

CORPORATE GOVERNANCE DISCLOSURES FOR YEAR ENDED 30 JUNE 2009

INTRODUCTION

Newland Resources Ltd (**Company**) has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised below.

The following additional information about the Company's corporate governance practices is set out on the Company's website at www.newlandresources.com:

- Corporate Governance Disclosures and explanations;
- Statement of Board and Management Functions;
- Nomination Committee Charter;
- Policy and Procedure for Selection and Appointment of New Directors;
- Performance Evaluation
- Summary of Code of Conduct for Company Executives;
- Summary of Policy for Trading in Company Securities;
- Audit Committee Charter;
- Procedure for Selection, Appointment and Rotation of External Auditor;
- Summary of Compliance Procedures for ASX Listing Rule Disclosure;
- Shareholder Communication Strategy;
- Summary of Company's Risk Management Policy and Internal Compliance and Control System;
- Remuneration Committee Charter; and
- Corporate Code of Conduct.

COMPLIANCE WITH PRINCIPLES OF GOOD CORPORATE GOVERNANCE AND BEST PRACTICE RECOMMENDATIONS

The Company, during the financial year ended 30 June 2009 (the **Reporting Period**), has continued to follow the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations (2nd edition) (**ASX Principles and Recommendations**).

1. Management and oversight

The Board has adopted a charter setting out the purpose and role of the Board, its responsibilities and powers and the way in which the Board functions.

The responsibilities of the Board as a whole include:

- (a) supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed;
- (b) ensuring the Company is properly managed;
- (c) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- (d) approval of the annual budget;
- (e) monitoring the financial performance of the Company;
- (f) approving and monitoring financial and other reporting;
- (g) overall corporate governance of the Company;
- (h) liaising with the Company's external auditors and Audit Committee; and
- (i) monitoring, and ensuring compliance with, all of the Company's legal obligations.

The Board may from time to time, delegate some of its responsibilities listed above to its senior management team (except for paragraphs (a), (b), (f) and (g) and where any matter exceeds the Materiality Threshold which is defined in the Company's corporate governance disclosures on its website www.newlandresources.com). During the Reporting Period, the Company's UK subsidiaries employed a number of senior management personnel to whom the day to day management of those subsidiaries was delegated. In addition, the Group's Investment Adviser is considered key management personnel; however decisions on material investment activity is the responsibility of the full Board.

Formal letters of engagement setting out key terms and conditions of appointment are in place for each director.

2. Board structure

During the Reporting Period the Board comprised four directors of which two were considered to be independent. The Board has determined that, given the size, nature and level of activity of the Company during the Reporting Period, a larger board with a majority of independent directors was not considered appropriate or a cost effective use of shareholder funds.

The Chairman also fulfils the roles of chief executive officer and chief financial officer. Given the nature and geographic diversity of the Company's activities the Board considers it essential that each of these roles be conducted by a person or persons resident in the Company's country of registration and with relevant qualifications and experience of the country's regulatory system even though that person may not be considered to be independent. The chairman of the audit committee, also resident in Australia, is considered the Lead Independent Director.

During the Reporting Period the directors were:

- Mr Lindsay Arthur Colless, Chairman, chief executive officer and chief financial officer, appointed to the Board on 22 April 1997.
- Mr Christian Adam Riggall West, executive director-investor relations and business development, appointed to the Board on 1 April 2004 and commenced an executive role in February 2005.
- Dr Kevan Lynton Ashworth, non executive director, appointed to the Board on 7 February 1994.
- Mr Peter Lawson Munachen, independent non executive director, appointed to the Board on 30 August 2001.

Profiles of the directors are set out in the Directors' Report.

The independence of Mr Munachen and Dr Ashworth, the Company's two non-executive directors, was considered in the context of the ASX suggested criteria for independence, which was included in the commentary to the ASX Principles and Recommendations (2nd edition). Mr Munachen and Dr Ashworth are considered independent in accordance with the criteria.

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his office as a director then, provided the director first obtains approval for incurring such expense from the Chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

In accordance with the Constitution of the Company all directors must retire from office no later than the third annual general meeting following their last election and one third of the directors are to retire from office at each annual general meeting. Where eligible, a director may stand for re-election.

The full Board comprises the nomination committee which operates in accordance with the nomination committee charter. Given the size of the Board a separate nomination committee would not provide a more efficient mechanism. Matters falling within the domain of the nomination committee were brought formally before the Board during the Reporting Period on one occasion, but the Board is mindful of nomination issues on an ongoing basis.

In assessing nominations and appointments the Board considers the existing size and composition of the Board and how best to complement this and retain a balance of qualifications, experience and perspective without sacrificing its ability to conduct effective discussion and efficient decision-making. Individual candidate's qualifications, capabilities, availability to serve, potential for conflicts of interest and other relevant factors are taken to account.

Performance evaluation of the Board is carried out by means of ongoing review by the Chairman with reference to the composition of the Board and its suitability to carry out the Company's objectives. The Chairman may carry out the review by various means including, but not limited to meeting with and interviewing each Board member; consultation with the Nomination Committee; circulation of internal tools of review such as formal questionnaires and reports; and outsourcing to independent specialist consultants. In accordance with the procedure the Chairman carried out his review during the Reporting Period and prepared a report for consideration by the Board in its capacity as the nomination committee.

3. Responsible decision making

The Board has adopted a code of conduct for directors and executives to promote the highest standards of ethics and integrity and setting out the obligations of the Company and its personnel and their responsibilities to all stakeholders. The Board has also adopted a policy on trading in the Company's securities by directors, officers and employees of the Company and its subsidiaries.

4. Integrity of financial reporting

The Board has established a structure to independently verify and safeguard the integrity of the Company's financial reporting and to ensure the independence and competence of the Company's external auditor.

The Board requires the chief executive officer and chief financial officer to state in writing that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards; that this opinion is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The Board has established an audit committee which operates under a formal charter. Initially, the audit committee comprised Mr Peter Munachen, an independent, non-executive director with considerable professional and corporate experience of Australian public companies. However during the Reporting Period the Board resolved that, given the small 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, a more inclusive approach to oversight of the Company's financial practices and reporting was considered appropriate rather than a subcommittee of non-executive directors. Mr Munachen acted as Chairman when the Board meets in its capacity as Audit Committee acting in accordance with the Audit Committee Charter.

The role of the audit committee is to monitor the integrity of the financial statements of the Company, to review the Company's internal financial control system and risk management systems, to make recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor, to monitor and review the external auditor's independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements, to develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm.

The audit committee reviews the Company's financial reporting and control systems on an ongoing basis, holding informal meetings with management and with the external auditor and has formalised its findings on two occasions during the Reporting Period.

5. Timely and balanced disclosure

The Board is committed to complying with the continuous disclosure obligations of the Corporations Act 2001 and the listing rules of ASX Limited. The Board has established a policy and procedures for compliance co-ordinated by Company Secretary in conjunction with the Chairman.

6. Shareholder rights

The Board has established arrangements for communication and participation of shareholders.

The Company maintains a website comprising corporate information, periodic reports and announcements. Hard copies of publicly released documents are available from the Company on request.

Shareholders are given a reasonable opportunity to ask questions of the Board at general meetings. The external auditor is invited to such meetings to answer questions from shareholders on matters relating to the audit of the Company's financial statements.

7. Risk management

The Board has adopted an internal control framework and a risk management policy designed to ensure operational, legal and financial risks are identified, assessed, addressed and monitored. Given the size and nature of the Company and the small number of personnel involved in the management and operations of the Company, the risk management practices for oversight and management of material business risks remain largely informal with discussion on an as needs basis at Board level. Risks identified as being of specific relevance to the Company include exploration and evaluation risks; general economic and business climate risks; commodity price risks; exchange rate and financial risks; environmental considerations; title risks (including native title and Aboriginal heritage issues); political risks; risks attached to new business acquisitions and risks associated with ongoing funding.

As stated previously, the chief executive officer and chief financial officer is required to provide a statement that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects (see item 4 above). In relation to the Reporting Period, this assurance has been received.

8. Remuneration

The Board's remuneration policy is set out in the Remuneration Report section of the Directors' Report.

The remuneration committee comprises the full Board. No director may participate in any deliberation regarding his own remuneration or related issues.

The full Board comprises the remuneration committee which operates in accordance with the remuneration committee charter. Given the size of the Board a separate remuneration committee would not provide a more efficient mechanism. However, no director may participate in any deliberation regarding his own remuneration or related issues. Matters falling within the domain of the remuneration committee were brought formally before the Board during the Reporting Period on one occasion.

There are no termination or schemes for retirement benefits for non-executive directors.