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NEWFIELD
RESOURCES LIMITED

ABN 98 153 219 848

INTERIM FINANCIAL REPORT

31 December 2022

NEWFIELD RESOURCES LIMITED

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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 2022 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 Nicholas Karl Smithson
Executive Director

Mr Chris Burton (resigned 28 October 2022)
Non-Executive Director

Mr Jack Spencer-Cotton
Non-Executive Director

Mr Alistair Croll
Non-Executive Director

Ms Karen O'Neill (appointed 13 January 2023)
Non-Executive Director

REVIEW OF OPERATIONS

1. HSE

Health and Safety

There were zero lost time injuries (LTI) recorded during the half year to date and the Company has recorded 222 LTI free days as at the end of the period. The last LTI was recorded on 24 May 2022 (fatality). The life of mine Lost Time Injury Frequency Rate (LTIFR) was recorded at 0.45 per 200,000 hours worked.

Environment and Audit

The Company continues to remain compliant with local legislation in submitting its environmental monitoring reports and receiving quarterly audit site visits by the Environmental Protection Agency. All audits were successfully passed which demonstrates that the Company is acting in compliance with both the EPA Regulations and the terms of its Environmental Licences.

2. Tongo Mine Development

Underground Development

During the six-month period a total of 466m was developed, bringing the total development to date to 1,979m. Development focused on advancing both the Kundu and Lando declines and the level waste and ore development drives on the Kundu A ore reserve segment. A series of crosscuts have been developed from the Kundu waste drive to access the Kundu ore body and three production stopes have been established.

The 4m x 4m Lando decline has now advanced 100m from the split with the Kundu joint decline.

All underground development is supported by ventilation, power, water reticulation, pump stations and compressed air.

Figure 1 shows the underground mine development (green), with Kundu kimberlite development and stopes (blue). The ongoing expansion will focus on the Kundu and Lando declines and stope mining on Kundu Level 1. A fourth stope (A4) will also be developed in Q1-23 on the far eastern extension of Kundu A. In H1-23 development towards the west on Kundu Segment B will commence to establish the return airway (RAW) on that segment whilst the Kundu decline will advance to the bottom of the first mining level under the Segment B RAW.

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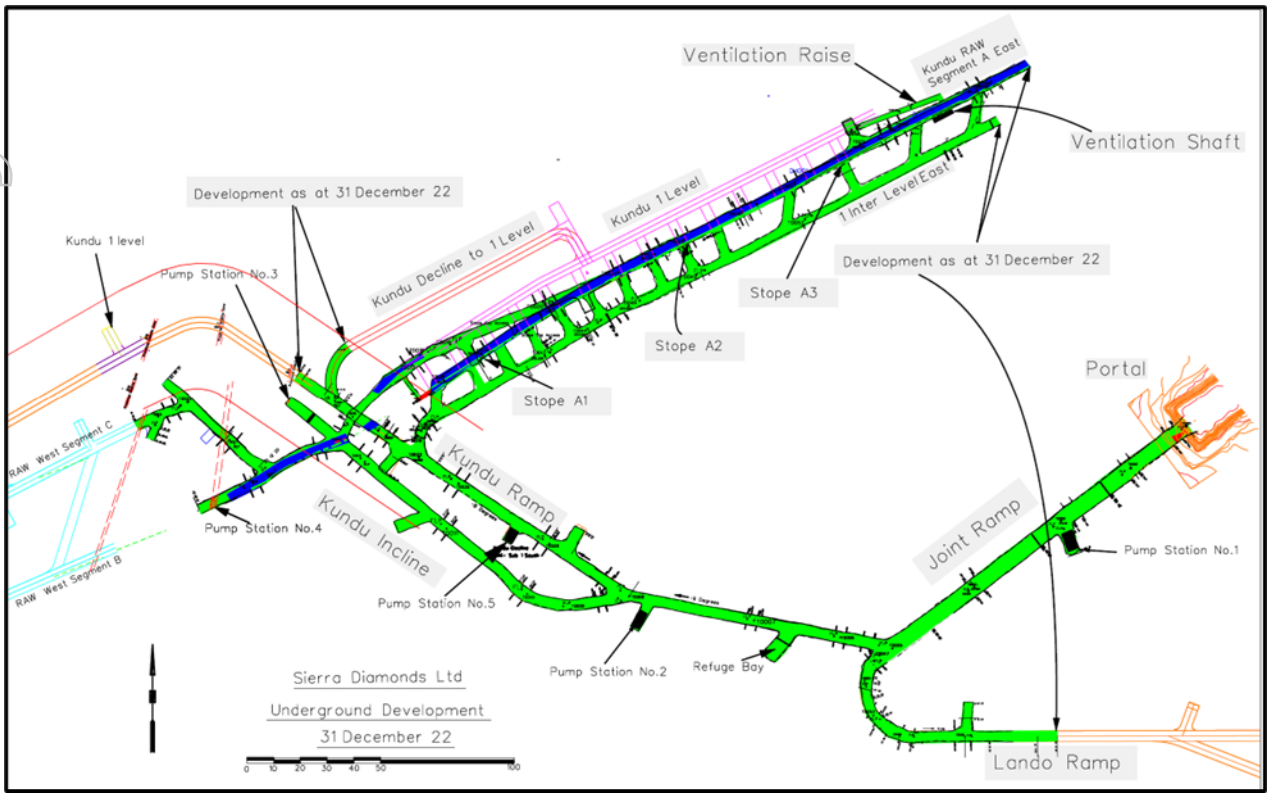

Figure 1: Mine development plan to 31 December 2022

Kundu Level-1 Production Stopes

Three Level 1 production stopes were operational during the reporting period: Kundu Stopes A1, A2 and A3. Total stope face advance achieved was 79m which yielded 1,172 tonnes of kimberlite ore and 2,038 tonnes of waste material.

The competency of the granitic side walls remains good, allowing an average stope width of 0.55m to be maintained. The improvement in stoping width against the budgeted width 0.85m (positive variance of 35%) means that the run of mine ore delivered to the processing facility is significantly less diluted than planned. Consequently, the processing facility is able to treat a higher quality ore and produce more carats per unit of throughput time than has been planned for. Cost per carat is reduced as a result.

Underhand mining methods are being employed to mine the pillars between stopes A1 and A2 and A2 and A3. This has led to more tonnage production sooner than planned for these pillars. A fourth stope will be developed in Q1-23, some 37.5m further east of stope A3 and will be brought into production as planned.

The site team have shown demonstratable commitment to continually look for innovative ways to produce more with the same and continue to implement sustainable mining efficiencies.

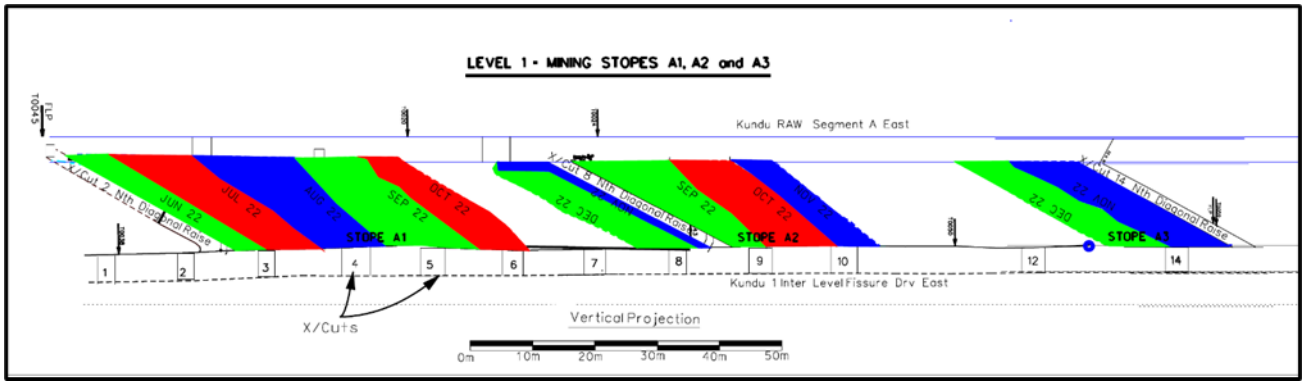

Figure 2: Kundu Level-1 Stope Mining

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3. Processing

Production

Processing from the underground stopes A1, A2 and A3 and the Kundu A Level 1 ore drive has yielded 3,627 carats at a +1.2mm cut off. Total tonnes processed via the 5tph plant was 2,756 tonnes giving a run of mine grade of 1.32 carats per tonne. This far exceeds the budget (modelled) grade of 0.9 carats per tonne (+47%). This excellent result is attributable to both a lower percentage of waste (dilution) from the stope mining and a higher grade of ore vs. the expected grade in the resource model (See grade reconciliation section).

The diamond quality remained consistent with the previously announced production and included a large gem-quality stone weighing 15 carats. Many diamonds exhibit excellent crystal shapes with top colour and clarity characteristics (See photos below).

Figure 3: Gem Quality Diamonds Exhibiting Excellent Colour, Clarity and Shape

Modelled Diamond Price

Z-Star Mineral Resource Consultants (Z*) were contracted by Newfield to provide an update to the revenue (US$/carat) of the Kundu and Lando dykes to take into account the updated rough diamond market conditions as well as the results of the first diamond tender completed in May 2022. This work also included the results of a bulk sample that had previously been collected and valued from the Peyima kimberlite dyke.

In summary, the contribution of the revised assortment model, based on a combined parcel size of 5,018 carats, has resulted in a 12% increase in the average diamond price from US$222 to US$251 per carat at a factored +1.18mm cut off. This compares with the average selling price of US$262 per carat from the first diamond tender concluded in May 2022.

The Peyima dyke has a slightly higher estimated diamond price of US$266 per carat based on a coarser size frequency distribution than Kundu and Lando, although the sample of 110 carats is considered to be too small to be statistically representative.

Mining Grade Reconciliation

A series of control samples from the underground mining have been separately collected and processed to establish the recovered mining grade versus the resource block model grade for those areas. These were collected from the Kundu Level 1 mining area of the RAW, ore drive and Stopes A1 and A2. In addition, control samples from two bulk samples on the Kundu and Lando kimberlites were also reported.

Figure 4 shows results from the eight control samples that have now been collected and processed independently. Seven of the eight samples show a significant positive grade variance versus the resource grade, which is encouraging. On average the overall grade variance is +25% versus the resource block model grades for the areas mined.

Furthermore, the initiatives taken to control dilution from the stope mining activities (reported above) are producing positive results and these initiatives will continue to be applied where possible and are expected to have a positive impact on the run-of-mine grades versus the modelled grades forecast for the mine schedule moving forward.

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Kimberlite Dyke & Segment	Location	Sample	In-situ kimberlite tons	Carats recovered	Grade (carats per tonne)		Grade Variance (%)
					Resource block model (+1.18mm)	Actual (+1.2mm)	
Kundu A	Return Airway	Control sample 1	380.88	970.50	2.21	2.55	15.3%
Kundu A	Return Airway	Control sample 2	65.70	230.99	2.21	3.52	59.1%
Kundu A	Level-1 ore drive	Control sample 3	319.30	950.29	2.36	2.98	26.1%
Kundu A	Level-1 ore drive	Control sample 4	249.58	764.66	2.14	3.06	43.0%
Kundu A	Stope A1	Control sample 5	417.10	1444.30	2.44	3.46	41.8%
Kundu A	Stope A2	Control sample 6	293.47	760.57	2.27	2.59	14.1%
Kundu B	TGBS3 Bulk sample	Control sample 7	474.23	1062.01	2.40	2.24	-6.7%
Lando G	TGBS4 Bulk sample	Control sample 8	761.94	1637.38	1.98	2.15	8.3%
	Total average for all samples		2,962	7,821	2.25	2.82	25.1%

Figure 4: Grade Reconciliation of Control Samples from Mining and Bulk Sampling

4. ESG and Reporting

During this period, the Company continued to remain compliant with local legislation in submitting its environmental monitoring reports and receiving quarterly audit site visits by the Environmental Protection Agency.

The focus for community development projects remains on supporting small-scale agricultural projects and providing microfinance to local businesses for selected community members, with both initiatives proving successful.

Several training and development initiatives also continue within the national workforce to enhance skills and uplift personnel.

The community grievance mechanism is operational and provides a direct channel for communication, discussion and grievance mitigation with the national workforce and the affected communities.

The Company continues to prepare its power requirement documentation for submission to the national power provider EDSA as part of negotiations to access the hydroelectric power line located in close proximity to the Tongo Mine site. Successful negotiations would enable the Company to access green energy at a lower cost than the only current option of running diesel powered generators in the remote area of eastern Sierra Leone.

People

Newfield's subsidiary company Sierra Diamonds employed 246 people at the Tongo Mine in Sierra Leone at the end of the period. Of these, 208 (85%) are local Sierra Leoneans, and 38 (15%) are skilled expatriates. Some 27 of the national Sierra Leonean staff are female (11%) and the Company continues efforts to increase this proportion in line with our diversity policy.

During the period it was reported that the Company provided on-the-job training for 19 graduates and interns. The training term ended in November and the Company employed 6 of these graduates in areas of human resources, government and community, technical services, and mining. The Company is committed to training and development and the Local Content Policy of the Government of Sierra Leone.

A mining industry wide negotiation process with the Mine Workers Union was successfully completed during the quarter and the new employment terms will be rolled out from January 2023, thus enhancing industrial relations and improving working conditions for all National staff.

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Figure 5: Tongo Mine Staff Picture at the Mine Portal

5. Liberia Exploration

No exploration work was conducted on the Liberia licenses pending processing and results of the microdiamond samples that are currently in the SRC Laboratory in Canada.

6. Outlook

Mining of Kundu A stopes will continue into H1-23 and provide ore for processing although it's probable volumes will be lower than H2-22. The decline development of Kundu and Lando will continue towards deeper levels.

The development towards the Kundu B and C kimberlite segments (RAW) to the west of the Kundu ore body awaits certain critical equipment to advance those drives, which is expected during Q1-23.

A second diamond sale for late in H1-23 is being considered, subject to rough diamond market conditions.

Schedule of Tenements as at 31 December 2022

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[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%

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Impairments

No impairments were recorded in the half year.

Corporate activities

Capital Raising

During the half-year period the Company made further share placements at a price of $0.35 per share to raise a total of $5,239,500 before cost to complete the $10 million shortfall capital raising programme announced on 24 December 2021.

On 31 August 2022, the Company entered into a $55 million equity funding facility with SBC Global Investor Fund, a fund of L1 Capital Global Opportunities Masters Fund (**L1 Capital**). An initial placement of $500,000 (before costs) was made by L1 Capital at a price of $0.344 per share, settled through the issue of 1,453,488 shares in the Company. 4,000,000 options at a strike price of $0.54 exercisable over three years were issued to L1 Capital as part of the equity funding facility agreement. On 24 November 2022 the Company issued the first placement notice to L1 Capital for $289,000. A total of 1,043,008 shares were issued to L1 Capital on the same day. At the end of the placement period a total of 875,758 shares were subscribed for by L1 Capital at the price of $0.33 per share to satisfy the AU$289,000 placement, and L1 Capital therefore holds 167,250 shares in balance.

On 28 November 2022, the Company entered into an agreement with the Delgatto Diamond Finance Fund (**Delgatto**) for an initial US$1.2 million funding against future diamond sales. An additional US$0.3m was received from Delgatto on 23 December 2022 after the Company completed a diamond export to Antwerp, bringing the total advance to US$1.5 million.

The Company also obtained a $3 million unsecured loan facility from Goodrich Capital Pty Ltd on 29 December 2022, to be repaid in 12 months at an interest rate of 7.5% per annum. No fees are payable by Newfield for the establishment or provision of the loan.

Board Changes

On 28 October 2022, the Company announced the resignation of Mr Chris Burton following which the Company actively sought another candidate for the non-executive director role and appointed Ms. Karen O'Neill, a seasoned mining and finance professional, to the Board on 13 January 2023.

Performance Rights

5,792,392 shares were issued to directors and employees of the Group following the vesting of Class A and Class B performance rights in September 2022.

11,905,010 new performance rights were issued to directors and employees of the Group following shareholders' approval at the 2022 Annual General Meeting.

RESULTS

The Group incurred a loss of $3,096,284 after income tax for the half-year (2021: $11,819,222). Major expenditure items have been separately disclosed in the statement of profit or loss.

EVENTS SUBSEQUENT TO REPORTING DATE

On 11 January 2023, the first Placement Notice issued to L1 Capital on 23 November 2022 was closed, with L1 Capital subscribing for 875,758 shares at $0.33 per share, raising $289,000 before costs. The company also issued 1 million free attaching options to L1 Capital pursuant to the terms of the L1 Capital Equity Placement Agreement. These options are exercisable at $0.452 each on or before 10 January 2026.

On 13 January 2023, Ms Karen O'Neill was appointed as a non-executive director of the Company.

On 14 March 2023, the Company entered into a $15 million loan agreement with Wonder Holdings Pty Ltd to be drawn down on or before 31 May 2023. The loan is unsecured with an interest rate of 7.5% p.a. and repayable by 31 August 2024.

Other than what has been disclosed above, 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.

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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 34 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 2022.

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
Dated at Perth, Western Australia this 16th Day of March 2023.

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NEWFIELD RESOURCES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2022

	Note	31 Dec 2022 $	31 Dec 2021 $
Other income & (expense)	17	460,912	(494,114)
Exploration and evaluation expenses		(1,962)	(4,072)
Corporate and administrative expenses		(829,260)	(1,116,188)
Share based payment expense	11	(473,111)	(171,206)
Inventory net realisable value adjustments	5	(3,269,191)	(1,565,902)
Fair value adjustments to financial liability	12	1,192,553	1,563,718
Finance costs	18	(176,225)	(10,031,458)
Loss before income tax		(3,096,284)	(11,819,222)
Income tax (expense)/benefit		-	-
Net loss for the half-year		**(3,096,284)**	**(11,819,222)**
Other comprehensive profit/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		776,725	2,103,699
Other comprehensive profit/(loss) for the half-year, net of tax		776,725	2,103,699
Total comprehensive profit/(loss) for the half-year		**2,319,559**	**(9,715,523)**
Loss attributable to:			
Owners of the Company		(3,096,088)	(11,818,815)
Non-controlling interest		(196)	(407)
		(3,096,284)	**(11,819,222)**
Total comprehensive profit/(loss) attributable to:			
Owners of the Company		(2,319,318)	(9,714,992)
Non-controlling interest		(241)	(531)
		(2,319,559)	**(9,715,523)**
Basic loss per share (cents) for loss attributable to the ordinary equity holders of the Company:		(0.41)	(2.00)

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.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	Note	31 Dec 2022 $	30 Jun 2022 $
CURRENT ASSETS			
Cash and cash equivalents		562,594	1,258,242
Trade and other receivables		132,114	1,473,951
Inventory	5	2,639,683	1,298,601
Financial assets at amortised cost		96,951	1,322
Other current assets		996,342	-
Total Current Assets		4,427,684	4,032,116
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss		90,000	120,000
Property, plant and equipment		8,859,961	8,773,294
Mine development asset	6	94,627,607	88,430,628
Exploration and evaluation assets		29,357,001	28,977,142
Total Non-Current Assets		132,934,569	126,301,064
TOTAL ASSETS		137,362,253	130,333,180
CURRENT LIABILITIES			
Trade and other payables		4,534,379	4,343,143
Employee benefits		120,934	162,370
Lease liability		-	4,902
Loans and borrowings	7	4,209,650	154,174
Financial liability at amortised cost	13	7,942,561	7,495,821
Total Current Liabilities		16,807,524	12,160,410
NON-CURRENT LIABILITIES			
Deferred tax liabilities		12,421,205	12,289,777
Financial liability at fair value through profit or loss	12	3,612,418	5,096,287
Total Non-current Liabilities		16,033,623	17,386,064
TOTAL LIABILITIES		32,841,147	29,546,474
NET ASSETS		**104,521,106**	**100,786,706**
EQUITY			
Contributed equity	15	170,073,248	164,841,786
Reserves	16	8,364,001	6,764,734
Accumulated losses		(73,911,441)	(70,815,353)
Non-controlling interest		(4,702)	(4,461)
TOTAL EQUITY		**104,521,106**	**100,786,706**

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2022

	Contributed Equity $	Other Reserves $	Accumulated Losses $	Total $	Non-controlling interests $	Total Equity $
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**
Balance as at 1 July 2022	164,841,786	6,764,734	(70,815,353)	100,791,167	(4,461)	100,786,706
Loss for the half year	-	-	(3,096,088)	(3,096,088)	(196)	(3,096,284)
Other comprehensive income	-	776,770	-	776,770	(45)	776,725
Total comprehensive loss for the half year	-	734,077	(3,096,088)	(2,319,318)	(241)	(2,319,559)
Recognition of share based payments	-	473,111	-	473,111	-	473,111
Issue of options		349,386	-	349,386	-	349,386
Issue of shares	6,122,663	-	-	6,122,663	-	6,122,663
Share issue costs	(891,201)	-	-	(891,201)	-	(891,201)
Balance as at 31 December 2022	**170,073,248**	**8,364,001**	**(73,911,441)**	**104,525,808**	**(4,702)**	**104,521,106**

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

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CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2022

	31 Dec 2022 $	31 Dec 2021 $
Cash flows from operating activities		
Payments to suppliers and employees	(3,991,717)	(2,319,316)
Interest received	714	14,537
Interest paid	(54,289)	(1,286,190)
Net cash (outflow) used in operating activities	(4,045,292)	(3,590,969)
Cash flows from investing activities		
Payments for property, plant and equipment	(284,465)	-
Payments for exploration and evaluation assets – capitalised costs	(45,951)	(90,670)
Payments for mine development	(5,501,304)	(7,668,937)
Proceeds from farm out arrangement	-	55,000
Net cash (outflow) used in investing activities	(5,831,720)	(7,704,607)
Cash flows from financing activities		
Proceeds from issue of shares	5,639,498	24,976,312
Proceeds from shares to be issued	-	2,000,000
Payment of share issue costs	(541,816)	(1,261,116)
Proceeds from borrowings	4,338,477	3,902,954
Repayment of borrowings	(154,174)	(13,881,177)
Payment of borrowing costs	(89,214)	-
Repayment of borrowings/leases	(9,000)	(376,495)
Net cash inflow from financing activities	9,183,771	15,360,478
Net increase/(decrease) in cash and cash equivalents	(693,241)	4,064,902
Cash and cash equivalents at the beginning of the half year	1,258,242	1,591,918
Effects of exchange rate changes on cash and cash equivalents	(2,407)	52,329
Cash and cash equivalents at the end of the half year	**562,594**	**5,709,149**

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

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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 2023.

The annual financial report of the Group as at and for the financial period ended 30 June 2022 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 2022 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 2022 and considered together with any public announcements made by Newfield Resources Limited during the half-year ended 31 December 2022 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, except the recognition of diamond sales proceeds and related operating costs from mine development activities before commercial production, as a result of the adoption of *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*.

Going concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The Group has incurred a loss before tax for the half year ended 31 December 2022 of $3,096,284 (31 December 2021: loss $11,819,222) and experienced net cash outflows from operating activities of $4,045,292 (31 December 2021: outflows $3,590,969). At 31 December 2022, the Group had a working capital deficiency of $12,379,840 (30 June 2022: $8,128,294).

The directors have prepared a cash flow forecast for the period to March 2024 for its operations including the funding for production and continued development of its Tongo Diamond Mining Project (the "Project"). This forecast includes various funding assumptions regarding the mine production and mine development plans for the period based on various independent engineering and technical studies on the Project. As the mine is not yet cash flow positive the Company requires additional funding to continue these operations. The Company has already secured an equity funding agreement for the project by way of an equity facility totalling A$55m. The availability of the equity funding is subject to a volume and pricing mechanism and the Company will require additional funding above this facility where the timing of the volume and pricing mechanism does not match the timing of operational cash outflows.

These conditions indicate a material uncertainty that may cast significant doubt about the Group'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. The Directors believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report.

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2. BASIS OF PREPARATION (continued)

The financial statements have been prepared on the basis that the Group 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 for the following reasons:

- The Company has the ability to adjust its development expenditure to conserve cash;
- The Company has an equity facility of up to A$55 million to be drawn down over the next 3 years using a volume and pricing mechanism to access the facility (refer to Note 15 for details of the drawdown mechanism), of which only A$289,000 has been drawn down to date;
- The Company has secured a A$15 million loan facility to be drawn down over the next 3 months and repayable in August 2024;
- The Company is currently evaluating other available debt funding options; and
- The Directors also anticipate the continued support of its major shareholders and believe that the Company has the ability to raise an appropriate level of funding to execute its plans and continue its activities.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differs from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded assets or liabilities that may be necessary if the Group is unable to 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 2022, unless otherwise stated within this half year financial report.

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 2022.

5. INVENTORY

	31 Dec 2022 $	30 Jun 2022 $
Spare parts	854,679	804,756
Diamonds in transit/safe	1,753,262	493,845
Diamonds in stockpile	31,742	-
	2,639,683	1,298,601

Amounts recognised in profit or loss

Write downs of inventories to net realisable value amounted to $3,269,191. These were recognised as an expense during the half year ended 31 December 2022.

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	31 Dec 2022 $	30 Jun 2022 $
6. MINE DEVEOPMENT ASSET		
Mine property development costs carried forward in respect of mine development	94,627,607	88,430,628
Movements for half year ended 31 December		
Carrying amount at beginning of period	88,430,628	77,851,411
Development expenditure	5,723,813	10,600,843
Transfers to property, plant & equipment	(284,465)	(6,413,926)
Foreign exchange differences	757,631	6,392,300
Carrying amount at end of period	**94,627,607**	**88,430,628**

7. LOANS AND BORROWINGS	**Note**	**31 Dec 2022 $**	**30 Jun 2022 $**
Current			
Borrowings – secured	(i)	2,199,479	-
Borrowings - unsecured	(ii)	2,010,171	-
Insurance premium funding - unsecured		-	154,174
		4,209,650	154,174

(i) Secured borrowings

In November and December 2022 the Company entered into two identical financing agreements with Delgatto Diamond Finance Fund (**Delgatto**) for a total amount of USD1.5m (**Delgatto Agreements**).

The key terms of the Delgatto Agreement were:

- Newfield agreed to sell to Delgatto its existing and future diamond inventory from the Tongo Diamond Mine in Sierra Leone up to a total of 7,988 carats (**Security Assets**), for the consideration of USD1.5m;
- Delgatto granted Newfield the option to reacquire the Security Assets back for USD1.5m (**Buy-back Price**) at any time within a 12-month period (**Option Period**), with Newfield paying Delgatto a monthly option extension payment of USD20,250;
- Delgatto has agreed not to sell or transfer any of the Security Assets during the Option Period without Newfield's consent;
- If any of the Security Assets are sold during the Option Period, the Buy-back Price will be reduced by the value of the sales proceeds received by Delgatto and the option extension payment shall be proportionately reduced by the same percentage; and
- Following the expiration of the Option Period, Delgatto shall no longer be required to hold the Security Assets and may dispose of them at its discretion.

Having considered the terms of the Delgatto Agreements, the Company has recognised these agreements as short term financing facilities secured against the Company's diamond inventory. The monthly option extension payments have been recognised as interest expenses, representing an effective interest rate of 16.2% per annum.

(ii) Unsecured borrowings

The Company also entered into a loan agreement with Goodrich Capital to borrow $3m in tranches at 7.5% per annum interest, payable quarterly (**Goodrich Loan Facility**). The Goodrich Loan Facility is unsecured and repayable within 12 months of the first drawdown date being 23 November 2022. As at 31 December 2022, the Company has drawdown $2m from the Goodrich Loan Facility.

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8. 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 mining and development in Africa, mineral exploration in Africa and corporate.

Half-year ended 31 December 2022	Mining & Development Africa $	Mineral Exploration Africa $	Corporate $	Group $
Segment income	479,309	-	33,105	**512,414**
Segment result	(2,070,440)	(1,962)	(1,023,882)	**(3,096,284)**
As at 31 December 2022				
Segment assets	106,955,024	29,364,955	1,042,274	**137,362,253**
Segment liabilities	19,959,840	8,046,545	4,834,762	**32,841,147**
Half-year ended 31 December 2021				
Segment income	-	-	105,232	**105,232**
Segment result	(585,695)	(4,072)	(11,229,455)	**(11,819,222)**
As at 30 June 2022				
Segment assets	99,702,500	29,041,646	1,589,034	**130,333,180**
Segment liabilities	20,753,546	7,855,483	937,445	**29,546,474**

9. COMMITMENTS AND CONTINGENCIES

Contingencies remain consistent with those disclosed in the 2022 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 2022 $	30 Jun 2022 $
Payable within one year	3,000,916	2,924,083
After one year but not more than five years	12,457,271	10,085,899
More than five years	26,588,854	22,459,478
	42,047,041	35,469,460

The Group's other commitments remain consistent with those disclosed in the 2022 annual report.

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10. RELATED PARTY TRANSACTIONS

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

	Transactions value for the half-year ended		Balance outstanding as at	
	31 Dec 2022 $	31 Dec 2021 $	31 Dec 2022 $	30 June 2022 $
Payment for consulting services from Omnia Corporate Pty Ltd (director-related entity of Mr Chris Burton)	71,092	42,393	31,677	22,496
Payment for consulting services provided by Mr Alistair Croll	126,660	-	-	-
Payment for administrative services provided by Mrs Sara Smithson (spouse of Mr Nicholas Karl Smithson)	-	1,500	-	-
Bonds issued/(disposed) to Jack Spencer Cotton & Angela Chew	-	(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 also issued to directors during the period (refer Note 11 for details).

11. SHARE BASED PAYMENTS

At the annual general meeting held on 22 November 2022, shareholders approved the grant of 3,510,000 performance rights to the directors. In addition, 8,395,010 performance rights were granted to employees and consultants.

Holder	Class	Number	Grant Date	Probability	Expiry Date of milestone achievement	Fair value per right	Total Fair Value
Nicholas Karl Smithson	C	585,000	22/11/2022	100%	21/11/2025	$0.40	$234,000
	D	585,000	22/11/2022	100%	21/11/2025	$0.40	$234,000
Jack Spencer Cotton	C	585,000	22/11/2022	100%	21/11/2025	$0.40	$234,000
	D	585,000	22/11/2022	100%	21/11/2025	$0.40	$234,000
Alistair Croll	C	585,000	22/11/2022	100%	21/11/2025	$0.40	$234,000
	D	585,000	22/11/2022	100%	21/11/2025	$0.40	$234,000
Employees and consultants	C	4,197,505	22/11/2022	100%	21/11/2025	$0.40	$1,679,002
	D	4,197,505	22/11/2022	100%	21/11/2025	$0.40	$1,679,002

The performance rights were valued at 39 cents a share being the share price on grant date 22 November 2022. Vesting occurs at the end of the performance period dated 21 November 2025, if the following performance conditions are met:

Class C) upon the announcement by the Company to the ASX market announcements platform of at least a further 12,500 metres of underground development at its Sierra Leone diamond mine (when compared to the underground development as at the date of shareholder approval). The Company expects these conditions to be met in 3 years from the date of grant of these performance rights.

Class D) upon the announcement by the Company to the ASX market announcements platform of the presentation and treatment of 50,000 tonnes of kimberlite ore to and through the processing facilities at the company's operation in Sierra Leone. The Company expects these conditions to be met in 3 years from the date of grant of these performance rights.

A share-based payment expense of $473,111 (2021: $171,206) was recognised in the Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2022.

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11. SHARE BASED PAYMENTS (continued)

On 31 October 2022 the Company issued 4,000,000 options exercisable at $0.54 each on or before 1 November 2025 to SBC Global Investment Fund as part of an equity placement facility (refer Note 15). These options have no vesting conditions attached to them and are expensed in full on issue. As a result $349,386 was recognised as share issue costs during the period for these options.

Fair value of options granted

The fair value of options granted during the period was calculated at the date of grant using the Black-Scholes option-pricing model. The following table gives the assumptions made in determining the fair value of options on grant date:

Fair value per option	8.73 cents
Grant date	31 October 2022
Number of options	4,000,000
Expiry date	1 November 2025
Expected average exercise period	3.01 years
Exercise price	$0.54
Underlying spot price	$0.40
Estimated volatility	42.37%
Risk-free interest rate	3.29%
Dividend yield	0%

The expected price volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to public available information.

Set out below are summaries of options granted by the Company as at 31 December 2022:

Grant date	Exercise price	Expiry date	Balance at start of the period Number	Granted during the period Number	Exercised / lapsed during the period Number	Balance at end of the period Number	Vested and exercisable at end of the period Number
4 January 2022	$0.50	4 Jan 2024	24,744,513	-	-	24,744,513	24,744,513
31 October	$0.54	1 Nov 2022	-	4,000,000	-	4,000,000	4,000,000
			24,744,513	4,000,000	-	28,744,513	28,744,513
Weighted Average exercise price			$0.50	$0.54	-	$0.51	$0.51

The options outstanding at 31 December 2022 have a weighted average remaining contractual life of 15.06 months.

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	31 Dec 2022 $	30 Jun 2022 $
12. FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS		
Financial liability	3,612,418	5,096,287
	3,612,418	**5,096,287**

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**) on a pro rata basis during the period where the Group generates sufficient cash flow to commence the recoupment of capital invested to build the mine. 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)**.

Critical judgements and estimates

The timing and amount of the Octea Royalty Payments are subject to significant estimates and judgements including the capital cost of the project, 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. Other estimates and judgements include future diamond pricing, discount rate, and future capital expenditure. 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 updated for the current life of mine plan in May 2022. The discounted cash flows are based on inputs from this study which included a life of mine model and a review of the key terms and conditions of the agreements.

The following table gives the main assumptions made in determining the fair value of financial liability as at 31 December 2022. 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	US248	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, as well as recent sales price data.
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. During the period ended 31 December 2022, the timing of the recovery of costs was refined resulting in a fair value adjustment to the financial liability at fair value through profit or loss.
Discount rate	%	25.50	Rate determined using external support for the risk free rate (Sierra Leone equity risk premium), and counterparty expected rate of return.

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	31 Dec 2022 $	30 Jun 2022 $
13. FINANCIAL LIABILITY AT AMORTISED COST		
Contractual liability acquired through business combination	**7,942,561**	**7,495,821**

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 current payable in The Group's accounts.

The fair value of this current liability was based on discounted cash flows using an estimated current borrowing rate of 10% (2021: 10%). This current liability is carried at amortised cost. Total interest expense recognised for the period in relation to this current payable is $373,075 (2021: $233,359).

14. 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 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value through profit or loss				
- Australian listed equity securities	90,000	-	-	90,000
	90,000	-	-	90,000
Liabilities				
Financial liabilities at fair value through profit or loss (Note 12)	-	-	3,612,418	3,612,418
	-	-	3,612,418	3,612,418

30 June 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value through profit or loss				
- Australian listed equity securities	120,000	-	-	120,000
Liabilities				
Financial liabilities at fair value through profit or loss (Note 12)	-	-	5,096,287	5,096,287
	-	-	5,096,287	5,096,287

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 12 for valuation of the financial liability.

Transfers between levels 2 and 3 and changes in valuation techniques

There were no transfers between the levels of the fair value hierarchy in the six months to 31 December 2022. There were also no changes made to any of the valuation techniques applied as of 30 June 2022.

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	31 Dec 2022 $	30 Jun 2022 $
15. CONTRIBUTED EQUITY		
768,870,875 fully paid ordinary shares (30 June 2022: 745,611,986 fully paid ordinary shares)	**170,073,248**	**164,841,786**

The following movements in ordinary share capital occurred during the period:

	31 Dec 2022 Number	30 Jun 2022 Number	31 Dec 2022 $	30 June 2022 $
Balance at the beginning of the period	745,611,986	581,299,522	164,841,786	102,090,022
Issue of fully paid ordinary shares	22,215,881	92,101,083	5,739,500	32,235,381
Issue of treasury shares	1,043,008	-	383,163	-
Conversion of bonds	-	72,211,351	-	32,134,051
Less share issue costs	-	-	(891,201)	(1,617,668)
Balance at the end of the period	768,870,875	745,611,986	170,073,248	164,841,786

On 31 August 2022, the Company entered into an Equity Placement Agreement with SBC Global Investment Fund, a fund of L1 Capital Global Opportunities Master Fund (**L1 Capital**), to provide the company with access up to $55 million in equity capital over 3 years (**L1 Capital Equity Placement Agreement**). The Company will control the timing and maximum amount of the draw down under this facility.

Key terms and conditions of the L1 Capital Equity Placement Agreement are:

i) Capital may be raised at the election of the Company by way of Share placements (**Placement**) made by the Company giving "**Placement Notices**" to L1 Capital.

ii) Each Placement Notice may request a placement amount up to 1,000% of the 15-trading day average daily value traded on ASX prior to the Placement Notice (**Placement Amount**).

iii) The issue price of the shares in a placement is the greater of 95% of the average of 5 daily VWAPs in a 30 trading day period following the placement notice, and the minimum acceptable price (**MAP**) notified to L1 Capital by the Company upon delivering the Placement Notice. The VWAP calculation and number of shares are subject to adjustment as a result of certain events occurring.

iv) On issue of a Placement Notice, the Company must issue to L1 Capital sufficient shares to satisfy the planned Placement Amount, in number equal to 120% of the Placement Amount divided by 95% of the MAP (**Provisional Placement Shares**).

v) Any Provisional Placement Shares not required to satisfy a Placement Amount will be excess and increase the excess Share Number (**Excess Share Number**). Whenever the Company is obliged to issue Shares to L1 Capital, the Company can elect to apply any of the Excess Share Number to the obligation. At any time L1 Capital can pay the Company 95% of the average of 5 daily VWAPs chosen by L1 Capital from the prior 30 trading days to reduce the Excess Share Number.

vi) If any Excess Share Number remains after the Commitment Period, L1 Capital must reduce it to zero within 3 months by paying the Company 95% of the average of 5 daily VWAPs chosen by the Investor from the prior 30 trading days.

vii) In accordance with the agreement, the Company issued 4,000,000 options to L1 Capital, exercisable at $0.54 per option expiring on 1/11/25. These options were valued at $349,386 using a Black Scholes model and classified as equity.

viii) In addition to the 4,000,000 Options, in respect of each of the first 2 Placements, the Company will issue 1,000,000 Options each to L1 Capital with a term of 3 years and exercise price of 130% of the VWAP of Shares traded on ASX over the 5 trading days preceding the Placement. These options will be valued using a Black Scholes model and classified as equity.

On 23 November 2022, the Company issued the first placement notice to L1 Capital for subscription amount up to A$289,000 and issued 1,043,008 Provisional Placement Shares to L1 Capital for nil consideration in accordance with the terms of the L1 Capital Equity Placement Agreement.

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16. OTHER RESERVES

	31 Dec 2022 $	30 June 2022 $
Share Based Payments Reserve		
Balance at beginning of period	1,448,933	503,903
Share based payment expenses (refer Note 11)	473,111	945,030
Balance at end of period	1,922,044	1,448,933
Options Reserve		
Balance at beginning of period	2,150,129	-
Options issued	349,386	2,150,129
Balance at end of period	2,499,515	2,150,129
Foreign Currency Translation Reserve		
Balance at beginning of period	3,165,672	(3,550,329)
Currency translation differences on translation of foreign operations	776,770	6,716,001
Balance at end of period	3,942,442	3,165,672
Total	**8,64,001**	**6,764,734**

17. OTHER INCOME AND EXPENSES

	31 Dec 2022 $	31 Dec 2021 $
Other income/(expense)		
Interest income	714	14,537
Gain on sale of assets	-	50,000
Fair value (loss)/gain on investments held at fair value through profit or loss	(30,000)	90,695
Foreign exchange (loss)/gain	511,700	(649,346)
Other	(21,502)	-
	460,912	(494,114)

18. FINANCE COSTS

	31 Dec 2022 $	31 Dec 2021 $
Interest expense	64,461	2,443,645
Lease interest expense	98	139,282
Fair value adjustment on shares issued	-	6,860,078
Borrowing costs	111,666	588,453
	176,225	**10,031,458**

19. EVENTS SUBSEQUENT TO REPORTING DATE

On 11 January 2023, the first Placement Notice issued to L1 Capital on 23 November 2022 (refer Note 15) was closed, with L1 Capital subscribing for 875,758 shares at $0.33 per share, raising $289,000 before costs. The company also issued 1 million free attaching options to L1 Capital pursuant to the terms of the L1 Capital Equity Placement Agreement. These options are exercisable at $0.452 each on or before 10 January 2026.

On 13 January 2023, Ms Karen O'Neill was appointed as a non-executive director of the Company.

On 14 March 2023, the Company entered into a $15 million loan agreement with Wonder Holdings Pty Ltd to be drawn down on or before 31 May 2023. The loan is unsecured with an interest rate of 7.5% p.a. and repayable by 31 August 2024.

Other than what has been disclosed above, 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.

DIRECTORS' DECLARATION

In the opinion of the Directors of Newfield Resources Limited:

(a) the financial statements and notes set out on pages 10 to 23 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 2022 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
16th March 2023

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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 2022, 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

16 March 2023

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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 2022, 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 2022 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.

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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 2022 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

16 March 2023