NEWPORT MINING LIMITED

10th September 2008

Shareholder Update

The Directors of Newport Mining Limited ("Newport" or the "Company") (ASX Code: NMN) announce the following update for its shareholders.

The Board announced to the market on 21st May 2008 that Newport (for and on behalf of a company to be incorporated in Australia ("SPV")) had completed due diligence and lodged a bid on a strategic asset located in the Sichuan Province in China. (Refer ASX Announcement Shareholder Update 21st May 2008.)

On 12th May 2008 media news reported that an earthquake had occurred close to the city of Chengdu within the Sichuan Province of China. Also on the 12th May 2008, some two hours after the earthquake, Newport was notified that its bid had been successful and that a formal Sale and Purchase Agreement was to be negotiated and executed between SPV and the other party.

At the time of the earthquake, due to limited access and communication problems Newport was unable to determine the status of damage to the asset; however from news coverage and limited information from contacts within China it was believed the asset was in close proximity to the epicentre.

In the period following since the last shareholder update Newport has assessed that the plant and mine including all access roads, have suffered extensive damage and as such the SPV has not signed the Sale and Purchase Agreement and will not be proceeding with the acquisition.

The Company is currently not aware of any legal or financial obligation regarding this transaction.

As stated in the Company's Prospectus, the Board intended to retain a portion of funds raised through the IPO (after meeting its expenditure obligations under the Listing Rules and the Pathfinder Project joint venture agreement) to actively pursue other investment opportunities in the resources sector.

The Company has been reviewing numerous opportunities both in Australia and overseas and will continue to do so.

Contact
Simon Taylor
0409 36 7460