



ASX Announcement

27 July 2021

JUNE 2021 QUARTERLY ACTIVITIES REPORT

Newfield Resources Limited (ASX: **NWF**) (**Newfield** or **Company**) is pleased to announce its activities for the quarter ending 30 June 2021.

Highlights

- **Underground development of the return airway on the Kundu kimberlite continued**
- **A total of 736 m of underground development achieved to date**
- **Construction of 25 tph plant commenced**
- **590 Lost Time Injury free days recorded during the surface and underground construction and development activities completed at the Tongo mine**

1. Tongo Diamond Mine (Sierra Leone)

Underground Development

During the quarter, the underground decline development and infrastructure construction continued in the Tongo diamond mine (**Project**). However, the quarter was a particularly challenging one as a 'third wave' COVID-19 outbreaks hit both in Sierra Leone and in South Africa where the majority of the Project's mining and engineering supplies are sourced. Both countries have imposed lockdown measures which have introduced further delays to Project's progress. Despite this, a total of 736m of underground development has now been achieved. The focus of development remains the return airway (**RAW**) drive of Kundu Segment A (towards the ventilation shaft), where the Kundu kimberlite was re-intersected, and on advancing a drive north towards the RAW of Segment C to allow full circulation of air through the underground workings. At this point, a further drive is now being developed to the southwest to intersect Segment B RAW (refer to Figure 1).

The kimberlite dyke intersected in Segment A is approximately 25-30cm in width and is being extracted in such a way that blasting can take out mostly waste rock and then the kimberlite "scalped" off the side wall to control dilution (refer to Figure 2). This kimberlite has been hauled to the 5tph plant and is being processed.

The Company continues to review its original mine construction schedule both in terms of the continued disruption caused by the COVID-19 pandemic and with a clear focus on strategies to accelerate early production.

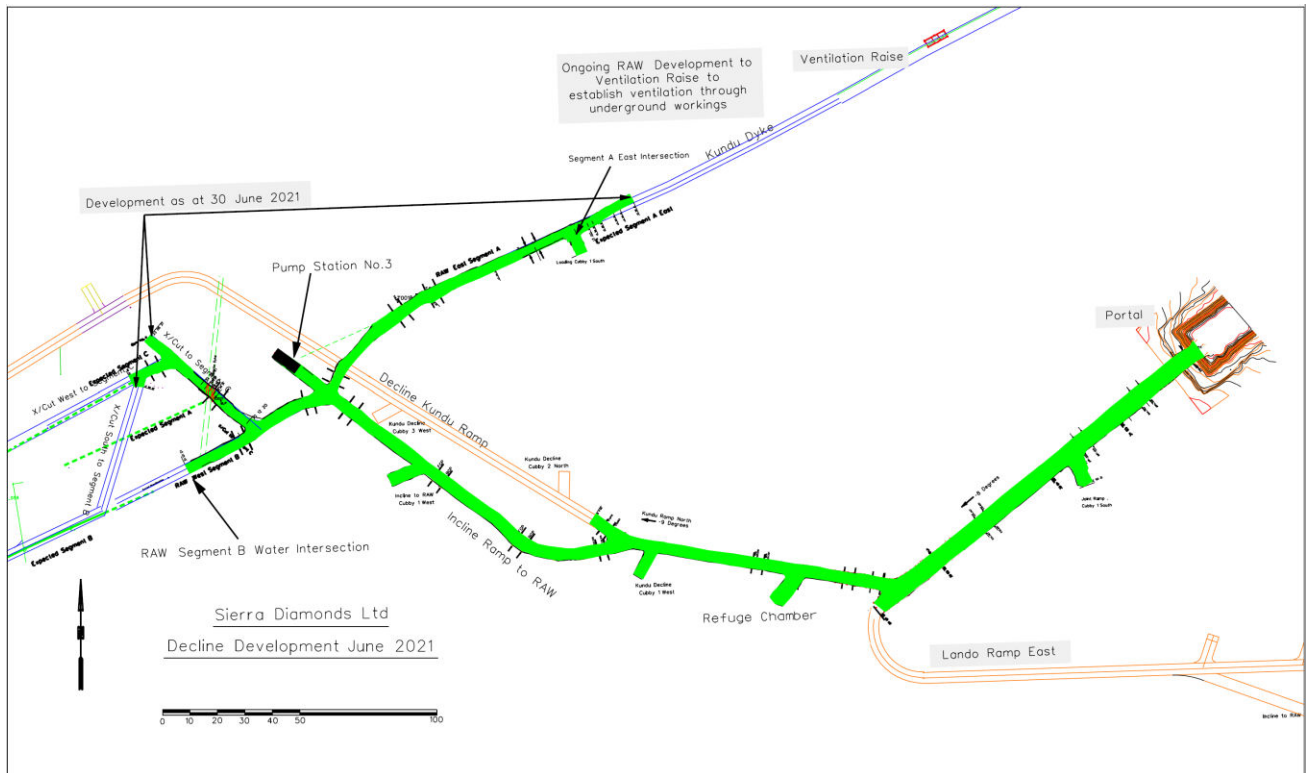


Figure 1: Mine development to June 30 2021

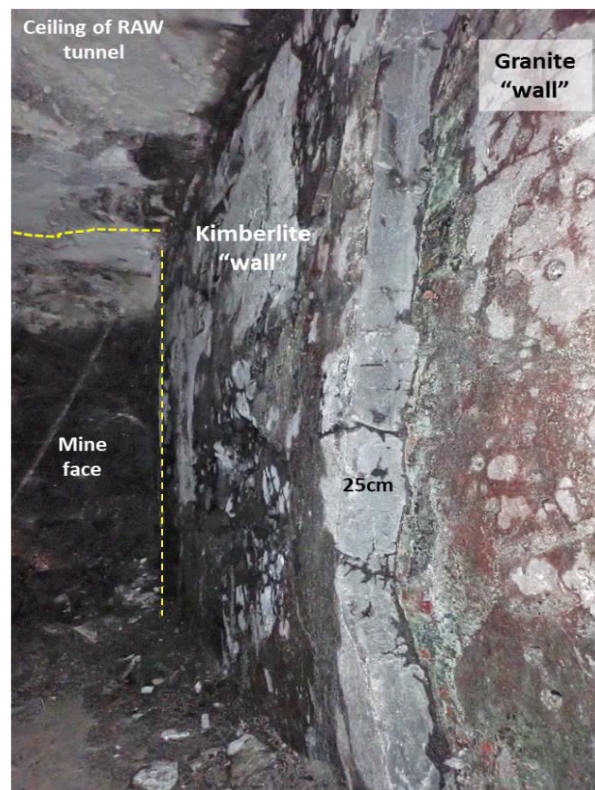


Figure 2: Kimberlite dyke intersected in Segment A

Plant Processing Capacity Strategy

As reported in previous quarterly reports, the Group has commissioned the 5tph plant to process kimberlite recovered during development of the RAW in each segment of the Kundu orebody. To establish the processing capacity to meet requirements during production ramp-up, design of a 25tph plant was completed during the quarter, utilising plant components already on site. Refurbishment of plant components such as crushers and screen decks has now been completed, and construction of the 25tph plant has commenced with the preparation of compacted surfaces and throwing of concrete platforms (refer to Figures 3 and 4). It is planned that this plant will meet ore processing requirements for the first four years of mine production when the third orebody (Tongo Dyke-1) will come on stream, at which point the 100tph plant will be commissioned to meet the increased capacity requirement.

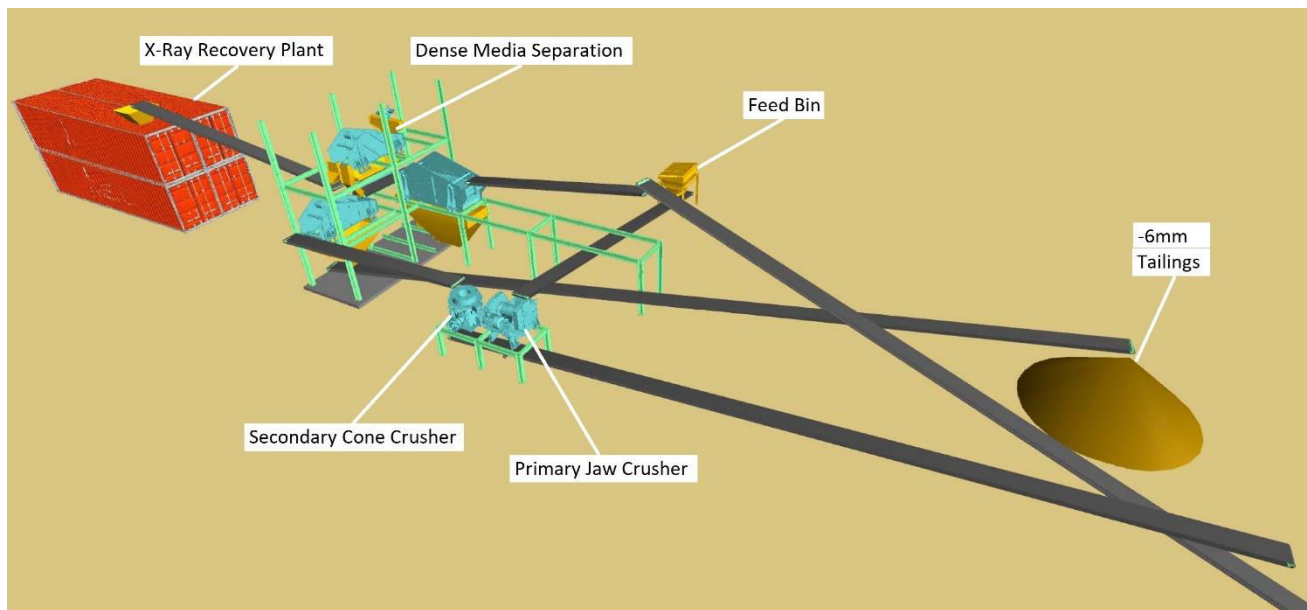


Figure 3: 25tph Plant layout



Figure 4: Concrete platforms for the 25tph plant being poured

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 remarkable 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 its employees. The current Lost Time Injury Frequency Rate (LTIFR) is 0.6 and a new LTIFR target of 0.5 has been established for the calendar year 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 quarterly cash outflows include the costs incurred to further develop the return airways and extract Kimberlite to be processed through the 5tph plant. The Group also incurred costs to finalise the design and commence works for the 25tph plant to take larger volumes of ore. Staff costs increased in the quarter after the final payments to exiting staff and the payment of statutory obligations.

The Group made a number of head office payments during the quarter including compliance costs, insurance and office overheads. .

The Company received US\$4.25 million from bond drawdowns during the quarter.

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")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(1,260)	(6,657)
	(c) production	-	-
	(d) staff costs	(1,915)	(5,295)
	(e) administration and corporate costs	(597)	(912)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(171)	(2,303)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	527
1.9	Net cash from / (used in) operating activities	(3,943)	(14,640)

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	(6)	(113)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	6	114
	(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	-	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	5,719	16,165
3.6	Repayment of borrowings	(340)	(1,103)
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	5,379	15,062

4.	Net increase / (decrease) in cash and cash equivalents for the period	1,436	432
4.1	Cash and cash equivalents at beginning of period	155	1,003
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,943)	(14,640)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	11
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,379	15,062

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	1	156
4.6	Cash and cash equivalents at end of period	1,592	1,592

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	1,592	155
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)	1,592	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	117
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	117
Associated entities	-

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

7.	Financing facilities <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>	Total facility amount at quarter end	Amount drawn at quarter end
		\$A'000	\$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	41,640	33,981
7.4	Total financing facilities	41,640	33,981
7.5	Unused financing facilities available at quarter end		7,659
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)	(3,943)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(6)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,949)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,592
8.5	Unused finance facilities available at quarter end (item 7.5)	7,659
8.6	Total available funding (item 8.4 + item 8.5)	9,251
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.3
	<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: -	

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: 27 July 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.