

Newland Resources Ltd

ACN 009 092 068 ABN 13 009 092 068

NOTICE OF ANNUAL GENERAL MEETING AND PROXY FORM

TO ASSIST SHAREHOLDERS IN THEIR CONSIDERATION OF RESOLUTIONS TO BE PUT AT THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD AT 129 EDWARD STREET, PERTH ON MONDAY, 27 NOVEMBER 2006 AT 9.30am

THIS DOCUMENT IS IMPORTANT

If you do not understand this document or are in any doubt as to how to deal with this document, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

Newland Resources Ltd

ACN 009 092 068 ABN 13 009 092 068

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Shareholders will be held at 129 Edward Street Perth WA on Monday, 27 November 2006 at 9.30am for the purpose of transacting the following business:-

BUSINESS

ORDINARY RESOLUTIONS

Accounts

The Annual Financial Report for the year ended 30 June 2006, the Directors' and Auditors' reports and the Directors' Statement thereon will be presented to the meeting.

To consider and if thought fit to pass the following resolutions as ordinary resolutions:

1. Directors

- a) To elect Mr L A Colless, who retires in accordance with the Constitution and, being eligible, offers himself for re-election.
- b) To elect Mr C A R West, who retires in accordance with the Constitution and, being eligible, offers himself for re-election.

2. Remuneration Report

To receive and adopt the remuneration report for the financial year ended 30 June 2006.

Note that the vote on this item is advisory only and does not bind the Directors or the Company.

SPECIAL BUSINESS

3. Authority to issue incentive options to Mr Christian West

To consider and, if thought fit, to pass as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rules 10.11 and for all other purposes, Shareholders approve and authorise the Directors to issue 4,094,439 ("Incentive Options") to Mr Christian West, or his nominee, on the terms and conditions outlined in the Explanatory Memorandum".

Voting Exclusion

The Company will disregard any votes cast on this resolution by Mr West or an associate of that person, who may participate in the issue of Incentive Options and anyone who might obtain a benefit, (except a benefit solely in their capacity as holder of ordinary securities), if the resolution is passed.

However, the Company will not disregard a vote if:

- a) *it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or*
- b) *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

4. General Business

Dated this 17th day of October 2006

By order of the Board of Directors

Karen E V Brown
Secretary

Instructions for appointment of proxy

1. A member entitled to attend and vote at the General Meeting convened by the above Notice is entitled to appoint not more than 2 proxies to vote on the member's behalf.
2. Where 2 proxies are appointed and the appointment does not specify the proportion or number of the member's votes each proxy may exercise half of the member's voting rights.
3. A proxy need not be a member.
4. Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be received at 129 Edward Street, Perth, Western Australia, fax number (08) 9227 8178 no later than 48 hours before the time fixed for holding the meeting.
5. Appointment of a proxy by a member being a natural person must be under the hand of the member or of an attorney appointed in writing by the member.
6. Appointment of a proxy by a member being a body corporate must be under the common seal of the body corporate or under the hand of an attorney appointed in writing by the body corporate.
7. If signing under a power of attorney, the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.
8. The proxy appointment may be a standing appointment for all general meetings until it is revoked.
9. As permitted by the Corporations Act, the Company has determined that all securities of the Company registered as at 48 hours before the time appointed for the meeting will be taken for purposes of the meeting, to be held by the persons who are the registered holders thereof at 5.00pm (WST) on 23 November 2006. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with Special Business to be conducted at the Annual General Meeting to be held on 27 November 2006 at 9.30am.

Resolution 3 - Authority to Issue Incentive Options to Mr Christian West

Resolution 3 seeks Shareholder Approval pursuant to Listing Rule 10.11 for the issue of Incentive Options to Mr Christian West as the incentive component of his contract of employment as executive director of Newland Resources Ltd.

The Board issued a similar number of options in July 2006 to Mr Stephen Goschalk, a new employee of the Company's subsidiary, Resources Services Limited, based in London. The Board agreed at the time to issue Mr West with a similar number of options and with similar terms and conditions as part of his employment contract. The options could not be issued to him as he is a director of Newland Resources Ltd and therefore, shareholder approval must be sought for the grant of the options. At the time, the share price of the Company and the exercise price were much closer than that of today.

Mr West currently receives the following remuneration package

Salary	A\$167,891pa
Superannuation	A\$19,976pa

In addition, Mr West is entitled to reimbursement of all reasonable travelling, accommodation and other expenses that a director properly incurs in attending meetings of Directors or any committees of Directors, in attending meetings of Members and in connection with the business of the Company. Other than as set out in this Notice, Mr West does not receive any other emoluments.

The Company is a small listed company, which has business interests in London, in Western Australia and the emerging markets of China and the East European Bloc. The Company has limited funds, most of which are allocated to specific resources investment activities. As a result, the Board has chosen to issue Incentive Options to Mr West as a key component of his remuneration in order to attract and retain his services and to provide incentive linked to the performance of the Company.

There are no additional performance criteria on the Incentive Options as, given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of Mr West and the performance and value of the Company are closely related. As such, the Incentive Options issued will generally only be of benefit if Mr West performs to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options.

Listing Rule 10.11 requires shareholder approval for the proposed issue of Incentive Options. Listing Rule 10.11 provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company to a related party. As Mr West is a related party of the Company and none of the exceptions contained in Listing Rule 10.12 apply, shareholder approval is required in accordance with Listing Rule 10.11.

Approval has not been sought under Chapter 2E of the Corporations Act 2001 as the issue of the Incentive Options is the result of negotiations between the Board and Mr West and are part of Mr West's remuneration package.

As shareholder approval is being sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required.

Specific information required by ASX Listing Rule 10.13

For the purposes of shareholder approval of the Option Issue and the requirements of Listing Rule 10.13, information is provided as follows:

- a) the maximum number of securities the Company can issue under Resolution 3 is 4,094,439 Incentive Options (and 4,094,439 ordinary fully paid shares on exercise);
- b) The Company will issue the Incentive Options no later than 1 month after the date of the Meeting (or such longer period of time as ASX in its discretion allow);
- c) the Incentive Options will be issued for no consideration;
- d) the Incentive Options will be issued to Mr West in one class.

The terms and conditions of the options are:

- a) Each option entitles the holder to subscribe for one fully paid ordinary share in the Company.
- b) The options are exercisable at A\$0.08 (eight cents) each.
- c) The options will expire on 3 July 2011 (the **Expiry Date**).
- d) The options will be exercisable (by delivering a duly completed form of notice of exercise to the Company, accompanied by payment of the exercise price) at any time between the Vesting Date and the Expiry Date:
3 July 2008 (the **Vesting Date**)
Notwithstanding the above, should the optionholder cease, for any reason, as an employee of the Newland Resources Ltd Group the options will lapse immediately and automatically, except if the optionholder dies in service the options may be exercised by his personal representatives within the period of one year beginning with the date of death.
- f) The options are not transferable and no application will be made to Australian Stock Exchange Ltd (**ASX**) for quotation of the options.
- g) All shares issued upon exercise of the options will rank pari passu in all respects with the Company's then existing fully paid ordinary shares. The Company will apply for Official Quotation by ASX of all shares issued upon exercise of the options.
- h) There are no participating rights or entitlements inherent in the options and the holder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will send a notice to each holder of options at least seven business days before the record date for determining entitlements to the issue in accordance with the Listing Rules of ASX. This will give option holders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.
- i) In the event of a reorganisation of the capital of Newland Resources Ltd, the rights of the optionholder will be changed to the extent necessary to comply with the listing rules applying to a reorganisation of capital at the time of the reorganisation.
- j) There will be no change to the exercise price of an Option or the number of shares over which an Option is exercisable in the event of the Company making a pro rata issue of shares or other securities to the holders of ordinary shares in the Company (other than for a bonus issue).
- k) If there is a bonus issue ("Bonus Issue") to the holders of ordinary shares in the Company, the number of shares over which an Option is exercisable will be increased by the number of shares which the holder would have received if the Option had been exercised before the record date for the bonus issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class at the date of issue of the Bonus Shares.

Valuation

The Black and Scholes option pricing model (the "**B&S Model**") has been applied in providing valuation information in respect to the Options to be issued to Mr West.

The B&S Model is based on a number of assumptions, including an assumption that the Options being valued are American call options, in that they can be exercised on or before the expiry date (subject to the vesting conditions). In addition, the B&S Model assumes that there is a liquid market for the Options. Because the B&S Model assumes a liquid market, the amount calculated by the B&S Model represents a maximum theoretical value. In assessing the indicative fair value of the Options, no discount factors have been applied to take into account that the Options are unlisted.

The following values have been calculated for the Options using the B&S Model based on the following assumptions and variables:

Assumptions

- that the Options are American call options (i.e. they can be exercised at any time during the period);
- there are no transaction costs, Options and Shares are infinitely divisible, and information is available to all without cost;
- short selling is allowed without restriction or penalty;
- the risk free interest rate is known and constant throughout the duration of the option contract;
- the underlying Shares do not currently pay a dividend; and
- Share prices behave in a manner consistent with a random walk in continuous time.

Variables

- Share price of \$0.16 (based on the Company's closing share price on 9 October 2006)
- a risk free interest rate of 5.65% based on the Reserve Bank of Australia's cash rate;
- expiry date of 3 July 2011; and
- exercise price of \$0.08.

Volatility Factor	Value of each Option
107 %	\$0.039

Any change in the variables applied in the B&S Model between the date of the valuation and the date the Options are granted would have an impact on their value.

The Company believes that a volatility factor of 107% based on the Company's historical volatility is the most appropriate indicator of future price volatility. Applying the volatility factor of 107%, the indicative value of the Options proposed to be issued to each of the Directors are as follows:

	Number of Options	(\$)
Value per Option		\$0.039
Value of Options to be issued to Mr West	4,094,439	\$159,683

Newland Resources Ltd

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PROXY FORM

Iof
Name of shareholder Address of shareholder

being a member of Newland Resources Ltd hereby appoint

..... of
Name of proxy Address of proxy

or failing him

..... of
Name of proxy Address of proxy

or failing them, the Chairman of the meeting as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on Monday, 27 November 2006 and at any adjournment thereof.

If no person is named above or if the person named does not attend the meeting or is not a legally effective choice the Chairman of the meeting will be my/our proxy to vote for me/us on my/our behalf at the meeting or any adjournment of the meeting.

If you do **not** wish to direct your proxy how to vote, please place a mark in the box.

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even though he has an interest in the outcome of the resolutions and votes cast by him other than as proxy holder will be disregarded because of that interest.

The Chairman's intention is to vote any undirected proxies **FOR** each of the resolutions.

I/We understand that if I/we have not directed my/our proxy how to vote, my/our proxy may vote or abstain from voting as he or she thinks fit.

RESOLUTIONS

	FOR	AGAINST	ABSTAIN
1 a). Election of L A Colless as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1 b). Election of C A West as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of options to Mr C West	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this day of 2006

If the member is a company, then it shall affix its Common Seal overleaf or sign by a duly authorised officer. If the member is an individual or joint holder, then please sign overleaf where indicated.

Newland Resources Ltd

ACN 009 092 068 ABN 13 009 092 068

PROXY FORM– page 2

EXECUTED by)
)
ACN/ABN)
in accordance with section 127 of the)
Corporations Act)

.....
Director/Company Secretary*

.....
Director/Sole Director and Sole Company Secretary*

.....
Name of Director/Company Secretary*
(BLOCK LETTERS)
*Delete whichever is not applicable

.....
Name of Director/Sole Director and Sole Company
Secretary* (BLOCK LETTERS)

OR

.....
Signature

.....
(Insert capacity in which duly authorised officer is
signing for a member which is a company)

If the member is an individual or joint holders:

.....
Signature

.....
Signature

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