

# Newland Resources Ltd

ABN 13 009 092 068

Registered Office/Head Office:  
129 Edward Street, Perth WA 6000, Australia  
Postal address:  
PO BOX 8178, Perth Business Centre, WA 6849, Australia  
Telephone (61 8) 9227 1186  
Fax: (61 8) 9227 8178

London Representative Office:  
Ground Floor, 11 Albemarle Street, London W1S 4HH  
United Kingdom  
Telephone: (44 20) 7514 1490  
Fax: (44 20) 7514 1481

31 January 2007

Manager Announcements  
Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

Dear Sir,

## QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2006

The quarter to 31 December 2006 saw the continued rise in the resources market as most commodity prices continued in their upward trend. Some commodity prices have shown some weaknesses with copper having lost considerable ground and oil price falls bringing some nervousness to the markets. Other energy commodities such as uranium have continued upwards.

### Resources Investment Trust (REIT)

The Company is still considering its options regarding the termination of the contract with the Trust and is continuing with its action against the Trust.

### Ocean Resources Capital Holdings plc

This contract is for a limited period of time and Resources Services (BVI) Limited is remunerated as to 25% of any adjusted increase over 33p per share on the wind up of Ocean in June 2007 and 35% of any consideration above 50p per share. A realisation of 40p per Ocean share would give a fee of in excess of £1.7m (A\$4m) to Resources Services. A realisation of 50p per Ocean share would give a fee of in excess of £3.4m (A\$8m), and a realisation of 60p per Ocean share would give a fee of in excess of £6.3m (A\$15m).

### Corporate

The Company's resources are in a healthy position with net cash of A\$1.16m, receivables (including fees and brokers' accounts) of A\$0.2m, and investments with a market value of A\$13.6m.

The Board is taking steps to expand business in the financial services sector and to that effect the issue of a UK Financial Securities Authority Licence has now been achieved. The Company has embarked on business investment opportunities in China, Africa and Asia with a view to expanding its funds-under-management businesses and is constantly seeking new opportunities for both the funds management as well as direct investments. Accordingly a small brokerage is being formed to complement the Company's financial services businesses.

The Company is still in the process of considering a potential reorganisation of the group. The Board is currently assessing the viability of dividing Newland's Australian and United Kingdom businesses. The primary aim of the division is to create an expanded UK-based business with funds under management in a number of international sectors including resources, property and emerging markets whilst leaving the Australian business to focus on new and existing resource projects and investments. It is anticipated that the UK business will be separately



listed on the Alternative Investment Market of the London Stock Exchange (AIM), and that the Australian business will remain listed on Australian Stock Exchange Limited. The Board has not currently determined the exact mechanism for the reorganisation of the group and is taking appropriate financial, legal and taxation advice on the proposal. It is intended that the matter will be put to a general meeting of shareholders for consideration once the proposal has been fully developed. Further and fuller details of the proposal will be released to Australian Stock Exchange Limited in due course.

## **Minerals**

### **Georgina Basin Uranium project, Mt Isa Queensland**

The Georgina Basin uranium search is underway over 16 Exploration Permit applications, covering approximately 12,000km<sup>2</sup> of the basin, to the west of the Mount Isa Inlier in northwest Queensland.

Under the terms of the farm-in agreement with Summit Resources Limited (**Summit**) (ASX code: SMM), Newland is sole funding the first \$1.0 million of exploration expenditure and then has the right to fund a total of \$5.0 million expenditure for a 50% interest in the project. Summit is manager and operator of the joint venture.

This uranium search for basin hosted calcrete channel, paleochannel, roll front and unconformity style deposits will also include Proterozoic basement uranium targets under the Cambrian sediments, associated with magnetic features similar to Summit's Mount Isa deposits, the Ernest Henry and Olympic Dam complex breccia deposits.

Exploration during the December quarter has included finalising the contract terms with Fugro Geophysics for the airborne Tempest EM survey over approximately 8,000km<sup>2</sup> of the northern portion of the Basin and western margin of the Inlier. The survey aircraft is now being mobilised to Mount Isa and the survey will be underway by beginning of February 2007.

Shuttle radar digital terrane mapping is underway, Landsat colour 12.5m resolution satellite imagery acquired and Modis satellite night time thermal imagery ordered. Computer data processing has commenced. Geophysical consultants are processing all available magnetic, radiometric and gravity data along with BHP's, MIM's and Aberfoyle's previous EM surveys in the area to model the basin and depth to basement of the Cambrian sediments. All available open file mineral exploration reports and water bore logs have been accessed and are being reviewed. FrogTech Consultants have been engaged to compile the tectonic and sedimentary history of the basin area being explored and will utilise the satellite, geophysical, previous mineral exploration and water bore data to refine the geological model.

The area has not been previously subjected to a uranium search. Anomalous uranium mineralisation has been reported by previous explorers in drill holes in the Georgina Basin sediments within the joint venture's application areas. As well, radiometric channel anomalies, identified in the joint venture's regional airborne radiometric data, are present along existing and shallow paleochannels in the area.

The satellite, geophysical, geological, exploration and airborne EM survey data will be used to identify anomalies and conductors for drilling. Drilling of targets is anticipated in the first half of 2007.

### **Mt Garnet Mines NL**

There has been no change with this project.

Yours faithfully,  
for **NEWLAND RESOURCES LTD**



Lindsay A Colless  
**Director**

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

**NEWLAND RESOURCES LTD**

ABN

13 009 092 068

Quarter ended ("current quarter")

31 December 2006

### Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (6 Months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	133	612
1.2 Payments for		
(a) exploration and evaluation	-	(250)
(b) development	-	-
(c) production	-	-
(d) administration - general	(118)	(437)
personnel	(186)	(340)
professional fees	(115)	(474)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	69	114
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	(62)
1.7 Other		
UK VAT – net	5	15
Performance fees paid	-	-
<b>Net operating cash flows</b>	<b>(212)</b>	<b>(824)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of		
(a) prospects	-	-
(b) equity investments	(2969)	(7001)
(c) other fixed assets	-	-
1.9 Proceeds from sale of		
(a) prospects	-	-
(b) equity investments	1264	5005
(c) other fixed assets	-	-
1.10 Loans to other entities (note 3)	-	(150)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(1705)</b>	<b>(2146)</b>
1.13 Total operating and investing cash flows (carried forward)	(1917)	(2970)

1.13	Total operating and investing cash flows (brought forward)	(1917)	(2970)
	<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)	-	-
	<b>Net Financing Cash Flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(1917)	(2970)
1.20	Cash at beginning of quarter/year to date	3106	4188
1.21	Exchange rate adjustments to Item 1.20	(28)	(57)
1.22	<b>Cash at end of quarter</b>	1161	1161

**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	152
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	12
Management consulting fees - parent	14
Salary and entitlements re investor relations & business development	49
Technical consulting	19
Management consulting fees – UK subsidiary directors	57
Brokers commission	1

**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 included in the reported cash balance is some A\$76,318 held in trust by the Group's sharebrokers.

- 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

N/A

## 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 outlays for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
<b>TOTAL</b>	250

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the 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	1161	3106
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other	-	-
<b>Total: cash at end of quarter (item1.22)</b>	1161	3106

## Changes in interests in mining tenements

	Tenement Reference	Nature of Interest [note (4)]	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			

## 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>Preferences securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks, redemptions				
7.3 <b>Ordinary securities</b> <i>Fully paid</i>	163,777,571	163,777,571		
7.4 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks				
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>Director/Employee options</i>	8,188,878	-	<i>Exercise price</i> 8	<i>Expiry date</i> 03/07/2011
7.8 Issued during quarter <i>Director options</i>	4,094,439	-	8	03/07/2011
7.9 Exercised during quarter				
7.10 Expired during quarter				

7.11 <b>Debentures</b> (totals only)		
7.12 <b>Unsecured notes</b> (totals only)		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law 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:                      *[signed]* .....                      Date:    31/01/2007 .....

(Director/~~Company Secretary~~)

Print name:                      L A COLLESS .....

## 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 the topic, the Australian standard on that topic (if any) must be complied with.
-