NEWFIELD
RESOURCES LIMITED

ABN 98 153 219 848

ANNUAL REPORT

For the year ended 30 June 2021

DIRECTORS

Executive Director	Mr Karl Smithson
Executive Director	Mr Michael Lynn
Non-Executive Director	Mr Chris Burton
Non-Executive Director	Mr Peter Evans
Non-Executive Director	Mr Jack Spencer Cotton

COMPANY SECRETARY

Ms Joan Dabon

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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ASX Code: NWF

CONTENTS

Highlights

- **736m underground development achieved to year end**
- **5tph plant commissioned and yielded first diamonds in Q4-20**
- **Surface and underground infrastructure construction well advanced**
- **JORC Compliant Indicated and Inferred diamond resource increased to 8.3m carats**
- **Three schools constructed as part of Community Development Agreement**
- **598 Loss Time Injury Free days achieved at year end**

1. Tongo Diamond Mine (Sierra Leone)

Underground Development

During the year, the underground decline development and infrastructure construction continued. However, the progress was challenged by ongoing COVID-19 travel and supply restrictions in both in Sierra Leone and South Africa where most of the Project's mining and engineering supplies are sourced, and from where most of the qualified mining and engineering expatriates reside. Despite this, a total of 736 m of underground development was achieved before year end.

The focus has been on establishing and developing the Kundu decline and the return airway (RAW) drive of Kundu Segment A eastwards towards the ventilation shaft. During this development the Kundu kimberlite has been intersected as the RAW is being developed "on-reef". This RAW is required to allow full circulation of air through the underground workings and to provide a second escape way via the ventilation shaft.

In addition, development has progressed westerly towards other segments of the Kundu kimberlite (Segments B and C) to extend the RAW towards the west and provide top end access to future mine stopes (Figure 1).

The kimberlite dyke intersected in Kundu Segment A is approximately 25-30cm in width and is being extracted in such a way that blasting can take out mostly waste rock and then the kimberlite "scalped" off the side wall to control dilution (Figure 2). This kimberlite has been hauled to the 5tph plant and is being processed, yielding first diamonds from the underground in Q4-20 as originally scheduled, despite the COVID-19 induced delays.

The Company continued to review its original mine construction schedule both in terms of the continued disruption caused by the COVID-19 pandemic, and with a clear focus on strategies to accelerate early production.

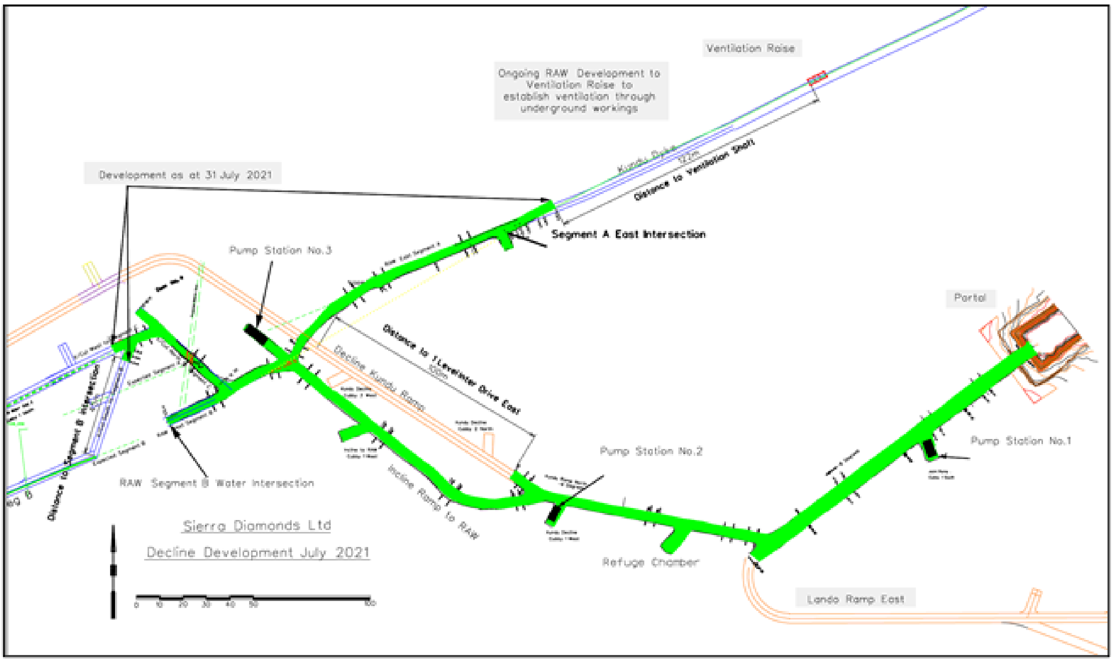

Figure 1: Mine development to July 31 2021

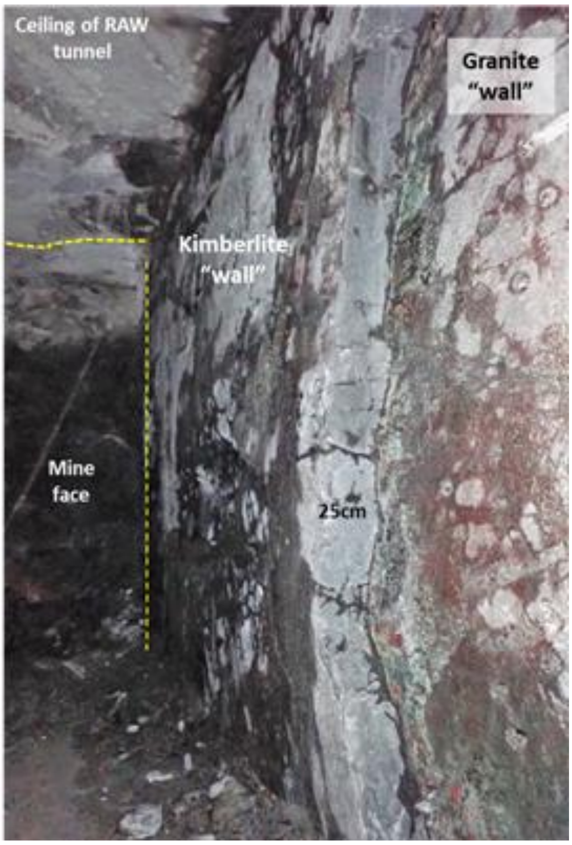

Figure 2: Kimberlite dyke intersected in Segment A

Mine Infrastructure Construction

Construction of certain surface and underground infrastructure to support the mining operations continued. To date an 80-person camp, explosives magazine, clinic, workshops, fuel farm, administrative offices, change houses and lamp room have been completed or are near completion. In addition, three pump stations, ventilation fans and electrification of the underground has been completed for the development to date. A rescue bay was also constructed underground. In order to separate waste from ore prior to hauling a waste sorting belt was also manufactured from in-house materials, and for construction of an aggregate crushing plant (to crush underground waste rock) and a concrete batch plant were also designed and built in-house (Figures 3 and 4).

Figure 3: Camp, Office, Dining, Clinic, Stores and Workshops

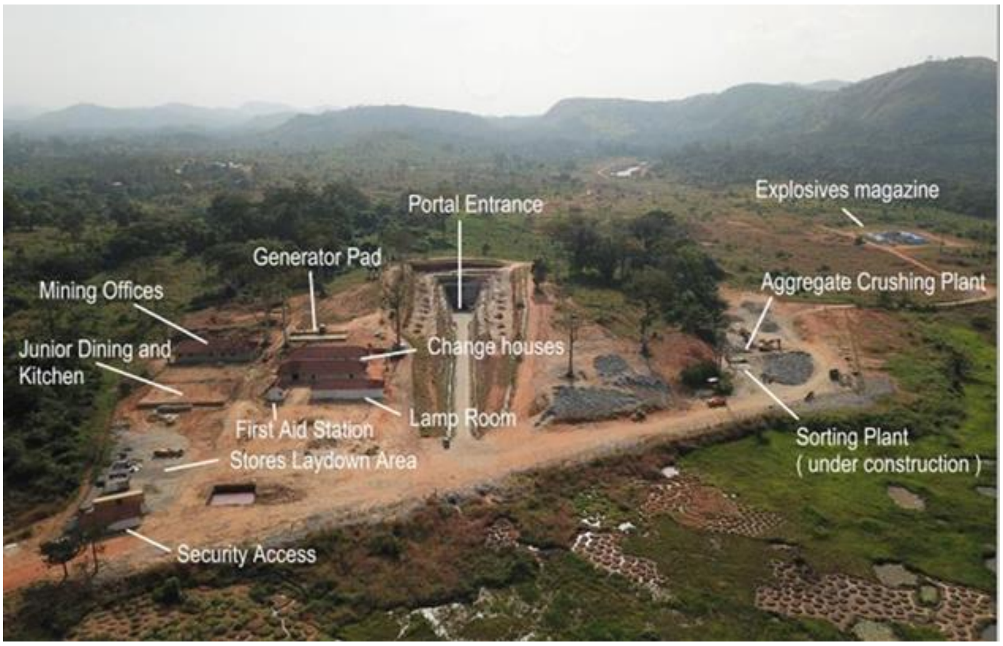

Figure 4: Mine Site Infrastructure

Plant Processing Capacity Strategy

As reported in the September and December 2020 Quarterly reports, further work on the designed 100tph plant has been deferred to 2024 when production capacity requires it, and currently the 5tph DMS plant has been commissioned to process kimberlite recovered during development of the RAW in each segment of the Kundu orebody.

However, to establish adequate processing capacity to meet production requirements during ramp-up over the coming three years, a 25tph plant has been designed and is being constructed utilising mostly existing plant components already on site. Refurbishment of these plant components such as crushers and screen decks has now been completed, and construction of the 25tph plant has commenced with the preparation of compacted surfaces and throwing of concrete platforms (Figures 5 and 6). It is planned that this plant will meet ore processing requirements for the first three years of mine production, when the third orebody (Tongo Dyke-1) is scheduled to be developed, at which point the 100 tph plant will be constructed and commissioned to meet the increased capacity requirement.

HSE

The Company is pleased to report that no lost time injuries have occurred on the mine, or on any of the Company's projects, since November 2019, and has recorded 598 Loss Time Injury Free days to the year end. This record is a function of the Company's ongoing focus on health and safety, and its determination that a culture of safety is the norm for all of its employees. The current Lost Time Injury Frequency Rate (LTIFR) is 0.6 and a new LTIFR target of 0.5 has been established for year end 2021.

The Company continues to adhere to its environmental responsibilities and conducts quarterly and annual monitoring and reporting to the Environmental Protection Agency, which conduct audits on the Company each quarter.

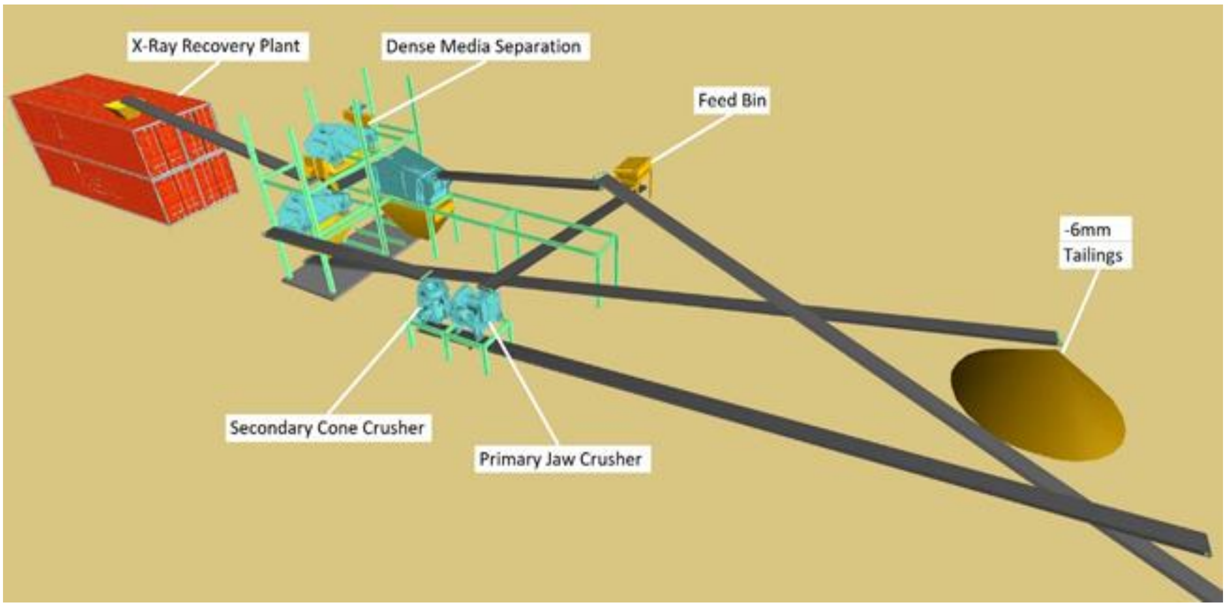

Figure 5: 25 tph Plant layout

Figure 6: Concrete platforms for the 25 tph plant being poured

Community Development Agreement

The Company signed a binding Community Development Agreement in 2020 which governs the relationship between the Company and host communities. The annual contribution during development is US$100,000 and the first projects to be undertaken was the construction of three schools in the immediate community catchment area. These schools have all been completed and formally handed over to the Government and community Chiefdoms.

Figure 7: Completed Secondary School in Tongo Community

Figure 8: Hon. Minister of Mines, Timothy Musa Kabba, addressing Tongo community during school handover ceremony

Exploration

Limited exploration was carried out during the year whilst resources were focussed on the mine development. However, in Sierra Leone a maiden mineral resource estimate was announced for the Panguma kimberlite and a bulk sample of the Peyima kimberlite was collected, and in Liberia high interest kimberlites and exploration targets have been discovered and generated respectively.

Panguma Mineral Resource Estimate

In 2020 a drilling programme with associated microdiamond analysis from surface samples and drill core samples was conducted. Assay results were reported during the previous Annual Report, though independent analysis and reporting was only announced to ASX on 27 January 2021. In summary, a JORC compliant inferred diamond resource of 910,000 carats was declared for Panguma, mostly in the upper 100m of the kimberlite (Table 1). This brings the global JORC compliant indicated and inferred diamond resource to 8.3 million carats for the Tongo project (Table 2).

Table 1: Summary of the Panguma Inferred Diamond Resource (+1.0mm cut off, rounded)

Kimberlite	Dyke Segment	Depth from surface (m)	Resource Category	Tonnes Kimberlite	+1.0mm Grade (cpt)	Total Carats	Diamond Value (US$/ct)
Panguma	A	-100m	Inferred	159,000	1.8	286,000	184
Panguma	B	-100m	Inferred	81,000	1.5	122,000	184
Panguma	C	-100m	Inferred	63,000	1.8	113,000	184
Panguma	D	-100m	Inferred	43,000	1.8	77,000	184
Panguma	E	-100m	Inferred	54,000	1.8	97,000	184
Panguma	A	-100 to -200m	Inferred	140,000	1.5	210,000	184
TOTAL			**INFERRED**	**540,000**	**1.7**	**910,000**	**184**

Table 2: Summary of the Tongo Diamond Resource (+1.0mm cut off, rounded)

Kimberlite	Depth (metres above sea level)	Dyke Segment	Resource Category	Tonnes Kimberlite	+1.0mm Grade (cpt)	Total Carats	Diamond Value (US$/ct)
INDICATED							
Kundu	245-110masl	B(K1)	Indicated	200,000	3.4	680,000	194
Lando	245-110masl	C(L1)	Indicated	220,000	3.2	704,000	194
Lando	245-110masl	G(L2)	Indicated	100,000	2.5	250,000	194
Pandebu	245-110masl	KP1(A)	Indicated	60,000	0.8	48,000	182
Tongo D-1	200-060masl	T(D1)	Indicated	160,000	1.4	224,000	187
TOTAL			**INDICATED**	**740,000**		**1,906,000**	
INFERRED							
Kundu	245-110masl	various	Inferred	290,000	3.2	928,000	194
Lando	245-110masl	various	Inferred	270,000	2.8	756,000	194
Pandebu	245-110masl	various	Inferred	30,000	1.3	39,000	182
Kundu	110-0masl	various	Inferred	360,000	3.2	1,152,000	194
Lando	110-0masl	various	Inferred	470,000	2.8	1,316,000	194
Pandebu	110-0masl	various	Inferred	80,000	1.3	104,000	182
Tongo D-1	200-060masl	T(D2/D3)	Inferred	120,000	1.6	192,000	187
Tongo D-1	060 - -040masl	T(D1/2/3)	Inferred	280,000	1.6	448,000	187
Tongo D-1	-040- -200masl	T(D1/2/3)	Inferred	330,000	1.6	528,000	187
Panguma	360-230masl	A to E	Inferred	400,000	1.7	700,000	184
Panguma	250-150masl	A	Inferred	140,000	1.5	210,000	184
TOTAL			**INFERRED**	**2,770,000**		**6,373,000**	
TOTAL			**IND. & INF.**	**3,510,000**		**8,279,000**	

Figure 9: Three Largest Diamonds Recovered from Microdiamond Sample of Peyima

Peyima Bulk Sampling

The Peyima kimberlite is an extensive dyke (with possible blow), mapped over a strike length of over 2km and is located in the south eastern part of the Tonguma Mining Licence (Figure 10). The dyke has been mined along its strike by artisanal miners which suggests the kimberlite is diamondiferous.

A trench was excavated and exposed the dyke over a distance of 50m, with the dyke attaining a width of over 55cm, with an average width of 46cm along the exposed length of the dyke (Figure 11). A mini bulk sample of 108 dry tonnes was collected from this exposed kimberlite during the report period and hauled to the 5tph processing plant where it was stockpiled.

A selection of kimberlite samples was also collected along strike of the bulk sample trench, with a cumulative weight of approximately 200kg and these samples will be consigned to the SRC laboratory in Canada for microdiamond analysis.

Should the microdiamond results be similarly encouraging to the bulk sample result then future drilling and assays will be planned across the Peyima kimberlite with the objective of declaring a maiden diamond resource.

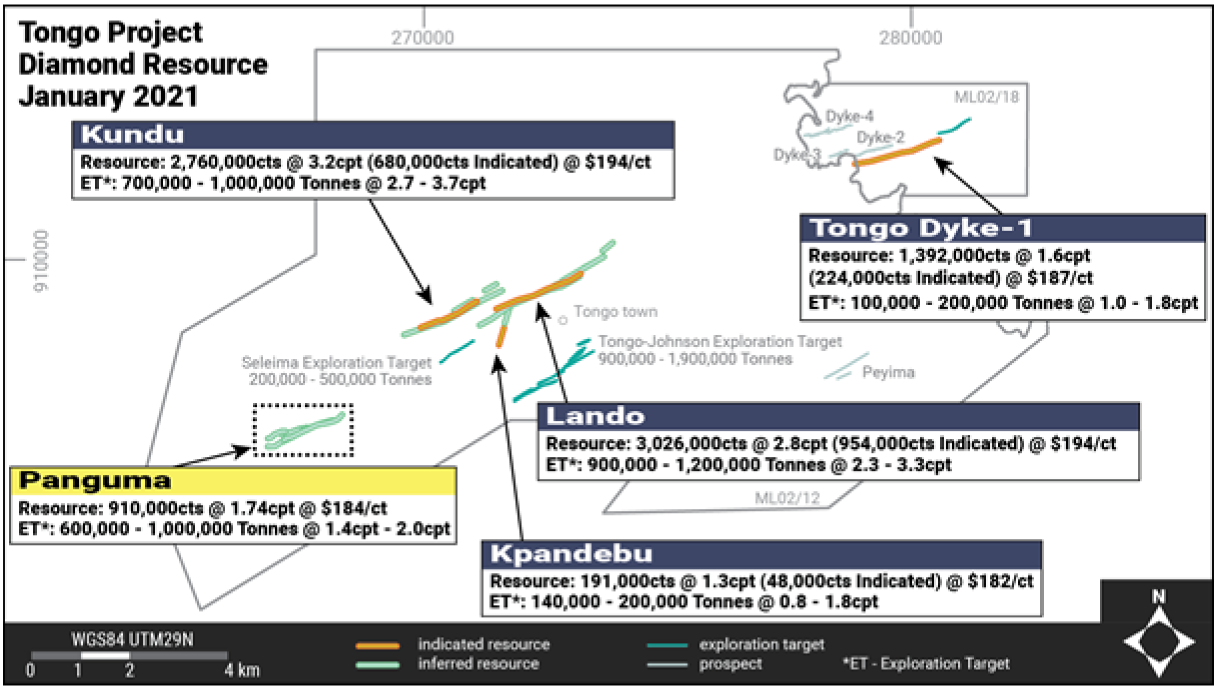

Figure 10: Tongo Kimberlites and Resources

Figure 11: Bulk Sampling of the Peyima Kimberlite

2. Kumgbo Project (Liberia)

Exploration over the Kumgbo licences in Liberia during the reporting period has been slow, primarily due to ongoing COVID-19 restrictions and a focus on the Tongo Mine development. However, exploration to date is highly encouraging with some five kimberlites being discovered in the northern Zoi licences, with abundant and unresolved kimberlite indicator mineral anomalies being generated elsewhere in Zoi and also in the western half of the southern Biedien licence.

When fieldwork was possible, the geological teams undertook sampling of the K4 and K5 kimberlites discovered, to primarily get a mineral chemistry signature for each body as a pre-cursor to microdiamond sampling and assay. The sample concentrates were collected by crushing pieces of kimberlite and manually concentrating the crushed and sieved rock to produce heavy mineral concentrates rich in kimberlitic indicator minerals such as ilmenite, garnet and chromite. These were sent to the MSA Group in South Africa for indicator mineral recovery and microprobe analysis of garnets at the University of Johannesburg. A total of 89 garnets from K4, and 10 garnets from K5 were recovered in the +0.5mm, -1.0mm fraction and analysed by electron microprobe.

A total of 37 (42%) reported as G10 garnets, which is important because these garnets are known to have originated in the Earth's upper mantle at the same temperature and pressure conditions as diamond.

The mineral chemistry result from K4 is particularly encouraging and therefore a 282kg sample of kimberlite was collected for microdiamond analysis and will be shipped to the SRC Laboratory in due course to determine the initial diamond content of the kimberlite.

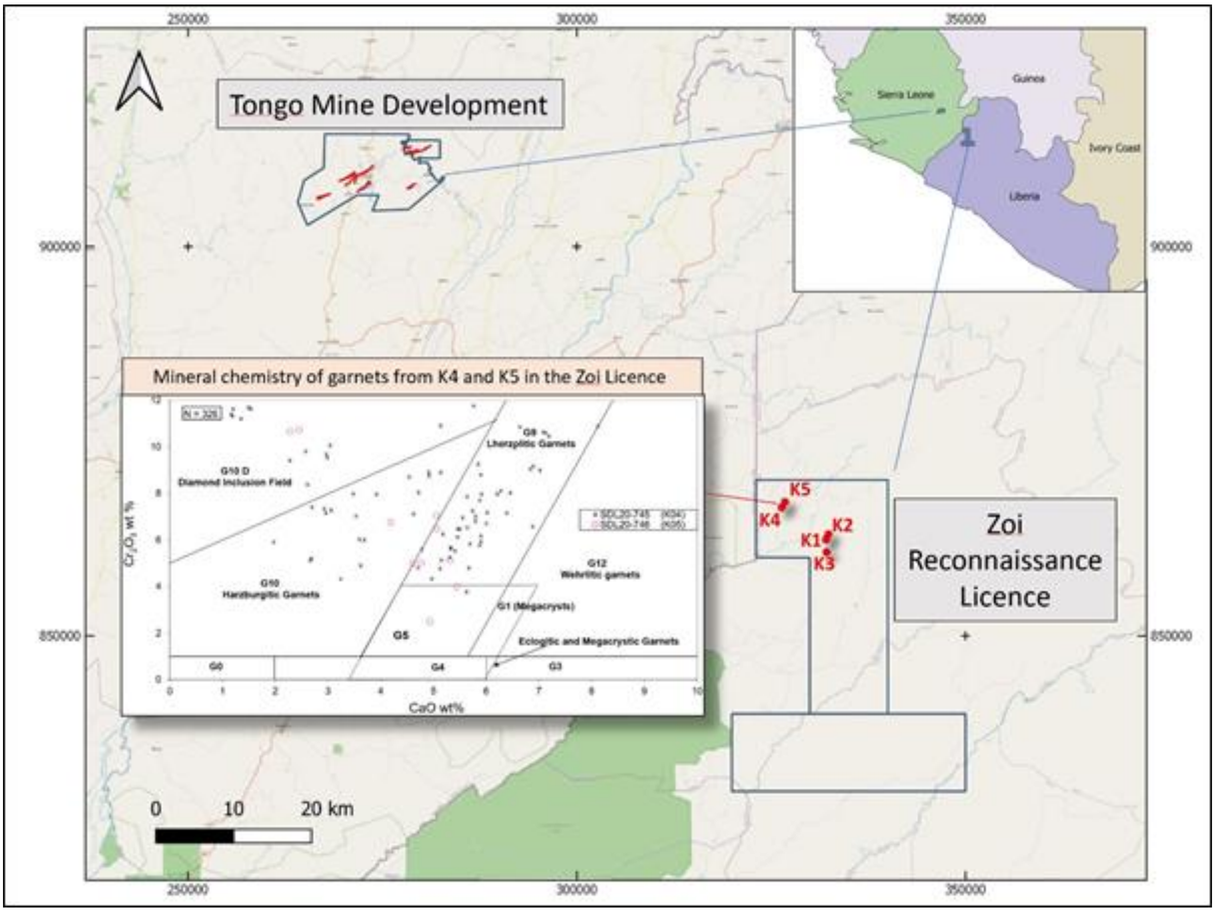

Figure 12: Garnet Mineral Chemistry from K4 and K5

Newfield Gold Project

The Newfield gold project comprises two licences in Western Australia. These licences are subject to a farm-out agreement with Discovex Resources Ltd (ASX:DCX) (previously named Syndicated Minerals Limited).

*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 2021 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 Nicholas Karl Smithson
Executive Director – appointed 7 November 2018

Mr Smithson has over 30 years of experience in the resources industry in Africa having held senior management roles at DeBeers, SouthernEra Resources, Mano River Resources and Stellar Diamonds. He is a graduate in Geology (with honours) of Kingston University, London and holds a MBA from the Graduate School of Business in Cape Town. Mr Smithson has an in-depth knowledge and experience in diamond exploration, evaluation and production. His career has involved establishing strong and positive relationships with governmental and local stakeholders with mining projects in Africa.

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 Sierra Leone, 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 and mining. 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 was a member of the Committee for the South African code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC).

Mr Chris Burton
Non-Executive Director – appointed 1 November 2019

Mr Burton is a Chartered Accountant and registered company auditor with over 22 years of finance sector experience from roles in both public practice and the private sector. He is a former partner of accounting firm BDO where he spent eight years in audit and assurance services focusing on ASX-listed companies in a wide range of industries including exploration and mining companies.

Mr Burton currently provides corporate, financial and compliance services to ASX listed and private clients to strengthen their reporting, risk and governance practices. He is a facilitator with the Institute of Company Directors in Australia (AICD) where he delivers the finance modules for the company directors' course.

Mr Peter Evans
Non-Executive Director – appointed 16 April 2021

Mr Evans is a Chartered Accountant and has over 40 years of corporate finance, stockbroking and investment banking experience across many business sectors, including 26 years as a Director of Corporate Finance and shareholder of Patersons Securities Limited. He has extensive experience in the Australian and global equity capital markets, particularly with ASX small and medium-sized enterprises within both the industrial and resources sectors.

Mr Evans has significant experience in raising equity capital (share placements, rights issues and share purchase plans), mergers and acquisitions, the ASX listing process and regulatory framework, corporate governance, strategic planning and investor relations.

Mr Jack Spencer-Cotton
Non-Executive Director – appointed 24 May 2021

Mr Spencer-Cotton has over 27 years' experience in the field of engineering. He has held a range of senior engineering roles in international manufacturing companies, as well as established his own business in engineering and consulting. He has previously held senior engineering roles at ERG Group Ltd, Sanmina-SCI Corporations and SRX Global.

Mr Spencer-Cotton is presently a capital projects engineer at Pfizer Perth and a non-executive director of an ASX-listed company.

Mr Anthony Ho
Executive Director – *resigned 16 April 2021*

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 firm, Anthony Ho and Associates, specialising in providing corporate and financial services to ASX-listed companies.

Prior to establishing his firm 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.

COMPANY SECRETARY

Ms Joan Dabon -*appointed 28 July 2021*

Ms Dabon has degree in law and is a member of the Governance Institute of Australia. Over the past 5 years, Ms Dabon has been providing company secretarial services to ASX and NSX listed companies in their compliance, governance, capital raising, financial reporting and IPO-related requirements.

Mr Kim Hogg – *resigned 28 July 2021*

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 firm for more than 20 years with a specialist involvement in the preparation of prospectuses, coordinating 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
K Smithson	Not Applicable	-	-
M Lynn	Not Applicable	-	-
C Burton	Not Applicable	-	-
P Evans	Not Applicable	-	-
J Spencer-Cotton	Mustera Property Group Ltd	4 April 2014	Present
A Ho[1]	Alchemy Resources Limited	November 2011	Present
	Australian Agricultural Projects Limited	April 2003	Present
	Mustera Property Group Ltd	April 2014	Present

Note:
1. Anthony Ho resigned on 16 April 2021.

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	Performance Rights
K Smithson[1]	4,354,359	-	1,350,000
M Lynn[2]	972,000	-	1,100,000
C Burton[3]	-	-	900,000
P Evans	-	-	-
J Spencer-Cotton[4]	594,535	-	-

Notes:
1. Mr Smithson's current holdings are as follows:
   a. 3,190,873 Shares held directly by Mr Smithson;
   b. 1,163,486 Shares held indirectly by Mr Smithson through JP Morgan Nominees Australia Pty Limited; and
   c. 1,350,000 Performance Rights subject to various vesting conditions held directly by Mr Smithson.
2. Mr Lynn's current holdings are as follows:
   a. 972,000 Shares held directly by Mr Lynn; and
   b. 1,100,000 Performance Rights subject to various vesting conditions held directly by Mr Lynn.
3. Mr Burton directly holds 900,000 Performance Rights subject to various vesting conditions.
4. Mr Spencer-Cotton's current holdings are as follows:
   a. 10,000 Shares held directly by Mr Spencer-Cotton;
   b. 85,535 Shares held indirectly by Mr Spencer-Cotton as a trustee on behalf of his children; and
   c. 499,000 Shares held by the spouse of Mr Spencer-Cotton.

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:

Director	Held while Director	Attended
K Smithson	7	7
M Lynn	7	7
C Burton	7	7
P Evans[1]	1	1
J Spencer-Cotton[2]	-	-
A Ho[3]	6	6

Notes:
1. Mr Evans was appointed on 16 April 2021.
2. Mr Spencer-Cotton was appointed on 24 May 2021.
3. Mr Ho resigned on 16 April 2021

Due to its size, the Company presently does not have an Audit and Risk Committee nor a Nomination and Remuneration Committee. The Board, as a whole, currently serves as both committees. Additional details are available in the Company's Corporate Governance Statement, which can be found on the Company's website at www.newfieldresources.com.au.

PRINCIPAL ACTIVITY

The principal activity of the Group during the financial year was mine development and 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 Annual Report.

Financial review

The Group incurred a loss of $17,067,663 after income tax for the financial year (2020: loss of $9,257,547). A significant component of the loss includes the fair value adjustment to financial liabilities of $5,421,351 (2020: $6,301,157) representing the movement in the future royalty stream payable to Octea, and foreign currency translation differences of $5,684,138 (loss) (2020: $670,779 (gain)).

The Company's finance costs also increased during the year to $3,942,228 (from 2020: $2,204,699) as the Company continued to draw down bonds to develop the mine. The Company's administration costs remained stable with a further increase in depreciation for the Right of Use asset (mining equipment) as the asset was held and used for the entire year. The Company also undertook a review of its plant and equipment relating to the spart parts for the construction of the processing plant. The review highlighted an impairment of $965,471.

As at 30 June 2021 the Group had net assets of $35,135,553 (2020: $52,013,246) including cash and cash equivalents of $1,591,918 (2020: $1,002,547).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

4,250,000 performance rights were issued to directors during the year.

Total shares on issue at 30 June 2021 are 581,299,552 (2020: 581,299,552).

LIKELY DEVELOPMENTS

The Group short term plan is to move the current Kundu and Lando declines into production by completing the final decline work and commencing the development of stopes to open up multiple mine faces for production. The Company expects to increase production over the 2022 calendar year with maiden sale of diamonds. This development is expected to be funded by the recently announced Rights Issue. The Company is providing existing shareholders with an opportunity to subscribe for 1 share for every 4 shares held at an issue price of $0.35 per share to raise approximately $50.8 million. More information on the Group's near-term developments is included in the Review of Activities in this Annual Report.

DIVIDENDS

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

PERFORMANCE RIGHTS

4,250,000 performance rights were granted during the year.

OPTIONS

No options were granted during the year or since the end of the year.

No options were exercised during the year or since the end of the year.

Lapse of Options

The following options expired during the financial year.

Class	Expiry Date	Exercise Price	Number of Options
Unlisted Options	30 December 2020	$0.50	6,000,000
Unlisted Options	31 March 2021	$0.30	50,000,000

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

On 13 September 2021 the Company announced a non-renounceable rights issue to raise up to $50.8 million.

The Company has been significantly impacted by the COVID-19 pandemic since it commenced in March 2020 as lockdowns across Africa continued to disrupt the flow of human resources and the Company's supply chain. The Company has developed strategies to combat the effects of the pandemic for its staff and its supply chains, however, it continues to work within the constraints of various Government measures and is continuing to adapt to the new normal. The Company has implemented all of its COVID 19 measure on site and is constantly monitoring the effects on the Africa continent to adapt its plans as situations present themselves.

Other than what has been disclosed in the accounts, no other matter or circumstances have arisen since 30 June 2021 that have significantly affected the Group's operations, results or state of affairs, or may do so in future financial years.

The remuneration report for the year ended 30 June 2021, 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 Michael Lynn	Executive Director
Mr Karl Smithson	Executive Director
Mr Christopher Burton	Non-Executive Director
Mr Peter Evans[1]	Non-Executive Director
Mr Jack Spencer-Cotton[2]	Non-Executive Director
Mr Anthony Ho[3]	Executive Director

Notes:
1. Appointed 16 April 2021.
2. Appointed 24 May 2021.
3. Resigned 16 April 2021.

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 service agreements. Details of the service agreements with Executive Directors are provided below.

Executive Directors may receive performance related compensation but do not receive any retirement benefits.

Fixed remuneration

Fixed remuneration consists of base compensation (which is calculated on a total cost basis and includes any Fringe Benefits Tax 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.

Short-term incentives

Included in the Executive Directors contracts is the ability to pay up to a 50% bonus based on a set criteria. These key performance indicators are agreed at the start of the year and monitored by the board before a score is given which will dictate the bonus payable.

Due to the impact of the COVID-19 pandemic, the Board has decided not to pay bonuses during the year.

Feature	Description
Max opportunity	Management: 50% of fixed remuneration.
Performance metrics	Operational KPIs for leadership, achieving strategic goals, financial management and control of funds, health and safety, and compliance with company policies.
Delivery of STI	Paid in cash and/or shares.
Board discretion	Subject to Board review and approval.

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 or performance rights. LTI are considered to promote continuity of employment and provide additional incentive to recipients to increase shareholder wealth. Options and rights may only be issued to directors subject to approval by shareholders at a general meeting.

No options were granted to directors or employees during this financial year.

Following shareholder approval at the Company's 2019 AGM, the Company adopted a performance rights plan. To date, 4.25m performance rights have been issued.

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 Group's main activities are mine development and mineral exploration 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.

The Executive Directors in Sierra Leone were not paid a performance bonus during the year due to the impact of the COVID-19 pandemic.

The earnings of the Group for the current financial year and the previous four financial years are summarised below:

	2021	2020	2019	2018	2017
Net loss for the year (after tax)	$11,383,525	$9,928,326	$6,458,879	$27,451,951	$1,399,735
Dividends paid	Nil	Nil	Nil	Nil	Nil
Change in share price	$0.15	($0.01)	$0.04	($0.18)	($0.05)
Share price at beginning of the period	$0.20	$0.21	$0.17	$0.35	$0.40
Share price at end of the period	$0.35	$0.20	$0.21	$0.17	$0.35
Loss per share	1.96 cents	1.71 cents	1.11 cents	9.04 cents	0.62 cents

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 2020 Annual General Meeting ('AGM')

At the 2020 AGM, more than 99% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Service agreements

Remuneration and other terms of engagement 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[4]	Base salary/fees including superannuation	Termination payments[5]
Executive Directors				
M Lynn	12 months fixed term	3 months	USD180,000	3 months
N K Smithson	12 months fixed term	6 months	GBP150,000	6 months
A Ho[1]	12 months fixed term	3 months	AUD144,984	3 months
Non-Executive Directors				
C Burton	On-going	N/A	AUD36,000	N/A
P Evans[2]	On-going	N/A	AUD36,000	N/A
J Spencer-Cotton[3]	On-going	N/A	AUD36,000	N/A

Notes:
1. Resigned 16 April 2021.
2. Appointed 16 April 2021.
3. Appointed 24 May 2021.
4. The notice period applies equally to either party.
5. Base amount 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 2021

		SHORT-TERM	POST-EMPLOYMENT		SHARE-BASED PAYMENTS			
		Salary & fees $	Superannuation benefits $	Bonus $	Performance Rights $	Total $	Proportion of remuneration performance related %	Value of options as proportion of remuneration %
Directors								
Non-executive								
Mr C Burton[1]	2021	36,000	-	-	40,229	76,229	52.8	-
	2020	24,000	-	-	-	24,000	-	-
Mr P Evans[2]	2021	7,300	-	-	-	7,300	-	-
	2020	-	-	-	-	-	-	-
Mr J Spencer-Cotton[3]	2021	3,750	375	-	-	4,125	-	-
	2020	-	-	-	-	-	-	-
Mr R Ang[4]	2021	-	-	-	-	-	-	-
	2020	8,000	-	-	-	8,000	-	-
Executive								
Mr A Ho[5]	2021	114,779	-	-	40,229	155,008	26.0	-
	2020	144,984	-	-	-	144,984	-	-
Mr M Lynn	2021	241,179	-	-	49,169	290,348	16.9	-
	2020	268,054	-	87,353	-	355,407	24.6	-
Mr N K Smithson	2021	266,583	-	-	60,344	326,927	18.5	-
	2020	296,288	-	99,577	-	395,865	25.2	-
Total, all KMPs	**2021**	**669,591**	**375**	**-**	**189,970**	**859,937**	22.1	**-**
	2020	**741,326**	**-**	**186,930**	**-**	**928,256**	20.1	**-**

Notes:
1. Appointed 1 November 2019.
2. Appointed 16 April 2021.
3. Appointed 24 May 2021.
4. Resigned 1 November 2019.
5. Resigned 16 April 2021.

Share-based remuneration

No options over ordinary shares in the Company were granted as compensation to each key management person during the reporting period.

At the Annual General Meeting held on 30 November 2020, shareholders approved the grant of 4,250,000 performance rights to the directors.

Holder	Class	Number	Grant Date	Probability	Expiry Date of milestone achievement	Fair value per right	Total Fair Value
Nicholas Karl Smithson	A	675,000	30/11/2020	100%	30/11/2023	$0.23	$155,250
	B	675,000	30/11/2020	100%	30/11/2023	$0.23	$155,250
Michael Lynn	A	550,000	30/11/2020	100%	30/11/2023	$0.23	$126,500
	B	550,000	30/11/2020	100%	30/11/2023	$0.23	$126,500
Anthony Ho	A	450,000	30/11/2020	100%	30/11/2023	$0.23	$103,500
	B	450,000	30/11/2020	100%	30/11/2023	$0.23	$103,500
Christopher Burton	A	450,000	30/11/2020	100%	30/11/2023	$0.23	$103,500
	B	450,000	30/11/2020	100%	30/11/2023	$0.23	$103,500

The performance rights were valued at 23 cents a share being the share price on approval date 30 November 2020. Vesting occurs at the end of the performance period dated 30 November 2023, if the following performance conditions are met:

A) Upon announcement by the Company on the ASX market announcements platform that it has achieved,
   i. at least a further 250 metres of underground development on the Kundu kimberlite dyke (when compared to the underground development as at the date of the Meeting), with all associated underground electrical, pumping and rescue bay infrastructure fully incorporated; and
   ii. the establishment of underground Level-1 development and return airway development on the Kundu kimberlite dyke.

B) Upon announcement by the Company on the ASX market announcements platform that it has achieved,
   i. at least a further 250 metres of underground development on the Kundu kimberlite dyke (when compared to the underground development as at the date of the Meeting), with all associated underground electrical, pumping and rescue bay infrastructure fully incorporated;
   ii. the establishment of underground Level-1 development and return airway development on the Kundu kimberlite dyke; and
   iii. diamond production from the Kundu kimberlite dyke of not less than 5,000 carats.

A share-based payment expense of $189,970 was recognised in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021.

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

Mr C Burton provided advisory services during the financial year on normal commercial terms and conditions. The total amount recognised during the financial year relating to these transactions was $24,743. The amount outstanding as at 30 June 2021 was $70,192.

Mr N K Smithson's spouse provided administrative and secretarial services to a subsidiary of the Company during the financial year on normal commercial terms and conditions. The total amount recognised and paid during the financial year relating to these transactions was $4,072 (2020: $9,725).

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 2020	Held at date of appointment	Acquired during the year	Held at 30 June 2021
Mr M Lynn	972,000	-	-	972,000
Mr N K Smithson	4,354,359	-	-	4,354,359
Mr C Burton	-	-	-	-
Mr P Evans[1]	-	-	-	-
Mr J Spencer-Cotton[2]	-	594,535	-	594,535
Mr A Ho[3]	-	-	-	-

Notes:
1. Appointed 16 April 2021.
2. Appointed 24 May 2021.
3. Resigned 16 April 2021

Options over ordinary shares

The movement during the reporting period in the number of options exercisable at $0.50 each on or before 30 December 2020 held, directly, indirectly or beneficially by each key management person, including their related parties, is as follows:

	Vested and exercisable at 30 June 2020	Held at date of appointment	Change during the year	Held at 30 June 2021	Vested during the year	Vested and exercisable at 30 June 2021
Mr M Lynn	1,500,000	-	(1,500,000)	-	-	-
Mr N K Smithson	-	-	-	-	-	-
Mr C Burton	-	-	-	-	-	-
Mr P Evans[1]	-	-	-	-	-	-
Mr J Spencer-Cotton[2]	-	-	-	-	-	-

Notes:
1. Appointed 16 April 2021.
2. Appointed 24 May 2021.

Performance rights

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

	Held at 1 July 2020 Number	Granted as remuneration Number	Vested Number	Forefeited Number	Balance at end of year (unvested) Number	Maximum value yet to vest at 30 June 2021 $
Mr M Lynn	-	1,100,000	-	-	1,100,000	203,831
Mr N K Smithson	-	1,350,000	-	-	1,350,000	250,156
Mr C Burton	-	900,000	-	-	900,000	166,771
Mr P Evans[1]	-	-	-	-	-	-
Mr J Spencer-Cotton[2]	-	-	-	-	-	-
Mr A Ho[3]	-	900,000	-	-	900,000	166,771

Notes:
1. Appointed 16 April 2021.
2. Appointed 24 May 2021.
3. Resigned 16 April 2021.

This concludes the remuneration report, which has been audited.

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.

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:

	2021 $	2020 $
Services other than audit and review of financial statements:		
Tax compliance services	8,678	15,900
Total remuneration for non-audit services	8,678	15,900

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 60 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:

Karl Smithson
Executive Director
Dated at Perth this 30th day of September 2021.

	Note	2021 $	2020 $
Other income	7	1,321,765	846,342
Exploration and evaluation expenses		(2,747)	(238,969)
Corporate and administrative expenses		(2,373,493)	(2,029,843)
Impairment losses on property, plant & equipment	10	(965,471)	-
Fair value adjustment to financial liability		(5,421,351)	(6,301,157)
Finance costs		(3,942,228)	(2,204,699)
Loss before income tax		(11,383,525)	(9,928,326)
Income tax benefit / (expense)	8	-	-
Net loss after income tax for the year		**(11,383,525)**	**(9,928,326)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences	19	(5,684,138)	670,779
Other comprehensive income for the year, net of tax		(5,684,138)	670,779
Total comprehensive loss for the year		**(17,067,663)**	**(9,257,547)**
Loss attributable to:			
Owners of the Company		(11,383,250)	(9,925,979)
Non-controlling interest		(275)	(2,347)
		(11,383,525)	**(9,928,326)**
Total comprehensive loss attributable to:			
Owners of the Company		(17,067,694)	(9,255,227)
Non-controlling interest		31	(2,320)
		(17,067,663)	**(9,257,547)**
Basic loss per share (cents)	23	(1.96)	(1.71)

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 2021

	Note	2021 $	2020 $
CURRENT ASSETS			
Cash and cash equivalents	9	1,591,918	1,002,547
Trade and other receivables		449,725	401,415
Inventory		633,608	259,983
Financial assets at amortised cost		8,949	3,340
Other current assets		345,470	226,875
Total Current Assets		3,029,670	1,894,160
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss		300,328	270,000
Property, plant & equipment	10	3,295,430	6,444,356
Mine development asset	13	77,851,411	69,925,518
Exploration and evaluation assets	12	26,502,206	28,647,924
Total Non-Current Assets		107,949,375	105,287,798
TOTAL ASSETS		110,979,045	107,181,958
CURRENT LIABILITIES			
Trade and other payables	14	8,635,387	6,412,656
Employee benefits		104,753	62,802
Lease liability	11	750,612	766,307
Loans and borrowings	15	156,743	137,271
Total Current Liabilities		9,647,495	7,379,036
NON-CURRENT LIABILITIES			
Deferred tax liabilities	8	11,283,311	12,316,622
Lease liability	11	302,968	1,205,841
Loans and borrowings	15	33,392,418	17,486,372
Financial liability at amortised cost	16	6,065,118	6,124,013
Financial liability at fair value through profit or loss	17	15,152,182	10,656,828
Total Non-Current Liabilities		66,195,997	47,789,676
TOTAL LIABILITIES		75,843,492	55,168,712
NET ASSETS		**35,135,553**	**52,013,246**
EQUITY			
Contributed equity	18	102,090,022	102,090,022
Reserves	19	(3,046,426)	2,448,048
Accumulated losses	20	(63,904,514)	(52,521,264)
Non-controlling interest		(3,529)	(3,560)
TOTAL EQUITY		**35,135,553**	**52,013,246**

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

	Contributed Equity $	Other Reserves $	Accumulated Losses $	Total $	Non-controlling interests $	Total Equity $
Balance at 30 June 2020	102,090,022	2,448,048	(52,521,264)	52,016,806	(3,560)	52,013,246
Loss for the year	-	-	(11,383,250)	(11,383,250)	(275)	(11,383,525)
Other comprehensive income/(loss)	-	(5,684,444)	-	(5,684,444)	306	(5,684,138)
Total comprehensive loss for the year	-	(5,684,444)	(11,383,250)	(17,067,694)	31	(17,067,663)
Transactions with equity holders in their capacity as equity holders:	-	-	-	-	-	-
Performance rights issue	-	189,970	-	189,970	-	189,970
Balance at 30 June 2021	102,090,022	**(3,046,426)**	**(63,904,514)**	**35,139,082**	**(3,529)**	**35,135,553**
Balance at 30 June 2019	102,090,022	1,777,296	(42,595,285)	61,272,033	(1,239)	61,270,794
Loss for the year	-	-	(9,925,979)	(9,925,979)	(2,347)	(9,928,326)
Other comprehensive income/(loss)	-	670,752	-	670,752	27	670,779
Total comprehensive loss for the year	-	670,752	(9,925,979)	(9,255,227)	(2,320)	(9,257,547)
Transactions with equity holders in their capacity as equity holders:	-	-	-	-	-	-
Issue of ordinary shares, net of transaction costs	-	-	-	-	-	-
Balance at 30 June 2020	**102,090,022**	**2,448,048**	**(52,521,264)**	**52,016,806**	**(3,560)**	**52,013,246**

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 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Payments to suppliers and administration employees		(1,074,387)	(1,481,124)
Interest and distributions received		1	230,411
Interest paid		(2,303,072)	(481,567)
Net cash (outflow) from operating activities	26	(3,377,458)	(1,732,280)
Cash flows from investing activities			
Payments for investment in financial assets at fair value through profit or loss		-	(750,000)
Distributions received from financial assets at fair value through profit or loss		10,079	50,650
Proceeds from disposal of financial assets at fair value through profit or loss		-	750,000
Proceeds from disposal of property, plant and equipment		115,266	-
Payments for purchase of property, plant and equipment		(89,961)	(1,188,728)
Payments for exploration and evaluation assets – capitalised costs		(168,295)	(4,069,143)
Payments for mine development		(11,116,757)	(16,827,561)
Loan repayment from other entity		-	6,700,000
Net cash (outflow) from investing activities		(11,249,668)	(15,334,782)
Cash flows from financing activities			
Proceeds from borrowings	27	16,164,905	18,497,465
Repayment of borrowings		(270,752)	(159,359)
Payment of borrowing costs		-	(975,200)
Payment of lease liabilities	27	(831,928)	(204,695)
Net cash inflow from financing activities		15,062,225	17,158,211
Net increase in cash and cash equivalents		435,099	91,149
Cash and cash equivalents at 1 July		1,002,547	491,413
Effects of exchange rate changes on cash and cash equivalents		154,272	419,985
Cash and cash equivalents at 30 June	9	**1,591,918**	**1,002,547**

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 30 September 2021.

The nature of the operations and principal activities of the Group is 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, unless otherwise stated.

Going concern

The going concern concept relates to the assessment of the Company's ability to continue its operations (and pay its debts when they fall due) for the next 12 months from the date when the Directors sign the annual report.

For the year ended 30 June 2021, the group incurred a net loss of $11,383,525 (2020: Loss of $9,928,326) and incurred net cash outflows from operating activities of $3,377,458 (30 June 2020: $1,732,280). The Group had a net working capital deficiency of $6,617,825 (30 June 2020: $5,484,876) trade and other payables of $8,635,387 (30 June 2020: $6,412,656) and borrowings of $33,594,161 (2020: $17,623,643) at reporting date.

These conditions indicate a material uncertainty that may cast a significant doubt about the company's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

The Directors believe there will be sufficient funds available for the Company to be able to continue its normal operations and to meet its working capital requirements as at the date of this report and that sufficient funds will be available to finance the operations of the Group based on the following factors and judgements:

- The Company has access to the use of cash reserves of $1,591,918 as at 30 June 2021 ($1,002,547 as at 30 June 2020).
- The Company has the ability to adjust its mine plan expenditure to conserve cash.
- The Company has the ability to draw down approximately US$5.7million of its unused Corporate Bond facility as at 30 June 2021
- Anticipated successful completion of the announced non underwritten, 1:4 non-renounceable rights issue to raise up to $50.8 million.
- The company has support from a number of creditors, in particular, for them to not demand payment of balances due to them until such time as the company completes its rights issue
- The Directors also anticipate the support of its major shareholders and bondholders and are confident in the Company's ability to raise an appropriate level of funding to execute its plans and continue its activities.

2. BASIS OF PREPARATION (continued)

Current assessment of going concern
The cash flow forecast includes a number of financial assumptions regarding the continued development of the mine. The Annual Report has been prepared on a going concern basis taking into account the factors outline in the Directors' assessment above. The cash flow forecast includes a number of financial assumptions regarding the continued development of the Project based on independent engineering and technical studies. The Company has already secured its initial project funding by way of a bonds issue totalling approximately US$30.5m and is now undertaking a non-renounceable rights issue to raise up to AUD$50.8 million. In the event that the Company does not raise sufficient funds to reach a commercial production position it will vary the mine plan and its operational activities to the available cash raised and will require additional longer-term funding to reach this milestone.

Should the Company be unable to secure further funding, it results in a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business at amounts stated in the Annual Report.

The Annual Report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

The Company's auditors have referred to this section when completing their report on the Company's Annual Report.

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 Group has subsidiaries whose operations are located outside of Australia (refer Note 21 for details of subsidiaries). The functional currency for the Group's parent entity is Australian dollars (AUD). The functional currency for the Group's subsidiaries operating outside of Australia is U.S. dollars (USD). The consolidated financial statements are presented in Australian dollars (AUD), which is the Group's presentational currency. All values are rounded to the nearest dollar unless otherwise stated.

4. 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, unless otherwise stated.

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.

The acquisition method of accounting is used to account for business combinations by the Group (refer to business combination policy below).

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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 expected credit losses recognised. Collectability of trade receivables is reviewed on an ongoing basis. The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Investments and other financial assets

Classification

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:
- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Statement of Profit or Loss and Other Comprehensive Income.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the Statement of Profit or Loss and Other Comprehensive Income.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the Statement of Profit or Loss and Other Comprehensive Income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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.

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.

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.

Upon approval for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to mining assets.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Mine properties

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 accumulated losses.

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.

Capital work in progress is projects of a capital nature which usually relates to the construction/installation of buildings, plant or equipment. Upon completion (when ready for use) capital work in progress is transferred to the relevant asset category. Capital work in progress is not depreciated.

Impairment of non-financial assets

Non-financial 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 fair value, 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

(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.

Royalty Obligation- Financial Liability

On the acquisition of Stellar Diamonds plc, Newfield acquired an obligation to pay royalty payments on sales from the combined project (refer Note 17 and 22 for details). The liability for royalty payments is classified as a financial liability at fair value through profit or loss, and is measured at fair value, being the present value of the estimated future cash outflows to be made under the royalty agreement with remeasurement being recognised in profit or loss.

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

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting periods but may impact profit or loss and equity.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Revenue recognition

All revenue is stated net of the amount of goods and services tax. Revenue is recognised when a performance obligation in the contract with a customer is satisfied or when control of the goods or services underlying the particular performance obligation is transferred to a customer.

Sale of goods

Revenue from the sale of diamonds is recognised when the Company sells the product and control has passed to the customer.

The Group engages a marketing agent to facilitate the sale of diamonds in Antwerp, the leading market in the world for rough diamonds. The Company delivers diamonds to the agent where they are cleaned, graded and sorted into parcels in an appropriate manner for sale. The agent arranges appointments with each buyer to view selected parcels of the diamonds during a week of opening. The sale is conducted by way of tenders or auctions. All buyers are credit-qualified and on notification of their successful bid a buyer has a contractual obligation to settle. Settlement to the agent is within 48 hours of closing of the tender/auction. Upon clearance of funds, diamonds are collected by the buyer and the sale is recognised.

Pre-production sales

The Company records all pre-production sales as a reduction of its development and or exploration assets.

Interest

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

Leases

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.
When a contract is entered into, the Group assesses whether the contract contains a lease. A lease arises when the Group has the right to direct the use of an identified asset which is not substitutable and to obtain substantially all economic benefits from the use of the asset throughout the period of use.

The Group separates the lease and non-lease components of the contract and accounts for these separately. The Group allocates the consideration in the contract to each component on the basis of their relative stand-alone prices.

Lease assets and lease liabilities are recognised at the lease commencement date, which is when the assets are available for use. The assets are initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred.

Lease assets are depreciated using the straight-line method over the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and impairment losses, assessed in accordance with the Group's impairment policies.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments are fixed payments.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets, with any excess recognised in the consolidated profit or loss and other comprehensive income statement.

Short term leases (lease term of 12 months or less) and leases of low value assets are recognised as incurred as an expense in the consolidated profit or loss and other comprehensive income statement. Low value assets comprise plant and equipment.

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.

Current and non-current classification

Assets and liabilities are presented in the Consolidated Statement of Financial Position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group has unused tax losses. However, no deferred tax assets have been recognised as it is not considered probable that future taxable profits will be available against which they could be utilised.

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.

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.

5. 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. A copy of the Group's risk management policy can be found on the Company's website at www.newfieldresources.com.au.

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 and where appropriate adopting hedging strategies. Risk management is carried out under the direction of the Board.

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

	2021 $	2020 $
Financial assets		
Cash and cash equivalents	1,591,918	1,002,547
Trade and other receivables	449,725	401,415
Financial assets at amortised cost	8,949	3,340
Financial assets at fair value through profit or loss	300,328	270,000
	2,350,920	1,667,302
Financial liabilities		
Trade and other payables	8,635,387	6,412,656
Loans and borrowings	33,549,161	17,623,643
Financial liabilities at amortised cost	6,065,118	6,124,013
Financial liabilities at fair value through profit or loss	15,152,182	10,656,828
	63,401,848	40,817,140

5. FINANCIAL RISK MANAGEMENT (continued)

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	
	2021 $	**2020 $**	**2021 $**	**2020 $**
US dollars	3,933	18,465	35,385,684	19,972,552
British pound	2,839	309	90,966	62,175
South African rand	-	-	202,836	343,900
Sierra Leonean leone	11,790	4,858	1,280,499	853,002
	18,562	23,632	36,959,985	21,231,629

The Group had net monetary liability denominated in foreign currencies of $36,941,423 (assets $18,562 less liabilities $36,959,985) as at 30 June 2021 (2020: net liability of $21,207,997). Based on this exposure, had the Australian dollar strengthened/weakened by 10% (2020: strengthened/weakened by 10%) against these foreign currencies with all other variables held constant, the Group's loss before tax for the year would have been $3,694,142 higher/lower (2020: $2,120,800 higher/lower) and equity would have been $3,694,142 lower/higher (2020: $2,120,800 lower/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 2021 was $1,203,012 (2020: gain of $355,250).

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 at variable rates. 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:

	2021 $	**2020 $**
Variable rate instruments		
Cash at bank	623	40,621
Fixed rate instruments		
Loans and borrowings (Note 15)	(33,981,872)	(18,269,865)
Lease liabilities	(1,053,580)	(1,972,148)
	(35,034,829)	**(20,201,392)**

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 $6 (2020: $406), 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.

5. FINANCIAL RISK MANAGEMENT (continued)

Market price risk

The Group is involved in the exploration and development of mining tenements for minerals, including gold and diamonds. 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. The Group's market price risk at 30 June 2021 is deemed to be immaterial.

Credit risk

There is a credit risk relating to the cash and cash equivalents that the Group holds in deposits and loan receivable.

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:

	2021 $	2020 $
Cash at bank	1,591,918	1,002,547
Other receivables	449,725	401,415
	2,041,643	1,403,962

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 2021			
Cash at bank	1,542,156	49,762	1,591,918
Other receivables from once-off transactions with third parties	-	449,725	449,725
	1,542,156	**499,487**	**2,041,643**
At 30 June 2020			
Cash at bank[2]	985,289	17,258	1,002,547
Other receivables from once-off transactions with third parties[3]	-	401,415	401,415
	985,289	**418,673**	**1,403,962**

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. Some of the Group's subsidiaries operate in Africa and held cash at African financial institutions. No external credit rating was available for these African financial institutions as at the reporting date.
3. Other receivables represent security deposit, sundry debtors and loan to other entities.

Allowance for expected credit loss

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group's individual assessment of an ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

5. FINANCIAL RISK MANAGEMENT (continued)

For loans and other receivables, the Group assesses the contractual requirements of the loan and assesses the counter party's performance under the instrument terms. Where there is significant variation between the contractual cash flows and actual cash flows, the Group will assess the counterparties ability to repay the debts by requesting financial information and performing an assessment of the credit worthiness of the Counterparty. Where objective evidence shows that the counterparty may be unable to repay part or all of the debt, the Group will record an expected credit loss up to the level of the expected loss taking into account the Groups ability to recover its debts through the operation of guarantees and or security.

No expected credit loss was recognised by the Group for the financial year (2020: $Nil).

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, 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 $
2021					
Trade and other payables	8,635,387	(8,635,387)	(8,635,387)	-	-
Loans and borrowings	34,137,614	(47,747,004)	(4,234,447)	(43,512,557)	-
Lease liabilities	1,053,580	(1,282,953)	(961,465)	(321,488)	-
Other non-current payables	17,348,429	(34,173,561)	-	(16,508,696)	(17,664,865)
	61,175,010	(91,838,905)	(13,813,299)	(60,342,741)	(17,664,865)
2020					
Trade and other payables	6,412,656	(6,412,656)	(6,412,656)	-	-
Loans and borrowings	18,407,136	(23,476,014)	(2,329,655)	(21,146,359)	-
Lease liabilities	1,972,148	(2,683,887)	(1,201,951)	(1,481,936)	-
Other non-current payables	16,780,841	(43,463,615)	-	(26,649,871)	(16,813,744)
	43,572,781	(76,036,172)	(9,944,262)	(49,278,166)	(16,813,744)

6. AUDITOR'S REMUNERATION

	2021 $	2020 $
The following fees were paid or payable to the auditors and the auditors' related practices:		
Audit and review services		
Auditors of the Company - BDO Audit (WA) Pty Ltd	54,500	66,075
Network firms of BDO Audit (WA) Pty Ltd	40,141	48,014
Other auditors	9,067	26,423
Audit and review of financial statements	**103,708**	**140,512**
Other Services		
Auditors' related practice – BDO Corporate Tax (WA) Pty Ltd - in relation to taxation services	8,678	15,900
Network firms of BDO Audit (WA) Pty Ltd - in relation to taxation services	-	-
	8,678	15,900

	2021 $	2020 $
7. REVENUE, OTHER INCOME AND CORPORATE AND ADMINISTRATIVE EXPENSES		
Other income		
Interest income	1	191,863
Gain on sale of assets	78,345	8,775
Fair value gain on investments held at fair value through profit or loss	30,328	239,804
Distribution income	10,079	50,650
Foreign exchange gain	1,203,012	355,250
	1,321,765	846,342

8. INCOME TAX

(a) Income tax expense

Current tax expense	-	-
Deferred tax expense	-	-
	-	-

(b) Numerical reconciliation between tax expense and pre-tax net loss

Loss before income tax expense	(11,383,525)	(9,928,327)
Income tax benefit calculated at rates at 30% (2020:30%)	(3,415,057)	(2,978,498)
Effect of non-deductible items	2,253,935	1,963,029
Timing difference and tax losses not recognised	725,432	850,941
Differences in tax rate of subsidiaries operating in other jurisdictions	435,690	164,527
Income tax expense	-	-

(c) Deferred tax assets and liabilities not brought to account

The potential tax benefit for the following items for which no deferred tax asset has been recognised is as follows:

Carry forward tax losses	4,072,773	4,508,085
Capital raising costs	-	10,600
Lease asset	-	591,644
Lease liability	-	(630,282)
Interest	1,049,642	-
Other	(388,182)	7,898,349
	4,734,234	12,378,395

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.

The temporary difference relating to the following item for which no deferred tax liability has been recognised is as follows:

Other	-	-
Exploration, evaluation and development costs	-	-
	-	-

(d) Deferred tax liabilities recognised

Exploration and evaluation assets (Note 12)	11,283,311	12,316,622
	11,283,311	12,316,622

9. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	**1,591,918**	**1,002,547**

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 5.

10. PROPERTY, PLANT & EQUIPMENT

	2021 $	2020 $
Furniture & fittings – at cost	55,805	63,538
Less: Accumulated depreciation	(51,613)	(55,741)
	4,192	7,798
Motor vehicles – at cost	542,194	591,847
Less: Accumulated depreciation	(312,174)	(237,658)
	230,020	354,189
Plant & equipment – at cost	7,302,293	8,795,614
Less: Accumulated depreciation	(4,241,075)	(2,713,245)
	3,061,218	6,082,369
	3,295,430	**6,444,356**

Reconciliations of carrying amount	**Furniture & Fittings $**	**Motor vehicles $**	**Plant & equipment $**	**Total $**
Balance at 1 July 2019	10,539	24,188	4,039,185	4,073,912
Recognition of right of use asset on initial application of AASB 16	-	-	35,771	35,771
Additions & transfers	-	386,663	3,276,965	3,663,628
Disposals	-	-	(42,497)	(42,497)
Depreciation	(2,741)	(49,213)	(1,319,280)	(1,371,234)
Foreign exchange differences	-	(7,449)	92,225	84,776
Balance at 30 June 2020	7,798	354,189	6,082,369	6,444,356
Balance at 1 July 2020	7,798	354,189	6,082,369	6,444,356
Additions & transfers	-	-	89,962	89,962
Disposals	(996)	-	(42,544)	(43,539)
Impairment	-	-	(965,471)	(965,471)
Depreciation	(2,610)	(95,014)	(1,779,664)	(1,877,288)
Foreign exchange differences	-	(29,155)	(323,435)	(352,590)
Balance at 30 June 2021	4,192	230,020	3,061,218	3,295,430

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation 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 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.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

10. PROPERTY, PLANT & EQUIPMENT (continued)

Leases

Judgement is required when assessing whether a contract is or contains a lease at inception by assessing whether the Group has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset.

Determination of construction completion date

The Group assessed when an item of capital work in progress is deemed available for use, being when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group considers various factors when considering when the asset is deemed available for use, including when the asset can be substantially operate as intended.

11. LEASE LIABILITY

	2021 $	2020 $
Current	750,612	766,307
Non current	302,968	1,205,841
Total	**1,053,580**	**1,972,148**
Reconciliation of movements in the balance		
Opening balance	1,972,148	-
Amounts recognised on transition	-	35,771
Additions	-	2,446,290
Less: amount repaid	(1,098,640)	(979,224)
Interest	398,641	394,104
Foreign exchange movements	(218,569)	75,207
Closing balance at end of year	**1,053,580**	**1,972,148**

The right of use assets are disclosed as plant & equipment in Note 10.

	2021 $	2020 $
Reconciliation of movements in Right of Use Assets		
Opening balance	2,100,942	-
Amounts recognised on transition	-	35,771
Additions	-	2,446,290
Depreciation	(900,030)	(381,119)
Closing balance at end of year	**1,200,912**	**2,100,942**

12. EXPLORATION AND EVALUATION ASSETS

	2021 $	2020 $
Exploration and evaluation costs carried forward in respect of areas of interest	**26,502,206**	**28,647,924**
Reconciliation		
Carrying amount at beginning of the year	28,647,924	74,325,756
Exploration and evaluation	259,245	1,892,858
Exploration and evaluation assets written off (Australian gold project)	-	(70,594)
Transfer to mine development	-	(47,948,678)
Foreign exchange differences	(2,404,963)	448,582
Carrying amount at end of the year	**26,502,206**	**28,647,924**

Assumptions used to carry forward the exploration assets

The write-off, impairment or carrying forward of exploration expenditure is based on a periodic assessment of the viability of an area of interest and/or the existence of economically recoverable reserves. This assessment is based on pre-determined impairment indicators, taking into account the requirements of the accounting standard, and with the information available at the time of preparing this report. Information may come to light in subsequent periods which requires the asset to be impaired or written down for which the directors were unable to predict the outcome.

The Group has made a decision to mine a number of targets which contain the resource within the area of interest. The capitalised expenditure relating to these targets has been transferred to the development asset. The decision to mine was based on a positive final investment decision and funding sourced.

13. MINE DEVELOPMENT ASSET

	2021 $	2020 $
Mine property development costs carried forward in respect of mine development	**77,851,411**	**69,925,518**
Reconciliation		
Transfer from exploration and evaluation assets	69,925,518	47,948,678
Development expenditure	13,446,369	21,308,905
Capitalised depreciation from property, plant & equipment	-	946,111
Transfers to property, plant & equipment	-	(1,188,728)
Foreign exchange differences	(5,520,476)	910,552
Carrying amount at end of the year	**77,851,411**	**69,925,518**

Impairment of mine properties
The Group undertakes an impairment review to determine whether any indicators of impairment are present. Where indicators of impairment exist, an estimate of the recoverable amount of the Cash Generating Unit (CGU) is made. 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. Where an impairment loss subsequently reverses, the carrying amount of the asset, other than goodwill, is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Development start date
The Group assesses the stage of each exploration project to determine when a project moves into the development phase from the exploration and evaluation phase, this being when management determine the decision to develop has been executed.

14. TRADE AND OTHER PAYABLES

Trade creditors and accruals	**8,635,387**	**6,412,656**

Trade payables are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature. The Group's exposure to various risks associated with trade and other payables are disclosed in Note 5.

15. LOANS & BORROWINGS

Current

Insurance premium funding	**156,743**	**137,271**

The Group has an insurance premium funding arrangement under which the principal and interests will be repaid by ten equal monthly instalments. A flat interest rate of 4.50% (2020: 4.50%) was charged by the lender. The Group's exposure to various risks associated with loans and borrowings are disclosed in Note 5. The carrying amount of loans and borrowings approximates its fair value.

Non Current

Bonds	**33,980,871**	**18,269,865**
Less amortised borrowing costs	**(588,453)**	**(783,493)**
	33,392,418	**17,486,372**

The Group issued unlisted, unsecured corporate bonds during the prior period. The coupon rate is 12% per annum, payable semi annually on 30 June and 31 December each year. The bonds are to be repaid at the later of the maturity date, being three years post each drawdown date, or the repayment date, being the earlier of 12 months after Newfield makes an ASX announcement declaring commercial production or five years after the first drawn down date. The corporate bonds have project covenants that have not been breached during the reporting period. As at 30 June 2021, the Group has US$5.7 million undrawn. The Group's exposure to various risks associated with non-current borrowings are disclosed in Note 5.

16. FINANCIAL LIABILITIES AT AMORTISED COST

Contractual liability acquired through business combination	**6,065,118**	**6,124,013**

During the 2018 financial year the Group acquired 100% interest in Stellar Diamonds Plc (**Stellar**), an AIM-listed diamond explorer. Stellar, through its wholly owned subsidiary, own the Tongo Project in Sierra Leone which lay adjacent to the Tonguma Project owned by Tonguma Limited. Stellar and its wholly owned subsidiaries entered into a Tribute Mining Agreement (**TMA**) and Revenue Share Agreement (**RSA**) with Tonguma Limited and its parent entity Octea Limited (together as "**Octea Group**") which allowed Stellar to bring both projects together into production under the same production infrastructure (**Combined Project**). Under the terms and conditions of the TMA and RSA, as consideration, Stellar would pay Octea Group cash US$5.5 million by March 2023, which has been recognised as a non-current payable in Stellar's accounts.

The fair value of this non-current liability was based on discounted cash flows using an estimated current borrowing rate of 10% (2020: 10%). This non-current liability is carried at amortised cost. Total interest expense recognised for the year in relation to this non-current payable is $457,579 (2020: $508,567). The Group's exposure to various risks associated with other non-current payables are disclosed in Note 5.

17. FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS

Stellar, through its wholly owned subsidiary, owned the Tongo Project in Sierra Leone which lay adjacent to the Tonguma Project owned by Tonguma Limited. Stellar and its wholly owned subsidiaries entered into a Tribute Mining Agreement (**TMA**) and Revenue Share Agreement (**RSA**) with Tonguma Limited and its parent entity Octea Limited (together as "**Octea Group**") which allowed Stellar to bring both projects together into production under the same production infrastructure (**Combined Project**).

Under the terms and conditions of the TMA & RSA, Stellar would pay to Octea Group cash US$5 million and GBP85,346 (**Octea Initial Payment**) as soon as any revenue generated from the Combined Projects were not required for working capital for the following 3 months. Stellar would also pay to Octea Group 10% royalty on all sales revenue generated from the Combined Project (after paying any Sierra Leone government royalties of 6.5%) from the date on which the Octea Initial Payment had been paid in full (**Octea Royalty Payment)**.

The timing and amount of the Octea Royalty Payments are subject to significant estimates and judgements including the length of time it takes for the Octea Initial Payment to be paid in full and the Company's ability to produce and sell diamonds from the Combined Project. The fair value of the financial liability has been determined based on the front end engineering design study (FEED study) completed by an external consulting firm in April 2019. The discounted cash flows are based on inputs from this study which included a life of mine model.

	2021 $	**2020 $**
Financial liability	15,152,182	10,656,828
	15,152,182	**10,656,828**

The following table gives the main assumptions made in determining the fair value of financial liability as at 30 June 2021. The valuation uses a number of inputs which are considered to be level 3 unobservable market data. The key inputs are:

Items	Unit	Value	Commentary
Revenue per carat	$/ct	US220-222	Part of the external consultants FEED study which determined the estimated quality of the diamonds using the data from the resource to reserve upgrade process and the observable market data for diamond sales over the last 2 years.
Kimberlite grade	cpht	120	Part of the external consultants FEED study which determined the estimated.
Repayment period for capital expenditure	yrs	5	Estimated time frame to recover costs based on the life of mine model.
Discount rate	%	20.09	Rate determined using external support for the risk free rate (Sierra Leone equity risk premium), and counterparty expected rate of return.

18. CONTRIBUTED EQUITY	**2021 $**	**2020 $**
581,299,552 fully paid ordinary shares (2020: 581,299,552 fully paid ordinary shares)	**102,090,022**	**102,090,022**

(a) Ordinary shares

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

	2021 Number	**2020 Number**	**2021 $**	**2020 $**
Balance at the beginning of the year	581,299,522	581,299,522	102,090,022	102,090,022
Balance at the end of the year	581,299,552	581,299,552	102,090,022	102,090,022

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.

19. OTHER RESERVES

	2021 $	2020 $
Share Based Payments Reserve		
Balance at beginning of year	313,933	313,933
Share based payment expenses	189,970	-
Balance at end of year	503,903	313,933
Foreign Currency Translation Reserve		
Balance at beginning of year	2,134,115	1,463,363
Currency translation differences on translation of foreign operations	(5,684,444)	670,752
Balance at end of year	(3,550,329)	2,134,115
Total	**(3,046,426)**	**2,448,048**

Share based payments reserve

The reserve is used to recognise the values attributed to options over ordinary shares granted to employees and consultants in consideration for the provision of services. Refer to Note 28 for details of share based payments in prior 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 subsidiaries whose operations are located outside of Australia (refer Note 21 for details of subsidiaries). The functional currency for the Group's subsidiaries operating outside of Australia is U.S. dollars (USD). In accordance with the Group's accounting policies as disclosed in Note 4, 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 2021 was AUD1 = USD0.7508 (at 30 June 2020 was AUD1 = USD0.6878). The income and expenses of foreign operations are translated into AUD at the dates of the transactions.

20. ACCUMULATED LOSSES

	2021 $	2020 $
Accumulated losses at the beginning of the year	**(52,521,264)**	**(42,595,285)**
Net loss for the year	(11,383,250)	(9,925,979)
Accumulated losses at the end of the year	**(63,904,514)**	**(52,521,264)**

21. 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 4:

Name of entity	Place of business/country of incorporation	Ownership interest held by the Group 2021	2020	Principal activities
Allotropes Diamonds Pty Ltd	Australia	100%	100%	Mineral Exploration
Allotropes Diamond Company Ltd	Sierra Leone	100%	100%	Mineral Exploration
Stellar Diamonds Limited	United Kingdom	100%	100%	Holding company
Stellar Diamonds Limited	Guernsey	100%	100%	Holding company
Basama Diamonds Ltd	Republic of Seychelles	100%	100%	Prospecting and exploration of diamonds
Basama Diamonds Ltd (Sierra Leone Branch)	Sierra Leone	100%	100%	Prospecting and exploration of diamonds
Sierra Diamonds Limited	British Virgin Islands	100%	100%	Prospecting and exploration of diamonds
Sierra Diamonds Limited (Sierra Leone Branch)	Sierra Leone	100%	100%	Prospecting and exploration of diamonds

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 4:

Name of entity	Place of business/country of incorporation	Ownership interest held by the Group 2021	2020	Principal activities
Allotropes Mining Company Ltd*	Sierra Leone	100%	100%	Mineral Exploration
Stellar Diamonds (Liberia) Incorporated	Liberia	90%	90%	Prospecting and exploration of diamonds

* The non-controlling interest holds 25% of the voting rights of Allotropes Mining Company Ltd.

22. COMMITMENTS AND CONTINGENCIES

Capital expenditure commitments

In the prior period, the Group entered into a contract with a supplier for the supply of a diamond extraction machine with a gross contract value of $1.45 million. Capital expenditure contracted for in relation to this at the end of the reporting period but not recognised as liabilities is as follows:

	2021 $	2020 $
Payable within one year	545,853	1,097,737

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:

	2021 $	2020 $
Within one year	2,564,966	2,296,327
After one year but not more than five years	8,966,046	10,753,121
More than five years	18,363,348	22,651,241
	29,894,360	**35,700,689**

22. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contingencies

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.

Pursuant to the Tribute Mining Agreement and Revenue Share Agreement entered into with Octea Group Limited, the Group agreed to pay to Octea Group cash USD5 million and GBP85,346 (**Octea Initial Payment**) as soon as any revenue generated from the Combined Project are not required for working capital for the following 3 months. The Group must also pay to Octea Group 10% royalty on all sales revenue generated from the Combined Project (after paying any Sierra Leone government royalties) from the date on which the Octea Initial Payment has been paid in full (**Octea Royalty Payment**). Refer to Note 17 for further details of contingent liabilities arising under the Tribute Mining Agreement and Revenue Share Agreement which have been recognised as liabilities on acquisition of Stellar. The fair value of this obligation was determined to be $3,495,249 at the date of acquisition, and $15,152,182 at 30 June 2021 (2020: $10,656,828).

A Community Development Agreement was signed in November 2019 which includes a 0.3% gross revenue royalty on diamond export valuation to be paid into a community development fund.

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

23. EARNINGS/(LOSS) PER SHARE

Basic and diluted loss per share

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

	2021 $	2020 $
Loss attributable to ordinary shareholders of Newfield Resources Limited		
Net loss for the year	(11,383,525)	(9,928,326)
Weighted average number of ordinary shares	**Number**	**Number**
Balance at beginning of year	581,299,552	581,299,552
Effect of shares issued during the financial year	-	-
Weighted average numbers of ordinary shares on issue during the year	**581,299,552**	**581,299,552**

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.

24. SEGMENT REPORTING

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

	Mine Development Africa $	Mineral Exploration Australia $	Mineral Exploration Africa $	Corporate $	Group $
2021					
Segment income	77,340	-	-	1,244,425	1,321,765
Impairment loss	-	-	-	-	-
Segment result	7,595,951	-	2,747	3,784,827	11,383,525
Segment assets	82,346,390	-	26,566,655	2,066,000	110,979,045
Segment liabilities	(32,151,520)	-	(7,212,162)	(36,476,810)	(75,843,492)
2020					
Segment income	8,774	-	-	837,568	846,432
Impairment loss	-	-	-	-	-
Segment result	7,054,617	70,594	168,375	2,634,740	9,928,326
Segment assets	69,925,518	-	33,720,533	3,535,907	107,181,958
Segment liabilities	(27,316,645)	-	(7,872,642)	(19,979,425)	(55,168,712)

Geographical information

	Income		Geographical non-current assets	
	2021 $	2020 $	2021 $	2020 $
Australia	1,247,577	837,568	320,224	2,378,739
Liberia	-	-	1,963,214	1,993,935
Sierra Leone	77,340	8,774	105,665,936	100,915,124
	1,321,765	846,432	107,949,374	105,287,798

25. RELATED PARTY TRANSACTIONS

(a) Parent entity

The Group is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest 2021	Ownership interest 2020
Newfield Resources Limited	Ultimate Australian parent entity	Australia	100%	100%

(b) Subsidiaries

Interests in subsidiaries are set out in Note 21.

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Key management personnel compensation

	2021 $	2020 $
Short-term & post employment benefits	669,967	741,326
Share based payments	189,970	-
Bonus	-	186,930
Total compensation	**859,937**	**928,256**

Detailed remuneration disclosures are provided in the Remuneration Report on pages 17 to 21.

(d) 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.

Mr N K Smithson's spouse also provided administrative and secretarial services to a subsidiary of the Group during the financial year on normal commercial terms and conditions.

Mr N K Smithson paid for transactions on an as required basis during the year on behalf of the Group.

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 2021 $	Transactions value year ended 30 June 2020 $	Balance outstanding as at 30 June 2021 $	Balance outstanding as at 30 June 2020 $
Mr A Ho	Fees for company secretarial services provided	-	30,000	-	11,000
Mr N K Smithson	Fees for administrative and secretarial services provided	4,072	9,725	-	-
	Reimbursement- payment for expenses via personal account	46,608	14,619	-	14,273
Mr C Burton	Fees for advisory services	24,743	63,003	70,192	46,998

Outstanding balances are unsecured and are repayable in cash.

26. RECONCILIATION OF CASH FLOWS USED IN OPERATING ACTIVITIES

	2021 $	2020 $
Cash flows from operating activities		
Loss for the year	(11,383,525)	(9,928,326)
Adjustments of non-cash/non-operating items:		
Depreciation	902,640	383,859
Interest amortisation	195,040	191,707
Gain on sale of assets	(78,345)	(8,775)
Investment distributions	(10,079)	(50,650)
Fair value adjustment of financial assets	(30,328)	(239,804)
Share based payment	189,970	-
Foreign exchange gains	(1,199,592)	(349,158)
Exploration expenditure written off	-	70,594
Fair value adjustment of financial liability	5,421,351	6,301,157
Impairment of property plant & equipment	965,471	-
Conversion of interest in bond	483,945	-
Other exploration and evaluation expenditure	-	144,903
Operating loss before changes in working capital and provisions	(4,543,452)	(3,484,493)
Change in trade and other receivables	-	38,548
Change in other assets	(40,948)	(75,266)
Change in trade and other payables	1,206,942	1,788,931
Change in provisions	-	-
Net cash used in operating activities	(3,377,458)	(1,732,280)

Non-cash investing and financing activities

	2021 $	2020 $
Acquisition of right of use assets (Note 11)	-	2,482,061

27. RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table shows a reconciliation of the Group's liabilities whose cash flow movements are disclosed as part of financing activities in the Consolidated Statement of Cash Flows.

	Opening balance	Non-cash changes				Cash inflows	Cash outflows	Closing balance
		Settlement through issue of shares	Interest accrued	Amortisation	Foreign exchange movements			
	$	$	$	$	$	$	$	$
2021								
Long-term borrowings	18,269,865	483,945	-	-	(645,978)	15,873,040	-	33,980,872
Short-term borrowings	137,271	-	-	-	-	291,865	(272,394)	156,743
Lease liabilities	1,972,148	-	398,641	(266,712)	(218,569)	-	(831,928)	1,053,580
Total	**20,379,284**	**483,945**	**398,641**	**(266,712)**	**(864,547)**	**16,164,905**	**(1,104,322)**	35,191,195

27. RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)

	Opening balance	Non-cash changes				Cash inflows	Cash outflows	Closing balance
		Recognised on transition/ Additions	Interest accrued	Amortisation	Foreign exchange movements			
2020	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Long-term borrowings	-	-	-	-	21,880	18,247,985	-	18,269,865
Short-term borrowings	47,150	-	-	-	-	249,480	(159,359)	137,271
Lease liabilities	-	2,482,061	394,104	(625,541)	75,207	-	(353,683)	1,972,148
Total	**47,150**	**2,482,061**	**394,104**	**(625,541)**	**97,087**	**18,497,465**	**(513,042)**	**20,379,284**

28. SHARE BASED PAYMENTS

At the annual general meeting held on 30 November 2020, shareholders approved the grant of 4,250,000 performance rights to the directors.

Holder	Class	Number	Grant Date	Probability	Expiry Date of milestone achievement	Fair value per right	Total Fair Value
Nicholas Karl Smithson	A	675,000	30/11/2020	100%	30/11/2023	$0.23	$155,250
	B	675,000	30/11/2020	100%	30/11/2023	$0.23	$155,250
Michael Lynn	A	550,000	30/11/2020	100%	30/11/2023	$0.23	$126,500
	B	550,000	30/11/2020	100%	30/11/2023	$0.23	$126,500
Anthony Ho	A	450,000	30/11/2020	100%	30/11/2023	$0.23	$103,500
	B	450,000	30/11/2020	100%	30/11/2023	$0.23	$103,500
Christopher Burton	A	450,000	30/11/2020	100%	30/11/2023	$0.23	$103,500
	B	450,000	30/11/2020	100%	30/11/2023	$0.23	$103,500

The performance rights were valued at 23 cents a share being the share price on approval date 30 November 2020. Vesting occurs at the end of the performance period dated 30 November 2023, if the following performance conditions are met:

A) Upon announcement by the Company on the ASX market announcements platform that it has achieved

i. at least a further 250 metres of underground development on the Kundu kimberlite dyke (when compared to the underground development as at the date of the Meeting), with all associated underground electrical, pumping and rescue bay infrastructure fully incorporated; and

ii. the establishment of underground Level-1 development and return airway development on the Kundu kimberlite dyke.

B) Upon announcement by the Company on the ASX market announcements platform that it has achieved

i. at least a further 250 metres of underground development on the Kundu kimberlite dyke (when compared to the underground development as at the date of the Meeting), with all associated underground electrical, pumping and rescue bay infrastructure fully incorporated;

ii. the establishment of underground Level-1 development and return airway development on the Kundu kimberlite dyke; and

iii. diamond production from the Kundu kimberlite dyke of not less than 5,000 carats.

A share-based payment expense of $189,970 was recognised in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021.

29. PARENT ENTITY DISCLOSURES

As at and throughout the financial year ended 30 June 2021 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	
	2021	**2020**
	$	**$**
Profit/(Loss) after income tax	(16,305,737)	(2,751,097)
Total comprehensive profit/(loss)	(16,305,737)	(2,751,097)

Statement of financial position

	2021 $	2020 $
Current assets	2,072,759	1,484,785
Total assets	70,609,737	71,161,273
Current liabilities	(3,781,402)	3,220,346
Total liabilities	(37,476,789)	21,912,558
Net assets	33,132,948	49,248,715
Shareholder's equity		
Issued capital	102,090,022	102,090,022
Share based payments reserves	503,903	313,933
Accumulated losses	(69,460,977)	(53,155,240)
Total equity	33,132,948	49,248,715

(a) Guarantees entered into by the parent entity

The parent entity did not provide any guarantees during the financial year (2020: nil).

(b) Contingent liabilities of the parent entity

Other than the contingencies disclosed in Note 22, the parent entity did not have any other contingent liabilities at year end (2020: nil).

(c) 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 (2020: nil).

30. EVENTS SUBSEQUENT TO REPORTING DATE

On 13 September 2021, the Company announced a non underwritten 1:4 non-renounceable rights issue to raise up to $50.8 million.

The Company has been significantly impacted by the COVID-19 pandemic since it commenced in March 2020 as lockdowns across Africa continued to disrupt the flow of human resources and the Company's supply chain. The Company has developed strategies to combat the effects of the pandemic for its staff and its supply chains, however, it continues to work within the constraints of various Government measures and is continuing to adapt to the new normal. The Company has implemented all of its COVID 19 measure on site and is constantly monitoring the effects on the Africa continent to adapt its plans as situations present themselves.

Other than what has been disclosed in the accounts, no matters or events have arisen since 30 June 2021 which have significantly affected, or may significantly affect, the operations of the Group, the results of the operations, or the state of affairs of the Group in future financial years.

In the opinion of the Directors of Newfield Resources Limited:

(a) the financial statements and notes set out on pages 23 to 54, 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 2021 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.

Karl Smithson
Executive Director

30th September 2021
Perth

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INDEPENDENT AUDITOR'S REPORT

To the members of Newfield Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Newfield Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, 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, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is 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 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Fair value of financial liability through profit or loss

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 17 to the Financial Report, the fair value of the financial liability through profit or loss represents a significant liability of the Group and is impacted by various key estimates and judgements, in particular the following: • Revenue per carat; • Kimberlite grade; • Timing of cash flows including repayment period for capital expenditure; and • Discount rate. Due to the significant estimates and judgements involved in valuing this liability, we consider this to be a key audit matter.	Our procedures included, but were not limited to: • Assessing management's fair value calculation of the financial liability against the requirements of *AASB 13 Fair Value* and a market participant's perspective; • Assessing the appropriateness of management's model by assessing the significant assumptions, methods and source data used by management; • Assessing the appropriateness of management's discount rate used on the fair value assessment in conjunction with our internal valuation experts; and • Assessing the adequacy of the related disclosures within Note 17 to the Financial Report.

Carrying value of mine development asset

Key audit matter	*How the matter was addressed in our audit*

Refer to Note 13 of the financial statements, for disclosure over the mine development asset.
 	
The Group is required to assess for indicators of impairment at each reporting period. The assessment of impairment indicators in relation to the mine development asset requires management to make significant accounting judgement and estimates which includes discount rates, commodity prices and ore reserve estimates.
 	
The carrying value of mine development asset was determined to be a key audit matter due to the quantum of the assets and the significant judgement involved in management's assessment of the carrying value.
	Our procedures included, but were not limited to:
	• Verifying on a sample basis, mine development expenditure capitalised during the year for compliance with the measurement and recognition criteria of accounting standards;
	• Evaluating management's assessment of indicators of impairment as at 30 June 2021 under the Australian Accounting Standards by:
	  ◦ Comparing the carrying amount of the Group's net assets against the market capitalisation,
	  ◦ Comparing changes in diamond pricing assumptions to independent forecasts;
	  ◦ Assessing for adverse changes to discount rates;
	  ◦ Reviewing board meeting minutes, management's position papers and holding discussions with key management to understand the impact of COVID-19 on the Tongo Diamond Project; and
	• Assessing the adequacy of the related disclosures in Note 4 and Note 13 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 21 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Newfield Resources Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 30 September 2021

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

As lead auditor of Newfield Resources Limited for the year ended 30 June 2021, 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.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2021

Details of shares as at 21 September 2021:

Top holders

The 20 largest registered holders of each class of quoted equity security as at 21 September 2021 were:

Fully paid ordinary shares – quoted

	Name	No. of Shares	%
1.	Rustiyan Oen	151,793,028	26.11
2.	QP & Co Pty Ltd <Quppi Family A/C>	37,813,875	6.51
3.	Wonder Holding Pty Ltd	29,385,849	5.06
4.	Deutsche Balaton Aktiengesellschaft	28,518,073	4.91
5.	Anrinza Future Pty Ltd	26,418,185	4.54
6.	PT Griyainsani Cakrasadaya	25,000,000	4.3
7.	Kreo Capital Management Pte Ltd	18,700,000	3.22
8.	Ka Bio Ong	18,200,000	3.13
9.	Kingsfield Pty Ltd	16,835,203	2.9
10.	Suryandy Jahja	15,068,848	2.59
11.	BNP Paribas Nominees Pty Ltd	13,065,486	2.25
12.	Asia Pacific Horizon Capital Ltd	12,380,080	2.13
13.	Delphi Unternehmensberatung Aktiengesellschaft	10,200,000	1.75
14.	Citicorp Nominees Pty Limited	9,038,768	1.55
15.	Bnp Paribas Nominees Pty Ltd Six Sis Ltd <DRP A/C>	8,260,079	1.42
16.	Ms May Ern Gloria Lai	8,000,000	1.38
17.	Mr Hoong Ngai Christopher Lai	8,000,000	1.38
18.	Chewkart Super Pty Ltd	7,500,000	1.29
19.	Creditforce Limited	7,124,838	1.23
20.	Mutual Street Pty Ltd	7,072,297	1.22
		458,374,609	78.87

Distribution schedules

A distribution schedule of each class of equity security as at 21 September 2021:

Fully paid ordinary shares

Range			Holders	Units	%
1	-	1,000	103	15,910	0.00
1,001	-	5,000	100	330,085	0.06
5,001	-	10,000	116	957,307	0.17
10,001	-	100,000	199	7,236,180	1.25
100,001	-	Over	145	572,760,070	98.52
Total			663	581,299,552	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
Rustiyan Oen	151,793,028
QP & Co Pty Ltd <Quppi Family A/C>	37,813,875
Wonder Holding Pty Ltd	29,410,849

Restricted securities or securities subject to voluntary escrow

As at 21 September 2021, the Company had no restricted securities on issue.

Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares (being 1,282 shares as at 21 September 2021):

Holders	Units
110	24,125

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.

Schedule of Tenements at 23 September 2021

PROJECT	TENEMENT NUMBER	TENEMENT NAME	AREA (km^2)	STATUS	NEWFIELD'S INTEREST
SIERRA LEONE					
TONGO KIMBERLITE MINE	ML02/2018	Tongo	9.98	Granted	100%
	ML02/2012	Tonguma	124	Granted	Nil but subject to the tribute mining agreement
LIBERIA					
KUMBGO PROJECT	MEL1157/14	Kumgbo	300.00	Granted	90%
	MEL1158/14	Kumgbo	370.54	Granted	90%
WESTERN AUSTRALIA					
NEWFIELD GOLD PROJECT	M77/0422*	Newfield	0.85	Granted	100%
	M77/0846*	Woongaring Hills	0.39	Granted	100%

* Subject to farm-out agreement with DiscovEx Resources Limited (previously named Syndicated Metals Limited).