ABN 98 153 219 848

ANNUAL REPORT

For the year ended 30 June 2016

Newfield Resources Limited

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CONTENTS

ALLOTROPES DIAMOND PROJECT – SIERRA LEONE (NEWFIELD 100%)

Exploration Activities and Results

Newfield Resources Limited ("Newfield" or the "Company") owns the mineral rights to five exploration licences (ELs) covering an area of 1002 km^2 within the Bo, Bonthe, Moyamba, Pujehun and Kenema Districts in the Southern Province of Sierra Leone (Figure 1).

Exploration activities were conducted in all five (5) ELs over the year and in addition, trial-mining activities were completed at the Golu small-scale mining licence (SML 01/2015), located within EL 15/2012. Exploration focus was directed toward auger-drilling and pit bulk-sampling activities in EL 19/2014 and EL 12/2014, the latter comprising the Hima-Mano and the Makombo-Sumbuya point-bar alluvial projects. Brown-field bulk-excavations were conducted in near-proximity to SML 01/2015, with Lower Terrace gravel occurrences being trenched near the ferry-crossing on the north-bank of the Sewa and near the village of Gboyeiya on the Sewa River south-bank. Some positive bulk-sample results at the Gboyeiya locality have prompted further infill auger drilling between the trenches, to ascertain overburden and gravel thickness, as well as gravel extent. These data are required for eventual resource definition and estimation purposes. A trench excavated across the heavily artisinally-mined Golu swamp was also completed in the year.

The mining exercise at the Golu small-scale mining licence (ML 01/2015), has been completed. In excess of 2,600 carats, recovered from c.30,000 tons, was deemed sufficient to complete a size-frequency distribution analysis of the diamonds as well as obtain relevant revenue data from two (2) sales conducted in Antwerp. In addition, the ore characteristics of the various alluvial deposits processed through the plant was documented.

A second processing plant, required to accommodate the planned increase in alluvial bulk-sampling in the central and southern licences and circumvent the long tramming distances and associated high transport costs, has been purchased. The new 10 ton per hour (tph) DMS front-end was sourced from South Africa.

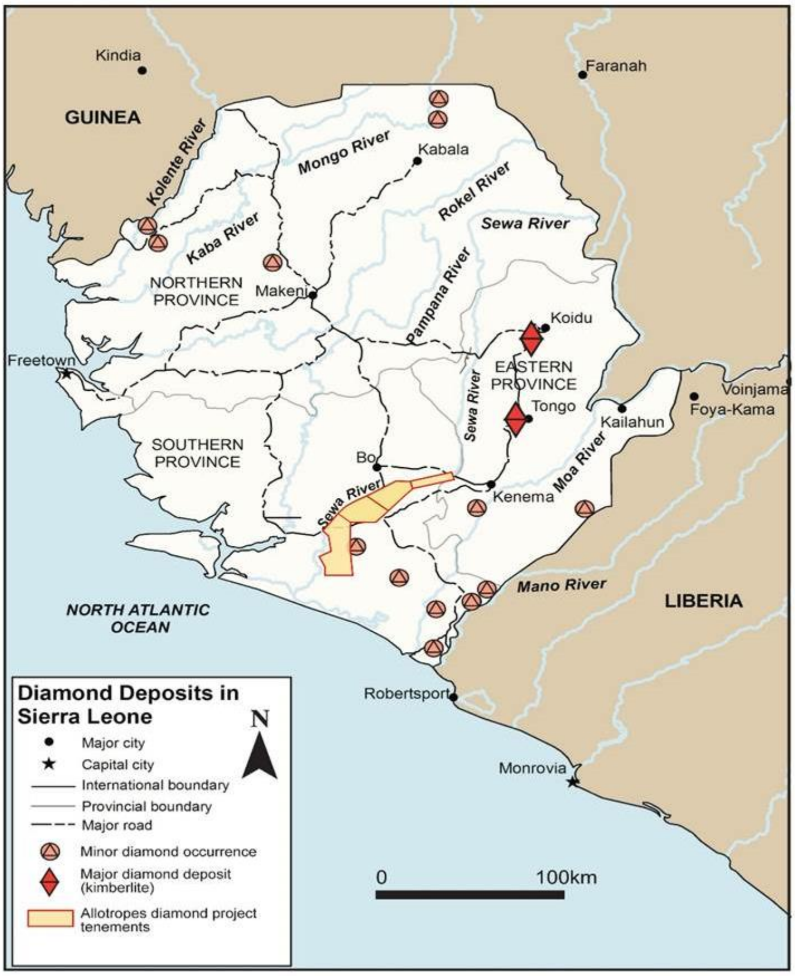


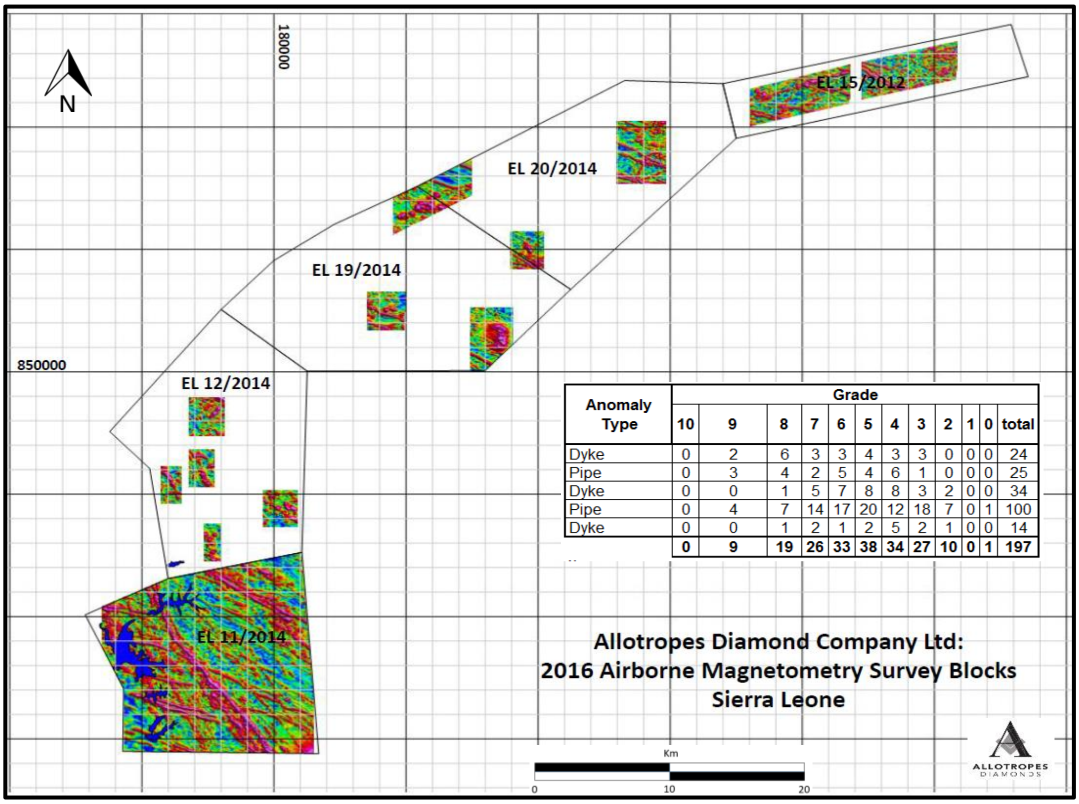
Figure 1. Status of tenement holdings, Sierra Leone.

Of particular note, was an airborne magnetometry (AM) survey completed in February 2016, and conducted over a two-week period. The data from c.4000 line-kilometres (l/km) of flying, were interpreted by a competent geophysicist and a ranking exercise completed on high-interest anomalies generated from the high-resolution (40m elevation) survey. Several of these targets have been investigated in the interim, with follow-up activities comprising a mix of sub-deflation sampling to recover kimberlite indicator minerals (KIMs) and ground-magnetometry surveying. In addition, follow-up diamond drilling has also been initiated over some of these targets with a diamond drill rig owned by the Company.

Results of the Airborne Magnetometry (AM) Survey

In January 2016, the Company engaged Xcalibur Airborne Geophysics (Pty) Ltd of South Africa, to conduct a *c.*4000 line-km airborne magnetometry (AM) survey over selected blocks spanning all five (5) ELs (Figure 2). Analysis of the survey results was completed in May in order to identify and rank (grade) high-interest targets for further follow-up work. The target generation exercise identified a total of 197 targets that are interpreted as being potentially kimberlitic in nature (pipe and dyke arrays), of which a total of nine (9) of these targets have been assigned the highest achievable geophysical grade i.e. Grade 9 (insert, Figure 2).

Since these results have been interpreted in isolation of other discriminating data, they are not in themselves discerning enough to select drill-ready targets. The addition of anecdotal and archival data from legacy reporting and exploration data, has assisted in producing a more thorough ranking result. It is on this basis that the Company has begun to systematically work through the highest ranked anomalies, with its own supplementary ground-truthing activities in the form of sub-deflation sampling for KIM abundance and size, and ground-magnetometry surveying, aimed at further refining the AM data. These follow-up activities are the most cost-effective approach in reducing unnecessary drilling expenditure by providing the necessary precision to intercept small geophysical targets. In addition, the mapping of outcrops, where present, will also assist with the discrimination of country rock lithologies that may be responsible for spurious magnetic signatures. These activities are the subject of an ongoing ground-truthing program in all ELs, ahead of a planned drilling campaign designed to intersect kimberlites.



Anomaly Type	Grade 10	9	8	7	6	5	4	3	2	1	0	total
Dyke	0	2	6	3	3	4	3	3	0	0	0	24
Pipe	0	3	4	2	5	4	6	1	0	0	0	25
Dyke	0	0	1	5	7	8	8	3	2	0	0	34
Pipe	0	4	7	14	17	20	12	18	7	0	1	100
Dyke	0	0	1	2	1	2	5	2	1	0	0	14
	0	**9**	**19**	**26**	**33**	**38**	**34**	**27**	**10**	**0**	**1**	**197**

Figure 2. Plan showing localities of completed AM surveys blocks within Allotropes' ELs (showing analytical signal). Insert shows ranking of 197 interpreted targets completed by an experienced geophysicist.

1 EL 15/2012: Baoma Alluvial Projects

In H2, 2015, exploration activity in the EL was limited to the collection of soil samples over interpreted geophysical targets to determine their heavy mineral content (HMC). This preparatory activity was one of the selection criteria necessary for the planning of the AM survey blocks.

1.1 Majestic Gravels-Gendema Locality

Bulk-sample material was recovered from the eastern-most extent of the EL from an area previously explored by Majestic Mining Ltd, where high-terrace palaeo-gravel occurrences have been investigated, some 40m above the level of the Modern Sewa River. A royalty arrangement had been struck with the community to extract further gravels for bulk-sample testing and during the period, approximately 9,000 tons of bulk-sample gravel was recovered and stockpiled at the Golu mine run-of-mine (ROM) pad. To date, some 5,000 tons of bulk-sample gravel has been processed through the Golu DMS plant and the results have been disappointing but provide the Company with an assessment of high-level gravel occurrences within the EL. It is not anticipated that further testing will be conducted on these high-level upper-terraces gravels

1.2 Sandia-Tugbebu KIM pitting Program

In H2, 2015, this target, located on the Sewa south-bank in the west of the licence area was investigated to try and replicate positive KIM results achieved from a previous operator. A pitting and trenching exercise conducted by Allotropes in 2014 failed to recover any definitive KIMs in HMCs that could be interpreted to be *in situ* in origin. A subsequent pitting exercise comprising 43 completed pits, was conducted toward the end of the current reporting period, and recovered concentrations with no discernible KIM grains. Further work will be required to replicate anecdotal evidence of KIM grains recovered from the area.

1.3 Alluvial Trial-Mining Activities-EL 15/2012.

1.3.1 Golu Mine: SML 01/2015

The Small-scale Mining Licence (SML) was granted in September 2015 for a term of three (3) years. The licence covers an area of diamondiferous alluvial (fluvial facies) gravels at the Golu site within EL 15/2012. The palaeo-gravels relate to the ancestral Sewa River system and overlie perturbated, water-bevelled fringing terraces and embayments adjacent to the Modern Sewa River.

Figure 3 shows the extent of mining conducted with the SML before depletion of the fluvial gravels. In May, trial-mining activities were completed, with approximately 30,000 tons being processed since 2015, for *c.*2,600 carats recovered. Grade results have proved variable and the exercise showed that the management of stripping levels was fundamental in reducing dilution, and associated mining and haulage costs. The highest grade achieved was 60 carats per hundred tons (cpht) and the largest diamond recovered was 7.78 carats (cts) in weight.*

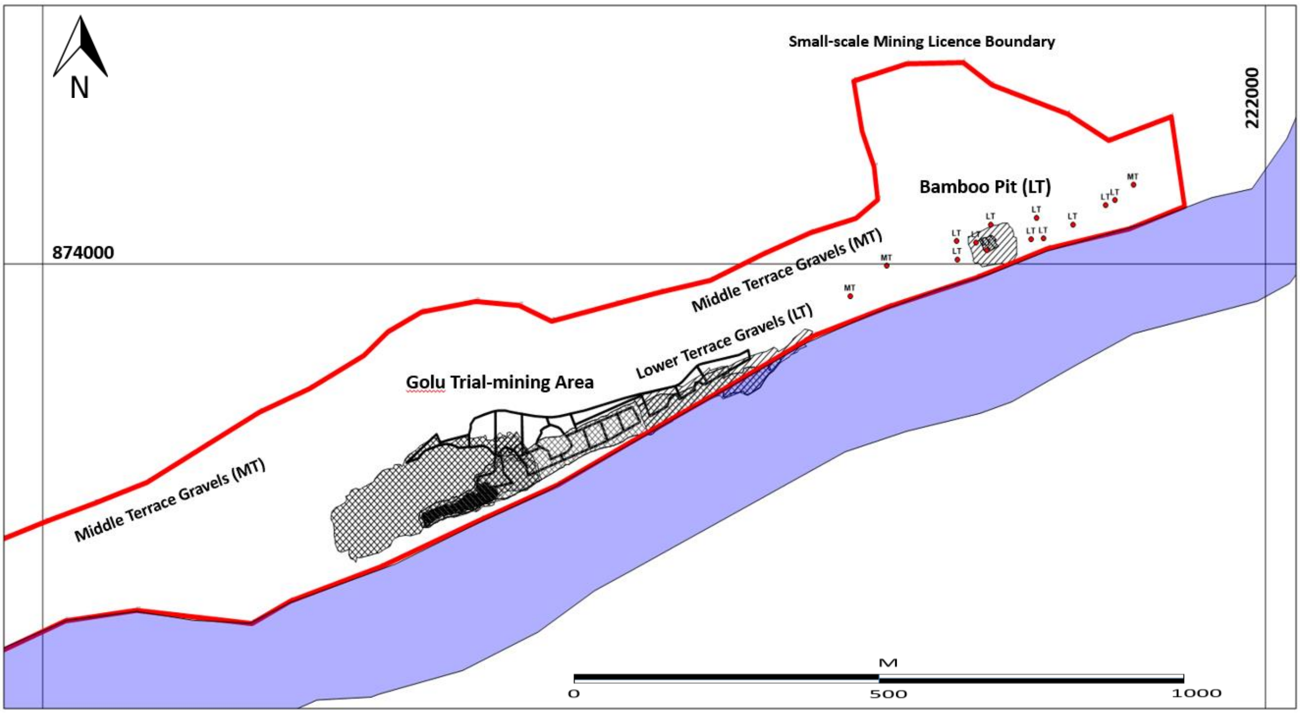


Figure 3. Cartoon depicting mine block positions and position of Bamboo pit relative to trial-mining activities within SML 01/2015 (red line).

*In accordance with Listing Rule 5.23.2, the Company confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed.

1.3.2 Bamboo Pit-Golu Eastern Extension: SML 01/2015

A pitting exercise completed in H2, 2015, located a Sewa River palaeo-lower terrace (LT) deposit in an area located some 500m to the east of the mine block 15 (c.f. Figure 4). Excavation commenced early March 2016 (Figure 4) near an old artisanal working, intersecting LT gravels up to depths of 12m, lending credence to the theory that the so-called Bamboo pit is a large palaeo-Sewa River pot-hole feature. Gravel thickness of av. 1m and batch-processing grade ranges of 25-38 carats per hundred tons (cpht) at an average stone size of 0.5 cts/stone, have been achieved to date*. A total of c.250 carats was recovered before the pit was depleted and back-filled.

Figure 4. Excavation of the Bamboo Pit LT site in March 2016. Note boulder-choke at left, towards the Sewa River. The typical up-wards fining fluvial signature of the Sewa River can be seen at right.

1.4 Rehabilitation of Golu SML 01.2015

Concurrent back-filling and rehabilitation of the older mined-out areas is well-advanced within SML 01/2015 (Figure 5) and the Company estimates that c.90,000 m^2 of disturbed ground will require rehabilitation, of which 14,000 m^2 has been completed to date. Backfilling of those areas still requiring to be rehabilitated is *c*.40% complete and to date, over 5000 trees have been planted on rehabilitated ground.

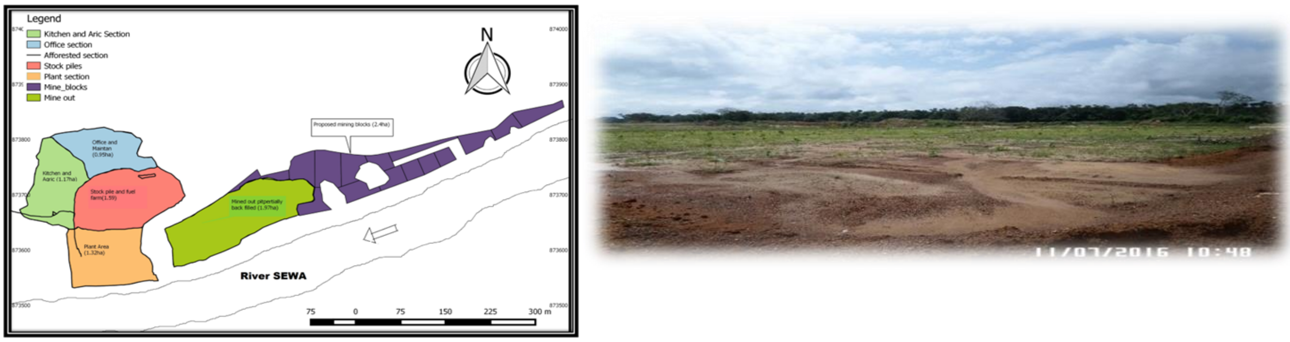


Figure 5. Depicting areas disturbed by mining (top). Photo at right, shows established plant growth on rehabilitated mining areas of depleted Golu mine blocks.

1.5 Alluvial Bulk-sampling activities – Gboyeiya (Sewa River South-bank)

Three bulk-sample trenches located south-west of Golu ML 01/2015 were completed in the period, encountering typical Sewa River fluvial architecture (as per the Golu deposit). Three trenches were completed (e.g. Figure 6 and inset), recovering variable grades, with the highest of these being 24 cpht. The resource potential of the area bounded by the trenches is being investigated further and an infill power-auger drilling program is ongoing to determine cover and gravel thickness, as well as assess continuity of same.

Figure 6. Gboyeiya bulk-sampling activities, Sewa River South-bank. Note rounded pebbles and boulder at right, recovered from trench 1 (main photo).

1.6 *Alluvial Bulk-sampling activities – Golu Ferry-crossing Locality (Sewa River North-bank)*

A single trench was completed just west of the Golu Mine (Figure 7), in an attempt to explore further westerly extensions to the Golu Lower Terrace deposit. Due to close proximity to the Sewa River and a high-water table, the trench is flooded and will be re-opened after the rainy season to enable completion of the sampling activities.

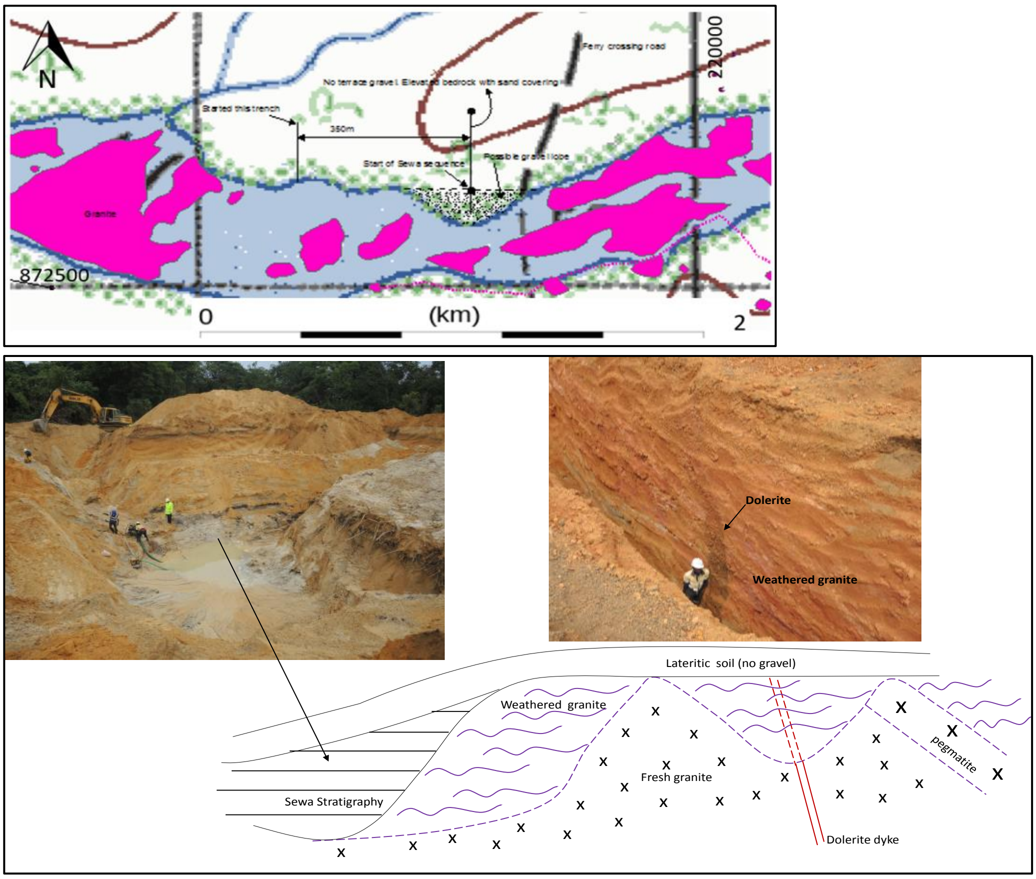


Figure 7. Golu Ferry-crossing bulk-sampling activities, Sewa River North-bank. Annotation shows geology intersected to date.

1.7 Golu Swamp Trench

An 80m-long trench was completed to bedrock across the main swamp adjacent to the Golu Village and mine (Figure 8). The material within the swamp has been worked extensively by artisanal workers over decades and it has been proposed by some workers that the valley in which the swamp lies, formed as a result of an abandoned channel feature of the ancestral Sewa River. The trench conclusively proved that the Sewa River had not occupied the valley in the past, as the minimal quartz rubble recovered was angular in nature. In addition, no heavy minerals that could be construed as kimberlitic in nature, were recovered. The source of the diamonds recovered over the years by artisanal miners remains enigmatic and further work is required to determine their source.

Figure 8. Excavation of the 80m trench across the Golu Swamp locality (top and at right). Angular quartz was recovered (inset) indicating the valley was not previously occupied by the ancestral Sewa River.

1.8 Airborne Magnetometry (AM) Survey-EL 15/2012 Kimberlite Program

A total of 507 line-km of airborne survey was completed over EL 15/2012 in January 2016 (Figure 9) and the results interpreted. On the basis of these results, the Company has begun to conduct follow-up ground-truthing activities such as systematic soil loaming and stream sediment sampling, aimed at recovering heavy mineral concentrates (HMCs) for KIM analysis, as well as ground-magnetometry surveys (Geometrics 857 units) over high-interest interpreted anomalies. A company-owned diamond-drill rig (Dando Multitech 4000) will be utilized in any follow-up drilling campaign.

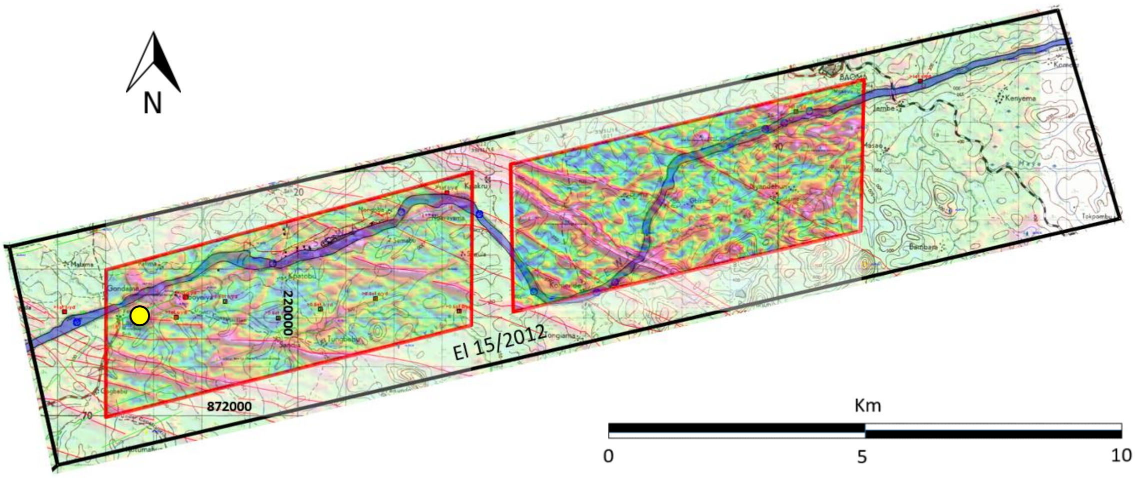


Figure 9. Image depicting results of the two 2016 AM survey blocks completed within EL 15/2012 (analytical signal). Yellow dot shows locality of ground-truthing work conducted to date near Laoma.

1.9 Dredging Activities-EL 15/2012

Large-scale dredging operations have been conducted on the Sewa River since 1962, with varying degrees of success and which have been described at length by Hall (1972). In EL 15/2012, formerly Block 11 (Yamandu) (Hall, *op. cit*), river channel recoveries have been historically high in channel features containing *situ gravels*-in the order of 1.0-3.0 carats per cubic yard (72-217 cpht). There has also been intensive diving by artisanal miners over the decades, but the deeper pools have remained inaccessible to informal mining, requiring a more mechanized approach. A bathymetric survey conducted over a substantial portion of the EL 15/2012 exploration licence by the USGS, identified numerous potholes and slots/gorges which form ideal trap-sites, and in addition to this, an historical Ground Penetrating Radar (GPR) survey conducted by a previous operator (SLDC) along much of the length of the Sewa, has provided the Company further insight into numerous potential trap-site targets.

1.9.1 Gbinima Dredge Site

In May, the Company rented an 8-inch (hose) suction dredge and commenced its inaugural exploration activities in selected trap sites in the Sewa River adjacent to the village of Gbinima (Figure 10). Initial results from the Gbinima site are encouraging with large average stone sizes being encountered (average 1.2 carats per stone; c.f. Photograph 1) as well as batch screen-grades in the range of 60-90 cpht[1]. Gravels are well-packed and often thinly cemented (conglomeratic). A typical Sewa fluvial sequence within a prospective trap site is show in Figure 11.

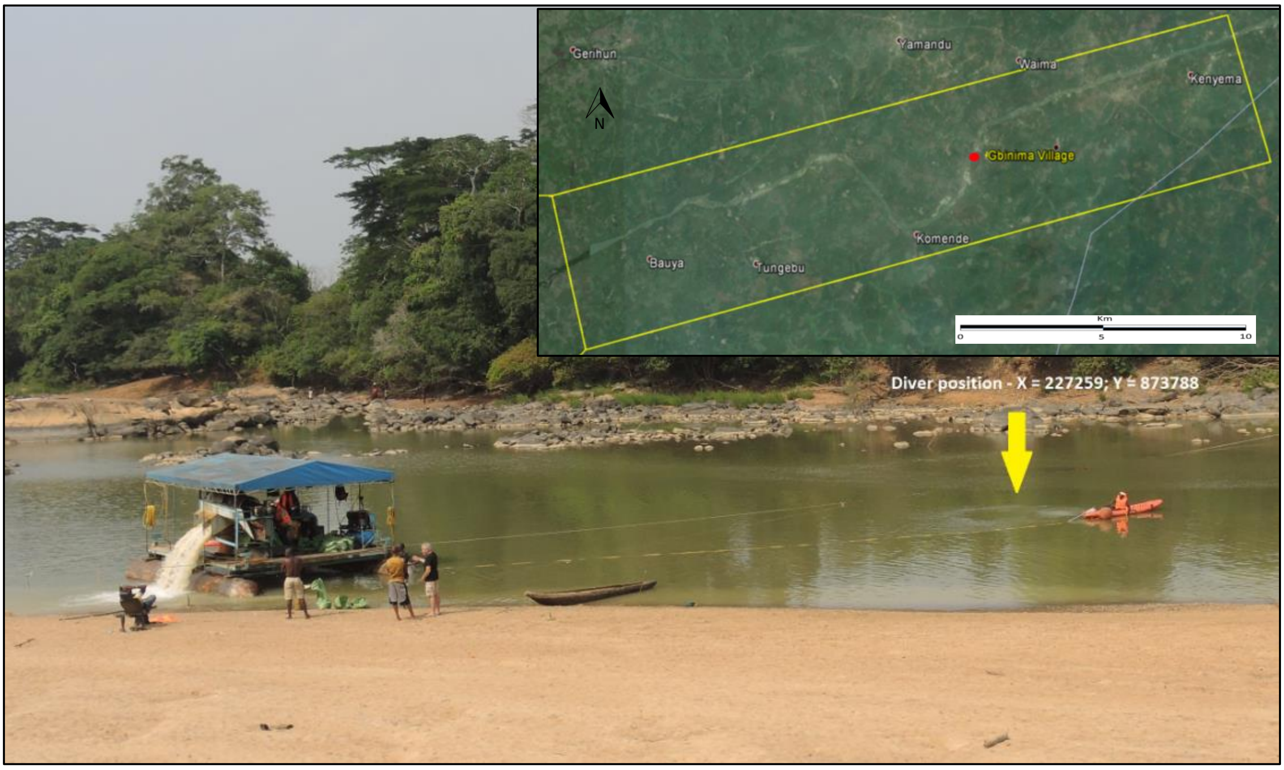


Figure 10. Photo depicting maiden dredging operations at the Sewa River Gbinima locality, EL 15/2012. Dredge position within the EL, shown inset. Of note, is the trommel debauching sand and oversize back into the river with only the mid-sized gravel fraction being recovered for processing (refer footnote 1).

[1] As a rule of thumb, screened grades are enhanced four (4) times when compared against the *in situ* grade of the deposit. As a result of this subjectivity, dredge grades are typically reported as screened (recovered) grades.

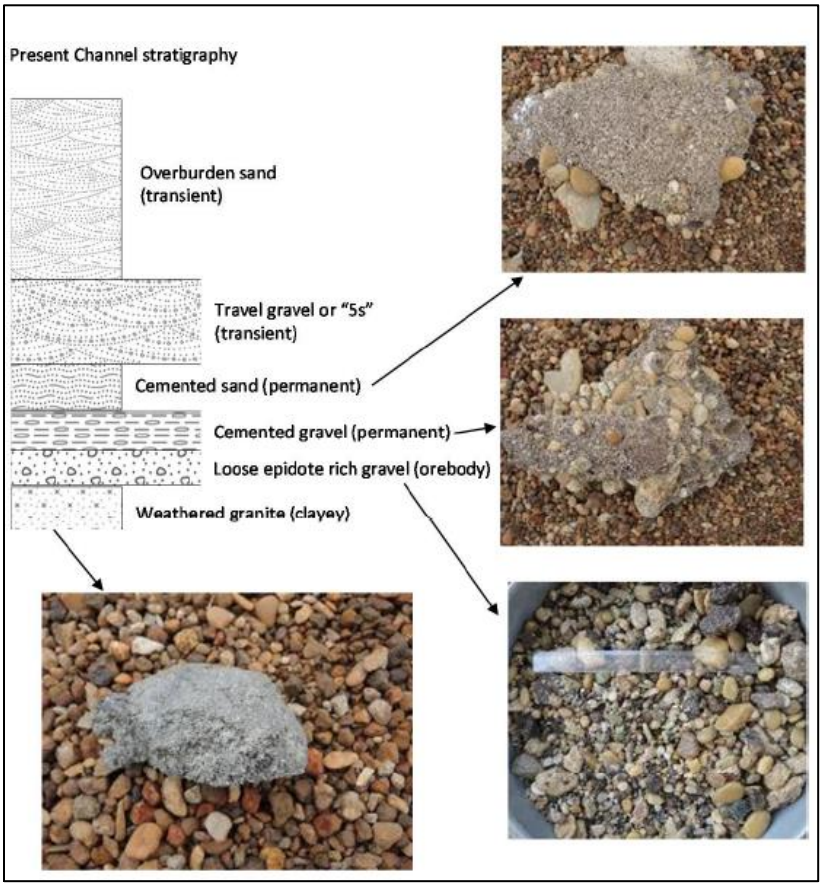


Figure 11. The sedimentary architecture of gravels found at the Gbinima dredge site.

Photograph 1. Diamonds recovered from the Gbinima dredge site. The stones are of high-quality and have larger than average stone size (av. 1.2 cts/stn) when compared with the lower terrace fluvial deposits encountered at Golu (av. 0.33 cts/stn).

2 Exploration Licence - EL 20/2014: Jomu-Maina-Tongie Alluvial Program

During the period, reconnaissance activities regarding potential dredge sites (Figure 12), as well terrestrial alluvial bulk-sample sites (Figure 13), were completed. A previous operator, Sierra Leone Diamond Company (SLDC), identified numerous potential trap sites they referred to as the 'Wahl Pools', within which, was included the exceptionally rich 'Bragg Pool' Formerly described in Block 12 (Jomu) of Hall (1972). Some spectacular grades were recovered historically here, in the range 8 carats/yd^3 (c.580 cpht). Hall (*op. cit.),* believes that up to two-thirds of the gravel content of the pool remains intact.

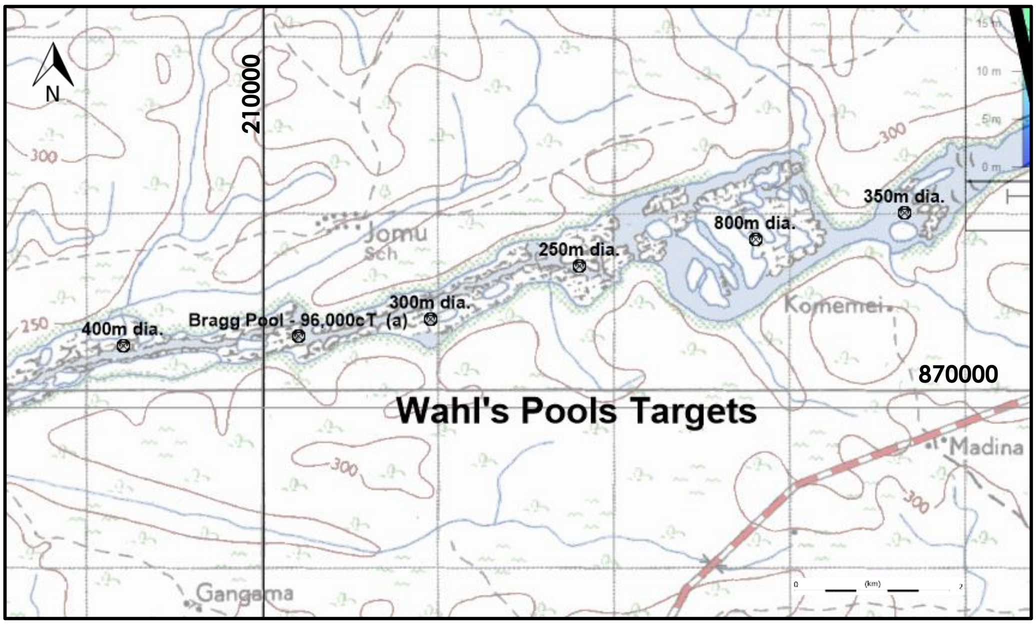
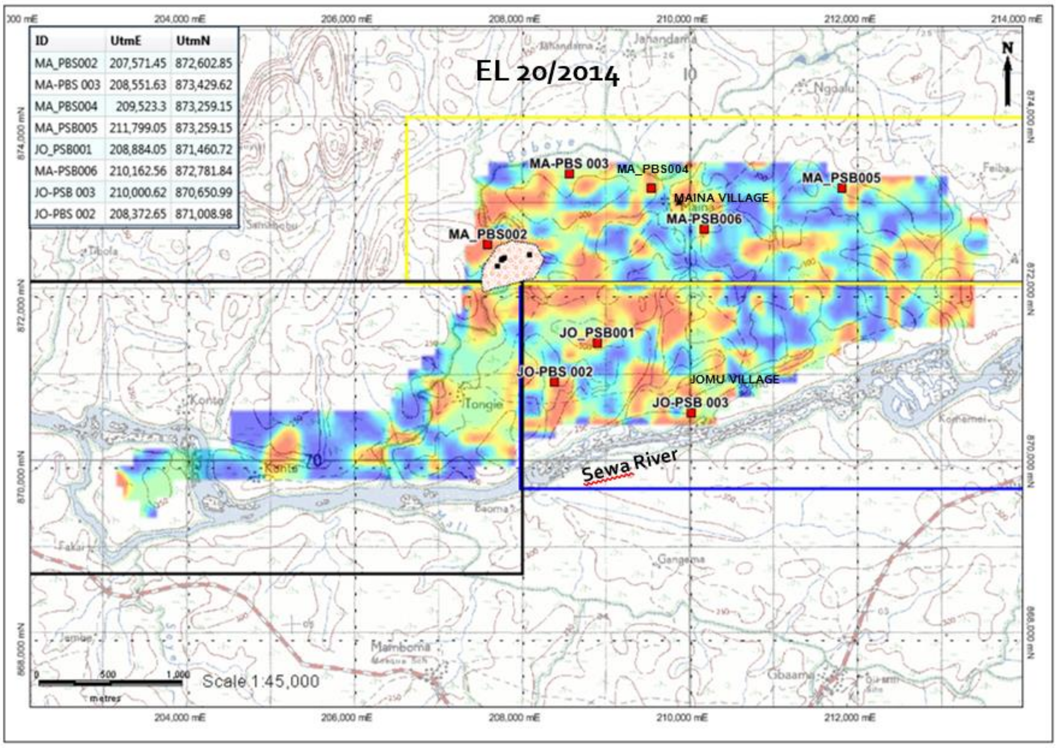


Figure 12. Showing Wahl's Pools potential dredging targets (SLDC source) in El 20/2014.



ID	UtmE	UtmN
MA_PBS002	207,571.45	872,602.85
MA-PBS 003	208,551.63	873,429.62
MA_PBS004	209,523.3	873,259.15
MA_PSB005	211,799.05	873,259.15
JO_PSB001	208,884.05	871,460.72
MA-PSB006	210,162.56	872,781.84
JO-PSB 003	210,000.62	870,650.99
JO-PBS 002	208,372.65	871,008.98

Figure 13. Map showing locations of planned bulk-sample sites on the Jomu-Maina-Tongie Alluvial Project. A heavy mineral concentrate (HMC) isopach plot (-2mm fraction from gravel source) derived from the results of *c*.800 exploration pits, is shown in the background (Higher heavy mineral concentrations are indicated by warmer colours).

2.1 Jomu-Maina Alluvial Bulk-sampling Activities

As with the adjoining EL 15/2012 licence, exploration activities in H2, 2015, focused on the soil sampling ahead of the planned airborne survey. A total of 10 targets were sampled for their heavy mineral content (cf. Fig. 13). In addition, a further 807 in-fill samples from additional high-interest targets have been collected and sent for picking at the Bo laboratory.

The processing of four (4) trenches and a large pit at the Maina locality (Figure 14), was completed in H2, 2015 and processed at the Golu DMS, with disappointing batch results. The highest recovered grade achieved was just under 3 cpht.

Figure 14: Exposed section in the Maina Pool bulk-sample (at left). Stockpiled gravel from the Pool (at right) was processed in the latter half of 2015.

2.2 Airborne Magnetometry (AM) Survey-EL 20/2014 Kimberlite Program

During H1, 2016, 356-line km of aeromagnetic surveying was completed within the EL by the Company as part of its ongoing kimberlite exploration program (Figure 15), and ten (10) sites were examined as a ground-truthing exercise over interpreted kimberlite anomalies. In addition, soil and stream sediment sampling was completed to recover KIMs, and these samples have been sent to the MSA Group in South Africa for analysis. Pending the results of this sampling the kimberlite anomalies will be prioritised for further ground magnetic surveys and drilling.

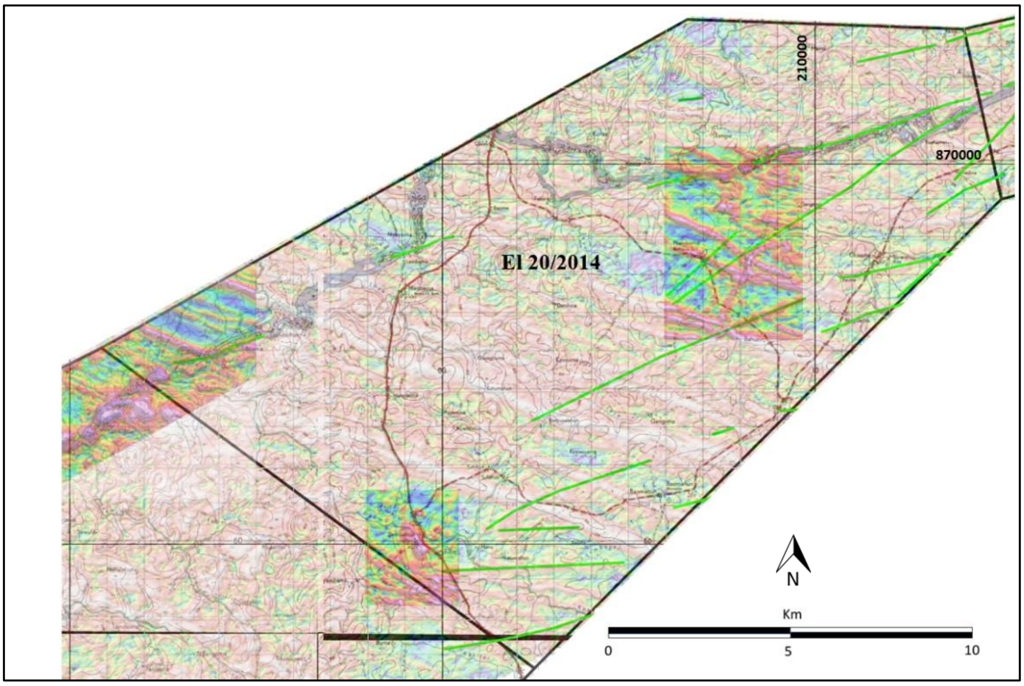


Figure 15. AM blocks flown within EL 20/2014 (analytical signal). This high-resolution survey was flown as part of the Company's ongoing kimberlite exploration program.

3 EL 19/2014: Hima-Mano Alluvial Program

The project area comprises a large buried alluvial flat, crossed by NW-trending dolerite dykes and the dykes act as giant riffle features on the palaeo-footwall of the ancestral river system, influencing gravel distribution and diamond content as a result. In H2, 2015, a total of 357 test pits (1m x 1m surface dimensions) were completed around the Hima and Mano villages (Figure 16). The grid pattern layout of the test-pits was designed to test the distribution of potentially diamondiferous gravels and ascertain gravel and overburden thickness and facies type. Facies types encountered in this exercise ranged from surface residual lateritic gravels (relict, colluvial-type placer) overlying weathered saprock to fluvial (Ancestral Sewa River) facies, overlying fresh, water-bevelled, Rokel River Group shales. Also within this period, a further seventeen (17) 2m x 2m dimension test pits were completed on or adjacent to the bulk-sample sites completed by Cream Minerals Ltd in 2005, to verify fluvial (Sewa River) gravel development. All these hand-excavated pits located only the tops of a thick gravel sequence in this exercise, due to depth constraints. Further work conducted in H1, 2016, formed the basis of follow-up work to ascertain full exposures of these deep gravels. In this regard, a total of four (4) bulk-samples were completed in 2016 (c.f. Figure 16). The bulk-excavations were conducted on the back of favourable geological data acquired from a previous wide-ranging 1m x 1m exploration pitting exercise, followed by a select 2m x 2m test pitting campaign. In addition, these exploration test pit campaigns were complemented by an in-fill auger drilling exercise to determine continuity of cover and gravel thicknesses. In each instance, the more lucrative fluvial facies pertaining to deposits of the ancestral Sewa River system (i.e. Lower Terrace equivalent at the Golu SML), was targeted and it was this iterative work that allowed the development of a more refined geological model.

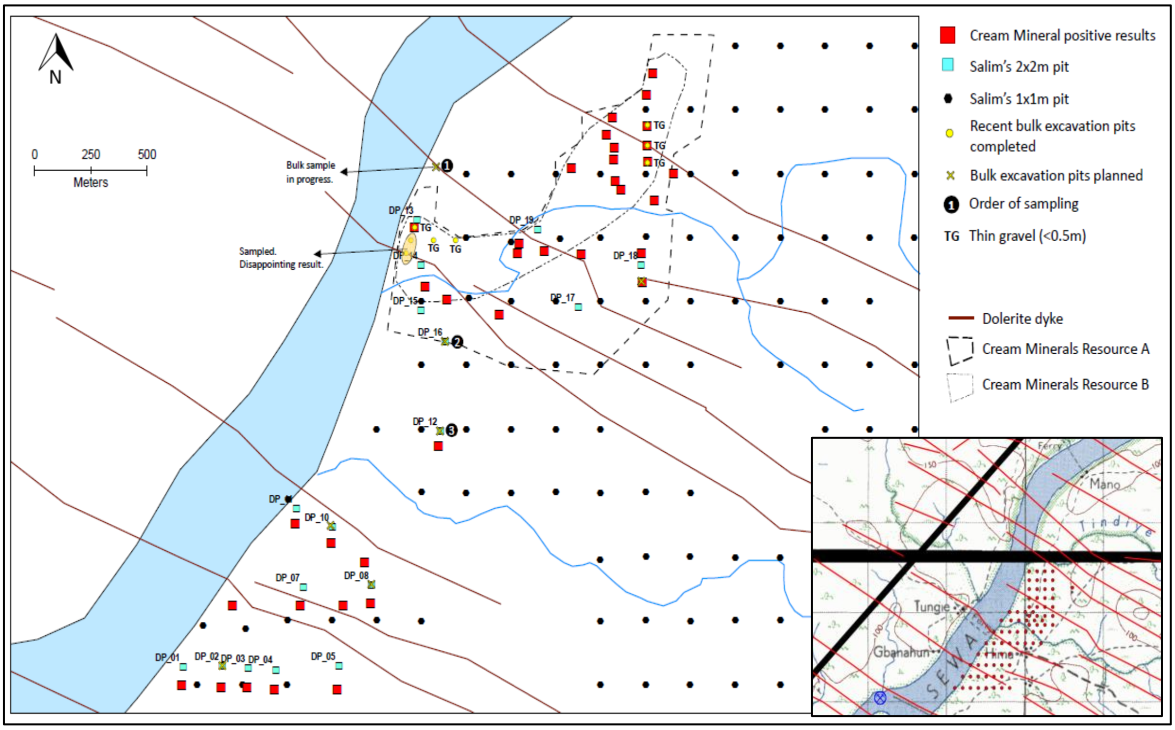


Figure 16. Location of planned and completed exploration test-pitting (black dots are 1m x 1m dimensions) on the extended Hima-Mano areas of EL 19/2014 (inset). Both Allotropes and historical data are shown (Cream Minerals Ltd). Sewa River is in blue.

The revised geological model (Figure 17) depicts the occurrence of cross-cutting dolerite dykes with associated distribution of gravel architecture and respectable grades occurring in linear/ribbon deposits on the leeside of the dykes. The rationale of the bulk-sampling campaign was to produce an area of statistically representative economic grades that would allow the future declaration of a JORC resource for statutory reporting purposes. To date, current bulk-sampling activities have yet to delineate contiguous gravel horizons or sustainable economic grades in the areas explored.

Table 1 is a summary of the various bulk-sampling results.

License No	Actual Bulk Sample ID	Actual Start Collar		Excavation			Processing					Comment
		UtmE	UtmN	Excavation Method	Excavation Status	Intercept	Processing Status	No of Stones	Total Carat	Tons processed	Grade/cpht	
EL19/2014	19_Man_BLK 009	180154	857839	Mechanised	Completed	Fluvial Gravel	Completed	40	11.92	504.8	2.36	
EL19/2014	19_Man_BLK 010	180277	858125	Mechanised	Completed	Fluvial Gravel	Completed	64	30.5	157	19.43	Scour portion of bulk sample
EL19/2014	19_Man_BLK 011	180277	858125	Mechanised	Completed	Fluvial Gravel	Completed	72	23.07	927	2.49	Push slope portion of bulk sample
EL19/2014	19_Man_BLK_A3	181242	858348	Mechanised	Completed	Fluvial Gravel	Completed	1	0.16	211	0.08	

Table 1. Summary of bulk-sample results from Mano-Hima Project Area.

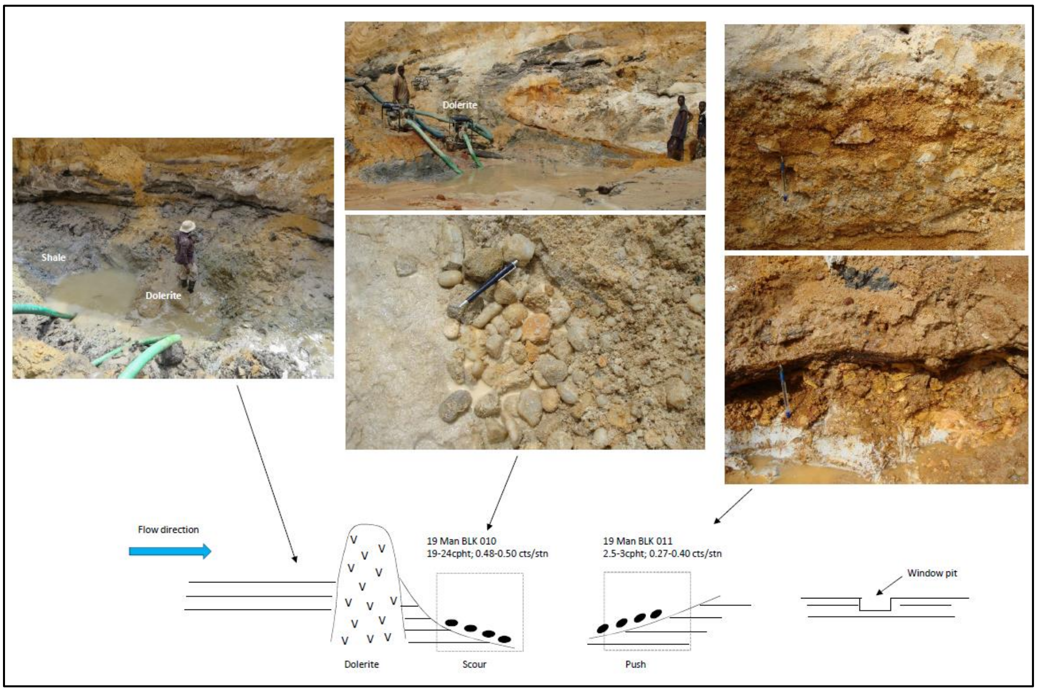


Figure 17. Annotated geological model of a typical Mano bulk sample excavation. Diamond grades are typically embellished in the leeside of the dolerite dyke, which acts like a giant riffle in the river flow. Due to turbulent river flow dynamics, a scour feature (i.e. trap-site) is excavated on the leeside and predictably hosts the better grades by acting as a trap-site.

In addition, to the bulk-sampling exercise, a total of 80 motorised-auger holes has been drilled to determine continuity of the gravel horizon and cover thickness. Gravel intersections were recorded in c.49 of the holes drilled thus far. (Figure 18 and inset).

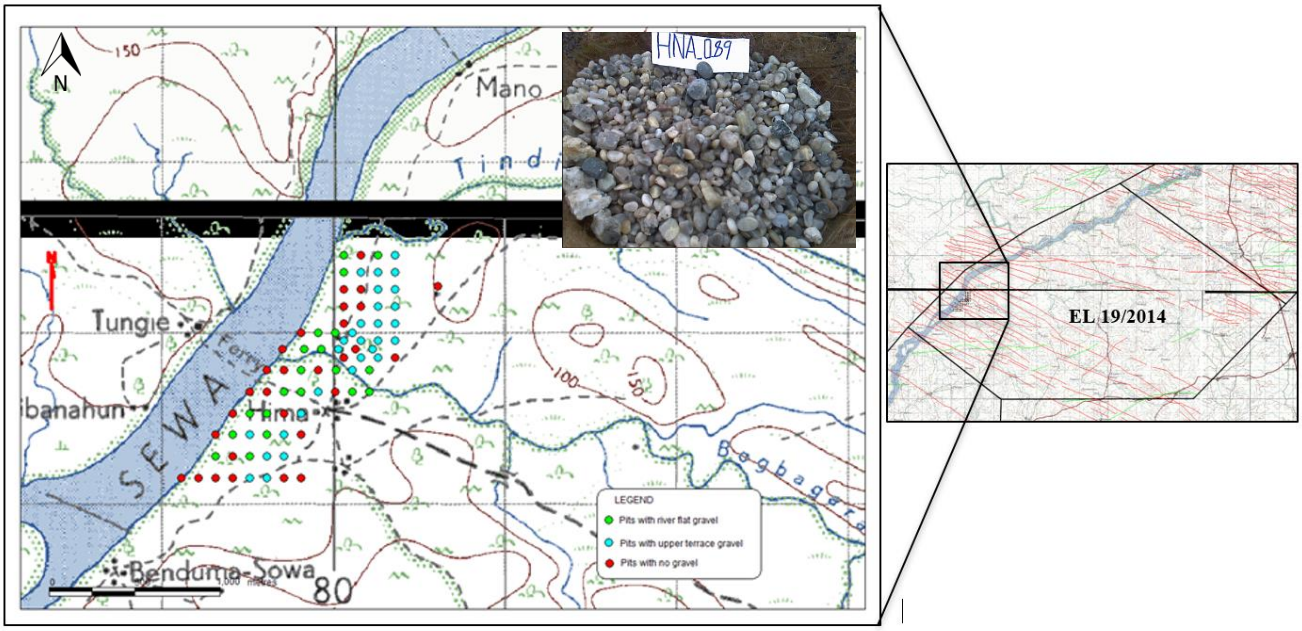


Figure 18. Map showing completed power-auger holes-Hima Alluvial Project. Inset shows gravel clasts recovered from the river flat (fluvial facies) intercepts.

The firmer understanding gained of the geological model will be applied in a renewed campaign of exploration, supplemented with Ground Penetrating Radar (GPR) and aimed at fine-tuning the depositional and economic model further.

3.1 Airborne Magnetometry Survey-EL 19/2014 Kimberlite Exploration Program

A total of 409 line-km of an airborne magnetometry (AM) survey was completed in EL 19/2014 in February this year. The flying was conducted over 4 blocks containing high-interest kimberlite targets selected by the technical team. The results of the survey were interpreted in the period (Figure 19) and numerous high-interest targets were identified for follow-up soil sampling for KIM analysis and ground-magnetometry surveys.

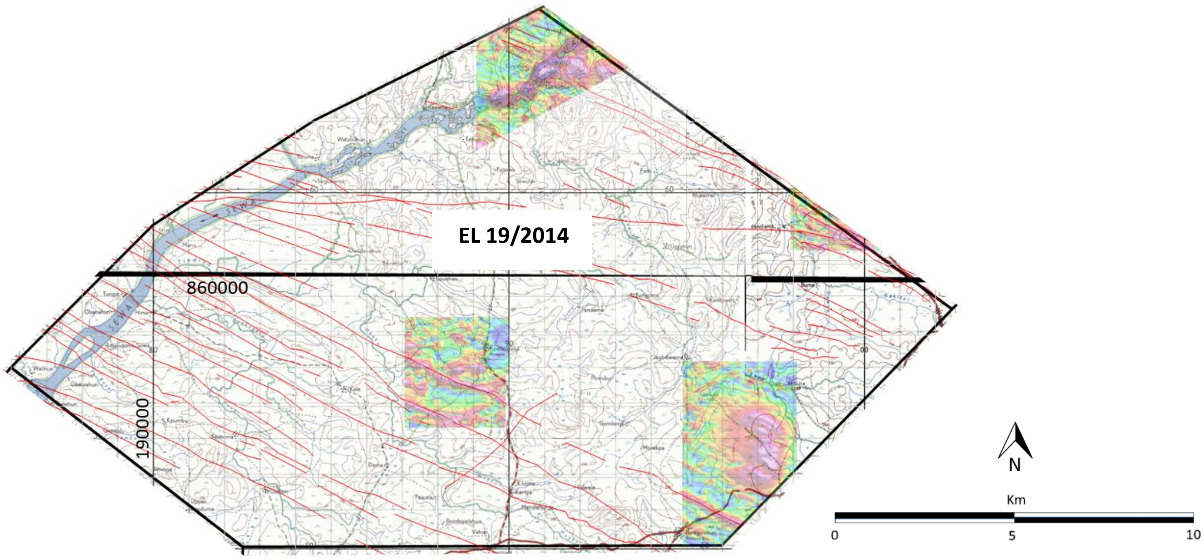


Figure 19. Image depicting results of the four 2016 AM survey blocks completed within EL 19/2012 (analytical signal) on a topo-cadastral background. Numerous high-interest anomalies have been identified for further follow-up ground-truthing work. Red lines are NW-trending dolerite dykes.

4 Exploration Licence - EL 12/2014: Lake Fula and Pongola-Mokombo Alluvial Programs

4.1 Mokombo Bulk-sampling Program:

In early H2, 2015, a bulk-sampling program resulted in a total of fifteen (15) bulk-sample pits being excavated in the Mokombo Target area of EL12/2014 (Figure 20). Approximately 9,000 tonnes of extracted bulk-sample gravel were stored in the field and subsequently moved into a centralised in-field stockpile thereafter in late H1, 2016. Due to the sizeable tonnage and inordinate distance to the Golu DMS plant, the bulk-sample material was relocated to the site of the second DMS plant at Sumbuya, where it will await processing once the plant has been erected and commissioned in H2, 2016. In order to supplement geological data pertaining to ongoing bulk-sample selection, a systematic power-auger drilling program was initiated at the Sumbuya alluvial projects in H1, 2016. Data recovered includes gravel thickness and type (facies), as well as overburden thickness.

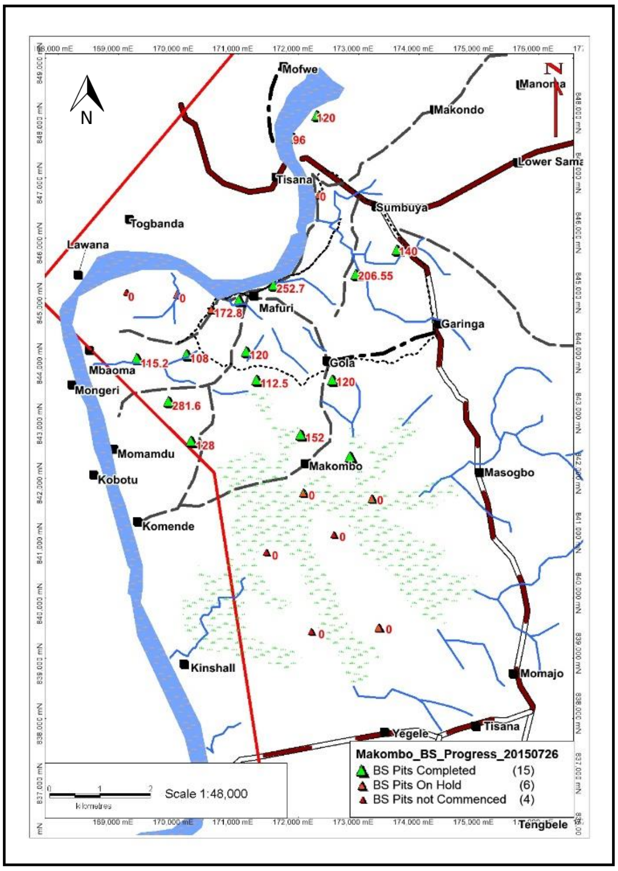


Figure 20. At left, showing bulk-sampling sites in the Mokombo-Pongola area, Sumbuya alluvial project. At right; showing excavation of one of the bulk-samples in a reducing swamp environment.

4.2 Mokombo Auger Drilling and Bulk-sampling Program

Auger drilling commenced in H1, 2016, and a total of 20 holes drilled to either gravel or into bed rock (Figure 21). Gravel was intersected in thirteen (13) out of the twenty (20) holes drilled to date. Gravel types (facies) intersected range from fluvial, with well-rounded to sub-rounded fine to medium clasts, to colluvium containing mainly angular to sub-angular Fe-pisoliths. An older terrace of fluvial origin, containing Fe-stained quartz pebbles which are occasionally ferricretised, is also present. This conglomerate is present as erosional remnants, being identified only in two (2) drill holes (*c.f.* SEA 004 and SEA 015).

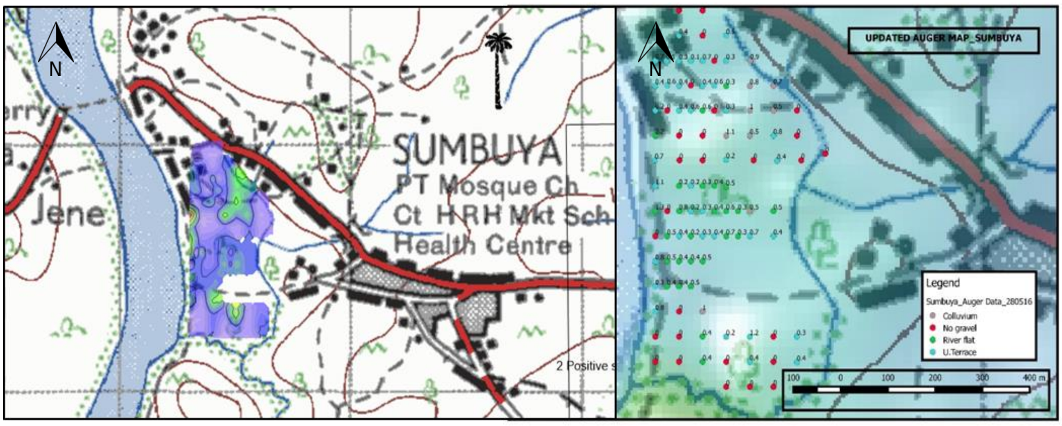


Figure 21: Gravel thickness isopach (at left) and distribution of gravel facies-types, (at right) delineated by the latest auger drilling campaign over the Mokombo flat near Allotropes' Sumbuya Camp, Sumbuya Alluvial Project, EL 12/2014.

4.3 Momajo bulk-sampling and motorised-auger drilling program

A total of seven (7) motorised-auger holes were drilled in and around the artisanal working comprising the Momajo high alluvial terrace. On the basis of this and the presence of active artisanal workings, two (2) bulk-sample pits and one (1) bulk-sample trench were excavated (Figure 22). Some 1,500 tons of gravel has since been relocated in 2016 to a pad at the second DMS site at Sumbuya for eventual processing.

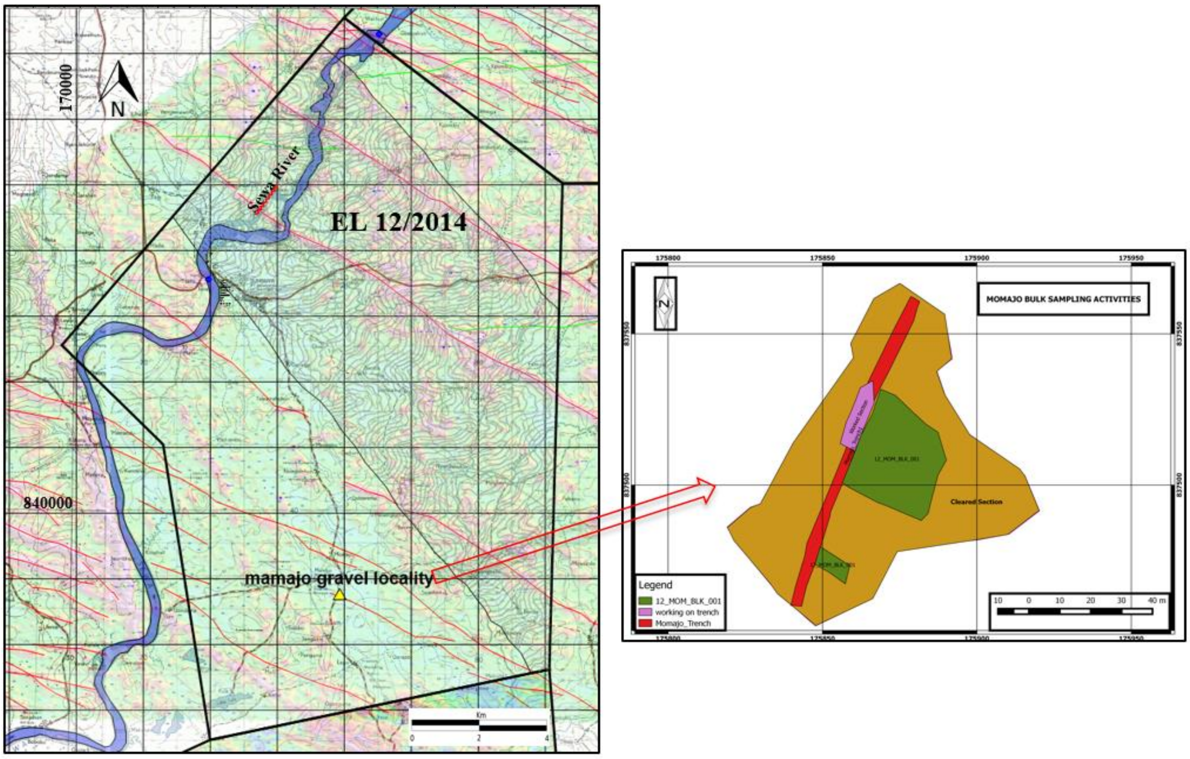


Figure 22. Image depicting bulk-sampling positions (trench [red] and pits [green]; at right) at the Momajo alluvial high-terrace locality, EL 12/2014. Background is magnetic image from legacy data. Red lines are NW-trending dolerite dykes. Hatched area is a tectonised area referred to as the 'Mylonite Zone'.

4.4 Lake Fula Trenching Program

In H2, 2015, a trenching program was initiated near the Gbenya village, across the strike of Lake Fula (Figure 23). The rationale for the trench siting was on the basis of the distinct E-W trend of the lake, which lies within the prevailing kimberlite dyke emplacement trend of Sierra Leone. Moreover, the lake shores have been the site of extensive artisanal activity in the past with no obvious diamond source. Several micaceous and serpentinite bodies were located in the trenches, but follow-up sampling and ground-magnetometry surveys have since discounted these bodies as being kimberlitic.

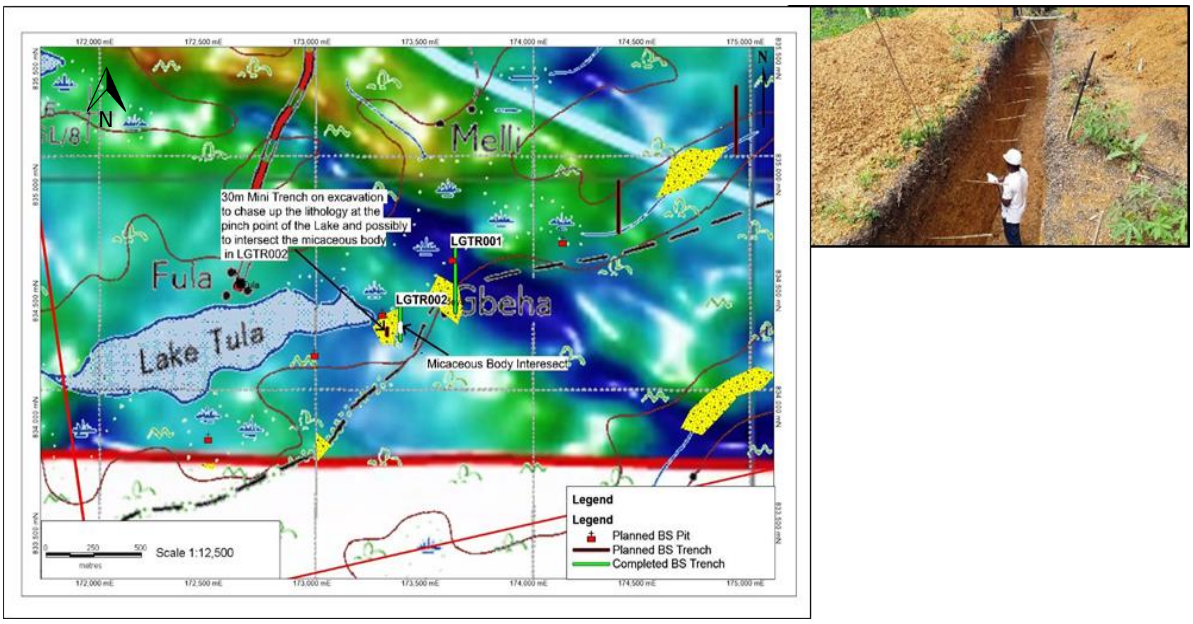


Figure 23. Bulk-sample trench sites at the Lake Fula alluvial and kimberlite project area. The background image is a wet-look total field magnetics plot. The trench at right (LGTR001-290m in length and 2.3m deep-refer map at left) is being logged by a geologist. Several micaceous and serpentinised bodies were intersected in this exercise.

4.5 Mokondo Point-bar Bulk-samples (Mak_001, Mak_002).

The first of the 2016 dry-season bulk-samples in the Sumbuya area, i.e. bulk-sample pit Mak_001, was excavated just north of the exploration camp. Some 300 tons of basal gravel was extracted and stockpiled at the new plant site in Sumbuya to await processing. Excavation of a second bulk-sample pit (Mak_002) just to the north of the first pit was attempted, but later abandoned to poor gravel-development and side-wall failure resulting in safety concerns. Nonetheless, a limited tonnage of gravel was recovered to the Sumbuya plant site for later processing.

4.6 Mokombo Bulk-sample (MABS_023).

An H1, 2015, bulk-sample pit (c.f. MABS_023) located some 300m south of the Sumbuya exploration camp and in close proximity to the Sewa River, was abandoned at the time due to high water-ingress during excavation of the basal gravels. The pit was de-watered in H1, 2016 and despite continued water ingress during this operation, some 240 tons of gravel from a well-developed basal horizon, (Figure 24) was able to be extracted and relocated to the Sumbuya plant site for processing. A typical Sewa River fluvial-signature was obtained from the exposed sedimentary sequence (c.f. Figure 24).

Figure 24. Bulk-sample pit MABS_023 located some 300m south of the Sumbuya Camp. Material from a well-developed basal gravel horizon (top right), with a palaeo-Sewa River stratigraphic signature (note fluvial cross-bedding), was recovered to the Sumbuya plant site for future processing. The heavy mineral assemblage is shown in the wash-sieve (bottom right).

4.7 Airborne and Ground-Magnetometry Survey - EL 12/2014 Kimerlite Exploration Program.

A total of 370 line-km of airborne survey was completed over EL 12/2014 in February this year and a ranking exercise identified high-interest anomalies for follow-up ground-magnetometry (GM) surveying and soil sampling. GM surveys were conducted over selected aeromagnetic and artisanal diggings within the Gbenya Acre 2-3 and the Lago terrace workings (e.g. Figure 25). A total of 23.32 km of line-cutting was completed over four (4) survey blocks during the period and a total of 24 x20 litre samples were also recovered for KIM test-work.

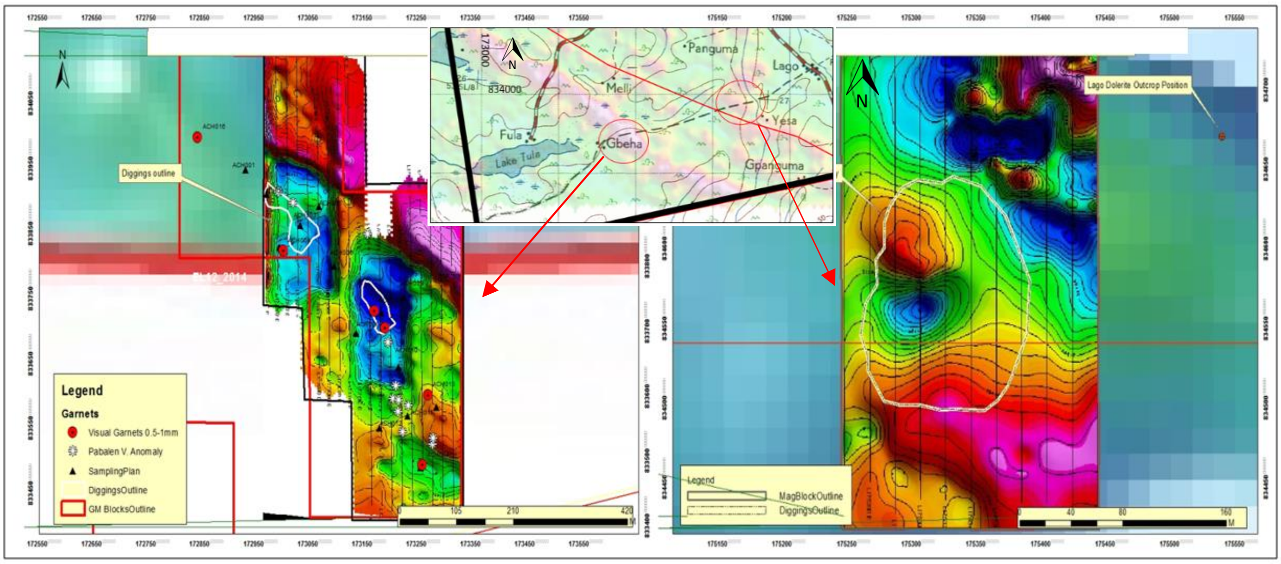


Figure 25. Results depicted over artisanal workings in the Gbenya (Acre 2 & 3; at left) and Lago artisanal workings (at right), EL 12/2014. Strong magnetic signatures require further follow-up by drilling. Survey localities shown inset.

4.7.1 Airborne Magnetometry (AM) Survey

A total of five (5) follow-up AM blocks were completed in the period (Figure 26). A total of 370 l/km was flown and the data subsequently interpreted by an experienced geophysicist. The new data from each block will be utilised to intensify the exploration campaign in the EL, which will be augmented by a follow-up GM programs.

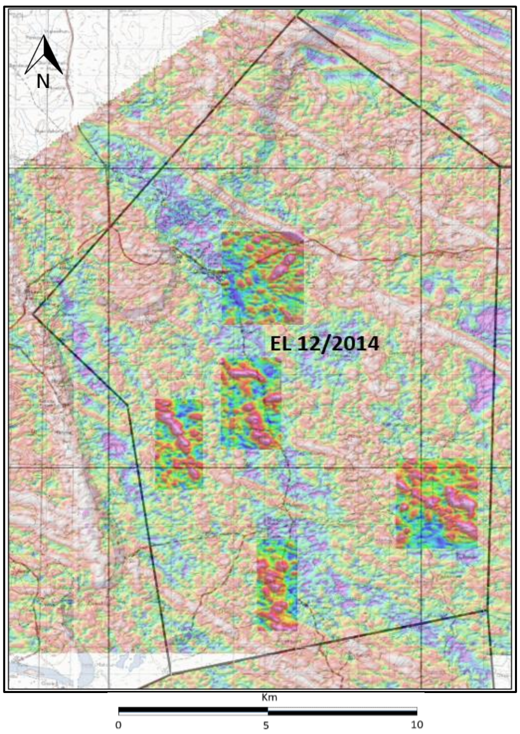


Figure 26. Results depicted from five (5) airborne magnetometry (AM) survey blocks completed over EL 12/2014 (brighter colours in polygons = analytical signal [a.s]). The background image is from SLDC legacy Firefly AM (a.s.) data.

5 EL 11/2014: Alluvial Exploration Program.

The alluvial work program over the year has focused on a bulk-sample test pitting program (Figure 27), adjacent to the Yawei village. This pit targeted the distribution and thickness of alluvial gravels associated with the nearby Malen River deposits, and a typical Sewa River fluvial signature was intersected in the pit lithologies, although a basal gravel was not developed due to a suspected edge-effect of the channel. The 14x14m dimension, 8m-deep bulk-sample pit located on the Yawei Flat (c.f. Figure 27), was completed with no indication of basal gravel. However, a typical Sewa River fluvial up-wards fining signature recorded in the sand and clays sequence (wood-bearing, indicating slack-water deposition) may lend credence to the theory that the nearby Malen River currently occupies a much larger, palaeo-Sewa River course. It has been suggested in the past that the Sewa River occupied a more-easterly course on its way to the Atlantic and further exploration in the form of scout-drilling the extensive Malen River flats to test this theory, is planned in H1, 2017.

In addition to pitting activities conducted within the EL, a Pandanus Candelabrum mapping exercise was also completed. The Pandanus plant is a recognised kimberlite indicator plant and its successful use as an exploration tool has been demonstrated by a kimberlite discovery in Liberia.

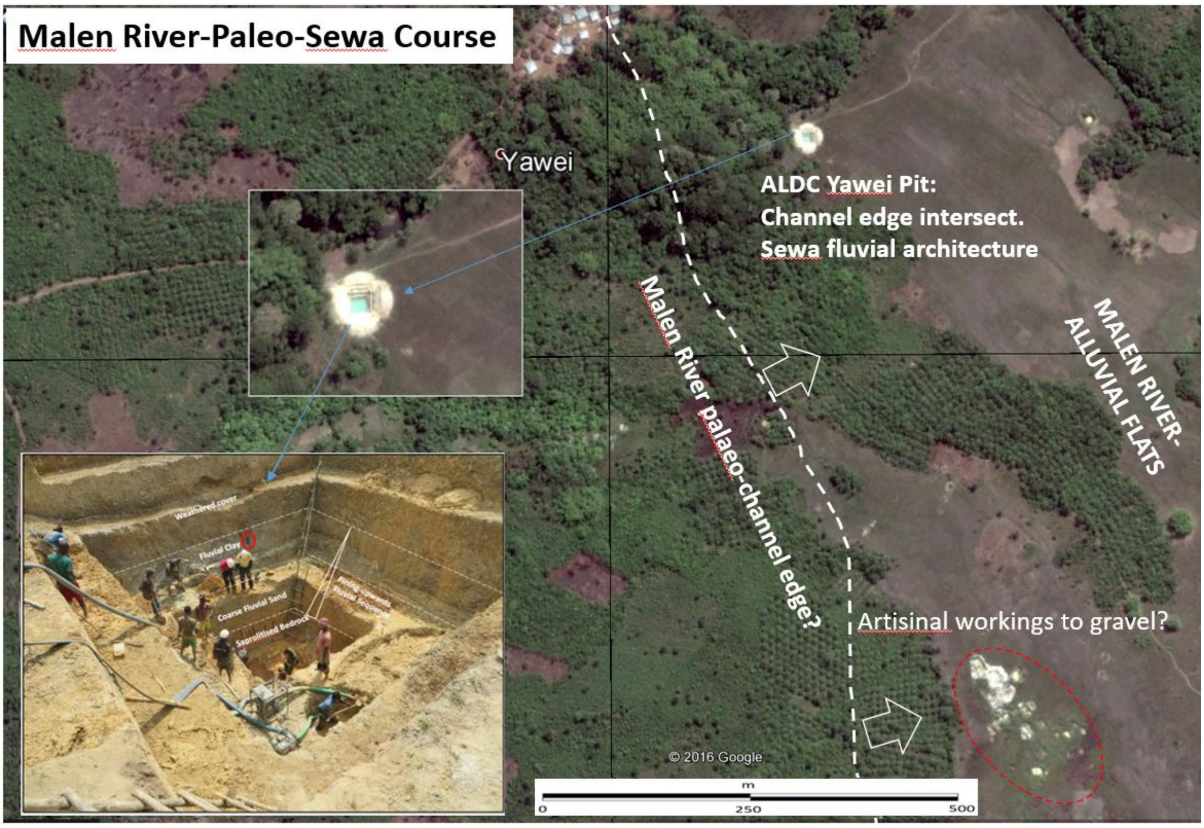


Figure 27. The fluvial (river) sequence of the completed Yawei Flat pit (above and inset). The pit is interpreted to lie just at the western-edge of a deeper fluvial sequence related to the Malen Ancestral River.

5.1 *El 11/2014 Kimberlite Exploration Program*

5.1.2 *Airborne Magnetometry (AM) Survey*

A total of 2,389 line-km of airborne survey was completed and interpreted from the EL. The extent of the survey in this EL reflects the previous lack of AM data coverage. The Lake Popei kimberlite dyke discovery is situated in this EL and it is a well-known fact that kimberlites occur in multiple pipe and dyke-arrays. It is anticipated that several more drill-ready kimberlites will be identified from this survey and follow-up ground-truthing work. Figure 28 shows the extensive area covered by the high-resolution survey, and a series of an additional anomalies have been interpreted for follow-up GM and soil-sampling activities.

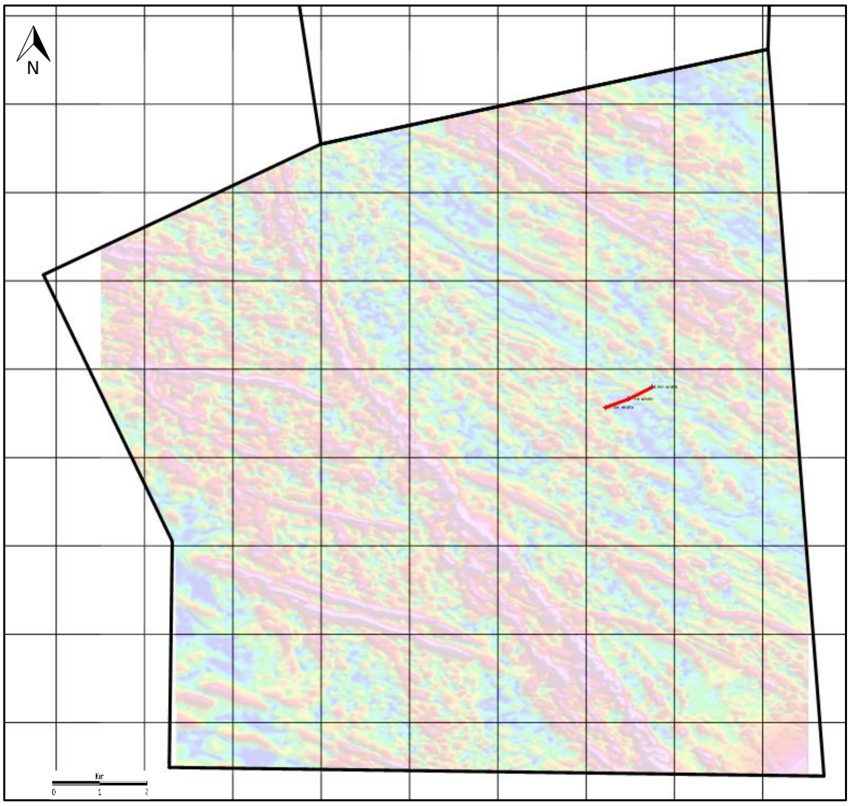


Figure 28. Image from an Airborne magnetometry survey conducted over EL 11/2014 in H1, 2016. The proven extent of the Lake Popei kimberlite dyke is shown as a red line.

5.1.3 Ground Magnetometry (GM) SurveyS

5.1.3.1 Kasse Anomaly-EL 11/2014

This AM anomaly is located close to the village of Kasse into the Bondo bushland. Ground mapping of the surrounding area identified abundant diggings in the adjacent swamp and a ferricrete capping close the anomaly. Granitic gneiss, amphibolite and dolerite was also noted in outcrop and mapped mainly in the southern part of the block. The anomaly picked from the AM survey data was thus confirmed by the GM survey and is a gratifying result. The Kasse anomaly was described as 320nT monopolar low-complex shape and has good resolution in a reduction-to-the-pole (RTP) transformation. Figure 29 shows the results of the GM survey. The Kasse village is located the north of the anomaly (refer inset).

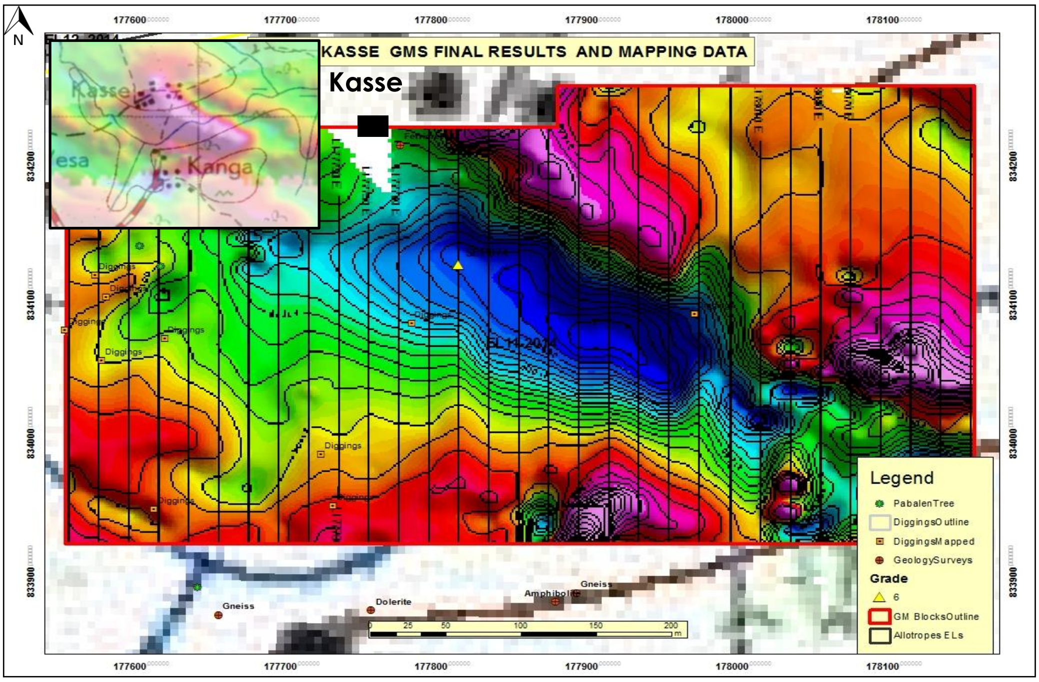


Figure 29. Kasse anomaly-GM survey conducted by Allotropes showing pronounced magnetic anomaly for further follow-up ground-truthing work.

5.2 Diamond Drilling

Within the period, the Company deployed its owner-operated track-mounted drill rig (Dando Multitec 4000) to test geophysical anomalies stemming from AM and follow-up GM surveys. A total of four (4) diamond core holes have been completed (Table 2.). To date no kimberlite has as yet been intersected.

BoreHoleID	Project	Prospect	UTM Zone	UTMWGS84E	UTMWGS84N	Elevation	Azimuth	Dip	Rig Type	Start Date	End Date	Drilled by	Anomaly ID	EOH Depth	EOH Lithology	Comments
LPP_DD_001	LAKE POPEI	EL11/2014	29N	176612	827852	36	330°	-60	Dando	8/05/2016	11/05/2016	Allotropes	Mike Dyke	24.15	Amphibolite	
LPP_DD_002	LAKE POPEI	EL11/2015	29N	176603	827859	36	330°	-60	Dando	11/05/2016	13/05/2016	Allotropes	Mike Dyke	25.65	Amphibolite	
LPP_DD_003	LAKE POPEI	EL11/2016	29N	176658	827843	38	330°	-60	Dando	15/05/2016	16/05/2016	Allotropes	Mike Dyke	25.65	Amphibolite	
SEP074_DD_001	LAKE POPEI	EL11/2017	29N	177910	834110	36	7°	-60	Dando	19/05/2016	Ongoing	Allotropes	SEP074	19.65	Ongoing	

Table 2. Summary of diamond drilling conducted within the reporting period for EL 11/2014.

6 Second DMS Plant: Sumbuya Alluvial Project

The Company secured a second alluvial processing plant in November 2015 from the Kono District for its Sumbuya Alluvial Project as a more cost effective route to treat the *c.*10,000 tons of bulk-sample material already on site (Figure 30), and at the same time, circumvented using the distant Golu DMS. The Kono plant comprises three rotary pan plants as well as peripherals, two containerised x-ray flow sorts in working condition[2] and a hands-off glove box. The plant required modest refurbishment after its relocation from the Kono District and it was decided to forego this and replace the pans with a high-tech. 10 ton per hour (tph) DMS from Dynamic Machinery in Klerksdorp, South Africa (Figure 31). The back-end components of the Kono plant, including the twin x-ray flowsorts and sort-house, will be retained and mated to the new DMS, with the latter expected on site toward the end H2, 2016.

Figure 30. Civil works well underway at the second Allotropes plant site near the township of Sumbuya (at left and inset).

[2] The two x-ray flow sorts have since been commissioned by a technician from Flow Electronics Pty Ltd of Johannesburg, South Africa.

Figure 31. The new 10 tph mobile DMS plant purchased from Dynamic Machinery CC., South Africa.

NEWFIELD GOLD PROJECT

The Newfield Project comprises two granted mining leases and one granted prospecting licence. The project is centred approximately 60km NNW of Bullfinch, in the Yilgarn Mineral Field (Figure 32).

The project covers the historical Newfield (also known as Carterton) Mining Centre, which is located at the northern end of the highly endowed Southern Cross greenstone belt. Historical, pre 1940, gold production for the Carterton group was 8,552 oz from 8,700t of ore at an average grade of 30.5 g/t Au, with production mainly coming from the Newfield Central workings.

More recent production at the Newfield Central Mine during the period from 2001 – 2005 resulted in 33,200 tonnes of ore extracted for a total of 24,200 ounces at a recovered grade of 22.68g/t Au.

During the reporting period activities comprised ongoing prioritising gold targets within the project area with an emphasis on testing for near surface mineralisation within the strike extensions of Newfield Central Fault Zone and within the Newfield East Prospect Area.

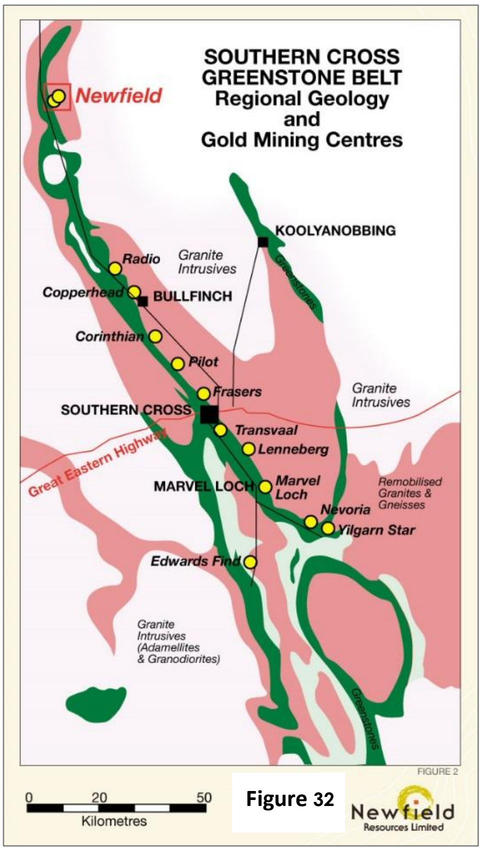


Figure 32

1. NEWFIELD EXTENDED GOLD PROJECT (NEWFIELD EARNING UP TO 80%)

During the reporting period the Company completed a first pass air core drilling program to test the recently defined gold-in-auger drilling anomalies in the western target area on the Newfield Extended Project.

The Newfield Extended Project comprises one granted exploration licence (E77/1394), covering approximately 40 square kilometres, immediately to the north and west of the Newfield Mining Centre .

A historical broad-spaced auger soil geochemistry program completed by the tenement operators in 2011 - 2012 together with a detailed aeromagnetic survey, had outlined three high priority gold targets within the project area.

A recent infill and expanded auger soil sampling program completed by Newfield confirmed and extended several gold anomalies in the western and north eastern target areas. (NWF ASX Release 29 April, 2014*)

In the western target area several distinct, greater than 10ppb, gold-in-auger soil anomalies have been outlined (Figure 33). These low-order gold anomalies are considered significant as the majority of the western target area is covered by recent transported sands, which mask the surface geochemical response from any potential gold mineralisation at depth.

The western gold anomalies are also largely coincident with an area of anomalous nickel geochemistry (greater than 100ppm nickel) in the auger soil sampling (Figure 34). The anomalous nickel geochemistry supports the Company's recent interpretation that the granite – greenstone boundary may be located further west than had been inferred by previous explorers.

During the reporting period a first pass air core drilling program was undertaken to test the coincident gold and nickel anomalies in the western target area. The air core drilling program comprised 23 holes for a total of 1,380m drilled on four east – west orientated drill traverses across the auger anomalies. The location of the air core holes are shown on Figure 33 and Figure 34.

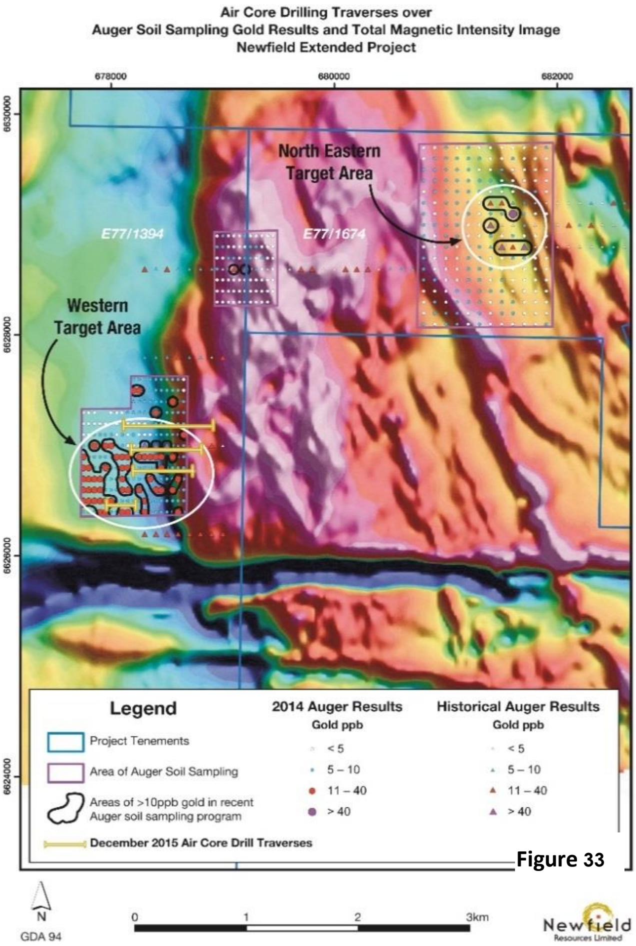


Figure 33

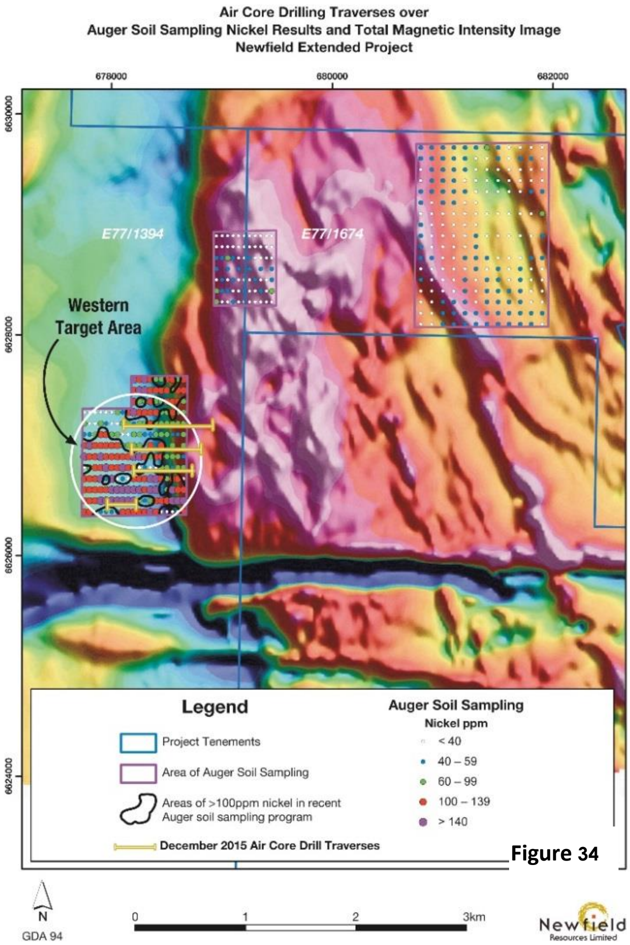


Figure 34

The air core holes intersected granitic basement beneath variable thicknesses of transported cover. No significant gold mineralisation was returned from the drilling.

Widespread weakly anomalous nickel geochemistry (greater than 50 ppm Ni, maximum 143 ppm Ni) was consistently returned from the transported cover sequence in the air core drill holes. The anomalous nickel geochemistry may be associated with the weathering of an interpreted Proterozoic dolerite dyke, which is evident in the magnetic data immediately to the south of the target area.

Following an appraisal of the results of the air core drilling program, the Company elected to withdraw from the Newfield Extended Farm-in Agreement and concentrate its forward exploration efforts on more advanced targets within its wholly owned Newfield Gold Project.

*In accordance with Listing Rule 5.23.2, the Company confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed.

2. CREST YARD GOLD PROJECT (NEWFIELD 70%)

The Crest Yard Gold Project, covers 2,455 ha, centred between the historical gold mining centres of Kintore and Dunnsville, located approximately 60km northwest of Kalgoorlie, Western Australia.

Exploration undertaken by the Company on the project to date has included an aeromagnetic survey, a detailed auger geochemical program and air core drilling programs. This work has defined several areas of bedrock gold mineralisation associated with zones quartz veining, Fe-staining, sericite alteration and haematite alteration within the previously untested Doyle Dam Granodiorite.

The phase two air core drilling program returned several areas of anomalous bedrock gold mineralisation (greater 100ppb Au) at or near bottom of drill holes within the southern target area. (NWF ASX Release 30 January, 2015*)

The Company continues to review and interpret the results of the air core drilling programs with a view to refining targets for further exploration.

REFERENCES

Hall, P.K., (1972). The diamond fields of Sierra Leone. Geol. Surv. Sierra Leone Bull. 5 (1); 133 pp.

Ikona, C. K. (2006). Technical Report on Alluvial Diamond Properties –EPL 1/94 & EPL 5/94, Sierra Leone, for Cream Minerals Ltd., 77pp.

COMPETENT PERSON'S STATEMENT-DIAMONDS

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves on the Allotropes Diamond's Sierra Leone Diamond Project, is based on information compiled by Mr Richard Hall (M.Sc. Geology, Cum Laude) who is a Fellow of the Australasian Institute of Mining and Metallurgy and a member of the Australian Geological Society, and who is an employee of Newfield Resources Limited.

Mr Hall has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, 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 Hall consents to the inclusion in this ASX release of this information in the form and context in which it appears.

COMPETENT PERSON'S STATEMENT-GOLD

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves on the Newfield, Newfield Extended and Crest Yard Gold Projects is based on information compiled by Mr Bryan Alexander who is a member of the Australasian Institute of Mining and Metallurgy.

Mr Alexander has sufficient experience which is relevant to the style of the mineralisation and type of deposit under consideration and to the activity which he is undertaking, 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 Alexander consents to the inclusion in this ASX Release of this information in the form and context in which it appears.

*In accordance with Listing Rule 5.23.2, the Company confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement.

*The Directors present their report together with the consolidated financial statements of the Group comprising of Newfield Resources Limited (the **Company** or **Newfield**) and its subsidiaries (the **Group** or **Consolidated Entity**) for the year ended 30 June 2016 and the Auditor's report thereon.*

DIRECTORS AND KEY PERSONNEL

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Mr Anthony Ho
Executive Director – appointed 14 September 2011

Mr Ho is a commerce graduate of the University of Western Australia. He qualified as a Chartered Accountant in 1983 with Deloitte and is presently the principal of a public practice, Anthony Ho and Associates, specialising in providing corporate and financial services to ASX-listed companies.

Prior to establishing his practice in 1991, he spent 7 years in a senior corporate role with a major investment and resource group in Western Australia. He is currently a director of a number of companies listed on the ASX.

Mr Michael Lynn
Executive Director – appointed 24 August 2015

Mr Lynn is a diamond geologist with over 30 years' experience in the African Continent (including DRC, Tanzania, Guinea, and South Africa), as well as India, Canada and Brazil.

After his undergraduate degree in geology in the UK, Mr Lynn gained a Masters in Geology (with distinction) from Rhodes University in South Africa. He is the author and co-author of numerous technical publications related to diamond exploration. His career included 11 years of senior exploration and management roles with the De Beers Group and 12 years with Anglo American Corporation.

Mr Lynn is a Fellow of the Geological Society of South Africa and a member of the Society of Economic Geologists in South Africa. He is also a member of the Committee for the South African code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC).

Mr Suryandy Jahja
Non-Executive Director – appointed 6 August 2015

Mr Jahja is currently the Managing Director of PT Kresna Graha Investama Tbk ("Kresna"), a leading stockbroking and investment company based in Jakarta, Indonesia. In this role, he acts as head of Kresna's investment banking division. He co-founded Kresna in 1999 and was responsible for the establishment of the Kresna Asset Management Unit. Mr Jahja is a graduate of the University of NSW with first class honours in Computer Engineering and also holds a post graduate degree in Management and Information Technology.

Mr Jahja will retire by rotation and will be seeking re-election by shareholders at the 2016 Annual General Meeting.

Mr Bryan Alexander
Executive Director – appointed 1 May 2014, resigned 24 August 2015

Mr Joshua Letcher
Executive Director – appointed 31 March 2014, resigned 16 November 2015

Mr Murray Kornweibel
Non-Executive Director – appointed 6 December 2011, resigned 19 August 2015

Ms Sanny Nanang
Non-Executive Director – appointed 30 March 2012, resigned 6 August 2015

Company Secretary

Mr Kim Hogg – appointed 14 September 2011

Mr Hogg completed his Bachelor of Commerce in 1984 at the University of Western Australia and has worked in a number of diverse industries in various senior management and accounting roles. He has been a principal of an accounting practice for more than 20 years with a specialist involvement in the preparation of prospectuses, coordinating the listing and due diligence processes and acting as company secretary for listed entities.

Mr Hogg is currently the secretary of a number of ASX-listed companies and provides corporate and accounting advice and services to those clients.

DIRECTORSHIPS IN OTHER LISTED ENTITIES

Directorships of other listed entities held by Directors of the Company during the last 3 years immediately before the end of the financial year are as follows:

		Period of directorship	
Director	**Company**	**From**	**To**
Mr Anthony Ho	Alchemy Resources Limited	2011	Present
	Australian Agricultural Projects Limited	2003	Present
	Mustera Property Group Ltd	April 2014	Present
	Glory Resources Limited (now de-listed)	February 2014	March 2016
	Siburan Resources Limited	November 2009	November 2014
Mr Michael Lynn	Not Applicable	-	-
Mr Suryandy Jahja	PT Kresna Graha Investama Tbk	1999	Present

DIRECTORS' INTERESTS

The relevant interests of each director in the securities of the Company at the date of this report are as follows:

Director	Shares	Options
A Ho	-	-
M Lynn (appointed 24 August 2015)	300,000	-
S Jahja (appointed 6 August 2015)	250,000	-

DIRECTORS' MEETINGS

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company during the financial year are:

	Board Meetings	
Director	**Held while Director**	**Attended**
A Ho	7	7
M Lynn (appointed 24 August 2015)	7	7
S Jahja (appointed 6 August 2015)	7	7
B Alexander (resigned 24 August 2015)	-	-
M Kornweibel (resigned 19 August 2015)	-	-
J Letcher (resigned 16 November 2015)	1	1
S Nanang (resigned 6 August 2015)	-	-

PRINCIPAL ACTIVITY

The principal activity of the Group during the financial year was mineral exploration.

OPERATING AND FINANCIAL REVIEW

Operating review

A review of the operating activities undertaken by the Group during the year is contained in the section entitled Review of Activities in this Financial Report.

Financial review

The Group incurred a loss of $4,188,563 after income tax for the financial year (2015: loss of $1,522,992).

During the financial year, the Company successfully raised $18.7 million before costs through placement of shares. As at 30 June 2016 the Group had net assets of $25,543,512 (2015: $17,283,842) including cash and cash equivalents of $8,636,589 (2015: $2,425,929).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Fully paid ordinary shares issued during the year are as follows:

(a) the issue of 12,500,000 shares at $0.80 per share to raise $10,000,000 before costs; and

(b) the issue of 29,000,000 shares at $0.30 per share to raise $8,700,000 before costs.

Total shares on issue at 30 June 2016 are 225,583,335 (2015: 184,083,335).

LIKELY DEVELOPMENTS

The Group will continue to pursue its principal activity of mineral exploration, in particular, in its diamond project in Sierra Leone. More information on the Group's near-term developments is included in the Review of Activities in this Financial Report.

DIVIDENDS

No dividend has been declared or paid by the Company to the date of this report.

REMUNERATION REPORT - AUDITED

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

For the purposes of this report, key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Key management personnel

The following were key management personnel of the Group at any time during the financial year and unless otherwise indicated were key management personnel for the entire year:

Name	Position held
Mr Anthony Ho	Executive Director
Mr Michael Lynn	Executive Director (appointed 24 August 2015)
Mr Suryandy Jahja	Non-executive Director (appointed 6 August 2015)
Mr Bryan Alexander	Executive Director (resigned 24 August 2015)
Mr Joshua Letcher	Executive Director (resigned 16 November 2015)
Mr Murray Kornweibel	Non-executive Director (resigned 19 August 2015)
Ms Sanny Nanang	Non-executive Director (resigned 6 August 2015)

Principles of remuneration

The remuneration structures explained below are competitively set to attract, motivate and retain suitably qualified and experienced candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the key management personnel; and
- the key management personnel's ability to control the achievement of strategic objectives.

Given the evaluation and developmental nature of the Group's principal activity, the overall level of remuneration is not linked to the financial performance of the Group.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive directors' remuneration is clearly distinguished from that of executives. Remuneration is determined by the Board as a whole as the Company has not yet established a remuneration committee.

Non-executive director remuneration

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by shareholders in general meeting. Total remuneration for all non-executive directors, last voted upon by shareholders at a meeting held in December 2011, is not to exceed $350,000 per annum. Directors' fees cover all main board activities and membership of committees if applicable.

Non-executive directors do not receive any retirement benefits, other than statutory superannuation, nor do they receive any performance-related compensation.

Executive remuneration

Remuneration for executives is set out in employment agreements. Details of the employment agreement with Executive Directors are provided below.

Executive directors may receive performance related compensation but do not receive any retirement benefits, other than statutory superannuation.

REMUNERATION REPORT - AUDITED (continued)

Fixed remuneration

Fixed remuneration consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits) as well as employer contributions to superannuation funds.

Fixed remuneration is reviewed annually by the Board through a process that considers individual and overall performance of the Group.

Long-term incentive

Long-term incentives (**LTI**) may be provided to key management personnel in the form of options over ordinary shares of the Company. LTI are considered to promote continuity of employment and provide additional incentive to recipients to increase shareholder wealth. Options may only be issued to directors subject to approval by shareholders in general meeting.

There were no options issued as LTI during the year.

The Company has introduced a policy that prohibits employees and Directors of the Company from entering into transactions that operate or are intended to operate to limit the economic risk or are designed or intended to hedge exposure to unvested Company securities. This includes entering into arrangements to hedge their exposure to LTI granted as part of their remuneration package. This policy may be enforced by requesting employees and Directors to confirm compliance.

Group performance and link to remuneration

The Company was incorporated on 14 September 2011 and admitted to the Official List of ASX on 8 June 2012. It is an exploration company with operational activities in Africa and Australia. The Group's financial results are not considered to be a principal performance indicator. However, the overall level of key management personnel remuneration will take into account the achievement of strategic objectives, service criteria and growth in share price.

There were no performance related remuneration transactions during the financial year.

The earnings of the Group since incorporation on 14 September 2011 to 30 June 2016 are summarised below:

	2016	2015	2014	2013	2012
Net loss for the year	$4,188,563	$1,522,992	$1,209,904	$215,990	$188,548[1]
Dividends paid	Nil	Nil	Nil	Nil	Nil
Change in share price	($0.49)	$0.61	($0.01)	$0.03	$0.26
Share price at beginning of the period	$0.89	$0.28	$0.29	$0.26	$0.00001[2]
Share price at end of the period	$0.40	$0.89	$0.28	$0.29	$0.26
Loss per share	2.17 cents	0.95 cents	1.11 cents	0.22 cents	0.37 cents

1. These figures cover the period from incorporation on 14 September 2011 to 30 June 2012.
2. The Company was incorporated on 14 September 2011 with an issued capital of 1 share of $0.00001.

Use of remuneration consultants

The Group did not engage the services of a remuneration consultant during the year.

Voting and comments made at the Company's 2015 Annual General Meeting ('AGM')

At the 2015 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2015. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Employment agreements

Remuneration and other terms of employment for the executives are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods. Other major provisions of the agreements relating to remuneration are set out below.

Termination benefits are within the limits set by the Corporations Act 2001 such that they do not require shareholder approval.

Name	Term of agreement	Notice period*	Base salary including superannuation	Termination payments**
A Ho *Executive Director*	No fixed term	3 months	AUD$109,500	3 months
M Lynn (appointed 24 August 2015) *Executive Director*	12 months fixed term	3 months	USD$165,000	3 months

* The notice period applies equally to either party.
** Base salary payable if the Company terminates employees with notice, and without cause (e.g. for reasons other than unsatisfactory performance).

Remuneration of key management personnel for the year ended 30 June 2016

		SHORT-TERM		POST-EMPLOYMENT	SHARE-BASED PAYMENTS		
		Salary & fees $	Annual Leave $	Superannuation benefits $	Options $	Total $	Proportion of remuneration performance related %
Directors							
Non-executive							
Mr S Jahja[1]	2016	21,677	-	-	-	21,677	-
	2015	N/A	N/A	N/A	N/A	N/A	N/A
Mr M Kornweibel[2]	2016	3,653	-	347	-	4,000	-
	2015	21,918	-	2,082	-	24,000	-
Ms S Nanang[3]	2016	2,387	-	-	-	2,387	-
	2015	24,000	-	-	-	24,000	-
Mr G Ooi[4]	2016	N/A	N/A	N/A	N/A	N/A	N/A
	2015	20,000	-	-	-	20,000	-
Executive							
Mr A Ho	2016	91,667	(4,257)	8,708	-	96,118	-
	2015	100,000	(10,089)	9,500	-	99,411	-
Mr M Lynn[5]	2016	179,833	8,973	-	-	188,806	-
	2015	N/A	N/A	N/A	N/A	N/A	N/A
Mr B Alexander[6]	2016	34,819	(7,963)	2,458	-	29,314	-
	2015	160,417	5,766	15,240	-	181,423	-
Mr J Letcher[7]	2016	72,556	-	-	-	72,556	-
	2015	190,282	3,121	9,033	-	202,436	-
Total, all KMPs	**2016**	**406,592**	**(3,247)**	**11,513**	**-**	**414,858**	-
	2015	**516,617**	**(1,202)**	**35,855**	**-**	**551,270**	-

1. Appointed 6 August 2015
2. Resigned 19 August 2015
3. Resigned 6 August 2015
4. Resigned 28 April 2015
5. Appointed 24 August 2015
6. Resigned 24 August 2015
7. Resigned 16 November 2015

REMUNERATION REPORT - AUDITED (continued)

Share-based remuneration

There were no share-based remuneration transactions during the financial year.

Loans to key management personnel

There were no loans provided to key management personnel of the Group or their close family members or entities related to them during the financial year.

Other transactions with key management personnel

A Director, Mr A Ho, is a director of the firm Anthony Ho & Associates. Anthony Ho & Associates has provided secretarial services to the Company during the financial year on normal commercial terms and conditions. The total amount recognised during the financial year relating to these transactions was $60,000.

Key management personnel equity holdings

Fully paid ordinary shares

The movement during the reporting period in the number of ordinary shares in Newfield Resources Limited held, directly, indirectly or beneficially by each key management person, including their related parties, is as follows:

	Held at 1 July 2015	Held at date of appointment	Other changes*	Held at date of resignation	Held at 30 June 2016
Mr A Ho	-	N/A	-	N/A	-
Mr M Lynn	N/A	-	300,000	N/A	300,000
Mr S Jahja	N/A	250,000	-	N/A	250,000
Mr J Letcher	11,415,477	N/A	-	11,415,477	N/A
Mr B Alexander	1,249,500	N/A	-	1,249,500	N/A
Mr M Kornweibel	300,000	N/A	-	300,000	N/A
Ms S Nanang	-	N/A	-	-	N/A

*Other changes represent shares that were purchased or sold during the year.

Options over ordinary shares

The movement during the reporting period in the number of options exercisable at $0.30 each on or before 15 June 2016 held, directly, indirectly or beneficially by each key management person, including their related parties, is as follows:

	Held at 1 July 2015	Held at date of appointment	Options expired	Held at date of resignation	Held at 30 June 2016	Vested and exercisable at 30 June 2016
Mr A Ho	-	N/A	-	N/A	-	-
Mr M Lynn	N/A	-	-	N/A	-	-
Mr S Jahja	N/A	-	-	N/A	-	-
Mr B Alexander	-	N/A	-	-	N/A	N/A
Mr J Letcher	11,265,386	N/A	-	11,265,386	N/A	N/A
Mr M Kornweibel	-	N/A	-	-	N/A	N/A
Ms S Nanang	-	N/A	-	-	N/A	N/A

This concludes the remuneration report, which has been audited.

OPTIONS

Options granted

There were no options granted during or since the end of the financial year.

Options exercised or expired

The following options expired without being exercised* during the year ended 30 June 2016:

Class	Grant Date	Expiry Date	Exercise Price	Number of Options
Unlisted Options	31 March 2014	15 June 2016	$0.30	29,000,000

* the Company entered into an underwriting agreement to underwrite the above unlisted options, which ensured the Company received proceeds of $8.7 million upon the issue of 29 million shares in June 2016.

No options were exercised during the year.

At the date of this report, unissued ordinary shares of the Company under options are:

Class	Grant Date	Expiry Date	Exercise Price	Number of Options
Unlisted Options	31 March 2014	15 June 2017	$0.30	10,000,000

These options do not entitle the holder to participate in any share issue of the Company or any other entity.

ENVIRONMENTAL REGULATION

The Group's exploration and mining activities in Australia are governed by a range of environmental legislation and regulations including the *National Greenhouse and Energy Reporting Act 2007* and *Mining Act 1978*. As the Group is still in the development phase of its interests in exploration projects, it is not yet subject to the public reporting requirements of environmental legislation and regulations.

The Group's exploration and mining activities in Sierra Leone are governed by Sierra Leone environmental legislation and regulations, including *Mines and Minerals Act, 2009*.

Environmental performance is reported from each site to management on a regular basis. Compliance with the requirements of environmental regulations was substantially achieved across all operations with no instance of non-compliance noted.

To the best of the Directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of the applicable environmental legislation and is not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

EVENTS SUBSEQUENT TO REPORTING DATE

Other than the matters described in Note 34 to the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, 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.

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

The Company has agreed to indemnify the current Directors and company secretary of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as officers of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance

The Company paid a premium during the year in respect of a director and officer liability insurance policy, insuring the Directors of the Company, the company secretary, and all executive officers of the Company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

INDEMNIFICATION AND INSURANCE OF AUDITORS

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against liability incurred by the auditor.

During the financial year, the Company did not pay a premium in respect of a contract to insure the auditor of the Company or any related entity.

NON-AUDIT SERVICES

During the year the Group's auditor, BDO Audit (WA) Pty Ltd, has performed certain other services in addition to the audit and review of the financial statements.

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Details of the amount paid to the auditor of the parent entity, BDO Audit (WA) Pty Ltd, and its network firms for audit and non-audit services provided during the year are set out below:

	2016 $	2015 $
Services other than audit and review of financial statements:		
Tax compliance services	10,134	8,160
Total remuneration for non-audit services	10,134	8,160

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 65 and forms part of the Directors' Report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

This Directors' Report is made out in accordance with a resolution of the Directors:

Anthony Ho
Executive Director
Dated at Perth this 30th day of September 2016.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2016

	Note	2016 $	2015 $
Sales revenue		591,766	-
Other income	8	160,902	65,326
Cost of sales		(1,391,105)	-
Exploration and evaluation expenses		(949,823)	(332,361)
Corporate and administrative expenses	8	(740,709)	(806,119)
Provision for non-recovery of loans	11	(140,970)	(291,030)
Plant and equipment written off	14	-	(71,114)
Exploration and evaluation assets written off	15	(908,748)	(7,268)
Impairment of mine development	16	(805,258)	-
Finance costs		(4,618)	(80,426)
Loss before income tax		(4,188,563)	(1,522,992)
Income tax benefit / (expense)	9	-	-
Net loss after income tax for the year		**(4,188,563)**	**(1,522,992)**
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences	22	(5,481,543)	2,185,474
Other comprehensive income/(loss) for the year, net of tax		(5,481,543)	2,185,474
Total comprehensive income/(loss) for the year		**(9,670,106)**	**662,482**
Loss attributable to:			
Owners of the Company		(4,188,563)	(1,522,992)
Non-controlling interest		-	-
		(4,188,563)	**(1,522,992)**
Total comprehensive income/(loss) attributable to:			
Owners of the Company		(9,670,106)	662,482
Non-controlling interest		-	-
		(9,670,106)	**662,482**
Basic loss per share (cents)	27	(2.17)	(0.95)

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 30 June 2016

	Note	2016 $	2015 $
CURRENT ASSETS			
Cash and cash equivalents	10	8,636,589	2,425,929
Trade and other receivables	11	62,001	53,097
Inventory	12	167,562	211,318
Other current assets	13	239,082	340,929
Total Current Assets		9,105,234	3,031,273
NON-CURRENT ASSETS			
Trade and other receivables	11	-	14,034
Property, plant & equipment	14	2,619,132	3,429,336
Exploration and evaluation assets	15	14,824,010	10,817,809
Mine development	16	-	758,897
Total Non-Current Assets		17,443,142	15,020,076
TOTAL ASSETS		26,548,376	18,051,349
CURRENT LIABILITIES			
Trade and other payables	17	773,077	628,734
Employee benefits	20	167,053	67,930
Loans and borrowings	19	31,962	38,071
Total Current Liabilities		972,092	734,735
NON-CURRENT LIABILITIES			
Income tax payable	18	32,772	32,772
Total Non-Current Liabilities		32,772	32,772
TOTAL LIABILITIES		1,004,864	767,507
NET ASSETS		**25,543,512**	**17,283,842**
EQUITY			
Contributed equity	21	36,141,400	18,211,624
Reserves	22	(3,271,957)	2,209,586
Accumulated losses	23	(7,325,997)	(3,137,434)
Non-controlling interest	24	66	66
TOTAL EQUITY		**25,543,512**	**17,283,842**

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

Newfield Resources Limited

Consolidated Statement of Changes in Equity

for the year ended 30 June 2016

	Contributed Equity $	Other Reserves $	Accumulated Losses $	Total $	Non-controlling interests $	Total Equity $
Balance at 30 June 2015	18,211,624	2,209,586	(3,137,434)	17,283,776	66	17,283,842
Loss for the year	-	-	(4,188,563)	(4,188,563)	-	(4,188,563)
Other comprehensive income/(loss)	-	(5,481,543)	-	(5,481,543)	-	(5,481,543)
Total comprehensive loss for the year	-	(5,481,543)	(4,188,563)	(9,670,106)	-	(9,670,106)
Transactions with equity holders in their capacity as equity holders:						
Issue of ordinary shares, net of transaction costs	17,929,776	-	-	17,929,776	-	17,929,776
Balance at 30 June 2016	**36,141,400**	**(3,271,957)**	**(7,325,997)**	**25,543,446**	**66**	**25,543,512**
Balance at 30 June 2014	**8,406,664**	**24,112**	**(1,614,442)**	**6,816,334**	**-**	**6,816,334**
Loss for the year	-	-	(1,522,992)	(1,522,992)	-	(1,522,992)
Other comprehensive income	-	2,185,474	-	2,185,474	-	2,185,474
Total comprehensive income for the year	-	2,185,474	(1,522,992)	662,482	-	662,482
Transactions with equity holders in their capacity as equity holders:						
Issue of ordinary shares, net of transaction costs	9,804,960	-	-	9,804,960	-	9,804,960
Non-controlling interest in subsidiary	-	-	-	-	66	66
Balance at 30 June 2015	**18,211,624**	**2,209,586**	**(3,137,434)**	**17,283,776**	**66**	**17,283,842**

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Receipts from customers		589,372	-
Payments to suppliers and employees		(2,567,894)	(869,654)
Interest received		54,831	35,876
Interest paid		(4,618)	(5,237)
Income tax paid		-	(854)
Net cash (outflow) from operating activities	31	(1,928,309)	(839,869)
Cash flows from investing activities			
Payments for property, plant and equipment		(708,400)	(2,075,691)
Payments for exploration and evaluation assets		(9,021,864)	(6,569,533)
Proceeds from sales of diamonds from exploration activities		190,171	-
Payments for mine development		(193,260)	(676,771)
Net cash (outflow) from investing activities		(9,733,353)	(9,321,995)
Cash flows from financing activities			
Proceeds from the issue of share capital	21	18,700,000	10,000,000
Payments of share issue costs		(745,875)	(195,040)
Proceeds from the issue of share capital to non-controlling interests		-	66
Proceeds from borrowings		61,903	73,846
Repayment of borrowings		(68,012)	(59,927)
Net cash inflow from financing activities		17,948,016	9,818,945
Net increase/(decrease) in cash and cash equivalents		6,286,354	(342,919)
Cash and cash equivalents at 1 July		2,425,929	2,413,086
Effects of exchange rate changes on cash and cash equivalents		(75,694)	355,762
Cash and cash equivalents at 30 June	10	**8,636,589**	**2,425,929**
Non-cash financing and investing activities	31		

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 traded 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 29 September 2016.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. BASIS OF PREPARATION

Statement of compliance

These general purpose financial statements have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Newfield is a for profit entity for the purpose of preparing the financial statements.

The financial statements of the Group also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of measurement

These consolidated financial statements are prepared on the accruals basis and the historical cost basis.

3. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency for the Group's subsidiary operating in Sierra Leone is Sierra Leonean Leone (SLL). The consolidated financial statements are presented in Australian dollars (AUD), which is the Group's functional and presentational currency. All values are rounded to the nearest dollar unless otherwise stated.

4. USE OF JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are outlined below:

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Exploration and evaluation expenditure

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

4. USE OF JUDGEMENTS AND ESTIMATES (continued)

Deferred taxation

Deferred tax assets in respect of tax losses have not been brought to account as it is not considered probable that future taxable profits will be available against which they could be utilised.

Fair value of exploration asset

The company has obtained a fair value of the exploration asset as at the date of purchase to support the asset acquisition. This is based on a multiple of exploration expenditure which requires an estimate of inputs and is subjective in nature. Information could come to light after the acquisition which may indicate that the original value is materially different to the amount recorded in the statement of financial position, however, as the directors have taken the independent experts value for the asset as being reasonable in light of the information to hand as at that date.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Group throughout the periods presented in these consolidated financial statements.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The group controls an entity when it is exposed to, or has rights to, variable returns from involvements with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency translation

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(b) Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated into AUD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into AUD at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the Board of Directors.

Acquisition of assets

Acquisition of an asset or a group of assets (including any liabilities assumed) that does not constitute a business are accounted for as asset acquisition under which the Group measure the assets and liabilities acquired, and the corresponding increase in equity, directly, at the fair value of the assets and liabilities acquired, unless that fair value cannot be estimated reliably.

Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost less any impairment losses recognised. Collectability of trade receivables is reviewed on an ongoing basis. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due.

Inventory

Inventories are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes and an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Depreciation of property, plant and equipment used for the purpose of exploration, evaluation and development activities are also capitalised as part of the exploration, evaluation and development costs and subsequently amortised over the life of the area.

Small amount of diamonds may be recovered from the Group's exploration activities. Income from sales of diamonds produced prior to the group commencing production (pre-production revenue) will be offset against the carrying value of exploration and evaluation assets and not recognised in the Statement of Profit or Loss and Other Comprehensive Income.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Mining assets

Capitalised mining development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mining development also includes costs transferred from exploration and evaluation phase once production commences in the area of interest.

Amortisation of mining development is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commences. The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable measured, indicated and inferred resource. This percentage is reviewed annually.

Property, plant and equipment

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

- Furniture & fittings 5-10 years
- Motor vehicles 3-5 years
- Plant and equipment 2-12 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group. Trade accounts payable are normally settled within 60 days. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Other long-term employee benefit obligation

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Share based payments

The Group measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of goods or service received. Where the fair value of goods or service received cannot be reliably measured, the cost is measured by reference to the fair value of the equity instruments at the date at which they were issued.

Revenue recognition

All revenue is stated net of the amount of goods and services tax. Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

(a) except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

(a) except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(b) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Profit or Loss and Other Comprehensive Income.

The Group has unused tax losses. However, no deferred tax balances have been recognised, as it is considered that asset recognition criteria have not been met at this time.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a net basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Earnings per share

Basic earnings per share is calculated by dividing the net earnings attributable to members of the Company for the reporting period by the weighted average number of ordinary shares of the Company.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of new or revised accounting standards and interpretations

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

New accounting standards and interpretations that are not yet mandatory

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They have not been applied in preparing this financial report:

(i) *AASB 9 Financial Instruments and its consequential amendments*

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

(ii) *AASB 15 Revenue from contracts with customers*

This standard is applicable to annual reporting periods beginning on or after 1 January 2018 and an entity will recognise revenue to depict the transfer of promised good or services to customers in an amount that reflects the consideration to which the entity expects to be entitled. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards. The consolidated entity is yet to fully assess the impact of this standard.

(iii) *AASB 16 Leases*

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. AASB 16 removes the classification of lease as either operating leases or finance leases for the lessee, effectively treating all leases as finance leases. Short term leases (less than 12 months) and leases of a low value are exempt from the lease accounting requirements. An entity will be required to recognise a lease liability and a right of use of asset in the statement of financial position for most leases. Lessor accounting remains similar to current practice. Although the directors anticipate that the adoption of AASB 16 may have an impact on the Group’s financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

(iv) *AASB 2015-1 Amendments to Australian Accounting Standards – Annual improvements to Australian accounting standards 2012-2014 Cycle*

This standard is applicable to annual reporting periods beginning on or after 1 January 2016. The consolidated entity will adopt this standard from 1 July 2016 but the impact of its adoption is yet to be assessed by the consolidated entity.

(v) *AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101*

This standard is applicable to annual reporting periods beginning on or after 1 January 2016. The amendments affect presentation and disclosures only. Therefore on first time adoption of these amendments on 1 July 2016, comparatives may need to be restated in line with presentation and note ordering.

6. FINANCIAL RISK MANAGEMENT

Overview

Risk management is carried out under policies set by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas.

Financial risk management objectives

The Board monitors and manages the financial risk relating to the operations of the Group. The Group's activities include exposure to market risk, credit risk and liquidity risk. The overall risk management strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on the financial performance. Risk management is carried out under the direction of the Board.

The Group holds the following financial instruments as at 30 June:

	2016 $	2015 $
Financial assets		
Cash at bank and short-term bank deposits	8,636,589	2,425,929
Trade and other receivables	12,238	67,131
	8,648,827	2,493,060
Financial liabilities		
Trade and other payables	723,167	534,350
Loans and borrowings	31,962	38,071
	755,129	572,421

Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates, interest rates and commodity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return. There were no changes in the Group's market risk management policies from previous years.

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	Assets		Liabilities	
	2016 $	2015 $	2016 $	2015 $
US dollars	602,865	47,642	352,913	75,888
British pound	-	-	10,295	-
Euro	-	-	16,693	-
Sierra Leonean leone	20,870	56,870	245,197	80,450
	623,735	104,512	625,098	156,338

6. FINANCIAL RISK MANAGEMENT (continued)

The Group had net monetary liabilities denominated in foreign currencies of $1,363 (liabilities $625,098 less assets $623,735) as at 30 June 2016 (2015: $51,826). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 5% against these foreign currencies with all other variables held constant, the Group's loss before tax for the year would have been $136 higher/$68 lower (2015: $5,183 higher/$2,591 lower) and equity would have been $136 lower/$68 higher (2015: $5,183 lower/$2,591 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual foreign exchange gain for the year ended 30 June 2016 was $104,640 (2015: gain of $31,200).

Cash flow and interest rate risk

Apart from the term deposits held at fixed rates, the Group also receives interest on its cash management accounts based on daily balances and at reporting date was exposed to a variable interest rate of 0.95% per annum. The Group's operating accounts do not attract interest.

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	2016 $	2015 $
Variable rate instruments		
Cash at bank	2,307,694	2,301,869
Fixed rate instruments		
Term deposits	5,000,000	-
Loans and borrowings	(31,962)	(38,071)
	7,275,732	**2,263,798**

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates would increase or decrease the Group's loss by $23,077 (2015: $23,019), based on the cash at bank at reporting date and calculated on an annual basis. The Board assessed a 100 basis point movement as being reasonably possible based on short term historical movements. This analysis assumes that all other variables remain constant.

Market price risk

The Group is involved in the exploration and development of mining tenements for minerals, including gold, diamonds and base metals. Should the Group successfully progress to a producer, revenues associated with mineral sales, and the ability to raise funds through equity and debt, will have some dependence upon commodity prices.

Credit risk

There is a limited amount of credit risk relating to the cash and cash equivalents that the Group holds in deposits.

The Group does not presently have customers and consequently does not have credit exposure to trade receivables. The Group may in the future be exposed to interest rate risk should it borrow funds for acquisition and development.

Exposure to credit risk

The Group's maximum exposure to credit risk at the reporting date was:

	2016 $	2015 $
Cash at bank and short-term bank deposits	8,636,441	2,395,472
Other receivables	12,238	67,131
	8,648,679	2,462,603

6. FINANCIAL RISK MANAGEMENT (continued)

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Credit quality of financial assets	Counterparties with external credit rating[1] AA-(S&P)	Other third parties without external credit rating No default	Total
At 30 June 2016			
Cash at bank and short-term bank deposits[2]	6,023,661	2,612,780	8,636,441
Other receivables from once-off transactions with third parties[3]	1,430	10,808	12,238
	6,025,091	**2,623,588**	**8,648,679**
At 30 June 2015			
Cash at bank and short-term bank deposits[2]	2,345,770	49,702	2,395,472
Other receivables from once-off transactions with third parties[3]	24,760	42,371	67,131
	2,370,530	**92,073**	**2,462,603**

1. The equivalent S&P rating of the financial assets represents that rating of the counterparty with whom the financial asset is held rather than the rating of the financial asset itself.
2. One of the Group's subsidiaries operates in Sierra Leone and held cash at Sierra Leone financial institutions. No external credit rating was available for these Sierra Leone financial institutions as at the reporting date. The group also held cash deposit at private financial institutions in Australia for which no external credit rating was available as at the reporting date.
3. Other receivables represent sundry debtors, interest accrued and deposit paid.

Allowance for impairment loss

A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. The group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 30 days overdue).

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of

amounts previously written off are credited against other expenses.

Impaired receivable relates to a loan provided to an employee of the Group for urgent medical treatments. The Group expects that the loan may not be fully recovered and has recognised impairment losses of $140,970 for the financial year (2015: $291,030).

The other classes within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has determined an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

The following are the contractual maturities of financial liabilities on an undiscounted basis, including estimated interest payments: Cash flows for liabilities without fixed amount or timing are based on conditions existing at year end.

	Carrying amount	Contractual cash flows	1 year	2-5 years	>5 years
2016					
Trade and other payables	723,167	(723,167)	(723,167)	-	-
Loans and borrowings	31,962	(33,174)	(33,174)	-	-
	755,129	(756,341)	(756,341)	-	-
2015					
Trade and other payables	534,350	(534,350)	(534,350)	-	-
Loans and borrowings	38,071	(39,456)	(39,456)	-	-
	572,421	(573,806)	(573,806)	-	-

	2016 $	2015 $
7. AUDITOR'S REMUNERATION		
The following fees were paid or payable to the auditor, non-BDO firms and related practices:		
Audit and review services		
Auditors of the Company - BDO Audit (WA) Pty Ltd	44,144	43,973
Network firms of BDO Audit (WA) Pty Ltd	36,674	19,229
Other auditors – non-BDO firms (Bertin & Bertin)	-	14,279
Audit and review of financial statements	80,818	77,481
Other Services		
Auditors' related practice – BDO Corporate Tax (WA) Pty Ltd		
- in relation to other assurance, taxation and due diligence services	10,134	8,160
	10,134	**8,160**

8. OTHER INCOME AND EXPENSES

	2016 $	2015 $
Other income		
Interest income	56,262	34,126
Foreign exchange gain	104,640	31,200
	160,902	65,326
Corporate and administrative expenses include the following specific expenses:		
(a) Depreciation		
Furniture & Fittings	3,996	4,517
(b) Employee benefits expenses		
Wages and salaries	125,990	272,736
Superannuation expense	9,178	9,704
Other employee benefits	1,522	(12,021)
	136,690	270,419
(c) Corporate advisory	-	137,500
(d) Occupancy expenses	50,999	63,684

	2016 $	2015 $
9. INCOME TAX		
(a) Income tax expense	-	-
(b) Numerical reconciliation between tax expense and pre-tax net loss		
Loss before income tax expense	(4,188,563)	(1,522,992)
Income tax benefit calculated at rates noted in (d) below	(1,256,569)	(456,898)
Effect of non-deductible items	(4,503)	2,809
Timing difference not recognised	1,261,072	454,089
Income tax expense	-	-
(c) Deferred tax assets and liabilities not brought to account		
The potential tax benefit @ 30% for the following items for which no deferred tax asset has been recognised is as follows:		
Carry forward tax losses	2,265,238	1,576,009
Capital raising costs	260,884	110,885
Provisions and accruals	78,227	94,856
	2,604,349	1,781,750

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) the Group continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the Group in utilising the benefits.

	2016 $	2015 $
The temporary difference @ 30% relating to the following item for which no deferred tax liability has been recognised is as follows:		
Other	(1,363,750)	(9,326)
Exploration and evaluation costs	(385,640)	(604,290)
	(1,749,390)	(613,616)

The above deferred tax liability has not been recognised because it would be offset by the deferred tax asset which has also not been recognised.

(d) Tax Rates

The potential tax benefit in respect of tax losses not brought into account has been calculated at 30% (2015:30%).

10. CASH AND CASH EQUIVALENTS

	2016 $	2015 $
Cash at bank and in hand	**8,636,589**	**2,425,929**

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 6.

	2016 $	2015 $
11. TRADE AND OTHER RECEIVABLES		
Current		
GST receivable	49,764	-
Sundry debtors	5,987	37,543
Interest receivable	1,430	-
Loans to employees	433,965	306,584
Provision for impairment of loan to employees*	(429,145)	(291,030)
	62,001	53,097
Non-current		
Security Deposit – office Lease	-	14,034

*Loans to employees included a short-term loan provided by the Company to a former employee to cover essential medical expenditure for this employee (**Loan**). The Loan was interest free and unsecured with a maturity date of 31 October 2015. Total impairment expenses recognised in the Statement of Profit or Loss and Other Comprehensive Income during the year in relation to this Loan was $140,970 (2015: $291,030).

No receivables were past due but not impaired.

The Group's exposure to credit risk related to trade and other receivables is disclosed in Note 6.

12. INVENTORY

	2016 $	2015 $
Current		
Spare parts for processing plant	167,562	211,318
	167,562	**211,318**

There was no impairment loss booked to inventory for the financial year (2015: nil).

13. OTHER CURRENT ASSETS

	2016 $	2015 $
Deposits paid for purchase of plant & equipment	-	164,897
Prepaid Insurance	116,090	69,716
Prepaid rent	9,489	25,855
Staff salary advance	941	3,755
Other advance payment to suppliers and contractor	112,562	76,706
	239,082	**340,929**

14. PROPERTY, PLANT & EQUIPMENT

	2016 $	2015 $
Furniture & fittings – at cost	116,960	108,250
Less: Accumulated depreciation	(49,902)	(30,833)
	67,058	77,417
Motor vehicles – at cost	448,381	294,041
Less: Accumulated depreciation	(121,283)	(55,436)
	327,098	238,605
Plant & equipment – at cost	2,234,105	3,280,302
Less: Accumulated depreciation	(403,678)	(202,316)
	1,830,427	3,077,986
Capital spares	13,823	17,813
Capital work in progress	380,726	17,515
	2,619,132	**3,429,336**

Reconciliations of carrying amount	**Furniture & Fittings $**	**Motor vehicles $**	**Plant & equipment $**	**Capital spares & WIP $**	**Total $**
Balance at 1 July 2014	22,826	87,577	582,491	-	692,894
Additions	82,082	276,370	2,480,551	35,328	2,874,331
Written off	-	(75,580)	(12,572)	-	(88,152)
Depreciation	(28,696)	(72,699)	(125,043)	-	(226,438)
Foreign exchange differences	1,205	22,937	152,559	-	176,701
Balance at 30 June 2015	77,417	238,605	3,077,986	35,328	3,429,336
Balance at 1 July 2015	77,417	238,605	3,077,986	35,328	3,429,336
Additions	36,626	251,610	29,230	382,629	700,095
Transfer between groups	2,001	-	9,720	(11,721)	-
Depreciation	(30,244)	(84,185)	(268,289)	-	(382,718)
Foreign exchange differences	(18,742)	(78,932)	(1,018,220)	(11,687)	(1,127,581)
Balance at 30 June 2016	67,058	327,098	1,830,427	394,549	2,619,132

15. EXPLORATION AND EVALUATION ASSETS

	2016 $	2015 $
Exploration and evaluation costs carried forward in respect of areas of interest	**14,824,010**	**10,817,809**
Reconciliation		
Carrying amount at beginning of the year	10,817,809	3,270,469
Exploration and evaluation	7,712,867	7,107,657
Sale of diamonds from exploration activities	(190,171)	-
Tenement acquisition costs written off	(334,824)	-
Exploration expenditure written off	(573,924)	(7,268)
Foreign currency revaluation of Baoma tenement	34,302	224,280
Foreign exchange differences in opening balances	(2,642,049)	222,671
Carrying amount at end of the year	**14,824,010**	**10,817,809**

The value of the exploration and evaluation costs carried forward is dependent upon the continuance of the Group's rights to tenure of the areas of interest, the results of future exploration, and the recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

	2016 $	2015 $
16. MINE DEVELOPMENT		
Mining development - at cost	**-**	**758,897**
Reconciliations		
Carrying amount at beginning of the year	758,897	-
Additions	160,371	758,897
Impairments*	(805,258)	-
Foreign exchange difference in opening balance	(114,010)	-
Carrying amount at end of the year	-	758,897

*The Group holds a small-scale mining license in Sierra Leone under which trial mining activities for alluvial diamonds were conducted from September 2015 to May 2016. Grade results have proved variable and the Group has decided not to continue with the trial mining activity in this area.

17. TRADE AND OTHER PAYABLES

	2016 $	2015 $
Trade creditors	541,290	247,831
Other creditors and accruals	231,787	380,903
	773,077	**628,734**

The Group's exposure to credit and liquidity risks related to trade and other payables are disclosed in Note 6. The carrying amount of trade and other payables approximates its fair value.

18. INCOME TAX PAYABLES

	2016 $	2015 $
Non-current		
Income tax payable	**32,772**	**32,772**

19. LOANS & BORROWINGS

	2016 $	2015 $
Insurance premium funding	**31,962**	**38,071**

The Group has an insurance premium funding arrangement with Hunter Premium Funding Limited (**Hunter**), under which the principal and interests will be repaid by ten equal monthly instalments. A flat interest rate of 7.18% (2015:6.86%) was charged by Hunter. The Group's exposure to credit and liquidity risks related to loans and borrowings are disclosed in Note 6. The carrying amount of loans and borrowings approximates its fair value.

20. EMPLOYEE BENEFITS

	2016 $	2015 $
Provision for annual leave entitlements	82,145	25,156
Provision for employment termination benefits	84,908	42,774
	167,053	**67,930**

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

21. CONTRIBUTED EQUITY

	2016 $	2015 $
225,583,335 fully paid ordinary shares (2015: 184,083,335 fully paid ordinary shares)	**36,141,400**	**18,211,624**

(a) Ordinary shares

The following movements in ordinary share capital occurred during the financial year:

	2016 Number	2015 Number	2016 $	2015 $
Balance at the beginning of the year	184,083,335	145,750,001	18,211,624	8,406,664
Issue of shares at $0.30 each for cash	-	8,333,334	-	2,500,000
Exercise of options at $0.25 each	-	30,000,000	-	7,500,000
Issue of shares at $0.80 each for cash	12,500,000	-	10,000,000	-
Issue of shares at $0.30 each per Option Underwriting Agreement	29,000,000	-	8,700,000	-
Share issue costs	-	-	(770,224)	(195,040)
Balance at the end of the year	225,583,335	184,083,335	36,141,400	18,211,624

Ordinary shares entitle the holder to participate in dividends and the proceeds from winding up of the Company in proportion to the number and amounts paid on the shares held.

On a show of hands every holder of ordinary securities present at a shareholder meeting in person or by proxy is, entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(b) Capital risk management

When managing capital, the Board's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Board is constantly adjusting the capital structure to take advantage of favourable costs of capital or high return on assets. As the market is constantly changing, management may issue new shares, sell assets to reduce debt or consider payment of dividends to shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels.

The Group has no formal financing and gearing policy or criteria during the year having regard to the early status of its development and low level of activity.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to any externally imposed capital requirements.

22. OTHER RESERVES

	2016 $	2015 $
Share Based Payments Reserve	40,000	40,000
Foreign Currency Translation Reserve		
Balance at beginning of year	2,169,586	(15,888)
Currency translation differences on translation of foreign operations	(5,481,543)	2,185,474
Balance at end of year	(3,311,957)	2,169,586
Total	**(3,271,957)**	**2,209,586**

22. OTHER RESERVES (continued)

Share based payments reserve

The reserve is used to recognise the values attributed to options over ordinary shares granted to consultants in consideration for the provision of services. Refer to Note 32 for details of share based payments during the year.

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars. The group has a fully owned subsidiary whose operations are located in Sierra Leone. The functional currency for the Group's subsidiary operating in Sierra Leone is Sierra Leonean Leone (SLL). In accordance with the Group's accounting policies as disclosed in Note 5, the assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated into AUD at the exchange rates at the reporting date. Exchange rate used by the Group for translation as at 30 June 2016 was AUD1 = SLL 4,782 (30 June 2015: AUD1 = SLL3,200). The income and expenses of foreign operations are translated into AUD at the dates of the transactions.

	2016 $	2015 $
23. ACCUMULATED LOSSES		
Accumulated losses at the beginning of the year	(3,137,434)	(1,614,442)
Net loss for the year	(4,188,563)	(1,522,992)
Accumulated losses at the end of the year	**(7,325,997)**	**(3,137,434)**
24. NON-CONTROLLING INTEREST		
Issued capital	**66**	**66**

25. FAIR VALUE MEASUREMENT

AASB 7 *Financial Instruments Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(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).

None of the Group's financial assets or liabilities are measured at fair value.

26. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group leases various offices and accommodation houses under non-cancellable operating leases expiring within one to three years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2016 $	2015 $
Within one year	81,227	33,820
After one year but not more than five years	120,927	-
	202,154	**33,820**

26. COMMITMENTS AND CONTINGENCIES (continued)

Service commitments

The Group has entered into various agreements with service providers to provide secretarial and accounting services in connection with the operations of the Group. Future payables arising from these service agreements as at 30 June are as follow:

	2016	2015
	$	$
Within one year	144,000	144,000
After one year but not more than five years	56,333	116,333
	200,333	**260,333**

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.

As at reporting date, total exploration expenditure commitments in relation to tenements held by the Group which have not been provided for in the financial statements are as follows:

	2016	2015
	$	$
Within one year	643,804	1,647,750
After one year but not more than five years	5,786,831	5,516,357
More than five years	170,000	190,000
	6,600,635	**7,354,107**

Contingencies

Pursuant to a tenement acquisition agreement entered into with Crest Metals Pty Ltd (**Crest**), the Company has agreed to pay Crest a 2% net smelter royalty in respect of all minerals produced from the tenements acquired. The Company has 70% interest in the tenements acquired from Crest.

Pursuant to a tenement acquisition agreement entered into with Anthony John Woodhill. Anthony William Kiernan, Archaean Exploration Services Pty Ltd, Woodline Pty Ltd, Plato Prospecting Pty Ltd, Carterton Holdings Pty Ltd and Newfield Central Pty Ltd (together, the **Newfield Vendors**), the Company has agreed to pay the Newfield Vendors a 2% net smelter royalty in respect of all minerals produced from the tenements acquired. In addition, a royalty of $10 per ounce of gold and 2% net smelter royalty on non-gold commodities produced on M77/422 and M77/846 is payable to Carterton Holdings Pty Ltd pursuant to a previous agreement in respect of those tenements.

The Group does not have any other contingent liabilities at balance and reporting dates.

27. EARNINGS/(LOSS) PER SHARE

Basic and diluted earnings/(loss) per share

The calculation of basic loss per share was based on the following:

	2016	2015
	$	$
Loss attributable to ordinary shareholders of Newfield Resources Limited		
Net loss for the year	(4,188,563)	(1,522,992)
Weighted average number of ordinary shares	**Number**	**Number**
Balance at beginning of year	184,083,335	145,750,001
Effect of shares issued during the financial year	8,908,470	14,777,918
	192,991,805	**160,527,919**

Diluted earnings/(loss) per share must be calculated where potential ordinary shares on issue are dilutive. As the potential ordinary shares on issue would decrease the loss per share, they are not considered dilutive, and not shown. The number of potential ordinary shares is set out in Note 32.

28. SEGMENT REPORTING

The Group operates predominantly in the mineral exploration industry in Australia and Sierra Leone. The Board has determined that the Group has three reportable segments, being mineral exploration Australia, mineral exploration Sierra Leone and corporate.

	Mineral Exploration Australia $	Mineral Exploration Sierra Leone $	Corporate $	Group $
2016				
Segment income	-	591,766	56,261	648,027
Segment result	(908,748)	(2,314,499)	(965,316)	(4,188,563)
Segment assets	1,285,468	17,091,256	8,171,652	26,548,376
Segment liabilities	(14,465)	(845,655)	(144,744)	(1,004,864)
2015				
Segment income	-	31,088	34,238	65,326
Segment result	(7,268)	(444,528)	(1,071,196)	(1,522,992)
Segment assets	2,014,301	13,558,025	2,479,023	18,051,349
Segment liabilities	(1,157)	(316,217)	(450,133)	(767,507)

Geographical information

	Income		Geographical non-current assets	
	2016 $	2015 $	2016 $	2015 $
Australia	56,261	34,238	1,301,596	2,049,094
Sierra Leone	591,766	31,088	16,141,545	12,970,982
	648,027	65,326	17,443,141	15,020,076

29. RELATED PARTY TRANSACTIONS

(a) Parent entity

The Group is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest 2016	Ownership interest 2015
Newfield Resources Limited	Ultimate Australian parent entity	Australia	100%	100%

(b) Subsidiaries

Interests in subsidiaries are set out in Note 30.

29. RELATED PARTY TRANSACTIONS (continued)

(c) Key management personnel compensation

	2016 $	2015 $
Short-term employee benefits	403,345	515,415
Post-employment benefits	11,513	35,855
Total compensation	**414,858**	**551,270**

Detailed remuneration disclosures are provided in the Remuneration Report on pages 30 to 33.

(d) Other transactions with key management personnel

Some of the key management personnel hold positions in other entities that result in then having control or significant influence over the financial or operating policies of those entities.

One of those entities transacted with the Group during the year. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis. The aggregate amounts recognised during the year relating to those transactions were as follows:

Director	Transaction	Transactions value year ended 30 June 2016 $	Transactions value year ended 30 June 2015 $	Balance outstanding as at 30 June 2016 $	Balance outstanding as at 30 June 2015 $
Mr A Ho	Secretarial and accounting fees	60,000	123,000	5,500	5,500

Outstanding balances are unsecured and are repayable in cash.

30. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 5:

Name of entity	Place of business/country of incorporation	Ownership interest held by the Group 2016	Ownership interest held by the Group 2015	Principal activities
Allotropes Diamonds Pty Ltd	Australia	100%	100%	Mineral Exploration
Allotropes Diamond Company Ltd	Sierra Leone	100%	100%	Mineral Exploration

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy described in Note 5:

Name of entity	Place of business/country of incorporation	Ownership interest held by the Group 2016	Ownership interest held by the Group 2015	Principal activities
Allotropes Mining Company Ltd*	Sierra Leone	100%	100%	Mineral Exploration

* The non-controlling interest holds 25% of the voting rights of Allotropes Mining Company Ltd. Refer Note 24 for details of the non-controlling interest.

31. RECONCILIATION OF CASH FLOWS USED IN OPERATING ACTIVITIES

(a) Cash flows from operating activities

	2016 $	2015 $
Loss for the year	(4,188,563)	(1,522,992)
Adjustments of non-cash/non-operating items:		
Depreciation	59,652	26,079
Unrealised foreign exchange losses	3,148	-
Exploration expenditure written off	908,748	7,268
Plant and equipment written off	-	71,114
Impairment of mine development	805,258	-
Other exploration and evaluation expenditure	822,659	351,852
Operating loss before changes in working capital and provisions	(1,589,098)	(1,066,679)
Change in trade and other receivables	(5,578)	(311,008)
Change in other assets	(13,599)	(18,277)
Change in trade and other payables	(316,401)	279,723
Change in provisions	(3,633)	276,372
Net cash used in operating activities	(1,928,309)	(839,869)

(b) Non-cash investing and financing activities

There were no non-cash investing or financing activities during the financial year.

32. SHARE BASED PAYMENTS

There were no share-based payment transactions during the financial year.

Set out below are summaries of options granted by the Company during the previous financial years:

Grant date	Exercise price	Expiry date	Balance at start of the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
2016							
31 March 2014	$0.30	15 June 2016	29,000,000	-	(29,000,000)	-	-
31 March 2014	$0.30	15 June 2017	10,000,000	-	-	10,000,000	10,000,000
			39,000,000	-	(29,000,000)	10,000,000	10,000,000
Weighted Average exercise price			$0.30	-	$0.30	$0.30	$0.30
2015							
28 February 2012	$0.25	15 June 2015	30,000,000	(30,000,000)	-	-	-
31 March 2014	$0.30	15 June 2016	29,000,000	-	-	29,000,000	29,000,000
31 March 2014	$0.30	15 June 2017	10,000,000	-	-	10,000,000	10,000,000
			69,000,000	(30,000,000)	-	39,000,000	39,000,000
Weighted Average exercise price			$0.28	$0.25	-	$0.30	$0.30

The options outstanding at 30 June 2016 have a weighted average remaining contractual life of 11.5 months (2015: 14.6 months).

Total expenses arising from share-based payment transaction recognised during the year was nil (2015: nil).

33 PARENT ENTITY DISCLOSURES

As at and throughout the financial year ended 30 June 2016 the parent entity of the Group was Newfield Resources Limited.

(a) Summary financial information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2016	**2015**
	$	**$**
Loss after income tax	(6,772,876)	(2,061,417)
Total comprehensive loss	(6,772,876)	(2,061,417)

Statement of financial position

	2016 $	2015 $
Current assets	8,483,248	2,771,954
Total assets	25,114,995	14,250,176
Current liabilities	159,209	451,290
Total liabilities	159,209	451,290
Shareholder's equity		
Issued capital	36,141,400	18,211,624
Share based payments reserves	40,000	40,000
Accumulated losses	(11,225,614)	(4,452,738)
Total equity	24,955,786	13,798,886

(b) Guarantees entered into by the parent entity

The parent entity did not provide any guarantees during the financial year (2015: nil).

(c) Contingent liabilities of the parent entity

Other than the contingencies disclosed in Note 26, the parent entity did not have any other contingent liabilities at year end (2015: nil).

(d) Contractual commitments for capital expenditure

The parent entity did not have any commitment in relation to capital expenditure contracted but not recognised as liabilities as at reporting date (2015: nil).

34. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the year and the date of these financial statements any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, 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 36 to 61, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance, for the financial year ended on that date; and

(ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board; and

(c) 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 directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Anthony Ho
Executive Director

30 September 2016
Perth

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INDEPENDENT AUDITOR'S REPORT

To the members of Newfield Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Newfield Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2016, 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Stat*ements, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Newfield Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Newfield Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 30 to 33 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Newfield Resources Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Glyn O'Brien

Glyn O'Brien

Director

Perth, 30 September 2016

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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF NEWFIELD RESOURCES LIMITED

As lead auditor of Newfield Resources Limited for the year ended 30 June 2016, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Newfield Resources Limited and the entities it controlled during the period.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2016

Details of shares and options as at 28 September 2016:

Top holders

The 20 largest registered holders of each class of quoted equity security as at 28 September 2016 were:

Fully paid ordinary shares – quoted

	Name	No. of Shares	%
1.	Citicorp Nominees Pty Limited	51,038,646	22.62
2.	Prime Investment Limited	29,665,558	13.15
3.	Lion Investments Partners B V	25,000,000	11.08
4.	Wonder Holding Pty Ltd	13,333,334	5.91
5.	Anrinza Future Pty Ltd	10,418,185	4.62
6.	Joshua Alan Letcher	9,500,000	4.21
7.	Mutual Street Pty Ltd	9,343,532	4.14
8.	Robert Ang	6,160,300	2.73
9.	David Pursell	5,800,000	2.57
10.	Serng Yee Liew	5,556,090	2.46
11.	Chewkart Super Pty Ltd	4,660,000	2.07
12.	HSBC Custody Nominees (Australia) Limited	3,353,104	1.49
13.	Mr Octavianus Budiyanto	2,973,819	1.32
14.	Mr James Aripin	2,973,819	1.32
15.	Lina Tanuwidjaja Young	2,000,000	0.89
16.	Ka Leung Yim	2,000,000	0.89
17.	Yean Sok Yeoh	1,860,000	0.82
18.	Mr Roy Heydan Clarke	1,824,392	0.81
19.	Kingsfield Pty Ltd	1,740,386	0.77
20.	Margaret Hawke	1,561,538	0.69
		190,762,703	84.56

Registered holders holding 20% or more of each class of unquoted equity security as at 28 September 2016 were:

Options exercisable at $0.30 on or before 15 June 2017 – unquoted

Name	No. of Options	%
Wonder Holding Pty Ltd	3,500,000	35.00
Asia Pacific Horizon Capital	2,215,645	22.16

Distribution schedules

A distribution schedule of each class of equity security as at 28 September 2016:

Fully paid ordinary shares

Range			Holders	Units	%
1	-	1,000	42	7,160	0.003
1,001	-	5,000	26	86,884	0.039
5,001	-	10,000	76	698,590	0.310
10,001	-	100,000	91	3,684,496	1.633
100,001	-	Over	79	221,106,205	98.015
Total			314	225,583,335	100.00

Options exercisable at $0.30 on or before 15 June 2017

Range			Holders	Units	%
1	-	1,000	0	0	0
1,001	-	5,000	0	0	0
5,001	-	10,000	0	0	0
10,001	-	100,000	2	184,636	1.85
100,001	-	Over	9	9,815,364	98.15
Total			11	10,000,000	100.00

Substantial shareholders

The names of substantial shareholders and the number of shares to which each substantial shareholder and their associates have a relevant interest, as disclosed in substantial shareholding notices given to the Company, are set out below:

Substantial shareholder	Number of Shares
Asia Pacific Horizon Capital	37,140,236
Prime Investment Limited	28,765,558
Lion Investments Partners B.V.	25,000,000
Wonder Holdings Pty Ltd	10,358,334

Restricted securities or securities subject to voluntary escrow

As at 28 September 2016, the Company had no restricted securities on issue.

Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares (being 1,667 shares as at 28 September 2016):

Holders	Units
44	9,320

Voting Rights

The voting rights attaching to ordinary shares are:

On a show of hands, every member present in person or by proxy shall have one vote, and upon a poll, each share shall have one vote.

Options do not carry any voting rights.

On-Market Buy Back

There is no current on-market buy-back.

Principles of Good Corporate Governance and Recommendations

The Board has adopted and approved the Company's Corporate Governance Statement, which can be found on the Company's website at www.newfieldresources.com.au.

Summary of tenements as 28 September 2016

Projects	Licence Number	Area (km^2)	Status	Newfield's Interest
Western Australia				
Newfield	M77/0422	0.85	Granted	100%
Newfield	M77/0846	0.39	Granted	100%
Crest Yard	P16/2722	2.00	Granted	70%
Crest Yard	P16/2726	1.66	Granted	70%
Crest Yard	P16/2728	0.82	Granted	70%
Crest Yard	P16/2729	1.89	Granted	70%
Crest Yard	P16/2730	1.60	Granted	70%
Crest Yard	P16/2731	1.90	Granted	70%
Sierra Leone				
Baoma	EL15/2012	101.50	Granted	100%
Lake Popei	EL11/2014	221.27	Granted	100%
Sumboya	EL12/2014	217.62	Granted	100%
Hima	EL19/2014	249.50	Granted	100%
Jomu	EL20/2014	212.25	Granted	100%
Golu	SML 01/2015	1.00	Granted	100%