



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 29 APRIL 2010

MARCH 2010 QUARTERLY REPORT

The Directors of Newport Mining Limited ("**Newport**" or "**Company**") are pleased to present its quarterly report for March 2010.

During the quarter the Company entered into a conditional agreement to acquire two highly prospective and potentially large-scale phosphate projects ("**Projects**") located in Brazil.

Highlights:

- The Lucena Phosphate Project ("**LPP**") has an initial exploration target of 40 to 50 million tonnes at an average grade of 10% to 14% P_2O_5 based on a compilation of historical drilling by CPRM¹.
- The Mata da Corda Phosphate Project ("**MCP**") has outcropping mineralisation with historical rock chip results of up to 23.2% P_2O_5 and is ready for drill testing.
- Initial land position of approximately 83,361 hectares with additional areas identified, providing the potential to expand exploration target.
- Projects located close to existing infrastructure including roads, water, power and ports.
- A highly experienced in-country technical team has been assembled to commence drilling and other exploration activities. .
- Brazil imports 49% of its phosphate needs and both projects are located near potential domestic primary customers and major fertiliser blenders.
- Previous exploration activities including drilling and rock chip sampling completed by the National Bureau of Mines ("**DNPM**") in association with the Brazilian Geological Survey ("**CPRM**") will provide a solid platform to compile an initial Mineral Resource estimate that can be reported in accordance with the JORC Code in late 2010.

The acquisition of the Projects will occur by Newport acquiring a 100% of Aguiá Metais Ltda ("**Aguiá**"). Aguiá is a 100% owned subsidiary of Falcon Metais Ltda ("**Falcon**"), a private company held within the Forbes & Manhattan Group.

The commercial terms of the acquisition, which is subject to approval by Newport shareholders, include the issue of 10 million ordinary shares at settlement, with further ordinary shares to be issued upon achievement of milestones involving independent delineation, classification and reporting of mineral resources in accordance with the JORC Code guidelines.

In addition, Mr Simon Taylor was appointed Managing Director of Newport during the quarter. Mr Taylor is a geologist and a founding Director of Newport. Most recently Mr Taylor was a resource analyst with a major focus on the phosphate sector.

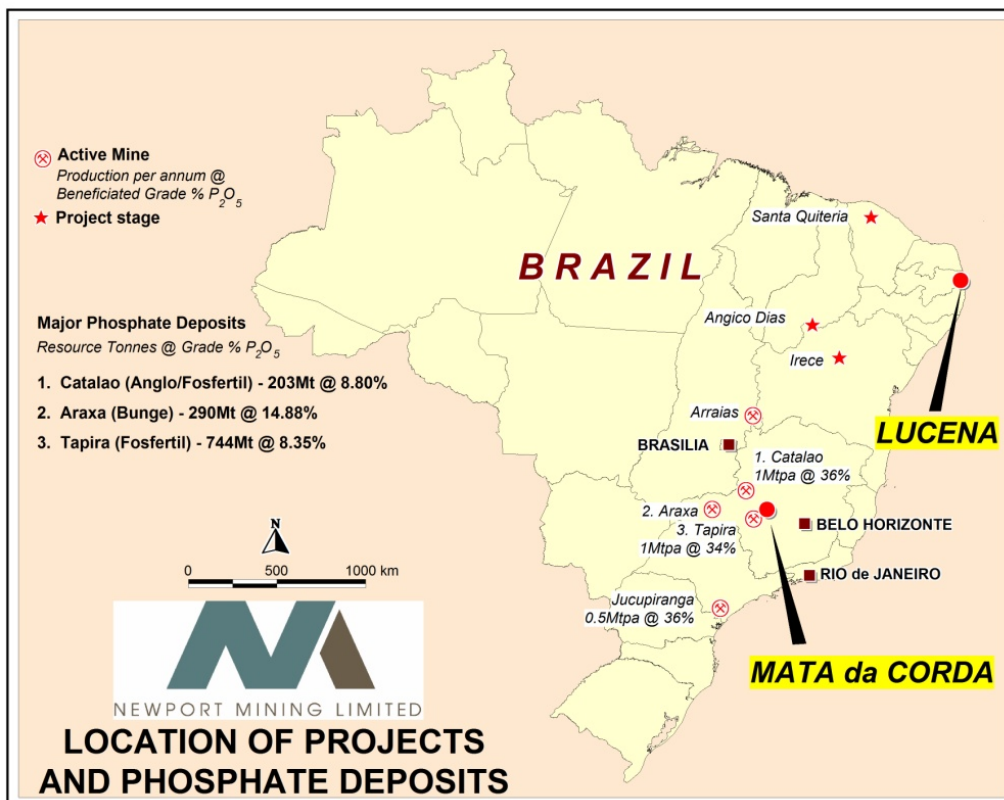


Figure 1: Location of the MCPP and LPP in Brazil relative to major phosphate mines

A General Meeting of Shareholders is scheduled for 24 May 2010 to approve the acquisition of the Projects. Please refer to the Company's Notice of General Meeting dated 16 April 2010 for further details on the transaction.

Going Forward

Activities in the coming months will focus on the phosphate Projects (following settlement) and include:

- A review of all historical results on the Projects (which is already underway) and completion of a detailed 12 month budget with a large proportion of expenditures to be allocated to drilling.
- At the MCPP programs of soil and rock chip sampling will be completed in preparation for drill testing.
- At the LPP, detailed mapping and reconnaissance of historical drilling will be completing in preparation for drill testing.

Enquires: Simon Taylor – Managing Director
Telephone: +612 9210 1332

¹ The statement referring to the potential quantity and grade of the target is based on the results of historical exploration activities undertaken by CPRM during the 1960's to 1980's, including 47 drill holes of which 22 drill holes within the project and immediate surrounds returned mineralisation. The potential tonnage range and average grade is conceptual in nature and insufficient work has been completed to report a Mineral Resource in accordance with the JORC Code (2004). It is uncertain if further exploration work will result in the determination of a Mineral Resource.

Brazilian Phosphate Projects

Newport has entered into a conditional agreement to acquire the MCPP and LPP located in Brazil.

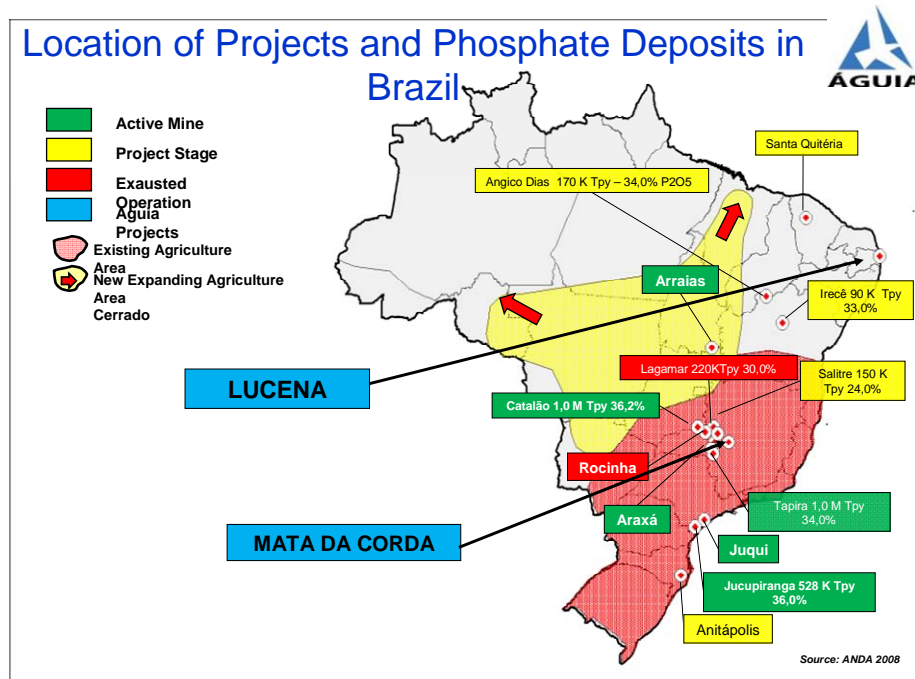


Figure 2: Location of Projects relative to major phosphate mines/projects and agricultural areas in Brazil

Mata da Corda Phosphate Project

The MCPP is located within 150km of the three largest phosphate mines in Brazil; Araxá – Bunge (290Mt @ 14.88% P₂O₅), Tapira – Fosfertil (744Mt @ 8.35% P₂O₅) and Catalão – Anglo/Fosfertil (203Mt @ 8.80% P₂O₅). These three mines account for 95% of the phosphate rock production in Brazil. Within this existing transportation corridor there are 32 major bulk fertilizer blenders. Capacity upgrades are planned for all three mines.

The MCPP covers approximately 10,000 hectares (100km²) and sits in the middle of the agricultural and industrialized heartland of the southeast region of Brazil in the state of Minas Gerais (English Translation = General Mining State) some 250km to the west of Belo Horizonte.

The property was identified as potentially attractive to Aguia because of the historical phosphate occurrences reported by CPRM in the late 1960's and early 1970's. After an initial analysis of these occurrences, the geology and its distribution, Aguia staked the MCPP in August 2008. This triggered a staking rush in the area with Amazon Mining Ltd (late August 2008) and Vale (September 2008) staking to the north, south and west.

The MCPP is located next to excellent logistics and infrastructure (roads, water, railway, energy) and is near potential primary (agriculture) customers, fertilizer blenders and is on the main transportation route for the expanding agricultural districts of Mato Grosso Brazil.

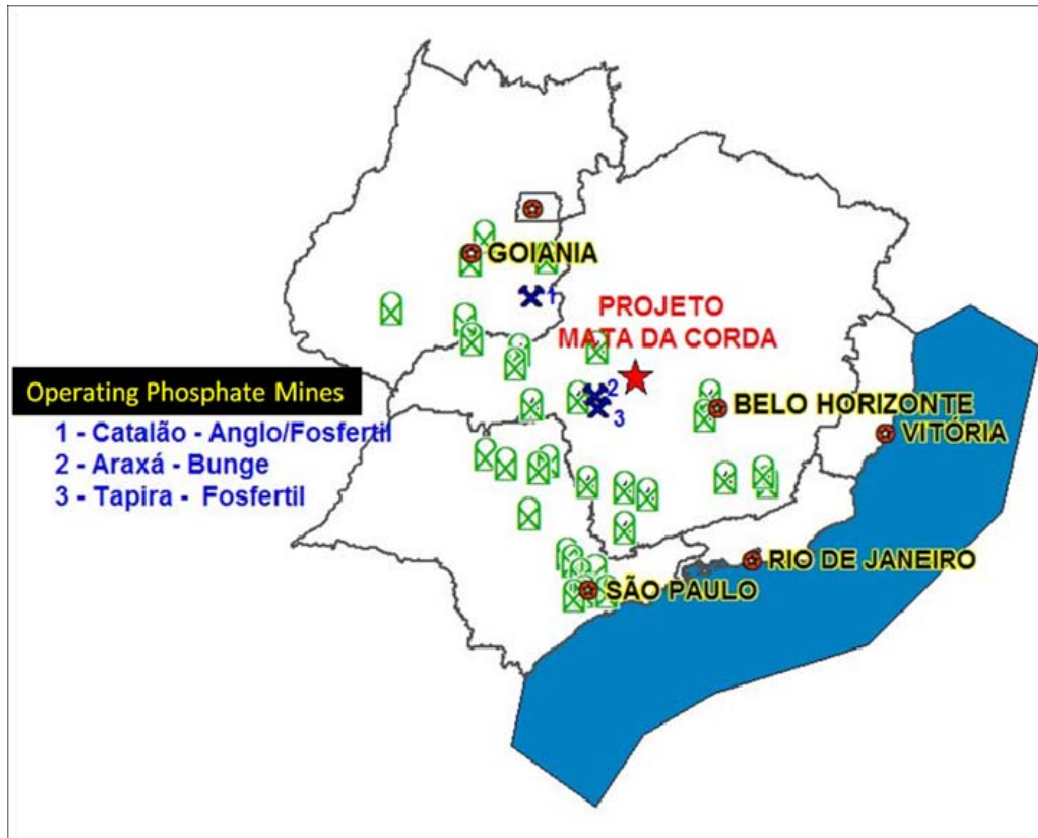


Figure 3: Location of MCPP relative to operating phosphate mines (blue) and major fertilizer bulk blenders (green) in southeast Brazil

Previous Exploration

The MCPP region was initially explored for phosphates between 1968 and 1971 by the DNPM in association with the CPRM. This historical program included geological mapping of 450km² at 1:25,000 scale, 90 pits, 1,760 meters of diamond drilling (37 holes) and 870m³ of trenches, which collectively generated 1,256 geochemical samples.

The outcome of this program was the identification of seven small deposits located in the vicinity of the Project, most of which were mined in artisanal quarries with the phosphate rock used locally as a direct application fertilizer. Since this period no systematic exploration has been performed in the region as most of the initiatives were concentrated in the surrounding carbonatite pipes where phosphate is currently mined.

In August 2008 Aguiá, based on a new interpretation of the local geology, staked an area of ~10,000 hectares covering a prospective zone including historical phosphate occurrences.

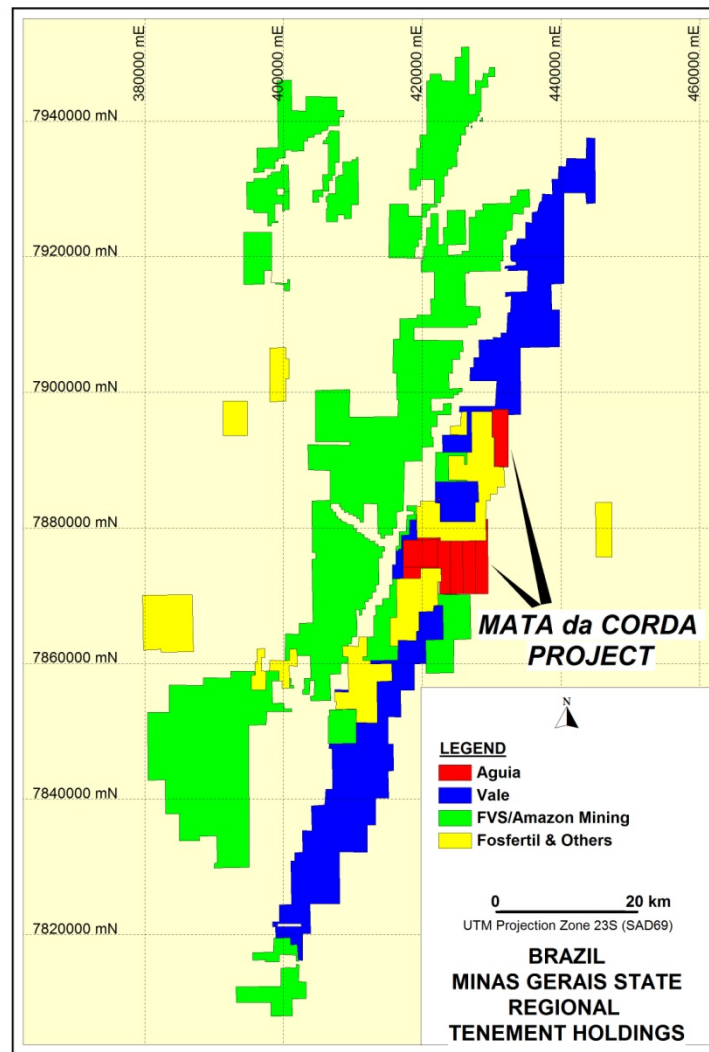


Figure 4: Location of MCPP tenements relative to other tenement holders

Geology and Mineralisation

Tectonically the project area sits within the southernmost portion of the Neoproterozoic Brasilia Mobile Belt and includes a variety of highly deformed and metamorphosed rocks mostly of sedimentary origin.

The area comprises tightly folded slates and phyllites of the Serra da Saudade Formation (Neoproterozoic) which are overlain by Cretaceous rocks of the Areado and Mata da Corda Formation. The contact between the Neoproterozoic and the Cretaceous rocks is well defined by a discrete angular and erosive unconformity.

Aguia claims strategically cover a zone with some 80km of unconformity to which most of the historical occurrences are associated.

Phosphate mineralization in the MCPP region is related to a whitish to pale yellow rock displaying either a brecciated or more massive fabric. The bulk of the mineralization occurs as a horizontal bed along the unconformity zone, with a thickness that can vary from 1 to up to 15 meters. Phosphate was mined in the region in several artisanal quarries for local use as a direct application fertilizer. Most of these quarries occur adjacent to the unconformity zone in regions where the overlying sandstone was eroded allowing the mineralization to outcrop. However no systematic exploration was performed along the unconformity zone.



Figure 5: Occurrence of phosphate bed along unconformity zone extending into MCPP area



Figure 6: Example of phosphate mineralization within MCPP showing strong reaction with ammonia molybdate (field test for phosphate)

Phosphate Occurrences Within Agua Claims			
Sample	UTM_E	UTM_N	P₂O₅ (%)
1	425,680	7,877,028	12.90
2	422,704	7,877,142	7.10
3	423,245	7,876,602	13.40
4	423,064	7,876,605	13.10
5	422,984	7,876,700	12.10
6	422,833	7,876,669	12.20
8	422,413	7,878,553	14.30
10	422,581	7,877,451	10.70
11	422,287	7,877,526	23.20
12	422,256	7,877,437	12.30
13	421,721	7,876,427	7.50
17	422,599	7,872,575	9.60

Table 1: Grab sample results within MCPP at surface taken by CPRM and DNPM

Lucena Phosphate Project

The LPP covers 73,361 hectares (733km²) all located within a 50km radius around the city of João Pessoa, capital of the Paraíba state in north eastern Brazil.

The Property was identified based on historical phosphate occurrences reported by the CPRM (Brazilian Geological Survey). After initial analysis of the occurrences, geology and distribution the available areas were staked along the northern sector of the Paraíba Belt within the same geological setting that hosts several phosphate deposits discovered by CPRM. No systematic exploration work has been conducted since the historical government program.

The property hosts excellent logistic and infrastructure including roads, water, railways, energy and is located near fertilizer blenders and transportation hubs including the Cabedelo port facilities which can be accessed via 65km of paved roads.

Previous Exploration

The LPP area was first investigated by the CPRM in the late seventies to early eighties were several intercepts containing P_2O_5 were defined during the drilling exploration program. This program also identified the Recreio - Acais Deposit located further south (25km) from the Project area and Goiania deposit located 50km northward from Olinda.

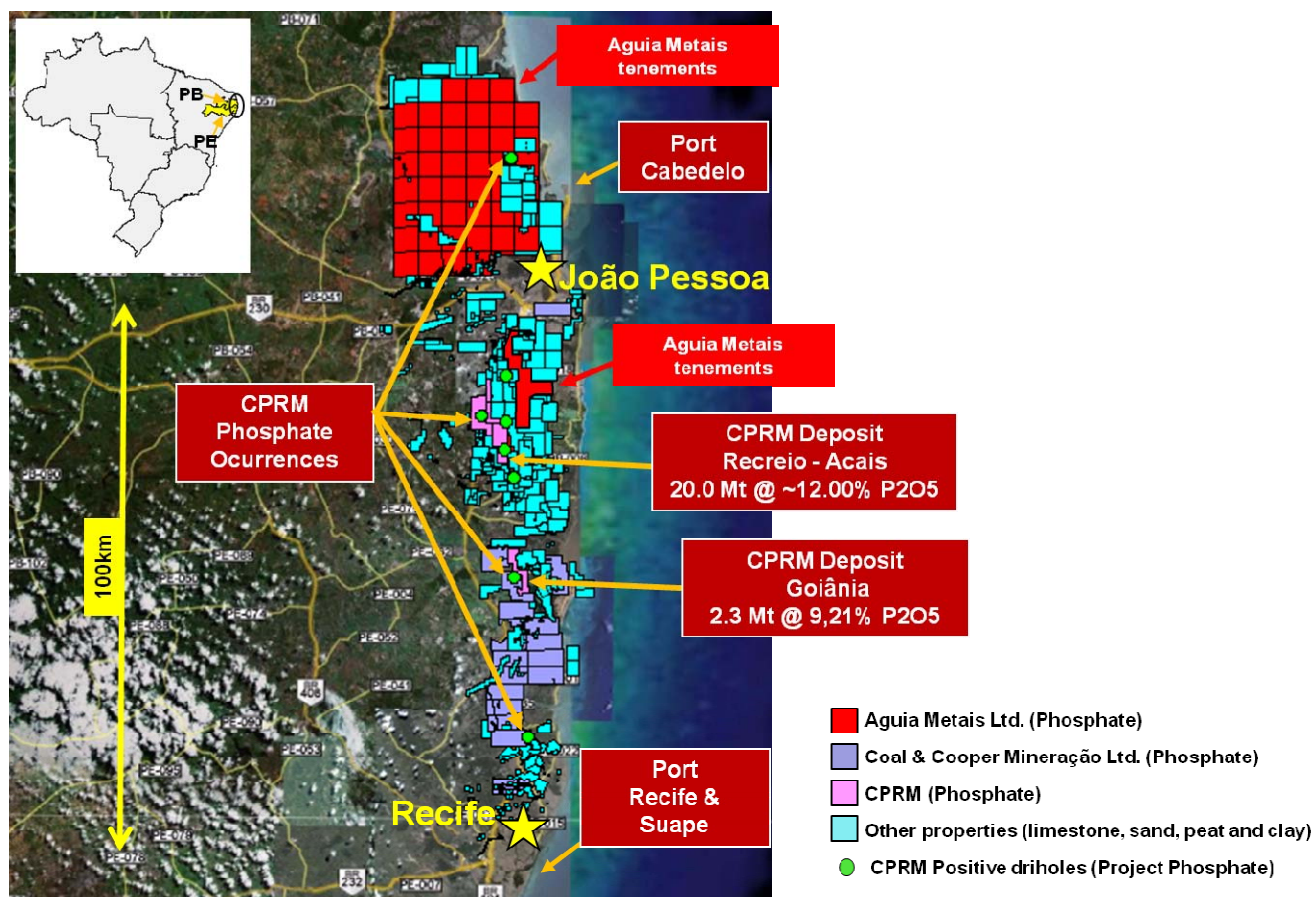


Figure 7: LPP location map showing existing phosphate deposits nearby.

Geology and Mineralisation

LPP is located within the Pernambuco-Paraiba basin consisting of Cretaceous-Paleocene sediments (sandstones, limestone) covered by the Pleistocene Barreiras Group (sandstone). The basin averages 25km in width and has a maximum thickness of 400 metres. Structurally the sediments are horizontal with slight dip to the east (4 to 25m per km).

The mineralization is typical of sedimentary phosphorite deposits associated with upwelling zones with low sedimentation rate and can be associated with zones where cold water meets warmer waters allowing the precipitation of phosphate. Phosphorite is a variety of sedimentary rock composed by 10% of phosphate, usually francolite $Ca_5[(F,O)](PO_4,CO_3)_3$ - that represents a "fibrous apatite and fluorapatite".

From the 47 holes drilled, 22 drill holes within the project area and immediate surrounds intercepted significant phosphate (P_2O_5) mineralisation. The main mineralized interval is located at the bottom of the Gramame Formation (limestone) near the top of the Itamaraca Formation (sandstone). The depth of the mineralization varies from 15 to 94 meters depth with thickness in the range of 0.5 to 7.0 metres. The grades found vary from 3.1% to 21.85% P_2O_5 .

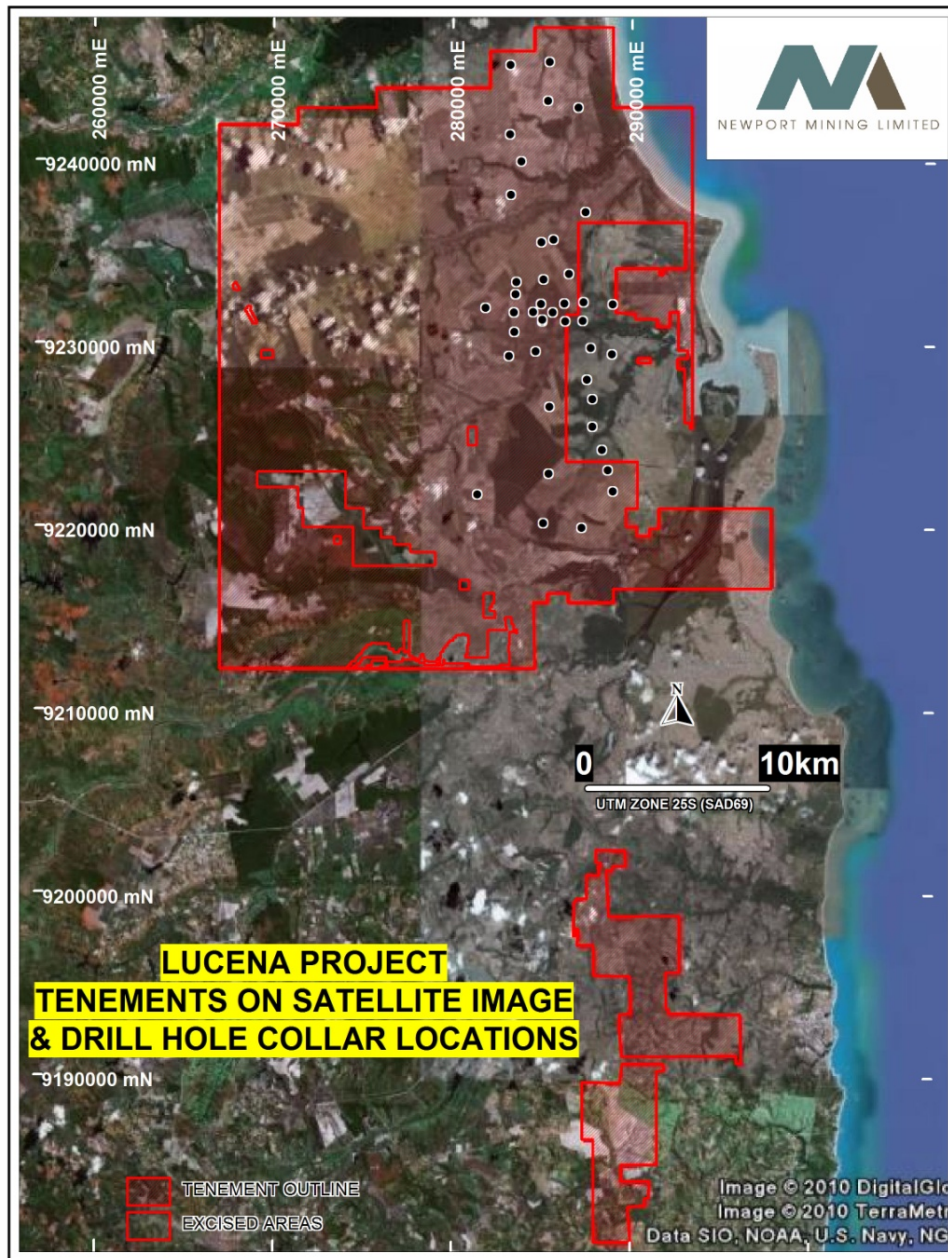


Figure 8: LPP tenements and historical drilling

Exploration Programs

A review of all historic exploration results is currently underway. Further exploration will involve confirmatory mapping, rock chip sampling, trenching and drilling.

With continued positive results infill drilling will proceed with an aim of proving up a Mineral Resource at both projects to a JORC standard.

Pathfinder Project

ELs 3216, 3280 and 3281 (Newport earning up to 80%, PlatSearch (ASX: PTS) 80%, Bohoun 20%)

The Pathfinder Project covers an extensive area of over 2,310 square kilometres. Geologically the Project is located at the southern end of the Fowler Domain on the western side of the Gawler Craton in a similar setting to the Thompson Nickel Belt in Canada, which contains some of the world's largest nickel deposits.

The Project is prospective for nickel sulphides, iron oxide associated copper gold mineralisation and heavy mineral sands.

As reported previously, gravity surveys have been completed on five lines crossing the interpreted western margin of the ultramafic complex. This data will assist in defining the western margin of the complex and will provide useful guidance for planned drill testing of the basal layer of the complex to investigate its potential for nickel mineralisation. No field work was completed during the quarter.

Appointment of Managing Director

During the quarter, Mr Simon Taylor was appointed Managing Director of Newport.

Mr Taylor is a geologist with 18 years experience throughout Australia in gold, base metals and nickel having held senior geologist and exploration manager positions for numerous ASX listed resource companies. He has gained considerable experience in exploration, project assessment and joint venture negotiations.

He is a founding member of Geeland Pty Ltd providing consulting services to resource companies and financial corporations as a resource analyst. Mr Taylor's corporate experience includes project appraisal, advice on placements and fundraising. Mr Taylor is a member of the Australian Institute of Geoscientists.

Norwest Claim

Following the dismissal by the Singapore High Court ("**Court**") of the claim previously made against the Company by Norwest Holding Pte Ltd ("**Norwest**"), the Company is currently awaiting the Court's written judgement following an appeal by Norwest against the Court's decision (and subsequent cross appeal by the Company). The Company will make further announcements to the market as the appeal progresses.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Simon Taylor, who is a member of the Australian Institute of Geoscientists. Mr Taylor is a full-time employee of Newport Mining Limited. Mr Taylor has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Mr Taylor consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

NEWPORT MINING LIMITED

ABN

94 128 256 888

Quarter ended ("current quarter")

31 MARCH 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(29)	(74)
(b) development	-	-
(c) production	-	-
(d) administration	(80)	(259)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	36	101
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
- Litigation costs	-	(412)
- Business development	(111)	(175)
Net Operating Cash Flows	(184)	(819)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(5)	(5)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(189)	(824)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(189)	(824)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	- Capital raising expenses	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(189)	(824)
1.20	Cash at beginning of quarter/year to date	3,832	4,467
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,643	3,643

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	88
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include consulting fees, directors' fees, company secretarial services and provision of a fully serviced office.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
Total	50

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	256	380
5.2 Deposits at call	3,387	3,452
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,643	3,832

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	32,750,001	32,750,001		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	1,600,000 1,200,000 3,000,000 1,000,000	Nil Nil Nil Nil	<i>Exercise price</i> \$0.25 \$0.35 \$0.25 \$0.25	<i>Expiry date</i> 31 December 2011 31 December 2011 31 January 2012 31 January 2012
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date: 29 April 2010
(~~Director~~/Company secretary)

Print name: MARK PEARCE

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.