NEWFIELD RESOURCES LIMITED

ABN 98 153 219 848

INTERIM FINANCIAL REPORT

31 December 2023

CONTENTS

The Directors present their report on the consolidated entity consisting of Newfield Resources Limited (the **Company** or **Newfield**) and its subsidiaries (the **Group** or **Consolidated Entity**) for the half-year ended 31 December 2023 and the Auditor's Review Report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the interim period and until the date of this report are noted below.

Mr Nicholas Karl Smithson
Executive Director

Mr Jack Spencer-Cotton
Non-Executive Director

Mr Kunal Malhotra
Non-Executive Director

REVIEW OF OPERATIONS

1. HSE

Health and Safety

There were zero lost time injuries (LTI) recorded during the half year to date and the Company has recorded 587 LTI free days as at the end of the period. The last LTI was recorded on 24 May 2022 (fatality). The life of mine Loss Time Injury Frequency Rate (LTIFR) has improved to 0.35, which is based on per 200,000 hours worked.

Health and Safety (continued)

Over the period the occupational health section of the mine conducted annual medical fitness assessments of all employees in accordance with the minimum standards of fitness protocols.

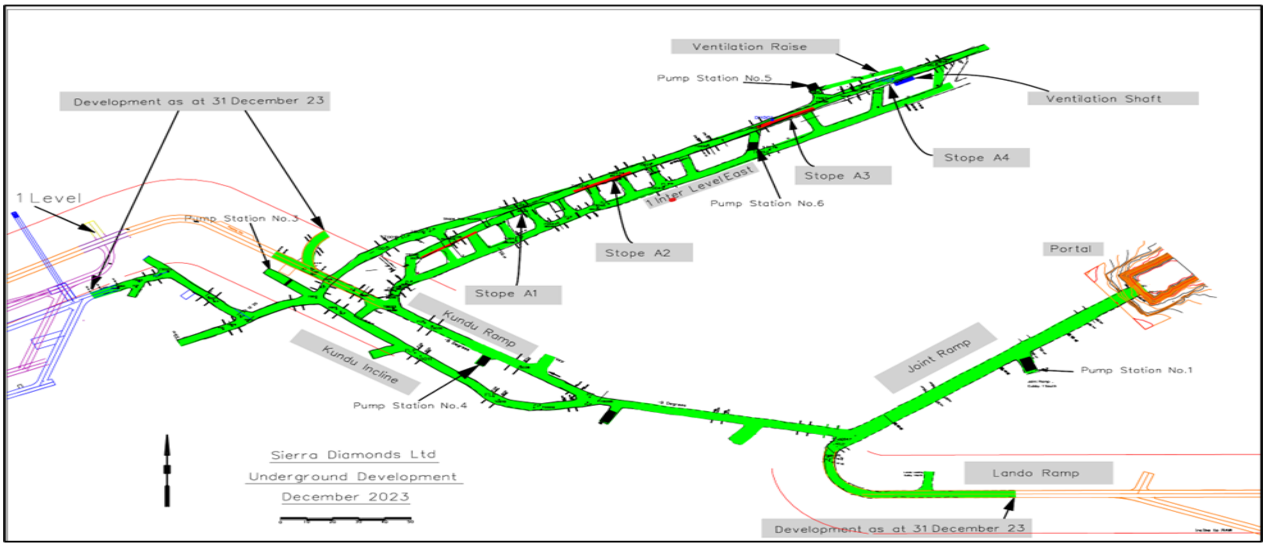
2. Tongo Mine Development

Underground Development

Mining of Stope A4 on the first mining level of Kundu A segment was completed during the period (Figures 1 and 2). A total of 0.9m of stope face advance was completed by blasting 38.22 stope tonnes. A total of 132 tonnes were drawn down and hauled to the 5tph processing plant.

An average mining stope width of 0.62m was achieved for mining stopes A1, A2, A3 and A4 which is a significant improvement on the budgeted stope width of 0.75m in the life of mine schedule (-17% improvement on waste). This is achieved as a result of the competent granitic host rock/side walls of the stope which allows the kimberlite to be easily extracted with minimal dilution.

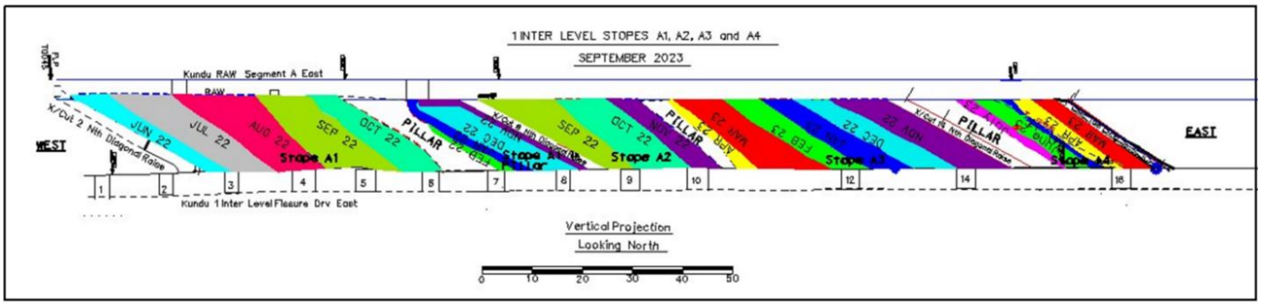
Figure 1: Underground Development to Date



REVIEW OF OPERATIONS (CONTINUED)

Underground Development (continued)

Figure 2: Kundu A Level 1 Stope Mining



During the period Minova Africa, a developer of ground support systems for mining, construction and energy industries, was brought in to conduct an exercise of sealing areas of the mine that were experiencing water ingress. A total of 28 holes were drilled around these areas of Kundu Segment B, Segment C and the ventilation shaft. These holes were pressure filled with EkoPur WF, which has hydrophilic properties and has an expansion property to seal fissures and push water away, and which has adhesive properties to bind the strata for effective sealing. The exercise was successful in sealing the ingress and drying out the affected areas. Development drives along Kundu Segments B and C can now proceed.

Underground development and mining remains focused on the Kundu kimberlite, which has a JORC compliant inferred and indicated resource of 2.76 million carats at a +1.0mm grade of 3.2 carats per tonne.

The Kundu Segment A located on the eastern side of the resource body has been mined out at the first interlevel through four Stopes A1-4 (Figure 2). Total production to end of the period from the Kundu A segment has yielded 7,630 carats from 5,606 tonnes of run of mine (diluted) ore, at a diluted +1.2mm grade of 1.36 carats per tonne. However, calculated back to the in-situ kimberlite, a total of 2,478 kimberlite tonnes were processed to yield those 7,630 carats at a +1.2mm grade of 3.08 carats per tonne, some 36% higher than the modelled resource grade for the section mined. From the stopes themselves, where dilution is better controlled than the development drives, this grade variance averages 40% higher than the expected resource grade, which is encouraging.

Table 1: Kundu A Mining Grade Reconciliation

Activity	Kimberlite tonnes mined	Ore tonnes processed	Carats recovered	Grade(carat per tonne)		Variance(%)
				Resource block model KZI (1.18mm)	Actual (1.20mm)	
Development	1,015.46	1,180.50	2,916.44	2.23	2.87	28.70
Stope	1,463.22	4,425.95	4,714.12	2.29	3.22	40.61
Sub total	**2,478.68**	**5,606.44**	**7,630.56**	**2.26**	**3.08**	**36.28**

REVIEW OF OPERATIONS (CONTINUED)

Processing

Processing of the run of mine (diluted) stope ore was completed prior to a diamond export conducted during in July. A total of 96 diluted tonnes were processed via the plant, yielding 107.94 carats at a +1.2mm grade of 1.12 carats per tonne (vs. budget of 0.8cpt).

Continual Improvement

During the report period the mining team has conducted an exercise of backfilling mined out stopes and ore drives utilizing blasted waste rock. This has proven successful and it is expected that a significant amount of waste rock can be utilized in underground back filling rather than be hauled to surface, offering cost saving initiatives against the life of mine plan budget.

A newly installed ventilation door to the first mining level, and ventilation columns through the second escape way (ventilation shaft) to surface have also been constructed, which will improve efficiency of air flow and reduce ventilation costs.

Figure 3: Underground mining activity

The mine has constructed an aggregate crushing plant from redundant plant steel and equipment. This plant is used to crush waste rock hauled from underground, with aggregate being produced in fines (-6mm), mediums (-19mm) and coarse (-30mm) size fractions. This aggregate material is used for construction projects, road maintenance (both underground and surface) and for providing to community projects as part of ongoing CSR initiatives. Being self-reliant on aggregate material provides significant cost saving opportunities to the mine.

REVIEW OF OPERATIONS (CONTINUED)

***Continual Improvement** (continued)*

Diamond Sale

A second diamond sale comprising a parcel of 7,239.29 carats of diamonds was placed on tender in July via the Company's diamond marketing agent Bonas Couzyn NV in Antwerp, Belgium. The goods sold for US$1.35 million at an average price of US$184.34 per carat.

Overall from Tongo 12,457 carats have been sold to date 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

Newfield did not tender any diamonds during the last quarter of the calendar year. Market conditions remained weak during October and November but a noticeable improvement was reported by various producers who conducted diamond tenders in December, with some producers announcing strong pricing increases across all sizes in December. This is thought to be a direct result of factory replenishment after the Diwali break and the end of the voluntary rough import ban in India. The market is said to have bottomed out in October and has strengthened consistently since (*reference: Bonas Couzyn Rough Market Report for December 2023*).

Notably, the G7 and EU announced new sanctions and export controls on Russian diamond production, in effect diamonds produced in Russia, or goods of Russian origin polished in another country, are sanctioned for import and sale in all G7 countries. If successfully implemented and adhered to, this will reduce the output of rough diamond production to the market and may provide further price support into 2024 and beyond. For context, Russia is the largest producer of rough diamonds by volume worldwide, at around 35 million carats per year, down from approximately 42 million carats in 2022 (*Kimberley Process Statistics*).

If the sanctions are successful in severely restricting or removing the Russian production from the rough market, this could be positive for the Tongo diamond production. Russia is the main producer of top quality, crystal gems in the D/E/F colours which are used in quality brand jewellery pieces. Tongo's production is dominated by similar high quality/colour crystals to the Russian production.

3. ESG and Reporting

During this period, the Company remained compliant with the environmental regulations of Sierra Leone and is undergoing regular quarterly audits by the Environmental Protection Agency (EPA). An annual environmental audit was also undertaken for the Tonguma mining licence ML02/2012 and resulted in the renewal of the annual environmental permit by the EPA.

In 2023 the Company commenced a Carbon Footprint Management Programme, whereby CO2 emissions are recorded from a variety of sources including generator sets, vehicles and air conditioners. Total emissions in 2023 were recorded at 2,144.77 tCO2e (Q4-23: 525.10 tCO2e).

REVIEW OF OPERATIONS (CONTINUED)

ESG and Reporting ***(continued)***

Table 2: Tongo Mine Greenhouse Gas Emissions

Scope	Activity Type	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	TOTAL
Scope 1	Stationary combustion	147.49	121.82	124.02	115.15	108.07	176.67	162.17	115.50	91.63	139.95	112.95	89.28	1504.69
	Mobile combustion	21.40	10.50	16.23	9.71	16.34	18.01	11.50	9.28	11.35	15.35	11.96	11.50	163.12
	Fugitive emissions from air-conditioning	9.07	10.48	10.26	11.80	37.74	8.41	23.64	26.26	17.70	20.24	34.99	36.35	246.94
	Scope 1 - Total	177.95	142.80	150.51	136.66	162.15	203.09	197.31	151.04	120.68	175.54	159.89	137.13	1914.76
Scope 2	Purchased and Consumed Electricity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Purchased and Consumed Heat & Steam	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Scope 2 - Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scope 3	Waste generated in operations	1.81	1.74	2.04	1.39	1.68	1.44	1.97	1.56	1.00	1.58	1.87	1.06	19.14
	Business travel	30.16	9.90	20.02	13.98	15.74	12.10	13.98	14.17	2.78	15.96	18.69	13.39	180.87
	Employee commuting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Scope 3 - Total	31.97	11.64	22.06	15.37	17.42	13.55	15.95	15.73	3.77	17.54	20.56	14.44	200.01

The Company has established a nursery for the growing of tree saplings, with currently 529 saplings being nurtured prior to transplanting. To date 262 trees saplings have been planted around the camp and mine sites as part progressive rehabilitation and for carbon offset initiatives as well as general beautification of the sites.

Migration from generator power to hydroelectric power remains a core strategic objective for 2024 and negotiations with national power provider EDSA are ongoing to allow the Tongo Mine to link into the West African Power Pool hydropower line that runs adjacent to the mine site.

People

Newfield's subsidiary, Sierra Diamonds Limited, currently employs 240 people at the Tongo Mine in Sierra Leone. Of these, 204 (85%) are local Sierra Leoneans, and 36 (15%) are skilled expatriates. Positions are regularly offered to graduate trainees and interns to have on-mine work experience and training.

REVIEW OF OPERATIONS (CONTINUED)

People (continued)

Some 28 of the national Sierra Leonean staff are female (12%) and the Company continues efforts to increase this proportion in line with our diversity policy, for example two female graduates (now employees) have been trained in the survey department in all areas of surface and underground surveying.

Community

Community initiatives continue in agricultural support and microfinance of small business enterprises. These areas are aligned with the Community Development Agreement that is in place between the Company and local Communities and Chiefdoms.

The mine continues to provide clean, treated potable water to the immediate community outside the accommodation and office site, at an average rate of 16,800 litres per day.

4. Liberia Exploration

Limited exploration work was conducted on the Liberia licences. However, sample assays were conducted on 45 stream sediment samples that were collected from the Biedien licence in western Liberia. A number of these samples yielded abundant kimberlitic ilmenite and spinel, with two samples also yielding gold grains. The results strongly suggest the proximal presence of kimberlite bodies and further follow up work will be required to locate these bodies.

5. Outlook and Objectives

Mine development will remain focused on the advancing of the Kundu B and C drives to access the top end of the return airways of each kimberlite segment.

The Company and the Africa Finance Corporation continue to work towards finding an appropriate and mutually acceptable debt / equity funding arrangement to bring the Tongo Mine to full scale production. The independent technical and market due diligences were completed during the period and the external consultants have issued their positive reports. The Company is also pursuing alternative funding sources should terms not be agreed.

Schedule of Tenements as at 31 December 2023

PROJECT	TENEMENT NUMBER	TENEMENT NAME	AREA (km^2)	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[1]	Kumgbo (Biedien)	86.70	Granted	90%
	MEL1158/14[1]	Kumgbo (Zoi)	83.56	Granted	90%
WESTERN AUSTRALIA					
NEWFIELD GOLD PROJECT	M77/0422	Newfield	0.85	Granted	100%
	M77/0846	Woongaring Hills	0.39	Granted	100%

Interests in Mining Tenements Lapsed, Relinquished or Reduced for the quarter ended 31 December 2023

Nil

Interests in farm-in or farm-out agreements for the quarter ended 31 December 2023

Nil

Impairments

No impairments were recorded in the half year.

Corporate activities

Capital Raising

During the half-year period the Company entered into the following equity transactions:

(i) On 18 September 2023, the Company announced the issued 92,424,094 fully paid ordinary shares at an issue price of $0.15 per share to convert the Wonder Holdings loan to equity including unpaid interest as at 30 June and accrued interest from 1 July 2023 to the date of conversion.

(ii) On 22 September 2023, the Company issued 20,752,273 fully paid ordinary shares at an issue price of $0.15 per share to Mr Rustiyan Oen. On 7 December 2023, the Company issued 21,175,181 fully paid ordinary shares at an issue price of $0.15 per share to Mr Rustiyan Oen. A placement fee of 4% of the 22 September 2023 capital raising has been accrued and remains unpaid.

RESULTS

The Group incurred a loss of $4,968,970 after income tax for the half-year (2022: $3,096,284). Major expenditure items have been separately disclosed in the statement of profit or loss.

EVENTS SUBSEQUENT TO REPORTING DATE

On 5 January 2024, the Company announced that the expiry of 24,744,513 options exercisable at $0.50 per options which had lapsed.

On 24 January 2024, the Company announced the issue of 5,970,149 fully paid ordinary shares at an issue price of $0.15 per share to raise $895,522.39 before costs.

On 16 February 2024, the Company announced the issue of 1,510,345 fully paid ordinary shares at an issue price of $0.15 per share to raise $226,551.88 before costs.

On 15 March 2024, the Company announced a binding agreement with a sophisticated investor for a private placement of $3 million to fund working capital. The placement will be in two tranches in April and May 2024 where the Company will issue 10,000,000 fully paid ordinary shares (per tranche) at an issue price of $0.15 per share.

Other than what has been disclosed above, there has not arisen in the interval between the end of the interim period and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Karl Smithson, Executive Director of Newfield and Chief Executive Officer of Newfield's subsidiary company Sierra Diamonds Limited, a qualified geologist and Fellow of the Institute of Materials, Metals, Mining, with 34 years' experience in the diamond and natural resources sector. Mr Smithson has sufficient experience 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 the matters based on his information in the form and context in which it appears.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, BDO Audit (WA) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 25 and forms part of this Directors' report for the half-year ended 31 December 2023.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3)(a) of the *Corporations Act 2001*.

Nicholas Karl Smithson
Executive Director

Dated at Perth, Western Australia this 15th Day of March 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	31 Dec 2023 $	31 Dec 2022 $
Sale of Diamonds		2,068,753	-
Cost of sales including selling costs		(2,000,370)	-
Other income & (expense)		(183,970)	460,912
Exploration and evaluation expenses		(24,515)	(1,962)
Corporate and administrative expenses		(871,341)	(829,260)
Share based payment expense	11	(636,982)	(473,111)
Inventory net realisable value adjustments		-	(1,040,558)
Fair value adjustments to financial liability	12	1,168,631	1,192,553
Finance costs		(826,692)	(176,225)
Site overheads expenses		(3,662,484)	(2,228,633)
Loss before income tax		**(4,968,970)**	**(3,096,284)**
Income tax (expense) / benefit		-	-
Net loss for the half-year		**(4,968,970)**	**(3,096,284)**
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		(3,129,893)	776,725
Other comprehensive (loss) / profit for the half-year, net of tax		(3,129,893)	776,725
Total comprehensive (loss) for the half-year		**(8,098,863)**	**(2,319,559)**
Loss attributable to:			
Owners of the Company		(4,966,452)	(3,096,088)
Non-controlling interest		(2,518)	(196)
		(4,968,970)	**(3,096,284)**
Total comprehensive (loss) attributable to:			
Owners of the Company		(8,103,436)	(2,319,318)
Non-controlling interest		4,572	(241)
		(8,098,864)	**(2,319,559)**
Basic loss per share (cents) for loss attributable to the ordinary equity holders of the Company:		(0.59)	(0.41)

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 31 December 2023

	Note	31 Dec 2023 $	30 Jun 2023 $
CURRENT ASSETS			
Cash and cash equivalents		46,492	158,204
Trade and other receivables		158,444	136,251
Inventory	5	1,553,519	2,898,564
Financial assets at amortised cost		724	93,264
Other current assets		1,514,533	1,496,535
Total Current Assets		3,273,712	4,782,818
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss		16,725	46,830
Property, plant and equipment		5,662,477	6,138,427
Mine development asset	6	101,928,847	101,647,438
Exploration and evaluation assets		27,032,178	27,839,668
Total Non-Current Assets		134,640,227	135,672,363
TOTAL ASSETS		137,913,939	140,455,181
CURRENT LIABILITIES			
Trade and other payables		8,372,423	6,591,186
Employee benefits		177,168	226,323
Loans and borrowings	7	1,853,821	4,065,240
Financial liability at amortised cost	13	804,143	790,974
Total Current Liabilities		11,207,555	11,673,723
NON-CURRENT LIABILITIES			
Deferred tax liabilities		12,384,519	12,754,463
Loans and borrowings	7	-	13,000,000
Financial liability at fair value through profit or loss	12	2,364,924	3,584,406
Total Non-current Liabilities		14,749,443	29,338,869
TOTAL LIABILITIES		25,956,998	41,012,592
NET ASSETS		**111,956,941**	**99,442,589**
EQUITY			
Contributed equity	15	189,964,047	169,987,814
Reserves	16	8,361,014	10,861,016
Accumulated losses		(86,132,235)	(81,165,783)
Non-controlling interest		(235,885)	(240,458)
TOTAL EQUITY		**111,956,941**	**99,442,589**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2023

	Contributed Equity $	Other Reserves $	Accumulated Losses $	Total $	Non-controlling interests $	Total Equity $
Balance as at 1 July 2022	164,841,786	6,764,734	(70,815,353)	100,791,167	(4,461)	100,786,706
Loss for the half year	-	-	(3,096,088)	(3,096,088)	(196)	(3,096,284)
Other comprehensive income	-	776,770	-	776,770	(45)	776,725
Total comprehensive loss for the half year	-	776,770	(3,096,088)	(2,319,318)	(241)	(2,319,559)
Recognition of share based payments	-	473,111	-	473,111	-	473,111
Issue of options		349,386	-	349,386	-	349,386
Issue of shares	6,122,663	-	-	6,122,663	-	6,122,663
Share issue costs	(891,201)	-	-	(891,201)	-	(891,201)
Balance as at 31 December 2022	**170,073,248**	**8,364,001**	**(73,911,441)**	**104,525,808**	**(4,702)**	**104,521,106**
Balance as at 1 July 2023	169,987,814	10,861,016	(81,165,783)	99,683,047	(240,458)	99,442,589
Loss for the half year	-	-	(4,966,452)	(4,966,452)	(2,518)	(4,968,970)
Other comprehensive income	-	(3,136,984)	-	(3,136,984)	7,091	(3,129,893)
Total comprehensive loss for the half year	-	(3,136,984)	(4,966,452)	(8,103,436)	4,573	(8,098,863)
Recognition of share based payments	-	-	-	-	-	-
Issue of options		636,982	-	636,982	-	636,982
Issue of shares	20,152,732	-	-	20,152,732	-	20,152,732
Share issue costs	(176,499)	-	-	(176,499)	-	(176,499)
Balance as at 31 December 2023	**189,964,047**	**8,361,014**	**(86,132,235)**	**112,192,826**	**(235,885)**	**111,956,941**

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

Consolidated Statement of Cash Flows

for the half-year ended 31 December 2023

	31 Dec 2023 $	31 Dec 2022 $
Cash flows from operating activities		
Receipts from diamond sales	2,068,753	-
Payments to suppliers and employees for operational costs	(5,277,840)	-
Payments to suppliers and administration employees	-	(3,991,717)
Interest and distributions received	1,133	714
Interest paid	(60,197)	(54,289)
Net cash (outflow) used in operating activities	**(3,268,151)**	**(4,045,292)**
Cash flows from investing activities		
Payments for property, plant and equipment	-	(284,465)
Payments for exploration and evaluation assets – capitalised costs	-	(45,951)
Payments for mine development	(988,883)	(5,501,304)
Net cash (outflow) used in investing activities	**(988,883)**	**(5,831,720)**
Cash flows from financing activities		
Proceeds from issue of shares	6,289,118	5,639,498
Payment of share issue costs	(49,448)	(541,816)
Proceeds from borrowings	612,225	4,338,477
Repayment of borrowings costs	(155,818)	(154,174)
Payment of borrowings	(2,551,512)	(89,214)
Payment of lease liabilities	-	(9,000)
Net cash inflow from financing activities	**4,144,565**	**9,183,771**
Net (decrease) in cash and cash equivalents	(112,469)	(693,241)
Cash and cash equivalents at the beginning of the half year	158,204	1,258,242
Effects of exchange rate changes on cash and cash equivalents	757	(2,407)
Cash and cash equivalents at the end of the half year	**46,492**	**562,594**

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 quoted 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 15 March 2024.

The annual financial report of the Group as at and for the financial period ended 30 June 2023 is available upon request from the Company's registered office or may be viewed on the Company's website, www.newfieldresources.com.au.

2. BASIS OF PREPARATION

This interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the financial year ended 30 June 2023 and considered together with any public announcements made by Newfield Resources Limited during the half-year ended 31 December 2023 in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except the recognition of diamond sales proceeds and related operating costs from mine development activities before commercial production, as a result of the adoption of *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*.

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 half year ended 31 December 2023 of $4,968,970 (31 December 2022: loss $3,096,284) and experienced net cash outflows from operating activities of $3,268,151 (31 December 2022: outflows $4,045,292). At 31 December 2023, the Group had a working capital deficiency of $7,933,843 (30 June 2023: $6,890,905).

The directors have prepared a cash flow forecast for the period to March 2025 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 a number of short term commitments and is progressing a debt funding option, in addition to the current 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.

The above matters create a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

2. BASIS OF PREPARATION (continued)

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. At the date of the report, the Directors believe that there is a reasonable basis for preparing the half year report on a going concern basis due to:

- The availability of the remaining $1.4 million Wonder Holdings Pty Ltd loan facility which has yet to be drawn down;
- Firm commitments received for subscription of a $3 million share placement before costs. The two-tranche placement will provide $1.5 million in April and another $1.5 million in May for working capital purposes;
- Subsequent to 31 December 2023, the Company has successfully raised additional capital;
- The Company has an equity facility of up to A$55 million to be drawn down over the next year using a volume and pricing mechanism to access the facility, 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 US$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 additional short term and long term funding options for debt and potential equity placements as well reviewing potential offtake and forward diamond sales agreements; and
- The Directors acknowledge that in the current capital market climate, access to equity funding may be difficult to obtain. However, the Company has, over the last 6 months, continued to receive support from its major shareholders through conversion of debt to equity and further capital raisings and believes that the Company has the ability to continue to attract capital at an appropriate level to execute its plans and continue its activities.

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 report does not include any adjustments relating to the recoverability and classification of recorded assets or liabilities that may 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 half year report.

Adoption of new and revised Accounting Standards

The Group has adopted all of the new or amended accounting standards or interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new or amended standards has not resulted in any change to the entity's accounting policies.

Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

3. ESTIMATES

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report as at and for the year ended 30 June 2023, unless otherwise stated within this half year financial report.

4. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the financial year ended 30 June 2023.

	31 Dec 2023 $	30 Jun 2023 $
5. INVENTORY		
Spare parts	1,513,078	1,092,530
Diamonds in transit/safe	40,441	1,806,034
	1,553,519	**2,898,564**

	31 Dec 2023 $	30 Jun 2023 $
6. MINE DEVEOPMENT ASSET		
Mine property development costs carried forward in respect of mine development	**101,928,847**	**101,647,438**
Movements for half year ended 31 December		
Carrying amount at beginning of period	101,647,438	88,430,628
Development expenditure	2,633,771	8,480,989
Capitalised depreciation from property, plant & equipment	299,350	611,319
Transfers from property, plant & equipment	-	1,136,327
Foreign exchange differences	(2,651,712)	2,988,175
Carrying amount at end of period	**101,928,847**	**101,647,438**

	Note	31 Dec 2023 $	30 Jun 2023 $
7. LOANS AND BORROWINGS			
Current			
Borrowings – secured	(i)	-	2,258,490
Bonds – unsecured	(ii)	1,461,989	1,493,287
Accrued interest on borrowings and bonds - unsecured		77,505	104,624
Insurance premium funding – unsecured	(iii)	-	208,839
USD Bond Borrowing Costs Payable	(ii)	314,327	-
		1,853,821	**4,065,240**
Non-Current			
Borrowings - unsecured	(iv)	**-**	**13,000,000**

(i) Secured borrowings

The Company repaid the Delgatto loan during the period and incurred an additional foreign currency loss of $34,183 above the face value of the loan.

(ii) Unsecured borrowings

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). The Company renegotiated an extension of the repayment date on 29 December 2023. The extension included the following terms:

(a) The new Maturity Date for the Bonds is April 30, 2024;

(b) The Bondholder has the right (but not the obligation) to convert all monies owing to shares at the same price as the most recent capital rising of the Company; and

(c) An additional extension fee of US$105,000 (A$153,509) was charged.

(iii) Insurance premium funding

The Company repaid the funds during the period.

(iv) Unsecured borrowings

The Company used a further $612,225 in the loan facility funding during the period and repaid an amount of $50,000. On 18 September 2023, the Company announced the conversion of the full $13.64 million borrowed to date under the facility into shares at an issue price of $0.15 per share which included unpaid interest as at 30 June 2023. The Company also converted the accrued interest from 1 July 2023 to the date of the share issue into shares (total interest capitalised was $251,389).

8. SEGMENT INFORMATION

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

Half-year ended 31 December 2023	Mining & Development Africa $	Mineral Exploration Africa $	Corporate $	Group $
Segment income	2,068,753	-	-	**20,68,753**
Segment result	(2,311,519)	16,981	(2,674,432)	**(4,968,970)**
As at 31 December 2023				
Segment assets	126,944,528	945	10,968,466	**137,913,939**
Segment liabilities	7,046,516	122,747	18,787,734	**25,956,997**
Half-year ended 31 December 2022				
Segment income	479,309	-	33,105	**512,414**
Segment result	(2,070,440)	(1,962)	(1,023,882)	**(3,096,284)**
As at 30 June 2023				
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**

9. COMMITMENTS AND CONTINGENCIES

Contingencies remain consistent with those disclosed in the 2023 annual report.

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.

The Group's commitments remain consistent with those disclosed in the 2023 annual report.

10. RELATED PARTY TRANSACTIONS

The following transactions occurred with related parties during the reporting period:

	Transactions value for the half-year ended		Balance outstanding as at	
	31 Dec 2023 $	31 Dec 2022 $	31 Dec 2023 $	30 June 2023 $
Payment for consulting services from Omnia Corporate Pty Ltd (director-related entity of Mr Chris Burton)	-	71,092	-	-
Payment for consulting services provided by Mr Alistair Croll	-	126,660	-	-
Payment for administrative services provided by Mrs Sara Smithson (spouse of Mr Nicholas Karl Smithson)	2,508	-	2,508	-

Unless otherwise stated, all transactions were made on normal commercial terms and conditions and at market rates.

Share-based payments consisting of performance rights were also issued to directors during the prior period (refer Note 11 for details).

11. SHARE BASED PAYMENTS

(a) Performance Rights

There have been no changes to the Class C and Class D performance rights granted on 22 November 2022.

A share-based payment expense of Nil (2022: $473,111) was recognised in the Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2023 as it is the opinion of the Company that the Class C and Class D hurdles are a stretched target and will be difficult to achieve in the timeframe set.

(b) Options

On 7 December 2023, the Company issued 10,000,000 options exercisable at $0.25 each on or before 7 December 2028 to Townshend Capital Pty Ltd and Mahe Capital Pty Ltd as joint lead managers as part of the non-renounceable entitlement offer announced on 23 October 2023. These options have no vesting conditions attached to them and are expensed in full on issue. As a result, $636,982 was recognised as expenses in the income statement during the period as the capital raising did not proceed.

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	6.37 cents
Grant date	7 December 2023
Number of options	10,000,000
Expiry date	7 December 2028
Expected average exercise period	5.01 years
Exercise price	$0.25
Underlying spot price	$0.12
Estimated volatility	80.66%
Risk-free interest rate	3.98%
Dividend yield	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.

11. SHARE BASED PAYMENTS (continued)

(b) Options (continued)

Set out below are summaries of options granted by the Company as at 31 December 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	$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
7 Dec 2023	$0.25	7 Dec 2028	-	10,000,000		10,000,000	10,000,000
			29,744,513	10,000,000	-	39,744,513	39,744,513
Weighted Average exercise price			$0.50	$0.25	-	$0.44	$0.44

The options outstanding at 31 December 2023 have a weighted average remaining contractual life of 45.19 months (2023: 10.08 months).

12. FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 Dec 2023 $	30 Jun 2023 $
Financial liability	2,364,924	3,584,406
	2,364,924	**3,584,406**

The calculation methodology, key assumptions and critical estimates and judgements remain consistent with the 30 June 2023 annual report with changes in the fair value relating to the extension of time between 31 December 2023 and the anticipated commencement of commercial production due to the delay in securing the necessary funding.

13. FINANCIAL LIABILITY AT AMORTISED COST

	31 Dec 2023 $	30 Jun 2023 $
Contractual liability acquired through business combination	**804,143**	**790,974**

14. FAIR VALUE MEASUREMENT

The following table details the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

31 December 2023	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
- Australian listed equity securities	16,725	-	-	16,725
	16,725	-	-	16,725

14. FAIR VALUE MEASUREMENT (CONTINUED)

Liabilities				
Financial liabilities at fair value through profit or loss (Note 12)	-	-	2,364,924	2,364,924
	-	-	2,364,924	2,364,924

30 June 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value through profit or loss				
- Australian listed equity securities	46,830	-	-	46,830
	46,830	-	-	46,830
Liabilities				
Financial liabilities at fair value through profit or loss (Note 12)	-	-	3,584,406	3,584,406
	-	-	3,584,406	3,584,406

Valuation techniques used to determine fair values

The group has estimated the fair value of its Australian unlisted equity securities using recent market transaction prices and dealer quotes for identical assets. Refer to Note 12 for valuation of the financial liability.

Transfers between levels 2 and 3 and changes in valuation techniques

There were no transfers between the levels of the fair value hierarchy in the six months to 31 December 2023. There were also no changes made to any of the valuation techniques applied as of 30 June 2023.

15. CONTRIBUTED EQUITY	**31 Dec 2023 $**	**30 Jun 2023 $**
903,222,423 fully paid ordinary shares (30 June 2023: 768,870,875 fully paid ordinary shares)	**189,964,047**	**169,987,814**

(a) Ordinary Shares

The following movements in ordinary share capital occurred during the period:

	31 Dec 2023 Number	**30 Jun 2023 Number**	**31 Dec 2023 $**	**30 June 2023 $**
Balance at the beginning of the period	768,870,875	745,611,986	169,987,814	164,841,786
Rights issue	-	14,970,001	-	5,239,500
Conversion of bonds (i)	92,424,094	-	13,643,645	-
Conversion of Interest 1 July 2023 onwards (i)	-	-	219,969	-
Share placements (ii)	41,927,454	2,329,246	6,289,118	789,000
Issue of treasury shares	-	167,250	-	94,163
Conversion of performance rights		5,792,392	-	-
Less share issue costs	-	-	(176,499)	(976,635)
Balance at the end of the period	**903,222,423**	**768,870,875**	**189,964,047**	**169,987,814**

(i) On 18 September 2023, the Company announced the issued 92,424,094 fully paid ordinary shares at an issue price of $0.15 per share to convert the Wonder Holdings loan to equity including unpaid interest as at 30 June and accrued interest from 1 July 2023 to the date of conversion.

(ii) On 22 September 2023, the Company issued 20,752,273 fully paid ordinary shares at an issue price of $0.15 per share to Mr Rustiyan Oen. On 7 December 2023, the Company issued 21,175,181 fully paid ordinary shares at an issue price of $0.15 per share to Mr Rustiyan Oen. A placement fee of 4% of the 22 September 2023 capital raising has been accrued and remains unpaid.

16. OTHER RESERVES	31 Dec 2023 $	30 Jun 2023 $
Share Based Payments Reserve		
Balance at beginning of period	1,748,248	1,448,933
Share based payment expenses (refer Note 11)	-	299,315
Balance at end of period	1,748,248	1,748,248
Options Reserve		
Balance at beginning of year	2,579,169	2,150,129
Options issued pursuant to Equity Placement Agreement (Note 11)	636,982	429,040
Balance at end of period	3,216,151	2,579,169
Foreign Currency Translation Reserve		
Balance at beginning of period	6,533,598	3,165,672
Currency translation differences on translation of foreign operations	(3,129,894)	3,365,100
NCI share in translation differences	(7,091)	2,827
Balance at end of period	3,396,615	6,533,599
Total	**8,361,014**	**10,861,016**

17. EVENTS SUBSEQUENT TO REPORTING DATE

On 5 January 2024, the Company announced that the expiry of 24,744,513 options exercisable at $0.50 per options which had lapsed.

On 24 January 2024, the Company announced the issue of 5,970,149 fully paid ordinary shares at an issue price of $0.15 per share to raise $895,522.39 before costs.

On 16 February 2024, the Company announced the issue of 1,510,345 fully paid ordinary shares at an issue price of $0.15 per share to raise $226,551.88 before costs.

On 15 March 2024, the Company announced a binding agreement with a sophisticated investor for a private placement of $3 million to fund working capital. The placement will be in two tranches in April and May 2024 where the Company will issue 10,000,000 fully paid ordinary shares (per tranche) at an issue price of $0.15 per share.

Other than what has been disclosed above, there has not arisen in the interval between the end of the interim period and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

In the opinion of the Directors of Newfield Resources Limited:

(a) the financial statements and notes set out on pages 12 to 23 are in accordance with the Corporations Act 2001, including:

   i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   ii. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and

(b) 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 the Directors pursuant to section 303(5)(a) of the *Corporations Act 2001*.

Nicholas Karl Smithson
Executive Director

Perth, Western Australia
15th March 2024

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

As lead auditor for the review of Newfield Resources Limited for the half-year ended 31 December 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 review; and

2. No contraventions of any applicable code of professional conduct in relation to the review.

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

15 March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Newfield Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Newfield Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating 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 conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 15 March 2024