



Quarterly Activities Report

Period Ended 30 September 2011

**ASX Announcement:
26 October 2011**

ASX Code: NRL

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Mr Gavin May

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Mr Michael Mulroney

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Highlights

- ☛ Comet Ridge
 - Major drilling program commenced August 2011
 - Sufficient data gathered for release of Maiden JORC Resource Statement
 - More than 30 holes drilled in prospective shallow coal resource area
- ☛ Corporate
 - Company proposing to change company name to *Acacia Coal Limited*
 - Head Office relocation to Sydney
 - Robert Waring appointed as Joint Company Secretary and CFO
 - Appointment of Graham Colliss as Chief Projects Officer

Background

During the quarter, Newland Resources Limited (NRL) commenced the first major steps in the transition from an exploration company into a potential mining company. The quality of a successful coal mining business relies on a strong management team being able to capitalise on an economic coal resource. With the recent release of the JORC Resource Statement (refer Appendix 1) and the appointment of Mr Graham Colliss, NRL now has a team with a track record in project development that can deliver positive results for Shareholders.

Mr Gavin May, Managing Director, said: "The principal activities during the quarter were the rapid advancement of the Comet Ridge Project, rebranding the Company and strengthening the NRL team by adding executives with extensive coal experience".

Exploration

Comet Ridge Exploration and Development

Exploration drilling on the Comet Ridge Project commenced late August 2011 and concluded subsequent to the quarter in early October 2011. More than 30 holes were drilled, which included eight (8) core holes. These holes were drilled in the most prospective area for open-cut mining in the Comet Ridge Project. Much of this information went into the preparation of the maiden JORC Statement.

Figure 1 shows the location of the most recent drill holes over the Comet Ridge Project. It was most pleasing to see that there were 50 million tonnes of Inferred JORC Resource reported at depths less than 50m.

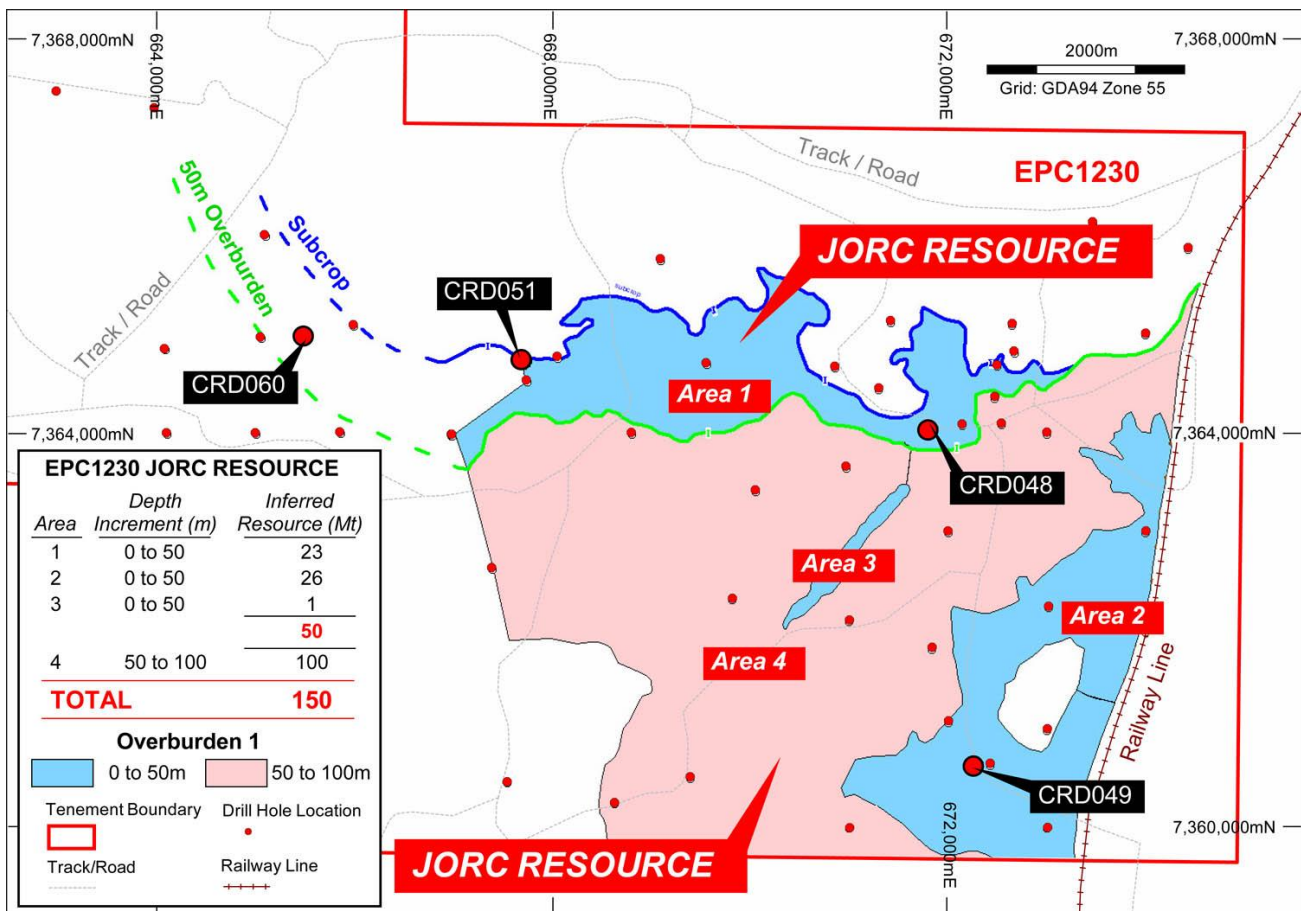


Figure 1 – Resource Location at Comet Ridge Project (EPC 1230)

Future resource growth is likely as more recent drilling has identified additional Fair Hill Seam to the west and north-west of the existing shallow JORC Resource.

NRL has now switched its focus towards converting these resources into mineable reserves.

The Alternative Processing Strategy is a major part of this successful conversion. A number of cores were recovered for NRL's in-house coal handling and testing program which is run by NRL's Chief Metallurgist, Harvey Crowden.

Harvey Crowden, commenting on the most recent testing conducted on site at Comet Ridge, said: "Test results to date have reinforced our enthusiasm for the Alternative Processing Strategy".

This strategy has the potential to unlock the value of the Comet Ridge Project.

The recent appointment of Graham Colliss as Chief Projects Officer has given NRL the management depth to explore and optimise operating scenarios and capital expenditure options. On Graham's first visit to site he recognised the strategic advantage of having shallow coal adjacent to the railway. Graham's initial task will be to deliver capital budget estimates for the development of the Comet Ridge project.

Other Projects

During the quarter, NRL voluntarily relinquished 15 sub blocks of 75 sub blocks that make up EPC 1580 (Emerald Project). NRL considered these sub blocks as non-prospective due to their proximity to the town of Emerald. It was interesting to note that subsequent to the relinquishment, the Queensland Department of Employment, Economic Development and Innovation (DEEDI) introduced an Urban Land Use Restriction on Exploration, which would have seen NRL forced to drop the sub blocks.

Apart from EPC 1230 Comet Ridge exploration, NRL has not conducted any exploration activity on the Company's four remaining Bowen Basin tenements during the quarter.

Corporate

NRL is in the process of relocating its Head Office from Perth to Sydney, and will shortly change the Registered Office and Principal Place of Business to its recently occupied Chatswood head office.

As part of this Corporate realignment, NRL will ask Shareholders at the upcoming Annual General Meeting to vote to change the Company's name to **Acacia Coal Limited**.

The Company received advice during the quarter of the grant of the following EPCs: EPC1505, EPC1319 and EPC1720.

During the quarter, the following changes occurred to the Company's capital register:

- ☛ 29 million unlisted options were issued on 11 July 2011 (refer ASX Announcement 11 July 2011);
- ☛ 25 million A Class Performance Shares were converted on 8 August 2011 to 25 million ordinary fully paid shares (refer ASX Announcement 8 August 2011); and
- ☛ 34 million ordinary shares were released from voluntary escrow on 17 October 2011.

The issued capital of the Company is now:

Ordinary Fully Paid Shares:	757,955,142
Various Unlisted Options:	104,000,000
B Class Performance Shares:	5,000,000

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About Newland Resources Limited

Newland Resources Limited (NRL) is involved in coal exploration and development. The Company identifies, acquires and exploits opportunities in coal resources that could be brought into production to provide thermal and coking coal suitable for the export market. The Company has a 100% interest in six coal leases covering more than 1,900km² in Queensland's Bowen Basin.

Competent Person's Statement

The information in this announcement that relates to the mineral resources 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 and type of deposit under consideration and 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.

APPENDIX 1 – RESOURCE AND ESTIMATION PARAMETERS

JORC STATEMENT SUMMARY Comet Ridge Project - Fair Hill Seam	
Depth Increment	Inferred Resource Mt
0-50m	50
50-100m	100

The following tables are extracts from the JORC Resource Statement for EPC 1230.

Table 1 – Summary of Geological Data

CRITERIA	CONSIDERATIONS
ACCURACY OF SURVEY DATA	Drill sites have been located with hand held GPS unit. Drill collar accuracy is currently +/- 10m in X and Y axis. The DTM over the southern portion of EPC1230 was acquired in December 2010 and is accurate to +/-2m. Hole RL's are tied to DTM elevation. At the completion of drilling, hole collars will be surveyed by Registered Surveyor using more precise GPS equipment.
DRILL HOLE TYPES	Most holes drilled are non-core with geophysical logs. SRK supervised drilling of 25 non-core and two core holes (CRP035 and 36) in Feb-May 2011. MBSG supervised a program of 17 non-core (CRR037-053) and one core hole (CRD048) drilled from August-October 2011. Hole CRD053 is the last hole loaded into the Minex model. The program is continuing to end of October. Core drilling utilizes a tungsten drill bit (HMLC).
DATA DENSITY AND DISTRIBUTION	Earlier holes were drilled close to existing property tracks while the recent drill program employed a 1km grid to locate proposed drill holes. Drill hole spacing is generally 1km and in two small areas approximately 500m.
GEOLOGICAL LOGGING	Drill logs from first drilling program are poor quality and unable to be used. Lithological logs and hole graphics are available for holes drilled Aug-October.
GEOPHYSICAL LOGGING	All exploration holes intersecting Fair Hill Seam have been geophysically logged and have hard copy geophysics available in drill log folders.
SAMPLING STRATEGY AND SAMPLE RECOVERY	One core hole (CRP36) underwent drop shatter pre-treatment procedure to assess breakage characteristics of Fair Hill Seam. CRD048 was sampled on a ply by ply basis as well as stone partings and is currently being processed at ALS Laboratory in Emerald.
LABORATORY COAL ANALYSIS	There are no coal quality analytical results available at this time.
OTHER DATA	

Table 2 – Status of Geological Database and Model

CRITERIA	CONSIDERATIONS
GEOLOGICAL DATABASE	The digital geological data for Newland EPC1230 resides in a Minex borehole database. This includes drill hole survey data, seam picks and basic lithology data. Data in the database includes drill holes up to CRD053.
LITHOLOGICAL DATA AND SEAM CORRELATION	Lithological drill logs are present for the second phase of drilling. Combined with down hole geophysical density and gamma logs the Fair Hill Seam has been correlated across the southern portion of EPC1230 on a ply by ply basis. Consistent claystone units within the seam have been used to maintain consistency in correlation.
GEOPHYSICAL DATA	Geophysical log data is available in hard copy for most drill holes. LAS data is available for all drill holes in the recent program and some holes in the earlier program. These density logs were used to determine overall coal seam thickness, confirm recovered coal seam thickness and correlate the numerous thin coal plies (A-M) within the Fair Hill Seam.
GEOLOGICAL FEATURES	The Fair Hill Seam is located on the western flank of the south plunging Comet Anticline resulting in gentle seam dip to the southwest. The Fair Hill Seam thickness ranges from 9-12m thick and comprises a highly interbedded sequence of tuffaceous claystone and up to 13 thin coal bands. Cumulative thickness of coal plies (A-F,M) when fresh range from 3-3.5m. Structural complexity (faulting) may be present however insufficient drill hole data is available for an interpretation. Tertiary sediments cover portions of the exploration area and can be up to 25m thick. In low lying areas such as valleys, Tertiary sediments can be absent resulting in Permian strata forming subcrop. BOW is generally less than 10m below the Permian palaeosurface.
COAL QUALITY DATA	
GEOLOGICAL MODEL	Resources were estimated using a computer ply model generated from Minex software. This computer model is identified as Newland_2011. The geological model for the Fair Hill Seam was produced using drill hole intersections. Seam thickness and structure floor grids were gridded on a 50m mesh.
MINING FACTORS OR ASSUMPTIONS	No minimum seam thickness was applied to the computer model although some plies (G-L) were excluded from the resource estimation due to high density indicating high ash. A maximum overburden thickness limit of 100m was applied.
COMMENT	

Table 3 – Estimation Procedures

CRITERIA	CONSIDERATIONS
PARTY RESPONSIBLE FOR RESOURCE ESTIMATION	Karol Patino/Zulaa Tamir (McElroy Bryan Geological Services)
COMPETENT PERSON	Robert Dyson (McElroy Bryan Geological Services)
DATE(S)	The Minex computer model (Newland_102011) was finalised on 8th October 2011 and incorporates drill hole data up to CRD053. The Resource estimation was completed on 14 th October 2011.
RELATIVE DENSITY	Relative Density was assumed to be 1.50 due to the high inherent ash content of the coal. No adjustments have been made for moisture.
METHODOLOGY	The estimation was completed using an assumed RD for all coal plies applied to ply thickness grids in Minex software (version 6.05), using vertical sided polygon areas. A cumulative coal thickness for the Fair Hill Seam was generated by compositing selected individual ply thicknesses in Minex.
VALIDATION	No previous resource estimation has been carried out in EPC1230. A manual check of polygon tonnage figures against Minex outputs has been completed.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10.

Name of entity

NEWLAND RESOURCES LTD (ASX Code: NRL)

ABN

13 009 092 068

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (3 Months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(330)	(330)
(b) development	-	-
(c) production	-	-
(d) administration	(218)	(218)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	28	28
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - deposits	(45)	(45)
Other - mineral royalties	(275)	(275)
Net operating cash flows	(840)	(840)
Cash flows related to investing activities		
1.8 Payment for purchases of		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(16)	(16)
1.9 Proceeds from sale of		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	(16)	(16)
1.13 Total operating and investing cash flows (carried forward)	(856)	(856)

1.13	Total operating and investing cash flows (brought forward)	(856)	(856)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - cost of issues of shares	(7)	(7)
	Net Financing Cash Flows	(7)	(7)
	Net increase (decrease) in cash held	(863)	(863)
1.20	Cash at beginning of quarter/year to date	2,634	2,634
1.21	Exchange rate adjustments to Item 1.20	-	-
1.22	Cash at end of quarter	1,771	1,771

Payments to directors of the entity and associates of the directors

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

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	113
1.24	Aggregate amount of loans to the parties included in item 1.10	-

Explanation necessary for an understanding of the transactions

Payments to companies associated with directors for:	\$'000
Administration & company secretarial fees - parent	20
Directors/management consulting fees - parent	93

Non-cash financing and investing activities

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

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

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Financing facilities available

There are no available financing facilities.

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

Estimated cash outlays for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
4.3 Production	-
4.4 Administration	390
TOTAL	690

Reconciliation of cash

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

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	17	18
5.2 Deposits at call	1,754	2,616
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item1.22)	1,771	2,634

Changes in interests in mining tenements

	Tenement Reference	Nature of Interest [note (2)]	Interest at Beginning of Quarter	Interest at End of Quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EPC1580	Registered Holder 100%	75 sub blocks	60 sub blocks
6.2 Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preferences securities <i>(description)</i>				
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks, redemptions				
7.3 Ordinary securities <i>Fully paid</i>	757,955,142	757,955,142		
7.4 Changes during quarter (a) Increases through issues (b) decreases through returns of capital, buybacks	25,000,000	25,000,000	Nil	Nil
7.5 Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
<i>Options (NRLAI)</i>	10,000,000	-	5c	17/10/2014
<i>Options (NRLAI)</i>	65,000,000	-	5c	23/06/2015
<i>Options (NRLAI)</i>	19,000,000	-	15.5c	10/07/2014
<i>Options (NRLAI)</i>	10,000,000	-	21c	10/07/2014
<i>B Class Performance Shares (NRLAM)</i>	5,000,000	-	0c	23/06/2014*
7.8 Issued during quarter				
<i>Options (NRLAI)</i>	19,000,000	-	15.5c	10/07/2014
<i>Options (NRLAI)</i>	10,000,000	-	21c	10/07/2014
7.9 Exercised during quarter				
<i>A Class Performance Shares (NRLAK)</i>	25,000,000	-	0c	23/06/2014
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

*The expiry date was incorrectly reported in the 2011 Annual Report as 10/7/2014.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does/~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



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Joint Company Secretary

Date: 26 October 2011

Print name:

Robert Waring / Liza Carpene

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.