NEWFIELD RESOURCES LIMITED

ABN 98 153 219 848

ANNUAL REPORT

For the year ended 30 June 2023

DIRECTORS

Executive Director	Mr Karl Smithson
Non-Executive Director	Mr Kunal Malhotra
Non-Executive Director	Mr Jack Spencer Cotton

COMPANY SECRETARY

Ms Natalie Teo

REGISTERED OFFICE

Suite 6, 4 Riseley Street,
APPLECROSS WA 6153
Telephone: +61 8 6389 2600

PRINCIPAL PLACE OF BUSINESS

15 McCabe Street
NORTH FREMANTLE WA 6159
Telephone: +61 8 9389 8880
Facsimile: +61 8 9389 8890
Email: info@newfieldresources.com.au
Website: www.newfieldresources.com.au

SHARE REGISTRY

Advanced Share Registry Limited
110 Stirling Highway
NEDLANDS WA 6009
PO Box 1156
NEDLANDS WA 6909
Telephone: +61 8 9389 8033
Facsimile: +61 8 9262 3723

AUDITOR

BDO Audit (WA) Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

STOCK EXCHANGE

ASX Limited
Central Park
152-158 St George Terrace
PERTH WA 6000

ASX Code: NWF

CONTENTS

Highlights

Safety

- **0 LTI recorded for the year**
- **403 Lost Time Injury Free Days recorded to end of year**
- **Life of Mine LTIFR year end at 0.38 (per 200,000 hours worked)**

Mine Development

- **2,011m of underground development achieved to date**
- **Four mining stopes opened and mined**
- **Average stope width of 0.62m achieved (vs. plan of 0.75m), significantly reducing waste mined**
- **15,380 tonnes of waste blasted and 11,156t waste hauled to waste stockpile**
- **4,436 tonnes of run of mine ore blasted and hauled to process plant**

Processing

- **4,747 tonnes processed**
- **5,649 carats produced at a run of mine (diluted grade) of 1.19 carats per tonne (vs. budget of 0.8 cpt)**
- **4,637 carats from Level-1 Stope mining returned average positive grade variances vs. the resource grade of +38%**

Diamond Sale

- **Second Tongo Mine diamond sale of 7,329 carats achieved US$184 per carat**

ESG and Community

- **Second annual ESG report issued in February 2023**
- **Regular environmental audits confirm ongoing compliance with regulations**
- **Microfinance and agricultural project support to local communities provided**

1. Operations - Tongo Diamond Mine Development

Safety

There were zero lost time injuries (**LTI**) recorded during the annual financial report period, and the Company had registered 403 LTI free days at the end of the year. The last LTI was recorded on 24 May 2022. The life of mine Loss Time Injury Frequency Rate (**LTIFR**) has improved to 0.38 (2022: 0.53). The reporting calculation is based on 200,000 hours worked.

Underground Development and Mining

During the year the development has focussed on:

a. Continuation of the Kundu (20.1m) and Lando (87.9m) declines
b. Level-1 mining development on the Kundu A kimberlite segment
c. Establishment and mining of four stope faces on Level-1
d. Equipping of all development with power, ventilation and water reticulation

The total development for the project to date is 2,011.30m.

Figures 1 and 2 show the underground mine and stope development to date (green) and surface infrastructure at the portal.

Figure 1: Mine development to 30 June 2023

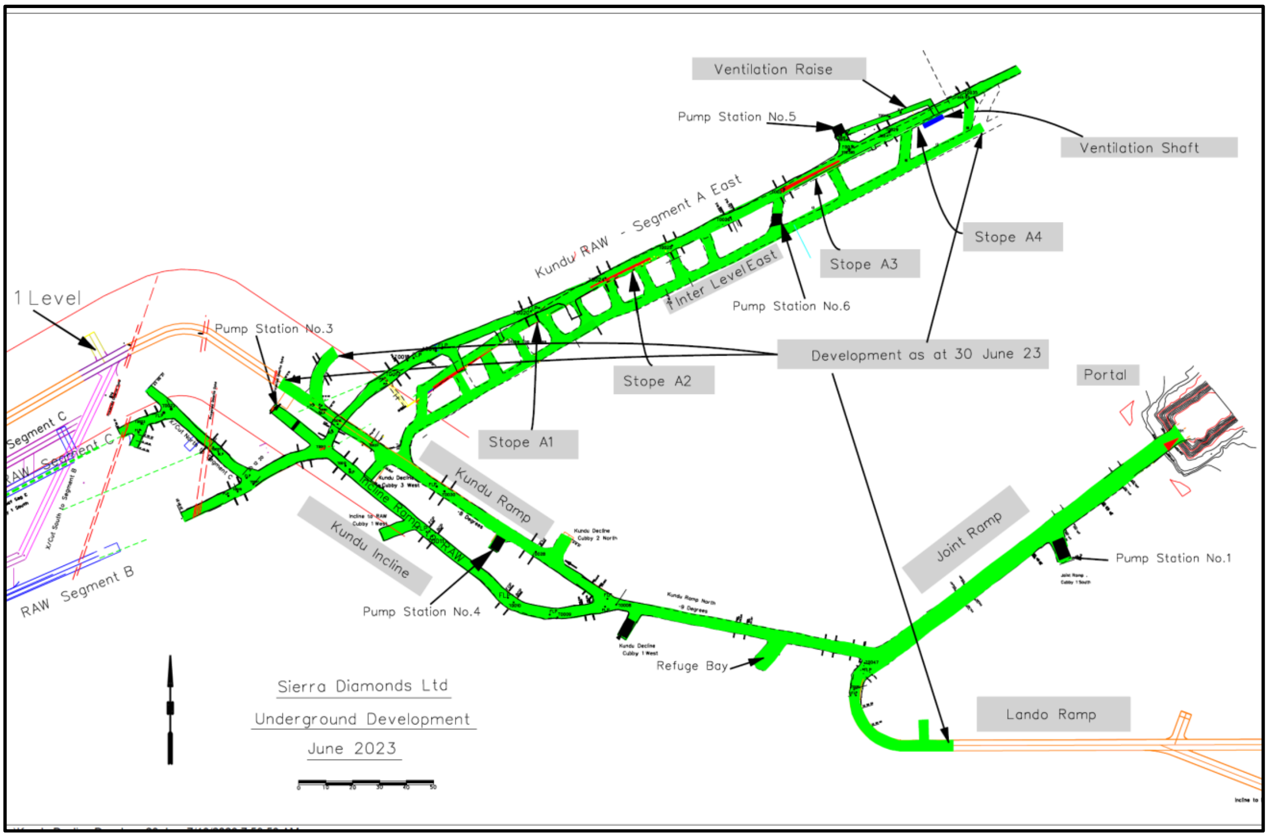
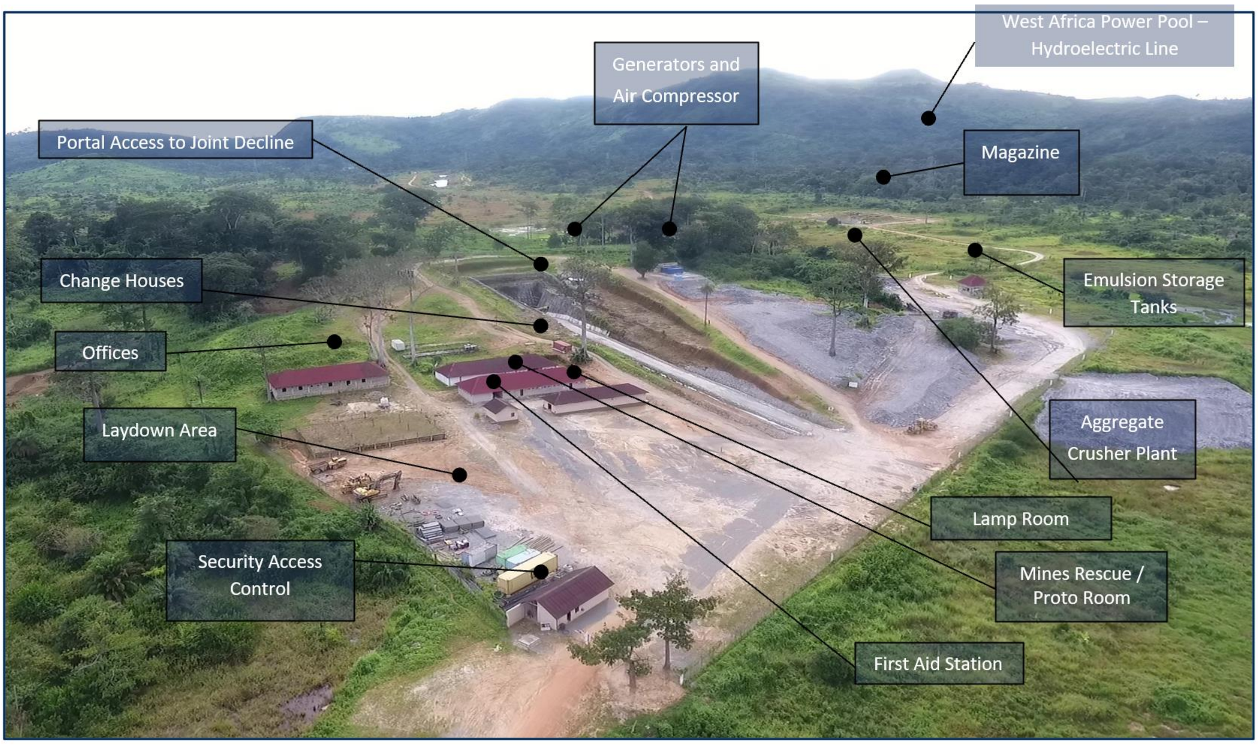


Figure 2: Mine Infrastructure at Underground Portal Site



Level-1 Rock and Kimberlite (Reef) Drives and Stope Mining

The first level of mining development continued with parallel rock and reef (ore) drives that have advanced away from the Kundu decline and along the Kundu A dyke some 17m below the Kundu A RAW. From the rock drive a series of fourteen cross-cuts were developed into the Kundu kimberlite dyke. From selected cross-cuts, diagonal raises were developed to establish four stopes, termed Stopes A1, A2, A3 and A4. These stopes were raised at 35-degrees and link the kimberlite drive and the return airway, establishing the stope face from which hand drilling and blasting was undertaken to advance the stope face development. A total of 4,436 run of mine tonnes were blasted from the stopes, The monthly stope face advance is show in Figure 3.

The mining method selected was mostly underhand stope mining, which provides quicker access to ore material for processing. Average mining stope widths of 0.62m were achieved across the four stopes mined (vs. 0.75m in the revised life of mine schedule), as the granitic host rock provides competent side walls from which the blasted kimberlite is easily extracted with minimal dilution. This has the positive effect of reducing waste material blasted and increasing the proportion of ore to waste mined, thus increasing the recovered mining grade whilst simultaneously reducing costs. The site team have shown demonstratable commitment to continually look for innovative ways to produce more with the same and continue to implement sustainable mining efficiencies.

Figure 3: Level-1 Stope Mining

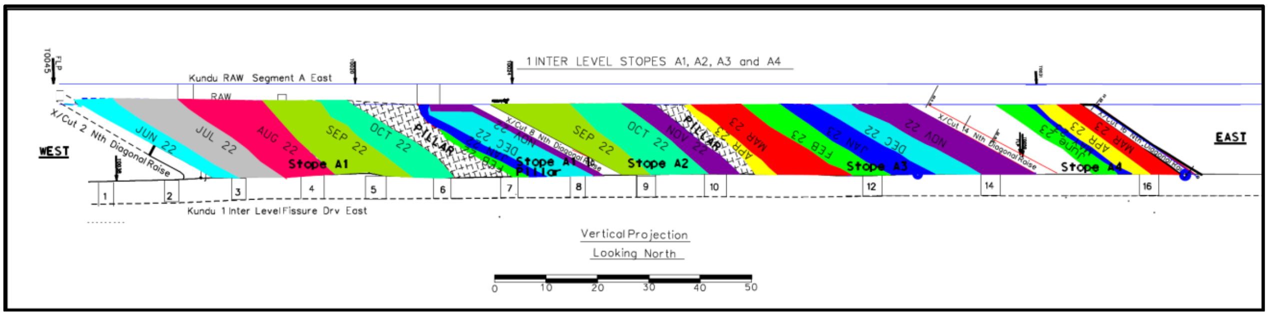
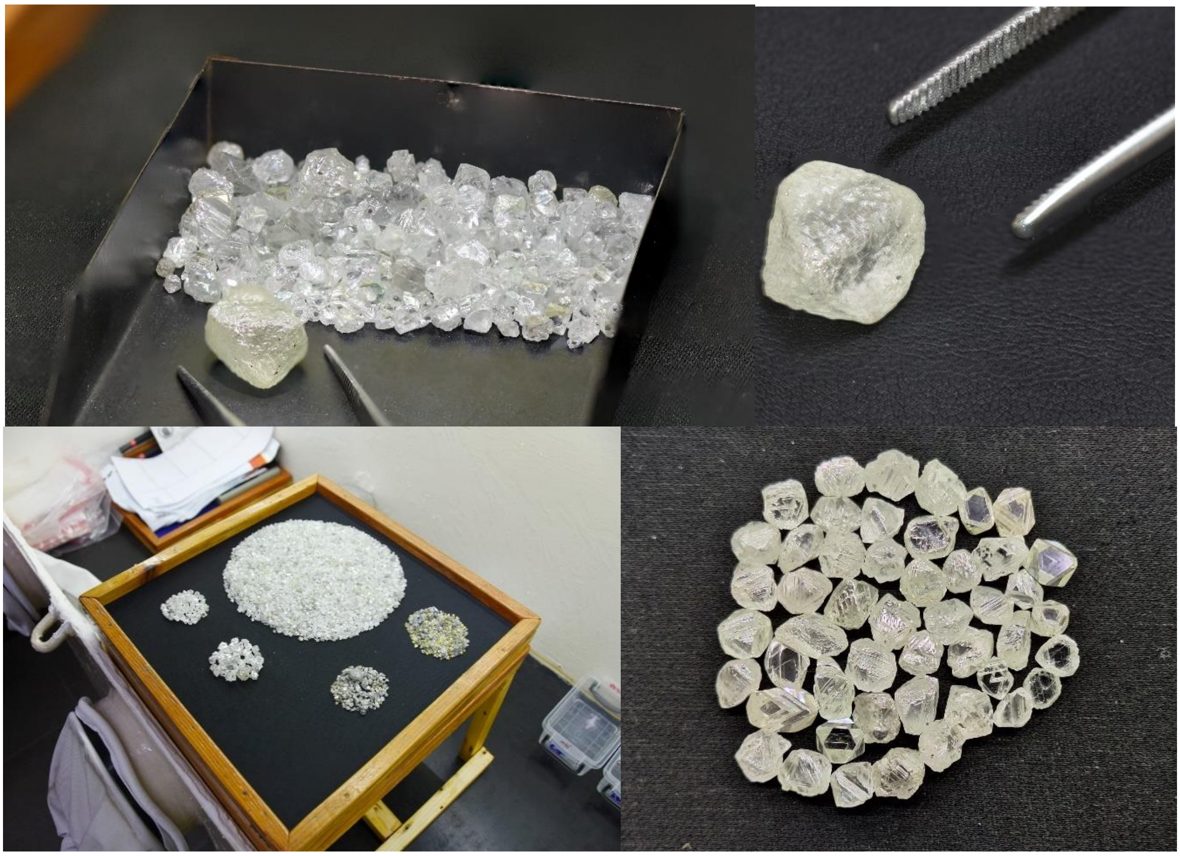


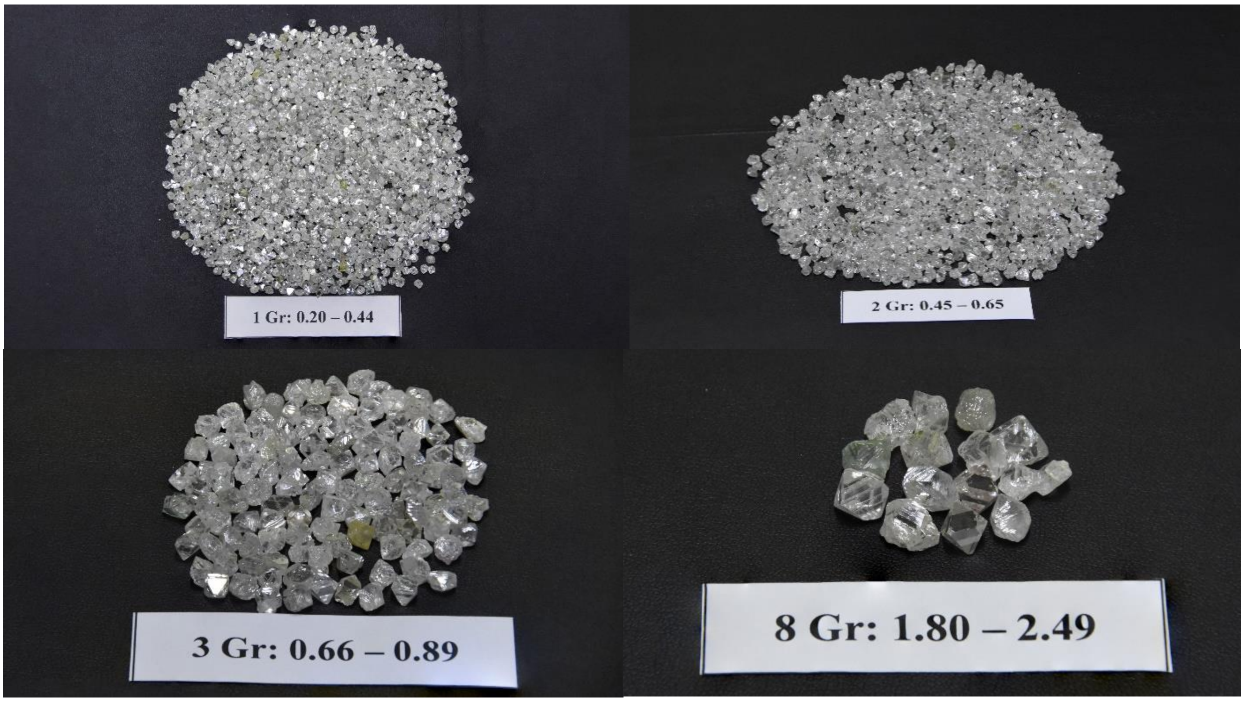
Figure 4: Mining Development

Processing and Diamond Production

Production for the year was restricted to the Level-1 ore drive and Stopes A1 to A4. A total of 4,746.97 run of mine ore tonnes (including mining waste) was processed via the 5tph processing plant. From this, 5,649 carats were yielded at a +1.2mm bottom cut off grade of 1.19 carats per tonne (cpt) (vs. budget grade of 0.8cpt). The quality of the diamonds yielded is consistently high with on-site classification determining that the gem diamond content is estimated at 80% (see Figure 5 photos).

Figure 5: Selections of Tongo Diamonds Produced





Diamond Sale

The Company conducted its second diamond tender of Tongo goods in July 2023, via its diamond marketing and sales agent Bonas Couzyn Antwerp NV.

The parcel comprised 7,239.29 carats of diamonds and sold for US$1.35 million at an average price of US$184.34 per carat. Although the rough diamond market is currently soft, generally as a result of sluggish polished diamond sales in the US and China, the largest diamond consuming markets, the tender was well attended and all separate lots on offer were strongly bid.

Overall, from Tongo 12,457 carats have been sold to date across two sales at an average price of US$216 per carat. As production increases at Tongo the size distribution of the diamonds recovered will “normalise” and be better represented in the larger sizes, which will in turn translate to a stronger average price per carat.

Diamond Market Outlook

Having rebounded very strongly post- Covid-19, the rough diamond market has corrected by around 15% and the outlook for the remainder of 2023 remains challenging. In response, large producers such as De Beers have recently reduced prices of rough diamonds sold at recent sights, as well as offer deferrals, to bring profitability back into the manufacturing sector. Recent signs of easing of worldwide inflationary pressures and the lessening of recessionary risks are expected to impact positively on rough diamond prices going forward in the short term from early 2024, and the longer term outlook remains positive due to a forecast rough diamond supply deficit.

Diamond Value Modelling

In December 2022 the Company retained independent consultants Z-Star to undertake an updated diamond value model for Tongo based on the May 2022 sale, rebased to December 2022 prices. An average modelled diamond price of US$ 251 per carat (+1.18mm) was established for the Tongo run of mine production, assuming a full population of diamonds to the 10.8 carat size. The recent diamond sale in July 2023, achieving an average price of US$ 184 per carat is reflective of (1) the weaker rough diamond market at the time and (2) a slightly lower average stone size when compared to the May 2022 parcel. Furthermore, the parcel did not have a full population of stones in the 5 to 10.8 carat size, due to the small parcel size.

Grade Reconciliation

Two grade reconciliation exercises were undertaken during the year to monitor the behaviour of the realised production grades versus the expected grades per the resource modelling. The results of these are reflected in the following two tables, and represent sampling across various areas of the underground mine as well as two surface bulk samples.

Table 1: Grade Reconciliation from RAW, Level Development, Stope Mining and Bulk Samples

Kimberlite Dyke & Segment	Location	Sample	In-situ Kimberlite tons	Carats recovered (+1.2mm)	Grade (carats per tonne) Resource block model (+1.18mm)	Grade (carats per tonne) Actual (+1.2mm)	Grade Variance (%)
Kundu A	Return Airway	Control Sample 1	380.88	970.50	2.21	2.55	15.3%
Kundu A	Return Airway	Control Sample 2	65.70	230.99	2.21	3.52	59.1%
Kundu A	Level-1 ore drive	Control Sample 3	319.30	950.29	2.36	2.98	26.1%
Kundu A	Level-1 ore drive	Control Sample 4	249.58	764.66	2.14	3.06	43.0%
Kundu A	Stope A1	Control Sample 5	417.10	1444.30	2.44	3.46	41.8%
Kundu A	Stope A2	Control Sample 6	293.47	760.57	2.27	2.59	14.1%
Kundu B	TGB S3 Bulk sample	Control Sample 7	474.23	1062.01	2.40	2.24	-6.7%
Lando G	TGB S4 Bulk sample	Control Sample 8	761.94	1637.38	1.98	2.15	8.3%
	Average Control Samples 4,5,6		**960.16**	**2,969.53**	**2.28**	**3.04**	**33.0%**

Table 2: Grade Reconciliation Exclusively from Stope Mining

Kundu A	in-situ Kimberlite Tonnes	Carats Recovered (+1.2mm)	In-situ Grade (cpt @ bottom cut off +1.2mm)	Block Model Grade (cpt @ bottom cut off +1.8mm)	Variance (%)
Stope A1	418.0	1,527.6	3.66	2.46	48.6%
Stope A1 Pillar	250.1	721.8	2.89	2.34	23.2%
Stope A2	219.6	755.7	3.44	2.25	53.3%
Stope A3	397.5	1,069.7	2.69	2.60	3.7%
Stope A4	178.3	562.4	3.15	1.82	72.9%
Totals	**1,463.4**	**4,637.2**	**3.17**	**2.29**	**38.0%**

It is positive that from the reconciliations undertaken it is clear the recovered mine grades comfortably exceed the expected grades forecast in the resource modelling by over 30% for those areas mined.

2. ESG

The Company published its second environmental, social and governance (**ESG**) annual report in February 2023, which is available on the Company's website.

The ESG disclosures comprise a set of universal, comparable, stakeholder metrics focused on people, planet, prosperity and principles of governance that organisations can report on, regardless of industry or region. The Company uses a universal ESG framework to align our mainstream reporting on performance against ESG indicators. By integrating ESG metrics into the Company's governance, business strategy and performance management processes, the objective is to consider all pertinent risks and opportunities in running the business.

The Company uses the SocialSuite ESG Go Disclosure Platform to track and disclose the Company's ESG progress and demonstrate to stakeholders how material ESG issues and performance are managed.

Likewise, the Company continues to remain compliant with local legislation in submitting its environmental monitoring reports and receiving quarterly audit site visits by the Environmental Protection Agency of the Sierra Leone government.

During the year, the focus for community development projects remained on supporting small-scale agricultural projects and providing microfinance to local businesses for selected community members, with both initiatives proving successful. Ongoing support for three schools constructed was also provided (Figure 5).

The Company continues to engage with state power provider, EDSA, regarding access to the hydroelectric power line that traverses the Tongo Mine site. Successful negotiations would enable the Company to access green energy at a lower cost than the only current option of running diesel-powered generators in the remote area of eastern Sierra Leone.

Figure 5: Newfield has Constructed Three Schools to the Benefit of Local Communities

3. People

Newfield's subsidiary, Sierra Diamonds Limited, employed 243 people at the Tongo Mine in Sierra Leone. Of these, 207 (85%) are local Sierra Leoneans, and 36 (15%) are skilled expatriates. Some 27 of the national Sierra Leonean staff are female (13%), and the Company continues efforts to increase this proportion in line with our diversity policy. Training and development programmes are rolled out across the mining operation in Sierra Leone to provide opportunity for each and every staff member to enhance skills and improve performance.

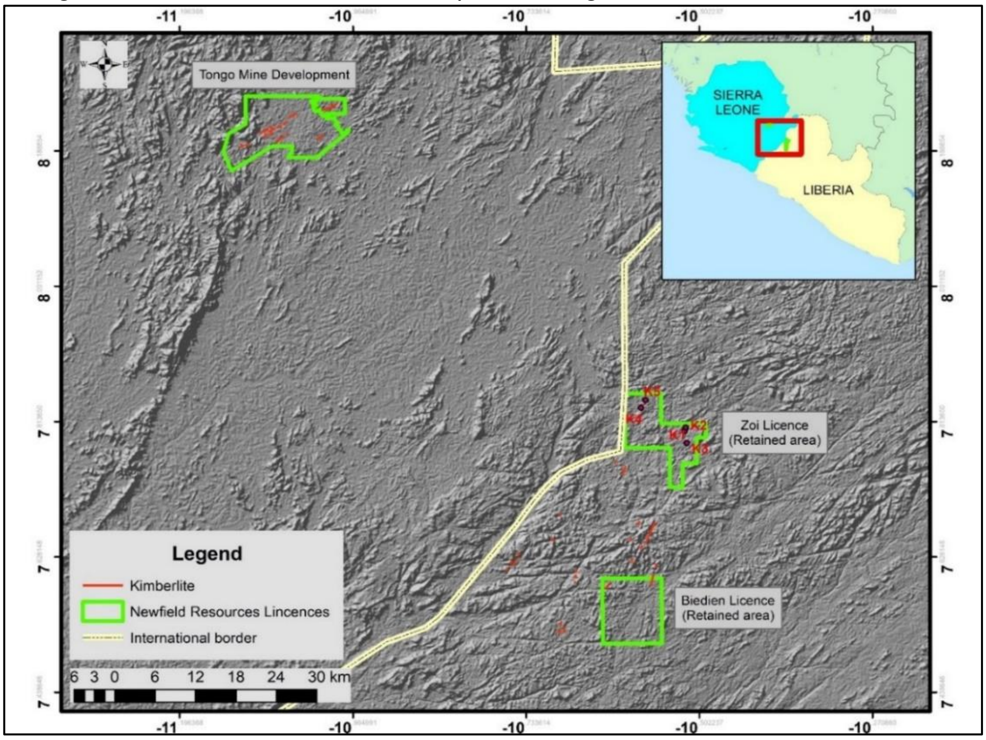
4. Kumgbo Licences (Liberia)

The Zoi and Biedien Exploration licences cover areas of 83km2 and 87km2 respectively (Figure 6) and are held by Newfield's subsidiary company Stellar Diamonds (Liberia) Inc.

Previous exploration in the licences has resulted in the discovery of five kimberlites within the Zoi exploration licence in western Liberia. Mineral chemistry analysis of the kimberlites has led to the prioritisation of microdiamond sampling with samples in Canada awaiting assay.

However, since operational focus remained on the Tongo Mine Development in Sierra Leone, no exploration work was carried out in the two Kumgbo licences during the year. These licenses will expire in February 2024 and the Company will consider options for renewal based on operational capacity and the results of the microdiamond sampling at that time.

Figure 6: Liberia Licences and Proximity to the Tongo Diamond Mine in Sierra Leone



Forward-Looking Statements

This section of the annual report contains forward-looking statements that are based on Newfield's expectations, estimates and projections as of the date on which the statements were made. These forward-looking statements include, among other things, statements with respect to the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, negotiations, and product/service development. Generally, this forward-looking information can be identified by the use of terminology such as 'outlook', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this report are cautioned that such statements are only predictions, and that Newfield's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

Competent Persons' Statement

The information in this report has been reviewed and compiled by Karl Smithson, Executive Director of Newfield, a qualified geologist and Fellow of the Institute of Materials, Metals, Mining, with 30 years' experience in the diamond and natural resources sector. Mr Smithson has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Smithson consents to the inclusion in this report of this information in the form and context in which it appears.

Mineral Resource and Ore Reserve Estimates

Information included in this report that relates to the diamond Resource and Reserve estimate is extracted from Newfield's ASX announcement dated 26 November 2018 titled "7.4 million carats Resource for the Tongo Diamond Project", as amended by the ASX announcement dated 28 November 2018 titled "Revised Announcement and Retraction of Valuation References", ASX announcement dated 9 May 2019 titled "Tongo Ore Reserve Estimate and FEED Study Outcomes" and ASX announcement dated 27 January 2021 titled "Increase in Diamond Resource to 8.3 million carats". Newfield confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all the material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed.

Information included in this report that relates to the Ore Reserve estimate for the Kundu and Lando dykes is based on and fairly represents information and supporting documentation prepared by Michael Lynn, who is a Fellow of the Geological Society of South Africa, and a registered scientist with the South African Council for Scientific Professions. Mr Lynn has provided his prior written consent to the form and context in which the Ore Reserve estimate for the Kundu and Lando dykes and the supporting information are presented in this report.

*The Directors present their report together with the consolidated financial statements of the Group comprising of Newfield Resources Limited (the **Company** or **Newfield**) and its subsidiaries (the **Group** or **Consolidated Entity**) for the year ended 30 June 2023 and the Auditor's report thereon.*

DIRECTORS AND KEY PERSONNEL

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Mr Nicholas Karl Smithson
Executive Director – appointed 7 November 2018

Mr Smithson has over 30 years of experience in the resources industry in Africa having held senior management roles at De Beers, Southern Era Resources, Mano River Resources and Stellar Diamonds. He is a graduate in Geology (with honours) of Kingston University, London and holds an MBA from the Graduate School of Business in Cape Town. Mr Smithson has an in-depth knowledge and experience in diamond exploration, evaluation and production. His career has involved establishing strong and positive relationships with governmental and local stakeholders with mining projects in Africa.

Mr Jack Spencer-Cotton
Non-Executive Director – appointed 24 May 2021

Mr Spencer-Cotton has over 27 years' experience in the field of engineering. He has held a range of senior engineering roles in international manufacturing companies, as well as established his own business in engineering and consulting. He has previously held senior engineering roles at Pfizer Perth, ERG Group Ltd, Sanmina-SCI Corporations and SRX Global.

Mr Spencer-Cotton is the Chair of the Nomination and Remuneration Committee.

Mr Kunal Malhotra
Non-Executive Director – appointed 5 June 2023

Mr Malhotra is an experienced company director and is currently a director and/or company secretary for a number of listed and non-listed public entities. He is also a Fellow of the Governance Institute of Australia and holds a Bachelor of Law and Commerce from the University of Western Australia. He has over 15 years' experience spanning across corporate and commercial law and litigation. He has advised listed and private clients, on acquisitions, corporate and regulatory compliance, governance and commercial transactions.

Mr Malhotra is the Chair of the Audit and Risk Committee.

Mr Chris Burton
Non-Executive Director – appointed 1 November 2019, resigned 28 October 2022

Mr Burton is a Chartered Accountant and registered company auditor with over 23 years of finance sector experience from roles in both public practice and the private sector. He is a former partner of accounting firm BDO where he spent eight years in audit and assurance services focusing on ASX-listed companies in a wide range of industries including exploration and mining companies. Mr Burton provided corporate, financial and compliance services to ASX listed and private clients to strengthen their reporting, risk and governance practices.

Mr Alistair Croll
Non-Executive Director – appointed 9 February 2022, resigned 5 June 2023

Mr Croll is a mining engineer with over 35 years' experience in the industry. He has worked for De Beers and Anglo American in Southern Africa for over 20 years before moving to Australia and holding chief operations officer roles for Consolidated Minerals Australia, St Barbara Limited (ASX: SBM) and Mawson West Limited (TSX listed at the time) as well as serving as chief executive officer for Kimberley Diamond Company which was owned by London listed Gem Diamonds Ltd (LSD: GEMD) and Blina Minerals (ASX listed at that time).

Ms Karen O'Neill
Non-Executive Director – appointed 13 January 2023, resigned 5 June 2023

Ms O'Neill is an experienced mining executive and finance professional with more than 30 years' experience in resources, investment banking and corporate finance. She has worked in operationally focused roles in the resources industry in Australia, Africa and Asia, including her most recent roles as Managing Director of Kingsrose Mining Ltd, which saw a successful turnaround under her stewardship, and CEO of Koonenberry Gold Ltd through a successful listing and capital raise. Karen holds an MBA and is a Fellow of the Governance Institute of Australia and the UK and a Graduate Member of the Australian Institute of Company Directors.

COMPANY SECRETARY

Ms Natalie Teo – appointed 9 May 2023

Ms Teo graduated with a Masters in Accounting from Curtin University in Western Australia and holds a Graduate Diploma in Applied Corporate Governance with the Governance Institute of Australia. Ms Teo is a Chartered Secretary and an Associate of the Governance Institute of Australia.

She is currently the secretary to several ASX-listed entities and is working with a firm which provides company secretarial and accounting services to both listed and unlisted entities.

Ms Joan Dabon – appointed 28 July 2021, resigned 9 May 2023

Ms Dabon has a degree in law and is a chartered secretary. She is also a member of the Governance Institute of Australia. Over the past 5 years, Ms Dabon has been providing company secretarial services to ASX and NSX listed companies in their compliance, governance, capital raising, financial reporting and IPO-related requirements.

DIRECTORSHIPS IN OTHER LISTED ENTITIES

Directorships of other listed entities held by Directors of the Company during the last 3 years immediately before the end of the financial year are as follows:

Director	Company	Period of directorship From	To
K Smithson	Hamak Gold Ltd	5 May 2021	Present
J Spencer-Cotton	Mustera Property Group Ltd	4 April 2014	Present
K Malhotra	Australia Sunny Glass Group Limited	12 October 2021	Present

DIRECTORS' INTERESTS

The relevant interests of each Director in the securities of the Company at the date of this report are as follows:

Director	Shares	Options	Performance Rights[4]
K Smithson [1]	4,843,747	-	1,170,000
J Spencer-Cotton [2]	7,408,009	-	1,170,000
K Malhotra [3]	83,424	-	-

Notes:
1. Mr Smithson's current holdings are as follows:
    a. 3,640,873 shares held directly by Mr Smithson;
    b. 1,202,874 shares held indirectly by Mr Smithson through Interactive Investor Services Limited; and
    c. 1,170,000 performance rights held directly by Mr Smithson.
2. Mr Spencer-Cotton's current holdings are as follows:
    a. 490,675 shares held directly by Mr Spencer-Cotton;
    b. 226,918 shares held indirectly by Mr Spencer-Cotton as a trustee on behalf of his children;
    c. 6,690,416 shares held by the spouse of Mr Spencer-Cotton; and
    d. 1,170,000 performance rights held directly by Mr Spencer-Cotton.
3. Mr Malhota's current holdings are as follows:
    a. 83,424 shares held indirectly by Mr Malhotra through Malhotra Family Trust.
4. The performance rights are subject to vesting and exercise conditions and remain unvested at 30 June 2023.

DIRECTORS' MEETINGS

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company during the financial year are:

	Board		Audit and Risk Committee		Nomination and Remuneration Committee	
Director	Held while Director	Attended	Held while Director	Attended	Held while Director	Attended
K Smithson	19	18	N/A	N/A	N/A	N/A
J Spencer-Cotton	19	19	2	2	2	2
K Malhotra [1]	1	1	N/A	N/A	1	1
A Croll [2]	18	18	2	2	1	1
K O'Neill [3]	9	9	1	1	1	1
C Burton [4]	6	6	1	1	N/A	N/A

Notes:
1. Kunal Malhotra was appointed on 5 June 2023.
2. Alistair Croll resigned on 5 June 2023.
3. Karen O'Neill was appointed on 13 January 2023, resigned on 5 June 2023.
4. Chris Burton resigned on 28 October 2022.

The Company established the Audit and Risk Committee and Nomination and Remuneration Committee on 28 April 2022. Additional details are available in the Company's Corporate Governance Statement, which can be found on the Company's website at www.newfieldresources.com.au.

PRINCIPAL ACTIVITY

The principal activity of the Group during the financial year was mine development, stope mining and mineral exploration.

OPERATING AND FINANCIAL REVIEW

Operating review

A review of the operating activities undertaken by the Group during the year is contained in the section entitled "Review of Activities" in this Annual Report.

Financial review

The Group incurred a loss of $10,583,601 after income tax for the financial year (2022: loss of $6,911,419). A significant component of the loss includes impairment losses on exploration and evaluation assets of $2,329,275 (2022: nil) for exploration licenses held in Liberia. The Group has been recognising a portion of its operating costs and site overheads as cost of inventory as it moves from development to operations. Inventory net realisable value adjustment expense of $1,681,090 was recognised for the financial year (2022: gain of 468,289).

During the year the Company made further share placements at a price of $0.35 per share to raise a total of $5,239,500 before cost to complete the $10 million shortfall capital raising programme announced on 24 December 2021.

During the year the Company also entered into a $55 million equity funding facility with SBC Global Investor Fund, a fund of L1 Capital Global Opportunities Masters Fund (L1 Capital). An initial placement of $500,000 (before costs) was made by L1 Capital at a price of $0.344 per share, settled through the issue of 1,453,488 shares in the Company. 4,000,000 options at a strike price of $0.54 exercisable over three years were issued to L1 Capital as part of the equity funding facility agreement. On 24 November 2022 the Company issued the first placement notice to L1 Capital for $289,000. A total of 1,043,008 shares were issued to L1 Capital on the same day. At the end of the placement period a total of 875,758 shares were subscribed for by L1 Capital at the price of $0.33 per share to satisfy the AU$289,000 placement, and L1 Capital therefore holds 167,250 shares in balance.

In November and December 2022, the Company entered into agreements with Delgatto Diamond Finance Fund (Delgatto) for a total of US$1.5 million funding against future diamond sales, repayable in 12 months. US$1,303,201 was repaid to Delgatto in August 2023 from the Group's diamond sales proceeds.

OPERATING AND FINANCIAL REVIEW (continued)

The Company obtained a A$3 million unsecured loan facility from Goodrich Capital Pty Ltd on 29 December 2022 at an interest rate of 7.5% per annum. The loan was fully repaid in March 2023.

In March 2023, the Company secured a A$15 million loan facility from Wonder Holdings Pty Ltd, a current shareholder of the Company, with an interest rate of 7.5% per annum and repayable by 14 September 2024 (Wonder Loan Facility). As at 30 June 2023, the Company has drawn down A$13 million from the Wonder Loan Facility.

On 14 April 2023, the Company issued 10 unlisted unsecured short-term bearer bonds to Fidelitas Deutsche Industrie Holding AG, which is a group entity of Deutsche Balaton AG, a current shareholder of the Company, to raise US$946,000 in cash. The short-term bearer bonds have a face value of US$1 million at coupon interest rate of 7.5% p.a. with redemption at maturity date of 14 July 2023 (extended to 30 September 2023 subsequently).

The Group made a total payment of US$5,013,393 to Octea Limited during the year as part of the US$5.5 million bullet payment commitment under the Tribute Mining Agreement and Revenue Share Agreement entered in 2018. As at the date of this report, US$490,909 plus applicable interest charges remain payable to Octea.

As at 30 June 2023 the Group had net assets of $ 99,442,589 (2022: $100,786,706) including cash and cash equivalents of $158,204 (2022: $1,258,242).

MATERIAL BUSINESS RISKS

The Group operates in an environment where it is exposed to a range of business risks that have the potential to impact on business plans and strategies. The Group's financial position may be affected by these various key business risks which are outlined in this report.

Going concern

The Group has incurred a loss before tax for the year ended 30 June 2023 of 10,583,601 (2022: loss $6,911,419) and experienced net cash outflows from operating activities of $10,454,868 (2022: outflows $7,308,762). At 30 June 2023, the Group had a working capital deficiency of $6,890,905 (2022: $8,128,294).

The directors have prepared a cash flow forecast for the period to September 2024 for its operations including the funding for production and continued development of its Tongo Diamond Mining Project (the "Project"). This forecast includes various funding assumptions regarding the mine production and mine development plans for the period based on various independent engineering and technical studies on the Project. As the mine is not yet cash flow positive the Company requires additional funding to continue these operations. The Company has already secured an equity funding agreement for the project by way of an equity facility totalling A$55m. The availability of the equity funding is subject to a volume and pricing mechanism and the Company will require additional funding above this facility where the timing of the volume and pricing mechanism does not match the timing of operational cash outflows.

These conditions indicate a risk on the Group's ability to continue as a going concern. However, there are reasonable grounds to believe that the Group will be able to continue as a going concern after consideration of the following factors:

- Letters of support from creditors amounting to $3 million have been received.
- Subsequent to 30 June 2023, the Company has successfully negotiated with Wonder Holdings Pty Ltd to convert the drawdown balance and accrued interests of the Wonder Loan Facility (refer Note 15(ii) for details) totalling A$13.86 million into fully paid ordinary shares in the Company, significantly reducing the Company's debt and financing costs. The undrawn balance of the loan, being A$1.44 million, remains available to the Company.
- Subsequent to 30 June 2023, the Company has successfully raised additional capital of US$2 million through share placement.
- The Company has an equity facility of up to A$55 million to be drawn down over the next 2 years using a volume and pricing mechanism to access the facility (refer to Note 18(b) for details of the drawdown mechanism), of which only A$289,000 has been drawn down to date.
- The Company has entered into a conditional and non-binding Head of Terms with Africa Finance Corporation to secure a US$50 million senior debt facility to fund the development of the Project.
- The Company is currently evaluating the availability of other debt/equity funding options.
- The Directors also anticipate the continued support of its major shareholders and believe that the Company has the ability to raise an appropriate level of funding to execute its plans and continue its activities.

MATERIAL BUSINESS RISKS (continued)

Diamond Market

The ultimate profitability of the Company's operations will be dependent upon the market price and marketability of diamonds. There is a risk that a profitable market may not exist for the sale of diamonds produced by the Company.

Commodity prices, including diamond prices, fluctuate widely and are affected by numerous factors beyond the control of the Company. General economic factors as well as the world supply of mineral commodities in general, the stability of exchange rates and political developments can all cause significant fluctuations in diamond prices. The prices of mineral commodities have fluctuated widely in recent years and future diamond price declines could cause commercial production to be uneconomic, thereby having a material adverse effect on the Company's business, financial condition and results of operations.

Moreover, resource and reserve estimates and studies using different diamond prices than the prevailing market price could result in material write-downs of the Company's investment in the assets and even a reassessment of the economic feasibility of the Company's projects which could result in stopping or delaying projects, putting one or more projects on care and maintenance and slowing down operations until there is a change in diamond prices. An increase in the acceptance of manufactured (synthetic or lab-grown) gem-quality diamonds for the jewellery industry could negatively affect the market for natural stones.

The Company will retain flexibility in the timing of future diamond sales to mitigate against softer market conditions in the rough diamond market. It also has the flexibility to alter product sales mixes to meet market demand for certain quality and size segments. Market research forecasts that the rough diamond market, although weak in 2023, will strengthen in 2024 and beyond with robust pricing fundamentals going forward.

No alternative source of revenue

The Company's only business is the exploration and investment in mining licences and leases in Sierra Leona and Liberia. Until the Company is able to realise value from these licences and leases, it is likely to incur ongoing operating losses. The Company has no other means of generating income (apart from interest) or cash flows. If the mining licences and leases are not explored on schedule, at budgeted costs and in the manner anticipated, there could be a material adverse effect on the Company's financial condition.

The Board regularly assess the mine plan and schedule and continues to assess all funding alternatives available to ensure that it can make good progress on all strategic objectives in respect of the mining licenses and leases, and maintain focus on its flagship project, the Tongo Diamond Mine.

Cost Inflation

Higher than expected inflation rates generally, specific to the mining industry, or specific to Sierra Leone, could be expected to increase operating and capital expenditure costs and potentially reduce the value of future project developments. While, in some cases, such costs increase might be offset by increased selling prices, there is no assurance that this would be possible. To the extent that such offset is not possible, this could adversely impact the Company's financial performance.

The Company takes a conservative view on the mine plan and schedule in respect of operating and capital expenditure costs. Although the Company is unable to predict with certainty what the inflated costs may be, the Board along with management ensures that costing and budgeting are appropriately benchmarked, and management continues to have a key focus on cost control measures and seeking efficiencies in mining and processing methods and can lead to further cost reductions.

Political risk

The Company's projects are located in Sierra Leone and Liberia. The Company's operations could be affected by change in the economic or other policies of the governments of Sierra Leone and Liberia or other political, regulatory or economic authorities in those jurisdictions. The Company could not guarantee access, surety of title and/or tenure of its Sierra Leone or Liberia based assets.

The Company continues to maintain strong relationships at the national and local (community) levels in both Sierra Leone and Liberia. Through fulfilling its statutory and community commitments the Company maintains its rights according to its mining and exploration licences.

Sovereign risk

The Company's operations in Sierra Leone and Liberia are subject to the risks associated with operating in foreign emerging countries. These risks may include economic, social or political instability or change, hyperinflation or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. No assurances can be given that the co-operation of such authorities if sought by the Company, will be obtained, and if obtained, maintained.

MATERIAL BUSINESS RISKS (continued)

Other risks and uncertainties to which the Company is exposed to by reason of operating in Sierra Leone and Liberia include, but are not limited to, terrorism, hostage-taking, military repression and operations, wars, coups, civil conduct, illegal mining and loss due to disease and other potential endemic health issues.

The Company maintains its adherence to local statutory laws and maintenance of its licences in good standing. The Company operates the Tongo Diamond Mine according to best international practice and standards and is internally governed by a number of Standard Operating Procedures to ensure compliance, health and safety of its employees. Adequate insurance policies are in place for staff to cover all aspects of health, safety, evacuation and hostage taking risks.

Geological risk

Mineral Resource and Reserve estimates are expressions of judgment based on detailed geological and other technical and financial information, as well as knowledge, experience, market information and industry practice. Estimates which were valid when originally calculated may be altered when new information or techniques become available. In addition, by their very nature, Mineral Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, positively or adversely affect the Company's operations.

All resource and reserve reports are generated by independent qualified experts to the JORC reporting standards. The Company also has its own internal Mineral Resource Department staffed by highly qualified staff who monitor progress (mine results) against forecasts (resource/reserve reports) and these are reported internally and to the general market at regular intervals. The Company considers the geological risk has been significantly mitigated by having substantial exploration data, including over 70,000m of drilling, 40,000 carats of bulk sampling data, and mine production results to date.

Reliance on key management personnel

The success of the Company will be highly dependent on the expertise and experience of its Directors and senior management. The loss of any key personnel could harm the business or cause delay in the implementation of plans of the Company, while management time is directed to finding suitable replacements. In particular, the Company relies heavily on the experience of its senior management and Directors in developing and maintaining important relationships with governmental and regulatory authorities, partners, contractors and customers in the jurisdictions in which it operates.

The Company's business therefore may be materially negatively affected by the failure to attract, or the departure of, any of these individuals, or any of a number of other key employees. There can be no guarantee that the Company will be able to continue to attract and retain required employees. The loss or diminution in the services of any of the Directors or any member of the senior management team or an inability to recruit, attract, train and/ or retain necessary personnel with the requisite expertise and experience could materially adversely affect the Company's prospects, operations, financial condition and results of operations.

The Company has assembled a high-calibre team and advisors that have the requisite skills in mining, engineering, geology, administration and finance to operate the Tongo Diamond Mine and its exploration programmes. The Directors, management and staff are incentivised via the Company's Employee Incentive Plan, along with other benefits such as performance-linked compensation, which may be provided in the form of a cash bonus.

Risks and hazards inherent in exploration, development and mining

Exploration, evaluation, development and mining generally involves a high degree of risk. The Company's operations are and will continue to be subject to all the hazards and risks customarily incidental to exploring for, evaluating, developing and mining diamond resources.

While the Company has taken, and will continue to take, all precautions necessary to minimise risk, the Company's operations will be exposed to hazards including, but not limited to: environmental hazards, periodic interruptions due to bad or hazardous weather conditions, unusual or unexpected geology or grade problems, unanticipated changes in the gravels or ore-body characteristics and diamond recovery, difficulties in sourcing, commissioning and operating plant and equipment, mechanical failure or plant breakdown, unexpected shortages, delays or increases in the sourcing or cost of consumables, spare parts, plant and equipment, industrial or labour disputes, seismic activity, flooding, fire, equipment failure, collapses and other conditions involved in the exploration, evaluation, development and mining activities.

There are also physical risks to the personnel working in the countries in which the Company operates. Should any of these hazards or risks adversely affect the Company's operations or activities it may cause an increase in the cost of operations to the point where it is no longer economically feasible to continue.

The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past exploration, evaluation, development, and mining activities for which it was not responsible. These hazards or risks could have a material adverse effect on the Company's prospects, financial condition, results of operations and future cash flows and could have an adverse effect on the value of the Securities of the Company.

MATERIAL BUSINESS RISKS (continued)

Should any of these hazards or risks adversely affect the Company's operations or activities it may cause an increase in the cost of operations or capital to the point where they differ from the original estimates or design and make it no longer economically viable to continue and require the Company to write down the carrying value its operations or assets.

The Board and management regularly review the Company's risk management framework. Site management have also developed a detailed risk register to cover all aspects of operational, corporate and business risk, which is updated on a quarterly basis. The risk register identifies and ranks all risks and defines mitigations to each risk to reduce and manage the risk at an acceptable level.

Project development risks

There can be no assurance that the Company will be able to effectively manage the expansion of its operations or that the Company's personnel, systems, procedures and controls will be adequate to support the Company's operations. This includes, among other things, the Company managing the acquisition of required land tenure, infrastructure development and other related issues affecting local and indigenous populations, their cultures and religions. Any failure of the Board to effectively manage the Company's growth and development could materially adversely affect the Company's prospects, operations, financial condition and results of operations.

In addition, the expected exploration and development costs of the Company are based on certain assumptions with respect to the method and timing of operations. By their nature, these estimates and assumptions are subject to significant uncertainties and the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

Management of growth and development objectives is critical for the Company and the team has a long track record of successfully operating in Sierra Leone and Liberia. The Board and management continue to monitor progress on site, and to date, have assembled a dedicated team and continue with training and development of national staff to upgrade skills and efficiencies as a core project development objective. As mentioned above, the Board regularly assess the detailed mine plan and schedule with a focus on risk reduction and risk mitigation.

Infrastructure

Development of the Company's projects depends to a significant degree on adequate infrastructure. In the course of developing its operations, the Company may need to construct and support the construction of infrastructure, which includes water supplies, power, transport and logistics services, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure or any failure or unavailability in such infrastructure could materially adversely affect the Company's prospects, operations, financial condition and results of operations.

The Company continues to monitor its site infrastructure with a view to ensuring ongoing maintenance and support is provided and further exploring infrastructure upgrades such as establishing a hydroelectricity power line.

Title

The Company's interests in Sierra Leone and Liberia are governed by the respective country legislations and are evidenced by the grant of licenses and leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting compliance as well as other conditions requiring compliance. All of the Company's various work permits, mining licences, mining leases and exploration licences are required to be renewed from time to time. The Company expects that it will, in due course, lodge renewal applications and while there is no reason to believe any of these applications will not be renewed, this however cannot be guaranteed. If any renewal is delayed or denied for any reason, the Company may suffer significant damage through loss of opportunity to develop and discover any mineral resources or ore reserves on its projects.

The Company maintains in good standing its licences and permits with the relevant authorities. The Board and management monitor the policies and regulations that apply to the Company's (and wider group) operations and regularly engages and consults with the relevant government agencies.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Company issued 17,466,497 fully paid ordinary shares raising $6,122,663 before costs during the financial year.

The Company also issued 5,792,392 fully paid ordinary shares on conversion of all vested performance rights in September 2022.

Total number of shares on issue at 30 June 2023 was 768,870,875 (2022: 745,611,986).

LIKELY DEVELOPMENTS

The Group's short-term plan is to continue development of the Kundu and Lando declines as well as develop the return airways on Kundu Segments B and C and Lando. In addition, it is expected that the first level development on Kundu Segment B and initial stope development of that segment leading to further diamond production will be achieved during the next financial year. The Company expects to increase production over the 2024 calendar year and conduct diamond sales at regular intervals, dependent on market conditions at the time. This development is expected to be funded by a combination of equity and debt facilities which the Group is currently working on.

DIVIDENDS

No dividend has been declared or paid by the Company to the date of this report.

OPTIONS

On 31 October 2022, the Company issued 4,000,000 options exercisable at $0.54 each expiring 1 November 2025.

On 10 January 2023, the Company issued 1,000,000 options exercisable at $0.45 each expiring 10 January 2026.

No options were exercised during the year or since the end of the year.

Options on issue

At the date of this report, unissued ordinary shares of the Company under option are:

Class	Grant Date	Expiry Date	Exercise Price	Number of Options
Unlisted Options	4 January 2022	4 January 2024	$0.50	24,744,513
Unlisted Options	31 October 2022	1 November 2025	$0.54	4,000,000
Unlisted Options	10 January 2023	10 January 2026	$0.45	1,000,000

These options do not entitle the holder to participate in any share issue of the Company or any other entity.

Lapse of Options

No options expired during the financial year.

ENVIRONMENTAL REGULATION

The Group's exploration and mining activities in Australia are governed by a range of environmental legislation and regulations including the *National Greenhouse and Energy Reporting Act 2007* and *Mining Act 1978*. As the Group is still in the development phase of its interests in exploration projects, it is not yet subject to the public reporting requirements of environmental legislation and regulations.

The Group's exploration and mining activities in Sierra Leone are governed by Sierra Leone environmental legislation and regulations, including *Mines and Minerals Act, 2009* and *Environmental Protection Agency Act 2012*.

Environmental performance is reported from the Tongo Diamond Mine management to the Board on a regular basis. Compliance with the requirements of environmental regulations was substantially achieved across all operations with no instance of non-compliance noted.

To the best of the Directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of the applicable environmental legislation and is not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

EVENTS SUBSEQUENT TO REPORTING DATE

Other than what has been disclosed in Note 30 of the financial statements, no matters or events have arisen since 30 June 2023 which have significantly affected, or may significantly affect, the operations of the Group, the results of the operations, or the state of affairs of the Group in future financial years.

The remuneration report for the year ended 30 June 2023, which has been audited, outlines the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

For the purposes of this report, key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Key management personnel

The following were key management personnel of the Group at any time during the financial year and unless otherwise indicated were key management personnel for the entire year:

Name	Position held
Mr Karl Smithson	Executive Director
Mr Jack Spencer-Cotton	Non-Executive Director
Mr Kunal Malhotra [1]	Non-Executive Director
Mr Alistair Croll [2]	Non-Executive Director
Ms K O'Neill [3]	Non-Executive Director
Mr Christopher Burton [4]	Non-Executive Director

Notes:
1. Appointed 5 June 2023
2. Resigned 5 June 2023
3. Appointed 13 January 2023, resigned 5 June 2023
4. Resigned 28 October 2022

Principles of remuneration

The remuneration structures explained below are competitively set to attract, motivate and retain suitably qualified and experienced candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the key management personnel; and
- the key management personnel's ability to control the achievement of strategic objectives.

Given the evaluation and developmental nature of the Group's principal activity, the overall level of remuneration is not linked to the financial performance of the Group.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive directors' remuneration is clearly distinguished from that of executives. The Remuneration Committee which was formed on 28 April 2022 will meet at least annually to review remuneration policies.

Non-executive director remuneration

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by shareholders in general meeting. Total remuneration for all non-executive directors, last voted upon by shareholders at a meeting held in December 2011, is not to exceed $350,000 per annum. Directors' fees cover all main board activities and membership of committees if applicable.

Non-executive directors do not receive any retirement benefits, other than statutory superannuation.

Executive remuneration

Remuneration for executives is set out in service agreements. Details of the service agreements with the Executive Director is provided below.

Executive Directors may receive performance related compensation but do not receive any retirement benefits.

Fixed remuneration

Fixed remuneration consists of base compensation (which is calculated on a total cost basis and includes any Fringe Benefits Tax charges related to employee benefits) as well as employer contributions to superannuation funds.

Fixed remuneration is reviewed annually by the Board through a process that considers individual and overall performance of the Group.

Short-term incentives

Included in the Executive Director's contract is the ability to pay a discretionary bonus in the form of cash or fully paid ordinary shares based on set criteria. Any key performance indicators may be agreed at the start of the financial year and monitored by the Board together with the Nomination and Remuneration Committee before a score is given which will dictate the bonus awarded.

To date, the Company has not designed nor adopted a short-term incentive plan.

Long-term incentive

Long-term incentives (**LTI**) may be provided to key management personnel in the form of rights over ordinary shares of the Company. LTI are considered to promote continuity of employment and provide additional incentive to recipients to increase shareholder wealth. Rights may only be issued to directors subject to approval by shareholders at a general meeting.

No options were granted to directors or employees during this financial year.

Following shareholder approval at the Company's 2019 AGM, the Company adopted a performance rights plan. To date, 18,105,958 performance rights have been issued to directors and employees/consultants of the Group, of which 3,510,000 were granted to key management personnel of the Group during the year.

The Company has introduced a policy that prohibits employees and Directors of the Company from entering into transactions that operate or are intended to operate to limit the economic risk or are designed or intended to hedge exposure to unvested Company securities. This includes entering into arrangements to hedge their exposure to LTI granted as part of their remuneration package. This policy may be enforced by requesting employees and Directors to confirm compliance.

Group performance and link to remuneration

The Group's main activities are mining, mine development and mineral exploration in Africa. The Group's financial results are not considered to be a principal performance indicator. However, the overall level of key management personnel remuneration will take into account the achievement of strategic objectives, service criteria and growth in share price.

The earnings of the Group for the current financial year and the previous four financial years are summarised below:

	2023	2022	2021	2020	2019
Net loss for the year (after tax)	10,583,601	$6,911,419	$11,383,525	$9,928,326	$6,458,879
Dividends paid	Nil	Nil	Nil	Nil	Nil
Change in share price	($0.10)	$0.04	$0.15	($0.01)	$0.04
Share price at beginning of the period	$0.39	$0.35	$0.20	$0.21	$0.17
Share price at end of the period	$0.29	$0.39	$0.35	$0.20	$0.21
Loss per share	1.38 cents	1.03 cents	1.96 cents	1.71 cents	1.11 cents

Use of remuneration consultants

The Group did not engage the services of a remuneration consultant during the year.

Voting and comments made at the Company's 2022 Annual General Meeting ('AGM')

At the 2022 AGM, 99.92% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Service agreements

Remuneration and other terms of engagement for the executives are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods. Other major provisions of the agreements relating to remuneration are set out below.

Termination benefits are within the limits set by the Corporations Act 2001 such that they do not require shareholder approval.

Name	Applicable Period	Term of agreement	Notice period[1]	Base salary/fees including superannuation[3]	Termination payments[2]
Executive Directors					
N K Smithson	1 June 2022 - 31 December 2022	7 months fixed term	6 months	GBP150,000	6 months
	1 January 2023 – 30 June 2023	6 months fixed term	3 months	USD222,000	3 months
	1 July 2023 onwards	No fixed term	3 months	GBP204,000	3 months

Notes:
1. The notice period applies equally to either party.
2. Base amount payable if the Company terminates employees with notice, and without cause (e.g., for reasons other than unsatisfactory performance).
3. Base salary/fees including superannuation as shown is on a per annum basis.

Remuneration of key management personnel for the year ended 30 June 2023 and 30 June 2022

		SHORT-TERM	POST-EMPLOYMENT		SHARE-BASED PAYMENTS		
		Salary & fees $	Superannuation benefits $	Bonus $	Performance Rights $	Total $	Proportion of remuneration performance related %
Directors							
Non-executive							
Mr J Spencer-Cotton	2023	36,000	4,095	-	-	40,095	-
	2022	36,000	3,600	-	157,500	197,100	79.9
Mr K Malhotra [1]	2023	2,100	221	-	-	2,321	-
	2022	-	-	-	-	-	-
Mr A Croll [2]	2023	34,000	4,665	-	-	38,665	-
	2022	14,000	-	-	-	14,000	-
Ms K O'Neill [3]	2023	14,339	1,505	-	-	15,844	-
	2022	-	-	-	-	-	-
Mr C Burton [4]	2023	9,000	-	-	-	9,000	-
	2022	36,000	-	-	166,771	202,771	82.2
Mr P Evans [5]	2023	-	-	-	-	-	-
	2022	13,800	-	-	-	13,800	-
Executive							
Mr N K Smithson	2023	380,165	-	-	-	380,165	-
	2022	273,715	-	-	250,157	523,872	47.8
Mr M Lynn [6]	2023	-	-	-	-	-	-
	2022	144,451	-	-	203,831	348,282	58.5
Total, all KMPs	**2023**	**475,604**	**10,486**	**-**	**-**	**486,090**	**-**
	2022	**517,966**	**3,600**	**-**	**945,030**	**1,466,596**	**64.4**

Notes:
1. Kunal Malhotra was appointed on 5 June 2023.
2. Alistair Croll was appointed on 9 February 2022, resigned on 5 June 2023.
3. Karen O'Neill was appointed on 13 January 2023, resigned on 5 June 2023.
4. Chris Burton resigned on 28 October 2022.
5. Peter Evans resigned on 18 November 2021.
6. Micheal Lynn resigned on 7 April 2022.

Share-based remuneration

No options over ordinary shares in the Company were granted as compensation to each key management person during the reporting period.

At the annual general meeting held on 22 November 2022, shareholders approved the grant of 3,510,000 performance rights to the following directors.

Holder	Class	Number	Grant date	Fair value per right[1]	Expiry date of milestone achievement	Probability	Share-based payment expenses recognised
Nicholas Karl Smithson	C	585,000	22-Nov-2022	$0.40	21-Nov-2025	0%	-
	D	585,000	22-Nov-2022	$0.40	21-Nov-2025	0%	-
Jack Spencer Cotton	C	585,000	22-Nov-2022	$0.40	21-Nov-2025	0%	-
	D	585,000	22-Nov-2022	$0.40	21-Nov-2025	0%	-
Alistair Croll	C	585,000	22-Nov-2022	$0.40	21-Nov-2025	0%	-
	D	585,000	22-Nov-2022	$0.40	21-Nov-2025	0%	-

Notes:
1. Fair value estimate based on share price on grant date.

Vesting occurs at the end of the performance period dated 21 November 2025, if the following performance conditions are met:

Class C upon the announcement by the Company to the ASX market announcements platform of at least a further 12,500 metres of underground development at its Sierra Leone diamond mine (when compared to the underground development as at the date of shareholder approval).

Class D upon the announcement by the Company to the ASX market announcements platform of the presentation and treatment of 50,000 tonnes of kimberlite ore to and through the processing facilities at the company's operation in Sierra Leone. The Company expects these conditions to be met in 3 years from the date of grant of these performance rights.

Due to unexpected delays in the development of its Sierra Leone diamond mine, the Company does not expect the performance conditions of the class C or class D performance rights to be achieved before their expiry date, 21 November 2025. As a result, the class C and class D performance rights were valued as nil. No share-based payment expense was recognised in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023 in relation to these performance rights (2022: $945,030).

Loans to key management personnel

There were no loans provided to key management personnel of the Group or their close family members or entities related to them during the financial year.

Other transactions with key management personnel

Mr N K Smithson's spouse provided administrative and secretarial services to a subsidiary of the Company during the financial year on normal commercial terms and conditions. The total amount recognised and paid during the financial year relating to these transactions was $ 1,435 (2022: $2,030).

Mr C Burton provided advisory services during the financial year on normal commercial terms and conditions. The total amount recognised during the financial year relating to these transactions was $ 31,677 (2022: $62,844). Nil amounts were outstanding as at 30 June 2023 (2022: $22,496).

Mr A Croll provided advisory services during the financial year on normal commercial terms and conditions. The total amount recognised and paid during the financial year relating to these transactions was $138,660 (2022: nil).

Key management personnel equity holdings

Fully paid ordinary shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly, or beneficially by each key management person, including their related parties, is as follows:

	Held at 30 June 2022	Held at date of appointment	Converted upon vesting of performance rights	Acquired during the year	Disposed during the year	Held at 30 June 2023 and/or date of resignation
Mr N K Smithson	3,493,747	N/A	1,350,000	-	-	4,843,747
Mr J Spencer-Cotton	6,929,834	N/A	450,000	28,175	-	7,408,009
Mr K Malhotra [1]	N/A	83,424	-	-	-	83,424
Mr A Croll [2]	-	N/A	-	350,000	-	350,000
Ms K O'Neill [3]	N/A	-	-	-	-	-
Mr C Burton [4]	-	N/A	900,000	-	-	900,000

Notes:
1. Kunal Malhotra was appointed on 5 June 2023.
2. Alistair Croll was appointed on 9 February 2022, resigned on 5 June 2023.
3. Karen O'Neill was appointed on 13 January 2023, resigned on 5 June 2023.
4. Chris Burton resigned on 28 October 2022.

Options over ordinary shares

No options over ordinary shares were held directly, indirectly, or beneficially by key management personnel during the period.

Performance rights

The movement during the reporting period in the number of performance rights held directly, indirectly, or beneficially by each key management person, including their related parties, is as follows:

	Held at 1 July 2022 Number	Granted as remuneration Number	Vested Number	Forfeited Number	Balance at end of year (unvested) Number	Maximum value yet to vest at 30 June 2023[5] $
Mr N K Smithson	1,350,000	1,170,000	(1,350,000)	-	1,170,000	-
Mr J Spencer-Cotton	450,000	1,170,000	(450,000)	-	1,170,000	-
Mr K Malhotra [1]	-	-	-	-	-	-
Mr A Croll [2]	-	1,170,000	-	-	1,170,000	-
Ms K O'Neill [3]	-	-	-	-	-	-
Mr C Burton [4]	900,000	-	(900,000)	-	-	-

Notes:
1. Kunal Malhotra was appointed on 5 June 2023.
2. Alistair Croll was appointed on 9 February 2022, resigned on 5 June 2023.
3. Karen O'Neill was appointed 13 January 2023, resigned on 5 June 2023.
4. Chris Burton resigned on 28 October 2022.
5. The maximum value of the performance rights yet to vest has been determined as the amount of the grant date fair value of the rights that is yet to be expensed.

This concludes the remuneration report, which has been audited.

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

The Company has agreed to indemnify the current Directors and company secretary of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as officers of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance

The Company paid a premium during the year in respect of a director and officer liability insurance policy, insuring the Directors of the Company, the company secretary, and all executive officers of the Company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against liability incurred by the auditor.

During the financial year, the Company did not pay a premium in respect of a contract to insure the auditor of the Company or any related entity.

NON-AUDIT SERVICES

During the year the Group's auditor, BDO Audit (WA) Pty Ltd, has performed certain other services in addition to the audit and review of the financial statements.

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Details of the amount paid to the auditor of the parent entity, BDO Audit (WA) Pty Ltd, and its network firms for non-audit services provided during the year are set out below:

	2023 $	2022 $
Services other than audit and review of financial statements:		
Tax compliance services	33,654	9,000
Total remuneration for non-audit services	33,654	9,000

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 66 and forms part of the Directors' Report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

This Directors' Report is made out in accordance with a resolution of the Directors:

Karl Smithson
Executive Director
Dated at Perth this 29th day of September 2023.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2023

	Note	2023 $	2022 $
Sale of diamonds	7	-	1,974,726
Cost of Sales		-	(2,211,628)
Gross Profit/(Loss)		-	(236,902)
Other income/(expense)	7	520,688	(53,151)
Exploration and evaluation expenses		-	(5,799)
Corporate and administrative expenses		(1,744,464)	(2,440,163)
Site overhead expenses		(5,443,990)	(3,611,768)
Share based payment expense	28	(299,315)	(945,030)
Impairment losses on exploration and evaluation assets	12	(2,329,275)	-
Inventory net realisable value adjustments	10	(1,681,090)	468,289
Fair value adjustment to financial liability	17	1,688,372	9,963,121
Finance costs	7	(1,294,527)	(10,050,016)
Loss before income tax		(10,583,601)	(6,911,419)
Income tax benefit / (expense)	8	-	-
Net loss after income tax for the year		**(10,583,601)**	**(6,911,419)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences	19	3,365,100	6,715,649
Other comprehensive income for the year, net of tax		3,365,100	6,715,649
Total comprehensive (loss) for the year		**(7,218,501)**	**(195,770)**
Loss attributable to:			
Owners of the Company		(10,350,430)	(6,910,839)
Non-controlling interest		(233,171)	(580)
		(10,583,601)	(6,911,419)
Total comprehensive loss attributable to:			
Owners of the Company		(6,982,504)	(194,838)
Non-controlling interest		(235,997)	(932)
		(7,218,501)	**(195,770)**
Basic loss per share (cents)	23	(1.38)	(1.03)

Diluted loss per share is not shown as all potential ordinary shares on issue would decrease the loss per share and are thus not considered dilutive.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 $	2022 $
CURRENT ASSETS			
Cash and cash equivalents	9	158,204	1,258,242
Trade and other receivables		136,251	249,767
Inventory	10	2,898,564	1,298,601
Financial assets at amortised cost		93,264	1,321
Other current assets		1,496,535	1,224,185
Total Current Assets		4,782,818	4,032,116
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss		46,830	120,000
Property, plant & equipment	11	6,138,427	8,773,294
Mine development asset	13	101,647,438	88,430,628
Exploration and evaluation assets	12	27,839,668	28,977,142
Total Non-Current Assets		135,672,363	126,301,064
TOTAL ASSETS		140,455,181	130,333,180
CURRENT LIABILITIES			
Trade and other payables	14	6,591,186	4,343,143
Employee benefits		226,323	162,370
Lease liability		-	4,902
Loans and borrowings	15	4,065,240	154,174
Financial liability at amortised cost	16	790,974	7,495,821
Total Current Liabilities		11,673,723	12,160,410
NON-CURRENT LIABILITIES			
Deferred tax liabilities	8	12,754,463	12,289,777
Loans and borrowings	15	13,000,000	-
Financial liability at fair value through profit or loss	17	3,584,406	5,096,287
Total Non-Current Liabilities		29,338,869	17,386,064
TOTAL LIABILITIES		41,012,592	29,546,474
NET ASSETS		**99,442,589**	**100,786,706**
EQUITY			
Contributed equity	18	169,987,814	164,841,786
Reserves	19	10,861,016	6,764,734
Accumulated losses	20	(81,165,783)	(70,815,353)
Non-controlling interest		(240,458)	(4,461)
TOTAL EQUITY		**99,442,589**	**100,786,706**

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Contributed Equity $	Other Reserves $	Accumulated Losses $	Total $	Non-controlling interests $	Total Equity $
Balance at 30 June 2021	**102,090,022**	**(3,046,426)**	**(63,904,514)**	**35,139,082**	**(3,529)**	**35,135,553**
Loss for the year	-	-	(6,910,839)	(6,910,839)	(580)	(6,911,419)
Other comprehensive income/(loss)	-	6,716,001	-	6,716,001	(352)	6,715,649
Total comprehensive loss for the year	-	6,716,001	(6,910,839)	(194,838)	(932)	(195,770)
Transactions with equity holders in their capacity as equity holders:	-	-	-	-	-	-
Recognition of share-based payments		945,030	-	945,030	-	945,030
Options issued		2,150,129	-	2,150,129	-	2,150,129
Conversion of bonds	32,134,051	-	-	32,134,051	-	32,134,051
Rights issue	32,235,381	-	-	32,235,381	-	32,235,381
Share issue costs	(1,617,668)	-	-	(1,617,668)	-	(1,617,668)
Balance at 30 June 2022	**164,841,786**	**6,764,734**	**(70,815,353)**	**100,791,167**	**(4,461)**	**100,786,706**
Balance at 30 June 2022	**164,841,786**	**6,764,734**	**(70,815,353)**	**100,791,167**	**(4,461)**	**100,786,706**
Loss for the year	-	-	(10,350,430)	(10,350,430)	(233,171)	(10,583,601)
Other comprehensive income/(loss)	-	3,367,926	-	3,367,926	(2,826)	3,365,100
Total comprehensive loss for the year	-	3,367,926	(10,350,430)	(6,982,504)	(235,997)	(7,218,501)
Transactions with equity holders in their capacity as equity holders:						
Recognition of share-based payments	-	299,316	-	299,316	-	299,316
Options issued	-	429,040	-	429,040	-	429,040
Issue of ordinary shares	5,739,498		-	5,739,498	-	5,739,498
Issue of treasury shares	383,165		-	383,165	-	383,165
Share issue costs	(976,635)		-	(976,635)	-	(976,635)
Balance at 30 June 2023	**169,987,814**	**10,861,016**	**(81,165,783)**	**99,683,047**	**(240,458)**	**99,442,589**

The Consolidated Statement of Changes in Equity is to be read in conjunction with accompanying notes.

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from diamond sales		-	1,993,762
Payments to suppliers and employees for operational costs		(8,478,684)	(2,407,123)
Payments to suppliers and administration employees		(1,485,171)	(4,657,941)
Interest and distributions received		843	16,172
Interest paid		(491,856)	(2,253,632)
Net cash (outflow) from operating activities	26	**(10,454,868)**	**(7,308,762)**
Cash flows from investing activities			
Proceeds from disposal of assets/investments		90,000	-
Proceeds from farm out arrangement		-	55,000
Proceeds from disposal of property, plant and equipment		153,939	-
Payments for purchase of property, plant and equipment		(362,651)	(69,245)
Payments of financial liability	16	(7,580,515)	-
Payments for exploration and evaluation assets – capitalised costs		(58,380)	(192,240)
Payments for mine development		(4,905,149)	(12,634,887)
Net cash (outflow) from investing activities		**(12,662,756)**	**(12,841,372)**
Cash flows from financing activities			
Proceeds from issue of shares		5,928,498	32,235,381
Payment of share issue costs		(547,595)	(1,617,668)
Proceeds from borrowings	27	20,867,869	4,649,530
Repayment of borrowings	27	(4,068,272)	(14,248,809)
Payment of borrowing costs		(111,666)	-
Payment of lease liabilities	27	(5,000)	(1,272,431)
Net cash inflow from financing activities		**22,063,834**	**19,746,003**
Net (decrease) in cash and cash equivalents		(1,053,790)	(404,131)
Cash and cash equivalents at 1 July		**1,258,242**	**1,591,918**
Effects of exchange rate changes on cash and cash equivalents		(46,248)	70,455
Cash and cash equivalents at 30 June	9	**158,204**	**1,258,242**

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

1. REPORTING ENTITY

Newfield is a public company limited by shares incorporated in Australia whose shares are traded on the Australian Securities Exchange.

These consolidated financial statements comprise the Company and its subsidiaries (collectively the "**Group**" and individually "**Group companies**"). They were authorised for issue by the Board of Directors on 29 September 2023.

The nature of the operations and principal activities of the Group is described in the Directors' Report.

2. BASIS OF PREPARATION

Statement of compliance

These general purpose financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Newfield is a for profit entity for the purpose of preparing the financial statements.

The financial statements of the Group also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of measurement

These consolidated financial statements are prepared on the accruals basis and the historical cost basis, unless otherwise stated.

Going concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The Group has incurred a loss before tax for the year ended 30 June 2023 of 10,583,601 (2022: loss $6,911,419) and experienced net cash outflows from operating activities of $10,454,868 (2022: outflows $7,308,762). At 30 June 2023, the Group had a working capital deficiency of $6,890,905 (2022: $8,128,294).

The directors have prepared a cash flow forecast for the period to September 2024 for its operations including the funding for production and continued development of its Tongo Diamond Mining Project (the "Project"). This forecast includes various funding assumptions regarding the mine production and mine development plans for the period based on various independent engineering and technical studies on the Project. As the mine is not yet cash flow positive the Company requires additional funding to continue these operations. The Company has already secured an equity funding agreement for the project by way of an equity facility totalling A$55m. The availability of the equity funding is subject to a volume and pricing mechanism and the Company will require additional funding above this facility where the timing of the volume and pricing mechanism does not match the timing of operational cash outflows.

These conditions indicate a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- Letters of support from creditors amounting to $3 million have been received.
- Subsequent to 30 June 2023, the Company has successfully negotiated with Wonder Holdings Pty Ltd to convert the drawdown balance and accrued interests of the Wonder Loan Facility (refer Note 15(ii) for details) totalling A$13.86 million into fully paid ordinary shares in the Company, significantly reducing the Company's debt and financing costs. The undrawn balance of the loan, being A$1.44 million, remains available to the Company.
- Subsequent to 30 June 2023, the Company has successfully raised additional capital of US$2 million through share placement.
- The Company has secured an equity facility of up to A$55 million to be drawn down over the next 2 years using a volume and pricing mechanism to access the facility (refer to Note 18(b) for details of the drawdown mechanism), of which only A$289,000 has been drawn down to date.
- The Group has entered a Conditional and Non-Binding Terms Sheet for a USD 50 million secured debt facility with the Africa Finance Corporation (AFC) for the funding of the development of the Tongo Project.
- The Company is currently evaluating the availability of other debt/equity funding options.
- The Directors also anticipate the support of its major shareholders and believe that the Company has the ability to raise an appropriate level of funding to execute its plans and continue its activities.

2. BASIS OF PREPARATION (continued)

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differs from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset or liabilities that might be necessary if the Group is unable to continue as a going concern.

The Company's auditors have referred to this section when completing their report on the Company's annual report.

3. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The Group has subsidiaries whose operations are located outside of Australia (refer Note 21 for details of subsidiaries). The functional currency for the Group's parent entity is Australian dollars (AUD). The functional currency for the Group's subsidiaries operating outside of Australia is U.S. dollars (USD). The consolidated financial statements are presented in Australian dollars (AUD), which is the Group's presentational currency. All values are rounded to the nearest dollar unless otherwise stated.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Group throughout the periods presented in these consolidated financial statements, unless otherwise stated.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from involvements with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to business combination policy below).

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Foreign currency translation

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(b) Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated into AUD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into AUD at the dates of the transactions.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the Board of Directors.

Acquisition of assets

Acquisition of an asset or a group of assets (including any liabilities assumed) that does not constitute a business are accounted for as asset acquisition under which the Group measure the assets and liabilities acquired, and the corresponding increase in equity, directly, at the fair value of the assets and liabilities acquired, unless that fair value cannot be estimated reliably.

Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost less any expected credit losses recognised. Collectability of trade receivables is reviewed on an ongoing basis. The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Investments and other financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Statement of Profit or Loss and Other Comprehensive Income.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the Statement of Profit or Loss and Other Comprehensive Income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the Statement of Profit or Loss and Other Comprehensive Income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Inventory

Inventories are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost is determined by using the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting materials into finished goods, based on the normal production capacity. General and administrative overheads relating to the whole entity, rather than to specific phase of operations, are expensed as incurred.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

If the ore stockpile is not expected to be processed in 12 months after the reporting date, it is included in non-current assets and the net realisable value is calculated on a discounted cash flow basis.

Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Depreciation of property, plant and equipment used for the purpose of exploration, evaluation and development activities are also capitalised as part of the exploration, evaluation and development costs and subsequently amortised over the life of the area.

Exploration and evaluation costs have been capitalised on the basis that the Consolidated Entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Upon approval for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to mining assets.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Mine properties

Capitalised mining development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mining development also includes costs transferred from exploration and evaluation phase once production commences in the area of interest.

Amortisation of mining development is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commences. The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable measured, indicated and inferred resource. This percentage is reviewed annually.

Property, plant and equipment

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

- Furniture & fittings 5-10 years
- Motor vehicles 3-5 years
- Plant and equipment 2-12 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to accumulated losses.

The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Capital work in progress is projects of a capital nature which usually relates to the construction/installation of buildings, plant or equipment. Upon completion (when ready for use) capital work in progress is transferred to the relevant asset category. Capital work in progress is not depreciated.

Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group. Trade accounts payable are normally settled within 60 days. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Loans and borrowings are initially recognised at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(ii) Other long-term employee benefit obligation

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Royalty Obligation- Financial Liability

On the acquisition of Stellar Diamonds plc, Newfield acquired an obligation to pay royalty payments on sales from the combined project (refer Note 17 and 22 for details). The liability for royalty payments is classified as a financial liability at fair value through profit or loss, and is measured at fair value. Fair value is a market-based measurement, not an entity-specific measurement with the fair value being an estimate of the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. The fair value has been determined based upon a present value of the estimated future cash outflows using published ore reserves with remeasurement being recognised in profit or loss.

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Share based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting periods but may impact profit or loss and equity.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Revenue recognition

All revenue is stated net of the amount of goods and services tax. Revenue is recognised at a point in time or over time, when (or as) a performance obligation in the contract with a customer is satisfied or when control of the goods or services underlying the particular performance obligation is transferred to a customer.

Sale of goods

Revenue from the sale of diamonds is recognised when the Company sells the product and control has passed to the customer.

The Group engages a marketing agent to facilitate the sale of diamonds in Antwerp, the leading market in the world for rough diamonds. The Company delivers diamonds to the agent where they are cleaned, graded and sorted into parcels in an appropriate manner for sale. The agent arranges appointments with each buyer to view selected parcels of the diamonds during a week of opening. The sale is conducted by way of tenders or auctions. All buyers are credit-qualified and on notification of their successful bid a buyer has a contractual obligation to settle. Settlement to the agent is within 48 hours of closing of the tender/auction. Upon clearance of funds, diamonds are collected by the buyer and the sale is recognised.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Leases

Leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

When a contract is entered into, the Group assesses whether the contract contains a lease. A lease arises when the Group has the right to direct the use of an identified asset which is not substitutable and to obtain substantially all economic benefits from the use of the asset throughout the period of use.

The Group separates the lease and non-lease components of the contract and accounts for these separately. The Group allocates the consideration in the contract to each component on the basis of their relative stand-alone prices.

Lease assets and lease liabilities are recognised at the lease commencement date, which is when the assets are available for use. The assets are initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred.

Lease assets are depreciated using the straight-line method over the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and impairment losses, assessed in accordance with the Group's impairment policies.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments are fixed payments.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets, with any excess recognised in the consolidated profit or loss and other comprehensive income statement.

Short term leases (lease term of 12 months or less) and leases of low value assets are recognised as incurred as an expense in the consolidated profit or loss and other comprehensive income statement. Low value assets comprise plant and equipment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings per share

Basic earnings per share is calculated by dividing the net earnings attributable to members of the Company for the reporting period by the weighted average number of ordinary shares of the Company.

Current and non-current classification

Assets and liabilities are presented in the Consolidated Statement of Financial Position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

(a) except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

(a) except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(b) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Profit or Loss and Other Comprehensive Income.

The Group has unused tax losses. However, no deferred tax assets have been recognised as it is not considered probable that future taxable profits will be available against which they could be utilised.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goods and services tax and value added tax (UK)

Revenues, expenses and assets are recognised net of the amount of GST/VAT except:

- When the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables, which are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a net basis and the GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

Adoption of new or revised accounting standards and interpretations

The Consolidated Entity has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

5. FINANCIAL RISK MANAGEMENT

Overview

Risk management is carried out under policies set by the Board of Directors who has delegated this to the Audit and Risk Committee. The Board provides principles for overall risk management, as well as policies covering specific areas. A copy of the Group's risk management policy can be found on the Company's website at www.newfieldresources.com.au.

Financial risk management objectives

The Audit and Risk Committee monitors and manages the financial risk relating to the operations of the Group. The Group's activities include exposure to market risk, credit risk and liquidity risk. The overall risk management strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on the financial performance and where appropriate adopting hedging strategies. Risk management is carried out under the Audit and Risk Committee.

The Group holds the following financial instruments as at 30 June:

	2023 $	2022 $
Financial assets		
Cash and cash equivalents	158,204	1,258,242
Trade and other receivables	136,251	249,767
Financial assets at amortised cost	93,264	1,322
Financial assets at fair value through profit or loss	46,830	120,000
	434,549	1,629,331
Financial liabilities		
Trade and other payables	6,591,186	4,343,143
Loans and borrowings	17,065,240	154,174
Financial liabilities at amortised cost	790,974	7,495,821
Financial liabilities at fair value through profit or loss	3,584,406	5,096,287
	28,031,806	17,089,425

5. FINANCIAL RISK MANAGEMENT (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates, interest rates and commodity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return. There were no changes in the Group's market risk management policies from previous years.

Foreign currency risk

The Consolidated Entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	Assets		Liabilities	
	2023 $	2022 $	2023 $	2022 $
US dollars	45,167	785,729	3,889,863	6,103,781
British pound	-	1,191	177,024	84,176
Euro	-	-	8,473	3,730
South African rand	-	-	67,906	6,326
Sierra Leonean leone	119,288	21,334	1,704,838	599,546
	164,455	808,254	5,848,104	6,797,559

The Group had net monetary liability denominated in foreign currencies of $5,683,649 (assets $164,455 less liabilities $5,848,104) as at 30 June 2023 (2022: net liability of $5,989,305). Based on this exposure, had the Australian dollar strengthened/weakened by 10% (2022: strengthened/weakened by 10%) against these foreign currencies with all other variables held constant, the Group's loss before tax for the year would have been $568,365 lower/higher (2022: $598,931 lower/higher) and equity would have been $568,365 higher/lower (2022: $598,931 higher/lower). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual foreign exchange gain for the year ended 30 June 2023 was $599,023 (2022: loss of $474,979).

Cash flow and interest rate risk

Apart from the term deposits held at fixed rates, the Group also receives interest on its cash management accounts based on daily balances at variable rates. The Group's operating accounts do not attract interest.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2023 $	2022 $
Variable rate instruments		
Cash at bank	-	623
Fixed rate instruments		
Loans and borrowings (Note 15)	(17,065,240)	-
Lease liabilities	-	(4,902)
	(17,065,240)	**(4,902)**

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates would not have a material impact to the Group based on the cash at bank at reporting date.

5. FINANCIAL RISK MANAGEMENT (continued)

Market price risk

The Group is involved in the mining for minerals, including diamonds. As the Group continues to increase production, revenues associated with mineral sales, and the ability to raise funds through equity and debt, will have some dependence upon commodity prices. The Group's market price risk at 30 June 2023 is deemed to be immaterial.

Credit risk

There is a credit risk relating to the cash and cash equivalents that the Group holds in deposits and other receivables.

The Group does not presently have customers and consequently does not have credit exposure to trade receivables.

Exposure to credit risk

The Group's maximum exposure to credit risk at the reporting date was:

	2023 $	2022 $
Cash at bank	158,204	1,258,242
Trade and other receivables	136,251	249,767
	294,455	1,508,009

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Credit quality of financial assets	**Counterparties with external credit rating[1] AA-(S&P)**	**Other third parties without external credit rating [2] No default**	**Total**
At 30 June 2023			
Cash at bank	70,595	87,609	158,204
Other receivables from once-off transactions with third parties [3]	-	136,251	136,251
	70,595	**223,860**	**294,455**
At 30 June 2022			
Cash at bank	1,201,429	56,813	1,258,242
Other receivables from once-off transactions with third parties	-	249,767	249,767
	1,201,429	**306,580**	**1,508,009**

1. The equivalent S&P rating of the financial assets represents that rating of the counterparty with whom the financial asset is held rather than the rating of the financial asset itself.
2. Some of the Group's subsidiaries operate in Africa and held cash at African financial institutions. No external credit rating was available for these African financial institutions as at the reporting date.
3. Other receivables represent security deposit, sundry debtors and loan to other entities.

Allowance for expected credit loss

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group's individual assessment of an ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

5. FINANCIAL RISK MANAGEMENT (continued)

For loans and other receivables, the Group assesses the contractual requirements of the loan and assesses the counter party's performance under the instrument terms. Where there is significant variation between the contractual cash flows and actual cash flows, the Group will assess the counterparties ability to repay the debts by requesting financial information and performing an assessment of the credit worthiness of the Counterparty. Where objective evidence shows that the counterparty may be unable to repay part or all of the debt, the Group will record an expected credit loss up to the level of the expected loss taking into account the Groups ability to recover its debts through the operation of guarantees and or security.

No expected credit loss was recognised by the Group for the financial year (2022: $Nil).

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has determined an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments: Cash flows for liabilities without fixed amount or timing are based on conditions existing at year end.

	Carrying amount $	Contractual cash flows $	1 year $	2-5 years $	>5 years $
2023					
Trade and other payables	6,591,186	(6,591,186)	(6,591,186)	-	-
Loans and borrowings	17,065,240	(17,088,775)	(4,088,775)	(13,000,000)	-
Other current & non-current payables	4,375,380	(11,599,302)	(790,974)	(4,614,696)	(6,193,632)
	28,031,806	(35,279,263)	(11,470,935)	(17,614,696)	(6,193,632)
2022					
Trade and other payables	4,343,143	(4,343,143)	(4,343,143)	-	-
Loans and borrowings	154,174	(154,174)	(154,174)	-	-
Lease liabilities	4,902	(5,000)	(5,000)	-	-
Other non-current payables	12,592,108	(25,199,983)	(7,495,821)	(14,770,636)	(2,933,526)
	17,094,327	(29,702,300)	(11,998,138)	(14,770,636)	(2,933,526)

6. AUDITOR'S REMUNERATION

	2023 $	2022 $
The following fees were paid or payable to the auditors and the auditors' related practices:		
Audit and review services		
Auditors of the Company - BDO Audit (WA) Pty Ltd	103,496	65,600
Network firms of BDO Audit (WA) Pty Ltd	54,397	42,153
Other auditors	9,049	9,199
Audit and review of financial statements	**166,942**	**116,952**
Other Services		
Auditors' related practice – BDO Corporate Tax (WA) Pty Ltd - in relation to taxation services	33,654	9,000
Network firms of BDO Audit (WA) Pty Ltd - in relation to taxation services	-	-
	33,654	**9,000**

NEWFIELD RESOURCES LIMITED

7. REVENUE, OTHER INCOME AND CORPORATE AND ADMINISTRATIVE EXPENSES	2023 $	2022 $
Revenue		
Sale of diamonds (point in time)	-	**1,974,726**
Other income/(expense)		
Interest income	844	16,172
Gain/(loss) on sale of assets	(1,844)	50,000
Fair value (loss) on assets held at fair value through profit or loss	(77,335)	(180,328)
VAT refund	-	535,984
Foreign exchange (loss)/gain	599,023	(474,979)
	520,688	**(53,151)**
Finance income/(expense)		
Interest expense	(1,113,690)	(2,298,500)
Lease interest	(98)	(243,450)
Borrowing costs	(180,739)	(588,453)
Fair value adjustment on shares issued	-	(6,860,078)
Loss on lease modification	-	(59,535)
	(1,294,527)	**(10,050,016)**

8. INCOME TAX

(a) Income tax expense		
Current tax expense	-	-
Deferred tax expense	-	-
	-	-

(b) Numerical reconciliation between tax expense and pre-tax net loss		
Loss before income tax expense	(10,583,601)	(6,911,419)
Income tax benefit calculated at rates at 30% (2022:30%)	(3,175,080)	(2,073,426)
Effect of non-deductible items	(3,215,556)	(892,974)
Timing difference and tax losses not recognised	731,993	2,157,843
Differences in tax rate of subsidiaries operating in other jurisdictions	5,658,643	808,557
Income tax expense	-	-

(c) Deferred tax assets and liabilities not brought to account

The potential tax benefit for the following items for which no deferred tax asset has been recognised is as follows:

Carry forward tax losses	6,798,404	6,478,017
Capital raising costs	5,033	97,060
Provision and accruals	46,149	25,800
Lease Liability	-	1,470
Other	14,389	370,241
	6,863,975	6,972,588

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
(b) the Group continues to comply with the conditions for deductibility imposed by law; and
(c) no changes in income tax legislation adversely affect the Group in utilising the benefits.

The temporary difference relating to the following item for which no deferred tax liability has been recognised is as follows:

Lease Asset	-	(1,309)
Other	(81,913)	(85,653)
	(81,913)	(86,962)

(d) Deferred tax liabilities recognised		
Mine development asset (Note 13)	(12,754,463)	12,289,777
	(12,754,463)	12,289,777

9. CASH AND CASH EQUIVALENTS

	2023 $	2022 $
Cash at bank and in hand	**158,204**	**1,258,242**

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 5.

10. INVENTORY

	2023	2022
Spare parts	1,092,530	804,756
Diamonds in safe	1,806,034	493,845
	2,898,564	**1,298,601**

Amounts recognised in profit or loss

Write downs of inventories to net realisable value amounted to $1,681,090 (2022: nil). These were recognised as an expense during the year.

11. PROPERTY, PLANT & EQUIPMENT

	2023	2022
Furniture & fittings – at cost	11,021	58,935
Less: Accumulated depreciation	(9,651)	(56,389)
	1,370	2,546
Motor vehicles – at cost	468,515	665,305
Less: Accumulated depreciation	(386,519)	(454,748)
	81,996	210,557
Plant & equipment – at cost	9,804,263	14,490,699
Less: Accumulated depreciation	(3,749,202)	(5,930,508)
	6,055,061	8,560,191
	6,138,427	**8,773,294**

Reconciliations of carrying amount	**Furniture & Fittings $**	**Motor vehicles $**	**Plant & equipment $**	**Total $**
Balance at 1 July 2021	4,192	230,020	3,061,218	3,295,430
Additions & transfers	-	70,880	6,412,291	6,483,171
Depreciation	(1,646)	(108,792)	(1,413,924)	(1,524,362)
Foreign exchange differences	-	18,449	500,606	519,055
Balance at 30 June 2022	**2,546**	**210,557**	**8,560,191**	**8,773,294**
Balance at 1 July 2022	2,546	210,557	8,560,191	8,773,294
Additions & transfers	-	-	362,653	362,653
Disposals	-	-	(19,873)	(19,873)
Depreciation	(1,176)	(134,630)	(486,427)	(622,233)
Reclassification to Mine Development	-	-	(1,136,327)	(1,136,327)
Write-off	-	-	(1,544,539)	(1,544,539)
Foreign exchange differences	-	6,069	319,383	325,452
Balance at 30 June 2023	**1,370**	**81,996**	**6,055,061**	**6,138,427**

Critical estimates and judgements

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

11. PROPERTY, PLANT & EQUIPMENT (continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Leases

Judgement is required when assessing whether a contract is or contains a lease at inception by assessing whether the Group has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset.

Determination of construction completion date

The Group assessed when an item of capital work in progress is deemed available for use, being when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The Group considers various factors when considering when the asset is deemed available for use, including when the asset can be substantially operate as intended.

12. EXPLORATION AND EVALUATION ASSETS

	2023 $	2022 $
Exploration and evaluation costs carried forward in respect of areas of interest	**27,839,668**	**28,977,142**
Reconciliation		
Carrying amount at beginning of the year	28,977,142	26,502,206
Exploration and evaluation	228,231	105,210
Impairment loss (Liberia diamond exploration projects)	(2,329,275)	-
Foreign exchange differences	963,570	2,369,726
Carrying amount at end of the year	**27,839,668**	**28,977,142**

Assumptions used to carry forward the exploration assets

The write-off, impairment or carrying forward of exploration expenditure is based on a periodic assessment of the viability of an area of interest and/or the existence of economically recoverable reserves. This assessment is based on pre-determined impairment indicators, taking into account the requirements of the accounting standard, and with the information available at the time of preparing this report. Information may come to light in subsequent periods which requires the asset to be impaired or written down for which the directors were unable to predict the outcome. On completion of impairment testing of the exploration and evaluation assets, the Group has made a decision to fully impair the carrying value of the diamond exploration projects in Liberia. The Group is not planning any substantive expenditure on these projects in the foreseeable future. In the absence of any offers, it also cannot determine the value that it may ultimately recover from any farm-out or joint venture arrangements and has therefore made the decision to fully impair the carrying value of these projects for financial reporting purposes. As a result, an impairment loss of $2,329,275 was recognised during the year.

13. MINE DEVELOPMENT ASSET

	2023 $	2022 $
Mine property development costs carried forward in respect of mine development	**101,647,438**	**88,430,628**
Reconciliation		
Carrying amount at beginning of the year	88,430,628	77,851,411
Development expenditure	8,480,989	10,600,843
Capitalised depreciation from property, plant & equipment	611,319	-
Reclassification from property, plant & equipment	1,136,327	(6,413,926)
Foreign exchange differences	2,988,175	6,392,300
Carrying amount at end of the year	**101,647,438**	**88,430,628**

Critical estimates and judgements

Impairment of mine properties

The Group undertakes an impairment review to determine whether any indicators of impairment are present. Where indicators of impairment exist, an estimate of the recoverable amount of the Cash Generating Unit (CGU) is made. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Where an impairment loss subsequently reverses, the carrying amount of the asset, other than goodwill, is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

The Group undertook an impairment review at the balance date and no impairment indicator was identified.

Development start date

The Group assesses the stage of each exploration project to determine when a project moves into the development phase from the exploration and evaluation phase, this being when management determine the decision to develop has been executed.

14. TRADE AND OTHER PAYABLES

	2023 $	2022 $
Trade creditors and accruals	**6,591,186**	**4,343,143**

Trade payables are usually paid within 90 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature. The Group's exposure to various risks associated with trade and other payables are disclosed in Note 5.

15. LOANS AND BORROWINGS

	Note	2023 $	2022 $
Current			
Borrowings – secured	(i)	2,258,490	-
Bonds - unsecured	(iii)	1,493,287	-
Accrued interest on borrowings and bonds - unsecured	(ii)	104,624	-
Insurance premium funding - unsecured	(iv)	208,839	154,174
		4,065,240	**154,174**
Non-Current			
Borrowings - unsecured	(ii)	**13,000,000**	**-**

15. LOANS AND BORROWINGS (continued)

(i) Secured borrowings

In November and December 2022 the Company entered into two identical financing agreements with Delgatto Diamond Finance Fund (**Delgatto**) for a total amount of USD1.5m (**Delgatto Agreements**).

The key terms of the Delgatto Agreement were:

- Newfield agreed to sell to Delgatto its existing and future diamond inventory from the Tongo Diamond Mine in Sierra Leone up to a total of 7,988 carats (**Security Assets**), for a consideration of USD1.5m;
- Delgatto granted Newfield the option to reacquire the Security Assets back for USD1.5m (**Buy-back Price**) at any time within a 12-month period (**Option Period**), with Newfield paying Delgatto a monthly option extension payment of USD20,250;
- Delgatto has agreed not to sell or transfer any of the Security Assets during the Option Period without Newfield's consent;
- If any of the Security Assets are sold during the Option Period, the Buy-back Price will be reduced by the value of the sales proceeds received by Delgatto and the option extension payment shall be proportionately reduced by the same percentage; and
- Following the expiration of the Option Period, Delgatto shall no longer be required to hold the Security Assets and may dispose of them at its discretion.

Having considered the terms of the Delgatto Agreements, the Company has recognised these agreements as short-term financing facilities secured against the Company's diamond inventory. The monthly option extension payments have been recognised as interest expenses, representing an effective interest rate of 16.2% per annum.

(ii) Unsecured borrowings

In November 2022, the Company entered into a loan agreement with Goodrich Capital Pty Ltd to borrow $3 million in tranches at 7.5% per annum interest, payable quarterly (**Goodrich Loan Facility**). The Goodrich Loan Facility was unsecured and repayable within 12 months of the first drawdown date being 23 November 2022. An amount of $2.4 million was drawn down during the year, which was fully repaid on 3 March 2023.

On 14 March 2023, the Company entered into a $15 million loan agreement with Wonder Holdings Pty Ltd, a shareholder of the Company, to fund the continued development of the Tongo Mine Project into production and ongoing working capital requirements. The loan is unsecured and repayable in 18 months, with an interest of 7.5% p.a. payable quarterly in arrears. As at 30 June 2023, the Company has drawn down $13 million from the Wonder Loan Facility.

(iii) Unsecured bonds

On 14 April 2023, the Company issued 10 unlisted unsecured short-term bearer bonds (**USD Bonds**) to Fidelitas Deutsche Industrie Holding AG, which is a group entity of Deutsche Balaton AG, a current shareholder of the Company. The short-term bearer bonds have a face value of US$1 million and coupon interest rate of 7.5% p.a. with redemption at maturity date to 14 July 2023 (extended to 30 September 2023 subsequently).

(iv) Insurance premium funding

The Group has insurance premium funding arrangements under which the principal and interests will be repaid by ten equal monthly instalments. A flat interest rate of 3.93% ~3.95% (2022: 4.50%) were charged by the lenders up front.

The Group's exposure to various risks associated with loans and borrowings are disclosed in Note 5. The carrying amount of loans and borrowings approximates its fair value.

16. FINANCIAL LIABILITIES AT AMORTISED COST	2023 $	2022 $
Current		
Contractual liability acquired through business combination	**790,974**	**7,495,821**

During the 2018 financial year the Group acquired 100% interest in Stellar Diamonds Plc (**Stellar**), an AIM-listed diamond explorer. Stellar, through its wholly owned subsidiary, own the Tongo Project in Sierra Leone which lay adjacent to the Tonguma Project owned by Tonguma Limited. Stellar and its wholly owned subsidiaries entered into a Tribute Mining Agreement (**TMA**) and Revenue Share Agreement (**RSA**) with Tonguma Limited and its parent entity Octea Limited (together as "**Octea Group**") which allowed Stellar to bring both projects together into production under the same production infrastructure (**Combined Project**). Under the terms and conditions of the TMA and RSA, as consideration, Stellar would pay Octea Group cash US$5.5 million by March 2023 (**Octea Bullet Payment**). As at 30 June 2023, US$5,013,393 of the Octea Bullet Payment has been paid. The remaining balance together with applicable interest charges US$525,334 has been recognised as a current payable in the Group's accounts.

The fair value of this current liability was based on discounted cash flows using an estimated current borrowing rate of 10% (2022: 10%). This current liability is carried at amortised cost. Total interest expense recognised for the year in relation to this current payable is $550,593 (2022: $843,656). The Group's exposure to various risks associated with other non-current payables are disclosed in Note 5.

17. FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS	2023 $	2022 $
Financial liability	3,584,406	5,096,287
	3,584,406	**5,096,287**

Stellar, through its wholly owned subsidiary, owned the Tongo Project in Sierra Leone which lay adjacent to the Tonguma Project owned by Tonguma Limited. Stellar and its wholly owned subsidiaries entered into a Tribute Mining Agreement (**TMA**) and Revenue Share Agreement (**RSA**) with Tonguma Limited and its parent entity Octea Limited (together as "**Octea Group**") which allowed Stellar to bring both projects together into production under the same production infrastructure (**Combined Project**).

Under the terms and conditions of the TMA & RSA, Stellar would pay to Octea Group cash US$5 million and GBP85,346 (**Octea Initial Payment**) on a pro rata basis during the period where the Group generates sufficient cash flow to commence the recoupment of capital invested to build the mine. Stellar would also pay to Octea Group 10% royalty on all sales revenue generated from the Combined Project (after paying any Sierra Leone government royalties of 6.5%) from the date on which the Octea Initial Payment had been paid in full (**Octea Royalty Payment)**.

Critical judgements and estimates

The timing and amount of the Octea Royalty Payments are subject to significant estimates and judgements including the capital cost of the project, the length of time it takes for the Octea Initial Payment to be paid in full and the Company's ability to produce and sell diamonds from the Combined Project. Other estimates and judgements include future diamond pricing, discount rate, and future capital expenditure. The fair value of the financial liability has been determined based on the front end engineering design study (FEED study) completed by an external consulting firm in April 2019 updated for the current life of mine plan in May 2023. The discounted cash flows are based on inputs from this study which included a life of mine model and a review of the key terms and conditions of the agreements.

17. FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The following table gives the main assumptions made in determining the fair value of financial liability as at 30 June 2023. The valuation uses a number of inputs which are considered to be level 3 unobservable market data. The key inputs are:

Items	Unit	Value	Commentary
Revenue per carat	$/ct	US218	Part of the external consultants FEED study which determined the estimated quality of the diamonds using the data from the resource to reserve upgrade process and the observable market data for diamond sales over the last 2 years, as well as recent sales price data, and a diamond value modelling exercise by independent diamond consultancy Z-Star.
Kimberlite grade	cpht	150	Part of the external consultants FEED study which determined the original estimated grade, adjusted by due diligence and revised mine schedule study conducted by another independent external consultant in June 2023 as well as the actual up to date mining data.
Repayment period for capital expenditure	yrs	6	Estimated time frame to recover costs based on the life of mine model.
Discount rate	%	25.50	Rate determined using external support for the risk-free rate (Sierra Leone equity risk premium), and counterparty expected rate of return.
Indicated diamond reserve	Ct	1,093,000	Calculation of royalty based on the announced indicated reserve.

	2023 $	2022 $
18. CONTRIBUTED EQUITY		
768,870,875 fully paid ordinary shares (2022: 745,611,986 fully paid ordinary shares)	**169,987,814**	**164,841,786**

(a) Ordinary shares

The following movements in ordinary share capital occurred during the financial year:

	2023 Number	2022 Number	2023 $	2022 $
Balance at the beginning of the year	745,611,986	581,299,552	164,841,786	102,090,022
Rights issue	14,970,001	92,101,083	5,239,500	32,235,381
Conversion of bonds	-	72,211,351	-	32,134,051
Share placement	2,329,246	-	789,000	-
Issue of treasury shares[(b)]	167,250	-	94,163	-
Conversion of performance rights (Note 28)	5,792,392	-	-	-
Less share issue costs	-	-	(976,635)	(1,617,668)
Balance at the end of the year	**768,870,875**	**745,611,986**	**169,987,814**	**164,841,786**

Ordinary shares entitle the holder to participate in dividends and the proceeds from winding up of the Company in proportion to the number and amounts paid on the shares held.

On a show of hands every holder of ordinary securities present at a shareholder meeting in person or by proxy is, entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

18. CONTRIBUTED EQUITY (continued)

(b) Equity Placement Facility

On 31 August 2022, the Company entered into an Equity Placement Agreement with SBC Global Investment Fund, a fund of L1 Capital Global Opportunities Master Fund (**L1 Capital**), to provide the company with access up to $55 million in equity capital over 3 years (**L1 Capital Equity Placement Agreement**). The Company will control the timing and maximum amount of the draw down under this facility.

Key terms and conditions of the L1 Capital Equity Placement Agreement, including the limitation of placement amounts and net funds available under the agreement, are:

i) Capital may be raised at the election of the Company by way of Share placements (**Placement**) made by the Company giving "**Placement Notices**" to L1 Capital.
ii) Each Placement Notice may request a placement amount up to 1,000% of the 15-trading day average daily value traded on ASX prior to the Placement Notice (**Placement Amount**).
iii) The issue price of the shares in a placement is the greater of 95% of the average of 5 daily VWAPs in a 30 trading day period following the placement notice, and the minimum acceptable price (**MAP**) notified to L1 Capital by the Company upon delivering the Placement Notice. The VWAP calculation and number of shares are subject to adjustment as a result of certain events occurring.
iv) On issue of a Placement Notice, the Company must issue to L1 Capital sufficient shares to satisfy the planned Placement Amount, in number equal to 120% of the Placement Amount divided by 95% of the MAP (**Provisional Placement Shares**).
v) Any Provisional Placement Shares not required to satisfy a Placement Amount will be excess and increase the excess Share Number (**Excess Share Number**). Whenever the Company is obliged to issue Shares to L1 Capital, the Company can elect to apply any of the Excess Share Number to the obligation. At any time L1 Capital can pay the Company 95% of the average of 5 daily VWAPs chosen by L1 Capital from the prior 30 trading days to reduce the Excess Share Number.
vi) If any Excess Share Number remains after the Commitment Period, L1 Capital must reduce it to zero within 3 months by paying the Company 95% of the average of 5 daily VWAPs chosen by the Investor from the prior 30 trading days.
vii) In accordance with the agreement, the Company issued 4,000,000 options to L1 Capital, exercisable at $0.54 per option expiring on 1 November 2025. These options were valued at $349,386 using a Black Scholes model and classified as equity.
viii) In addition to the 4,000,000 Options, in respect of each of the first 2 Placements, the Company issued 1,000,000 Options each to L1 Capital with a term of 3 years and exercise price of $0.452 per option expiring on 10 January 2026. These options will be valued at $79,654 using a Black Scholes model and classified as equity.

On 23 November 2022, the Company issued the first placement notice to L1 Capital for subscription amount up to A$289,000 and issued 1,043,008 Provisional Placement Shares to L1 Capital for nil consideration in accordance with the terms of the L1 Capital Equity Placement Agreement. At the end of the placement period a total of 875,758 shares were subscribed for by L1 Capital at the price of $0.33 per share to satisfy the AU$289,000 placement, and L1 Capital therefore holds 167,250 shares in balance.

(c) Capital risk management

When managing capital, the Board's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Board is constantly adjusting the capital structure to take advantage of favourable costs of capital or high return on assets. As the market is constantly changing, management may issue new shares, sell assets to reduce debt or consider payment of dividends to shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels.

The Group has no formal financing and gearing policy or criteria during the year having regard to the early status of its mining activity.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to any externally imposed capital requirements.

19. OTHER RESERVES

	2023 $	2022 $
Share Based Payments Reserve		
Balance at beginning of year	1,448,933	503,903
Share based payment expenses	299,315	945,030
Balance at end of year	1,748,248	1,448,933
Options Reserve		
Balance at beginning of year	2,150,129	-
Options issued in lieu of corporate bond interest payment	-	2,150,129
Options issued pursuant to L1 Capital Equity Placement Agreement (Note 18)	429,040	-
Balance at end of period	2,579,169	2,150,129
Foreign Currency Translation Reserve		
Balance at beginning of year	3,165,672	(3,550,329)
Currency translation differences on translation of foreign operations	3,365,100	6,715,649
NCI share in translation differences	2,827	352
Balance at end of year	6,533,599	3,165,672
Total	**10,861,016**	**6,764,734**

Share based payments reserve

The reserve is used to recognise the values attributed to performance rights and options over ordinary shares granted to employees and consultants in consideration for the provision of services. Refer to Note 28 for details of share-based payments.

Options reserve

The reserve is used to recognise the values attributed to options issued to vendors in lieu of payment of accrued interests or capital raising costs. The options were valued at the value of the interest payable, or their fair value on the issue date using a black-Scholes valuation model.

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars. The group has subsidiaries whose operations are located outside of Australia (refer Note 21 for details of subsidiaries). The functional currency for the Group's subsidiaries operating outside of Australia is U.S. dollars (USD). In accordance with the Group's accounting policies as disclosed in Note 4, the assets, and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated into AUD at the exchange rates at the reporting date. Exchange rate used by the Group for translation as at 30 June 2023 was AUD1 = USD0.6642 (at 30 June 2022 was AUD1 = USD0.6893). The income and expenses of foreign operations are translated into AUD at the dates of the transactions.

20. ACCUMULATED LOSSES

	2023 $	2022 $
Accumulated losses at the beginning of the year	(70,815,353)	(63,904,514)
Net loss for the year	(10,350,430)	(6,910,839)
Accumulated losses at the end of the year	**(81,165,783)**	**(70,815,353)**

21. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 4:

Name of entity	Place of business/country of incorporation	Ownership interest held by the Group 2023	2022	Principal activities
Allotropes Diamonds Pty Ltd	Australia	100%	100%	Mineral Exploration
Allotropes Diamond Company Ltd	Sierra Leone	100%	100%	Mineral Exploration
Stellar Diamonds Limited	United Kingdom	100%	100%	Holding company
Stellar Diamonds Limited	Guernsey	100%	100%	Holding company
Basama Diamonds Ltd	Republic of Seychelles	100%	100%	Prospecting and exploration of diamonds
Basama Diamonds Ltd (Sierra Leone Branch)	Sierra Leone	100%	100%	Prospecting and exploration of diamonds
Sierra Diamonds Limited	British Virgin Islands	100%	100%	Prospecting and exploration of diamonds
Sierra Diamonds Limited (Sierra Leone Branch)	Sierra Leone	100%	100%	Prospecting and exploration of diamonds

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy described in Note 4:

Name of entity	Place of business/country of incorporation	Ownership interest held by the Group 2023	2022	Principal activities
Allotropes Mining Company Ltd*	Sierra Leone	100%	100%	Mineral Exploration
Stellar Diamonds (Liberia) Incorporated	Liberia	90%	90%	Prospecting and exploration of diamonds

* The non-controlling interest holds 25% of the voting rights of Allotropes Mining Company Ltd.

22. COMMITMENTS AND CONTINGENCIES

Capital expenditure commitments

In the prior period, the Group entered into a contract with a supplier for the supply of a diamond processing plant with a gross contract value of $1.45 million. Capital expenditure commitment in relation to this at the end of the reporting period but not recognised as liabilities is as follows:

	2023 $	2022 $
Payable within one year	211,194	523,748

Exploration and project commitments

The Group has certain obligations to perform minimum exploration work on mining tenements held. These obligations may vary over time, depending on the Group's exploration program and priorities. These obligations are also subject to variations by negotiation, joint venturing or relinquishing some of the relevant tenements.

As at reporting date, total exploration expenditure commitments in relation to tenements held by the Group which have not been provided for in the financial statements are as follows:

	2023 $	2022 $
Within one year	3,074,020	2,924,083
After one year but not more than five years	13,403,858	10,085,899
More than five years	25,407,926	22,459,478
	41,885,804	**35,469,460**

22. COMMITMENTS AND CONTINGENCIES (continued)

Contingencies

Pursuant to a tenement acquisition agreement entered into with Anthony John Woodhill. Anthony William Kiernan, Archaean Exploration Services Pty Ltd, Woodline Pty Ltd, Plato Prospecting Pty Ltd, Carterton Holdings Pty Ltd and Newfield Central Pty Ltd (together, the **Newfield Vendors**), the Company has agreed to pay the Newfield Vendors a 2% net smelter royalty in respect of all minerals produced from the tenements acquired. In addition, a royalty of $10 per ounce of gold and 2% net smelter royalty on non-gold commodities produced on M77/422 and M77/846 is payable to Carterton Holdings Pty Ltd pursuant to a previous agreement in respect of those tenements.

Pursuant to the Tribute Mining Agreement and Revenue Share Agreement entered into with Octea Group Limited, the Group may be liable to continue to pay to Octea Group under the 10% royalty on all sales revenue arrangement. A liability has not been recognised with respect to royalty payments beyond the indicated resource (probable reserves of the Kundu and Lando kimberlites) (refer Note 17).

A Community Development Agreement was signed in November 2019 which includes a 0.3% gross revenue royalty on diamond export valuation to be paid into a community development fund.

The Group does not have any other contingent liabilities at balance and reporting dates.

23. EARNINGS/(LOSS) PER SHARE

Basic and diluted loss per share

The calculation of basic loss per share was based on the following:

	2023 $	2022 $
Loss attributable to ordinary shareholders of Newfield Resources Limited		
Net loss for the year	(10,583,601)	(6,911,419)
Weighted average number of ordinary shares	**Number**	**Number**
Balance at beginning of year	745,611,986	581,299,552
Effect of shares issued during the financial year	18,678,293	164,312,434
Weighted average numbers of ordinary shares on issue during the year	764,290,279	670,189,794
Basic loss per share	**1.38 cents**	**1.03 cents**

Diluted earnings/(loss) per share must be calculated where potential ordinary shares on issue are dilutive. As the potential ordinary shares on issue would decrease the loss per share, they are not considered dilutive, and not shown.

24. SEGMENT REPORTING

The Group operates predominantly in the mineral resources industry in Africa. The Board has determined that the Group has three reportable segments, being mining & development Africa, mineral exploration Africa and corporate.

2023	Mining & Development Africa $	Mineral Exploration Africa $	Corporate $	Group $
Segment revenue	-	-	-	-
Impairment loss	-	(2,329,275)	-	(2,329,275)
Segment result	(5,104,355)	(2,331,707)	(3,147,539)	(10,583,601)
Segment assets	112,165,128	27,840,547	449,505	140,455,180
Segment liabilities	22,967,153	148,251	17,897,188	41,012,592

24. SEGMENT REPORTING (continued)

	Mining & Development Africa $	Mineral Exploration Africa $	Corporate $	Group $
2022				
Segment revenue	1,974,726	-	-	1,974,726
Impairment loss	-	-	-	-
Segment result	(5,154,091)	(530,184)	12,595,694	6,911,419
Segment assets	99,702,500	29,041,646	1,589,034	130,333,180
Segment liabilities	20,753,546	7,855,483	937,445	29,546,474

Geographical information

	Geographical Revenue		Geographical non-current assets	
	2023 $	2022 $	2023 $	2022 $
Australia	-	-	96,671	127,781
Liberia	-	-	-	2,183,088
Sierra Leone	-	1,974,726	135,575,691	123,990,195
	-	1,974,726	135,672,362	126,301,064

25. RELATED PARTY TRANSACTIONS

(a) Parent entity

The Group is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest 2023	Ownership interest 2022
Newfield Resources Limited	Ultimate Australian parent entity	Australia	100%	100%

(b) Subsidiaries

Interests in subsidiaries are set out in Note 21.

(c) Key management personnel compensation

	2023 $	2022 $
Short-term & post-employment benefits	486,090	521,566
Share based payments	-	945,030
Total compensation	**486,090**	1,466,596

Detailed remuneration disclosures are provided in the Remuneration Report on pages 21 to 25.

25. RELATED PARTY TRANSACTIONS (continued)

(d) Other transactions with key management personnel

Mr N K Smithson's spouse provided administrative and secretarial services to a subsidiary of the Group during the financial year on normal commercial terms and conditions.

Mr C Burton and Mr A Croll also provided advisory services to the Group during the financial year on normal commercial terms and conditions.

The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis. The aggregate amounts recognised during the year relating to those transactions were as follows:

		Transactions value year ended 30 June		Balance outstanding as at 30 June	
Director	**Transaction**	**2023 $**	**2022 $**	**2023 $**	**2022 $**
Mr N K Smithson	Fees for administrative and secretarial services provided	1,435	2,030	-	-
Mr A Croll	Fees for advisory services	138,660	-	-	-
Mr C Burton	Fees for advisory services	31,677	62,844	-	22,496

Outstanding balances are unsecured and are repayable in cash.

26. RECONCILIATION OF CASH FLOWS

	2023 $	**2022 $**
(a) Cash flows from operating activities		
Loss for the year	(10,583,601)	(6,911,419)
Adjustments of non-cash/non-operating items:		
Depreciation	19,388	1,205,120
Borrowing costs amortisation	180,739	-
Interest amortisation	492,903	588,453
Gain on sale of assets	1,844	(50,000)
Foreign exchange gains	20,080	632,611
Impairment loss exploration & evaluation assets	2,329,275	-
Share based payment	299,315	945,030
Fair value loss on investments held at FVTPL	77,335	-
Fair value adjustment of financial liability	(1,688,372)	(9,963,121)
Conversion of interest in bond	-	49,625
Conversion of debt to equity	-	6,860,078
Inventory revaluation	-	(596,254)
Options issued	-	2,150,129
Lease modification	-	59,535
Other exploration and evaluation expenditure	-	825
Operating loss before changes in working capital and provisions	(8,851,094)	(5,029,388)
Change in trade and other receivables	(96,938)	-
Change in other assets	(104,719)	166,251
Change in inventory	(1,529,347)	-
Change in trade and other payables	69,267	(2,445,625)
Change in provisions	57,963	-
Net cash used in operating activities	(10,454,868)	(7,308,762)

26. RECONCILIATION OF CASH FLOWS (continued)

(b) Non-cash investing and financing activities

On 31 October 2022 the Company issued 4,000,000 free-attaching unquoted options exercisable at $0.54 each on or before 1 November 2025 to SBC Global Investment Fund as part of an equity placement facility (refer Note 18).

On 10 January 2023 the Company issued 1,000,000 free-attaching unquoted options exercisable at $0.452 each on or before 10 January 2026 to SBC Global Investment Fund, pursuant to the equity funding facility agreement (refer Note 18).

27. RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table shows a reconciliation of the Group's liabilities whose cash flow movements are disclosed as part of financing activities in the Consolidated Statement of Cash Flows.

	Opening balance	Non-cash changes				Cash inflows	Cash outflows	Closing balance
		Settlement through issue of shares	Interest accrued	Amorti-sation	Foreign exchange movements			
	$	$	$	$	$	$	$	$
2023								
Long-term borrowings	-	-	-	-	-	14,300,000	(1,300,000)	13,000,000
Short-term borrowings	154,174	(100,000)	104,624	69,074	37,772	6,567,869	(2,768,272)	4,065,240
Lease liabilities	4,902	-	-	98	-	-	(5,000)	-
Total	**159,076**	**(100,000)**	**104,624**	**69,172**	**37,772**	**20,867,869**	**(4,073,272)**	**17,065,240**

	Opening balance	Non-cash changes				Cash inflows	Cash outflows	Closing balance
		Settlement through issue of shares	Interest accrued	Amorti-sation	Foreign exchange movements			
	$	$	$	$	$	$	$	$
2022								
Long-term borrowings	33,980,872	(25,273,973)	49,625	-	840,186	4,377,707	(13,974,417)	-
Short-term borrowings	156,743	-	-	-	-	271,823	(274,392)	154,174
Lease liabilities	1,053,580	-	243,451	56,379	(76,077)	-	(1,272,431)	4,902
Total	**35,191,195**	**(25,273,973)**	**293,076**	**56,379**	**764,109**	**4,649,530**	**(15,521,240)**	**159,076**

28. SHARE BASED PAYMENTS

(a) Performance Rights

At the annual general meeting held on 22 November 2022, shareholders approved the grant of 3,510,000 performance rights to the directors. In addition, 8,395,010 performance rights were granted to employees and consultants.

Holder	Class	Number	Grant date	Fair value per right	Expiry date of milestone achievement	Probability	Share-based payment expense recognised
Nicholas Karl Smithson	C	585,000	22-Nov-2022	$0.40	21-Nov-2025	0%	-
	D	585,000	22-Nov-2022	$0.40	21-Nov-2025	0%	-
Jack Spencer Cotton	C	585,000	22-Nov-2022	$0.40	21-Nov-2025	0%	-
	D	585,000	22-Nov-2022	$0.40	21-Nov-2025	0%	-
Alistair Croll	C	585,000	22-Nov-2022	$0.40	21-Nov-2025	0%	-
	D	585,000	22-Nov-2022	$0.40	21-Nov-2025	0%	-
Employees and consultants	C	4,197,505	22-Nov-2022	$0.40	21-Nov-2025	0%	-
	D	4,197,505	22-Nov-2022	$0.40	21-Nov-2025	0%	-

Vesting occurs at the end of the performance period dated 21 November 2025, if the following performance conditions are met:

Class C upon the announcement by the Company to the ASX market announcements platform of at least a further 12,500 metres of underground development at its Sierra Leone diamond mine (when compared to the underground development as at the date of shareholder approval).

Class D upon the announcement by the Company to the ASX market announcements platform of the presentation and treatment of 50,000 tonnes of kimberlite ore to and through the processing facilities at the company's operation in Sierra Leone.

Due to unexpected delays in the development of its Sierra Leone diamond mine, the Company does not expect the performance conditions of the class C or class D performance rights to be achieved before their expiry date, 21 November 2025. As a result, the class C and class D performance rights were valued as nil.

A share-based payment expense of $299,315 in relation to vesting expense from prior rights was recognised in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023 (2022: $945,030).

(b) Options

On 31 October 2022 the Company issued 4,000,000 options exercisable at $0.54 each on or before 1 November 2025 to SBC Global Investment Fund as part of an equity placement facility (refer Note 18). These options have no vesting conditions attached to them and are expensed in full on issue. As a result, $349,386 was recognised as share issue costs during the period for these options.

On 10 January 2023 the Company issued 1,000,000 options exercisable at $0.452 each on or before 10 January 2026 to SBC Global Investment Fund, pursuant to the equity funding facility agreement (refer Note 18). These options have no vesting conditions attached to them and are expensed in full on issue. As a result, $79,654 was recognised as share issue costs during the period for these options.

28. SHARE BASED PAYMENTS (continued)

Fair value of options granted.

The fair value of options granted during the period was calculated at the date of grant using the Black-Scholes option-pricing model. The following table gives the assumptions made in determining the fair value of options on grant date:

Fair value per option	8.73 cents	7.97 cents
Grant date	31 October 2022	10 January 2023
Number of options	4,000,000	1,000,000
Expiry date	1 November 2025	10 January 2026
Expected average exercise period	3.01 years	3.0 years
Exercise price	$0.54	$0.452
Underlying spot price	$0.40	$0.35
Estimated volatility	42.37%	40.45%
Risk-free interest rate	3.29%	3.33%
Dividend yield	0%	0%

The expected price volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to public available information.

Set out below are summaries of options granted by the Company as at 30 June 2023:

Grant date	Exercise price	Expiry date	Balance at start of the period Number	Granted during the period Number	Exercised / lapsed during the period Number	Balance at end of the period Number	Vested and exercisable at end of the period Number
4 January 2022	$0.50	4 Jan 2024	24,744,513	-	-	24,744,513	24,744,513
31 October 2022	$0.54	1 Nov 2025	-	4,000,000	-	4,000,000	4,000,000
10 January 2023	$0.452	10 Jan 2026	-	1,000,000	-	1,000,000	1,000,000
			24,744,513	5,000,000	-	29,744,513	29,744,513
Weighted Average exercise price			$0.50	$0.52	-	$0.50	$0.50

The options outstanding at 30 June 2023 have a weighted average remaining contractual life of 10.08 months (2022:18 months).

29. PARENT ENTITY DISCLOSURES

As at and throughout the financial year ended 30 June 2023 the parent entity of the Group was Newfield Resources Limited.

(a) Summary financial information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2023 $	Parent 2022 $
Profit/(Loss) after income tax	(2,532,895)	(9,606,796)
Total comprehensive profit/(loss)	(2,532,895)	(9,606,796)

29. PARENT ENTITY DISCLOSURES (continued)

Statement of financial position

	Parent	
	2023	**2022**
	$	**$**
Current assets	352,834	1,725,977
Total assets	109,859,686	89,520,167
Current liabilities	(4,918,945)	(920,915)
Total liabilities	(17,918,945)	(920,915)
Net assets	91,940,741	88,599,252
Shareholder's equity		
Issued capital	169,987,814	164,841,786
Reserves	4,327,417	3,599,062
Accumulated losses	(82,374,491)	(79,841,596)
Total equity	91,940,740	88,599,252

(b) Guarantees entered into by the parent entity

The parent entity did not provide any guarantees during the financial year (2022: nil).

(c) Contingent liabilities of the parent entity

Other than the contingencies disclosed in Note 22, the parent entity did not have any other contingent liabilities at year end (2022: nil).

(d) Contractual commitments for capital expenditure

The parent entity did not have any commitment in relation to capital expenditure contracted but not recognised as liabilities as at reporting date (2022: nil).

30. EVENTS SUBSEQUENT TO REPORTING DATE

The following events occurred subsequent to the reporting date:

a) On 10 July 2023, Sierra Diamonds Limited, a wholly owned subsidiary of Newfield, entered into a terms sheet with African Finance Corporation (**Terms Sheet**), in respect of a proposed US$50 million secured debt facility for the funding of the continued development of the Tongo Project. This Terms Sheet is conditional and non-binding. The key terms of the proposed facility contemplated in the Terms Sheet are outlined in the Company's ASX announcement made on 10 July 2023. As at the date of this report, negotiations and due diligence reviews are continuing in relation to the Terms Sheet.

b) On 18 July 2023, the binding agreement between Newfield Resources Limited and Fidelitas Deutsche Industrie Holding AG dated 14 April 2023 in relation to US$1,000,000 bond subscription agreement was extended to a maturity date of 30 September 2023 (previously 14 July 2023). Fidelitas is a group entity of Deutsche Balaton AG, a Top 20 shareholder of the Company (refer ASX Announcement dated 18 July 2023).

c) In July 2023, the Group made a sale of diamonds with net sales proceeds of US$1,303,201 which was applied to repay the Delgatto diamond financing facility (refer Note 15(i)) and accrued interests. As at the date of this report, US$212,999 remains outstanding under the Delgatto diamond financing facility.

d) On 22 September 2023, the Company issued 20,752,273 fully paid ordinary shares at an issue price of A$0.15 per share by way of share placement, to raise US$2,000,000 (~A$3,112,840.95) to fund its working capital.

e) On 22 September 2023, the draw-down balance of the Wonder Holding loan facility (refer Note 15(ii)) $13,562,225 together with the accrued interest $301,389 was converted into 92,424,094 fully paid ordinary shares in the Company, at the price of $0.15 per share.

Other than the disclosures above, there has not been any other matters or events which have arisen since 30 June 2023 which have significantly affected, or may significantly affect, the operations of the Group, the results of the operations, or the state of affairs of the Group in future financial years.

In the opinion of the Directors of Newfield Resources Limited:

(a) the financial statements and notes set out on pages 27 to 60, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance, for the financial year ended on that date; and

(ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

Karl Smithson
Executive Director

29th September 2023
Perth

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Newfield Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Newfield Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of mine development asset

Key audit matter	*How the matter was addressed in our audit*

Refer to Note 13 of the financial statements, for disclosure in relation to the mine development asset for the Tongo Diamond Project.
 	
The Group is required to assess for indicators of impairment at each reporting period in accordance with AASB 136 *Impairment of Assets*. This assessment requires management to make significant accounting judgements and estimates which includes considering both external and internal factors as included in AASB 136.
 	
At 30 June 2023, the Group concluded that there were no impairment indicators in relation to the carrying value of the mine development assets which is supported by a life of mine plan ('LOM') for the Group's mine development asset.
 	
The impairment indicator assessment was determined to be a key audit matter due to the quantum of the mine development asset and the significant judgements and estimates involved in management's assessment of impairment indicators.
	Our procedures included, but were not limited to:
	
	• Verifying on a sample basis, mine development expenditure capitalised during the year for compliance with the measurement and recognition criteria of accounting standards;
	
	• Evaluating and challenging management's assessment of indicators of impairment including assessing the impact of the revised mine model for changes in:
	  ◦ Diamond pricing assumptions;
	  ◦ Discount rates;
	  ◦ Ore reserves and diamond grade;
	  ◦ Delays in commercial production; and
	  ◦ Operating costs.
	
	• Assessing the qualifications, competence and objectivity of the Group's internal and external experts used in the preparation of the key inputs to the mine model;
	
	• Comparing the carrying amount of the Group's net assets against the market capitalisation; and
	
	• Assessing the adequacy of the related disclosures in Note 4 and Note 13 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 25 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Newfield Resources Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth

29 September 2023

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF NEWFIELD RESOURCES LIMITED

As lead auditor of Newfield Resources Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Newfield Resources Limited and the entities it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth

29 September 2023

Details of shares as at 27 September 2023:

Top holders

The 20 largest registered holders of each class of quoted equity security as at 27 September 2023:

Fully paid ordinary shares – quoted

	Name	No. of Shares	%
1.	Citicorp Nominees Pty Limited	201,778,511	22.88
2.	BNP Paribas Noms Pty Ltd	104,914,125	11.89
3.	Wonder Holdings Pty Ltd	92,424,094	10.48
4.	QP & Co Pty Ltd <Quppi Family A/C>	49,284,743	5.59
5.	Ryse Investment Pte Ltd	36,630,000	4.15
6.	Anrinza Future Pty Ltd	33,022,731	3.74
7.	PT Griyainsani Cakrasadaya	29,375,000	3.33
8.	Deutsche Balaton Aktiengesellschaft	28,518,073	3.23
9.	Rustiyan Oen	20,752,273	2.35
10.	BNP Paribas Nominees Pty Ltd	17,344,458	1.97
11.	Suryandy Jahja	15,068,848	1.71
12.	Asia Pacific Horizon Capital Ltd	12,380,080	1.40
13.	Delphi Unternehmensberatung Aktiengesellschaft	10,200,000	1.16
14.	Mr Tuan Minh Le <Le Khuc Family A/C>	9,000,000	1.02
15.	Robert Ang	8,608,613	0.98
16.	BNP Paribas Nominees Pty Ltd ACF Clearstream	8,563,038	0.97
17.	Mr Hoong Ngai Christopher Lai	8,000,000	0.91
18.	Ms May Ern Gloria Lai	8,000,000	0.91
19.	Chewkart Super Pty Ltd	7,500,000	0.85
20.	Deutsche Balaton Aktiengesellschaft	7,179,851	0.81
		708,544,438	80.33

Registered holders holding 20% or more of each class of unquoted security as at 27 September 2023:

Options exercisable at $0.50 each on or before 4 January 2024

Name	No. of Options	%
Sparkle Capital Pty Ltd <Sparkle Investment A/C>	10,927,897	44.16
Anrinza Future Pty Ltd	5,234,921	21.16

Options exercisable at $0.54 each on or before 1 November 2025

Name	No. of Options	%
SBC Global Investment Fund	4,000,000	100

Options exercisable at $0.452 each on or before 10 January 2026

Name	No. of Options	%
SBC Global Investment Fund	1,000,000	100

Distribution schedules

A distribution schedule of each class of equity security as at 27 September 2023:

Fully paid ordinary shares

Range			Holders	Units	%
1	-	1,000	118	15,309	0.00
1,001	-	5,000	103	323,954	0.04
5,001	-	10,000	107	886,956	0.10
10,001	-	100,000	230	8,576,199	0.97
100,001	-	Over	177	872,244,824	98.89
Total			**735**	**882,047,242**	**100.00**

Options exercisable at $0.50 each on or before 4 January 2024

Range			Holders	Units	%
1	-	1,000	-	-	-
1,001	-	5,000	-	-	-
5,001	-	10,000	-	-	-
10,001	-	100,000	-	-	-
100,001	-	Over	9	24,744,513	100.00
Total			**9**	**24,744,513**	**100.00**

Options exercisable at $0.54 each on or before 1 November 2025

Range			Holders	Units	%
1	-	1,000	-	-	-
1,001	-	5,000	-	-	-
5,001	-	10,000	-	-	-
10,001	-	100,000	-	-	-
100,001	-	Over	1	4,000,000	100.00
Total			**1**	**4,000,000**	**100.00**

Options exercisable at $0.452 each on or before 10 January 2026

Range			Holders	Units	%
1	-	1,000	-	-	-
1,001	-	5,000	-	-	-
5,001	-	10,000	-	-	-
10,001	-	100,000	-	-	-
100,001	-	Over	1	1,000,000	100.00
Total			**1**	**1,000,000**	**100.00**

Class C Performance Rights, subject to vesting conditions

Range			Holders	Units	%
1	-	1,000	-	-	-
1,001	-	5,000	-	-	-
5,001	-	10,000	-	-	-
10,001	-	100,000	45	1,959,674	33.86
100,001	-	Over	11	3,827,116	66.14
Total			**56**	**5,786,790**	**100.00**

Class D Performance Rights, subject to vesting conditions

Range			Holders	Units	%
1	-	1,000	-	-	-
1,001	-	5,000	-	-	-
5,001	-	10,000	-	-	-
10,001	-	100,000	45	1,959,674	33.86
100,001	-	Over	11	3,827,116	66.14
Total			**56**	**5,786,790**	**100.00**

Substantial shareholders

The names of substantial shareholders and the number of shares to which each substantial shareholder and their associates have a relevant interest, as disclosed in substantial shareholding notices given to the Company, are set out below:

Substantial shareholder	Number of Shares
Rustiyan Oen	210,493,558
Wonder Holdings Pty Ltd	92,424,094
QP & Co Pty Ltd <Quppi Family A/C>	49,284,743

Restricted securities or securities subject to voluntary escrow

As at 27 September 2023, the Company had no restricted securities on issue.

Unmarketable parcels

Holdings less than a marketable parcel of fully paid ordinary shares (being 3,333 shares as at 27 September 2023):

Holders	Units
179	156,891

Voting Rights

The voting rights attaching to ordinary shares are:

- On a show of hands, every member present in person or by proxy shall have one vote, and upon a poll, each share shall have one vote.

Options do not carry any voting rights.

On-Market Buy Back

There is no current on-market buy-back.

Principles of Good Corporate Governance and Recommendations

The Board has adopted and approved the Company's 2023 Corporate Governance Statement, which can be found on the Company's website at www.newfieldresources.com.au.

Schedule of Tenements at 27 September 2023

PROJECT	TENEMENT NUMBER	TENEMENT NAME	AREA (km²)	STATUS	NEWFIELD'S INTEREST
SIERRA LEONE					
TONGO KIMBERLITE MINE	ML02/2018	Tongo	9.98	Granted	100%
	ML02/2012	Tonguma	124	Granted	Nil but subject to the tribute mining agreement
LIBERIA					
KUMBGO PROJECT	MEL1157/14	Kumgbo	300.00	Granted	90%
	MEL1158/14	Kumgbo	370.54	Granted	90%
WESTERN AUSTRALIA					
NEWFIELD GOLD PROJECT	M77/0422*	Newfield	0.85	Granted	30%
	M77/0846*	Woongaring Hills	0.39	Granted	30%

* Subject to farm-out agreement with DiscovEx Resources Limited (previously named Syndicated Metals Limited).