



ABN 13 009 092 068

## **Interim Financial Report**

**For the Half Year Ended**

**31 December 2010**

**(previous corresponding period:  
Half Year Ended 31 December 2009)**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2010 and any public announcements made by Newland Resources Ltd during the half year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

## Corporate Directory

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**ACN:** 009 092 068  
**ABN:** 13 009 092 068

### DIRECTORS

Tim Sugden	Non-Executive Chairman
Michael Mulroney	Non-Executive Director
Amanda Ward	Non-Executive Director
Anthony Clough	Managing Director

### COMPANY SECRETARY

Liza Carpene

### REGISTERED & PRINCIPAL OFFICE

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West Leederville WA 6007, Australia

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### EMAIL

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### STOCK EXCHANGE

Australian Stock Exchange Limited  
Home Exchange Perth

### SECURITIES

Code:	NRL	Quoted Shares
	NRLAI	Unlisted Options
	NRLAK	Unlisted A Class Performance Shares
	NRLAM	Unlisted B Class Performance Shares

### SHARE REGISTRY

Advanced Share Registry Limited  
150 Stirling Highway  
Nedlands WA 6009, Australia

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

### AUDITORS

Rothsay Chartered Accountants  
96 Parry Street  
Perth WA 6000, Australia

Tel: (61 8) 9227 0552

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## Directors' Report

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The Directors present their report on Newland Resources Limited (the "Company") and the entities it controlled at the end of, or during, the half year ended 31 December 2010 (together referred to as the "Group").

### Directors

The following persons were Directors of Newland Resources Limited during the whole of the half year and up to the date of this report:

Dr Tim Sugden	Non-Executive Chairman Non-Executive Director	Appointed Chairman 1 December 2009 Appointed 2 October 2009
Mr Michael Mulrone	Non-Executive Director	Appointed 5 November 2010
Ms Amanda Ward	Non-Executive Director	Appointed 12 November 2010
Mr Anthony Clough	Managing Director	Appointed 5 November 2010
Mr Christian West	Non-Executive Director Executive Director	Changed to Non-Executive Director 27 November 2009, resigned 3 February 2011 Appointed 01 April 2004
Mr Brett Mitchell	Non-Executive Director	Appointed 2 October 2009, resigned 5 November 2010

### Review of Operations

The Company settled the acquisition of a portfolio of six granted and pending Bowen Basin coal exploration tenements on 18 October 2010 and immediately initiated the process of title transfer and tenement access permissions with the Department of Mines and Energy (DME) for the two granted tenements: EPC 1230 and EPC 1580. EPC1230 displays quality attributes such as accessible topography, proximity to rail, power, roads, accommodation and water supply.

All necessary permits for EPC 1230 and 1580 were in place by December 2010 but adverse weather conditions during December 2010 and January 2011 prevented the mobilisation of earthworks and drilling contractors. However, geological evaluation, coal seam targeting and planning for the commencement of drilling continued through the period. In conjunction with geological consultants, the Company designed a preliminary drill program on EPC1230 consisting of nineteen drill holes to a depth range of 100 to 150 metres. This is expected to provide an effective initial assessment view of the Burngrove and Fair Hill target seams in the south western and south eastern sectors of the tenement. Site activities commenced on EPC1230 in the first week of February 2011.

A desktop assessment of EPC1580 and EPCA1720 is continuing to prioritise exploration drill target areas.

The Company continues to work closely with the DME on the granting of EPCA's 1801, 1720, 1505 and 1319. Official documentation confirming the title transfer of the two granted EPCs (1230 and 1580) is pending from the DME which has been delayed as a result of the flooding experienced in their Brisbane offices during January 2011.

## Directors' Report continued

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### Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of Directors.



**ANTHONY CLOUGH**  
**Managing Director**  
Dated: 15 March 2011

#### Competency Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Michael Mulrone, B.App.Sc.(Geol), MBA, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Mulrone is a Director of Newland Resources Limited and has sufficient experience 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". Mr Mulrone consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Auditor's Independence Declaration

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Phone (08) 9227 0552 www.rothsay.com.au

The Directors  
Newland Resources Ltd  
PO Box 1444  
West Leederville WA 6901

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 review of the 31 December 2010 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to read 'G R Swan'.

Graham R Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 15<sup>th</sup> March 2011



Chartered Accountants

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

## Appendix 4D for the Half Year Ended 31 December 2010

### Reporting Period

Current Reporting Period - Half year Ended 31 December 2010  
Previous Reporting Period - Half year Ended 31 December 2009

### Results for Announcement to the Market

	% Change	Change (\$A)		\$A
Revenues from ordinary activities	15,739	\$8,095	Increased to	\$1,282,186
Profit (Loss) from ordinary activities after tax attributable to members	51	\$586,321	Increased to	\$886,554
Profit (Loss) for the period attributable to members	51	\$586,321	Increased to	\$886,554

### Dividends (distributions)

No dividends have been paid or declared during the half year ended 31 December 2010.

### Commentary on Results

The consolidated profit of the Group during the half year ended 31 December 2010 was \$844,486 (31 December 2009: Profit \$387,283)

The result includes a write back of impaired investments \$5,669,294 (31 December 2009: write back \$518,552), that were sold for minimal value.

### Net Tangible Asset per Security

As at 31 December 2010           0.54   cents per share  
As at 31 December 2009           0.46   cents per share

### Details of subsidiaries which control has been gained or lost

There has been no control gained or lost of subsidiaries during the half year ended 31 December 2010.

The result includes a profit of Nil (2009: 869,534) on deconsolidation of subsidiaries.

### Associates and Joint Ventures

There are no associates or joint ventures for the half year ended 31 December 2010.

### Unaudited Financial Information

The information contained in this report is unaudited. The financial report for the half year ended 31 December 2010 has been reviewed by the Company's auditors.

## Consolidated Statement of Comprehensive Income for the Half Year Ended 31 December 2010

		31 December 2010 \$	31 December 2009 \$
Revenue from continuing operations		1,282,186	8,095
Cost of investment sold	4	(5,627,968)	(527,097)
<b>Gross profit (loss)</b>		<b>(4,345,782)</b>	<b>(519,002)</b>
<b>Expenses</b>			
Depreciation expense		(3,771)	(27,909)
Loss on disposal of plant and equipment		(1,960)	-
Profit on disposal of subsidiaries		-	869,534
Impairment of exploration & evaluation write back	5	63,493	-
Write of exploration & evaluation	5	(63,493)	-
Impairment of investments write back	4	5,669,294	518,552
Share based payments	8	(147,434)	-
Other expenses from ordinary activities		(283,793)	(254,854)
<b>Profit from continuing operations</b>		<b>886,554</b>	<b>586,321</b>
Income tax expense		-	-
<b>Net profit from continuing operations</b>		<b>886,554</b>	<b>586,321</b>
Profit attributable to minority interest		-	-
<b>Profit attributable to members of the parent entity</b>		<b>886,554</b>	<b>586,321</b>
<b>Other comprehensive income</b>			
Losses arising from translating financial statements of foreign operation		(42,068)	(199,038)
<b>Total comprehensive income</b>		<b>844,486</b>	<b>387,283</b>
<b>Earnings per share:</b>			
Basic profit per share		0.69 cents	0.17 cents
Diluted profit per share		0.69 cents	0.17 cents

The accompanying notes form part of these financial statements.

## Consolidated Statement of Financial Position as at 31 December 2010

	Notes	31 December 2010 \$	30 June 2010 \$
<b>Current assets</b>			
Cash and cash equivalents		3,623,665	389,373
Trade and other receivables		151,532	229,713
Available -for-sale non-current assets		96,713	165,151
Other current assets		7,888	3,288,917
<b>Total current assets</b>		<b>3,879,798</b>	<b>4,073,154</b>
<b>Non-current assets</b>			
Plant and equipment		96,048	2,404
Held-to-maturity investments		-	-
Available -for-sale non-current assets		41,326	-
Exploration and evaluation	5	8,852,430	-
<b>Total non-current assets</b>		<b>8,989,804</b>	<b>2,404</b>
<b>Total assets</b>		<b>12,869,602</b>	<b>4,075,558</b>
<b>Current liabilities</b>			
Trade and other payables		50,822	185,338
Current tax liabilities		-	-
Current borrowings	6	-	736,411
<b>Total current liabilities</b>		<b>50,822</b>	<b>921,749</b>
<b>Non-current liabilities</b>			
Contingent liability	7	637,926	-
<b>Total non-current liabilities</b>		<b>637,926</b>	<b>-</b>
<b>Total liabilities</b>		<b>688,748</b>	<b>921,749</b>
<b>Net assets</b>		<b>12,180,854</b>	<b>3,153,809</b>
<b>Equity</b>			
Issued capital	8	29,535,358	22,908,118
Reserves		1,683,542	128,223
Accumulated losses		(19,038,046)	(19,882,532)
Total parent entity interest in equity		12,180,854	3,153,809
<b>Total equity</b>		<b>12,180,854</b>	<b>3,153,809</b>

The accompanying notes form part of these financial statements.



## Consolidated Statement of Changes in Equity for the Half Year Ended 31 December 2010

	Issued Capital \$	Share Based Compensation \$	Performance Shares \$	FX Exchange Reserve \$	Changes in the fair value of available for sale investments \$	Accumulated Losses \$	Total \$
Balance at 30 Jun 2009	20,356,358	128,149	-	(74,323)	411	(20,829,734)	(419,139)
Issue of securities	1,889,776	-	-	-	-	-	1,889,776
Security issue costs	(122,016)	-	-	-	-	-	(122,016)
FX exchange difference on translation of foreign operations	-	-	-	74,515	-	-	74,515
Total comprehensive income	-	-	-	-	-	387,283	387,283
<b>Balance at 31 Dec 2009</b>	<b>22,124,118</b>	<b>128,149</b>	<b>-</b>	<b>192</b>	<b>411</b>	<b>(20,442,451)</b>	<b>1,810,419</b>
Balance at 30 Jun 2010	22,908,118	128,149	-	74	-	(19,882,532)	3,153,809
Issue of securities	7,013,000	-	-	-	-	-	7,013,000
Security issue costs	(385,760)	-	-	-	-	-	(385,760)
Options issued	-	377,481	-	-	-	-	377,481
Performance shares issued	-	-	1,177,927	-	-	-	1,177,927
FX exchange difference on translation of foreign operations	-	-	-	(89)	-	-	(89)
Total comprehensive income	-	-	-	-	-	844,486	844,486
<b>Balance at 31 Dec 2010</b>	<b>29,535,358</b>	<b>505,630</b>	<b>1,177,927</b>	<b>(15)</b>	<b>-</b>	<b>(19,038,046)</b>	<b>12,180,854</b>

The accompanying notes form part of these financial statements.

## Consolidated Statement of Cash Flow for the Half Year Ended 31 December 2010

	Notes	31 December 2010 \$	31 December 2009 \$
<b>Cash flows related to operating activities</b>			
Payments to suppliers and employees		(408,295)	(357,167)
Interest received		29,787	9,071
Interest and other cost of finance	6	(59,147)	-
<b>Net operating cash flows</b>		<b>(437,655)</b>	<b>(348,096)</b>
<b>Cash flows related to investing activities</b>			
Proceeds from sale of investments	4	1,282,186	8,095
Payment for purchases of plant and equipment		(97,416)	-
Payment for deferred exploration expenditure		(11,315)	(41,909)
Payment for Queensland Coal tenements	5	(2,600,000)	-
Refund of Security Deposits		20,000	-
Proceeds from mineral royalties		59,380	-
<b>Net investing cash flows</b>		<b>(1,347,165)</b>	<b>(33,814)</b>
<b>Cash flows related to financing activities</b>			
Proceeds from issue of securities		6,095,000	1,889,776
Proceeds from issue of options		10,000	-
Capital raising costs		(385,760)	(122,016)
Repayment of borrowings	6	(700,000)	-
<b>Net financing cash flows</b>		<b>5,019,240</b>	<b>1,767,760</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,234,420</b>	<b>1,385,850</b>
Cash and cash equivalents at the beginning of the half year		389,373	127,151
Effects of exchange rate changes on cash and cash equivalents		(128)	(1,364)
Decrease in cash due to deconsolidation		-	(12,007)
<b>Cash and cash equivalents at the end of the half year</b>		<b>3,623,665</b>	<b>1,499,630</b>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### Note 1. Basis of Preparation

#### Reporting Entity

Newland Resources Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2010 comprises the Company and its subsidiaries (together referred to as the "Group"):

- Mt Garnet Mines NL
- Resources Services (BVI) Limited

The corresponding reporting period ended 31 December 2009 comprised the companies above and:

- Saturn Exploration NL (Deregistered on 4 February 2010)
- Exploration Australia Pty Ltd (Deregistered on 4 February 2010)
- Newland Resources UK Limited (Dissolved on 16 February 2010)
- Balkan Heights Property Limited (Dissolved on 10 November 2008)
- Newland Financial Group Limited (In liquidation on 20 August 2009)
- Newland Fund Management LLP (UK) (Divested by liquidator on 20 January 2010)

#### Statement of Compliance

The general purpose financial report for the interim half year reporting period ended 31 December 2010 has been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncement of Australian Accounting Standards Board and the Corporations Act 2001.

This half year financial report does not include all notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

#### Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's 2010 annual financial report for the financial year ended 30 June 2010, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group include:

- Amendments to AASB 5, 8, 101, 107, 117, 118, 136 and 139 as a consequence of AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

AASB 2009-5 introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the classification of expenditures on unrecognised assets in the statement of cash flows.

The adoption of these amendments has not resulted in any changes to the Group's accounting policies.

#### a) Adoption of revised accounting policy

During the half year, the Group adopted the following revised accounting policies.

#### 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 12 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 employees' superannuation funds.

##### Employee Benefits on-costs

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

## Notes to the Financial Statements (continued)

### Note 1. Basis of Preparation (continued)

#### Going Concern Basis

The financial statements have been prepared on a going concern basis for the half year ended 31 December 2010. The Group incurred an operating profit of \$803,160 and for the year ended 30 June 2010 the Group incurred an operating profit of \$947,202.

The financial statements have been prepared on a going concern basis because the Company has sufficient cash reserves to fund planned activities for the next twelve months and is in the process of divesting non-core assets. The Group has cash and cash equivalents of \$3,623,665 at 31 December 2010 (30 June 2010: \$389,373).

If the Company is unable to continue as a going concern, it may be necessary to realise assets and extinguish liabilities other than in the ordinary course of business and at amounts different to those stated in the financial statements.

### Note 2. Dividends

The Company has not resolved to declare any dividends in the period ended 31 December 2010.

### Note 3. Segment Reporting

#### Business segments

The Group operates in two business segments, the exploration of resources and the provision of financial funds management in the resources industry.

Year ended 31 December 2010	Segment Revenue \$	Segment Profit \$	Segment Asset \$
Financial Services	-	(4,727)	94
Resources	1,282,186	849,213	12,869,508
<b>Total</b>	<b>1,282,186</b>	<b>844,486</b>	<b>12,869,602</b>
<b>Year ended 31 December 2009</b>			
Financial Services	18,986	387,283	1,889,608
Resources	-	-	50,309
<b>Total</b>	<b>18,986</b>	<b>387,283</b>	<b>1,939,917</b>

#### Geographical segments

The Group operates in two geographical segments, Australia and United Kingdom.

Year ended 31 December 2010	Segment Revenue \$	Segment Profit \$	Segment Asset \$
United Kingdom	-	(4,727)	94
Australia	1,282,186	849,213	12,869,508
<b>Total</b>	<b>1,282,186</b>	<b>844,486</b>	<b>12,869,602</b>
<b>Year ended 31 December 2009</b>			
United Kingdom	6	719,420	14,764
Australia	18,980	(332,137)	1,925,153
<b>Total</b>	<b>18,986</b>	<b>387,283</b>	<b>1,939,917</b>

### Note 4. Available for Sale Financial Assets

	31 Dec 2010 \$
Investments in securities	
At 1 July	-
Disposal	(5,627,968)
Accumulated Impairment loss write back	5,669,294
At 31 December	<u>41,326</u>

The Group divested its holding of 52,705 shares in Dublin-listed Grafton Resource Investments Ltd for net proceeds of USD\$1,264,920 (AUD\$1,282,186).

## Notes to the Financial Statements (continued)

### Note 5. Exploration and Evaluation - Purchase of Queensland Coal Tenements

	31 Dec 2010.
<b>Exploration and evaluation</b>	<b>\$</b>
At 1 July	-
Additions	26,477
Acquisition of Queensland Coal Tenements +	8,825,953
Accumulated Impairment loss write back	63,493
Write Off	<u>(63,493)</u>
At 31 December	<u>8,852,430</u>

+ 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			<u>8,825,953</u>

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:

	31 Dec 2010	31 Dec 2009
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 EPA1319, EPA1505, and EPA1720), expiring 23 June 2014.

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

	31 Dec 2010	31 Dec 2009
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.

## Notes to the Financial Statements (continued)

### Note 6. Current Borrowings

The Company has repaid a short term loan agreement \$759,147 (2009: Nil). This included the initial loan of \$700,000 (2009: Nil), an establishment fee of \$35,000 (2009: Nil) which was capitalised to the loan, and interest of \$24,147 (2009: Nil).

The loans were repaid on 18 October 2010, extinguishing all liability. The Group is debt free.

### Note 7. Contingent Liabilities

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 an exported coal from the Bowen Basin on the Tenements.

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

	31 December 2010	30 June 2009
Probability of occurring	15%	-
Cash Rate	4.75%	-
Assumed time to payment	26 June 2014	-

There are no other contingent liabilities or assets at 31 December 2010.

### Note 8. Issued Capital

	31 December 2010		30 June 2010	
	No.	\$	No.	\$
Issued and Paid Up Capital				
Fully Paid Ordinary Shares	732,955,142	29,535,358	433,955,142	22,908,118
Options over Fully Paid Ordinary Shares	79,094,439	505,630	4,094,439	128,149
Performance Shares	30,000,000	1,177,926	-	-
Total Issued Capital		31,218,914		23,036,267

During the half year ended 31 December 2010, the following movements in equity occurred:

<u>Shares</u>		<u>No.</u>
18/10/2010	Shares issued under placement	265,000,000
18/10/2010	Shares issued to acquire Queensland Coal tenements	34,000,000
Total		299,000,000

#### Unlisted Options

18/10/2010	Options issued to acquire Queensland Coal tenements	65,000,000
18/10/2010	Arranger options issued in relation to the Queensland Coal tenements acquisition	10,000,000
Total		75,000,000

#### Unlisted Performance Shares

18/10/2010	A class performance shares issued to acquire Queensland Coal tenements	25,000,000
18/10/2010	B class performance shares issued to acquire Queensland Coal tenements	5,000,000
Total		30,000,000

### Note 9. Events Subsequent to Reporting Date

Mr Christian West resigned as a Non-Executive Director to pursue other interests on 3 February 2011.

No other matters or circumstances, not otherwise dealt with in the interim financial report, have arisen since the end of the half year and to the date of this report which significantly affected or may significantly affect the operations of the Group, the results of the Group, or the state of affairs of the Group in the financial years subsequent to the half year ended 31 December 2010.

## Directors' Declaration

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The Directors' of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 12:
  - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
  - (b) give a true and fair view of the Group's financial position as at 31 December 2010 and of its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



**ANTHONY CLOUGH**  
**Managing Director**

Dated: 15 March 2011

## Independent Auditor's Review Report



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### Independent Review Report to the Members of Newland Resources Ltd

#### The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Newland Resources Ltd for the half-year ended 31 December 2010.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* 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.

#### Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2010 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Newland Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

#### Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

#### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Newland Resources Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2010 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'Rothsay'.

Rothsay

A handwritten signature in blue ink that reads 'G R Swan'.

Graham R Swan  
Partner

Dated 15<sup>th</sup> March 2011



Chartered Accountants

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