



Quarterly Activities Report Period Ending 31 December 2010

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Board and Management

Dr Tim Sugden
Chairman

Mr Christian West
Non-Executive Director

Mr Michael Mulrone
Non-Executive Director

Ms Amanda Ward
Non-Executive Director

Mr Anthony Clough
Managing Director

Ms Liza Carpene
Company Secretary

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ASX Code: NRL

Highlights

- \$6.095 million equity raising completed
- Acquisition of new coal tenement portfolio settled
- Land access clearance for EPC1230 and EPC1580 obtained
- First drilling program on EPC1230 delayed by flooding

Background

Newland Resources Limited's ("the Company" or "NRL") Shareholders approved the acquisition of the Queensland Coal Tenements (two EPCs and four EPCAs) at the General Meeting held on Friday, 8 October 2010. The Company settled the acquisition on 18 October 2010 following the completion of a \$6.095 million equity raising to sophisticated and institutional investors.

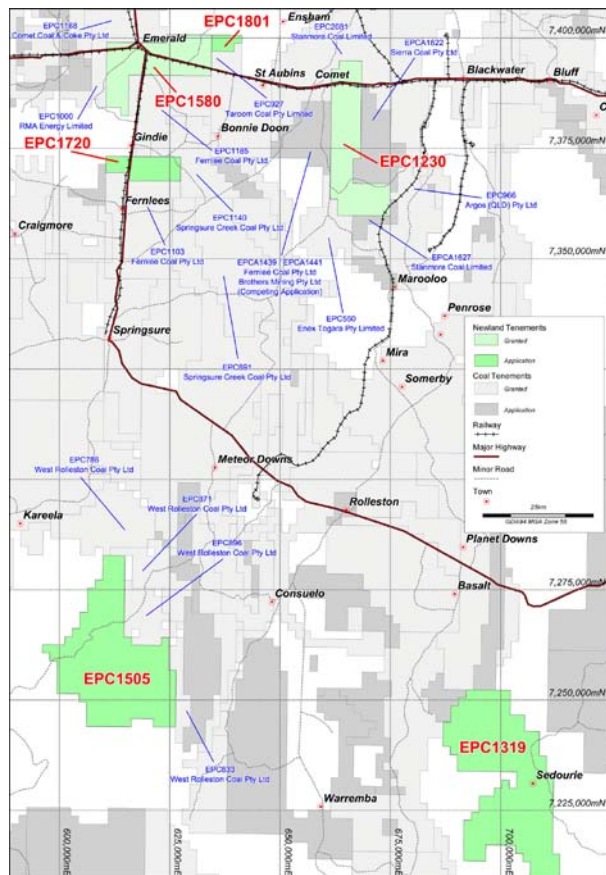


Figure 1: NRL Exploration Tenements

Exploration

EPC1230 - Comet Ridge

Following the settlement of the acquisition, the Company completed the land access negotiation process for EPC1230 in preparation for an initial drilling program in mid December 2010.

Geological consultants have been appointed to undertake an analysis of previous geological and geophysical information over EPC1230 to refine the primary exploration drilling targets and detailed exploration plan.

The initial drilling will target shallow coal seams within both the Burngrove Formation along strike from Stanmore Coal's McKenzie River Project coking coal resource and the Fair Hill Formation where historical drilling has previously intersected coal seam widths of between 6.0 and 9.9 metres. The proposed drilling program location is illustrated in Figure 2.

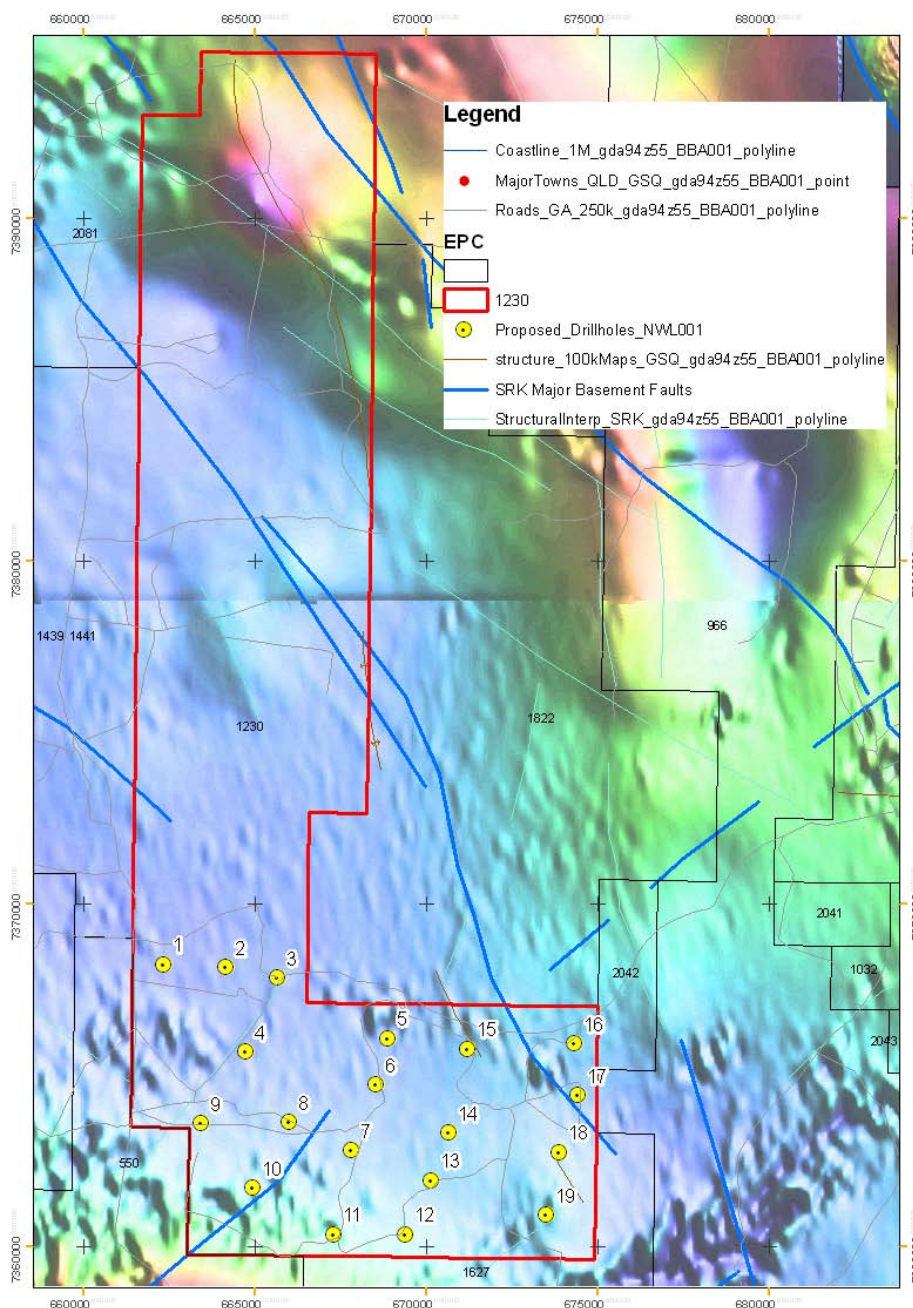


Figure 2: EPC1230 Initial drill program locations overlain on regional magnetic data.

Initial data analysis of previously acquired magnetic data indicates the presence of a signature indicative of the Upper Fair Hill Formation in the southeast part of EPC1230.

The initial drilling program scheduled to commence in mid-December 2010 was severely disrupted by exceptionally heavy rainfall and subsequent flooding in the surrounding Comet and Emerald districts. The exploration drilling program on the southeastern and southwestern sectors of EPC1230 has been deferred and will commence immediately upon the areas being deemed safe and logistically accessible in consultation with the drilling contractor. The program will initially drill every second hole, then infill as required to ensure rapid evaluation of any coal seams intersected.

EPC1580 - Emerald

Following the settlement of the acquisition, the Company also completed the land access process for EPC1580 in mid-December in preparation for future exploration programs.

The EPC1580 Emerald project is subject to the new land access legislation, which NRL is currently working through to ensure compliance with this new legislation.

The Company’s geological consultants have commenced compiling existing seismic and drilling data for the tenement area to identify priority future drilling targets.

Other Projects

EPC applications 1319, 1505, 1720 and 1801 are still to be granted by the Queensland Department of Mines and Energy (DME). The Company is working closely with the DME to ensure the timely completion of this process.

The Company is currently assessing the implications of the Strategic Cropping Land legislation and the newly introduced Queensland legislation for land access arrangements.

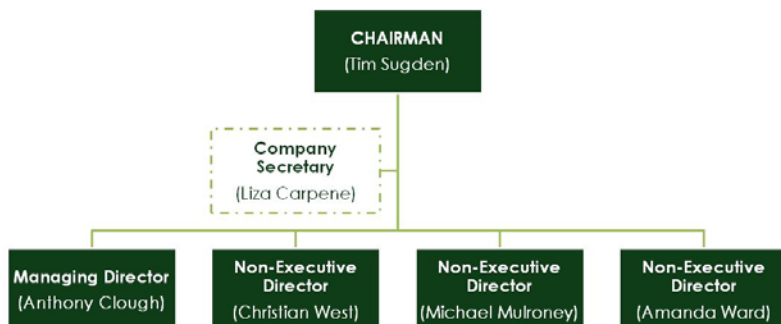
Corporate

On 18 October 2010, the Company completed a raising of \$6.095 million through the issue of 265 million shares at \$0.023 per share to sophisticated and institutional buyers. The funds were used to complete the acquisition of the Queensland Coal Tenements (as approved by Shareholders on Friday, 8 October 2010), repay a short-term loan facility of \$700,000 and provide for providing working capital for exploration.

In addition the Company disposed of its holding of 52,705 shares in Dublin-listed Grafton Resource Investments Ltd for net proceeds of US\$1,264,920 (A\$1,282,186).

As at 25 January 2011, the Company has ~A\$3.4 million cash at bank and is debt free.

During the quarter, there were several changes to the Company’s Board with the appointment of three new Directors: Anthony Clough (Managing Director), Michael Mulrone (Non-Executive Director) and Amanda Ward (Non-Executive Director) and the resignation of Brett Mitchell as a Non-Executive Director. The Board now consists of:



The issued capital of the Company is now:

Ordinary Fully Paid Shares:	732,955,142
Various Unlisted Options:	79,094,439
A Class Performance Shares:	25,000,000
B Class Performance Shares:	5,000,000

As part of his remuneration package, Mr Clough will, subject to Shareholder approval, subscribe for 10m new shares and 20m attaching incentive options in the capital of the Company in a new placement to raise \$300,000 (as detailed in ASX Announcement: Appointment of Managing Director - 5/11/10).

For further information, please contact:

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About Newland Resources Limited

Newland Resources Limited (NRL) is a growth focused, coal exploration company with a number of prospective coal exploration areas within Queensland's Bowen Basin. NRL is focused on the creation of Shareholder value via the identification and development of coal deposits, with a focus on the prime coal bearing regions of the east coast of Australia. NRL holds 100% interests in its six coal project areas, covering over 1,900km² in total. These projects collectively have the potential to host significant deposits of coking, PCI and thermal coal and are typically well located for export infrastructure.

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.

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")

31 December 2010

Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (6 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	6	12
(b) development	-	-
(c) production	-	-
(d) administration - general	(43)	(181)
administration - personnel	(143)	(143)
administration - professional fees	(48)	(56)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	27	30
1.5 Interest and other costs of finance paid	(61)	(61)
1.6 Income taxes paid	-	-
1.7 Other - refund of disbursements	-	20
Other - mineral royalties	-	65
Net operating cash flows	(262)	(314)
Cash flows related to investing activities		
1.8 Payment for purchases of		
(a) prospects	(2,610)	(2,610)
(b) equity investments	-	-
(c) other fixed assets	(104)	(104)
1.9 Proceeds from sale of		
(a) prospects	-	-
(b) equity investments	1,282	1,282
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	(1,432)	(1,432)
1.13 Total operating and investing cash flows (carried forward)	(1,694)	(1,746)

1.13	Total operating and investing cash flows (brought forward)	(1,694)	(1,746)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	6,105	6,105
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(700)	(700)
1.18	Dividends paid	-	-
1.19	Other - cost of issues of shares	(424)	(424)
	Net Financing Cash Flows	4,981	4,981
	Net increase (decrease) in cash held	3,287	3,235
1.20	Cash at beginning of quarter/year to date	337	389
1.21	Exchange rate adjustments to Item 1.20	-	-
1.22	Cash at end of quarter	3,624	3,624

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	125
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	42
Directors/management consulting fees - parent	83

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

<p>The following shares and options have been issued for the acquisition of Queensland Coal Tenements: EPC1230, EPC1580, EPCA1319, EPCA1505, EPCA1720, and EPCA1801</p> <ul style="list-style-type: none"> Newland Resources Ltd issued 34 million fully paid ordinary shares. Newland Resources Ltd issued 65 million Options exercisable at \$0.05, expiring 23 June 2015. (Vesting conditions apply.) Newland Resources Ltd issued 25 million A Class Performance Shares, expiring 23 June 2014. (Subject to A Class Milestone.) Newland Resources Ltd issued 5 million B Class Performance Shares, expiring 23 June 2014. (Subject to B Class Milestone.) <p>The following options have been issued for consideration for corporate advisory and financing services in relation to the acquisition of the following Queensland Coal Tenements: EPC1230, EPC1580, EPCA1319, EPCA1505, EPCA1720, and EPCA1801</p> <ul style="list-style-type: none"> Newland Resources Ltd issued 10 million Options exercisable at \$0.05, expiring 17 October 2014. An issue price of \$0.001 per option (\$10,000) was received in cash and included in 1.14.

- 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

Newland Resources Ltd repaid a short term loan agreement during the December 2010 quarter. 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	375
4.2 Development	-
4.3 Production	-
4.4 Administration	150
TOTAL	525

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	4	14
5.2 Deposits at call	3,620	323
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item1.22)	3,624	337

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	EPC1230	Registered Holder 100%	86 sub blocks	86 sub blocks
	EPC1580	Registered Holder 100%	75 sub blocks	75 sub blocks
	EPCA1319	Registered Holder 100%	214 sub blocks	214 sub blocks
	EPCA1505	Registered Holder 100%	199 sub blocks	199 sub blocks
	EPCA1720	Registered Holder 100%	27 sub blocks	27 sub blocks
	EPCA1801	Registered Holder 100%	7 sub blocks	7 sub blocks

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>	732,955,142	732,955,142	
7.4	Changes during quarter (a) Increases through issues (b) decreases through returns of capital, buybacks	265,000,000 34,000,000	265,000,000 34,000,000	
7.5	Convertible debt securities <i>(description)</i>			
7.6	Changes during quarter (a) increases through issues (b) decreases through securities matured, converted			

Appendix 5B
Mining exploration entity quarterly report

7.7	Options			Exercise price	Expiry date
	Options (NRLAI)	4,094,439	-	8¢	03/07/2011
	Options (NRLAI)	10,000,000	-	5¢	17/10/2014
	Options (NRLAI)	65,000,000	-	5¢	23/06/2015
	A Class Performance Shares (NRLAK)	25,000,000	-	-	23/06/2014
	B Class Performance Shares (NRLAM)	5,000,000	-	-	23/06/2014
7.8	Issued during quarter				
	Options (NRLAI)	10,000,000	-	5¢	17/10/2014
	Options (NRLAI)	65,000,000	-	5¢	23/06/2015
	A Class Performance Shares (NRLAK)	25,000,000	-	-	23/06/2014
	B Class Performance Shares (NRLAM)	5,000,000	-	-	23/06/2014
7.9	Exercised during quarter				
7.10	Expired during quarter				
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:



Date: 27 January 2011

Company Secretary

Print name:

Liza Carpena

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.