NEWLAND
RESOURCES LIMITED

ANNUAL REPORT 2011

ABN 13 009 092 068

CORPORATE DIRECTORY

ACN: 009 092 068
ABN: 13 009 092 068

DIRECTORS
Dr Timothy Sugden – Non-Executive Chairman
Mr Gavin May – Managing Director
Mr Michael Mulroney – Non-Executive Director
Ms Amanda Ward – Non-Executive Director

JOINT COMPANY SECRETARIES
Mr Robert Waring
Ms Liza Carpene

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STOCK EXCHANGE
Australian Stock Exchange Limited
Home Exchange Perth

ASX CODE
NRL: Quoted Shares
NRLAI: Unlisted Options
NRLAM: Unlisted Performance Shares

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Dear Shareholder

The last year was a period of great change for Newland Resources Limited as it repositioned itself as an explorer and developer in Queensland's world-class Bowen Basin coal province. With a tenement portfolio in the central Emerald – Blackwater - Rolleston region and good access to existing rail and port infrastructure, the Company is well positioned to generate substantial value for Shareholders in the years ahead.

Despite heavy rainfall making much of the Bowen Basin inaccessible to drilling equipment for extended periods, great progress was achieved on the Comet Ridge tenement. Initial drilling defined a coal horizon over a broad area, amenable to open pit mining and directly adjacent to rail and power infrastructure. We expect to report a JORC resource and outline development options in the first half of the 2011/2012 year.

Other recently granted tenements, such as Spring Creek, have excellent potential for a large thermal coal resource and we look forward with great anticipation to initial exploration work later in the 2011/2012 year.

The Company has been fortunate to attract a highly experienced exploration and development team, led by recently appointed Managing Director, Gavin May. Gavin's team has preeminent experience in all aspects of project development, including resource determination, processing, infrastructure requirements and marketing. Shareholders can be confident that we have one of the best teams in the industry to assess the Company's projects and determine the optimum development options.

In recognition of the Company's change of direction and location, it is proposed to change its name to Acacia Coal Limited (proposed ASX Code: ACA) at the November 2011 Annual General Meeting.

I would like to take this opportunity to thank the Directors and Officers of the Company for their efforts over the last year. We look forward to further positive developments in the year ahead.

TIMOTHY SUGDEN
<u>Chairman</u>

30 September 2011

BOWEN BASIN, QUEENSLAND

Summary

This report reflects on Newland Resources Limited's (NRL) inaugural year in Queensland's Bowen Basin. It is pleasing to report that five prospective areas have now been granted to the Company. The tenements, shown on Figure 1, are all located south of the Capricorn Highway in Central Queensland. This region has become the focus of attention for explorers looking to define potential new mining opportunities. In recent years, rail and power have been extended across this area as new mines are commissioned.

Over the past year, despite the challenging wet weather which delayed and hampered exploration, NRL managed to identify a potential mining opportunity at the Comet Ridge Project (EPC1230). The initial drilling in the southern portion of EPC1230 found shallow coal with coking properties. Following this discovery, Comet Ridge has now become the priority target for the Company.

Of the other EPCs in the portfolio, EPC1505 Spring Creek is looking to be the next major target. With an exploration area covering more than 600km², and located immediately south of an existing large thermal resource, this EPC has the greatest potential as an exploration target for underground thermal coal.

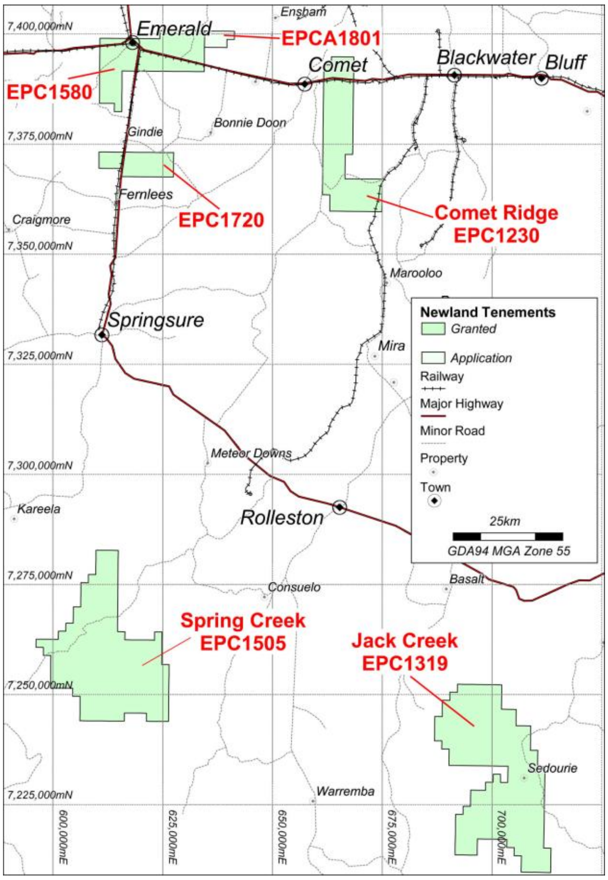

Figure 1 – NRL's Tenements ▶

Comet Ridge EPC1230 – "The Priority Target"

It is the combination of three main features at Comet Ridge that give the area economic potential.

Shallow Coal: A large proportion of the Coal Measures in the Bowen Basin have a veneer of barren Tertiary sediments overlying the Permian coal. The Comet Ridge deposit has a number of areas where there is no Tertiary rock and a shallow depth of weathering, where fresh coal can be found at less than 10 metres depth.

Thick Coal Intersections: The Fair Hill Seam is a banded sequence of coal and claystone up to 12 metres thick. Initial drilling over the southern portion of EPC1230 has defined a seam that dips at 2 degrees to the south-west. About 30 – 40% of the sequence is coal, which gives a cumulative coal thickness in the range of 3 to 5 metres.

Coking Coal: Some of the earliest samples taken from open holes showed that there was a coal with a high swell factor which was a good indication that the Fair Hill Seam had potential coking coal product. A subsequent core hole has confirmed that it is possible to recover a high quality semi-soft coking coal product from some coal plies within the sequence.

In the second half of 2011, the Company is conducting a detailed drilling campaign that is designed to:

- define a JORC Resource at Comet Ridge;
- delineate the Fair Hill Seam at depths less than 50 metres;
- evaluate the potential coking and thermal coal products that are possible from the Fair Hill Seam; and
- recover drill core for processing and washability studies.

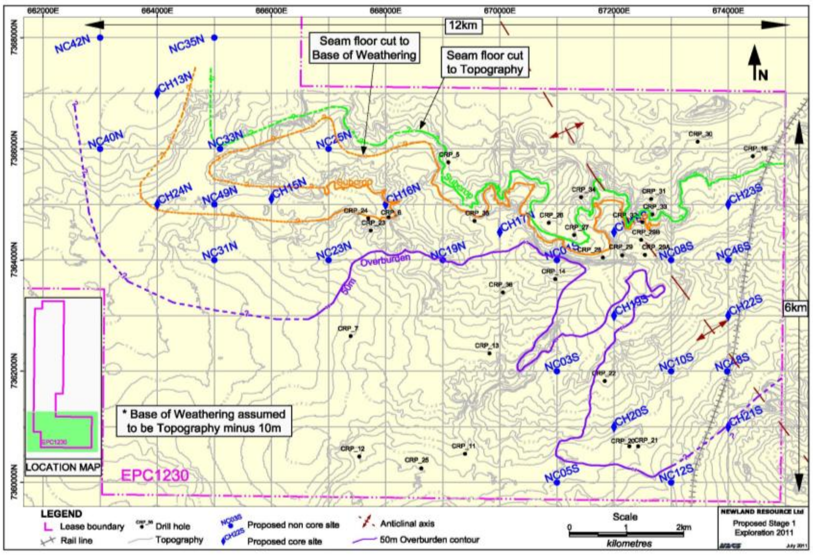

Figure 2: Proposed Exploration Program at Comet Ridge

Detailed metallurgical studies are being conducted on the coal sequence with the specific aim of reducing the processing costs and maximising the opportunity to cost effectively remove the claystone bands.

Other Leases

EPC1505 (Spring Creek)

EPC1505, comprising 199 sub-blocks, located some 35km south west of Xstrata's Rolleston Coal Mine, was granted on 27 June 2011. No field activities have been undertaken to date.

As stated previously, this EPC has the greatest potential as an exploration target for underground thermal coal.

The tenement is situated immediately south of MacArthur Coal's Freitag Creek (Buckland) Deposit, located on the Springsure Shelf, west of the Springsure Anticline (Figure 3). The Freitag Creek thermal coal seams occur within the Bandanna coal sequence and are interpreted to dip south directly into and across EPC1505.

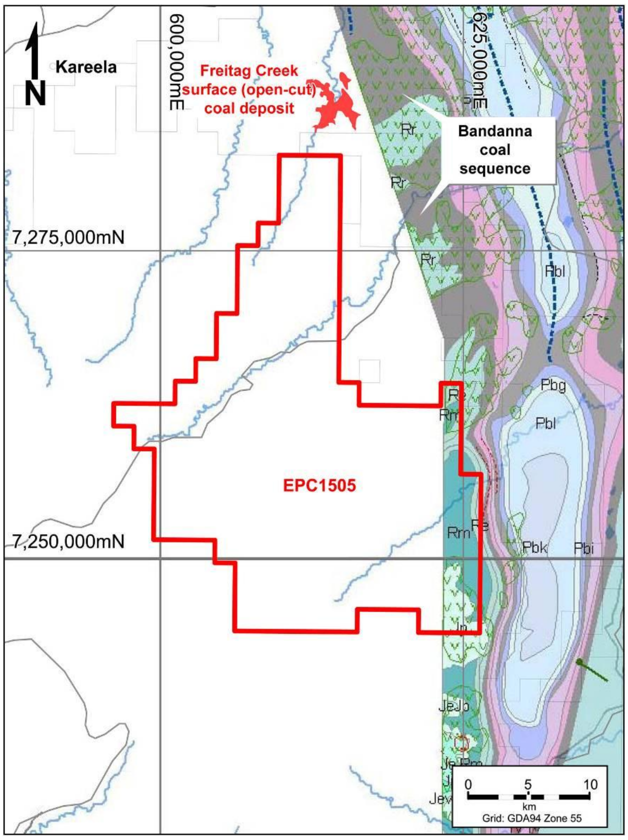

Figure 3: Location of EPC1505 tenement in relation to 2008 Queensland Government map of Bowen Basin surface solid geology and drainage. Regional exploration broadly shows the Bandanna coal sequence underlies the entire tenement area.

EPC1580 & EPCA1801 (Emerald)

EPC1580, now comprising 60 sub-blocks following a partial relinquishment subsequent to the period, was granted on 3 July 2009. No field activities were undertaken during the period.

An application for the easterly adjoining EPCA1801, comprising 7 sub-blocks, was lodged on 1 July 2009. The application is yet to be granted.

Historical exploration results from approximately 53 line kilometres of seismic surveys and three cored holes drilled on EPC1580, indicate that the Rangal Coal Measures (Aries Seam) extend over the central and eastern portions of these tenements at shallow to moderate depths.

EPC1720 (Sandhurst Creek)

EPC1720, comprising 27 sub-blocks overlying thermal coal targets in the Burngrove and Fair Hill Formations, Crocker-German Creek and Reids Dome sequences which host the Minerva and Cullin la Ringo coal deposits, was granted on 28 July 2011. No field activities have been undertaken to date.

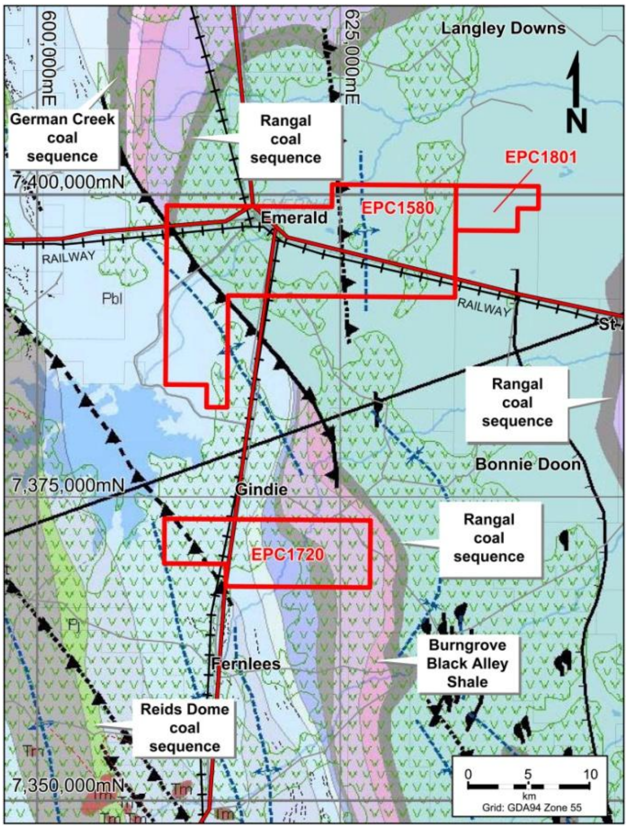

Figure 4: Location of EPC1580, EPCA1801 and EPC1720 tenements in relation to 2008 Queensland Government map of Bowen Basin showing surface solid geology and major infrastructure

EPC1319 (Jack Creek)

EPC1319, comprising 214 sub-blocks, was granted on 21 July 2011. The tenement is located south-east of Rolleston Mine and is interpreted to overlie the Bandanna (Rangal) Coal Measures (Figure 5) with similar seam characteristics. A number of historic gas exploration wells in the area confirm the presence of the coal sequence across the tenement with a shallowest depth to target of approximately 900+ metres.

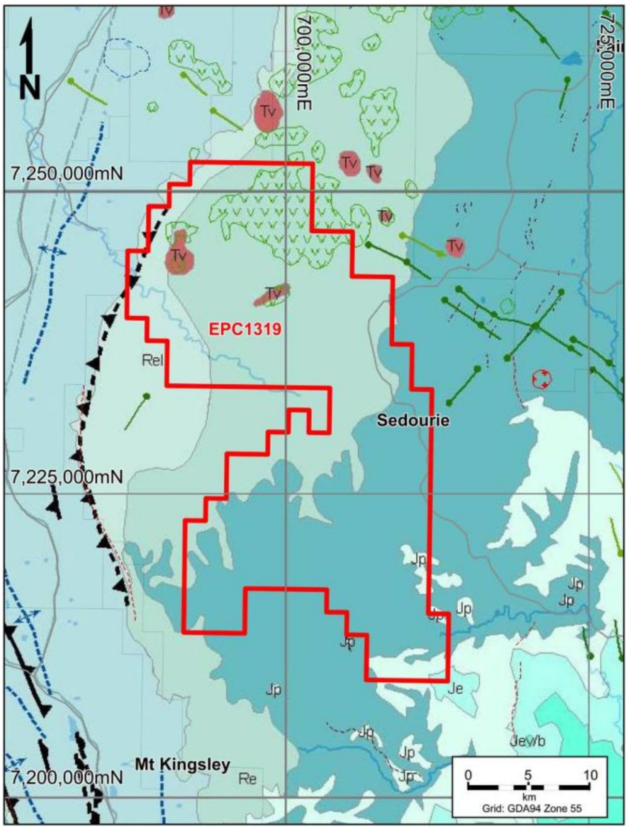

Figure 5: Location of EPCA 1319 tenement in relation to 2008 Queensland Government map of Bowen Basin surface solid geology and structure. The Bandanna coal sequence occurs at depth across the entire area.

Management Team

NRL is assembling a team of professionals that have a track record in building coal companies and developing coal resources into production. It is the enthusiasm and extensive domestic and international experience that the individuals bring to the Company that may allow opportunities like Comet Ridge to be realised.

Harvey Crowden has been retained by NRL as Chief Metallurgist. Harvey has extensive experience internationally, having worked on similar coals in Mongolia and Mozambique. Harvey has a practical hands-on approach to understanding coal processing and handling.

Robert Waring has been appointed as Joint Company Secretary. Robert has worked with a number of successful listed companies.

NRL is in the process of securing a Chief Projects Officer. This person will be responsible for the planning and development of infrastructure options associated with the Comet Ridge Project. The Company expects to make an announcement in October 2011.

Robert Dyson (Director) and Mike Wang (Senior Project Geologist), of McElroy Bryan Geological Services (MBGS), are responsible for all field exploration activities on the Company's EPCs. MBGS will be preparing the Company's JORC Statements.

This team will be an essential part of the success of NRL.

Outlook

The critical factor for the future is to recognise the geological potential at Comet Ridge and Spring Creek. More particularly at Comet Ridge it is recognising the coal processing options that are available to economically unlock coking coal from the Fair Hill Seam. The opportunity is to put a talented group of proven professionals to work into building a potential new coal production company.

"NRL is a Company that has a clear vision to delineate economic coal."
Gavin May, Managing Director

COMPETENCY STATEMENT: The information in this report that relates to the Exploration Results, Mineral Resources and Ore Reserves is based on information evaluated by Rob Dyson who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Dyson is a fulltime employee of McElroy Bryan Geological Services Pty Ltd. Mr Dyson is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation, 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 Dyson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Schedule of Tenements Interests

As at 30 September 2011, mineral exploration tenements applied for or granted to the Company, or mineral exploration tenements in which the Company has an interest are as follows:

AREA OF INTEREST	TENEMENTS		GROUP ENTITY'S INTEREST
AUSTRALIA			
Bowen Basin, Queensland	EPC1230	(Comet Ridge)	100%
Bowen Basin, Queensland	EPC1319	(Jack Creek)	100%
Bowen Basin, Queensland	EPC1505	(Spring Creek)	100%
Bowen Basin, Queensland	EPC1580	(Emerald)	100%
Bowen Basin, Queensland	EPC1720	(Sandhurst Creek)	100%
Bowen Basin, Queensland	EPCA1801	(Emerald)	100%

Key: EPC = Exploration Permits Granted
EPCA = Exploration Permits under application

Approach to Corporate Governance

Newland Resources Limited ("**Company**") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd Edition ("**Principles & Recommendations**"), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

Further information about the Company's corporate governance practices may be found on the Company's website at www.newlandresources.com, under the section marked "Corporate Governance".

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2010/2011 financial year ("Reporting Period"). The Principles & Recommendations were amended in 2010. These amendments apply to the Company's first financial year commencing on or after 1 January 2011. However, as encouraged by the ASX Corporate Governance Council, the Company has made an early transition to the amended Principles & Recommendations. Accordingly, the report below is made against the Principles and Recommendations as amended in 2010.

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1:

Companies should establish the functions reserved to the Board and those delegated to Senior Executives and disclose those functions.

Disclosure:

The Company has established the functions reserved to the Board and has set out these functions in its Statement of Board and Management Functions. The Board is collectively responsible for promoting the success of the Company through its key functions of ensuring the Company is properly managed, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures; and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to Senior Executives and has set out these functions in its Statement of Board and Management Functions. Senior Executives are responsible for supporting the Managing Director in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior Executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, then directly to the Chairman or the lead independent Director, as appropriate.

Recommendation 1.2:

Companies should disclose the process for evaluating the performance of Senior Executives.

Notification of Departure:

The Company has not established a formal process for evaluating the performance of Senior Executives.

Explanation for Departure:

A formal process has not been established as the Company only had one fulltime employee during the period. As the Company expands and becomes fully resourced, a formal process will be developed and implemented.

Recommendation 1.3:

Companies should provide the information indicated in the Guide to reporting on Principle 1.

Disclosure:

During the Reporting Period, an evaluation of Senior Executives was conducted on an informal basis only as no Senior Executive was employed directly by the Company for more than a period of six months.

The Company's Statement of Board and Management Functions is available on the Company's website at www.newlandresources.com.

Principle 2 – Structure the board to add value

Recommendation 2.1:

A majority of the Board should be independent Directors.

Notification of Departure:

A majority of the Board are not independent Directors.

Explanation for Departure:

During the Reporting Period, the Board underwent a number of changes. The following table identifies the members of the Board at different times during the Reporting Period and the independent or non-independent status of the Directors:

Dates	Board Members	Independent/Non-independent
1/7/10 – 30/6/11	Timothy Sugden	Non-independent
1/7/10 – 3/2/11	Christian West	Non-independent
1/7/10 – 5/11/10	Brett Mitchell	Independent
5/11/10 – 4/4/11	Anthony Clough	Non-independent
5/11/10 – 30/6/11	Michael Mulroney	Non-independent
12/11/10 – 30/6/11	Amanda Ward	Non-independent
23/5/11 – 30/6/11	Gavin May	Non-independent

Given the size and scope of the Company's operations and its early exploration stage, the Board considers that it is appropriately structured, with a suitable mix of skills and expertise, relevant to the Company's current business. However, the Board is cognisant that as the Company expands and develops its activities, the Board will be required to review and restructure its composition to meet the specific expertise and skills set requirements to progress the Company to meet its objectives moving forward.

Recommendations 2.2 and 2.3:

The Chairman should be an independent Director.

The roles of the Chairman and Managing Director should not be exercised by the same individual.

Notification of Departure:

During the Reporting Period, the Chairman (Dr Sugden) was not independent as he also performed the role of Acting Chief Executive Officer of the Company during a period when the position of Managing Director was not occupied.

Explanation for Departure:

During periods when the Company was without a Managing Director, Dr Sugden performed the functions of an Acting Chief Executive Officer of the Company. The Board is of the view that it is only Dr Sugden's performance of this function between 25 November 2009 to 12 August 2010, whilst a Managing Director was being recruited, which precludes him from being considered independent. Dr Sugden is a highly experienced mining professional and the Board considers that Dr Sugden is the most appropriate person for the position of Chairman at this time.

The following table highlights periods when the Company had engaged personnel to perform the functions of Chief Executive Officer or Managing Director.

Incumbent	Position	Period
Michael Mulroney	Acting Chief Executive Officer	12/8/10 - 5/11/10
Anthony Clough	Managing Director	5/11/10 - 4/4/11
Michael Mulroney	Acting Chief Executive Officer	4/4/11 - 23/5/11
Gavin May	Managing Director	23/5/11 - present

Recommendation 2.4:

The Board should establish a Nomination Committee.

Notification of Departure:

The Company has not established a separate Nomination Committee.

Explanation for Departure:

Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to the Company's Nomination Committee in its Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring the Director with conflicting interests is not party to the relevant discussions.

Recommendation 2.5:

Companies should disclose the process for evaluating the performance of the Board, its committees and individual Directors.

Notification of Departure:

The Company has not established a process for evaluating the performance of the Board, its committees and individual Directors.

Explanation for Departure:

Whilst the Company has not established a formal process for evaluating the performance of the Board, its committees and individual Directors, given the size of the Board, it is able to and does regularly evaluate its performance as a whole and that of individual Directors by round-table discussions.

Recommendation 2.6:

Companies should provide the information indicated in the *Guide to reporting on Principle* 2.

Disclosure:

Skills, Experience, Expertise and term of office of each Director

A profile of each Director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

The Board discusses on a regular basis the need to review and, when appropriate, alter the Board's composition and skill set mix to enable the Company to progress it activities and achieve its long term goals.

Identification of Independent Directors

The Board does not currently have an Independent Director for the following reasons:

Director	Reason for Non-Independent Classification
Timothy Sugden	Performed Acting CEO duties whilst recruiting for a Managing Director between 25/11/09 – 12/8/10
Michael Mulroney	Engaged as Acting Chief Executive Officer between 12/8/10 – 5/11/10 and 4/4/11 – 23/5/11
Amanda Ward	Substantial Shareholder's representative post coal tenement acquisition
Gavin May	Engaged as Managing Director from 23/5/11 - present

Independence is measured having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds. The materiality thresholds are set out below.

Company's Materiality Thresholds

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's Statement of Board and Management Functions:

- Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company's rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

Statement concerning availability of Independent Professional Advice

To assist Directors with independent judgement, it is the Board's policy that if a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a Director then, provided the Director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Nomination Matters

The full Board, in its capacity as the Nomination Committee, held four meetings during the Reporting Period. The table set out in the Directors' Report under the heading "Directors' Meetings" shows the attendance at Nomination Committee meetings.

To assist the Board to fulfil its function as the Nomination Committee, it has adopted a Nomination Committee Charter. The Company's Nomination Committee Charter is available on the Company's website at www.newlandresources.com.

The explanation for departure set out under Recommendation 2.4 above explains how the functions of the Nomination Committee are performed.

Performance Evaluation

During the Reporting Period an evaluation of the Board and individual Directors took place in accordance with the informal process disclosed at Recommendation 2.5.

Selection and (Re)Appointment of Directors

Candidates for the Board are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within the Company's scope of activities and intellectual and physical ability to undertake Board duties and responsibilities. Directors are initially appointed by the full Board, subject to election by Shareholders at the next general meeting.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Each Director other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the Director's appointment or three years following that Director's last election or appointment (whichever is the longer). However, a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one Director or a third of the total number of Directors must resign. A Director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of Directors is not automatic.

Principle 3 – Promote ethical and responsible decision-making

Recommendation 3.1:

Companies should establish a Code of Conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Disclosure:

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.2:

Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy.

Disclosure:

The Company has established a Diversity Policy, which includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.

A summary of the Company's Diversity Policy is available on the Company's website at www.newlandresources.com.

Recommendation 3.3:

Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.

Disclosure:

At this time, given the size and composition of the Company's workforce, the Board has not formalised measurable objectives for achieving gender diversity, however it is committed to providing equal employment opportunity to enable a workplace based on gender diversity.

Recommendation 3.4:

Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.

Disclosure:

The proportion of women employees directly employed by the whole organisation, women in senior executive positions and women on the Board are set out in the following table:

	Proportion of women
Whole organisation*	0 out of 1 (0%)
Senior Executive positions	0 out of 1 (0%)
Board	1 out of 4 (25%)

*During the reporting period, there was only one fulltime employee of the Company at any time as all other services were provided to the Company under "shared service" arrangements. The "Whole organisation" number excludes Non-Executive Directors.

Recommendation 3.5:

Companies should provide the information indicated in the Guide to reporting on Principle 3.

Disclosure:

The Company's Code of Conduct and Diversity Policy is available on the Company's website at www.newlandresources.com.

Principle 4 – Safeguard integrity in financial reporting

Recommendations 4.1 and 4.2:

The Board should establish an Audit Committee.

The Audit Committee should be structured so that it:

- consists only of Non-Executive Directors;
- consists of a majority of independent Directors;
- is chaired by an independent Chair, who is not Chairman of the Board; and
- has at least three members.

Notification of Departure:

The Company has not established a separate Audit Committee and accordingly, it is not structured in accordance with Recommendation 4.2.

Explanation for Departure:

The Board believes that given the size of the Board, the size, nature and level of activities of the Company, the nature and geographic diversity of those activities and the qualifications and experience of each of the Board members, that a more inclusive approach to oversight of the Company's financial practices and reporting is appropriate. Accordingly, the Board performs the role of Audit Committee. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Audit Committee it carries out those functions which are delegated in the Company's Audit Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of Audit Committee by ensuring the Director with conflicting interests is not party to the relevant discussions.

Recommendation 4.3:

The Audit Committee should have a formal charter.

Disclosure:

The Company has adopted an Audit Committee Charter.

Recommendation 4.4:

Companies should provide the information indicated in the *Guide to reporting on Principle 4.*

Disclosure:

The full Board, in its capacity as the Audit Committee, held one meeting during the Reporting Period. The table set out in the Directors' Report under the heading "Directors' Meetings" shows the attendance at Audit Committee meetings. Due to geographic location of individual Board members at the time of the meeting, the Chairman of the Board acted as the Chair of the Audit Committee in that instance. The Audit Committee intends to nominate an independent Director to chair meetings when available.

To assist the Board to fulfil its function as the Audit Committee, it has adopted an Audit Committee Charter.

The explanation for departure set out under Recommendation 4.1 above explains how the functions of the Audit Committee are performed.

Details of each of the Director's qualifications are set out in the Directors' Report. Each of the Directors is a qualified professional with significant corporate financial experience.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Company's Audit Committee Charter, and the Policy and Procedure for Selection and Appointment of New Directors is available on the Company's website at www.newlandresources.com.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1:

Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure:

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

The Company Secretary is responsible for ensuring the Company's continuous disclosure obligations are met.

Recommendation 5.2:

Companies should provide the information indicated in the *Guide to reporting on Principle 5.*

Disclosure:

The Company's Policy and Procedure for Compliance with Continuous Disclosure Requirements is available on the Company's website at www.newlandresources.com.

Principle 6 – Respect the Rights of Shareholders

Recommendation 6.1:

Companies should design a communications policy for promoting effective communication with Shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Disclosure:

The Company has designed a communications policy for promoting effective communication with Shareholders and encouraging Shareholder participation at general meetings.

Recommendation 6.2:

Companies should provide the information indicated in the *Guide to reporting on Principle 6.*

Disclosure:

The Company's Arrangements Regarding Communication with and Participation by Shareholders is available on the Company's website at www.newlandresources.com.

The Company has an Investor Distribution List which is utilised to distribute announcements to Shareholders and interested parties.

Principle 7 – Recognise and Manage Risk

Recommendation 7.1:

Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Disclosure:

The Board has adopted a Risk Management Policy. Under the policy, the Board is responsible for risk management and oversight of internal controls.

Under the policy, the Board delegates day-to-day management of risk to the Managing Director. The Board also regularly considers the Company's material business risks as identified by management and consultants, and risk management strategies for those risks at its Board Meetings.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board is required to approve any expenditure outside the normal course of business prior to commitment or expenditure;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

The Company has managed its material business risks as described above, and the Company's business activities were regularly reviewed in relation to the risk categories referred to below. The Board has resolved to review, formalise and document the management of its material business risks and expects to implement a system in the 2011/12 financial year. This system is expected to include the preparation of a risk register by management to identify the Company's material business risks and risk management strategies for these risks. In addition, the process of management of material business risks will be allocated to members of senior management. The risk register will be reviewed quarterly and updated, as required.

The categories of risk reported on or referred to as part of the Company's systems and processes for managing material business risk include: exploration and evaluation; general economic and business climate; commodity price; exchange rate and financial; environmental; title (including native title); political; risks attached to new business acquisitions and ongoing funding.

Recommendation 7.2:

The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

Disclosure:

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. Further, the Board has received a report from management as to the effectiveness of the Company's management of its material business risks.

Recommendation 7.3:

The Board should disclose whether it has received assurance from the Managing Director (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Disclosure:

The Managing Director (or equivalent) and the Chief Financial Officer (or equivalent) have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risk.

Recommendation 7.4:

Companies should provide the information indicated in the *Guide to reporting on Principle 7.*

Disclosure:

The Board has received the report from Management under Recommendation 7.2.

The Board has received the assurance from the Managing Director (or equivalent) and the Chief Financial Officer (or equivalent) under Recommendation 7.3.

Principle 8 – Remunerate Fairly and Responsibly

Recommendation 8.1 and 8.2:

The Board should establish a Remuneration Committee and it should be structured so that it:

- consists of a majority of independent directors
- is chaired by an independent chair
- has at least three members.

Notification of Departure:

The Company has not established a separate Remuneration Committee.

Explanation for Departure:

Given the current size and composition of the Company, the Board is unable to meet the requirement to have a Remuneration Committee that has a majority of independent directors and an independent Chair. It believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of Remuneration Committee. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Remuneration Committee it carries out those functions which are delegated in the Company's Remuneration Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of Remuneration Committee by ensuring the Director with conflicting interests is not party to the relevant discussions.

Recommendation 8.3:

Companies should clearly distinguish the structure of Non-Executive Directors' remuneration from that of executive Directors and Senior Executives.

Disclosure:

Non-Executive Directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for Non-Executive Directors is not linked to individual performance. From time to time the Company may grant options to Non-Executive Directors. The grant of options is designed to recognise and reward efforts as well as to provide Non-Executive Directors with additional incentive to continue those efforts for the benefit of the Company.

Pay and rewards for executive Directors and Senior Executives consist of a base salary and may consist of performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. Executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness.

Recommendation 8.4:

Companies should provide the information indicated in the *Guide to reporting on Principle 8.*

Disclosure:

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms part of the Directors' Report.

The full Board, in its capacity as the Remuneration Committee, held four meetings during the Reporting Period. The table set out in the Directors' Report under the heading "Directors' Meetings" shows the attendance at Remuneration Committee meetings. To assist the Board to fulfil its function as the Remuneration Committee, it has adopted a Remuneration Committee Charter.

The explanation for departure set out under Recommendation 8.1 above explains how the functions of the Remuneration Committee are performed.

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

The Company's Policy for Trading in Company Securities includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.

The Company's Remuneration Committee Charter and Trading Policy are available on the Company's website at www.newlandresources.com.

Your Directors present their report on Newland Resources Limited (the "Company") and Controlled Entities (collectively the "Group Entity") for the financial year ended 30 June 2011.

DIRECTORS

The following were Directors of Newland Resources Limited at any time during the reporting period and unless otherwise indicated, were Directors for the entire period:

Dr Timothy Sugden	Non-Executive Chairman	Appointed 2/10/09 (became Non-Executive Chairman on 01/12/09)
Mr Gavin May	Managing Director	Appointed 23/05/11
Mr Michael Mulroney	Non-Executive Director	Appointed 5/11/10 (Acting Managing Director 12/08/10 to 05/11/10 and 04/04/11 to 23/05/11)
Ms Amanda Ward	Non-Executive Director	Appointed 12/11/10
Mr Brett Mitchell	Non-Executive Director	Appointed 2/10/09, Resigned 05/11/10
Mr Christian West	Non-Executive Director	Appointed 1/10/04 (transferred from Executive Director on 27/11/09), Resigned 3/02/11
Mr Anthony Clough	Managing Director	Appointed 5/11/10, Resigned 4/04/11

PRINCIPAL ACTIVITIES

The principal activities of the Group Entity during the course of the financial year was the entry into the coal industry through the acquisition of coal tenements in the Bowen Basin, Queensland and the commencement of mineral resource exploration activities on those tenements.

RESULTS

The consolidated loss of the Group for the financial year was $178,728 (2010: profit $947,202).

DIVIDENDS

No dividends have been paid by the Company during the financial year ended 30 June 2011, nor have the Directors recommended that any dividends be paid.

REVIEW OF OPERATIONS

A detailed Review of Operations can be found on Page 2.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the period, the Company finalised its acquisition of the Bowen Basin Coal Tenements and commenced the process of establishing the Company as a coal explorer in Queensland.

EVENTS SUBSEQUENT TO BALANCE DATE

Mr Mulroney, Ms Ward and Mr May were re-elected as Directors at a General Meeting held on 11 July 2011.

On 11 July 2011, the company issued the following unlisted options to various Directors and Key Management Personnel:

	Grant Date	Vesting Date	Exercise Price	Expiry Date	Issued
Directors					
M Mulroney	11 Jul 2011	11 Jul 2011	0.155	10 Jul 2014	3,000,000
A Ward	11 Jul 2011	11 Jul 2011	0.155	10 Jul 2014	3,000,000
G May	11 Jul 2011	23 May 2012	0.155	10 Jul 2014	10,000,000
G May	11 Jul 2011	23 May 2013	0.210	10 Jul 2014	10,000,000
Key Management Personnel					
L Carpene	11 Jul 2011	11 Jul 2011	0.155	10 Jul 2014	3,000,000
					29,000,000

On 21 July 2011, the Queensland Department of Mines and Energy formally granted EPC1319 for a term of two years.

On 28 July 2011, the Queensland Department of Mines and Energy formally granted EPC1720 for a term of five years.

On 8 August 2011 25,000,000 A class Performance Shares were converted into 25,000,000 ordinary fully paid shares. The granting of EPC1319 and EPC1720, together with the recent grant of EPC1505, satisfied the A Class Performance share Milestone (being the formal grant by the Department of at least two of EPCA1319, EPCA1505 and EPCA1720) under the Acquisition Agreement. Refer Note 13 for acquisition of Queensland Coal Assets.

On 27 September 2011, Mr Robert Waring was appointed as Joint Company Secretary. Mr Waring has over 35 years experience in financial and corporate roles, including 20 years in company secretarial roles for ASX-listed companies and 16 years as a Director of ASX-listed companies. He is a Director of Spencer Hamilton Limited, which provides secretarial and corporate advisory services to a range of listed and unlisted companies. Mr Waring has significant coal industry experience, having served as Company Secretary for Gloucester Coal Limited for six years.

No other matters or circumstances, not otherwise dealt with in the financial statements, have arisen since the end of the financial year and to the date of this report which significantly affected or may significantly affect the operations of the Group Entity, the results of the Group Entity, or the state of affairs of the Group Entity in the financial years subsequent to the financial year ended 30 June 2011.

LIKELY DEVELOPMENTS

Following the settlement of Bowen Basin Tenements in Queensland and the commencement of drilling programs on its tenements, the Company intends to position itself to become a significant coal explorer and hopefully developer of economic coal assets. Drilling success could result in the Company defining a significant potential coal resource. Further exploration and resource development studies might lead to the commencement of coal mining for commercial purposes.

ENVIRONMENTAL REGULATION

The Company's operations and projects will be subject to State and Federal laws and regulation regarding environmental hazards. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the Company or its subsidiaries, or non-compliance with environmental laws or regulations. The Company proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

PARTICULARS OF DIRECTORS AND COMPANY SECRETARY

DIRECTORS

Timothy Sugden	—	Non-Independent - Non-Executive Chairman
BSc (Hons), PhD, MAusIMM		
Appointed to the Board	—	2 October 2009 (appointed to Chairman 1 December 2009)
Experience	—	Dr Sugden has over 24 years experience in mine geology, exploration, metallurgy, research and development, operations and company management in Australia and internationally. He was a mine geologist and senior research geologist in the nickel, gold and copper-uranium divisions of Western Mining Corporation; a senior mine and exploration geologist for Wiluna Mines and Great Central Mines, and General Manager of Wiluna Gold Operations for Normandy Mining and Newmont Australia. He was a founding Director of Agincourt Resources Limited and Nova Energy Limited, and operated in executive capacities in these companies prior to their takeovers for a combined value of over $650 million. He has also served as a Non-Executive Director of several listed resource companies and is currently the Managing Director of Venturex Resources Limited. He has managed, reviewed or participated in scoping and feasibility studies for Wiluna underground and open pit development projects, Lake Way-Centipede uranium project, Martabe gold project, Sumatra and Andorinhas, Brazil. Dr Sugden is not considered to be an Independent Director as he performed executive duties during periods where the Company did not have a Managing Director or Acting Chief Executive Officer.
Interest in Shares and Options [1]	—	20,000,000 Ordinary Shares
Directorships held in other listed entities	—	Nova Energy Limited (from 23 August 2005 to 31 October 2007) Toro Energy Limited (from 30 October 2007 to 16 May 2008) Navigator Resources Limited (from 2 October 2007 to 19 August 2008) Venturex Resources Limited (from 18 August 2008 to present)
Gavin May	—	Managing Director
BSc (Geology), GAICD		
Appointed to the Board	—	23 May 2011
Experience	—	Mr May is a coal executive with over 30 years experience in the Australian and international coal industry. He was formerly CEO of ASX listed Gloucester Coal Limited, a Director of Noble Resources Australia Limited and recently COO of Toronto and Hong Kong dual listed SouthGobi Resources Limited.
Interest in Shares and Options [1]	—	1,000,000 Ordinary Shares and 20,000,000 Unlisted Options (these options were issued subsequent to the period)
Directorships held in other listed entities	—	Nil
Michael Mulroney	—	Non-Independent - Non-Executive Director
B App Sc (Geol), MBA, MAusIMM		
Appointed to the Board	—	5 November 2010
	—	Mr Mulroney has over 31 years experience in the natural resources and finance sectors. He spent 12 years as a geologist and mining company executive in a broad range of commodities throughout Australia and South East Asia, and over 11 years with investment bank NM Rothschild & Sons (Australia) Limited. Mr Mulroney held senior roles in resource banking and investment banking with extensive experience in project finance and mergers and acquisitions in the global resources sector. Mr Mulroney previously held executive and non-executive positions on two ASX-listed mining companies. Mr Mulroney is currently Executive Director, Argonaut Capital Limited, Head of Funds Management with Argonaut Limited, and Investment Director of AFM Perseus Fund Limited. Mr Mulroney is not considered to be an Independent Director as he performed the duties of Acting Chief Executive Officer during periods where the Company did not have a Managing Director.
Interest in Shares and Options [1]	—	19,976,641 Ordinary Shares and 5,000,000 Unlisted Options (3,000,000 options were issued subsequent to the period)
Directorships held in other listed entities	—	Venturex Resources Limited (from June 2008 to present)

Amanda Ward	—	Non-Independent - Non-Executive Director
CPA JP		
Appointed to the Board	—	12 November 2010
Experience	—	Ms Ward has a Bachelor of Business (Accountancy) degree from Royal Melbourne Institute of Technology - Melbourne. She is a qualified Certified Practising Accountant (CPA) with more than 13 years experience in finance and accounting, with a strong focus in the mining industry. Amanda is the director and principal of her own accounting practice in Sydney specialising in all areas that are unique to a diverse range of businesses. She also acts as CFO for a group of privately owned companies focused in the coal mining industry in Queensland. Ms Ward is not considered to be an Independent Director as she is a Substantial Shareholder's representative.
Interest in Shares and Options [1]	—	3,000,000 Unlisted Options (these options were issued subsequent to the period)
Directorships held in other listed entities	—	Nil

Brett Mitchell	—	Independent Non-Executive Director
BEc (Econ and Management)		
Appointed to the Board	—	2 October 2009, resigned 5 November 2010
Experience	—	Mr Mitchell has worked for both private and publicly listed entities for the past 19 years as a corporate finance executive. Mr Mitchell holds a Bachelor of Economics degree from the University of Western Australia and is a member of the Australian Institute of Company Directors, with specific experience in the financial markets and resources sectors.
Interest in Shares and Options [1]	—	2,173,913 Ordinary Shares at date of resignation
Directorships held in other listed entities	—	Transerv Energy Limited (24 July 2006 to present) Wildhorse Energy Limited (22 April 2009 to present) XState Resources Limited (26 August 2009 to 4 April 2011) Quest Petroleum NL (21 May 2007 to present) Energy Ventures Limited (30 September 2004 to 29 May 2009)

Christian West	—	Non-Independent - Non-Executive Director
Appointed to the Board	—	1 April 2004 (transferred to Non-Executive 27 November 2009), resigned 3 February 2011
Experience	—	Mr West has spent 13 years in the capital markets both as a fund manager and broker. In 1998 he helped set up Elysian Fund Management LLP, a long short global fund which provided 85% returns between 1999 and 2001. In 2001 he joined Sagitta Asset Management, a private family office where he co-managed the European equity funds before Sagitta was sold to Fleming Family Partners. He currently works for Grafton Resources Limited, a resource focused investment fund and is a founding Director of Kumai Energy, an Indonesian focused coal producer and explorer. He also serves on the Board of Phoenix Lumber, a timber production company in Nicaragua and Compostela Mining, a Philippine focused gold explorer
Interest in Shares and Options [1]	—	10,025,000 Ordinary Shares at date of resignation
Directorships held in other listed entities	—	Nil

Anthony Clough	—	Non-Independent - Managing Director
Appointed to the Board	—	5 November 2010, resigned 4 April 2011
Experience	—	Mr Clough has significant experience in the coal industry in Australia and overseas.
Interest in Shares and Options [1]	—	Nil
Directorships held in other listed entities	—	Nil

JOINT COMPANY SECRETARIES

Robert Waring		
BEc, CA, FCIS, FFin, FAICD, MAusIMM		
Appointed	—	27 September 2011
Experience	—	Mr Waring has over 35 years experience in financial and corporate roles, including 20 years in company secretarial roles for ASX-listed companies and 16 years as a Director of ASX-listed companies. He is a Director of Spencer Hamilton Limited, which provides secretarial and corporate advisory services to a range of listed and unlisted companies. Mr Waring has significant coal industry experience, having served as Company Secretary for Gloucester Coal Limited for six years.

Liza Carpene		
MBA, ACIS		
Appointed	—	1 December 2009
Experience	—	Ms Carpene has worked in the mining industry for more than 15 years and has significant experience in corporate administration, human resources, IT and community relations. She was part of the initial executive management team of Agincourt Resources Limited as the General Manager – Administration, Human Resources and IT for Australian and Indonesian operations, prior to its takeover by Oxiana Limited in April 2007. Prior to working at Agincourt, Ms Carpene held various site based management roles with Great Central Mines, Normandy Mining and Newmont Australia. Ms Carpene is an Executive and Company Secretary for Venturex Resources Limited.

Note
[1] Interest in Shares and Options refer to the relevant interest of each Director in the shares or options over shares issued by the companies within the Group Entity and other related body corporate as notified by the Directors to the Australian Stock Exchange in accordance with Section 205G (1) of the Corporations Act 2044, as at the date of this report.

DIRECTORS' MEETINGS

The following table sets out the numbers of meetings of the Company's Directors held during the year ended 30 June 2011, and the number of meetings attended by each Director.

During the year there were nine (9) Board Meetings, which included four (4) Nominations and Remuneration Committee Meeting, and one (1) Audit Committee Meeting.

Given the current size and composition of the Board, the Board as a whole performs the role of the Nomination and Remuneration Committee, and the Audit Committee.

The number of meetings attended by each director during the year is as follows:

	Board		Nomination & Remuneration		Audit	
Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
T Sugden (Chairman)	9	9	4	4	1	1
M Mulroney (appointed 5/11/10)	7	7	4	4	-	-
A Ward (appointed 12/11/10)	6	6	3	3	-	-
G May (appointed 23/05/11)	2	2	1	1	-	-
B Mitchell (resigned 5/11/10)	2	1	-	-	1	-
C West (resigned 3/2/11)	4	3	1	1	1	1
A Clough (resigned 4/04/11)	3	3	1	1	-	-

REMUNERATION REPORT

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements and Employment Contracts of Directors and Key Management Personnel
D Share-based payments
E Performance income as a proportion of total remuneration
F Payments to persons before taking office

A. Principles used to determine the nature and amount of remuneration

Remuneration of all Executive and Non-Executive Directors and Officers of the Company is determined by the Board as a whole in the absence of a separate Remuneration Committee in line with the approved Charter.

Executives

The Company's objective is to ensure that it remunerates its Executive Directors and Senior Executives in a manner that is market-competitive and reasonable, consistent with best practice delivery of reward and supports the interests of the Shareholders. The Company seeks to link Executive rewards with achievement of corporate strategic objectives and individual responsibility.

Non-Executive Directors

Remuneration for Non-Executive Directors is based on a fixed fee basis for standard services in recognition of the commitment of time and responsibility for the position. Fees are consistent with industry standards and are reviewed annually. The Chairman's fees are determined independently to the fees of Non-Executive Directors based on comparative roles in the external market. The Chairman should not be present at any discussions relating to determination of his own remuneration.

Non-Executive Directors do not receive performance based bonuses or termination/retirement benefits[2] (other than statutory superannuation). From time to time, the Board may issue Non-Executive Directors with equity as part of a cost effective market-competitive remuneration designed to attract and retain quality Directors. Prior Shareholder approval is required for Non-Executive Directors to participate in any issue of equity.

Director's Consulting or Related Party Fees

Director's consulting fees or related party fees are determined by the Board as a whole. These payments are for services that fall outside the normal parameters of the specific Director engagement. For example, Venturex Resources Limited, a related party Company to Dr Sugden, provides shared services (ie. administration, company secretarial, and finance and accounting services) to Newland Resources Limited for a fixed fee. Dr Sugden's remuneration is set out below and is fully disclosed in the Notes to the Financial Statements, it being noted that he has no beneficial interest in these related party fees.

Note
[2] As disclosed in the "Remuneration Report" which forms part of the Directors' Report, a termination payment equal to one quarter's fees was made to Messrs Ashworth and Munachen in recognition of past contributions to the Company. However, it is now the Company's policy that there will be no further termination or retirement benefits for Non-Executive Directors (other than for superannuation).

B. Details of Remuneration (Audited)

Details of remunerations to directors are as follows:	**2011** **$**	2010 $
Directors' income (see also Note 19) Total income received, or due and receivable, by Directors of Newland Resources Limited from the Company and any related body corporate in connection with the management of the Company and any related body corporate.	**291,718**	198,591

The details of remuneration of the Directors and Key Management Personnel and specified Executives of Newland Resources Limited are set out in the following tables.

Remuneration packages contain the following elements:

a) Short-term employee benefits - cash salary/fees, related parties' fees, cash bonus, and non-monetary benefits;

b) Post-employment benefits - including superannuation and termination; and

c) Share-based payments - shares and options granted

			Short Term Employee Benefits				Post-Employment Benefits		Share Based Payments				
	Year	Note	Cash Salary & Fees $	Related Parties Fees $	Cash Bonus $	Non-Monetary Benefits $	Super-annuation $	Termin-ation $	Shares $	Options $	Total $	Proportion of Remuneration Performance Related %	Value of Options as Proportion of Remuneration %
Executive Directors													
G May	2011	3,7	34,527	-	-	-	3,107	-	-	-	37,634	-	-
	2010	-	-	-	-	-	-	-	-	-	-	-	-
M Mulroney	2011	3,7	31,333	-	-	-	-	-	-	-	31,333	-	-
	2010	-	-	-	-	-	-	-	-	-	-	-	-
A Clough	2011	2.3.7	123,500	-	-	-	10,322	-	-	-	133,822	-	-
	2010	-	-	-	-	-	-	-	-	-	-	-	-
Non-Executive Directors													
T Sugden	2011	3,5,9	30,000	120,000	-	-	-	-	-	-	150,000	-	-
	2010	3,5,6,9	22,500	56,000	-	-	-	-	-	-	78,500	-	-
M Mulroney	2011	3,5,7	19,667	-	-	-	-	-	-	-	19,667	-	-
	2010	-	-	-	-	-	-	-	-	-	-	-	-
A Ward	2011	3,7	19,143	-	-	-	-	-	-	-	19,143	-	-
	2010	-	-	-	-	-	-	-	-	-	-	-	-
B Mitchell	2011	2,3	10,435	-	-	-	-	-	-	-	10,435	-	-
	2010	3,6	22,500	-	-	-	-	-	-	-	22,500	-	-
C West	2011	2,3,5	17,833	-	-	-	-	-	-	(128,149)	(110,316)	-	(116)
	2010	3,5,6	17,833	-	-	-	-	-	-	-	17,833	-	-
L Colless	2011	-	-	-	-	-	-	-	-	-	-	-	-
	2010	1	9,583	-	-	-	-	-	-	-	9,583	-	-
P Munachen	2011	-	-	-	-	-	-	-	-	-	-	-	-
	2010	1	7,500	-	-	-	-	7,500	-	-	15,000	-	-
K Ashworth	2011	-	-	-	-	-	-	-	-	-	-	-	-
	2010	1	5,587	-	-	-	-	5,588	-	-	11,175	-	-
K Brown	2011	-	-	-	-	-	-	-	-	-	-	-	-
	2010	1,8	-	44,000	-	-	-	-	-	-	44,000	-	-
Total	**2011**		**286,438**	**120,000**	**-**	**-**	**13,429**	**-**	**-**	**(128,149)**	**291,718**	**-**	**(44)**
	2010		**85,503**	**100,000**	**-**	**-**	**-**	**13,088**	**-**	**-**	**198,591**	**-**	**-**
Key Management Personnel													
L Carpene	2011	5,9	-	120,000	-	-	-	-	-	-	120,000	-	-
	2010	5,6,9	-	56,000	-	-	-	-	-	-	56,000	-	-
M Mulroney	2011	2,7	56,000	-	-	-	-	-	-	-	56,000	-	-
	2010	-	-	-	-	-	-	-	-	-	-	-	-
T West	2011	-	-	-	-	-	-	-	-	-	-	-	-
	2010	2	43,547	-	-	-	-	-	-	-	43,547	-	-
Total	**2011**		**56,000**	**120,000**	**-**	**-**	**-**	**-**	**-**	**-**	**176,000**	**-**	**-**
	2010		**43,547**	**56,000**	**-**	**-**	**-**	**-**	**-**	**-**	**99,547**	**-**	**-**

Note:

1. Resigned during year ended 30 June 2010.
2. Resigned during year ended 30 June 2011. (for further details refer Note 20)
3. Director of Newland Resources Limited
4. Director of UK Subsidiaries
5. Director of Australian Subsidiaries
6. Appointed during year ended 30 June 2010
7. Appointed during year ended 30 June 2011 (for further details refer Note 20)
8. Includes fees payable for administration, company secretarial and financial services of Nil (2010: $44,000) provided by Mineral Administration Services Pty Ltd, a company in which Mr Colless and Miss Brown are directors and shareholders.
9. Includes fees payable for administration, company secretarial, and finance and accounting services of $120,000 (2010: $56,000) provided by Venturex Resources Limited, a company in which Dr Sugden is a Director and Shareholder and Ms Carpene is a Company Secretary and Shareholder. Dr Sugden and Ms Carpene have no beneficial interest in these fees.

C. Service Agreements and Employment Contracts of Directors and Key Management Personnel

An agreement was entered into on 1 December 2009 with Venturex Resources Limited for the provision of shared services in the area of administration, company secretarial, and finance and accounting for a fee of $8,000 per month. The fee was reviewed and increased to $10,000 per month from 1 July 2010. This agreement may be terminated by at least one month's notice by either party.

A consultancy agreement was entered into on 11 August 2010 with Argonaut Capital Limited to provide the services of Mr Michael Mulroney as Acting Chief Executive Officer to the Company for an interim period at $20,000 per month. This engagement was able to be terminated on at least one week's notice by either party. This consultancy agreement has since ceased.

The Chairman and Non-Executive Directors are appointed on an open term basis with annual fixed fees of $30,000 per annum per Director, reviewed annually. There is no entitlement for termination or retirement benefits (other than for superannuation).

The following Directors and Key Management Personnel were under contract at 30 June 2011.

Name	Term of Contract	Commencement Date	Notice Period by Either Party	Termination Benefit
Gavin May	Fixed Contract (3 years)	22/5/11 – 21/5/14	- Company may elect to make payment in lieu of notice - No notice requirements for termination by Company for cause - 3 months notice by Executive	- An amount equal to 12 months base salary if termination by Company if position becomes redundant or is no longer required, together with accrued unpaid benefits. - Nil (other than for accrued entitlements) in the case of termination by Company for cause.

D. Share-based payments

This section only refers to those shares and options issued as part of remuneration. As a result they may not indicate all shares and options held by a Director or other Key Management Personnel.

Shares

No shares in the Company were issued to Directors and Other Key Management Personnel as part of remuneration during the 2011 or 2010 financial years.

Options

The following table discloses the value of options granted, exercised, sold or lapsed during the 2011 financial year:

	Options Granted	Options Exercised	Options Lapsed			
	Value at Grant Date $	Value at Exercise Price $	Value at time of Lapse $	Value of Options yet to be Expensed $	Value of Options included in remuneration for the year $	Percentage of Total Remuneration for the Year that Consisted of Options %
Directors						
C West	-	-	(128,149)	-	(128,149)	(116)
	-	-	(128,149)	-	(128,149)	(116)

No options were granted, exercised, sold or lapsed during the 2010 year.

The assessed fair value at grant date of options granted to the individuals is included in the remuneration tables above. Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying shares, the expected dividend yield and the risk free interest rate for the term of the option.

The following table discloses the movement in Directors and Key Management Personnel Options during the 2011 financial year

	Balance 01 Jul 10 No.	Granted as Remuneration No.	Options Exercised No.	Options Lapsed No.	Held at Resignation No.	Balance 30 Jun 11 No.	Vested during the year No.	Vested and exercisable at 30 Jun 11 No.
Directors								
C West	4,094,439	-	-	(4,094,439)	-	-	-	-
	4,094,439	-	-	(4,094,439)	-	-	-	-

* Mr West resigned on 3 February 2011, the options lapsed upon resignation.

Details of the Options

Grant Date	Date Vested and exercisable	Expiry Date	Exercise Price $	Value per options at grant date $	Number of Options issued
27 Nov 2006	3 July 2008	3 July 2011	0.08	0.031	4,094,439

The following table discloses the movement in Directors and Key Management Personnel Options during the 2010 financial year

	Balance 01 Jul 09 No.	Granted as Remuneration No.	Options Exercised No.	Options Lapsed No.	Held at Resignation No.	Balance 30 Jun 10 No.	Vested during the year No.	Vested and exercisable at 30 Jun 10 No.
Directors								
C West	4,094,439	-	-	-	-	4,094,439	-	4,094,439
	4,094,439	-	-	-	-	4,094,439	-	4,094,439

Details of the Options

Grant Date	Date Vested and exercisable	Expiry Date	Exercise Price $	Value per options at grant date $	Number of Options issued
27 Nov 2006	3 July 2008	3 July 2011	0.08	0.031	4,094,439

The unlisted options were granted for no consideration as an incentive bonus. The options carry no dividend or voting rights. When exercised, each option is convertible into one ordinary share. The options granted are not subject to any performance conditions. No options were exercised during the year.

During the year, Nil (2010: Nil) options were granted to a Director.

During the year, 4,094,439 (2010: Nil) options granted to Key Management Personnel lapsed on cessation of employment.

No options were exercised during the year and no shares have been issued from the exercise of options since year-end to the date of this report. No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate. The names of all holders of options are entered into the Company's register.

E. Performance income as a proportion of total remuneration

No performance based remuneration has been issued during 2011 or 2010.

F. Payments to persons before taking office (Audited)

Mr Mulroney was engaged as the Acting Chief Executive Officer between the period 12 August 2010 to 5 November 2011. He was appointed as a Non-Executive Director on the 5 November 2011. During this period Argonaut Capital Limited received $56,000 (2010: Nil) for the services of Mr Mulroney.

On 18 October 2010, Mr Mulroney was granted 2,000,000 options over ordinary shares. Please see part D: Share Based Payments for more detail.

DIRECTORS' INDEMNITIES

The Company provides Directors' and Officers' Insurance to cover legal liability and expenses for the Directors and Officers performing work on behalf of the Company and Group Entities.

DIRECTORS' INTERESTS

The relevant interest of each Director in the shares and options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

2011	Ordinary Shares	Options over ordinary Shares
Directors		
T Sugden	20,000,000	-
M Mulroney*	19,976,641	5,000,000
A Ward	-	3,000,000
G May	1,000,000	20,000,000
Key Management Personnel		
L Carpene	2,000,000	3,000,000
	42,976,641	31,000,000

* 19,000,000 ordinary fully paid shares are owned directly by AFM Perseus Fund Ltd of which Mr Mulroney is a director. Mr Mulroney has no beneficial interest in these shares.

SHARE OPTIONS

During or since the end of the financial year, the Company granted options for no consideration over unissued ordinary shares in the Company to the following directors and Key Management Personnel:

Director	Grant Date	Vesting Date	Number of options Granted	Exercise Price	Expiry Date
M Mulroney	18 Oct 2010	18 Oct 2010	2,000,000	0.050	17 Oct 2014
M Mulroney	11 Jul 2011	11 Jul 2011	3,000,000	0.155	10 Jul 2014
A Ward	11 Jul 2011	11 Jul 2011	3,000,000	0.155	10 Jul 2014
G May	11 Jul 2011	23 May 2012	10,000,000	0.155	10 Jul 2014
G May	11 Jul 2011	23 May 2013	10,000,000	0.210	10 Jul 2014
Key Management Personnel					
L Carpene	11 Jul 2011	11 Jul 2011	3,000,000	0.155	10 Jul 2014

UNISSUED SHARES UNDER OPTIONS

The unissued shares under options are disclosed in Note 30.

SHARES ISSUED ON EXERCISE OF OPTIONS

No shares have been issued as a result of exercise of options for the financial year ended 2011.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

During the year, Rothsay Chartered Accountants, the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the Auditor is compatible with and did not compromise the auditors' independence requirements of the Corporations Act 2001. The non-audit services provided by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board as the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including acting in a management or a decision-making capacity for the Company or acting as advocate for the Company.

Auditors' remuneration

The following amounts were paid or payable to the auditors:

	2011 $	2010 $
Audit Services		
Rothsay - Audit and review of financial reports	**22,500**	24,500
Total fees for audit services	**22,500**	24,500
Non – Audit Services		
Rothsay - Taxation services	**-**	10,000
Total fees for non-audit services	**-**	10,000
Total remuneration of auditors	**22,500**	34,500

Signed in accordance with a resolution of the Directors.

Dated at Perth this 30th day of September 2011.

GAVIN MAY
Managing Director

Auditors' Independence -Section 307C

The following is a copy of a letter received from the Company's auditors:

ROTHSAY

Level 18, Central Park Building, 152-158 St Georges Terrace, Perth WA 6000
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 6364 5076 www.rothsay.com.au

The Directors
Newland Resources Ltd
Suite 3, Level 1
127 Cambridge St
West Leederville WA 6007

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2011 financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 30th September 2011

Chartered Accountants

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2011

	Note	Consolidated 2011 $	2010 $
Revenue from continuing operations			
Revenue from continuing operations	4	**1,401,286**	904,904
Cost of investment sold	12	**(5,627,968)**	(671,526)
Gross profit (loss)		**(4,226,682)**	233,378
Expenses			
Secretarial and administration fees		**(120,000)**	(100,000)
Legal fees (expense) write back		**(26,282)**	15,893
Directors, consulting fees		**(176,911)**	(98,591)
Corporate fees and reports		**(73,307)**	(27,350)
Travel, accommodation and entertainment		**(38,426)**	(29,612)
Consulting		**(2,500)**	(84,677)
Computing costs		**(1,991)**	(3,834)
Bad debts written off		**(54,611)**	(4,294)
Audit & taxation fees		**(18,500)**	(72,623)
Employee costs		**(241,899)**	(45,126)
Premises costs write back		**-**	16,794
Interest payable		**(23,272)**	(1,411)
Insurance (expense) write back		**(9,468)**	384
Foreign exchange gains (losses)		**15,321**	(56,495)
Depreciation	10	**(11,370)**	(55,820)
Employee share based payments	17,18	**(19,285)**	-
Impairment of investments write back	12	**5,643,605**	662,977
Impairment of exploration write back	13	**63,493**	2,406,121
Exploration costs written off	13	**(63,493)**	(2,458,818)
Loss on disposal of subsidiary	26	**-**	570,147
Loss on disposal of plant & equipment		**(55,334)**	-
Royalties paid		**(500,000)**	-
Other expenses from ordinary activities		**(193,726)**	(54,470)
Share of profit (loss) of associates		**(134,638)**	812,573
Income tax expense	5	**-**	-
Profit (Loss) from continuing operations		**(134,638)**	812,573
Loss attributable to minority interest		**-**	-
Profit (Loss) attributable to members of Newland Resources Limited		**(134,638)**	812,573
Other comprehensive income			
Gains arising from translating financial statements of foreign operations		**(44,090)**	134,629
Total comprehensive income		**(178,728)**	947,202
Earnings per share for profit (loss) from continuing operations attributable to the ordinary equity holders of the Company			
Basic earnings per share	2	**(0.028¢)**	0.355¢

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2011

	Note	Consolidated 2011 $	2010 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	**2,633,660**	389,373
Trade and other receivables	7	**20,139**	229,713
Available-for-sale non-current assets	8	**-**	165,151
Other current assets	9	**6,082**	3,288,917
Total Current Assets		**2,659,881**	4,073,154
Non-Current Assets			
Plant & equipment	10	**93,106**	2,404
Held-to-maturity investments	11	**-**	-
Available-for-sale financial assets	12	**15,637**	-
Exploration & evaluation	13	**9,598,735**	-
Total Non-Current Assets		**9,707,478**	2,404
Total Assets		**12,367,359**	4,075,558
LIABILITIES			
Current Liabilities			
Trade and other payables	14	**667,345**	185,338
Employee benefits	15	**2,895**	-
Current tax liabilities	5	**-**	-
Current borrowings	16	**-**	736,411
Total Current liabilities		**670,240**	921,749
Non-Current Liabilities			
Contingent liabilities	27	**652,777**	-
Total Non-Current liabilities		**652,777**	-
Total Liabilities		**1,323,017**	921,749
Net Assets		**11,044,342**	3,153,809
Equity			
Contributed equity	17	**29,535,358**	22,908,118
Reserves	18	**1,570,244**	128,223
Accumulated profits (losses)	18	**(20,061,260)**	(19,882,532)
		11,044,342	3,153,809
Minority interest		**-**	-
Total Equity		**11,044,342**	3,153,809

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2011

		Consolidated						
	Note	Contributed equity $	Share based compensation $	Performance Shares $	FX exchange reserve $	Changes in the fair value of available for sale investments $	Retained earnings $	Total equity $
Balance at 30 June 2009		20,356,358	128,149	-	(74,323)	411	(20,829,734)	(419,139)
Issue of securities	17	2,673,776	-	-	-	-	-	2,673,776
Security issue costs	17	(122,016)	-	-	-	-	-	(122,016)
FX exchange difference on translatior of foreign operations	18	-	-	-	74,397	-	-	74,397
Changes in the fair value of available for sale investments	18	-	-	-	-	(411)	-	(411)
Total comprehensive income		-	-	-	-	-	947,202	947,202
Balance at 30 June 2010		22,908,118	128,149	-	74	-	(19,882,532)	3,153,809
Issue of securities	17	7,013,000	-	-	-	-	-	7,013,000
Security issue costs	17	(385,760)	-	-	-	-	-	(385,760)
Issue of options	18	-	377,481	-	-	-	-	377,481
Expiry of options	18	-	(128,149)	-	-	-	-	(128,149)
Issue of performance shares	18	-	-	1,171,953	-	-	-	1,171,953
NPV of performance shares	18	-	-	20,825	-	-	-	20,825
FX exchange difference on translatior of foreign operations	18	-	-	-	(89)	-	-	(89)
Total comprehensive income		-	-	-	-	-	(178,728)	(178,728)
Balance at 30 June 2011		29,535,358	377,481	1,192,778	(15)	-	(20,061,260)	11,044,342

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2011

	Note	Consolidated 2011 $	2010 $
Cash Flows from Operating Activities			
Interest received		**115,974**	38,802
Interest and other cost of finance		**(59,147)**	-
Tax refunded		**-**	63,990
Payments to suppliers and contractors (inclusive of goods and services tax)		**(849,694)**	(520,293)
Net cash (outflow) from operating activities	21	**(792,867)**	(417,501)
Cash Flows from Investing Activities			
Proceeds from sale of investments	4	**1,282,186**	8,095
Proceeds from sale of plant and equipment		**43,339**	66,478
Proceeds from mineral royalties		**59,380**	692,835
Acquisition of plant & equipment	10	**(102,072)**	-
Acquisition of exploration & evaluation		**(677,290)**	(54,479)
Refund of security deposits		**12,500**	12,500
Acquisition of Queensland Coal tenements		**(2,600,000)**	(2,500,000)
Net cash (outflow) from investing activities		**(1,981,957)**	(1,774,571)
Cash Flows from Financing Activities			
Net proceeds from issue of shares		**5,719,241**	1,767,760
Borrowings		**(700,000)**	700,000
Net cash inflow from financing activities		**5,019,241**	2,467,760
Net Increase in Cash and Cash Equivalents		**2,244,417**	275,688
Cash and cash equivalents at the beginning of the financial year		**389,373**	127,151
Effects of exchange rate changes on cash and cash equivalents		**(130)**	(1,460)
Decrease in cash due to deconsolidation		**-**	(12,006)
Cash and cash equivalents at the end of the financial year	6	**2,633,660**	389,373

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. REPORTING ENTITY

Newland Resources Limited (the "Company") is a company domiciled in Australia. The address of the Company's registered office is Suite 3, Level 1, 127 Cambridge Street, West Leederville, Western Australia, 6007. The consolidated financial statements of the Company as at and for the year ended 30 June 2011 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group Entities"). The Group primarily is involved in the resources sector.

2. BASIS OF PREPARATION

Statement of Compliance

The consolidated financial statements are general purpose financial statements, which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements of the Group comply with International Financial Reporting Standards (IFRSs) adopted by the International Financial Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 30 September 2011.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- *Available-for-sale financial assets are measured at fair value*
- *Financial instruments at fair value through profit or loss are measured at fair value.*

Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

Use of estimates & judgements

The preparation of the consolidated financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements, assumptions and estimation in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are disclosed below:

- *Note 5: Recoverability of Deferred Tax Assets*

  Deferred tax assets are not recognised for deductible temporary differences as the Board consider that it is not probable that the Group will be able to utilise these temporary differences until the Group becomes profitable.

- *Note 5: Utilisation of tax losses*

  A company cannot carry forward losses unless it satisfies either the "continuity of ownership" test (ITAA97 s 165-12) or the "same business" test (ITAA97 s 165-13) as described in the Income Tax Assessment Act 1997. It is assumed going forward the Group will continue to satisfy these conditions.

- *Note 10: Plant & Equipment*

  The estimation of the useful lives of assets has been based on Taxation Ruling TR 2010/2 and historical experience. The condition of the assets is assessed at year end and considered against the remaining life. Details of the useful lives of plant and equipment are set out in Note: 3d.

- *Note 12: Impairment of available for sale investments*

  The available for sale investments have been subjected to impairment in accordance with accounting standards and current market conditions, particularly those investments that are not listed on recognised stock exchanges. Impaired investments are expected to continue to mature and, where applicable, the impairment losses will be written back.

- *Note 13: Capitalisation of exploration and evaluation expenditure*

  The Group has capitalised significant exploration and evaluation expenditure on the basis that capitalised expenditure is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

- *Note 13: Impairment of capitalised exploration and evaluation expenditure*

  The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

  Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

As at 30 June 2011, the carrying value of exploration expenditure is $9,598,735 (2010: Nil).

– *Note 17: Performance Shares*

The Group measures the cost of performance shares with external parties by reference to the fair value of the options at the date at which they are granted. The fair value at grant date is determined using the Black-Scholes option pricing model which takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, expected volatility of the underlying share, and the risk free interest rate for the term of the option. The Board has made further assumptions in regards to whether the criteria to meet the milestones are likely to be achieved. Further details are disclosed in Note: 13.

– *Note 27: Contingent liabilities*

The Group measures contingent liabilities by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The Board has made further assumptions in regards to whether the criteria to meet the milestones are likely to be achieved. Further details are disclosed in Note: 13 and Note: 27.

– *Note 30: Share Based Payments*

The Group measures the cost of equity-settled transactions with Directors, Key Management Personnel and service providers by reference to the fair value of the options at the date at which they are granted. The fair value at grant date is determined using the Black-Scholes option pricing model which takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, expected volatility of the underlying share, and the risk free interest rate for the term of the option.

Changes in accounting policies

During the year, the Group adopted the following accounting policy.

a. Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within twelve months of the reporting date are recognised in employee provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Superannuation

The amount charged to the profit and loss in respect of superannuation represents the contributions paid or payable by the Group to the employee's superannuation funds.

Employee Benefits On-Costs

Employee benefit on-costs, including payroll tax, are recognised when paid or payable by the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group Entities, unless otherwise stated.

a. Basis of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Loss of Control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b. Foreign Currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group Entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars using average exchange rates for the reporting period.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

c. Financial Instruments

i. Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset of liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit and loss if it is classified as held for trading or is designated as such upon initial recognition.

Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as available for sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and, trade and other receivables.

Held-to-maturity investments

Held-to-maturity investments are non-financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are included in non-current assets, except for those with maturities less than twelve months from the reporting date, which are classified as current assets.

Held-to maturity investments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date.

Purchases and sales of available-for-sale financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset. External investments are initially recognised at fair value plus transaction costs for all financial assets. Other financial assets are initially recognised at fair value and transaction costs are expensed to the profit and loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in profit and loss as Cost of investment sold.

Available-for-sale financial assets are subsequently carried at fair value. The fair values of quoted investments are based on last trade prices. If the market for financial assets is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques.

Available-for-sale financial assets comprise equity securities.

ii. Non-derivative financial liabilities

The Group initially recognises financial liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise borrowings, and trade and other payables.

iii. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Performance shares

Performance shares are classified as equity. Incremental costs directly attributable to the issue of performance shares are recognised as a deduction from equity, net of any tax effects.

d. Plant and Equipment

i. Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net within other income / other expenses in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

ii. Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Plant and equipment	2 – 8 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

e. Intangible Assets

i. Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

ii. Goodwill

Goodwill on consolidation is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

f. Impairment

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

g. Non-Current Assets Held For Sale

Non-current assets, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

h. Employee Benefits

i. Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within twelve months of the reporting date are recognised in employee provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

ii. Superannuation

The amount charged to the profit and loss in respect of superannuation represents the contributions paid or payable by the Group to the employee's superannuation funds.

iii. Employee Benefits on-costs

Employee benefit on-costs, including payroll tax, are recognised when paid or payable by the Group.

iv. Equity-settled compensation

The Company grants equity settled share-based payments to employees. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense, with a corresponding increase to an equity account. The fair value of shares is ascertained at the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options exercised to vest is reviewed and adjusted at each reporting date such that the amount recognised as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

i. Provisions

A provision is recognised if, as a result of a past event the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

i. Provision for Restoration and Rehabilitation

No provisions for restoration and rehabilitation have been made at this stage.

j. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

k. Finance Income and Finance Cost

Finance income comprises interest income on funds invested. Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, impairment losses recognised on financial assets.

Borrowing costs that are not directly attributable to the acquisition, of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

l. Taxes

i. Income tax

Income tax expense or revenue comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those rates which are enacted or subsequently enacted for each jurisdiction.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. *Tax consolidation*

The Group has decided not to elect to implement tax consolidation at this time.

iii. *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority, in these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which is disclosed as operating cash flows.

m. Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss after income tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by dividing the profit or loss after income tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

n. Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that related to transactions with any of the Group's other components. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

o. New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below. New standards and interpretations not mentioned are considered unlikely to impact on the financial reporting of the Company

AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013)

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Company has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Company. These changes will not affect the Group.

AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013)

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements. These changes will not affect the Group.

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards.

	2011	2010
	$	$
4. REVENUE		
Included in revenue from continuing operations are the following:		
Sale of investments	**1,282,186**	8,095
Fees received	**-**	103,970
Interest received	**119,100**	38,799
Royalties received	**-**	752,215
Other revenue	**-**	1,825
	1,401,286	904,904
5. INCOME TAX EXPENSE		
Income Tax expense		
Current Tax	**-**	-
Deferred Tax	**-**	-
	-	-
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit (Loss) for year before income tax	**(178,728)**	947,202
Tax at the Australian tax rate of 30%	**(53,618)**	284,161
Tax effect of non-deductible items:		
Impairment of investments	**(1,693,082)**	198,893
Impairment of exploration	**(19,048)**	721,836
Share based payments	**5,786**	-
Other items	**7,849**	23,440
Tax effect of deductible items:	**(69,668)**	-
Tax losses not brought to account:	**-**	(1,228,330)
Utilisation of Tax losses:	**1,821,781**	-
Income tax expense	**-**	-
6. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	**2,633,660**	389,373

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 29.

7. TRADE AND OTHER RECEIVABLES		
Trade debtors and broker's settlement accounts	**9,419**	150,224
Accrued revenue	**3,126**	59,380
Other receivables	**94**	109
Deposits	**7,500**	20,000
	20,139	229,713

The Group's exposure to credit and currency risks, and impairment losses related to trade and other receivables are disclosed in Note 29.

	2011	2010
	$	$
8. AVAILABLE-FOR-SALE NON-CURRENT ASSETS		
Plant & equipment	**-**	165,151
9. OTHER CURRENT ASSETS		
Prepayments	**6,082**	4,917
Deposit for Queensland Coal Tenements	**-**	3,284,000
	6,082	3,288,917

During the previous year the Company paid a deposit for a portfolio of coal assets in the Bowen Basin in Central Queensland, comprising six tenements.

The deposit (Tranche 1) consists of a cash payment of $2,500,000 and 56 million fully paid ordinary shares with a value of $0.014 ($784,000). Further details are disclosed in Note 13.

10. PLANT & EQUIPMENT

	2011	2010
Cost	**113,298**	11,226
Less: accumulated depreciation	**(20,192)**	(8,822)
Net book value	**93,106**	2,404
Movements in carrying amount		
Carrying amount at the beginning of the year	**2,404**	237,263
Disposed on deconsolidation	**-**	(12,229)
Foreign exchange adjustment of opening balance	**-**	(1,659)
Additions	**102,072**	-
Disposals	**(165,151)**	-
Transfer to available-for-sale non-current assets	**165,151**	(165,151)
Depreciation charge	**(11,370)**	(55,820)
	93,106	2,404

11. HELD-TO-MATURITY INVESTMENTS
(a) Investment in controlled entities

			Percentage of equity interest held by Group Entity	
Name	**Country of Incorporation**	**Note**	**2011**	2010
Saturn Exploration NL	Australia	3	**-**	-
Mt Garnet Mines NL	Australia	-	**100%**	100%
Exploration Australia Pty Ltd	Australia	3	**-**	-
Resources Services (BVI) Limited	British Virgin Islands	2	**100%**	100%
Newland Resources UK Limited	United Kingdom	1,3	**-**	-
Balkan Heights Property Ltd	Guernsey, CI	2,3	**-**	-
Newland Financial Group Limited	United Kingdom	1,4	**-**	-
Newland Fund Management LLP	United Kingdom	1,6,5	**-**	-

[1] *Entities not audited by Rothsay that carry on business in the United Kingdom.*
[2] *Entities not audited by Rothsay that carry on business outside of Australia.*
[3] *Entities deregistered during 2010 financial year.*
[4] *Entities liquidated during 2010 financial year.*
[5] *Entities that are an investment of Newland Financial Group Limited*
[6] *Entities divested during the 2010 financial year.*

(b) Contribution to group operating profit (loss)

	2011 $	2010 $
Saturn Exploration NL	**-**	(1)
Mt Garnet Mines NL	**(511,953)**	751,150
Exploration Australia Pty Ltd	**-**	669
Resources Services (BVI) Limited	**(44,091)**	(4,324)
Newland Resources UK Limited	**-**	155,453
Balkan Heights Property Ltd	**-**	27,346
Newland Financial Group Limited	**-**	167,173
Newland Resources Limited	**377,316**	(150,264)
	(178,728)	947,202

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Investments in securities		
At 1 July	**-**	8,960
Additions	**-**	-
Disposals	**(5,627,968)**	(671,526)
Impairment write back	**5,643,605**	662,566
	15,637	-

The Company still holds a number of available for sale financial assets which have been fully impaired for accounting purposes. Any profit or loss realised when assets are disposed of will be brought to account at that time.

13. INTANGIBLE ASSETS

Exploration and evaluation		
At 1 July	**-**	-
Additions	**772,782**	52,697
Additions – Queensland Coal Tenements*	**8,825,953**	-
Accumulated Impairment Loss write back	**63,493**	2,406,121
Exploration Written Off	**(63,493)**	(2,458,818)
At 30 June	**9,598,735**	-

* On 18 October 2010 the Company completed the settlement for the Queensland Coal Tenements, for the acquisition of EPC1230, EPC1580, EPCA1319, EPCA1505, EPCA1720, and EPCA1801.

The following makes up the purchase consideration:

Date	Note	Description	No.	Issue Price	Value $
Deposit – 28 Jun 2010		Cash	-	-	2,500,000
Deposit – 28 Jun 2010		Fully Paid Ordinary Shares	56,000,000	0.014	784,000
Settlement - 18 Oct 2010		Cash	-	-	2,500,000
Settlement - 18 Oct 2010		Fully Paid Ordinary Shares	34,000,000	0.027	918,000
Settlement - 18 Oct 2010	A	Options	65,000,000	0.050	220,047
Settlement - 18 Oct 2010	B	A Class Performance Shares	25,000,000	0.027	540,000
Settlement - 18 Oct 2010	C	B Class Performance Shares	5,000,000	0.027	631,953
Settlement - 18 Oct 2010	D	B Class Milestone cash	-	-	631,953
Settlement - 18 Oct 2010	E	Success Fee	-	-	100,000
		Total			8,825,953

Notes:

A) 65,000,000 Vendor Options exercisable at 5 cents, expiring 23 June 2015 (subject to vesting conditions). The fair value at grant date is determined using a Black-Scholes option pricing model which takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, and the risk free interest rate for the term of the option.

The weighted average model inputs used for options granted during the period included:

	30 Jun 2011	30 Jun 2010
Weighted average exercise price	$0.050	-
Weighted average life of the option	4-5 years	-
Underlying share price	$0.027	-
Expected share price volatility	92%	-
Risk free interest rate	6.25%	-
Expected dividend yield	Nil	-

The expected share price volatility is based on the Group's historic volatility since listing in July 1986.

B) 25,000,000 A Class Performance Shares (which convert into fully paid ordinary shares) subject to A Class Milestone (the formal grant by the Department of Mines and Energy of at least two of EPCA1319, EPCA1505, and EPCA1720), expiring 23 June 2014.

The model inputs used for performance shares and the B Class Milestone cash payment granted during the period included:

	30 Jun 2011	30 Jun 2010
Underlying share price	$0.027	-
Estimated Probability	15 - 80%	-
Cash Rate	4.75%	-
Estimated commencement of outflow	26 June 14	

C) 5,000,000 B Class Performance Shares (which convert into fully paid ordinary shares) subject to B Class Milestone (defining a JORC compliant mineral resource in excess of 200 million tonnes of coal with a minimum quality of specification equivalent to the quality of an exported coal from the Bowen Basin on the Tenements), expiring 23 June 2014, B Class Performance shares convert into number of shares equal to $5,000,000, determined by dividing 5,000,000 by price per share (being greater of $0.016 per share and the 10 day VWAP of the Company's Shares on the ASX immediately prior to the B Class Milestone being satisfied. Model inputs are defined in Note B.

D) $5,000,000 cash payment subject to B Class Milestone. Model inputs are defined in Note B.

E) Success fee paid to Argonaut Capital Limited.

		2011 **$**	2010 $
14.	**TRADE AND OTHER PAYABLES**		
	Trade creditors and accruals	**667,345**	185,338
15.	**EMPLOYEE BENEFITS**		
	Liability for annual leave	**2,895**	-
16.	**LOANS AND BORROWINGS**		
	Loan from external parties	**-**	736,411

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

				30 June 2011		**30 June 2010**	
	Currency	**Nominal interest rate**	**Year of Maturity**	**Face Value**	**Carrying Amount**	**Face Value**	**Carrying Amount**
Loan from associate	AUD	10%	2010	-	-	$736,411	$736,411

The Company entered into a short term agreement with Argonaut Equity Partners Pty Limited and Skye Equity Pty Ltd to borrow $700,000 on commercial terms.

The interest is 10% per annum, compounded and payable at maturity. If the loan is in default the interest will be 20% per annum.

An establishment fee of 5% has been capitalised to the loan and is payable at maturity.

The loan will mature on the earlier of fifteen days after Shareholders approve the acquisition for the Queensland Coal Tenements (refer Note 13: Intangible Assets), or on 21 October 2010 unless the loan is refinanced.

The loan is unsecured and entitles the lenders the right to participate in any capital raising prior to 21 October 2010.

The loan was repaid in full on 18 October 2010, the Group is currently debt free.

17. CONTRIBUTED EQUITY

	2011		2010	
SHARE CAPITAL	**Number**	**$**	Number	$
Ordinary shares – Fully paid	**732,955,142**	**29,535,358**	433,955,142	22,908,118
Movements in ordinary share capital				
At 1 July	**433,955,142**	**22,908,118**	188,977,571	20,356,358
Shares issued during the year	**299,000,000**	**7,013,000**	244,977,571	2,673,776
Transaction costs relating to share issues	**-**	**(385,760)**	-	(122,016)
At 30 June	**732,955,142**	**29,535,358**	433,955,142	22,908,118

Changes in Ordinary Shares during the year are as follows:

2011				
Date	**Details**	**Number**	**Issue Price**	**$**
18 October 2010	Shares issued Institutional and Sophisticated Investors	265,000,000	0.023	6,095,000
18 October 2010	Shares issued to acquire interest in Queensland Coal tenements	34,000,000	0.027	918,000
		299,000,000		7,013,000

2010				
Date	**Details**	**Number**	**Issue Price**	**$**
3 September 2009	Shares issued under rights issue	38,464,316	0.010	384,643
16 September 2009	Shares issued under rights issue shortfall	100,000,000	0.010	1,000,000
21 September 2009	Shares issued under rights issue shortfall	50,513,255	0.010	505,133
28 June 2010	Shares issued to acquire interest in Queensland Coal tenements	56,000,000	0.014	784,000
		244,977,571		2,673,776

OPTIONS	**2011 Number**	**2011 $**	2010 Number	2010 $
Options	**75,000,000**	**377,481**	4,094,439	128,149
Options – Unlisted				
At 1 July	**4,094,439**	**128,149**	-	-
Options issued during the year	**75,000,000**	**367,481**	-	-
Options expired during the year	**(4,094,439)**	**(128,149)**	-	-
Receipt of payment to secure options	**-**	**10,000**	-	-
At 30 June	**75,000,000**	**377,481**	4,094,439	128,149

Changes in Option Reserves during the year are as follows:

2011

Option	**Grant Date**	**Exercise Price**	**Expiry Date**	**Balance at beginning of year**	**Issued during the year**	**Exercised during the year**	**Cancelled during the year**	**Balance at end of year**
NRLAI	27 Nov 2006	0.08	3 Jul 2011	4,094,439	-	-	(4,094,439)	-
NRLAI	18 Oct 2010	0.05	17 Oct 2014	-	10,000,000	-	-	10,000,000
NRLAI	18 Oct 2010	0.05	23 Jun 2015	-	65,000,000	-	-	65,000,000
				4,094,439	75,000,000	-	(4,094,439)	75,000,000

2010

Option	**Grant Date**	**Exercise Price**	**Expiry Date**	**Balance at beginning of year**	**Issued during the year**	**Exercised during the year**	**Cancelled during the year**	**Balance at end of year**
NRLAI	27 Nov 2006	0.08	3 Jul 2011	4,094,439	-	-	-	4,094,439
				4,094,439	-	-	-	4,094,439

PERFORMANCE SHARES	**2011 Number**	**2011 $**	2010 Number	2010 $
Performance Shares - Unlisted	**30,000,000**	**1,192,777**	-	-
Performance Shares – Unlisted				
At 1 July	**-**	**-**	-	-
Performance shares issued during the year	**30,000,000**	**1,171,953**	-	-
NPV of Performance shares	**-**	**20,824**	-	-
At 30 June	**30,000,000**	**1,192,777**	-	-

Changes in Performance Shares Reserves during the year are as follows:

2011

Performance Shares	**Grant Date**	**Exercise Price**	**Expiry Date**	**Balance at beginning of year**	**Issued during the year**	**Exercised during the year**	**Cancelled during the year**	**Balance at end of year**
NRLAK	18 Oct 2010	Nil	23 Jun 2014	-	25,000,000	-	-	25,000,000
NRLAM	18 Oct 2010	Nil	23 Jun 2014	-	5,000,000	-	-	5,000,000
				-	30,000,000	-	-	30,000,000

The conversion of NRLAK Class Performance Shares into 25,000,000 ordinary fully paid shares is subject to achieving the milestone of the formal grant by the Department of Mines and Energy of at least 2 of EPCA 1319, EPCA 1505 and EPCA 1720 prior to 23 June 2014.

The conversion of NRLAM Class Performance Shares into ordinary fully paid shares will be on the basis of 5,000,000 divided by the greater of $0.016 per share and the 10 day VWAP of the Company's securities on the ASX immediately prior to the B Class Milestone being satisfied (up to a maximum of 312,500,000) and is subject to achieving the milestone of the Company successfully defining a JORC Code compliant Mineral Resource in excess of 200 million tonnes of coal with a minimum quality of specification equivalent to the quality of an exported coal from the Bowen Basin on the Coal Tenements (the JORC Code compliant Mineral Resource and the confirmation that the coal is a minimum quality of specification equivalent to the quality of an exported coal from the Bowen Basin must be prepared or reviewed, confirmed and signed off by an independent consultant with appropriate experience as agreed by the Company and the Vendors) prior to 23 June 2014.

No performance shares were issued during 2010 financial year.

	2011	2010
	$	$
18. RESERVES AND ACCUMULATED LOSSES		
(a) RESERVES		
Foreign currency translation reserve	**(14)**	74
Share based payments reserve	**377,481**	128,149
Performance shares reserve	**1,192,777**	-
Available-for-sale investments revaluation reserve	**-**	-
	1,570,244	128,223
Movement in reserves for year		
Foreign currency translation reserve		
At 1 July	**74**	(74,323)
Currency translation differences gain (loss) arising during the year	**(88)**	74,397
At 30 June	**(14)**	74
Share based payments reserve		
At 1 July	**128,149**	128,149
Options issued	**367,481**	-
Options expired	**(128,149)**	-
Receipt of payment to secure options	**10,000**	-
At 30 June	**377,481**	128,149
Performance shares reserve		
At 1 July	**-**	-
Performance shares issued	**1,171,953**	-
NPV of performance shares	**20,824**	-
At 30 June	**1,192,777**	-
Available-for-sale investments revaluation reserve		
At 1 July	**-**	411
Revaluation	**-**	(411)
At 30 June	**-**	-
(b) ACCUMULATED (PROFITS) LOSSES		
Movement for year		
At 1 July	**19,882,532**	20,829,734
Net (Profit) Loss for the year after tax	**178,728**	(947,202)
At 30 June	**20,061,260**	19,882,532

(c) NATURE AND PURPOSE OF RESERVES

Refer note 3(b) for the accounting policy on foreign currency translation reserve.

The share based payment reserve is used to recognise the fair value of options issued to employees and other parties but not exercised.

The performance share reserve is used to recognise the value of performance shares issued to external parties but not exercised.

The available for sale investments revaluation reserve is used to recognise the fair value of available for sale financial assets.

19. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ending 30 June 2011 the parent entity of the Group was Newland Resources Limited.

	2011 $	2010 $
Result of parent entity		
Profit (loss) for the period	**337,953**	(347,049)
Other comprehensive income	**-**	-
Total comprehensive income for the period	**337,953**	(347,049)
Financial position of parent entity at year end		
Current assets	**2,659,785**	4,008,863
Non-current assets	**9,707,479**	2,405
Total assets	**12,367,264**	4,011,268
Current liabilities	**170,240**	921,750
Non-current liabilities	**1,608,842**	908,638
Total liabilities	**1,779,082**	1,830,388
Contributed equity	**29,535,358**	22,897,118
Reserves	**1,570,258**	139,149
Accumulated profits (losses)	**(20,517,434)**	(20,855,387)
Total equity	**10,588,182**	2,180,880

The parent entity is not aware of any contingencies that are not recorded for in the accounts.

The parent entity does not have any capital commitments for the acquisition of property plant and equipment.

The parent entity has not entered into a Deed of Cross Guarantee in respect of any of its subsidiaries.

20. KEY MANAGEMENT PERSONNEL DISCLOSURE

The following were Key Management Personnel of the Group at any time during the reporting period and unless otherwise indicated, were Key Management Personnel for the entire period:

Dr T Sugden	Non-Executive Chairman	
Mr M Mulroney	Non-Executive Director	Appointed 05/11/10*
Ms A Ward	Non-Executive Director	Appointed 12/11/10
Mr G May	Managing Director	Appointed 23/05/11
Mr B Mitchell	Non-Executive Director	Appointed 02/10/09, resigned 05/11/10
Mr C West	Non-Executive Director	Appointed 01/10/04, resigned 03/02/11
Mr A Clough	Managing Director	Appointed 05/11/10, resigned 04/04/11

Key Management Personnel
Ms L Carpene Company Secretary

* Mr Michael Mulroney was appointed Acting Chief Executive Officer between 12 August 2010 to 5 November 2010 and 4 April 2011 to 23 May 2011 while establishing a permanent management team.

Mr Robert Waring was appointed Joint Company Secretary on 26 September 2011. There have been no other changes in Key Management Personnel between 1 July 2011 and the date of this report.

(a) Key Management Personnel compensation

	2011 $	2010 $
Short term employee benefits	**462,438**	229,050
Post-employment benefits	**13,429**	-
Long-term benefits	**-**	-
Termination benefits	**-**	13,088
Share-based payments	**(128,149)**	-
	347,718	242,138

(b) Individual Directors and executives compensation disclosures

Information regarding individual directors and executives' compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the Directors' Report.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

(c) Loans to Key Management Personnel and their related parties

There were no loans to Key Management Personnel and their related parties since the end of the previous financial year or existing at year end.

(d) Key Management Personnel and Director transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Group in the reporting period. The terms and conditions of the transactions with Key Management Personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Key Management Personnel related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to Key Management Personnel and entities over which they have control or significant influence were as follows:

Key Management Personnel	Transaction Details	Note	Transactions value year ended 30 June 2011 $	2010 $	Balance outstanding as at 30 June 2011 $	2010 $
L Colless & K Brown	Consulting, Administration and secretarial fees	1	-	44,000	-	-
T Sugden & L Carpene	Administration, company secretarial, and finance and accounting services	2	**120,000**	56,000	**10,000**	8,000
			120,000	100,000	**10,000**	8,000

(1) The Group used the administration and company secretarial services of Mineral Administration Services Pty Ltd, a company in which Mr Colless and Miss Brown are Directors and Shareholders.
(2) The Group utilised shared services (ie. administration, company secretarial, and finance and accounting) provided by Venturex Resources Limited (ASX Code: VXR), a company in which Dr Sugden is a Director/Shareholder and Ms Carpene is a Company Secretary/Shareholder. Dr Sugden and Ms Carpene have no beneficial interest in these fees.

(e) Options and rights over equity instruments

The movement during the reporting period in the number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2011	Held at 1 July 2010	Granted	Expired	Held at 30 June 2011	Vested during the year	Vested and exercisable at 30 June 2011
Director						
M Mulroney	-	2,000,000	-	2,000,000	2,000,000	2,000,000
C West	4,094,439	-	(4,094,439)	-	-	-
	4,094,439	2,000,000	(4,094,439)	2,000,000	2,000,000	2,000,000

2010	Held at 1 July 2009	Granted	Expired	Held at 30 June 2010	Vested during the year	Vested and exercisable at 30 June 2010
Director						
C West	4,094,439	-	-	4,094,439	-	4,094,439
	4,094,439	-	-	4,094,439	-	4,094,439

(f) Movement in shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2011	Held at 1 July 2010	Initial Interest upon appointment	Purchases	Held at resignation	Held at 30 June 2011
Directors					
T Sugden	15,500,000	-	4,500,000	-	20,000,000
M Mulroney*	-	19,976,641	-	-	19,976,641
A Ward	-	-	-	-	-
G May	-	-	1,000,000	-	1,000,000
B Mitchell	-	-	2,173,913	2,173,913	-
C West	10,025,000	-	-	10,025,000	-
A Clough	-	-	-	-	-

Key Management Personnel					
L Carpene	2,000,000	-	-	-	2,000,000
	27,525,000	19,976,641	7,673,913	12,198,913	42,976,641

* 19,000,000 ordinary fully paid shares are owned directly by AFM Perseus Fund Ltd of which Mr Mulroney is a director. Mr Mulroney has no beneficial interest in these shares.

2010	Held at 1 July 2009	Initial Interest upon appointment	Purchases	Held at resignation	Held at 30 June 2010
Directors					
T Sugden	-	15,500,000	-	-	15,500,000
B Mitchell	-	-	-	-	-
C West	10,025,000	-	-	-	10,025,000
K Ashworth	31,000	-	-	31,000	-
L Colless	25,350	-	25,433	50,783	-
P Munachen	-	-	-	-	-
Key Management Personnel					
L Carpene	-	2,000,000	-	-	2,000,000
K Brown	25,350	-	25,433	50,783	-
D Hutchins	7,000,000	-	-	7,000,000	-
	17,106,700	17,500,000	50,866	7,132,566	27,525,000

No shares were granted to Key Management Personnel during the reporting period as compensation in 2010 or 2011.

21. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011 $	2010 $
Operating profit (loss) for the year	**(178,728)**	947,202
Add (less) non-cash items:		
(Profit)/Loss on sale of investments	**4,345,783**	663,431
Impairment of investments	**(5,643,605)**	(662,977)
Share based payments	**19,285**	-
Depreciation	**11,370**	55,820
(Profit)/Loss on sale of plant & equipment	**55,334**	-
Bad debts	**54,611**	4,294
Impairment of exploration write back	**(63,493)**	(2,406,121)
Write off exploration	**63,493**	2,453,768
(Profit) Loss on disposal of subsidiaries	**-**	(570,147)
Foreign Exchange losses	**28,770**	(78,134)
Changes in current assets and liabilities		
Receivables	**98,388**	308,767
Creditors	**414,195**	(1,128,487)
Prepayments	**(1,165)**	(4,917)
Changes in provisions and employee benefits	**2,895**	-
Net cash inflow (outflow) from operating activities	**(792,867)**	(417,501)

22. EVENTS SUBSEQUENT TO BALANCE DATE

Mr Mulroney, Ms Ward and Mr May were re-elected as directors at a General Meeting held on 11 July 2011.

On 11 July 2011, the company issued the following unlisted options to various Key Management Personnel:

	Grant Date	Vesting Date	Exercise Price	Expiry Date	Issued
Directors					
M Mulroney	11 Jul 2011	11 Jul 2011	0.155	10 Jul 2014	3,000,000
A Ward	11 Jul 2011	11 Jul 2011	0.155	10 Jul 2014	3,000,000
G May	11 Jul 2011	23 May 2012	0.155	10 Jul 2014	10,000,000
G May	11 Jul 2011	23 May 2013	0.210	10 Jul 2014	10,000,000
Key Management Personnel					
L Carpene	11 Jul 2011	11 Jul 2011	0.155	10 Jul 2014	3,000,000
					29,000,000

On 21 July 2011, the Queensland Department of Mines and Energy formally granted EPC1319 for a term of two years.

On 28 July 2011, the Queensland Department of Mines and Energy formally granted EPC1720 for a term of five years.

On 8 August 2011 25,000,000 A class Performance Shares were converted into 25,000,000 ordinary fully paid shares. The granting of EPC1720 and EPC1319, together with the recent grant of EPC1505, has satisfied the A Class Performance share Milestone (being the formal grant by the Department of at least two of EPCA1319, EPCA1505 and EPCA1720) under the Acquisition Agreement. Refer Note 13 for details in regards to the acquisition of Queensland Coal Assets.

On 26 September 2011, Mr Robert Waring was appointed as Joint Company Secretary. Mr Waring has over 35 years experience in financial and corporate roles, including 20 years in company secretarial roles for ASX-listed companies and 16 years as a Director of ASX-listed companies. He is a Director of Spencer Hamilton Limited, which provides secretarial and corporate advisory services to a range of listed and unlisted companies. Mr Waring has significant coal industry experience, having served as Company Secretary for Gloucester Coal Limited for six years.

No other matters or circumstances, not otherwise dealt with in the financial statements, have arisen since the end of the financial year and to the date of this report which significantly affected or may significantly affect the operations of the Group Entity, the results of the Group Entity, or the state of affairs of the Group Entity in the financial years subsequent to the financial year ended 30 June 2011.

23. SEGMENT INFORMATION

The Group operates in the resources industry in Australia and operated in the financial services industry in the United Kingdom.

	Segment Revenue $	Segment Profit (loss) $	Segment Assets $
Industry segments 2011			
Financial Services	**-**	**(4,727)**	**94**
Resources	**1,401,286**	**(174,001)**	**12,367,265**
	1,401,286	**(178,728)**	**12,367,359**
Industry segments 2010			
Financial Services	103,976	345,648	4,909
Resources	800,928	601,554	4,070,649
	904,904	947,202	4,075,558
Geographic segments 2011			
Australia	**1,401,286**	**(174,001)**	**12,367,265**
United Kingdom	**-**	**(4,727)**	**94**
Total	**1,401,286**	**(178,728)**	**12,367,359**
Geographic segments 2010			
Australia	800,928	601,554	4,070,649
United Kingdom	103,976	345,648	4,909
Total	904,904	947,202	4,075,558

24. EARNINGS PER SHARE

The calculation of basic earnings (loss) per share (EPS) and diluted earnings (loss) per share at 30 June 2011 was based on the comprehensive income (loss) attributable to ordinary shareholders of ($178,728) (2010: profit $947,202) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2011 of 642,845,553 (2010: 266,854,145), calculated as follows:

	2011	2010
Basic earnings (loss) per share	**(0.028¢)**	0.355¢
Diluted earnings (loss) per share	**(0.028¢)**	0.355¢
Profit (Loss) attributable to ordinary shareholders	**($178,728)**	$947,202
	Number	Number
Weighted average number of ordinary shares	**642,845,553**	266,854,145

25. AUDITORS' REMUNERATION

During the year the following fees were paid or payable for services provided by the auditors:

	2011 **$**	2010 $
Audit Services		
Rothsay - Audit and review of financial reports	**22,500**	24,500
Total fees for audit services	**22,500**	24,500
Non – Audit Services		
Rothsay - Taxation services	**-**	10,000
Total fees for non-audit services	**-**	10,000
Total remuneration of auditors	**22,500**	34,500

26. LOSS ON DISPOSAL OF SUBSIDIARIES

The Group deconsolidated the following subsidiaries resulting in a profit on disposal of nil (2010: Profit $570,147).

No subsidiaries were deconsolidated during 2011.

The following subsidiaries were deconsolidated during 2010:

Subsidiary	Reason	Date
Saturn Exploration NL	Deregistered	04/02/10
Exploration Australia Pty Ltd	Deregistered	04/02/10
Newland Resources UK Limited	Dissolved	16/02/10
Balkan Heights Property Limited	Dissolved	10/11/08
Newland Financial Group Limited	In Liquidation	20/08/09
Newland Fund Management LLP	Divested by Liquidator	20/01/10

27. CONTINGENT LIABILITIES AND ASSETS

As part of the acquisition of the Queensland Coal tenements, the Company included as part of the purchase consideration a contingent liability. A cash payment of $5,000,000 will be paid upon the Company defining a JORC compliant resource in excess of 200 million tonnes of coal with a minimum quality of specification equivalent to the quality of exported coal from the Bowen Basin on the Tenements.

	2011 **$**	2010 $
Contingent liabilities	**652,777**	-
	652,777	-

The fair value of the contingent liability model inputs used are as follows:

	30 June 2011	**30 June 2010**
Probability of occurring	15%	-
Cash Rate	4.75%	-
Assumed time to payment	26 June 2014	-

There are no other contingent liabilities or assets at 30 June 2011.

28. COMMITMENTS

Mining Tenement Leases

In order to maintain current rights of tenure to exploration tenements the Company is required to comply with the minimum expenditure obligations specified by the Queensland State Government. At 30 June 2011 the Company had three granted tenements in the Bowen Basin, EPC1230, EPC1580 and EPC150. At 30 June 2010 the Company had relinquished all Georgina Basin tenements and had no commitments.

	2011 **$**	2010 $
Not later than twelve months	**405,000**	-
later than one year but less than five years	**990,000**	-
later than five years	**-**	-
	1,395,000	-

29. FINANCIAL INSTRUMENTS

Overview:

The Company and Group have exposure to the following risks from their use of financial instruments:

(a) credit risk

(b) liquidity risk

(c) market risk

This note presents information about the Company's and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks.

(a) Credit risk:

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. For the Company it arises from receivables due from subsidiaries.

(i) Investments:

The Group limits its exposure to credit risk by only investing with counterparties that have an acceptable credit rating.

(ii) Trade and other receivables:

The Company and Group have established an allowance for impairment that represents their estimate of incurred losses in respect of receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures. Management expects counterparties to meet their obligations.

(iii) Exploration and evaluation:

Exploration and evaluation activities are performed in Australia. At the balance sheet date there were no significant concentrations of credit risk.

Exposure to credit risk:

The carrying amount of the group's financial assets represents the maximum credit exposure.

The Group's maximum exposure to credit risk at the reporting date was:

	2011 **$**	2010 $
Cash and cash equivalents	**2,633,660**	389,373
Trade and other receivables	**20,139**	229,713
Available-for-sale financial non-current assets	**15,637**	-
Available-for-sale financial current assets	**-**	165,151
	2,669,436	784,237

Impairment gains (losses):

An impairment loss of $39,364 (2010: $5,762,193) in respect of inter-group loans was recognised during the reporting period from an analysis of the subsidiaries positions.

At 30 June 2011 the Group has not impaired other receivables (2010: Nil).

The movement in the allowance for impairment in respect of inter-group loans on a non-consolidated basis during the year was as follows:

Inter-group loans	**2011** **$**	2010 $
At 1 July	**(308,484)**	5,453,709
Impairment loss/(write-back) recognised	**39,364**	(5,762,193)
At 30 June	**(269,120)**	(308,484)

Whilst the loans were not payable as at 30 June 2011, a provision for impairment based on the subsidiaries financial position was made. The balance of this provision may vary due to the performance of a subsidiary in a given year.

The movement in the allowance for impairment in respect of inter-group investments on a non-consolidated basis during the year was as follows:

Inter-group investments	**2011** **$**	2010 $
At 1 July	**2,174,959**	4,189,634
Impairment loss/(write-back) recognised	**-**	(2,014,675)
At 30 June	**2,174,959**	2,174,959

The movement in the allowance for impairment in respect of external investments on a consolidated basis during the year was as follows:

External investments	2011 $	2010 $
At 1 July	**14,571,012**	15,233,989
Impairment loss/(write-back) recognised	**(5,627,968)**	(662,977)
At 30 June	**8,943,044**	14,571,012

(b) Liquidity risk:

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves through continuously monitoring forecast and actual cash flows.

The Group's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate		Non-interest bearing		Total carrying amount		Weighted average effective interest rate	
	2011 $	2010 $	**2011 $**	2010 $	**2011 $**	2010 $	**2011 %**	2010 %
(i) Financial assets								
Cash	**2,633,660**	389,373	**-**	-	**2,633,660**	389,373	**4.65**	4.05
Trade and other receivables	**-**	-	**12,639**	209,713	**12,639**	209,713	**-**	-
Deposits	**-**	-	**7,500**	20,000	**7,500**	20,000	**-**	-
Total financial assets	**2,633,660**	389,373	**20,139**	229,713	**2,653,799**	619,086		
(ii) Financial liabilities								
Trade and other creditors	**-**	-	**667,345**	185,339	**667,345**	185,339	**-**	10.00
Current borrowings	**-**	736,411	**-**	-	**-**	736,411	**-**	-
Total financial liabilities	**-**	736,411	**667,345**	185,339	**667,345**	921,750		

(c) Market Risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk:

The Group is exposed to currency risk only on listed investments in a currency other than the respective functional currencies of Group Entities, primarily the Australian dollar (AUD).

The currency in which these investments are denominated in is the GBP.

The group has not entered into any derivative financial instruments to hedge such investments and anticipated future receipts or payments that are denominated in a foreign currency.

The group's investments in its subsidiaries are not hedged as those currency positions are considered to be long term in nature.

Exposure to currency risk:

The group's exposure to foreign currency risk at the reporting date was as follows, based on notional amounts:

	2011 $	2010 $
Revenue	**-**	904,904
Expenses	**-**	42,298
Investments – shares	**-**	-
Gross balance sheet exposure	**-**	947,202

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2011	2010	**2011**	2010
AUD to GBP	**0.6217**	0.5589	**0.6616**	0.5686

Sensitivity analysis:

A 10 percent strengthening of the Australian dollar against the following currencies at 30 June would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2010.

	Equity	Profit or loss
30 June 2011		
GBP	**473**	**473**
30 June 2010		
GBP	22,791	22,791

A 10 percent weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk:
At the reporting date the group had minimal exposure to interest rate risk.

	2011 $	2010 $
Fixed rate instruments		
Financial liabilities	**-**	736,411
Variable rate instruments		
Financial assets	**2,633,660**	389,373

Fair value sensitivity analysis for fixed rate instruments:

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Fair value sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2010.

	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
30 June 2011				
Cash and cash equivalents	**11,910**	**(11,910)**	**11,910**	**(11,910)**
30 June 2010				
Cash and cash equivalents	3,880	(3,880)	3,880	(3,880)

Net Fair value

For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying assets of the investment.

For other assets and other liabilities the net fair value approximates their carrying value as disclosed in the statement of financial position.

30. SHARE BASED PAYMENTS

There was no Employee option plan in existence during the financial year.

Set out below is a summary of the options and performance shares granted by the Company:

Grant Date	Expiry date	Exercise price	Balance at the start of the year *(Number)*	Granted/ lapsed during the financial period (Number)	Balance at end of the financial period (Number)	Vested and exercisable at end of financial period *(Number)*
2011						
Options						
27 November 2006	03 July 2011	$0.08	4,094,439	(4,094,439)	-	-
18 October 2010[A]	17 October 2014	$0.05	-	10,000,000	10,000,000	10,000,000
18 October 2010	23 June 2015	$0.05	-	65,000,000	65,000,000	65,000,000
18 October 2010	23 June 2014	Nil	-	25,000,000	25,000,000	25,000,000
18 October 2010	23 June 2014	Nil	-	5,000,000	5,000,000	5,000,000
Weighted average exercise price			**$0.08**	**-**	**$0.04**	**$0.05**
2010						
Options						
27 November 2006	03 July 2011	$0.08	4,094,439	-	4,094,439	4,094,439
Weighted average exercise price			**$0.08**	**-**	**$0.08**	**$0.08**

Options and performance shares granted carry no dividend or voting rights.

When exercisable, each option and performance shares is convertible into one ordinary share.

No options or performance shares were exercised during the period covered in the above table.

(A) Director option expense

On 18 October 2010 Mr Mulroney was granted 2,000,000 options over ordinary shares. These were granted prior to Mr Mulroney being appointed as a director.

(B) Employee option expense

Employee share options have been granted to provide long-term incentive for senior employees to deliver long-term shareholder returns. Participation in employee share options is at the Board's discretion and no individual has a contractual right to participate in a plan or to receive any guaranteed benefits.

(C) Expenses arising from share-based payment transactions

Total expenses arising from share-based payments recognised during the financial period as employee benefits expense was:

	2011	2010
	$	$
Director benefits (share options)	**(128,149)**	-
Employee benefits (share options)	**-**	-
	(128,149)	-

In the opinion of the Directors of Newland Resources Limited:

a) the financial statements and notes set out on the preceding pages are in accordance with the Corporations Act 2001 including:

   i. giving a true and fair view of the financial position of the Company and Group Entities as at 30 June 2011 and of their performance for the financial year ended on that date; and

   ii complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

c) the audited remuneration disclosures set out in the directors' report comply with Accounting Standard AASB 124 Related Party Disclosures and the Corporations Regulations 2001.

The Directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A of the Corporations Act 2001.

Signed at Perth this 30th day of September 2011

This declaration is made in accordance with a resolution of the Directors.

GAVIN MAY
Managing Director

ROTHSAY

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NEWLAND RESOURCES LIMITED

Report on the financial report

We have audited the accompanying financial report of Newland Resources Limited (the Company") which comprises the balance sheet as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the year.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.

Chartered Accountants

Audit opinion

In our opinion the financial report of Newland Resources Limited is in accordance with the *Corporations Act 2001*, including:

a) (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

b) the consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2011. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Audit opinion

In our opinion the remuneration report of Newland Resources Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Rothsay

Graham R Swan
Partner

Dated 30th September 2011

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).

1. SHAREHOLDING INFORMATION AS AT 27 SEPTEMBER 2011
Ordinary fully paid shares (NRL)

a) Distribution of Shareholders – Fully Paid Ordinary Shares
The following table sets out the distribution of the 757,955,142 ordinary fully paid shares on issue:

Spread of Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1 - 1,000	1,084	145,652	0.019
1,001 – 5,000	191	620,771	0.082
5,001 – 10,000	189	1,570,011	0.207
10,001 – 100,000	888	44,736,475	5.902
100,001 – 99,999,999,999	605	710,882,233	93.789
TOTAL	**2,957**	**757,955,142**	**100.000**

b) There are 1,348 holders who hold less than a marketable parcel.

c) Voting rights are one vote for each fully paid ordinary share.

d) The names of substantial Shareholders who have notified the Company in accordance with Section 671B of the Corporations Act are:

Beneficial Owner	Number of Shares*	%*	Date
Charlotte Investments Pty Ltd	56,000,000	12.91	28/6/2010
Argonaut Limited	35,510,193	8.41	18/10/2010
Skye Equity Pty Ltd	24,500,000	5.65	18/10/2010

*Figures as reported on the last Substantial Shareholder Notice received by the Company.

e) At the date of this report, there were 34,000,000 ordinary fully paid shares held in the name of Charlotte Investments Pty Ltd which are subject to voluntary escrow provisions, due for release on 17 October 2011.

2. TOP TWENTY SHAREHOLDERS AT 27 SEPTEMBER 2011

	Ordinary Fully Paid - Shareholders	Number of Shares	% Issue Capital
1.	Charlotte Investments Pty Ltd	115,000,000	15.172
2.	HSBC Custody Nominees (Australia) Limited	64,795,329	8.549
3.	Argonaut Equity Partners Pty Ltd	49,249,323	6.498
4.	Skye Equity Pty Ltd	44,500,000	5.871
5.	Kumbhalgarh Pty Ltd	20,000,000	2.639
6.	AFM Perseus Fund Limited	19,000,000	2.507
7.	JP Morgan Nominees Australia Ltd <Cash Income A/C>	13,957,458	1.841
8.	Mr Scott Paul Jones & Mr Rodney Malcolm Jones & Mrs Carol Robin Jones <Scopa Family Trust>	12,807,314	1.690
9.	UBS Wealth Management Australia Nominees Pty Ltd	10,666,656	1.407
10.	Hoperidge Enterprises Pty Ltd	10,434,784	1.377
11.	Uob Kay Hian Private Limited <Clients A/C>	8,709,800	1.149
12.	Fitel Nominees Limited	8,582,700	1.132
13.	Mr Christopher Mark Edwards	6,800,000	0.897
14.	Mr Gregory Lee & Mrs Lesley Lee & Miss Shanna Lee <Lee Family Super Fund A/C>	6,500,000	0.858
15.	Citicorp Nominees Pty Limited	6,370,928	0.841
16.	Mr Gan-Ochir Zunduisuren	5,500,000	0.726
17.	Tetramin Pty Ltd <Perring Superannuation A/C>	5,178,900	0.683
18.	Skye Alba Pty Ltd <The Skye Alba Fund A/C>	5,025,960	0.663
19.	Frederika West	5,000,000	0.660
20.	Pennock Pty Ltd	5,000,000	0.660
		423,079,152	**55.818**

3. UNQUOTED SECURITIES

a) Performance Shares

The following table sets out the unlisted performance shares on issue:

	NRLAM
Number of B Class Performance Shares	5,000,000
Expiry Date	10/7/2014
No of Holders	1
Holdings >20%	100% - 5,000,000 Charlotte Investments Pty Ltd

The performance shares do not carry a right to vote. Voting rights will be attached to the unissued shares when the performance shares have been converted.

b) Options

The following table sets out the unlisted options on issue:

	NRLAI (1)	NRLAI (2)	NRLAI (3)	NRLAI (4)
Number of Options	19,000,000	10,000,000	10,000,000	65,000,000
Exercise Price	15.5 cents	21 cents	5 cents	5 cents
Expiry Date	10/7/2014	10/7/2014	17/10/2014	23/6/2015
No of Holders	4	1	2	1
Holdings >20%	52.63% - 10,000,000 Gavin May 10.3% - 3,000,000 Liza Carpene 10.3% - 3,000,000 Greenleigh Holdings Pty Ltd 5.2% - 1,500,000 Amanda Ward 5.2% - 1,500,000 Wardap Pty Ltd	100% - 10,000,000 Gavin May	80% - 8,000,000 Argonaut Investments Pty Ltd 20% - 2,000,000 Greenleigh Holdings Pty Ltd	100% - 65,000,000 Charlotte Investments Pty Ltd

The options do not carry a right to vote. Voting rights will be attached to the unissued shares when the options have been exercised.

4. TENEMENT SCHEDULE

The tenements schedule is located at Page 4.

5. SHAREHOLDER ENQUIRIES

All Shareholder queries (including Holding Details, Change of Address, Change of Name and Consolidation of Shareholder) should be directed to the Share Registry:

Advanced Share Registry
150 Stirling Highway
Nedlands WA 6009

Tel: (61 8) 9389 8033
Fax: (61 8) 9389 7871

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NEWLAND
RESOURCES LIMITED