



Quarterly Activities Report Period Ended 30 June 2011

**ASX Announcement:
29 July 2011**

ASX Code: NRL

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Chairman

Mr Gavin May
Managing Director

Mr Michael Mulroney
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Highlights

- ☞ Granting of EPC1505
- ☞ Initial Comet Ridge Geological Model completed
- ☞ Comet Ridge core analysis confirms coking coal
- ☞ Appointment of Managing Director

Background

Newland Resources Ltd (NRL) has 100% ownership of three tenements, with three other tenements pending. The tenements are all in the Bowen Basin, in an emerging prospective mining region south of the Capricorn Highway in Central Queensland.

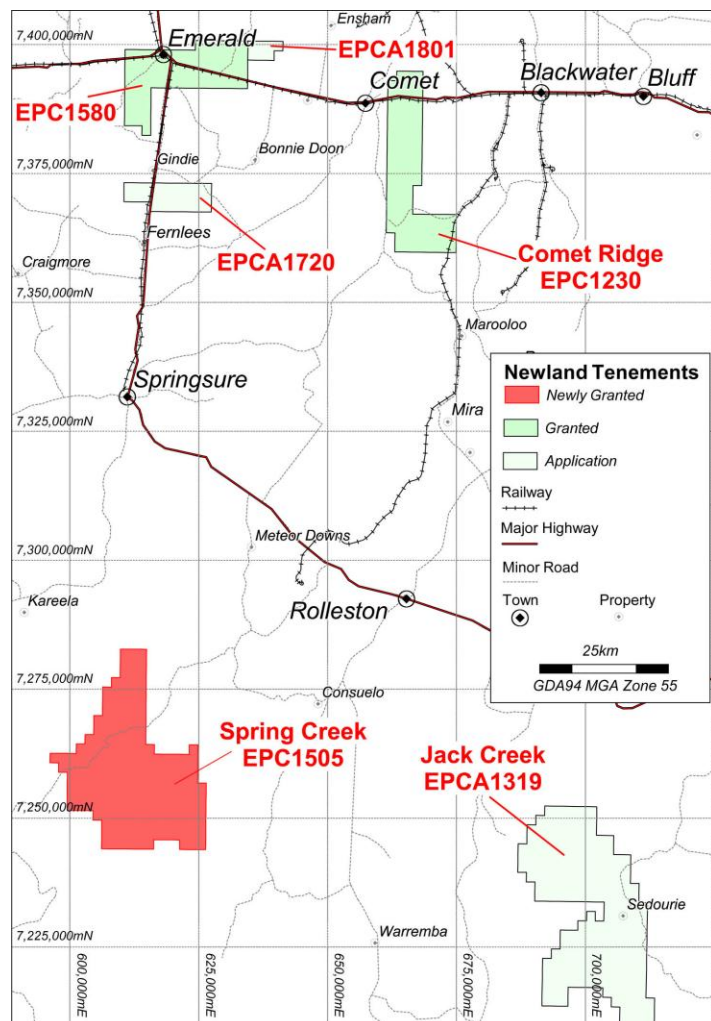


Figure 1: NRL Tenement Location Plan

Exploration

Comet Ridge Exploration

Three holes were drilled at Comet Ridge in early May, before the program was suspended as a result of wet weather and poor access conditions. One hole (CR036C) recovered core from both the Fair Hill Seam and the underlying B Seam.

During the quarter, McElroy Bryan Geological Services (MBGS) built a computer Geological Model using Minex software and developed a ply nomenclature for the Fair Hill Seam. This initial model includes 28 drill holes and covers only half of the most prospective area in EPC1230. MBGS will be managing the upcoming exploration program, which is due to commence in early August.

Fair Hill Seam - Coal Quality and Testing

The Fair Hill Seam recovered from drill hole CR036C was logged, and selected samples underwent drop-shatter testing. Drop-shatter testing aims to measure the liberation, size distribution and separation potential of coal particles from the waste rock. Initial testing has shown the coking coal fractions tend towards fines (<12mm) while the waste claystone bands remain predominantly in the coarse fractions. These results are encouraging for the utilisation of a dry separation technique, which is considered ideally suited to the multi-ply coal Fair Hill Seam. This technique is the key to an economical and practical in-pit pre-treatment process prior to conventional heavy medium beneficiation. The drop-shatter procedure developed will be used on a number of bore cores to be obtained from the next exploration program.

Initial coal quality analysis from the Fair Hill Seam drop-shatter testing also confirmed a marketable semi-soft coking coal product. Quality analysis from the B Seam which occurs 27 metres below the Fair Hill Seam, also confirmed a semi-soft coking coal similar to the Fair Hill Seam.

Marketable Semi-Soft Coking Coal [*]			
Ash 9.5%	Volatile Matter 31%	Fixed Carbon 57%	CSN 8+

^{*} All results: air dried basis (ADB)

Exploration Strategy – Comet Ridge

Subsequent to the quarter, NRL has planned the next drilling campaign and completed the site Environmental Management Plan (EMP). Upcoming exploration will focus on:

- ☞ Delineation of Fair Hill Seam over more than 50km² of EPC1230
- ☞ Targeting Fair Hill Seam where it is less than 50 metres deep
- ☞ Delineation of thicker cumulative intersections of coal plies in the Fair Hill Seam
- ☞ Recovery of 12 cored intersections of Fair Hill and B Seam for coal quality and beneficiation studies

Stage 2 Exploration

NRL plans to drill over 30 holes in the August-September exploration program, with expenditure of approximately \$1 million. Figure 2 shows the proposed drill sites in the southern portion of EPC1230. The majority of proposed drill holes target the Fair Hill Seam at depths less than 50 metres.

Following this drill campaign, NRL intends to release its maiden JORC Resource Statement for the Fair Hill Seam in EPC1230.

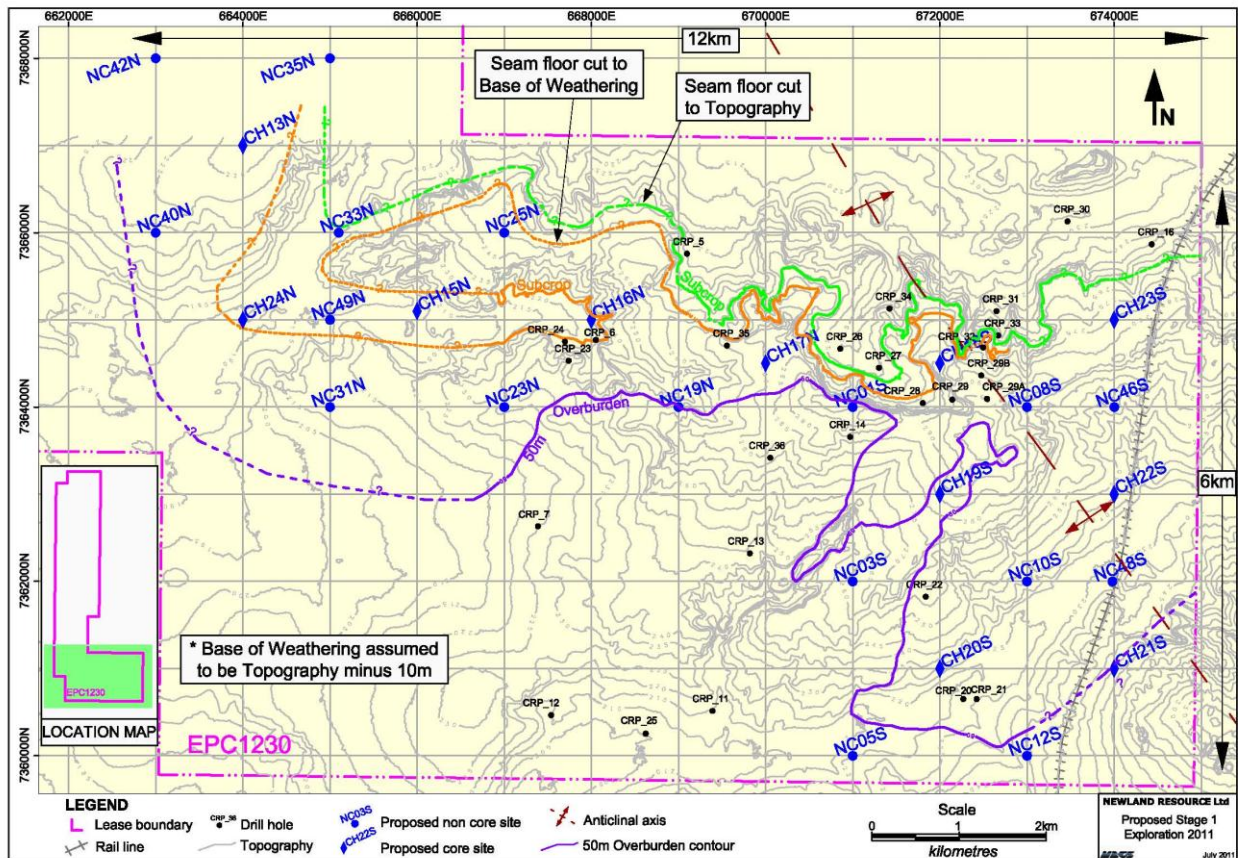


Figure 2: Proposed Exploration – Comet Ridge

Other Tenements

Subsequent to the quarter end and as announced to the market on 12 July, EPC1505 (Spring Creek) was granted by the Queensland Department of Mines (DME). Spring Creek will become NRL's second major exploration project.

No field activities were undertaken during the quarter on EPC1580 (Emerald).

EPC applications 1319, 1720 and 1801 are still to be granted by the DME.

Corporate

Mr Gavin May was appointed as the Managing Director on 23 May 2011.

In order to better service the exploration activities associated with its assets, the Company is in the process of establishing office representation on the East Coast and has commenced the process of building the management team to support the Company's future development.

As at the date of this report, the Company has ~A\$2.3 million cash at bank.

NRL's subsidiary, Mt Garnet Mines NL (Mt Garnet), entered into a Deed of Settlement and Release with Kagara Ltd whereby the parties agreed that no further production royalties are payable to Mt Garnet. In addition, Mt Garnet agreed to repay Kagara for approximately 60% of royalties paid over the last two years, amounting to four instalments of \$125,000 through 2011/2012.

The Company held a General Meeting of Shareholders on 11 July 2011 to consider the re-appointment of the following Directors: Mr Gavin May, Mr Michael Mulrone and Ms Amanda Ward, and to approve the issue of options to Directors and the Company Secretary. All resolutions were passed on a show of hands.

The following unlisted options were issued on 11 July 2011, expiring 10 July 2014: 19,000,000 options at an exercise price of \$0.155 and 10,000,000 options at an exercise price of \$0.21.

The issued capital of the Company is now:

Ordinary Fully Paid Shares:	732,955,142
Various Unlisted Options:	104,000,000
A Class Performance Shares:	25,000,000
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 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 June 2011

Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (12 Months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	57
1.2 Payments for		
(a) exploration and evaluation	(370)	(722)
(b) development	-	-
(c) production	-	-
(d) administration - general	(184)	(429)
administration - personnel	(60)	(282)
administration - directors fees	(24)	(101)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	35	116
1.5 Interest and other costs of finance paid	-	(60)
1.6 Income taxes paid	-	-
1.7 Other - deposits	(7)	13
Other - mineral royalties	-	65
Net operating cash flows	(610)	(1,343)
Cash flows related to investing activities		
1.8 Payment for purchases of		
(a) prospects	-	(2,610)
(b) equity investments	-	-
(c) other fixed assets	(2)	(108)
1.9 Proceeds from sale of		
(a) prospects	-	-
(b) equity investments	-	1,282
(c) other fixed assets	-	43
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	(2)	(1,393)
1.13 Total operating and investing cash flows (carried forward)	(612)	(2,736)

1.13	Total operating and investing cash flows (brought forward)	(612)	(2,736)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	6,105
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	(700)
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - cost of issues of shares	-	(424)
	Net Financing Cash Flows	-	4,981
	Net increase (decrease) in cash held	(612)	2,245
1.20	Cash at beginning of quarter/year to date	3,246	389
1.21	Exchange rate adjustments to Item 1.20	-	-
1.22	Cash at end of quarter	2,634	2,634

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	119
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	30
Directors/management consulting fees - parent	89

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	1,000
4.2 Development	-
4.3 Production	-
4.4 Administration	400
TOTAL	1,400

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	18	11
5.2 Deposits at call	2,616	3,235
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item1.22)	2,634	3,246

Changes in interests in mining tenements

	Tenement Reference	Nature of Interest [note (2)]	Interest at Beginning of Quarter	Interest at End of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

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 (description)				
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>	732,955,142	732,955,142		
7.4 Changes during quarter (a) Increases through issues (b) decreases through returns of capital, buybacks				
7.5 Convertible debt securities (description)				
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>A Class Performance Shares (NRLAK)</i>	25,000,000	-	0c	23/06/2014
<i>B Class Performance Shares (NRLAM)</i>	5,000,000	-	0c	23/06/2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter <i>Options (NRLAI)</i>				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

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:



 Company Secretary

Date: 29 July 2011

Print name:

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.