



ASX Announcement

30 April 2021

MARCH 2021 QUARTERLY ACTIVITIES REPORT

Newfield Resources Limited (ASX: **NWF**) (**Newfield** or **Company**) is pleased to announce its activities during the March 2021 quarter.

Highlights

- **Underground development of the return airway on the Kundu kimberlite continued**
- **A total of 648 m of underground development achieved to date**
- **Bulk sample of 100 tonnes collected from the Peyima kimberlite dyke for Mineral Resource estimation purposes**
- **910,000 carat JORC compliant inferred diamond resource (+1.0mm cut off) declared for the Panguma Kimberlite***
- **498 Loss Time Injury Free dates recorded during the surface and underground construction and development activities completed at the Tongo mine**

**Refer to the ASX announcement dated 27 January 2021*

1. Tongo Diamond Mine (Sierra Leone)

During the quarter, the underground decline development and infrastructure construction continued, although progress continued to be hampered by delays imposed upon the supply chain, which has significantly increased lead times and reduced capacity to bring in certain mining equipment and spares. In addition, strong water ingress was intersected in January, requiring the construction of a new pump station to manage and pump the water to surface. The activity to manage this water ingress slowed the underground development progress during the quarter and limited the decline development to 125m. The total decline development to date is 648m and a further 148m of development is required along Segment A RAW to reach the ventilation shaft. This, along with developing the Segment C RAW, will be the priority over the next three months (refer Figure 1).

As a consequence of encountering the strong water ingress, the Company will commence its planned hydrological study. The study was foreshadowed as part of the FEED programme, once underground water was intersected, and has been budgeted in the mine plan. The study is expected to provide a more accurate assessment of the expected water ingress as the mine goes deeper. In the interim, the underground dewatering dam that has recently been constructed has the sufficient pumping capacity to maintain safe and dry underground working conditions. The water is clean and is gratefully received by the local farming community where it is being used to irrigate crops.

Construction of the Refuge Bay is complete and awaits the installation of an air-line from surface to become operational.

The Company is reviewing its original mine construction schedule which has been significantly impacted by the continued disruption caused by the COVID-19 pandemic. The revised mine schedule (when complete) will be continually assessed for the foreseeable future with a clear focus on strategies to accelerate early production.

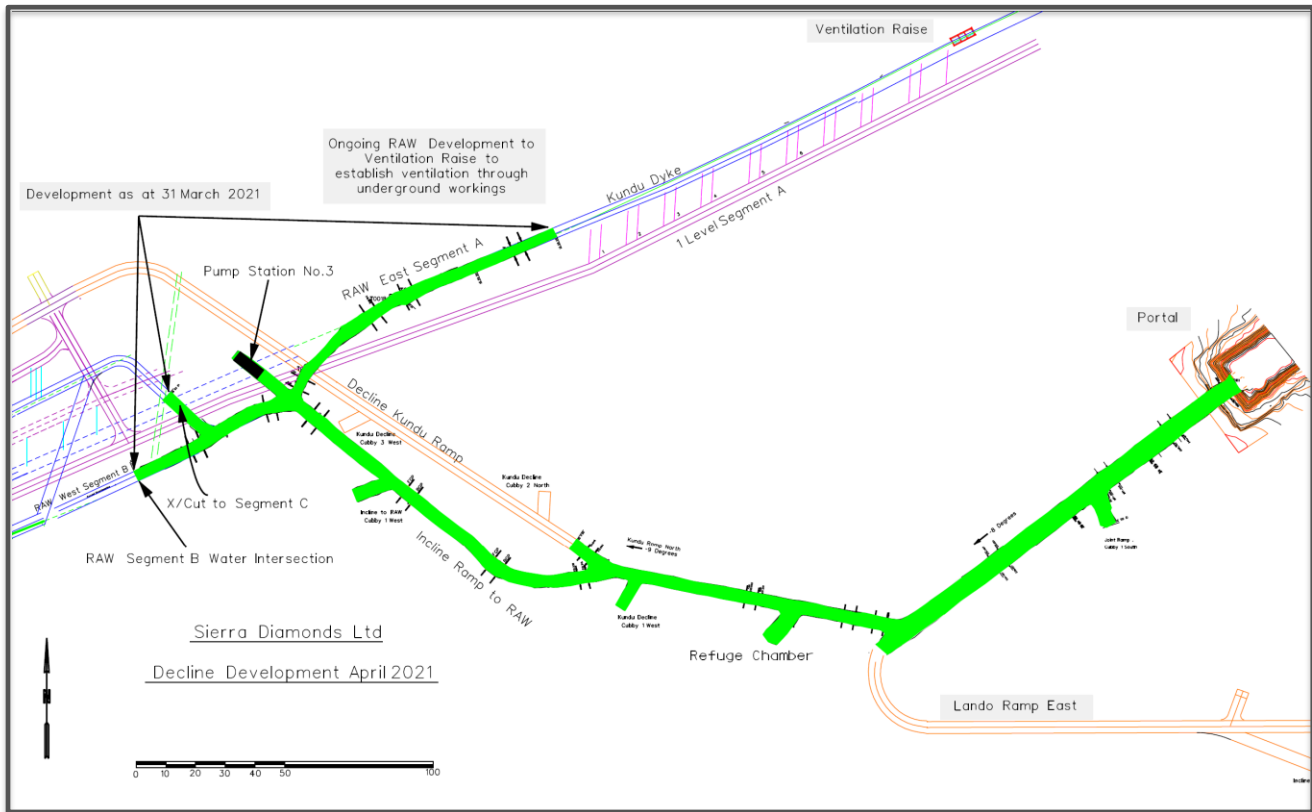


Figure 1: Mine development to March 31 2021



Figure 2: New underground dam and pumping station



Figure 3: Completed Refuge Bay

2. Mineral Resource Expansion Work Peyima Kimberlite (Sierra Leone)

Following the addition of a fifth dyke system into the Tongo Mine Mineral Resource inventory with the declaration of a maiden Mineral Resource on the Panguma kimberlite dyke at the start of this current quarter, attention turned to the Peyima kimberlite dyke. The Peyima kimberlite is an extensive dyke (with possible blow) located in the south eastern part of the Tonguma Mining Licence, which is subject to artisanal mining, and therefore is known to be diamondiferous. A mini bulk sample of approximately 100 tonnes was collected and the material stockpiled at the 5tph plant for processing. Subject to encouraging results, a resource drilling programme will be recommended.



Figure 4: Bulk sampling of the Peyima kimberlite dyke

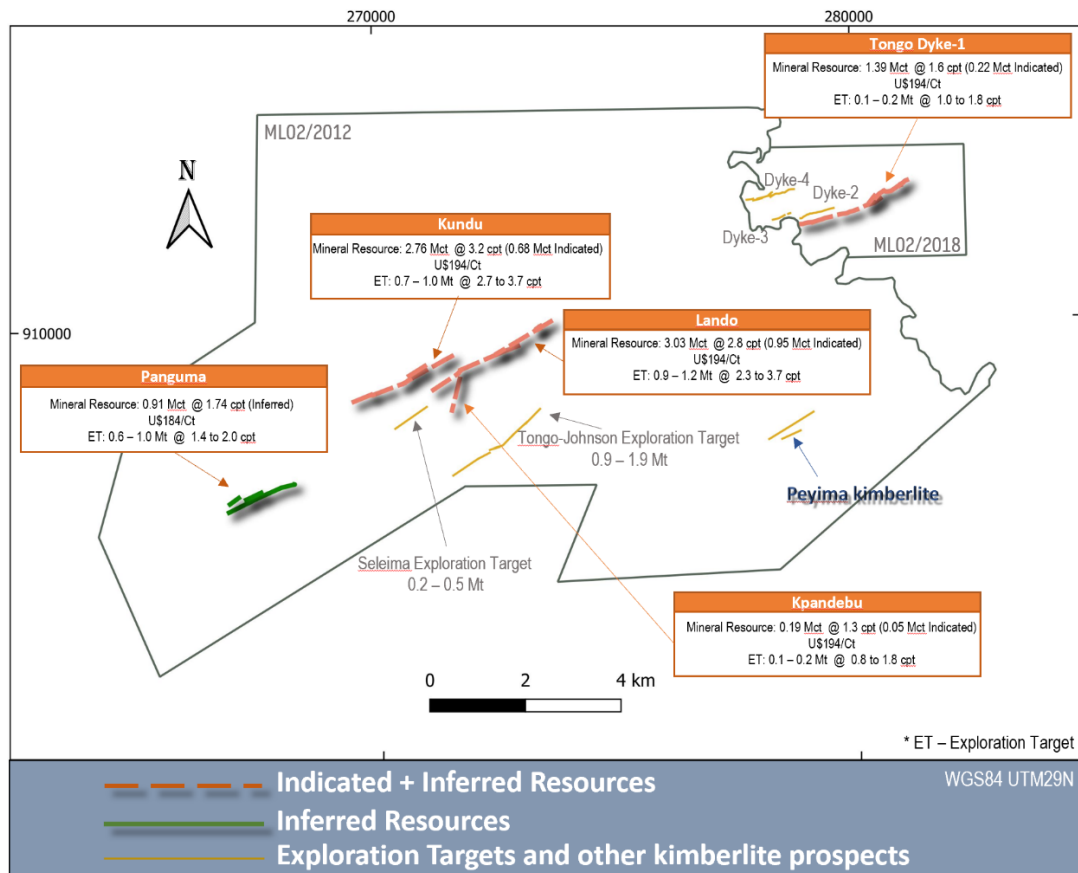


Figure 5: Location of the Peyima kimberlite dyke within the Tongoma Mining Licence

Panguma Kimberlite (Sierra Leone)

Although reported as a post-quarter event during the December 2020 quarterly report, the maiden JORC compliant inferred diamond resource for the Panguma kimberlite was announced on 27 January 2021. In summary, a 910,000 carat inferred resource has been declared for Panguma, mostly to a depth of -100m below surface, which now brings the total Tongo project resource to 8.3 million carats.

Table 1: Summary of the Panguma Inferred Diamond Resource (+1.0mm cut off, rounded)

Kimberlite	Dyke Segment	Depth from surface (m)	Resource Category	Tonnes Kimberlite	+1.0mm Grade (cpt)	Total Carats	Diamond Value (US\$/ct)
Panguma	A	-100m	Inferred	159,000	1.8	286,000	184
Panguma	B	-100m	Inferred	81,000	1.5	122,000	184
Panguma	C	-100m	Inferred	63,000	1.8	113,000	184
Panguma	D	-100m	Inferred	43,000	1.8	77,000	184
Panguma	E	-100m	Inferred	54,000	1.8	97,000	184
Panguma	A	-100 to -200m	Inferred	140,000	1.5	210,000	184
TOTAL			INFERRED	540,000	1.7	910,000	184

3. HSE Report

The Company is pleased to report that no lost time injuries have occurred on the mine, or on any of the Company's projects, since November 2019. This excellent record is a function of the Company's ongoing focus on health and safety, and its determination that a culture of safety is the norm for all of its employees. The current Loss Time Injury Frequency Rate (LTIFR) is 0.6 and a new LTIFR target of 0.5 has been established for 2021.

4. Summary of cash flows

The attached Appendix 5B has been prepared on a consolidated basis and includes the cash flows from all subsidiaries across the Group. The operating cash flows in section 1 include the continued cash cost of developing its flagship Tongo diamond mine. The Company continued to advance the return airways in addition to completing the new pump station and the refuge bay. Staff costs reduced during the quarter as contracts came to an end and were not renewed and lower development activity resulted in reduced staffing levels. The Company also made its semi-annual interest payment to its bond holders of A\$0.797 million.

A subsidiary of the Group received a value added tax refund of approximately A\$0.53 million during the quarter.

The Company also completed the drawdown on the Australian bond facility on 8 March 2021 and received a further A\$1.84 million from the Australian bond holders.

Authorised by:

The Board of Directors

Newfield Resources Limited

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Newfield Resources Limited

ABN

98 153 219 848

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(462)	(5,397)
	(c) production	-	-
	(d) staff costs	(870)	(3,380)
	(e) administration and corporate costs	(214)	(315)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(797)	(2,132)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	527	527
1.9	Net cash from / (used in) operating activities	(1,816)	(10,697)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(2)	(107)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	108	108
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	10
2.6	Net cash from / (used in) investing activities	106	11

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	1,841	10,447
3.6	Repayment of borrowings	(15)	(763)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,826	9,684

4.	Net increase / (decrease) in cash and cash equivalents for the period	116	(1,002)
4.1	Cash and cash equivalents at beginning of period	41	1,003
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,816)	(10,697)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	106	11
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,826	9,684

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(2)	154
4.6	Cash and cash equivalents at end of period	155	155

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	155	41
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	155	41

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	39
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Executive director remuneration	39
Associated entities	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	41,287	28,144
7.5	Unused financing facilities available at quarter end		13,143
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Corporate Bond facility of US\$20m and A\$15m, repayment after 3 years from the draw down date subject to commercial production or after 5 years, attracting 12% interest (payable in arrears) on a semi-annual basis and unsecured with limited covenants relating to restrictive pledges, further indebtedness and disposal of assets.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,816)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,818)
8.4	Cash and cash equivalents at quarter end (item 4.6)	155
8.5	Unused finance facilities available at quarter end (item 7.5)	13,143
8.6	Total available funding (item 8.4 + item 8.5)	13,298
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	7.3
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: -	
	8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: -	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: -

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2021

Authorised by: The Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.