

Newland Resources Ltd

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28 October 2005

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

Dear Sir,

QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2005

The Board and management see the group developing with three main activities - funds management, private equity and proprietary trading. The directors believe the Company can leverage off its experience and understanding of the resource sector to build a mining finance house which can deliver steady cash flow and earnings per share upside.

In order to achieve this, the directors intend to continue to invest in and develop the funds management/advisory roles of the group. The Company is in the process of applying for a UK FSA license and is exploring opportunities to take on further contracts.

The management is also working on identifying potential private equity investments that can deliver cash flow and, through either a trade sale or listing, upside within a two to three year period. The management believe that the identification of early stage investments which can be nurtured over this time horizon will add incremental earnings per share in conjunction with steady cash flow from the funds management activities.

To this effect the trading portfolio has been streamlined to focus on a small number of stocks which, though they may be stock exchange quoted, are early stage or private equity investments. These include a significant holding in Mercator Gold plc. Mercator is a UK listed gold exploration company managing the Annean Joint Venture in the Meekatharra area of Western Australia. Mercator has earned 45% interest in the joint venture from partner St Barbara Mines Ltd and is proceeding to earn a further interest up to 51%.

Newland also has a holding of 1.67m shares in Max Petroleum plc which listed on the UK Alternative Investment Market (AIM) on 27 October at 34.5p (A\$0.79) with a market capitalisation of approximately £100m. Max holds some of the most prospective leases in the Pre-Caspian Basin of Kazakhstan.

Newland also owns 30+% and co-sponsored the flotation of Sino-Asia Mining & Resources plc on AIM. Sino's management is working on turning that company into a diversified operational resource company.

The Company's current cash position is A\$743,000 and its portfolio of resource investments have a market value of A\$4,175,000 as at 30 September 2005.



RESOURCES FINANCE

Resources Services Ltd (RSL) and Resources Services (BVI) Ltd (RSOL) 100%.

Resources Investment Trust (REIT),

RSL has a contract to manage the investment portfolio of Resources Investment Trust (REIT), a main board London Stock Exchange listed investment company. For managing the trust, RSL receives a management and performance fee based on an agreed formula. The fee is calculated six monthly at the end of March and September each year. The next calculation date is 30 September 2005. The performance fee is payable if the fund outperforms the HSBC Mining index. As from 1 July 2005, the management contract has been rewritten in the name of Newland direct.

Ocean Resources Capital Holdings plc

RSOL has a management contract for the AIM listed resource portfolio of Ocean Resources Capital Holdings plc (Ocean), a London based mining finance house. This contract also includes a performance incentive bonus calculated on the Ocean capitalisation, and it is uncertain, at this stage, as to whether any bonus will be payable in the short term. The shareholders of Ocean have decided to consider a resolution at the 2007 annual general meeting to wind up the fund. RSOL has agreed to suspend its annual fee of 1.5% of the funds under management and to amend its performance fee to be 25% of the increase of NAV above its base mark of 33p per share and 35% of any increase in the NAV over 50p per share, rather than on its share price. If the shareholders of Ocean vote in 2007 not to wind up, then the fee is payable at 25% of the increase over that used in 2007 or 35% of any increase over 50/33rds of that base. Ocean will take over the costs of administration currently paid by RSOL and the investment managers employed by RSOL have agreed to suspend their current consultancy contracts. Those consultants will share in the fees received by RSOL in 2007 and beyond if applicable. The Company feels this is more likely to provide higher fees than the past basis.

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