



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 22 OCTOBER 2009

## SEPTEMBER 2009 QUARTERLY REPORT

### Highlights:

- **Newport continues to pursue new opportunities in the resources sector to complement the Company's existing resource assets.**
- **Cash reserves of \$4.01 million at the end of the quarter, placing the Company in a strong position to conduct its current activities and to pursue new business development opportunities.**

The Directors of Newport Mining Limited ("**Newport**" or "**Company**") are pleased to release its quarterly report for September 2009.

During the quarter, the Company has continued its efforts on the identification and acquisition of advanced resource projects. In this regard, the Company assessed a number of new opportunities during the quarter.

Activities undertaken on the Company's Pathfinder project during the quarter included preparation for a gravity survey over targeted areas of two of the licenses. The survey should commence in late October.

The trial in relation to the claim made against the Company by Norwest Holding Pte Ltd (in liquidation) ("**Norwest Claim**") was heard in August 2009 in the Singapore High Court ("**Court**").

The oral hearing for delivery of the closing submissions before the Court was held on 15 October 2009, and a judgement on this matter is expected in early to mid November 2009. The Company will advise shareholders as soon as this occurs. The Board remains confident that the Norwest Claim will be successfully defended.

The Company will continue to source and assess advanced projects both in Australia and overseas and will advise shareholders on any developments as they occur.

**Enquires:**     **Mark Pearce – Company Secretary**  
Telephone: (61 8) 9322 6322  
Facsimile: (61 8) 9322 6558

## Pathfinder Project

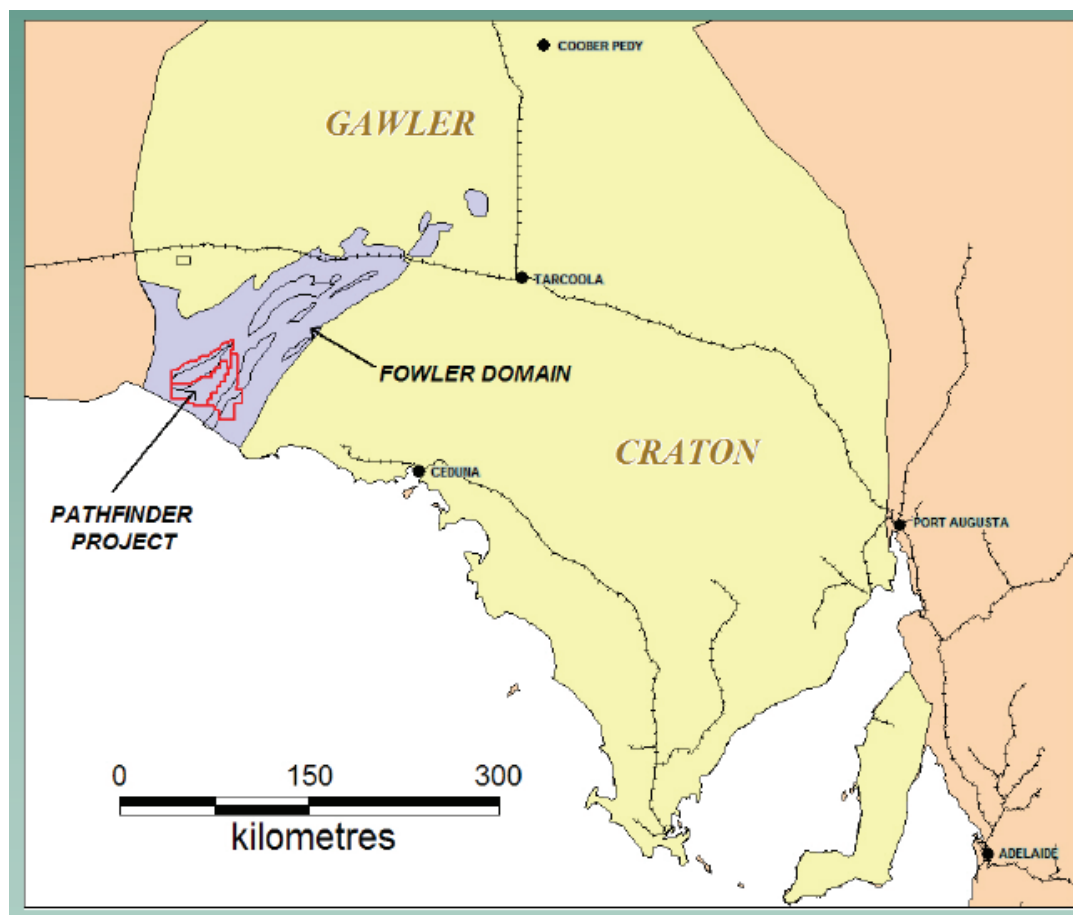
ELs 3216, 3280 and 3281 (Newport earning up to 80%, PlatSearch (ASX: PTS) 80%, Bohoun 20%)

The Pathfinder Project covers an extensive area of over 2,310 square kilometres. Geologically the Project is located at the southern end of the Fowler Domain on the western side of the Gawler Craton in a similar setting to the Thompson Nickel Belt in Canada, which contains some of the world's largest nickel deposits.

The Project is prospective for nickel sulphides, iron oxide associated copper gold mineralisation and heavy mineral sands.

Exploration programs comprising a gravity survey and subsequent traverses of drilling are being assessed for the project. The gravity survey over targeted areas of two of the licenses should commence in late October.

Given restricted access to the Project and the difficult climate for exploration companies in early 2009 due to the global financial crisis, PlatSearch agreed to extend the terms required for Newport to complete its Stage One Work Program for 12 to 24 months. The joint venture partners have agreed on a reduced exploration budget for the next 12 months that will keep the Project's tenements in good standing.



**Figure 1: Regional Setting**

*The exploration data and results contained in this report are based on information compiled by Mr Simon Taylor, a member of the Australian Institute of Geoscientists. He is a non executive director of the Company and has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Taylor has consented to the inclusion in this release 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.

Name of entity

**NEWPORT MINING LIMITED**

ABN

**94 128 256 888**

Quarter ended ("current quarter")

**30 SEPTEMBER 2009**

### Consolidated statement of cash flows

		Current quarter	Year to date
		\$A'000	(3 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(18)	(18)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(90)	(90)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	33	33
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	- Litigation costs	(334)	(334)
	- Business development	(47)	(47)
<b>Net Operating Cash Flows</b>		<b>(456)</b>	<b>(456)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
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 (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(456)</b>	<b>(456)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(456)	(456)
	<b>Cash flows related to financing activities</b>		
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 (provide details if material)		
	- Capital raising expenses	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(456)	(456)
1.20	Cash at beginning of quarter/year to date	4,467	4,467
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	4,011	4,011

**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	86
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include consulting fees, directors' fees, company secretarial services and provision of a fully serviced office.

**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

Not applicable.

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

Not applicable.

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

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

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
<b>Total</b>	<b>50</b>

### 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 as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	241	179
5.2 Deposits at call	3,770	4,288
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>4,011</b>	<b>4,467</b>

### 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			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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	<b>Preference +securities</b> <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	32,750,001	29,917,501		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	<b>+Convertible debt securities</b> <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>	1,600,000 1,200,000 3,000,000 1,000,000	Nil Nil Nil Nil	<i>Exercise price</i> \$0.25 \$0.35 \$0.25 \$0.25	<i>Expiry date</i> 31 December 2011 31 December 2011 31 January 2012 31 January 2012
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## 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 4).
- 2 This statement does ~~/does not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: ..... Date: 22 October 2009  
(~~Director~~/Company secretary)

Print name: MARK PEARCE

## 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.

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