NEWFIELD RESOURCES LIMITED

ABN 98 153 219 848

INTERIM FINANCIAL REPORT

31 December 2021

NEWFIELD RESOURCES LIMITED

CONTENTS

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Newfield Resources Limited (the **Company** or **Newfield**) and its subsidiaries (the **Group** or **Consolidated Entity**) for the half-year ended 31 December 2021 and the Auditor's Review Report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the interim period and until the date of this report are noted below.

Mr Michael Lynn
Executive Director

Mr Nicholas Karl Smithson
Executive Director

Mr Chris Burton
Non-Executive Director

Mr Jack Spencer-Cotton
Non-Executive Director

Mr Peter Evans
Non-Executive Director (resigned 18 November 2021)

Mr Alistair Croll
Non-Executive Director (appointed 9 February 2022)

REVIEW OF OPERATIONS

1. Tongo Mine Development

Underground Development
A total of 975m of underground development has been achieved to the year end. Drilling and blasting focussed on the continued development of the return air way (RAW) on the Kundu Segment A dyke as well as the Kundu decline.

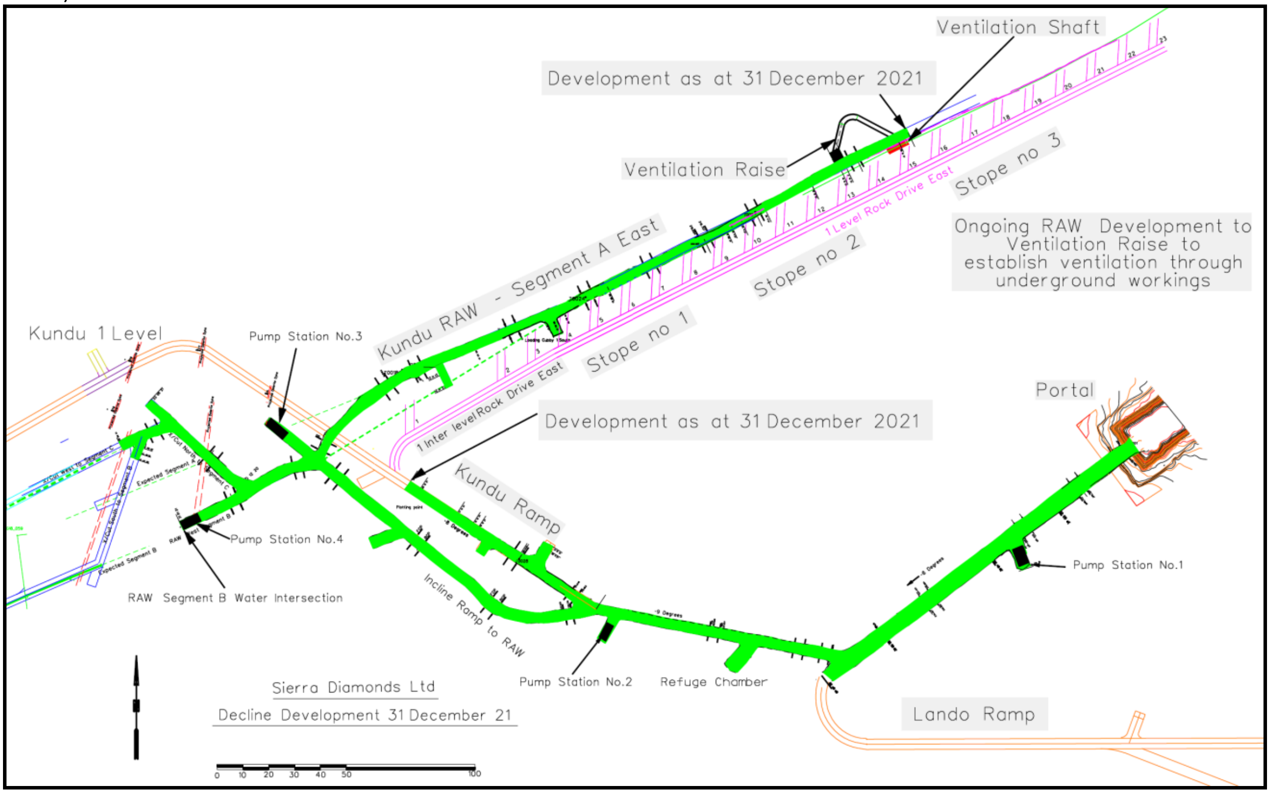
Kundu Return Air Way
By year end, the development of the Return Air Way (**RAW**) on Kundu Segment A has reached the point where the ventilation raise can now commence. The RAW has developed some 217m and blasting in an easterly direction will continue on-reef to give top level access to the planned stope mining from Level-1 below the RAW. This development will continue to provide small volumes of kimberlite ore for processing prior to the first mining stopes being established.

Kundu Decline
Blasting of the 4m x 4m Kundu decline continued at an 8-degree down angle and reached the point where the first mining level rock drive can be established, some 191m from the split with the Joint Decline. During Q1-22, the Level-1 rock drive will be developed to the east before the first cross-cut is made to intersect the Kundu ore body, from which the first mining raises and stopes will be established.

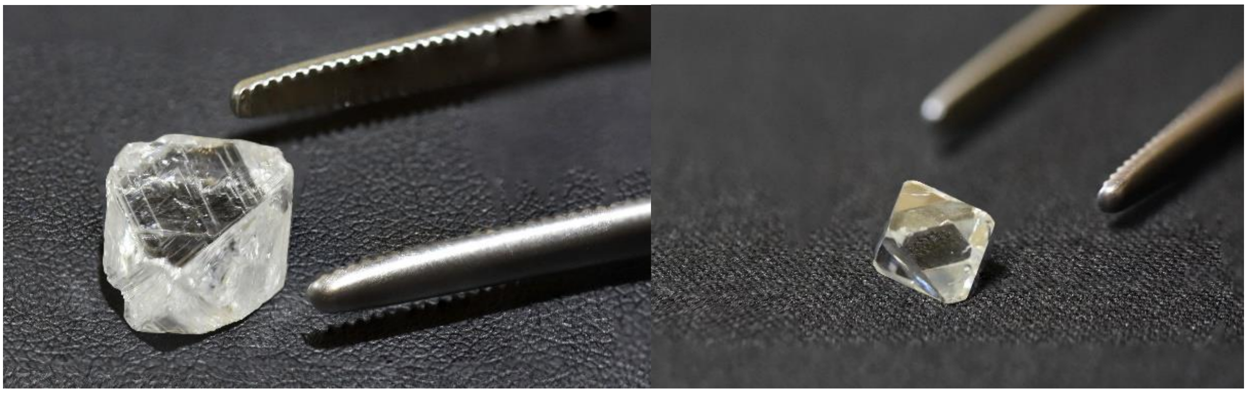
Underground Support and Infrastructure
A new pump station (Pump Station 5) is being constructed in the Kundu decline to manage any water ingress from the Kundu decline and Level-1 development. The roof of the various development tunnels is continually supported with split sets and mesh. As development progresses, so will the power, ventilation and water management systems be installed along with the advance.

2. Processing

During the development of the Kundu RAW, kimberlite is being yielded from the on-reef drive. This material is trucked to the 5tph DMS processing plant where it is stockpiled for treatment. At period end, processing of some 380 tonnes had yielded 771.6 carats at a calculated run of mine grade of 2.03 carats per tonne (203 carats per hundred tonnes) at a +1.2mm bottom cut off. In-house analysis estimates that 76% of the diamond recoveries are in the gem quality category, with gemstones ranging in size up to 9.6 carats thus far. Many diamonds exhibit excellent crystal shapes with top colour and clarity characteristics (See photos below).



Mine development to 31 December 2021



9.6ct gemstone (left). *3.6ct gemstone (right)*

3 Grainers (left). *4 Grainers (right)*

3. HSE

Health and Safety

The Company is pleased to report that no lost time injuries (**LTI**) have occurred on the mine, or on any of the Company's projects, since November 2019, giving 773 LTI free days as at the end of the quarter. The ongoing Loss Time Injury Frequency Rate **(LTIFR**) continues to decrease to 0.49. The reporting calculation is based on per 200,000 hours worked.

Currently, there are no COVID-19 restrictions imposed by the Government of Sierra Leone other than the usual testing on entry and exit to the country. The Company continues to adhere to its policy of daily health screening and sanitation protocol and regular COVID-19 awareness briefings to its workforce.

4. ESG

SocialSuite Platform

In December, the Company reported that it has signed up to the Social Suite platform to implement, monitor and report on its comprehensive Environment, Social and Governance (**ESG**) policies as it evolves into a mining and production focussed company. The SocialSuite platform provides a technical platform to help capture, monitor and report a corporation's impact on people and the environment. It is aligned with the World Economic Forum Stakeholder Capitalism metrics and the four pillars of this framework, namely Principals of Governance, Planet, People and Prosperity. Within this framework there are 21 core metrics to follow. Newfield has recently established its baseline report against all these metrics and will on a quarterly basis measure and reports its progress, which will be captured in an annual report, due to be published in Q1-22. These annual reports will become available on the Company's website.

Corporate Social Responsibility

During the report period, the Company held a community stakeholder meeting whereby the annual surface rental payments for the two mining licences were made. A total of U$59,000 was paid across to various community, government, district council and landowner stakeholders.

During 2021 the Company funded the construction of three secondary schools in the immediate local chiefdoms, under the ratified Community Development Agreement and in partnership with the local communities. These three schools were formally handed over to the local communities in the presence of the Minister of Mines and all local chiefdom authorities during the report period. In addition, various other initiatives were conducted as part of the wider CSR of the Company, in particular assistance with road construction and upgrades to enable continued vehicular access within the areas during the rainy season.

Completed Secondary School in Tongo Community

Environmental Audit

During the period regular environmental audits were performed on the Company's operations by the Environmental Protection Agency. All audits were successfully passed which demonstrates that the Company is acting in compliance to both the EPA Regulations and the terms of its Environmental Licences.

In addition, a full Environmental, Health and Safety (**EHS**) audit was performed on the Company's operations by the National Minerals Agency (**NMA**). The audit is conducted to determine the adherence and compliance of the mining operator to the Environmental and Occupational Health and Safety, referencing the Mines and Minerals Act (2009) and the Mines and Minerals Operational Regulations (2013), respectively. The Company successfully passed the audits, being categorised as "very good compliance" as per the internal NMA score cards. The Company will continue to maintain a strong focus on improving standards in all EHS areas.

5. Exploration

Tongo Project, Sierra Leone

Processing of Peyima Kimberlite

During the report period the Company processed a bulk sample that was collected from the Peyima kimberlite. A calculated 108 dry tons of kimberlite was processed and yielded a total of 960 stones weighing 110.58 carats, with the largest single stone being 5.07 carats in size (near gem quality). The calculated grade of the bulk sample is 1.02 carats per tonne (102cpht) at bottom cut off used of +1.2mm.

Peyima Bulk Sample Processing Results

	Dry Tonnes	Carats	Stones	Average Stone Size	Grade cpht (+1.2mm)	Largest Stone
Peyima Kimberlite Bulk Sample	108.0	110.58	960	0.12	102.37	5.07 carats

This kimberlite is located to the south east of the Tonguma mining concession, and has been mapped along surface over a distance of 2.24km, primarily following historical artisanal mining. A limited drilling programme was conducted in 2012 whereby four holes were drilled, three of which intersected kimberlite with the deepest intersection being 130m from surface (vertical depth).

There is insufficient data to declare a mineral resource estimate for Peyima at this stage.

Kumgbo Project, Liberia

Newfield, through its subsidiary company Stellar Diamonds Liberia Inc., holds two high interest exploration licences in the diamond-rich Kumgbo area of western Liberia (Zoi and Biedien). Following on from its detailed exploration and assay results, applications for relinquishment and extensions were made to the Ministry of Mines to retain the positive areas and relinquish the negative areas of the licences. The extended areas have now been approved by the Ministry of Mines and Energy and now the two licences cover areas of 86.7km^2 for Biedien and 83.56km^2 for Zoi, reduced from the original combined area of 670km^2.

Exploration results to date are very encouraging. A number of high interest kimberlitic indicator anomalies are defined in the retained areas, and to date five kimberlites have been discovered in the Zoi licences. It is clear that further kimberlites remain to be discovered within the retained licence areas based on the distribution of the indicator mineral anomalies and known kimberlite occurrences.
During the next quarter a 200kg sample of kimberlite from K5 (in Zoi) will be consigned to the SRC Laboratory in Canada for microdiamond analysis to determine the relative diamond content of this kimberlite.

Schedule of Tenements as at 31 December 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					
KUMGBO PROJECT	MEL1157/14[1]	Kumgbo (Biedien)	86.70	Granted	90%
	MEL1158/14[1]	Kumgbo (Zoi)	83.56	Granted	90%
WESTERN AUSTRALIA					
NEWFIELD GOLD PROJECT	M77/0422	Newfield	0.85	Granted	100%
	M77/0846	Woongaring Hills	0.39	Granted	100%

Note:
1. Applications for renewals and relinquishment for certain areas of MELs 1157/14 and 1158/14 have been made to the Ministry of Mines and Energy in Liberia. The renewals have been approved and licence fees invoiced for the reduced areas.

Interests in Mining Tenements Lapsed, Relinquished or Reduced for the quarter ended 31 December 2021

Nil

Interests in farm-in or farm-out agreements for the quarter ended 31 December 2021

Nil

Impairments

No impairments were recorded in the half year.

Corporate activities

During the half-year period the Group drew down bonds of $5.3 million and fully extinguished its bond facility.
The Company raised $24.9 million before costs issuing shares as part of its entitlement issue on 3 November 2021.
The Company issued performance rights to directors on 29 November 2021. Refer to Note 12.

RESULTS

The Group incurred a loss of $11,819,222 after income tax for the half-year (2020: $6,266,429). Major expenditure items have been separately disclosed in the statement of profit or loss.

EVENTS SUBSEQUENT TO REPORTING DATE

On 4 January 2022 the Company issued 72,211,351 shares from its agreement that was agreed upon on 22 December 2021 to convert corporate bonds to shares.

On 5 January 2022 the Company completed the placement of part of the shortfall from the rights offer and issued 7,142,857 shares at an issue price of $0.35 per share raising an additional $2,500,000 before costs.

On 2 February 2022 the Company completed the placement of part of the shortfall from the rights offer and issued 10,744,286 shares at an issue price of $0.35 per share raising an additional $3,760,500 before costs.

On 9 February 2022 Mr Alistair Croll was appointed Non-Executive Director.

Other than what has been disclosed in the accounts, there has not arisen in the interval between the end of the interim period and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Karl Smithson, Executive Director of Newfield and Chief Executive Officer of Newfield's subsidiary company Sierra Diamonds Limited, a qualified geologist and Fellow of the Institute of Materials, Metals, Mining, with 31 years' experience in the diamond and natural resources sector. Mr Smithson has sufficient experience to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Smithson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, BDO Audit (WA) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 23 and forms part of this Directors' report for the half-year ended 31 December 2021.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the *Corporations Act 2001*.

Nicholas Karl Smithson
Executive Director

Perth, Western Australia
15 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2021

	Note	31 Dec 2021 $	31 Dec 2020 $
Other income		140,695	11,310
Exploration and evaluation expenses		(4,072)	(771)
Site overhead expenses		(1,565,902)	-
Corporate and administrative expenses		(1,116,187)	(999,314)
Share based payment expense	12	(171,206)	(24,972)
Fair value adjustments to financial liability	13	1,563,718	(4,976,658)
Foreign exchange (loss)/gain		(649,346)	1,548,213
Finance income		14,537	1
Finance costs	18	(10,031,458)	(1,824,238)
Loss before income tax		(11,819,222)	(6,266,429)
Income tax (expense)/benefit		-	-
Net loss for the half-year		**(11,819,222)**	**(6,266,429)**
Other comprehensive profit/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		2,103,699	(7,220,295)
Other comprehensive profit/(loss) for the half-year, net of tax		2,103,699	(7,220,295)
Total comprehensive (loss) for the half-year		**(9,715,523)**	**(13,486,724)**
Loss attributable to:			
Owners of the Company		(11,818,815)	(6,266,352)
Non-controlling interest		(407)	(77)
		(11,819,222)	**(6,266,429)**
Total comprehensive (loss) attributable to:			
Owners of the Company		(9,714,992)	(13,487,043)
Non-controlling interest		(531)	319
		(9,715,523)	**(13,486,724)**
Basic loss per share (cents) for loss attributable to the ordinary equity holders of the Company:		(2.00)	(1.08)

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.

NEWFIELD RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Note	31 Dec 2021 $	30 Jun 2021 $
CURRENT ASSETS			
Cash and cash equivalents		5,709,149	1,591,918
Trade and other receivables		514,924	449,725
Inventory		666,740	633,608
Financial assets at amortised cost		2,049	8,949
Other current assets		544,663	345,470
Total Current Assets		7,437,525	3,029,670
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss		391,023	300,328
Property, plant and equipment	5	8,587,666	3,295,430
Development asset	6	79,072,430	77,851,411
Exploration and evaluation assets	7	27,398,957	26,502,206
Total Non-Current Assets		115,450,076	107,949,375
TOTAL ASSETS		122,887,601	110,979,045
CURRENT LIABILITIES			
Trade and other payables		4,189,291	8,635,387
Employee benefits		85,828	104,753
Lease liability		765,721	750,612
Loans and borrowings	8	-	156,743
Total Current Liabilities		5,040,840	9,647,495
NON-CURRENT LIABILITIES			
Deferred tax liabilities		11,663,769	11,283,311
Lease liability		-	302,968
Loans and borrowings	8	-	33,392,418
Financial liability at fair value through profit or loss	13	14,087,643	15,152,182
Financial liability at amortised cost	14	6,504,737	6,065,118
Total Non-current Liabilities		32,256,149	66,195,997
TOTAL LIABILITIES		37,296,989	75,843,492
NET ASSETS		**85,590,612**	**35,135,553**
EQUITY			
Contributed equity	16	159,939,269	102,090,022
Reserves	17	1,378,732	(3,046,426)
Accumulated losses		(75,723,329)	(63,904,514)
Non-controlling interest		(4,060)	(3,529)
TOTAL EQUITY		**85,590,612**	**35,135,553**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2021

	Contributed Equity $	Other Reserves $	Accumulated Losses $	Total $	Non-controlling interests $	Total Equity $
Balance as at 1 July 2020	102,090,022	2,448,048	(52,521,264)	52,016,806	(3,560)	52,013,246
Loss for the half year	-	-	(6,266,352)	(6,266,352)	(77)	(6,266,429)
Other comprehensive income	-	(7,220,690)	-	(7,220,690)	396	(7,220,294)
Total comprehensive loss for the half year	-	(7,220,690)	(6,266,352)	(13,487,042)	319	(13,486,723)
Recognition of share based payments	-	24,972	-	24,972	-	24,972
Balance as at 31 December 2020	**102,090,022**	**(4,747,670)**	**(58,787,616)**	**38,554,736**	**(3,241)**	**38,551,495**
Balance as at 1 July 2021	102,090,022	(3,046,426)	(63,904,514)	35,139,082	(3,529)	35,135,553
Loss for the half year	-	-	(11,818,815)	(11,818,815)	(407)	(11,819,222)
Other comprehensive income	-	2,103,823	-	2,103,823	(124)	2,103,699
Total comprehensive loss for the half year	-	2,103,823	(11,818,815)	(9,714,992)	(531)	(9,715,523)
Recognition of share based payments		171,206	-	171,206		171,206
Options to be issued		2,150,129	-	2,150,129		2,150,129
Rights issue	24,976,312	-	-	24,976,312		24,976,312
Shares to be issued	34,134,051	-	-	34,134,051		34,134,051
Share issue costs	(1,261,116)	-	-	(1,261,116)		(1,261,116)
Balance as at 31 December 2021	**159,939,269**	**1,378,732**	**(75,723,329)**	**85,594,672**	**(4,060)**	**85,590,612**

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

Consolidated Statement of Cash Flows

for the half-year ended 31 December 2021

	31 Dec 2021 $	31 Dec 2020 $
Cash flows from operating activities		
Payments to suppliers and employees	(2,319,316)	(93,554)
Interest received	14,537	1
Interest paid	(1,286,190)	(1,334,916)
Net cash (outflow) used in operating activities	(3,590,969)	(1,428,469)
Cash flows from investing activities		
Payments for exploration and evaluation assets – capitalised costs	(90,670)	(145,942)
Payments for mine development	(7,668,937)	(7,410,479)
Proceeds from farm out arrangement	55,000	-
Distributions received from financial assets at fair value through profit or loss	-	10,079
Net cash (outflow) used in investing activities	(7,704,607)	(7,546,342)
Cash flows from financing activities		
Proceeds from issue of shares	24,976,312	-
Proceeds from shares to be issued	2,000,000	-
Payment of share issue costs	(1,261,116)	-
Proceeds from borrowings	3,902,954	8,606,247
Repayment of borrowings	(13,881,177)	-
Repayment of borrowings/leases	(376,495)	(748,054)
Net cash inflow/(outflow) from financing activities	15,360,478	7,858,193
Net increase/(decrease) in cash and cash equivalents	4,064,902	(1,116,618)
Cash and cash equivalents at the beginning of the half year	1,591,918	1,002,547
Effects of exchange rate changes on cash and cash equivalents	52,329	155,546
Cash and cash equivalents at the end of the half year	**5,709,149**	**41,475**

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 quoted 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 16 March 2022.

The annual financial report of the Group as at and for the financial period ended 30 June 2021 is available upon request from the Company's registered office or may be viewed on the Company's website, www.newfieldresources.com.au.

2. BASIS OF PREPARATION

This interim financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the financial year ended 30 June 2021 and considered together with any public announcements made by Newfield Resources Limited during the half-year ended 31 December 2021 in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

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 half year report without the need to raise money from issuing shares or obtaining additional borrowing facilities.

The directors have prepared a cash flow forecast for the period to March 2023 for its operations which includes an expectation of additional funding for the operation of its Tongo Diamond Mining Project (the "Project"). This forecast takes into consideration mine development and mining for the period based on various independent engineering and geologists working on the Project. In the event that additional funding is not secured in a timely manner to continue operations, it will create a material uncertainty that may cast significant doubt on the Company's ability to operate the mine in the manner it intended.

The directors make an assessment of whether it is reasonable to assume that the Company will be able to continue its normal operations based on the following factors and judgements:

- The Company has the ability to adjust its development and exploration expenditure to conserve cash.
- The Company expects to generate revenue from selling diamonds in the next 12 months.
- The directors anticipate the support of its major shareholders and are also of the opinion that a capital raising could be achieved to raise additional funds when required.

2. BASIS OF PREPARATION (continued)

Current assessment of going concern

The half year report has been prepared on a going concern basis taking into account the factors outlined in the directors' assessment above. The cash flow forecast includes a number of financial assumptions regarding the initial mine plan of the Project. The Company has already secured further capital through a rights issue and underwriting agreement. However, as the Company is only in the early stages of its production activity it may require additional longer-term funding to reach commercial production.

Should the Company be unable to secure this 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 half year report.

The half year 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 half year report.

Adoption of new and revised Accounting Standards

The Group has adopted all of the new or amended accounting standards or interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new or amended standards has not resulted in any change to the entity's accounting policies.

Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

3. ESTIMATES

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report as at and for the year ended 30 June 2021.

4. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the financial year ended 30 June 2021.

5. PROPERTY, PLANT & EQUIPMENT

	Furniture & fittings $	Motor vehicles $	Property, Plant & equipment $	Total $
At 30 June 2021				
Cost	55,805	542,194	7,302,293	7,900,293
Accumulated depreciation	(51,613)	(312,174)	(4,241,075)	(4,604,863)
Net book amount	4,192	230,020	3,061,218	3,295,430
Half-year ended 31 December 2021				
Opening net book amount	4,192	230,020	3,061,218	3,295,430
Exchange differences	-	7,392	105,354	112,746
Transfers from mine development asset	-	-	5,783,988	5,783,988
Depreciation charges	(830)	(48,456)	(555,213)	(604,498)
Closing net book amount	**3,362**	**188,957**	**8,395,346**	**8,587,666**
At 31 December 2021				
Cost	56,989	560,476	13,292,229	13,909,694
Accumulated depreciation	(53,627)	(371,519)	(4,896,883)	(5,332,028)
Net book amount	**3,362**	**188,957**	**8,395,346**	**8,587,666**

6. MINE DEVEOPMENT ASSET

	31 Dec 2021 $	30 Jun 2021 $
Mine property development costs carried forward in respect of mine development	79,072,430	77,851,411
Movements for half year ended 31 December		
Carrying amount at beginning of period	77,851,411	-
Transfer from exploration and evaluation assets	-	69,925,518
Development expenditure	4,658,859	13,446,369
Transfers to property, plant & equipment	(5,783,988)	-
Foreign exchange differences	2,346,148	(5,520,476)
Carrying amount at end of period	**79,072,430**	**77,851,411**

	31 Dec 2021 $	30 Jun 2021 $
7. EXPLORATION AND EVALUATION ASSETS		
Exploration, evaluation and development costs carried forward in respect of areas of interest	**27,398,957**	**26,502,206**
Movements for half-year ended 31 December		
Carrying amount at beginning of period	26,502,206	28,647,924
Exploration and evaluation expenditure	3,108	259,245
Foreign exchange differences	893,643	(2,404,963)
Carrying amount at end of period	**27,398,957**	**26,502,206**

Estimates and judgements

Assumptions used to carry forward the exploration assets

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.

	31 Dec 2021 $	30 Jun 2021 $
8. LOANS AND BORROWINGS		
Current		
Insurance premium funding	-	156,743
Non Current		
Bonds	-	33,980,871
Capitalised borrowing costs	-	(588,453)
	-	33,392,418

The Group issued unlisted, unsecured corporate bonds during the period from 2019 to 2021. 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 ASX announcement declaring commercial production or five years after the first drawn down date.

On 24 December 2021 the Company entered into an agreement to retire its existing corporate bonds in exchange for cash and shares.

The key terms of the debt retirement were:

- $15,000,000 bonds converted into 42,857,143 fully paid ordinary shares at an issue price of $0.35 per share.
- US$7,500,000 bonds converted into 29,354,208 fully paid ordinary shares at an issue price of $0.35 per share.
- Repayment of US$10,000,000 in cash.

The Company also issued 24,744,513 unquoted options at an exercise price of $0.50 per share expiring on 4 January 2024 to settle accrued interest. (Note 17)

Jack Spencer Cotton and his spouse, Angela Chew, jointly held $1,000,000 in corporate bonds, and Anrinza Pty Ltd (related entity of Angela Chew) held $3,000,000 in corporate bonds, prior to the bonds being retired.

9. SEGMENT INFORMATION

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

Half-year ended 31 December 2021	Mine Development Africa $	Mineral Exploration Africa $	Corporate $	Group $
Segment income			105,232	**105,232**
Segment result	(585,695)	(4,072)	(11,229,455)	**(11,819,222)**
As at 31 December 2021				
Segment assets	89,295,338	27,433,340	6,158,923	**122,887,601**
Segment liabilities	(28,980,642)	(7,455,347)	(861,000)	**(37,296,989)**
Half-year ended 31 December 2020				
Segment income	-	-	13,110	**13,110**
Segment result	(5,638,952)	(771)	(626,706)	**(6,266,429)**
As at 30 June 2021				
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)**

10. COMMITMENTS AND CONTINGENCIES

Contingencies remain consistent with those disclosed in the 2021 annual report.

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:

Exploration and project commitments	31 Dec 2021 $	30 Jun 2021 $
Payable within one year	2,182,997	2,564,966
After one year but not more than five years	10,423,093	8,966,046
More than five years	20,060,688	18,363,348
	32,666,778	29,894,360

11. RELATED PARTY TRANSACTIONS

The following transactions also occurred with related parties during the reporting period:

	Transactions value for the half-year ended		Balance outstanding as at	
	31 Dec 2021 $	31 Dec 2020 $	31 Dec 2021 $	30 June 2021 $
Payment for secretarial services from Anthony Ho & Associates (director-related entity of Mr Anthony Ho)	N/A	-	N/A	16,500
Payment for consulting services from Omnia Corporate Pty Ltd (director-related entity of Mr Chris Burton)	42,393	9,144	42,393	70,192
Payment for administrative services provided by Mrs Sara Smithson (spouse of Mr Nicholas Karl Smithson)	1,500	714	-	-
Bonds issued/(disposed) to Jack Spencer Cotton & Angela Chew	(1,000,000)	N/A	-	1,000,000

Unless otherwise stated, all transactions were made on normal commercial terms and conditions and at market rates.

Share-based payments consisting of performance rights were issued to directors. Refer to Note 12.

12. SHARE BASED PAYMENTS

At the annual general meeting held on 26 November 2021, shareholders approved the grant of 450,000 performance rights to the directors.

Holder	Class	Number	Grant Date	Probability	Expiry Date of milestone achievement	Fair value per right	Total Fair Value
Jack Spencer Cotton	B	450,000	29/11/2021	100%	30/11/2023	$0.35	$157,500

The performance rights were valued at 35 cents a share being the share price on grant date 29 November 2021. Vesting occurs at the end of the performance period dated 30 November 2023, if the following performance conditions are met:

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 $171,206 (2020: $24,972) was recognised in the Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2021.

13. FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS

A financial liability of $3,495,259 was recognised on the acquisition of Stellar for the Octea Initial Payment and Octea Royalty Payment pursuant to the TMA & RSA which are dependent upon the financial performance of the Combined Project.

The timing and amount of the Octea Royalty Payments are uncertain. This will depend on 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 diamond 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.

	31 Dec 2021 $	30 Jun 2021 $
Financial liability	14,087,643	15,152,182
	14,087,643	**15,152,182**

The following table gives the main assumptions made in determining the fair value of financial liability as at 31 December 2021. The valuation uses a number of inputs which are considered to be level 3 unobservable market data. Movements in the period were largely attributable to a change in discount rate. 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	120-240	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	%	24.02	Rate determined using external support for the risk free rate (Sierra Leone equity risk premium), and counterparty expected rate of return.

The fair value of this non-current liability was based on discounted cash flows using an estimated current borrowing rate of 10% (30 June 2021: 10%). This non-current liability is carried at amortised cost.

14. FINANCIAL LIABILITY AT AMORTISED COST

	31 Dec 2021 $	30 Jun 2021 $
Contractual liability acquired through business combination	**6,504,737**	**6,065,118**

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.

15. FAIR VALUE MEASUREMENT

The following table details the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

31 December 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value through profit or loss				
- Australian listed equity securities	391,023	-	-	391,023
Liabilities				
Financial liabilities at fair value through profit or loss				
(Note 13)	-	-	14,087,643	14,087,643
Financial liabilities at amortised cost (Note 14)	-	-	6,504,737	6,504,737
			20,592,380	20,592,380

Valuation techniques used to determine fair values

The group has estimated the fair value of its Australian unlisted equity securities using recent market transaction prices and dealer quotes for identical assets. Refer to Note 14 for valuation of the financial liability.

Transfers between levels 2 and 3 and changes in valuation techniques

The unlisted equity securities have been reclassified to level 1 from level 2 as there have been significant 3rd party transactions during the period.

16. CONTRIBUTED EQUITY

652,656,349 fully paid ordinary shares (June 2021: 581,299,552 fully paid ordinary shares)

The following changes to the shares on issue and the attributed value during the periods:

	31 Dec 2021 Number	30 Jun 2021 Number	31 Dec 2021 $	30 June 2021 $
Balance at the beginning of the period	581,299,552	581,299,522	102,090,022	102,090,022
Issue of shares	71,356,797	-	24,976,312	-
Less share issue costs	-	-	(1,261,116)	-
Sub total	652,656,349	581,299,522	125,805,218	102,090,022
Shares to be issued (a)	-	-	32,134,051	-
Shares to be issued (b)	-	-	2,000,000	-
	652,656,349	581,299,522	159,939,260	102,090,022

(a) The fair value of shares to be issued from the agreement to retire existing corporate bonds in exchange for shares.
(b) The company received funds for partly paid shares, in advance of the issue of shares.

On 3 November 2021 the Company issued 71,356,797 shares at an issue price of $0.35 per share as part of its entitlement issue.
On 22 December 2021 the Company entered into an agreement to retire its existing corporate bonds in exchange for shares. The shares were issued at $0.35 per share. Per AASB 9, these shares were revalued to market value at $0.445 per share. An expense of $6,860,078 as finance costs.

	USD	AUD	Number of shares
Face value of debt $0.35/share		15,000,000	42,857,143
Face value of debt $0.35/share	7,500,000	10,273,973	29,354,208
Total Face value of debt to equity		25,273,973	
Fair value of debt $0.445/share		32,134,051	72,211,351
Loss on conversion of debt to equity (Note 18)		(6,860,078)	

17. OTHER RESERVES

	31 Dec 2021 $	30 June 2021 $
Share Based Payments Reserve		
Balance at beginning of period	503,903	313,933
Share based payment expenses	171,207	189,970
Balance at end of period	675,110	503,903
Options Reserve		
Options issued in lieu of corporate bond interest payment (Note 8)	2,150,129	-
Balance at end of period	2,150,129	-
Foreign Currency Translation Reserve		
Balance at beginning of period	(3,550,329)	2,134,115
Currency translation differences on translation of foreign operations	2,103,822	(5,684,444)
Balance at end of period	(1,446,507)	(3,550,329)
Total	**1,378,732**	**(3,046,426)**

	31 Dec 2021 $	31 Dec 2020 $
18. FINANCE COSTS		
Interest expense (a)	2,443,645	1,605,756
Lease interest expense	139,282	218,482
Fair value adjustment on shares issued (b) (Note 16)	6,860,078	-
Amortised borrowing costs	588,453	-
Total	**10,031,458**	**1,824,238**

(a) Unquoted options were issued in lieu of payment for interest expense of $2,150,129. (Note 8 & 17)

(b) The shares were issued at $0.35 per share. Per AASB 9, these shares were revalued to market value at $0.445 per share. An expense of $6,860,078 was recognised as finance costs.

19. EVENTS SUBSEQUENT TO REPORTING DATE

On 4 January 2022 the Company issued 72,211,351 shares from its agreement that was agreed upon on 22 December 2021 to convert corporate bonds to shares.

On 5 January 2022 the Company completed the placement of part of the shortfall from the rights offer and issued 7,142,857 shares at an issue price of $0.35 per share raising an additional $2,500,000 before costs.

On 2 February 2022 the Company completed the placement of part of the shortfall from the rights offer and issued 10,744,286 shares at an issue price of $0.35 per share raising an additional $3,760,500 before costs.

On 9 February 2022 Mr Alistair Croll was appointed Non-Executive Director.

Other than what has been disclosed in the accounts, there has not arisen in the interval between the end of the interim period and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NEWFIELD RESOURCES LIMITED

DIRECTORS' DECLARATION

In the opinion of the Directors of Newfield Resources Limited:

(a) the financial statements and notes set out on pages 8 to 21 are in accordance with the Corporations Act 2001, including:

   i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   ii. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date, and

(b) 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 the Directors.

Nicholas Karl Smithson
Executive Director

Perth, Western Australia
15 March 2022

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

As lead auditor for the review of Newfield Resources Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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, 15 March 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Newfield Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Newfield Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 (including Independence Standards)* (the Code) that are relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Material uncertainty relating 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 conclusion is not modified in respect of this matter.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 15 March 2022