

24 January 2025

Mr Lewis Flynn
Advisor, Listing Compliance
Level 40, Central Park,
152-158 St Georges Terrace,
Perth WA 6000

Dear Lewis,

RESPONSE TO ASX LETTER DATED 17 JANUARY 2025

Newfield Resources Limited (**Newfield** or the **Company**) writes in response to your letter dated 17 January 2025 (**ASX Letter**).

1. **The 2024 Annual Report discloses that NWF entered into a \$10 million loan agreement with Wonder Holdings on 30 September 2024 and that these funds were to be made available in two tranches of \$5 million each, with the first tranche available on or before 15 October 2024 and the second on or before 31 December 2024.**

- 1.1. **Please advise if this is the same loan which was announced on 18 November 2024.**

It is the same loan announced on 18 November 2024.

- 1.2. **If so, please advise why the loan was not disclosed to the market before 18 November 2024.**

The Company shares were suspended at the time as it finalises audit and the Board was originally intending to disclose the loan in the Annual Report. However, given the Company had previously requested a trading halt pending an announcement regarding funding, the Board took the advice to announce the loan as a standalone announcement.

2. **The 2024 Annual Report discloses that Sierra Diamonds Limited, a wholly owned subsidiary of NWF, had received official consent from the National Revenue Authority on the deferral of payments totalling US\$1,712,880 with payments to be made via instalments from October 2024 to April 2025.**

- 2.1. **Please advise the status of these payments (ie what payments have been made and the balance (if any) to be paid).**

The Company has written to the ministry (as it has done before) to request for a further extension to the payment of license fee. The discussion with the government of Sierra Leone is ongoing.

- 3. The Quarterly Report discloses that NWF targets to commence bulk sampling works of the Kundu Segment D kimberlite (at the Tongo Diamond Mine) from January 2025, which NWF estimates will take approximately 4 months and cost approximately US\$213k to complete.**

3.1. Please provide advise the status of this bulk sampling work.

In November 2024, Newfield engaged an independent third party to undertake a strategic review of the Tongo Diamond Mine and current Mine Plan given the current depressed diamond market. This engagement letter is attached.

This group travelled to site on 23rd November 2024 until 3rd December 2024 and has since undertaken a detailed due diligence exercise to review the Project. At 11am on 2nd January 2025, the due diligence team presented their preliminary findings to the Newfield Board of Directors. During this meeting, they confirmed their confidence in the Project and the quality of the deposit, and proposed that they would have the right team capable of extracting value.

Newfield is now exploring a joint development arrangement with this group which has the potential to significantly reduce upfront capital, and operating costs at the mine. Newfield anticipates to reach an outcome on the joint development arrangement during the March 2025 Quarter. Bulk sampling of the Kundu Segment D kimberlite is therefore postponed until the parties agreed the best way forward to develop the project.

- 3.2. If the bulk sampling work has not been commenced, please advise the likely start date and if it is not commencing in January 2025 the reason for the delay.**

See comments in 3.1 above.

- 3.3. Please provide a schedule of work for the bulk sampling works over the approximate 4 month timeline.**

See comments in 3.1 above.

- 4. In the Response to ASX Aware Letter, NWF stated that there was a balance of \$330,000 remaining under the \$15 million loan facility made available by Wonder Holdings (which NWF first announced on 14 March 2023) and that the \$10 million loan facility (referred to in paragraph 1 above) was not to be drawn until the \$15 million loan facility was fully drawn.**

- 4.1. Please advise if the funds pursuant to the \$10 million loan facility are immediately available to NWF and confirm that no conditions must be met to draw down on the loan.**

The funds for the \$10m facility is immediately available to the Company and no conditions must be met to draw down on the loan.

- 4.2. If the funds pursuant to the \$10 million loan facility are not immediately available, please set out the conditions which must be met for the funds to be made available, and the status of any such conditions (including whether any conditions currently prevent NWF drawing down on the loan).**

As disclosed before, the Company only intends to draw upon the \$10m loan progressively once the remaining of the original \$15m loan (current balance \$330k) is completely drawn down.

- 5. The Response to ASX Aware Letter also discloses that NWF intend to progressively draw upon the \$10 million loan facility in January 2025 (once the previous (\$15 million) facility has been fully drawn down).**

- 5.1. Please advise the current draw down status of the \$15 million loan facility.**

The remaining balance of \$330k was previously allocated to the proposed bulk sampling works at Kundu which has now been paused per our responses to Question 3 above.

These funds will now be redirected following the guidance of the proposed joint development arrangement partner. Part of these funds will be used to prepare the site for tendering parties site visit in February.

- 5.2. Please advise the current draw down status of the \$10 million loan facility.**

The \$10 million loan facility remains undrawn. It is the Board's preference to complete the drawdown of the \$15m loan before advancing from the second \$10m loan progressively.

- 6. The 2024 Annual Report (lodged on 18 November 2024) and the Quarterly Report (lodged on 22 November 2024) were due to be lodged by 30 September 2024 and 31 October 2024 respectively.**

- 6.1. Please advise the reasons for the delay in the lodgement of the 2024 Annual Report and the Quarterly Report.**

During the last week of audit, the auditor advised that the support letter from major shareholder was not sufficient for going concern purposes for audit sign-off. Once this was resolved, the attention was then shifted to the alleged default notice from Ocea. The alleged default notice itself is not an audit issue, however the auditors were of the view that notwithstanding Ocea has not terminating the Tribute Mining Agreement (TMA), there remains a risk that TMA may be terminated and therefore a write-down of the capitalised expenditure is required.

After lengthy discussions between the Company and the auditors on the quantum and justification of quantum of the proposed write down(s), the Board decided to write down the entire amount as that decision would not have affected its position with Ocea and its rights under the TMA, so that the audit process can be concluded.

As soon as the Company finalised the Annual Report, it requested information from site and sought advice from its technical consultant on the next step for exploration work, which was then disclosed in the quarterly report.

These next steps have now been revised per our responses to Question 3 above.

- 7. Please advise the current draw down status of the short-term bearer bonds (which have a face value of \$1 million) which NWF issued to Fidelitas Deutsche Industrie Holding AG on 14 April 2023 (as requested in the ASX Aware Letter dated 20 December 2024), noting the maturity date has been extended to 15 March 2025.**

This bond is fully drawn down.

- 8. Please advise when a resolution to the dispute between NWF and Ocea (the subject of the letter of demand and default notice NWF received from Ocea on 3 April 2024 stating that, due to ongoing delays in commercial project development and default of bullet payments, Ocea may exercise its right to terminate the Tribute Mining Agreement) is anticipated.**

The Directors do not consider Newfield to be in breach of any clauses of the TMA. However, a successful conclusion of a joint development arrangement with the independent third party (refer to 3.1 above) will enable mining to recommence at the Tonguma project, which will also include the payment of license fee. Newfield believes that implementation of the above should satisfy Ocea. In addition, Newfield and Ocea are actively exploring the potential acquisition of Ocea's operations by NWF, including the mining license of the Tonguma Mine, which would then render the Tribute Mining Agreement and any default notice obsolete.

- 9. Noting the disclosure in the September 2024 Quarterly Report that NWF had reduced the number of expatriate staff but retained most operational staff, please advise if there is any liability (immediate or otherwise) owing in relation to staff costs and/or administrative and corporate costs relating to the reduction in staff.**

Liabilities associated with staff are captured in the Company's annual report. Most operational staff have agreed to reduced pay and each case is reviewed, negotiated and settled individually.

- 10. Noting the unaudited cash balance as at 31 December 2024 (as set out in the Response to ASX Aware Letter) was \$553, please advise how NWF proposes to pay for any liability owing in relation to staff costs (as raised in paragraph 9 above).**

Newfield will settle these as each case is reviewed and approved, by drawing down on the two Wonder Holdings loan facilities discussed in Questions 4.2 and 5 above. The total liabilities to staff will be sufficiently covered by the Company's existing loan facilities.

It is the Board's decision to control access to cash whilst the strategic review is underway, and staff are required to request pre-approval for all expenses. Approved expenses will then trigger a draw down of the loan facilities.

11. Please confirm that NWF is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Newfield is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

12. Please confirm that NWF's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of NWF with delegated authority from the board to respond to ASX on disclosure matters.

Newfield's responses to the questions above have been authorised by its Board.

Enquiries may be directed to:

Benjamin Young: Non-Executive Chairman

E: benjamin.young@townshendcapital.com.au

Nicholas Ong: Company Secretary

E: nicholas.ong@minervacorporate.com.au



17 January 2025

Reference: ODIN104815

Mr Nicholas Ong
Company Secretary
Newfield Resources Limited
Suite 6, 4 Riseley Street
APPLECROSS WA 6153

By email: nicholas.ong@minervacorporate.com.au

Dear Mr Ong

Newfield Resources Limited ('NWF'): ASX Query Letter

ASX refers to the following:

- A. NWF's annual report for the year ended 30 June 2024 released on the ASX Market Announcements Platform ('MAP') at 9:08 AM AEDT on 18 November 2024 (the '2024 Annual Report') disclosing the following:

Review of Activities

...

1.1 "Dispute with Octea Limited

On 27 April 2017, the Company, through its wholly-owned subsidiary, entered into a Tribute Mining and Revenue Share Agreement ("Tribute Mining Agreement") with Octea Limited ("Octea"), to jointly develop Tongo Diamond Mine Project by combining Tonguma Project (ML02/2012) and Tongu Project (ML02/2018), to achieve economies scale. Under the Tribute Mining Agreement, the Company became the sole operator and funder of the Tongo Diamond Mine Project. As the owner of ML02/2012, in addition to bullet payments, Octea is entitled to receive royalties following the Company's recoupment of 100% of expenditures.

Due to funding constraints, large-scale commercial production of the Tongo Diamond Mine Project has been delayed.

On 3 April 2024, the Company received a letter as a formal demand and default notice from Octea stating that, due to ongoing delays in commercial project development and default of bullet payments, Octea may exercise its right to terminate the Tribute Mining Agreement pursuant to specific clauses. Since receiving Octea's letter, the Company has actively engaged in negotiations and undertaken proper actions to dissolve the dispute. The Company paid out the bullet payment in May 2024 and proposed a project cooperation plan to Octea. Despite these, no mutual agreement has been reached between Octea and the Company as of the report date.

While ML02/2018 is independently owned by the Group, the withdrawal of ML02/2012 would significantly impact the development of ML02/2018. Due to the continuing dispute with Octea, as a matter of prudence, the Company has impaired the mine development asset and associated assets to nil. The Company will review and assess the project value at each reporting date." (Emphasis added)

Directors' Report

1.2 "EVENTS SUBSEQUENT TO REPORTING DATE

The following events occurred subsequent to the reporting date:

- a) On 30 September 2024, the Company executed a loan agreement with Wonder Holdings Pty Ltd to secure a debt facility of \$10 million, which is available in two tranches, being the first one is available on or before 15 October 2024; and \$5,000,000 on or before 31 December 2024. No fund of this debt financing facility is drawn down as of the date of the report.;
- b) On 10 October 2024, the binding agreement between Newfield Resources Limited and Fidelitas Deutsche Industrie Holdings AG dated 14 April 2023 in relation to US\$1,000,000 bond subscription agreement was extended to a maturity of 15 December 2024.
- c) On 3 October 2024, Sierra Diamonds Limited, a wholly owned subsidiary of Newfield, received official consent from National Revenue Authority on the deferral of payments totalling USD1,712,880. The National Revenue Authority has agreed on payments to be made via instalments from October 2024 to April 2025.... (Emphasis added)

B. NWF's Quarterly Activities and Cashflow Report for the quarter ending 30 September 2024 ('Quarterly Report'), released on the MAP at 5:34 PM AEDT on 22 November 2024, disclosing the following:

Activities Report

2.1 "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". (Emphasis added)

Cash Flow Report

2.2 "8. Estimated cash available for future operating activities"

(i) "8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)"

a. "0.9"

(ii) "8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

a. "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." (Emphasis added)

C. ASX Aware Letter dated 20 December 2024 ('ASX Aware Letter') and NWF's Response to ASX Aware Letter dated 3 January 2025 released on MAP at 4:14 PM AEDT on 3 January 2025 ('Response to ASX Aware Letter'). In the Response to ASX Aware Letter, NWF discloses the following:

1. "Does NWF consider that its financial condition is sufficient to warrant the continued quotation of its securities and continued listing as required under Listing Rule 12.2?"

Yes

2. **If the answer to question 1 is 'yes', please explain the basis for this conclusion commenting specifically on the NWF's Cash Balance, Negative Working Capital and Negative Equity.**

Since 30 June 2024, Newfield has been drawing down the \$15 million loan facility from Wonder Holding for working capital purposes. The company has progressively drawn down on this loan, with a remaining balance of A\$330,000 as at the date of this report. Newfield has entered into a separate A\$10 million loan facility with Wonder Holdings however it is yet to draw down on the loan. The Company intends to progressively draw upon the loan in January 2025 once the previous facility has been fully drawn down.

The Company is currently undertaking a review of its expenses and existing cost control measures on site. As a result, access to cash is controlled by the Board and staff are required to request pre-approval for all expenses. Approved expenses then trigger a draw down of the working capital facility.

Newfield is currently in the process of appointing a new management team who will implement new procedures for cost management. The Company only intends to maintain a minimal cash balance until this new process is in place.

3. **What is NWF's current unaudited cash balance?**

The cash balance as of 31 December 2024 is \$553.

4. **Noting NWF's responses to the question at item 8.8.2 of the Quarterly Report, please advise if:**

..

- 4.3. **The current draw down status of the short-term bearer bonds (which have a face value of \$1 million) which NWF issued to Fidelitas Deutsche Industrie Holding AG on 14 April 2023, noting the maturity date was extended to 15 December 2024.**

..

5. **What steps has NWF taken, or what steps does it propose to take, to enable it to continue to meet its business objectives.**

Newfield intends to progressively draw down the \$10 million unsecured Loan Facility from Wonder Holdings from January 2025 once the previous facility has been fully drawn down. As disclosed in the September 2024 quarterly activities report released on 22 November 2024, 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.

..

12. **What is the current status of the Octa Dispute?**

As at the date of this letter, no mutual agreement has been reached between Octea and the Company regarding the alleged default. The Company has not received formal notice from Octea that they will terminate the Tribute Mining Agreement under the default notice."

- D. NWF's announcement entitled 'Extension of Unsecured Bonds' released on MAP at 9:34 AM AEDT on 14 January 2025 disclosing the following:

"Newfield Resources Limited (ASX: NWF) (Company) advises that Fidelitas Deutsche Industrie Holding AG (Fidelitas), which is a group entity of Deutsche Balaton AG and a current shareholder of the Company, has

agreed to extend the maturity date of the USD\$1 million bond to 15 March 2025. In consideration for the extension the Company has agreed to pay an extension fee of US\$105,000 to Fidelitas. The principal amount and unpaid extension fee attracts a 7.5% p.a. coupon."

- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."

- G. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"

- H. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following 5 situations applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

- I. The concept of "confidentiality" detailed in section 5.8 of *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule."

- J. Listing Rule 12.1 which states:

"12.1 The level of an entity's operations must, in ASX's opinion, be sufficient to warrant the continued +quotation of the entity's +securities and its continued listing."

- K. Listing Rule 12.2 which states:

"12.2 An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued +quotation of its +securities and its continued listing."

Request for information

Having regard to the above, ASX asks NWF to respond separately to each of the following questions:

1. The 2024 Annual Report discloses that NWF entered into a \$10 million loan agreement with Wonder Holdings on 30 September 2024 and that these funds were to be made available in two tranches of \$5 million each, with the first tranche available on or before 15 October 2024 and the second on or before 31 December 2024.
 - 1.1 Please advise if this is the same loan which was announced on 18 November 2024.
 - 1.2 If so, please advise why the loan was not disclosed to the market before 18 November 2024.
2. The 2024 Annual Report discloses that Sierra Diamonds Limited, a wholly owned subsidiary of NWF, had received official consent from the National Revenue Authority on the deferral of payments totalling US\$1,712,880 with payments to be made via instalments from October 2024 to April 2025.
 - 2.1 Please advise the status of these payments (ie what payments have been made and the balance (if any) to be paid).
3. The Quarterly Report discloses that NWF targets to commence bulk sampling works of the Kundu Segment D kimberlite (at the Tongo Diamond Mine) from January 2025, which NWF estimates will take approximately 4 months and cost approximately US\$213k to complete.
 - 3.1 Please provide advise the status of this bulk sampling work.
 - 3.2 If the bulk sampling work has not been commenced, please advise the likely start date and if it is not commencing in January 2025 the reason for the delay.
 - 3.3 Please provide a schedule of work for the bulk sampling works over the approximate 4 month timeline.
4. In the Response to ASX Aware Letter, NWF stated that there was a balance of \$330,000 remaining under the \$15 million loan facility made available by Wonder Holdings (which NWF first announced on 14 March 2023) and that the \$10 million loan facility (referred to in paragraph 1 above) was not to be drawn until the \$15 million loan facility was fully drawn.
 - 4.1 Please advise if the funds pursuant to the \$10 million loan facility are immediately available to NWF and confirm that no conditions must be met to draw down on the loan.
 - 4.2 If the funds pursuant to the \$10 million loan facility are not immediately available, please set out the conditions which must be met for the funds to be made available, and the status of any such conditions (including whether any conditions currently prevent NWF drawing down on the loan).
5. The Response to ASX Aware Letter also discloses that NWF intend to progressively draw upon the \$10 million loan facility in January 2025 (once the previous (\$15 million) facility has been fully drawn down).
 - 5.1 Please advise the current draw down status of the \$15 million loan facility.
 - 5.2 Please advise the current draw down status of the \$10 million loan facility.
6. The 2024 Annual Report (lodged on 18 November 2024) and the Quarterly Report (lodged on 22 November 2024) were due to be lodged by 30 September 2024 and 31 October 2024 respectively.
 - 6.1 Please advise the reasons for the delay in the lodgement of the 2024 Annual Report and the Quarterly Report.
7. Please advise the current draw down status of the short-term bearer bonds (which have a face value of \$1 million) which NWF issued to Fidelitas Deutsche Industrie Holding AG on 14 April 2023 (as requested in the ASX Aware Letter dated 20 December 2024), noting the maturity date has been extended to 15 March 2025.

-
8. Please advise when a resolution to the dispute between NWF and Ocea (the subject of the letter of demand and default notice NWF received from Ocea on 3 April 2024 stating that, due to ongoing delays in commercial project development and default of bullet payments, Ocea may exercise its right to terminate the Tribute Mining Agreement) is anticipated.
 9. Noting the disclosure in the September 2024 Quarterly Report that NWF had reduced the number of expatriate staff but retained most operational staff, please advise if there is any liability (immediate or otherwise) owing in relation to staff costs and/or administrative and corporate costs relating to the reduction in staff.
 10. Noting the unaudited cash balance as at 31 December 2024 (as set out in the Response to ASX Aware Letter) was \$553, please advise how NWF proposes to pay for any liability owing in relation to staff costs (as raised in paragraph 9 above).
 11. Please confirm that NWF is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
 12. Please confirm that NWF's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of NWF with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **1:00 PM AWST Thursday, 23 January 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, NWF's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require NWF to request a trading halt immediately if trading in NWF's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in NWF's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to NWF's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that NWF's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance