

## ASX Announcement

22 November 2024

# QUARTERLY ACTIVITIES REPORT 30 September 2024

Newfield Resources Limited (ASX: **NWF**) (**Newfield** or **Company**) announces its activities for the quarter ended 30 September 2024.

## 1. Safety

There were zero lost time injuries (**LTI**) recorded during the period, and the Company registered 860 LTI free days at the end of the quarter. The last LTI was recorded on 24 May 2022. The life of mine Loss Time Injury Frequency Rate (**LTIFR**) has improved to 0.33 (previous quarter: 0.34). The reporting calculation is based on 200,000 hours worked.

## 2. Operations - Tongo Diamond Mine Development

Mine development activities continued to be restricted during the reporting period as the Company progressed funding opportunities for the continuation of the underground mine development. However, maintenance of underground services including to power, water and air supply continued.

The Company plans to undertake a surface bulk sample of the Kundu Segment D kimberlite which is aimed at generating a +2,000 carat sample for diamond grade and value estimations. This dyke is currently classified as an inferred resource segment with an estimated grade of 2.9 carats per tonne at a +1.18mm cut-off. If successful, the results of the sample would enable an upgrade of that Segment to the indicated resource status. That area subject to sampling is in the inferred category and following sampling may be upgraded to the indicated category, in advance of underground mining.

The Company targets to commence the sampling works from January 2025 and it will take approximately 4 months and circa US\$213k to complete.



Figure 1: Kundu Kimberlite Segments A to G

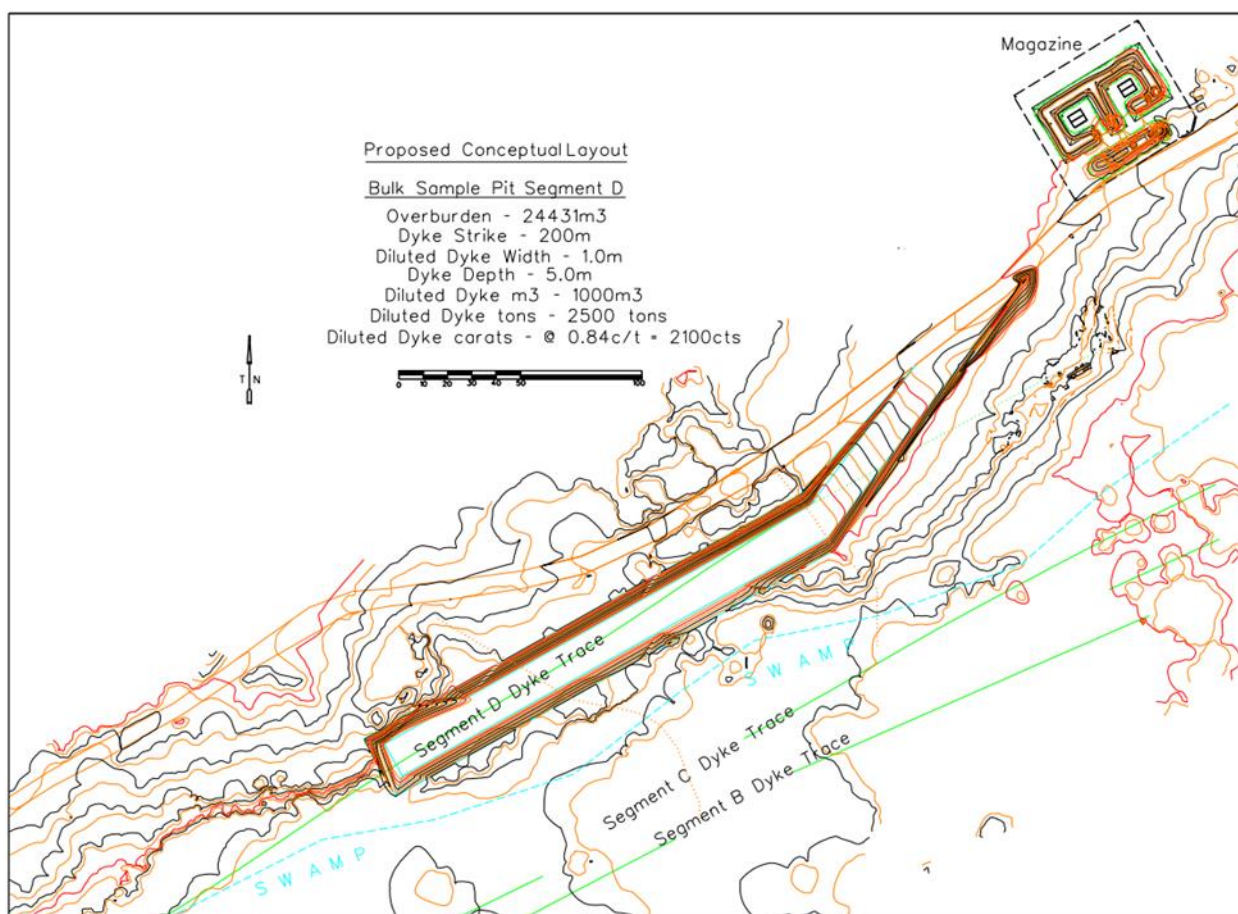


Figure 2: Kundu Segment D Bulk Sample Conceptual Plan

### 3. ESG

During the quarter, the Company remained compliant with the environmental regulations of Sierra Leone and is undergoing regular quarterly audits by the Environmental Protection Agency (EPA).

As part of the Company's carbon offset strategy a total of 527 saplings have been planted year to date on the project area.

Migration from generator power to hydroelectric power remains a core strategic objective for 2025 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, continues employs 207 people at the Tongo Mine in Sierra Leone. Of these, 195 (92%) are local Sierra Leoneans, and 18 (8%) are skilled expatriates. Positions are regularly offered to graduate trainees and interns to have on-mine work experience and training.

Some 26 of the national Sierra Leonean staff are female (12.6%) and the Company continues efforts to increase this proportion in line with our diversity policy.

## **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.

## **4. Operational Objectives**

Underground 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. In addition, the Company will undertake surface bulk sampling of the Kundu kimberlite Segment D to provide more detailed grade and value information which will be targeted for future underground mining.

## **5. Corporate and Financial Matters**

### ***Trading of Shares in Newfield***

Trading of the Company's fully paid ordinary shares was suspended due to non-lodgement of 30 June 2024 financial report. The audited annual report was lodged on 18 November 2024. The Company is seeking reinstatement of trading of its securities as soon as practicable.

### ***Loan Facility from Wonder Holdings***

The Company continues to draw down the existing loan from long-term supportive and substantial shareholder, Wonder Holdings. Balance of undrawn facility is \$759k.

The Company has also entered into a separate \$10 million loan facility with Wonder Holdings, for general working capital purposes (refer to announcement dated 18 November 2024). The loan is subject to progressive drawdown at the Company's request and is repayable in 18 months from Drawdown date. The Company may repay the loan at any time during the term.

The Company will continue to draw down on the existing loan for working capital and will look at progressively drawing down from the new loan from December 2024.

### ***Bond Extension***

Post the end of the quarter, the Company negotiated an extension to the maturity date of the US\$1 million bond subscription agreement with Fidelitas Deutsche Industrie Holding AG (**Fidelitas**) to 15 December 2024. In consideration for the extension the Company has agreed to pay an extension fee of US\$105,000 to Fidelitas.

The Company continues to pursue other funding initiatives for both short and long term capital requirements of the Tongo Mine development, and to refinance the Fidelitas Bond and loan from Wonder Holdings.

### ***Payments to related parties***

The table below describes and explains payments to related parties and their associates per Section 6.1 of Appendix 5B following this Quarterly Activities Report.

	<b>Current Quarter \$A'000</b>	<b>Previous Quarter \$A'000</b>
<b>Payments to related parties of the entity and their associates</b>		
Directors' remuneration		
Non-Executive Directors	0 <sup>1</sup>	0 <sup>1</sup>

<b>Total Directors' remuneration</b>	<b>0</b>	<b>0</b>
Associated entities/services	0	-
<b>Total payments to related parties of the entity and their associates</b>	<b>0</b>	<b>0</b>

Note:

1. In an effort to minimise cash expenditure on corporate overheads, all directors of the Company agreed to accrue director fees and salaries.

-ENDS-

### **Authorised by:**

**The Board of Directors**

Newfield Resources Limited

### **About the Tongo Diamond Mine:**

The Tongo Diamond Mine Development comprises two adjacent mining licences covering a combined area of 134 square kilometres in eastern Sierra Leone. Tongo hosts 11 identified diamondiferous kimberlites, only five of which are incorporated in the current JORC-compliant indicated and inferred diamond resource estimate of 8.3 million carats. A 1.1 million carat probable reserve of this resource has been estimated. Newfield, under its subsidiary company Sierra Diamonds, developed the Tongo Diamond Mine into production, and has achieved two diamond sales to date which have yielded an average price of US\$216 per carat.

## Schedule of Tenements as of 30 September 2024

PROJECT	TENEMENT NUMBER	TENEMENT NAME	AREA (km <sup>2</sup> )	STATUS	NEWFIELD'S INTEREST
<b><u>SIERRA LEONE</u></b>					
<b>TONGO KIMBERLITE MINE</b>	ML02/2018	Tongo	9.98	Granted	100%
	ML02/2012	Tonguma	124	Granted	Nil, but subject to the tribute mining agreement
<b><u>WESTERN AUSTRALIA</u></b>					
<b>NEWFIELD GOLD PROJECT</b>	M77/0422	Newfield	0.85	Granted	30%
	M77/0846	Woongaring Hills	0.39	Granted	30%

### Interests in Mining Tenements Lapsed, Relinquished or Reduced for the quarter ended 30 June 2024

Nil

### Interests in farm-in or farm-out agreements for the quarter ended 30 September 2024

Nil

## 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 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(5)	(5)
	(c) production	(83)	(83)
	(d) staff costs	(520)	(520)
	(e) administration and corporate costs	(254)	(254)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(862)</b>	<b>(862)</b>

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



## 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 (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	400	400
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>400</b>	<b>400</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	811	811
3.6	Repayment of borrowings	(350)	(350)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>461</b>	<b>461</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	13	13
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(862)	(862)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	400	400
4.4	Net cash from / (used in) financing activities (item 3.10 above)	461	461

## 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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(4)	(4)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>8</b>	<b>8</b>

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	8	8
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>8</b>	<b>8</b>

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	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
6.3	Aggregate amount of payments to related parties and their associates included in item 3	-
<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>		



## 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.</i>		
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities <sup>(i)</sup>	1,438	679
7.2	Credit standby arrangements	-	-
7.3	Other (please specify) <sup>(ii)</sup>	1,462	1,462
7.4	<b>Total financing facilities</b>	2,900	2,141
7.5	<b>Unused financing facilities available at quarter end</b>		759
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.		
	<div><div>(i) Unsecured loan from Wonder Holdings Pty Ltd with interest of 7.5% per annum.</div><div>(ii) On 14 April 2023, the Company issued 10 unlisted, unsecured short-term bearer bonds with a face value of US\$1 million to Fidelitas Deutsche Industrie Holding AG, which is a group entity of Deutsche BalatonAG, a current shareholder of the Company. The bonds were issued at the price of US\$946,000 with a coupon interest of 7.5% p.a. and the parties have agreed to an extended maturity date of 30 April 2024. Refer ASX announcement dated 5 January 2024 for additional details.</div></div>		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	862
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	862
8.4	Cash and cash equivalents at quarter end (item 4.6)	8
8.5	Unused finance facilities available at quarter end (item 7.5)	759
8.6	Total available funding (item 8.4 + item 8.5)	767
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.9
<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: No. The Company has reduced the number of expatriates but retained most operational staff.	

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

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: The Company has secured a new A\$10 million facility from long-term supportive and substantial shareholder Wonder Holdings, as interim working capital solution. The Company continues to pursue other funding initiatives for both short and long term capital requirements of the Tongo Mine development, and to refinance the Fidelitas Bond and loan from Wonder Holdings.

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: Yes, refer to 8.8.2 above.

*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.

22 November 2024

Date: .....

The Board of the Company

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

**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.