

# Newland Resources Ltd

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24 April 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 MARCH 2007

The quarter to 31 March 2007 again 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.

### Corporate

The Board is continuing to expand its business base in the financial services sector and to that effect the issue of a UK Financial Securities Authority Licence has now been achieved for its funds management business, Newland Fund Management LLP, and it is seeking FSA approval for Newland Stockbrokers Ltd. 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 and an experienced team has been assembled in anticipation of the grant of the appropriate licenses in May-June.

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.

### Fund Management

The Company aims to have in excess of US\$300m (A\$360m) in funds under management by the end of 2007 and to that end the board is pleased to announce that Newland Fund Management LLP has signed a management agreement with **Grafton Resource Investments**. Grafton is a specialist investment company focusing on the mining energy sectors with assets under management in excess of US\$80m (A\$95m). In addition Newland Fund Management LLP has a management agreement with **Felix Resources Investments Plc**, an investment trust listing on the main London board with a mandate to raise up to GB£75m (A\$178m) for investment in quoted and unquoted mining investments. Felix anticipates listing by the end of the second quarter 2007. **Orchid Strategic Investments** is a private venture capital company based in the BVI focusing on private investment opportunities in China. Orchid intends to raise up to US\$20m (A\$23m) in the coming months and it is anticipated that Newland Fund Management LLP will provide the investment management services. Newland has also acquired a 35% stake in **Carbon Trading Limited** which manages the Carbon Trading Fund. Whilst this fund is currently small with assets under management of just under €4m euros (A\$6m), the board believes that



this nascent market will provide significant investment opportunities and that the company is well placed to benefit from the growth in this market. Fees from the above management agreements will be charged on a 1.5-2% annual management fee and a performance fee of 20% over various hurdle rates and high water marks.

There are a series of other products at early stages including a potential joint venture with a major Chinese property developer for the launch of a dedicated Chinese property fund in targeting a capital raising in excess of US\$200m (A\$238m) in assets under management.

#### **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).

#### **Proprietary Trading**

The company continues to invest in both short term and longer term opportunities as they arise. Year to date the company has undertaken investments in a coal operation in Africa, Carbon Trading Limited and disposed of investments in resources and financial service businesses. In the coming months the board anticipates an IPO of another of the private investments as well as the re-listing of a shell investment company in which Newland holds a significant interest.

#### **Minerals**

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

The potential value of Newland's interest in the Georgina Basin Project where Newland is earning an interest from Summit Resources Limited has been highlighted by the recent bid for Summit Resources by Paladin. The board of Summit recommended a bid of 1 Paladin share for every 1.67 Summit shares valuing the company at approximately A\$1.23bn on the 17<sup>th</sup> April 2007 and the Uranium price continues to rise above \$100 a tonne. Given the location of the basin, its indications of uranium prospectivity, the continued strength in the market and the valuations ascribed to companies with similar assets the Board believes there is significant unrealised potential value in the asset. The aerial survey of the northern section of tenements has been completed and the results are currently being analysed. It is expected that the analysis will be completed by the end of June 2007 at which point Newland will review the optimisation of the asset and assess the data for drilling opportunities.

Newland Resources Limited ("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 and fuller details of the project are detailed below.

##### **GEORGINA BASIN (QLD)**

**Interest: Summit Resources (Aust) Pty Ltd 100%, Newland has the right to earn 50%.**

**Operator: Summit Resources (Aust) Pty Ltd**

The Georgina Basin uranium search is underway over Summit's 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.

Newland Resources Limited ("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 Georgina 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 March Quarter has included Fugro Geophysics flying an airborne Tempest EM survey over approximately 8,000km<sup>2</sup> of the northern portion of the Basin and western margin of the Mount Isa Inlier. The survey has been completed and the aircraft de-mobilised.

The data from the survey are still being processed at Fugro offices. Inversion of available gravity data by Fullagar Geophysics to produce depth-to-basement estimates has started. Open File reports by previous uranium explorationists, especially Urangelsellschaft, have been reviewed.

Data are still being processed at Fugro, and is expected to take several more weeks to complete. Eventually a large number of different parameters and images will stem from this survey but the most important will be three dimensional (3D) conductivity-depth-images (CDI) and discrete layer inversions, which are typically used to discern palaeochannels in regolith cover within 100 meters of the surface.

In addition to the search for palaeochannels the AEM results will be employed to map near-surface sedimentary facies and their implications regarding depositional history. Conductors will also be "mapped" in the Proterozoic basement, where the basin is sufficiently shallow, as unconformity-type deposit targets. The survey will also be used to "map" the structural history of the region and to provide more detailed depth-to-basement estimates near the eastern limits of the Georgina Basin. On current estimates the finalized and processed data will be available around May 2007

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. Shuttle radar digital terrain mapping is underway, Landsat colour 12.5m resolution satellite imagery acquired and Modis satellite night time thermal imagery ordered.

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 Summit's application areas. As well, radiometric channel anomalies, identified in Summit's regional airborne radiometric data, are present along existing and shallow palaeochannels 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  
**Chairman**

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

**NEWLAND RESOURCES LTD**

ABN

13 009 092 068

Quarter ended ("current quarter")

31 March 2007

### Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (9 Months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	(3)	609
1.2 Payments for		
(a) exploration and evaluation	(200)	(450)
(b) development	-	-
(c) production	-	-
(d) administration - general	(388)	(825)
personnel	(153)	(493)
professional fees	(233)	(707)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	21	135
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	1	(61)
1.7 Other		
UK VAT – net	(9)	6
Performance fees paid	-	-
<b>Net operating cash flows</b>	<b>(964)</b>	<b>(1788)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of		
(a) prospects	-	-
(b) equity investments	(2200)	(9201)
(c) other fixed assets	-	-
1.9 Proceeds from sale of		
(a) prospects	-	-
(b) equity investments	5465	10470
(c) other fixed assets	-	-
1.10 Loans to other entities (note 3)	(44)	(194)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>3221</b>	<b>1075</b>
1.13 Total operating and investing cash flows (carried forward)	2257	(713)

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	2257	(713)
	<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>	2257	(713)
1.20	Cash at beginning of quarter/year to date	1161	4188
1.21	Exchange rate adjustments to Item 1.20	(148)	(205)
1.22	<b>Cash at end of quarter</b>	3270	3270

**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	92
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	19
Management consulting fees - parent	15
Salary and entitlements re investor relations & business development	47
Technical consulting	10
Management consulting fees – UK subsidiary directors	-
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\$90,862 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	200
4.2 Development	-
<b>TOTAL</b>	<b>200</b>

## 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	3270	1161
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other	-	-
<b>Total: cash at end of quarter (item1.22)</b>	<b>3270</b>	<b>1161</b>

## 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				
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:    31/03/2007 .....

(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.
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