

CORPORATE GOVERNANCE STATEMENT

for the year ended 30 June 2011



Approach to Corporate Governance

Newland Resources Limited ("**Company**") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd Edition ("**Principles & Recommendations**"), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

Further information about the Company's corporate governance practices may be found on the Company's website at www.newlandresources.com, under the section marked "Corporate Governance".

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2010/2011 financial year ("Reporting Period"). The Principles & Recommendations were amended in 2010. These amendments apply to the Company's first financial year commencing on or after 1 January 2011. However, as encouraged by the ASX Corporate Governance Council, the Company has made an early transition to the amended Principles & Recommendations. Accordingly, the report below is made against the Principles and Recommendations as amended in 2010.

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1:

Companies should establish the functions reserved to the Board and those delegated to Senior Executives and disclose those functions.

Disclosure:

The Company has established the functions reserved to the Board and has set out these functions in its Statement of Board and Management Functions. The Board is collectively responsible for promoting the success of the Company through its key functions of ensuring the Company is properly managed, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures; and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to Senior Executives and has set out these functions in its Statement of Board and Management Functions. Senior Executives are responsible for supporting the Managing Director in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior Executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, then directly to the Chairman or the lead independent Director, as appropriate.

Recommendation 1.2:

Companies should disclose the process for evaluating the performance of Senior Executives.

Notification of Departure:

The Company has not established a formal process for evaluating the performance of Senior Executives.

Explanation for Departure:

A formal process has not been established as the Company only had one fulltime employee during the period. As the Company expands and becomes fully resourced, a formal process will be developed and implemented.

Recommendation 1.3:

Companies should provide the information indicated in the Guide to reporting on Principle 1.

Disclosure:

During the Reporting Period, an evaluation of Senior Executives was conducted on an informal basis only as no Senior Executive was employed directly by the Company for more than a period of six months.

The Company's Statement of Board and Management Functions is available on the Company's website at www.newlandresources.com.

Principle 2 – Structure the board to add value

Recommendation 2.1:

A majority of the Board should be independent Directors.

Notification of Departure:

A majority of the Board are not independent Directors.

Explanation for Departure:

During the Reporting Period, the Board underwent a number of changes. The following table identifies the members of the Board at different times during the Reporting Period and the independent or non-independent status of the Directors:

| Dates | Board Members | Independent/Non-independent |
|--------------------|-----------------|-----------------------------|
| 1/7/10 – 30/6/11 | Timothy Sugden | Non-independent |
| 1/7/10 – 3/2/11 | Christian West | Non-independent |
| 1/7/10 – 5/11/10 | Brett Mitchell | Independent |
| 5/11/10 – 4/4/11 | Anthony Clough | Non-independent |
| 5/11/10 – 30/6/11 | Michael Mulrone | Non-independent |
| 12/11/10 – 30/6/11 | Amanda Ward | Non-independent |
| 23/5/11 – 30/6/11 | Gavin May | Non-independent |

Given the size and scope of the Company's operations and its early exploration stage, the Board considers that it is appropriately structured, with a suitable mix of skills and expertise, relevant to the Company's current business. However, the Board is cognisant that as the Company expands and develops its activities, the Board will be required to review and restructure its composition to meet the specific expertise and skills set requirements to progress the Company to meet its objectives moving forward.

Recommendations 2.2 and 2.3:

The Chairman should be an independent Director.

The roles of the Chairman and Managing Director should not be exercised by the same individual.

Notification of Departure:

During the Reporting Period, the Chairman (Dr Sugden) was not independent as he also performed the role of Acting Chief Executive Officer of the Company during a period when the position of Managing Director was not occupied.

CORPORATE GOVERNANCE STATEMENT

for the year ended 30 June 2011



Explanation for Departure:

During periods when the Company was without a Managing Director, Dr Sugden performed the functions of an Acting Chief Executive Officer of the Company. The Board is of the view that it is only Dr Sugden's performance of this function between 25 November 2009 to 12 August 2010, whilst a Managing Director was being recruited, which precludes him from being considered independent. Dr Sugden is a highly experienced mining professional and the Board considers that Dr Sugden is the most appropriate person for the position of Chairman at this time.

The following table highlights periods when the Company had engaged personnel to perform the functions of Chief Executive Officer or Managing Director.

| Incumbent | Position | Period |
|-----------------|--------------------------------|-------------------|
| Michael Mulrone | Acting Chief Executive Officer | 12/8/10 - 5/11/10 |
| Anthony Clough | Managing Director | 5/11/10 - 4/4/11 |
| Michael Mulrone | Acting Chief Executive Officer | 4/4/11 - 23/5/11 |
| Gavin May | Managing Director | 23/5/11 - present |

Recommendation 2.4:

The Board should establish a Nomination Committee.

Notification of Departure:

The Company has not established a separate Nomination Committee.

Explanation for Departure:

Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to the Company's Nomination Committee in its Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring the Director with conflicting interests is not party to the relevant discussions.

Recommendation 2.5:

Companies should disclose the process for evaluating the performance of the Board, its committees and individual Directors.

Notification of Departure:

The Company has not established a process for evaluating the performance of the Board, its committees and individual Directors.

Explanation for Departure:

Whilst the Company has not established a formal process for evaluating the performance of the Board, its committees and individual Directors, given the size of the Board, it is able to and does regularly evaluate its performance as a whole and that of individual Directors by round-table discussions.

Recommendation 2.6:

Companies should provide the information indicated in the *Guide to reporting on Principle 2*.

Disclosure:

Skills, Experience, Expertise and term of office of each Director

A profile of each Director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

The Board discusses on a regular basis the need to review and, when appropriate, alter the Board's composition and skill set mix to enable the Company to progress its activities and achieve its long term goals.

Identification of Independent Directors

The Board does not currently have an Independent Director for the following reasons:

| Director | Reason for Non-Independent Classification |
|-----------------|--|
| Timothy Sugden | Performed Acting CEO duties whilst recruiting for a Managing Director between 25/11/09 - 12/8/10 |
| Michael Mulrone | Engaged as Acting Chief Executive Officer between 12/8/10 - 5/11/10 and 4/4/11 - 23/5/11 |
| Amanda Ward | Substantial Shareholder's representative post coal tenement acquisition |
| Gavin May | Engaged as Managing Director from 23/5/11 - present |

Independence is measured having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds. The materiality thresholds are set out below.

Company's Materiality Thresholds

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's Statement of Board and Management Functions:

- Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company's rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

Statement concerning availability of Independent Professional Advice

To assist Directors with independent judgement, it is the Board's policy that if a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a Director then, provided the Director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Nomination Matters

The full Board, in its capacity as the Nomination Committee, held four meetings during the Reporting Period. The table set out in the Directors' Report under the heading "Directors' Meetings" shows the attendance at Nomination Committee meetings.

To assist the Board to fulfil its function as the Nomination Committee, it has adopted a Nomination Committee Charter. The Company's Nomination Committee Charter is available on the Company's website at www.newlandresources.com.

The explanation for departure set out under Recommendation 2.4 above explains how the functions of the Nomination Committee are performed.

CORPORATE GOVERNANCE STATEMENT

for the year ended 30 June 2011



Performance Evaluation

During the Reporting Period an evaluation of the Board and individual Directors took place in accordance with the informal process disclosed at Recommendation 2.5.

Selection and (Re)Appointment of Directors

Candidates for the Board are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within the Company's scope of activities and intellectual and physical ability to undertake Board duties and responsibilities. Directors are initially appointed by the full Board, subject to election by Shareholders at the next general meeting.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Each Director other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the Director's appointment or three years following that Director's last election or appointment (whichever is the longer). However, a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one Director or a third of the total number of Directors must resign. A Director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of Directors is not automatic.

Principle 3 – Promote ethical and responsible decision-making

Recommendation 3.1:

Companies should establish a Code of Conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Disclosure:

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.2:

Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy.

Disclosure:

The Company has established a Diversity Policy, which includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.

A summary of the Company's Diversity Policy is available on the Company's website at www.newlandresources.com.

Recommendation 3.3:

Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.

Disclosure:

At this time, given the size and composition of the Company's workforce, the Board has not formalised measurable objectives for achieving gender diversity, however it is committed to providing equal employment opportunity to enable a workplace based on gender diversity.

Recommendation 3.4:

Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.

Disclosure:

The proportion of women employees directly employed by the whole organisation, women in senior executive positions and women on the Board are set out in the following table:

| | Proportion of women |
|----------------------------|---------------------|
| Whole organisation* | 0 out of 1 (0%) |
| Senior Executive positions | 0 out of 1 (0%) |
| Board | 1 out of 4 (25%) |

*During the reporting period, there was only one fulltime employee of the Company at any time as all other services were provided to the Company under "shared service" arrangements. The "Whole organisation" number excludes Non-Executive Directors.

Recommendation 3.5:

Companies should provide the information indicated in the Guide to reporting on Principle 3.

Disclosure:

The Company's Code of Conduct and Diversity Policy is available on the Company's website at www.newlandresources.com.

Principle 4 – Safeguard integrity in financial reporting

Recommendations 4.1 and 4.2:

The Board should establish an Audit Committee.

The Audit Committee should be structured so that it:

- consists only of Non-Executive Directors;
- consists of a majority of independent Directors;
- is chaired by an independent Chair, who is not Chairman of the Board; and
- has at least three members.

Notification of Departure:

The Company has not established a separate Audit Committee and accordingly, it is not structured in accordance with Recommendation 4.2.

Explanation for Departure:

The Board believes that given the size of the Board, the size, nature and level of activities of the Company, the nature and geographic diversity of those activities and the qualifications and experience of each of the Board members, that a more inclusive approach to oversight of the Company's financial practices and reporting is appropriate. Accordingly, the Board performs the role of Audit Committee. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Audit Committee it carries out those functions which are delegated in the Company's Audit Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of Audit Committee by ensuring the Director with conflicting interests is not party to the relevant discussions.

Recommendation 4.3:

The Audit Committee should have a formal charter.

Disclosure:

The Company has adopted an Audit Committee Charter.

Recommendation 4.4:

Companies should provide the information indicated in the Guide to reporting on Principle 4.

Disclosure:

The full Board, in its capacity as the Audit Committee, held one meeting during the Reporting Period. The table set out in the Directors' Report under the heading "Directors' Meetings" shows the attendance at Audit Committee meetings. Due to geographic location of individual Board members at the time of the meeting, the Chairman of the Board acted as the Chair of the Audit Committee in that instance. The Audit Committee intends to nominate an independent Director to chair meetings when available.

To assist the Board to fulfil its function as the Audit Committee, it has adopted an Audit Committee Charter.

The explanation for departure set out under Recommendation 4.1 above explains how the functions of the Audit Committee are performed.

Details of each of the Director's qualifications are set out in the Directors' Report. Each of the Directors is a qualified professional with significant corporate financial experience.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Company's Audit Committee Charter, and the Policy and Procedure for Selection and Appointment of New Directors is available on the Company's website at www.newlandresources.com.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1:

Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure:

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

The Company Secretary is responsible for ensuring the Company's continuous disclosure obligations are met.

Recommendation 5.2:

Companies should provide the information indicated in the *Guide to reporting on Principle 5*.

Disclosure:

The Company's Policy and Procedure for Compliance with Continuous Disclosure Requirements is available on the Company's website at www.newlandresources.com.

Principle 6 – Respect the Rights of Shareholders

Recommendation 6.1:

Companies should design a communications policy for promoting effective communication with Shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Disclosure:

The Company has designed a communications policy for promoting effective communication with Shareholders and encouraging Shareholder participation at general meetings.

Recommendation 6.2:

Companies should provide the information indicated in the *Guide to reporting on Principle 6*.

Disclosure:

The Company's Arrangements Regarding Communication with and Participation by Shareholders is available on the Company's website at www.newlandresources.com.

The Company has an Investor Distribution List which is utilised to distribute announcements to Shareholders and interested parties.

Principle 7 – Recognise and Manage Risk

Recommendation 7.1:

Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Disclosure:

The Board has adopted a Risk Management Policy. Under the policy, the Board is responsible for risk management and oversight of internal controls.

Under the policy, the Board delegates day-to-day management of risk to the Managing Director. The Board also regularly considers the Company's material business risks as identified by management and consultants, and risk management strategies for those risks at its Board Meetings.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- ☛ the Board is required to approve any expenditure outside the normal course of business prior to commitment or expenditure;
- ☛ the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- ☛ the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

The Company has managed its material business risks as described above, and the Company's business activities were regularly reviewed in relation to the risk categories referred to below. The Board has resolved to review, formalise and document the management of its material business risks and expects to implement a system in the 2011/12 financial year. This system is expected to include the preparation of a risk register by management to identify the Company's material business risks and risk management strategies for these risks. In addition, the process of management of material business risks will be allocated to members of senior management. The risk register will be reviewed quarterly and updated, as required.

The categories of risk reported on or referred to as part of the Company's systems and processes for managing material business risk include: exploration and evaluation; general economic and business climate; commodity price; exchange rate and financial; environmental; title (including native title); political; risks attached to new business acquisitions and ongoing funding.

Recommendation 7.2:

The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

Disclosure:

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. Further, the Board has received a report from management as to the effectiveness of the Company's management of its material business risks.

Recommendation 7.3:

The Board should disclose whether it has received assurance from the Managing Director (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Disclosure:

The Managing Director (or equivalent) and the Chief Financial Officer (or equivalent) have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risk.

Recommendation 7.4:

Companies should provide the information indicated in the *Guide to reporting on Principle 7*.

Disclosure:

The Board has received the report from Management under Recommendation 7.2.

The Board has received the assurance from the Managing Director (or equivalent) and the Chief Financial Officer (or equivalent) under Recommendation 7.3.

Principle 8 – Remunerate Fairly and Responsibly

Recommendation 8.1 and 8.2:

The Board should establish a Remuneration Committee and it should be structured so that it:

- ☞ consists of a majority of independent directors
- ☞ is chaired by an independent chair
- ☞ has at least three members.

Notification of Departure:

The Company has not established a separate Remuneration Committee.

Explanation for Departure:

Given the current size and composition of the Company, the Board is unable to meet the requirement to have a Remuneration Committee that has a majority of independent directors and an independent Chair. It believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of Remuneration Committee. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Remuneration Committee it carries out those

functions which are delegated in the Company's Remuneration Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of Remuneration Committee by ensuring the Director with conflicting interests is not party to the relevant discussions.

Recommendation 8.3:

Companies should clearly distinguish the structure of Non-Executive Directors' remuneration from that of executive Directors and Senior Executives.

Disclosure:

Non-Executive Directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for Non-Executive Directors is not linked to individual performance. From time to time the Company may grant options to Non-Executive Directors. The grant of options is designed to recognise and reward efforts as well as to provide Non-Executive Directors with additional incentive to continue those efforts for the benefit of the Company.

Pay and rewards for executive Directors and Senior Executives consist of a base salary and may consist of performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. Executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness.

Recommendation 8.4:

Companies should provide the information indicated in the *Guide to reporting on Principle 8*.

Disclosure:

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms part of the Directors' Report.

The full Board, in its capacity as the Remuneration Committee, held four meetings during the Reporting Period. The table set out in the Directors' Report under the heading "Directors' Meetings" shows the attendance at Remuneration Committee meetings. To assist the Board to fulfil its function as the Remuneration Committee, it has adopted a Remuneration Committee Charter.

The explanation for departure set out under Recommendation 8.1 above explains how the functions of the Remuneration Committee are performed.

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

The Company's Policy for Trading in Company Securities includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.

The Company's Remuneration Committee Charter and Trading Policy are available on the Company's website at www.newlandresources.com.