

Newland Resources Ltd

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31 July 2006

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

Dear Sir,

QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2006

The quarter to 30 June proved to be a little lacklustre as the resources market slowed on performance with interest rates and the Middle East crisis providing a dampening effect. The commodity prices varied during the quarter but we still believe that the sector is positioned for further rises.

Resources Investment Trust (REIT)

At the current net asset value the monthly fee is currently running at just over £800,000 (A\$2m) per annum. Pursuant to the notice period as previously announced, and assuming that this is effected, then there remain 19 monthly payments to be received. Depending upon the performance of the Trust as measured by its net asset value in relation to the benchmark, there may or may not be four performance fees receivable during the remainder of the notice period.

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\$4.19m, receivables (including fees and brokers' accounts) of A\$3.99m, and investments with a market value of A\$9.15m (cost of A\$10.85m).



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 is now imminent. 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.

Minerals

Mt Garnet Mines NL

Newland Resources Ltd, through its wholly owned subsidiary, Mt Garnet Mines NL, has a residual interest in the Mt Garnet leases currently beneficially owned by Kagara Zinc Ltd. During the quarter, Newland did not receive any fees for its share in the residual interest.

Kagara Zinc have advised that they have ceased drawing ore from the Mt Garnet lease and will not be mining from Mt Garnet in the immediate future. It is not known when they will recommence drawing ore from the Mt Garnet lease.

Yours faithfully,
for **NEWLAND RESOURCES LTD**



Lindsay A Colless
Director