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## NON-RENOUNCEABLE ENTITLEMENT OFFER TO RAISE UP TO \$17.6M

ANNOUNCEMENT

23 OCTOBER 2023

### HIGHLIGHTS

- Newfield Resources to undertake a 2 for 15 non-renounceable Entitlement Offer at \$0.15 to raise approximately \$17.6 million (before costs).
- Every 2 new Shares under the Entitlement Offer will be accompanied by 1 attaching option exercisable at \$0.25. The Company will apply to ASX for quotation of the New Options.
- Partial underwriting secured for approximately \$7.8 million from Truth Wealth Management VCC – Leading Jaguar Hedge Fund.
- Proceeds to support ongoing mine development and production ramp-up at the high-grade Tongo Diamond Mine in Sierra Leone.

Newfield Resources Limited (ASX: **NWF**) (**Company**) announces that it is offering eligible shareholders the opportunity to participate in a pro rata non-renounceable entitlement offer of up to 117,606,299 fully paid ordinary shares in the Company (**New Shares**) to raise approximately \$17.6 million before costs (**Entitlement Offer**).

#### Entitlement Offer

Under the Entitlement Offer, shareholders of the Company with a registered address in Australia, New Zealand, the United Kingdom, Germany, Singapore and Indonesia on Thursday, 26 October 2023 (**Record Date**) (**Eligible Shareholders**) on the basis of 2 New Shares for every 15 fully paid ordinary shares (**Shares**) held at the Record Date, at an issue price of \$0.15 per New Share.

Every 2 New Shares subscribed for will be accompanied by 1 attaching option exercisable at \$0.25 each with an expiry date of 5 years from the date of issue (**New Options**). The Company will apply for quotation of the New Options with ASX.

The Entitlement Offer is expected to open from Monday, 30 October 2023, and close on Thursday, 16 November 2023.

Shareholders as at the Record Date that have a registered address outside of Australia, New Zealand, the United Kingdom, Germany, Singapore or Indonesia (**Ineligible Shareholders**) will not be eligible to participate in the Entitlement Offer. In accordance with ASX Listing Rule 7.7.1, the Company has determined that it would be unreasonable to extend the offer to Ineligible Shareholders.

The Entitlement Offer is partially underwritten by Truth Wealth Management VCC – Leading Jaguar Hedge Fund (**TWM**) up to \$7,812,500. TWM controls 10.20% of the total Shares on issue.

TWM is not a 'related party' (as that term is defined in the Listing Rules or *Corporations Act 2001* (Cth)) of the Company and will receive an underwriting fee of 4% on the underwritten amount.

### **Shortfall Offer**

The Company is also making an offer to the general public (including Eligible Shareholders) to apply for New Shares not acquired under the Entitlement Offer, at the same issue price of \$0.15 per New Share (**Shortfall Offer**).

Any New Shares to be issued under the Shortfall Offer will be issued at the Board's discretion in consultation with the Lead Managers.

### **Use of Funds**

The Entitlement Offer forms part of a broader funding strategy that will support planned development activities and production ramp-up at the Company's flagship Tongo Diamond Mine, including the construction of a 50tph processing plant and final recovery and technical studies to bring the Tongo Dyke-1 kimberlite into the mine plan. Tongo Dyke-1 has a JORC compliant Indicated and Inferred diamond resource of 1.4 million carats at an average grade of 1.6 carats per tonne<sup>1</sup> (+1.0mm cut off grade).

Funds raised under the Entitlement Offer are intended to be applied as follows:

- development of the Kundu and Lando declines and access to new Level-1 mining stopes;
- production ramp-up at the Tongo Diamond Mine, through further development of multiple mining faces at both Kundu and Lando;
- construction of the designed 50tph plant and final recovery to increase processing capacity in advance of the increased production levels;
- detailed mine planning and scheduling of the Tongo Dyke-1 resource, including various engineering studies to determine the final capital requirement to bring this ore body into the future mine plan;
- to progress the AFC due diligence workstreams; and
- general working capital and other transaction costs.

Executive Director of Newfield Resources, Karl Smithson, said: *"We are pleased to offer eligible shareholders the opportunity to participate in this capital raising, which will help progress the ongoing development and production at the Tongo Diamond Mine over the next 6 months as we work towards concluding the proposed debt financing arrangements with the Africa Finance Corporation (AFC)."*

*"The funds from the Entitlement Offer will enable the Company to continue a number of development workstreams that will lead to increased production and processing capacity of the Tongo Diamond Mine. In addition, we plan to conduct detailed mine planning, scheduling and budgeting of the Tongo Dyke-1 resource with a view to bringing the deposit into the future mine plan."*

*"We would also like to take this opportunity to thank our shareholders for their support of our longer-term vision for Tongo and truly appreciate the underwriting commitment from major shareholder, Truth Wealth Management VCC."*

*"We look forward to updating shareholders over the coming months as we work towards production ramp-up at Tongo as well as completion of the due diligence process with the AFC."*

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<sup>1</sup> For full details please see ASX announcement dated 27 January 2021, titled "Increase in Diamond Resource to 8.3 million carats" and Resource Statement announcement dated 28 November 2018.

## Joint Lead Managers

Mahe Capital Pty Ltd (AFSL 517246) and Townshend Capital Pty Ltd (AFSL 219326) (**Lead Managers**) have been appointed as joint lead managers to the Entitlement and Shortfall Offers.

The Lead Managers will each be paid a management fee of 1% (excluding GST) on all funds raised under the Entitlement Offer and an additional placement fee of 4% (excluding GST) in respect of any New Shares placed under the Shortfall Offer.

The Lead Managers are also entitled to a fee of \$30,000 each, and will have the right to subscribe for this fee in New Shares under the Shortfall Offer. The Lead Managers (or their nominees) will have the right to subscribe for 5,000,000 New Options each, exercisable at \$0.25 with an expiry date of 5 years from the date of issue.

## Application

The Offers will be made by way of a transaction specific prospectus and further details of the Offers are set out in the prospectus lodged with ASX today. A copy of the prospectus is available on the Company's website at <https://newfieldresources.com.au/> and the Company's ASX market announcements page at <https://www.asx.com.au/markets/company/nwf>.

Under the Entitlement Offer, Eligible Shareholders may:

- take up all of their Entitlement;
- allow all of their Entitlement to lapse; or
- take up part of their Entitlement and allow the balance to lapse.

Eligible Shareholders who are taking up part or all of their Entitlement (or wish to apply for additional New Shares under the Shortfall Offer) must ensure that the completed acceptance forms and application money is received by the Company's share registry, Advanced Share Registry, by 5:00 pm (AWST) on the Closing Date.

## Indicative Timetable

An indicative timetable and important dates of the Entitlement Offer are set out below.

<b>Event</b>	<b>Date</b>
Announcement of Offers and lodgement of Appendix 3B with ASX	
Lodgement of Prospectus with ASIC and ASX	Monday, 23 October 2023
"Ex" Date	Wednesday, 25 October 2023
<b>Record Date to determine entitlements</b>	<b>Thursday, 26 October 2023</b>
Prospectus and Entitlement and Acceptance Forms despatched to Eligible Shareholders and announcement that this has occurred	
Offers open	Monday, 30 October 2023
Last date to extend the Offers	Monday, 13 November 2023
<b>Closing Date for all acceptances (5pm AWST)*</b>	<b>Thursday, 16 November 2023</b>

New securities quoted on a deferred settlement basis	Friday, 17 November 2023
Announcement of results of Offers	Tuesday, 21 November 2023
Issue New Securities Under the Offers	Thursday, 23 November 2023
Normal trading of New Securities on ASX commences	Friday, 24 November 2023

*\*The dates are indicative only. The Directors may extend the Closing Date by giving at least 3 business days' notice to ASX prior to the Closing Date. As such the date the Shares issued under the Entitlement Offer are expected to commence trading on ASX may vary.*

The prospectus and a personalised entitlement and acceptance form will be sent to Eligible Shareholders in accordance with the above timeline and should be read in its entirety.

The relevant Appendix 3B follows this announcement.

-ENDS-

This announcement has been authorised for release by the Company's Board of Directors.

**Enquiries may be directed to:**

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**Forward-Looking Information**

This announcement contains forward-looking information that is based on Newfield's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to Newfield'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 announcement 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 Newfield's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.