management, all adjustments necessary for a fair statement of the results of operations for the interim period have been included. The results of operations for such interim periods are not necessarily indicative of the results for the full year.

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NEW AMERICA ENERGY CORP.
(FORMERLY: ATHERON, INC.)
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2011

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

We consider all highly liquid investments with maturities of three months or less to be cash equivalents.

Fair Value of Financial Instruments

New America Energy Corp's financial instruments consist of cash and cash equivalents and a loan payable to a related party. The carrying amount of these financial instruments approximates fair value due either to length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these financial statements.

Mineral Properties Costs

Mineral exploration and development costs are accounted for using the successful efforts method of accounting.

Property acquisition costs - Mineral property acquisition costs are capitalized as mineral exploration properties. Upon achievement of all conditions necessary for reserves to be classified as proved, the associated acquisition costs are reclassified to proved properties

Exploration costs - Geological and geophysical costs and the costs of carrying and retaining undeveloped properties are expensed as incurred.

Impairment of Mineral Properties

Unproved mineral properties are periodically assessed for impairment of value, and a loss is recognized at the time of the impairment by providing an impairment allowance. An asset would be impaired if the undiscounted cash flows were less than its carrying value. Impairments are measured by the amount by which the carrying value exceeds its fair value. Because the Company uses the successful efforts method, the Company assesses its properties individually for impairment, instead of on an aggregate pool of costs. Unproved properties are evaluated periodically for impairment. Impairment of unproved properties is based on the facts and circumstances surrounding each lease and is recognized based on management's evaluation, which may include exploratory experience, expiration of leasehold, and management's intent regarding future development.

Income Taxes

Income taxes are computed using the asset and liability method. Under the asset and liability method, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation allowance is provided for the amount of deferred tax assets that, based on available evidence, are not expected to be realized.

Basic Loss Per Share

Basic loss per share has been calculated based on the weighted average number of shares of common stock outstanding during the period.

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NEW AMERICA ENERGY CORP.
(FORMERLY: ATHERON, INC.)
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2011

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flow.

NOTE 2 – RELATED PARTY TRANSACTIONS

The Company had received loans totaling \$46,985 for working capital from a shareholder and officer of the Company. The loans were unsecured, non-interest bearing and due upon demand. On November 5, 2010, the loans owed to a related party were forgiven and were recorded as additional paid-in-capital.

On November 1, 2010, the Company entered into a three-year consulting agreement with the Company's sole director. Under the terms of the agreement, the consultant is paid \$2,500 a month, payable on the 1st of each month, pursuant to the services to be rendered by the consultant. During the nine month period ended May 31, 2011, the Company made cash payments of \$17,500 to the consultant.

On December 23, 2010, the Company's sole director cancelled and returned to treasury 5,000,000 post-split common shares.

During the nine month period ended May 31, 2011, the Company's sole director paid \$1,000 for operating expenses on behalf of the Company. This amount remains outstanding as at May 31, 2011 and is reflected in the financial statements under accounts payable – related parties.

NOTE 3 – MINERAL PROPERTY RIGHTS

A) Van-Ur Agreement

On February 3, 2011 we entered into and closed property acquisition agreements with First Liberty Power Corp. ("FLPC"), and GeoXplor Inc. ("GeoXplor"). Pursuant to the terms of the agreements, we acquired an option, as well as exploration rights, in certain unpatented mining claims located in Southern Utah which we refer to the "Uravan Property". Pursuant to the terms of the agreements, we agreed to provide the following payments and other consideration to the two parties:

To FLPC:

- \$10,000 on the execution of the agreement; \$33,333 within 120 days of the execution of the agreement; \$33,333 within 240 days of the execution of the agreement; and \$33,334 within 360 days of the execution of the agreement;
 - 500,000 shares of our common stock (already issued); and
- A 0.5% net smelter royalty on all net revenue derived from production from the Uravan Property.

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NEW AMERICA ENERGY CORP
(FORMERLY: ATHERON, INC)
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2011

NOTE 3 – MINERAL PROPERTY RIGHTS (continued)

Van-Ur Agreement (continued)

To GeoXplor:

- \$50,000 on February 28, 2011; \$50,000 on May 31, 2011; \$100,000 on the 1st year anniversary of the agreement;
- \$100,000 on the 2nd year anniversary of the agreement; \$100,000 on the 3rd year anniversary of the agreement; and
 - \$100,000 on the 4th year anniversary of the agreement;
- 500,000 shares of our common stock on execution of the agreement (already issued); 250,000 shares of our common stock on or before the date one year from the date of the agreement; 250,000 shares of our common stock on or before the date two years from the date of the agreement; and 250,000 shares of our common stock on or before the date three years from the date of the agreement; and
 - A 2.5% net smelter royalty on all net revenue derived from production from the Uravan Property.

If we are unable to make any of the share issuances or payments under the agreements with GeoXplor and FLPC, the property rights would revert to FLPC who would be responsible for payments to GeoXplor.

During the nine month period ended May 31, 2011, the Company made cash payments in the amount of \$10,000, and issued 500,000 shares of common stock to FLPC and made cash payments in the amount of \$50,000 and issued 500,000 shares of common stock to GeoXplor. The issuance of 1,000,000 shares of common stock was valued at the market value of the stock on the issuance date.

The payment of \$33,333 due to the Company on June 3, 2011 and the payment of \$50,000 due to GeoXplor on May 31, 2011 pursuant to the Van-Ur Agreement and the further option to New America were not paid as due. The parties to the agreement have verbally agreed to extend the payment due dates by 120 days and are currently reviewing the extension agreement which is expected to be executed prior to the end of July, 2011. Under the terms of the extension agreement, during the 120 extension period GeoXplor has the right to solicit and accept offers by other parties on the property, in which case the Option Agreement will be terminated the Company will not have any further rights or interest in the property.

At May 31, 2011, the Company recorded \$360,000 as an impairment of mineral properties as no proven or probable reserves have yet been determined.

B) Clayton Valley Agreement

On May 31, 2011, entered into a property acquisition agreement with GeoXplor Corp. Pursuant to the terms of the agreement, we acquired an option, as well as exploration rights, in certain unpatented mining claims located in Clayton Valley, Nye County, Nevada. We agreed to provide the following payments and other consideration to GeoXplor:

- \$75,000 on May 31, 2011 ;
- \$100,000 on May 31, 2012;

·\$100,000 on May 31, 2013;

·\$100,000 on May 31, 2014;

·500,000 shares of our common stock on execution of the agreement;

·500,000 shares of our common stock on or before the date one year from the date of the agreement;

·500,000 shares of our common stock on or before the date two years from the date of the agreement; and

·500,000 shares of our common stock on or before the date three years from the date of the agreement; and

·A 3.0% net smelter royalty on all net revenue derived from production from the Nye County Property.

NEW AMERICA ENERGY CORP
(FORMERLY: ATHERON, INC)
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2011

NOTE 3 – MINERAL PROPERTY RIGHTS (continued)

Clayton Valley Agreement (continued)

We have also committed to a 4 year work program of no less than \$1,000,000 with \$100,000 to be spent in the first year, \$200,000 during the second year, \$300,000 during the third year and \$400,000 during the fourth year.

If we are unable to make any of the share issuances or payments under the agreements with GeoXplor, the property rights would revert to GeoXplor.

During the nine month period ended May 31, 2011, the Company made cash payments in the amount of \$75,000 to GeoXplor. At May 31, 2011, the Company recorded 75,000 as an impairment of mineral properties as no proven or probable reserves have yet been determined.

NOTE 4 – LIQUIDITY AND GOING CONCERN

We have negative working capital, and have incurred losses since inception, and have not yet generated revenues. As we are in the exploration stage with our recently acquired mineral claims we do not expect to generate revenues for some period of time, if ever.. These factors create substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustment that might be necessary if the Company is unable to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the Company generating cash from the sale of its common stock and/or obtaining debt financing and attaining future profitable operations. Management's plans include selling its equity securities and obtaining debt financing to fund its capital requirement and ongoing operations; however, there can be no assurance the Company will be successful in these efforts.

NOTE 5 – INVESTOR DEPOSITS

On May 13, 2011, the Company received \$75,000 from an investor as a private placement subscription for 250,00 shares of common stock at \$0.30 per common share. As at May 31, 2011, the Company had not yet issued the shares pursuant to this private placement, the \$75,000 is reflected on the balance sheets as at May 31, 2011 as investor deposits.

NOTE 6 – CAPITAL STOCK

On December 23, 2010, the Company's sole director cancelled and returned to treasury 5,000,000 shares of common stock.

During the nine month period ended May 31, 2011, the Company issued shares of common stock as follows:

400,000 shares of common stock were issued pursuant to private placements at \$0.30 per common share for gross proceeds of \$120,000.

1,000,000 shares of common stock were issued pursuant to the mineral property assignment and acquisition agreement and mineral property option agreement. (See Note 3 – Mineral property rights - Van-Ur Agreement.).

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NOTE 7 - SUBSEQUENT EVENTS

On June 4, 2011, the Company issued a total of 500,000 shares of common stock pursuant to the Clayton Valley Agreement disclosed under Note 3(b) – Mineral Property Rights above.

On June 24, 2011, the Company issued a total of 250,000 shares of common stock pursuant to the private placement disclosed under Note 5 – Investor Deposits above.

The Company has evaluated subsequent events from the date of the balance sheet to the date of this filing and determined there are no other events to be disclosed.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

This quarterly report contains forward-looking statements relating to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "intends", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors which may cause our or our industry's actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements.

Such factors include, among others, the following: international, national and local general economic and market conditions; demographic changes; the ability of the Company to sustain, manage or forecast its growth; the ability of the Company to successfully make and integrate acquisitions; raw material costs and availability; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other factors referenced in this and previous filings.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity or performance. Except as required by applicable law and including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Given these uncertainties, readers of this Form 10-Q and investors are cautioned not to place undue reliance on such forward-looking statements. We disclaim any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

All dollar amounts stated herein are in US dollars unless otherwise indicated.

The management's discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America. The following discussion of our financial condition and results of operations should be read in conjunction with our audited financial statements for the year ended August 31, 2010, along with the accompanying notes. As used in this quarterly report, the terms "we", "us", "our", and the "Company" means New America Energy Corp.

Overview

We were incorporated as "Atheron, Inc." in the State of Nevada on May 8, 2006. On November 5, 2010 we underwent a change of control and on November 15, 2010 we changed our name to New America Energy Corp., and began looking for opportunities to acquire exploration stage oil and gas or mineral properties. Also on November 15, 2010 we effected a split of our issued and outstanding common shares on a 25 for 1 basis. Our mailing address is 5614C Burbank Road SE, Calgary, Alberta, T2H 1Z4 and our telephone number is 800-508-6149.

Previous Business

Before we went through a change of control and business focus, we were engaged in the business of developing a technology for ethanol-methanol gasoline. Since our inception, we had been attempting to raise money to complete our product, but were not been able to secure the funds necessary to do so. As we were unable to raise the capital necessary to develop our business plan, we began a search for other business opportunities of possible benefit to our shareholders.

Current Business

Shortly after changing out business focus to exploration stage properties, we identified an opportunity to acquire the Uravan Property from FLPC and GeoXplor. We entered into the agreement with the two parties on February 3, 2011. Our plan was to undertake exploration on the Uravan property, however, due to our inability to raise the funds required to maintain the property payments due to the weak investor demand for Uranium we have negotiated an extension of 120 days for payments from May 31, 2011 to September 30, 2011 and will re-evaluate the prospect prior to that date to determine whether we want to proceed. Should we determine not to pursue this prospect, we will lose all right and interest to the property. We will not recover any cash expended or stock issued.

On May 31, 2011, entered into a property acquisition agreement with GeoXplor Corp. Pursuant to the terms of the agreement, we acquired an option, as well as exploration rights, in certain unpatented mining claims located in Clayton Valley, Nye County, Nevada. It is our intent to concentrate our exploration efforts initially on this property.

We are an exploration stage company and have not generated any revenues to date. We are in the initial stages of developing our mineral properties, have very limited cash resources and are in need of substantial additional capital to execute our business plan. For these and other reasons, our independent auditors have raised substantial doubt about our ability to continue as a going concern.

Material Changes in Financial Condition

Liquidity & Capital Resources

We are an exploration stage company engaged in the exploration of mineral properties. To date, we have not generated any revenues.

Cash on hand at May 31, 2011 was \$14,741 as compared to \$nil as of August 31, 2010. Our total liabilities were \$82,306 of which \$75,000 is related to an investor deposit for a private placement that will be converted to equity immediately upon the issuance of the shares leaving liabilities of \$9,932, as compared to \$55,872 as at August 30, 2010. This significant change was as a result of all loans owed to a related party being forgiven and recorded as additional paid-in-capital, and a private placement in the amount of \$120,000 by way of the issuance of 4000,000 shares, 200,000 shares issued on December 23, 2010, and 200,000 shares issued on February 14, 2011.

On February 3, 2011 pursuant to the option of certain mineral claims we entered into a contingency liability with First Liberty Power Corp. and GeoXplor in the amount of \$150,000 within the next 12 months,² payable to First Liberty and \$50,000 payable to GeoXplor. Currently we have a 120 day extension on the payments in default which total \$50,000 to GeoXplor as at May 31, 2011 and \$33,333 to First Liberty. We are currently evaluating the prospect to determine whether to terminate this agreement or to continue and meet the obligations.

On May 31, 2011 pursuant to the option of certain mineral claims with GeoXplor we have a contingent liability of \$200,000 within the next 12 month period, of which \$100,000 is by way of option payment and \$100,000 is required to be spent on exploration activities.

In order to meet all of the current commitments and fund operations for the next twelve months the Company estimates it will require a minimum of \$500,000. We do not currently have the funds and there is no assurance that the funds will be available if and when required.

Our ability to meet our financial liabilities and commitments is primarily dependent upon the continued issuance of equity to new stockholders, the ability to borrow funds, and ultimately upon our ability to achieve and maintain profitable operations. There are no assurances that we will be able to obtain required funds for our continued operations. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will not be able to meet our other obligations as they become due and we will be forced to scale down or perhaps even cease the operation of our business.

There is substantial doubt about our ability to continue as a going concern as the continuation of our business is dependent upon obtaining further short and long-term financing, achieving success in the commercializing of our Product, and achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholder. Obtaining commercial loans, assuming those

loans would be available, will increase our liabilities and future cash commitments.

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Material Changes in Results of Operations

We have recently changed our business plan with the change in control of the Company and the option of certain mineral claims on which we intend to commence exploration activities. We do not have any revenues and have not had any revenue since inception on May 8, 2006.

Due to this change in business, we have a net loss of (\$486,723) for the nine month period ended May 31, 2011 as compared to a net loss of (\$6,000) for the nine month period ended May 31, 2010. This loss is mainly comprised of the amount of \$435,000 for impairment of our mineral claims. For the comparable period in 2010 we did not have any mineral claims. Due to increased operations we had an increase in professional fees from \$6,000 (2010) to \$32,073 (2011) and a consulting contract with our sole director for \$2,500 per month resulting in an expense of \$17,500 in management fees (2011) as compared to no expense for management fees (2010).

For the three months ending May 31, 2011, our net loss was (\$93,421) as compared to (\$2,000) for the three months ending May 31, 2010 with revenues of \$nil.

Off- Balance Sheet Arrangements

The Company presently does not have any off-balance sheet arrangements.

Going Concern

In their audit report relating to our financial statements for the period ended August 31, 2010, our independent accountants indicated that there are a number of factors that raise substantial doubt about our ability to continue as a going concern. Such factors identified in the report are our lack of revenue resulting in a net loss position and insufficient funds to meet our business objectives. All of these factors continue to exist and raise doubt about our status as a going concern.

We anticipate that additional funding will be required in the form of equity financing from the sale of our common stock. At this time, we cannot provide investors with any assurance that we will be able to raise sufficient funding from the sale of our common stock or through a loan from our directors to meet our obligations over the next twelve months.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

A smaller reporting company is not required to provide the information required by this Item.

ITEM 4. CONTROLS AND PROCEDURES

We carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of May 31, 2011. This evaluation was carried out under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, Rick Walchuk. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of May 31, 2011, our disclosure controls and procedures are effective. There have been no changes in our internal controls over financial reporting during the quarter ended May 31, 2011.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures

include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Limitations on the Effectiveness of Internal Controls

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material error. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving our objectives and

our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective at that reasonable assurance level. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the internal control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 1A. RISK FACTORS

A smaller reporting company is not required to provide the information required by this Item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On June 4, 2011, the Company issued a total of 500,000 shares of common stock to GeoXplor Corp. pursuant to a property acquisition agreement.

The above described shares were issued without a prospectus pursuant to Section 4(2) of the Securities Act.

Our reliance upon the exemption under Section 4(2) of the Securities Act of 1933 was based on the fact that the issuance of these shares did not involve a “public offering.” Each offering was not a “public offering” as defined in Section 4(2) due to the insubstantial number of persons involved in the deal, size of the offering, manner of the offering and number of securities offered. We did not undertake an offering in which we sold a high number of shares to a high number of investors. In addition, the investors had the necessary investment intent as required by Section 4(2) since they agreed to and received a share certificate bearing a legend stating that such shares are restricted pursuant to Rule 144 of the Securities Act. This restriction ensures that these shares would not be immediately redistributed into the market and therefore not be part of a “public offering.” The investors negotiated the terms of the transactions directly with our executive officers. No general solicitation was used, no commission or other remuneration was paid in connection with these transactions, and no underwriter participated. Based on an analysis of the above factors, these transactions were effected in reliance on the exemption from registration provided in Section 4(2) of the Securities Act for transactions not involving any public offering.

On May 13, 2011, the Company received \$75,000 by way of private placement. On June 24, 2011 the Company issued a total of 250,000 shares of common stock at \$0.30 per common share.

The 250,000 shares were subscribed for with the exemption from the registration requirements found in Regulation S promulgated by the Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933. The offer and sale to the purchaser was made in an offshore transaction as defined by Rule 902(h). No directed selling efforts were made in the U.S. as defined in Rule 902(c). The offer and sale to the purchaser was not made to a U.S. person or for

the account or benefit of a U.S. person. The following conditions were present in the offer and sale: a) The purchaser of the securities certified that it is not a U.S. person and did not acquire the shares for the account or benefit of any U.S. person; b) The purchaser has agreed to resell the securities only in compliance with Regulation S pursuant to a registration under the Securities Act, or pursuant to an applicable exemption from registration; and has agreed not to engage in hedging transactions with regard to the securities unless in compliance with the Securities Act; c) The purchaser has acknowledged and agreed with the Company that the Company shall refuse registration of any transfer of the securities unless made in accordance with Regulation S, pursuant to a registration statement under the Securities Act, or pursuant to an applicable exemption from registration and; d) The purchaser has represented that it is acquiring the shares for its own account, for investment purposes only and not with a view to any resale, distribution or other disposition of the shares in violation of the United States federal securities laws. Neither the Company nor any person acting on its behalf offered or sold these securities by any form of general solicitation or general advertising. The shares sold are restricted securities and the certificates representing these shares have been affixed with a standard restrictive legend, which states that the securities cannot be sold without registration under the Securities Act of 1933 or an exemption therefrom. No commissions or finder's fees were paid by the Company in connection with the issuance of these shares.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. (REMOVED AND RESERVED)

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Number	Description	
3.1	Articles of Incorporation, as amended	Incorporated by reference to the Registration Statement on Form SB-2 filed on October 25, 2006.
3.1 (i)	Certificate of Amendment to the Articles of Incorporation as filed with the State of Nevada on November 15, 2010	Incorporated by reference to the Current Report on Form 8-K filed on November 16, 2010.
3.2	Bylaws, as amended	Incorporated by reference to the Registration Statement on Form SB-2 filed on October 25, 2006.
10.1	Release entered into by Susanna Hilario	Incorporated by reference to the Current Report on Form 8-K filed on November 8, 2010.
10.2	Release entered into by Rey V. Supera	Incorporated by reference to the Current Report on Form 8-K filed on November 8, 2010.
10.3	Share Cancellation Agreement with Rick Walchuk dated December 23, 2010	Incorporated by reference to the Current Report on Form 8-K filed on January 19, 2011
10.4	Consulting Agreement with Rick Walchuk dated January 14, 2011	Incorporated by reference to the Current Report on Form 8-K filed on January 19, 2011
10.5	Property assignment and acquisition agreement, dated February 3, 2011	Incorporated by reference to the Current Report on Form 8-K filed on February 4, 2011.
10.6	Property option agreement dated February 3, 2011	Incorporated by reference to the Current Report on Form 8-K filed on February 4, 2011.
10.7	Property option agreement between GeoXplor and the Company dated effective May 31, 2011	Incorporated by reference to the Current Report on Form 8-K filed on February 4, 2011.
31.1	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed Herewith
31.2	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rule	Filed Herewith

13a-14(a)/15d-14(a), as adopted pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 Filed Herewith

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NEW AMERICA ENERGY CORP.

Date: July 14, 2011

By: /s/ Rick Walchuk
Name: Rick Walchuk
Title: Chief Executive Officer, Chief Financial Officer, Principal Executive Officer, Principal Financial and Accounting Officer, Director

