

## ASX Announcement

31 July 2024

# QUARTERLY ACTIVITIES REPORT

## 30 June 2024

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

### 1. Safety

There were zero lost time injuries (**LTI**) recorded during the period, and the Company registered 768 LTI free days at the end of the quarter. The last LTI was recorded on 24 May 2022. The life of mine Loss Time Injury Frequency Rate (**LTIFR**) has improved to 0.33 (previous quarter: 0.34). The reporting calculation is based on 200,000 hours worked.

### 2. Operations - Tongo Diamond Mine Development

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

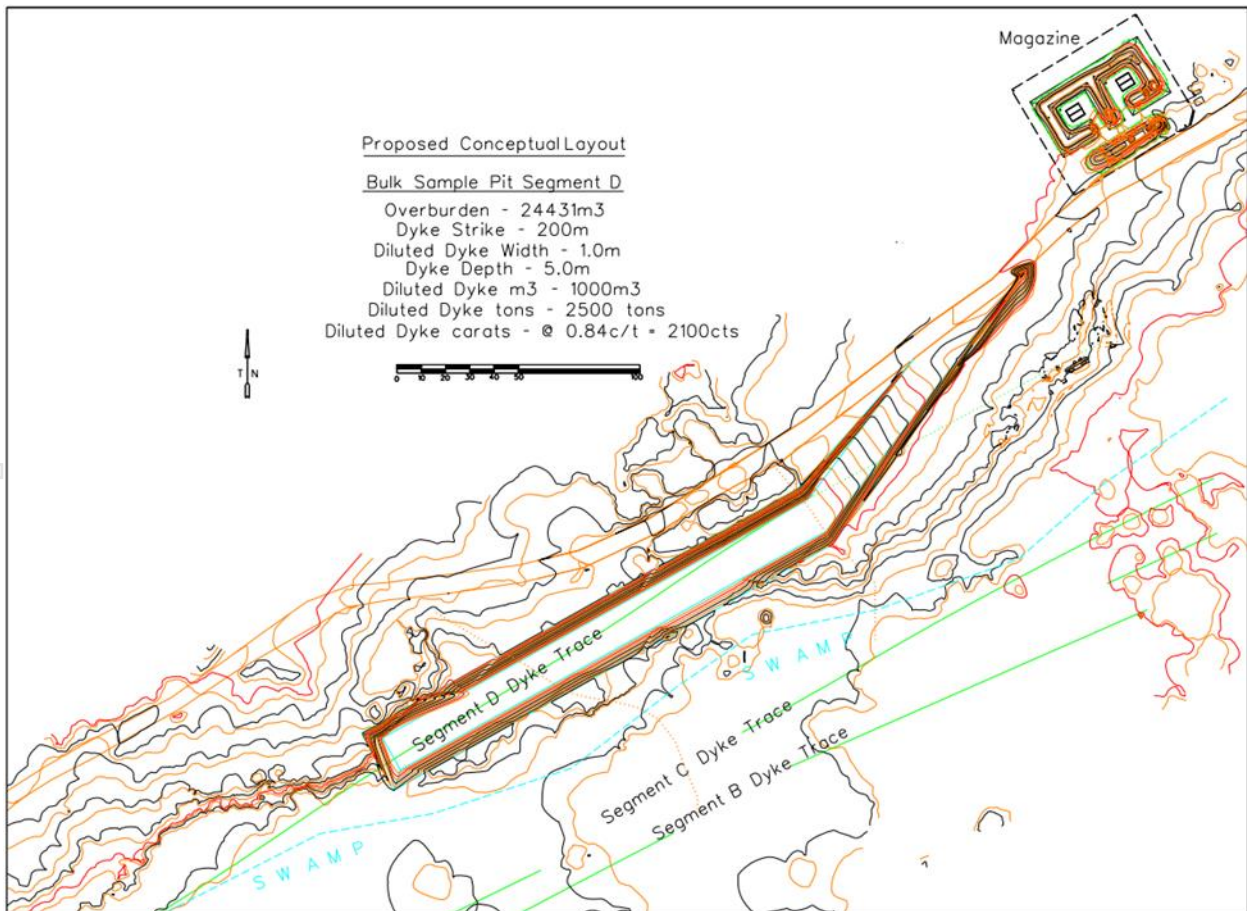
The Company has commenced preparations to undertake a surface bulk sample of the Kundu Segment D kimberlite which is aimed at generating a +2,000 carat sample for diamond grade and value estimations. This area of the dyke is currently classified as an inferred resource segment with an estimated grade of 2.9 carats per tonne at a +1.18mm cut-off. If successful, the results of the sample would enable an upgrade of that Segment to the indicated resource status.

A surveyed plan has been prepared prior to the onset of stripping of the sample area and a ramp will now be constructed to access the top of Kundu Segment D kimberlite over a 200m strike length (Figures 1 and 2). Extraction of kimberlite to a depth of 5m is planned and would yield in the region of 2,500 tons of diluted ore/waste which will be hauled to the processing plant. Assuming an in-situ grade of 2.9 carats per tonne, and taking into account estimated dilution, the sample is expected to yield 2,100 carats for valuation.

Figure 1: Kundu Kimberlite Segments A to G



Figure 2: Kundu Segment D Bulk Sample Conceptual Plan



### 3. ESG

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

In 2023 the Company commenced a Carbon Footprint Management Programme, whereby CO<sub>2</sub> emissions are recorded from a variety of sources including generator sets, vehicles and air conditioners. Total emissions in 2023 were recorded at 2,144.77 tCO<sub>2</sub>e. Total emissions in Q1 and Q2-24 combined were recorded at 708.44 tCO<sub>2</sub>e.

*Table 1: Tongo Mine Greenhouse Gas Emissions*

Scope	Activity Type	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	TOTAL
Scope 1	Stationary combustion	80.84	95.63	79.72	75.03	68.64	63.78							463.62
	Mobile combustion	7.80	7.40	6.27	3.10	6.01	4.92							35.51
	Fugitive emissions from air-conditioning	21.00	20.08	32.98	35.33	29.79	13.30							152.47
Scope 1 - Total		109.64	123.10	118.97	113.46	104.44	81.99							651.60
Scope 2	Purchased and Consumed Electricity	N/A	N/A	N/A	N/A	N/A	N/A							N/A
	Purchased and Consumed Heat & Steam	N/A	N/A	N/A	N/A	N/A	N/A							N/A
Scope 2 - Total		N/A	N/A	N/A	N/A	N/A	N/A							N/A
Scope 3	Waste generated in operations	1.20	0.94	0.72	0.68	0.56	0.55							4.65
	Business travel	13.17	9.70	17.93	3.86	4.76	2.78							52.19
	Employee commuting	0.00	0.00	0.00	0.00	0.00	0.00							0.00
Scope 3 - Total		14.37	10.63	18.65	4.54	5.31	3.33							56.84

As part of the Company's carbon offset strategy a total of 225 tree saplings were planted during the quarter. A total of 527 saplings have been planted year to date on the project area.

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

#### People

Newfield's subsidiary, Sierra Diamonds Limited, employs 213 people at the Tongo Mine in Sierra Leone. Of these, 195 (92%) are local Sierra Leoneans, and 18 (8%) are skilled expatriates. Positions are regularly offered to graduate trainees and interns to have on-mine work experience and training.

Some 27 of the national Sierra Leonean staff are female (13%) and the Company continues efforts to increase this proportion in line with our diversity policy.

#### Community

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

### 4. Liberia Exploration

The Company has decided to relinquish its two exploration licences in Liberia in order to focus on the Tongo Mine development in Sierra Leone.

### 5. Operational Objectives

Underground mine development will remain focused on the advancing of the Kundu B and C drives to access the top end of the return airways of each kimberlite segment. In addition, the Company will undertake surface bulk sampling of the Kundu kimberlite Segment D to provide more detailed grade and value information which will be targeted for future underground mining.

The Company continues to pursue credible funding initiatives for both short and long term capital requirements of the Tongo Mine development.

## 6. Corporate and Financial Matters

### ***Dual Listing on German Stock Exchanges***

During the quarter, the Company announced the quotation of its shares on Frankfurt Stock Exchange, Munich Stock Exchange and Stuttgart Stock Exchange under ticker code 4XK0.

The quotation of Newfield shares at the German Exchanges will increase its exposure to European markets, which will complement the Company's strategy of selling its diamonds into the European diamonds market. The Company will also engage a local investor relations group to enlarge the Company's investor reach to attract new European investors, and to increase overall trading volumes on the ASX and in Europe.

### ***Share Placements***

On 15 March 2024 the Company announced it had entered into a binding agreement with a sophisticated investor for a A\$3 million private placement to fund working capital. The placement price is A\$0.15 per share and will be conducted in two equal tranches of

- a) 10,000,000 shares to raise A\$1.500,000 (Tranche A) to be settled in April no later than 30 April 2024; and
- b) 10,000,000 shares to raise A\$1.500,000 (Tranche B) to be settled in May no later than 31 May 2024

Due to weak market conditions the Company and sophisticated investor agreed to cancel the private placement at A\$0.15 and enter into a single tranche, A\$3 million placement at a price of A\$0.10 per share. The Company has received the placement proceeds and issued 30,000,000 placement shares on 30 April 2024.

The Placement shares were issued pursuant to the Company's 15% capacity under Listing Rule 7.1 and will rank equally with the Company's existing shares on issue.

### ***Bond Extension***

On 5 January 2024, the Company announced that the maturity date of the US\$1 million bond subscription agreement with Fidelitas Deutsche Industrie Holding AG (**Fidelitas**) had been extended to 30 April 2024. After discussion with the Bond Holder a further extension has been agreed to 31 July 2024. The Company intends to negotiate further extension to the maturity date and will update shareholders in due course.

The Company advised that an extension deed has been executed, with an extension fee of US\$105,000 payable to Fidelitas. The Company also granted Fidelitas the right to convert the bond to shares, whilst all other terms and conditions of the bond subscription agreement remain the same.

The Board of Directors continues to assess the Group's funding strategy to maintain an appropriate structure to progress the development of the Tongo Diamond Mine into production.

### **Board & Company Secretary Changes**

On 30 April 2024, the Company advised that its Executive Director Mr Karl Smithson had stepped down from the Board and was replaced by Mr Benjamin Young who would also assume the role of Non-Executive Chairman. Mr Smithson will continue to provide operational and corporate support to the Board. Mr Young and Mr Smithson are working closely on numerous current funding initiatives and corporate activities for the Company.

During the quarter, Mr Nicholas Ong replaced Ms Natalie Teo as Company Secretary.

### **Payments to related parties**

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

	<b>Current Quarter \$A'000</b>	<b>Previous Quarter \$A'000</b>
<b>Payments to related parties of the entity and their associates</b>		
Directors' remuneration		
Executive Directors	0 <sup>1</sup>	153 <sup>1</sup>
Non-Executive Directors	0 <sup>1</sup>	18 <sup>1</sup>
<b>Total Directors' remuneration</b>	<b>0</b>	<b>171</b>
Associated entities/services	317 <sup>2</sup>	-
<b>Total payments to related parties of the entity and their associates</b>	<b>317</b>	<b>171</b>

Note:

1. Statutory payments for the current quarter. In an effort to minimise cash expenditure on corporate overheads, all directors of the Company agreed to accrue director fees and salaries.
2. Capital raising fees incurred prior to the appointment of Mr. Benjamin Young as director. Fees were paid to an entity associated with Mr. Young post his appointment.

-ENDS-

### **Authorised by:**

**The Board of Directors**

Newfield Resources Limited

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

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

**Schedule of Tenements as of 30 June 2024**

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

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

Nil

**Interests in farm-in or farm-out agreements for the quarter ended 30 June 2024**

Nil

## Appendix 5B

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

Name of entity

Newfield Resources Limited

ABN

98 153 219 848

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	386	386
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(2,100)	(3,422)
(c) production	(97)	(2,374)
(d) staff costs	(286)	(3,145)
(e) administration and corporate costs	(735)	(1,610)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(31)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,832)</b>	<b>(10,196)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	(6)
(e) investments	-	-
(f) other non-current assets	-	-

For personal use only

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	<b>(6)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,000	10,405
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(30)
3.5	Proceeds from borrowings	218	788
3.6	Repayment of borrowings	(82)	(681)
3.7	Transaction costs related to loans and borrowings	(328)	(407)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,808</b>	<b>10,075</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	37	158
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,832)	(10,196)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(6)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,808	10,075



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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	(18)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>13</b>	<b>13</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	13	37
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>13</b>	<b>37</b>

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
6.3	Aggregate amount of payments to related parties and their associates included in item 3	317

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

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

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities <sup>(i)</sup>	1,438	218
7.2 Credit standby arrangements	-	-
7.3 Other (please specify) <sup>(iii)</sup>	1,462	1,462
7.4 <b>Total financing facilities</b>	2,900	1,680
7.5 <b>Unused financing facilities available at quarter end</b>		1,220
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>(i) Unsecured loan from Wonder Holdings Pty Ltd with interest of 7.5% per annum repayable by 31 August 2024.</p> <p>(ii) On 14 April 2023, the Company issued 10 unlisted, unsecured short-term bearer bonds with a face value of US\$1 million to Fidelitas Deutsche Industrie Holding AG, which is a group entity of Deutsche BalatonAG, a current shareholder of the Company. The bonds were issued at the price of US\$946,000 with a coupon interest of 7.5% p.a. and the parties have agreed to an extended maturity date of 31 July 2024.</p>		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	2,832
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	2,832
8.4 Cash and cash equivalents at quarter end (item 4.6)	13
8.5 Unused finance facilities available at quarter end (item 7.5)	1,220
8.6 Total available funding (item 8.4 + item 8.5)	1,233
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No. The Company is not expecting similar development costs at its Tongo Diamond Mines for the coming quarter.	

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

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company may continue to drawdown the unsecured loan facility discussed in 7.6(i) above. The Company continues to pursue appropriate debt and equity funding required to advance the Tongo Diamond Mine to commercial production and the Directors remain confident that sufficient bridging funds will be secured for the interim period.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: as above

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 July 2024

Date: .....

The Board of Newfield Resources Ltd

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

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For personal use only