NEWFIELD
RESOURCES LIMITED

ABN 98 153 219 848

ANNUAL REPORT

For the year ended 30 June 2018

CORPORATE DIRECTORY

DIRECTORS

Executive Director	Mr Anthony Ho
Executive Director	Mr Michael Lynn
Non-Executive Director	Mr Robert Ang

COMPANY SECRETARY

Mr Kim Hogg

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AUDITOR

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STOCK EXCHANGE

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BANKER

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CONTENTS

Highlights

- Completion of the merger with Stellar Diamonds plc and acquisition of the Tongo Diamond Project
- Commencement of a Front End Engineering & Design programme for the Tongo Mine
- Commencement of a 10,000m development drilling programme and associated mineral resource update

1. Corporate

On 1 February 2018 the Company announced that it proposed to acquire AIM-listed diamond explorer, Stellar Diamonds plc (Stellar) in an all-scrip transaction to be effected by a Court-sanctioned scheme of arrangement of Stellar under Part 26 of the UK Companies Act 2006 (Scheme). Simultaneously, the Company announced a two-tranche placement to raise an aggregate of A$10 million (first tranche of A$7 million and second tranche of A$3 million), which followed by a fully underwritten non-renounceable entitlements issue to raise a further A$30 million (Entitlements Issue).

Subsequently, Newfield shareholders approved and ratified the A$10 million placement, and the second tranche of A$3 million was completed on 11 April 2018. Stellar shareholders approved the scheme of arrangement at a shareholder meeting held on 19 April 2018, and the scheme was sanctioned by the High Court of Justice in England and Wales on 25 April 2018. The scheme became effective on 26 April 2018. With all conditions to the Company's Entitlements Issue having been satisfied, Newfield issued a total of 200,231,668 fully paid shares at an issue price of $0.15 per share on 27 April 2018, with 95,484,549 shares issued in satisfaction of the Scheme on 3 May 2018.

On 30 January 2018, Mr Robert Ang was appointed as a Non-Executive Director following Mr Suryandy Jahja's decision to retire.

The projects acquired by the merger are situated in the major diamond producing areas of Sierra Leone and Liberia (**Figure 1**). The primary asset is the high-grade and high-value Tongo Diamond Project (**Tongo Project**). The Company also acquired a 90% interest in exploration licences situated in north-western Liberia, where high value diamonds and kimberlitic indicator mineral anomalies were delineated by previous exploration work.

The funding raised through the transaction is primarily directed at the accelerated development of the Tongo Project.

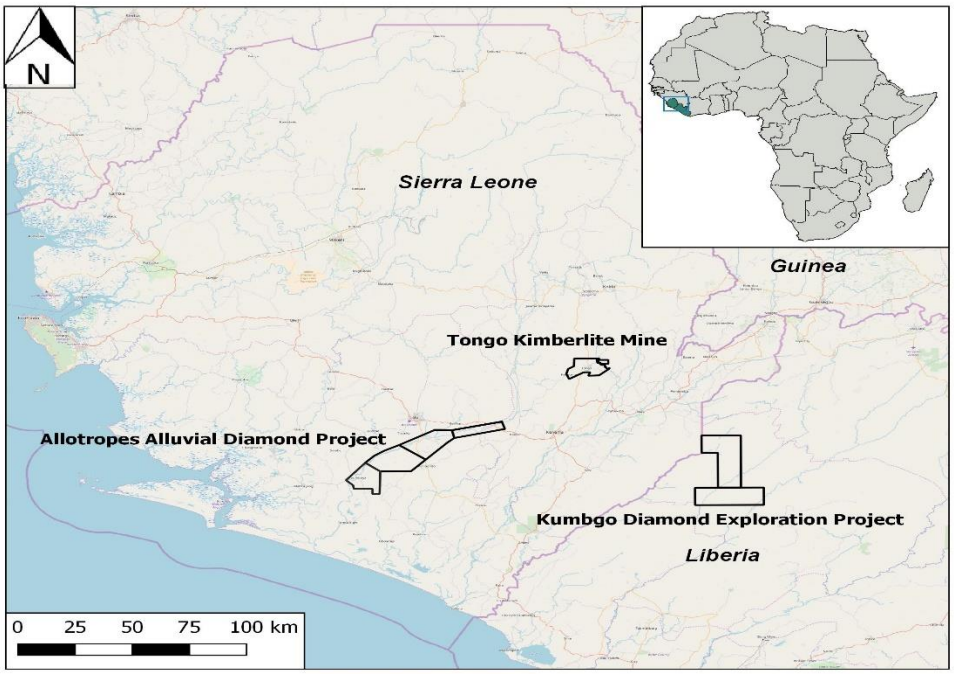

Figure 1. Showing the projects acquired by the merger are situated in the major diamond producing areas of Sierra Leone and Liberia.

2. Tongo Diamond Project (Sierra Leone – 100%)

The Tongo Diamond Project combines the kimberlite dyke hosting historical mineral resources on adjacent mining licences covering an area of 134 km^2 in the Kenema District of Sierra Leone (**Figure 2**). These licences are subject to a tribute mining and revenue share agreement with Octea Mining (**Octea**). The key elements of these agreements are:

- Consolidates two licences covering 11 diamondiferous kimberlites, only three of which have been established into resource
- Certain plant and mining equipment acquired as part of the tribute mining agreement
- Newfield to fund development of the project into production
- In return Newfield's investments are repaid from first revenues and US$5 million to Octea
- 10% revenue share to Octea after full project construction costs have been recovered
- US$ 5.5 million bullet payment to Octea after Year-5

The Tongo Project consolidates 11 identified diamondiferous kimberlites, only three of which have been the subject of historic resource estimates by previous owners. It also benefits from considerable existing infrastructure including the current relocation of a 50 tph processing plant, an existing 5 tph bulk sample processing facility, certain mining vehicles and equipment, and significant associated building and camp facilities. Newfield is rapidly progressing a Front End Engineering Design (FEED) and mine development drilling program targeted at accelerated development of the Tongo Project to commence mining in 2019.

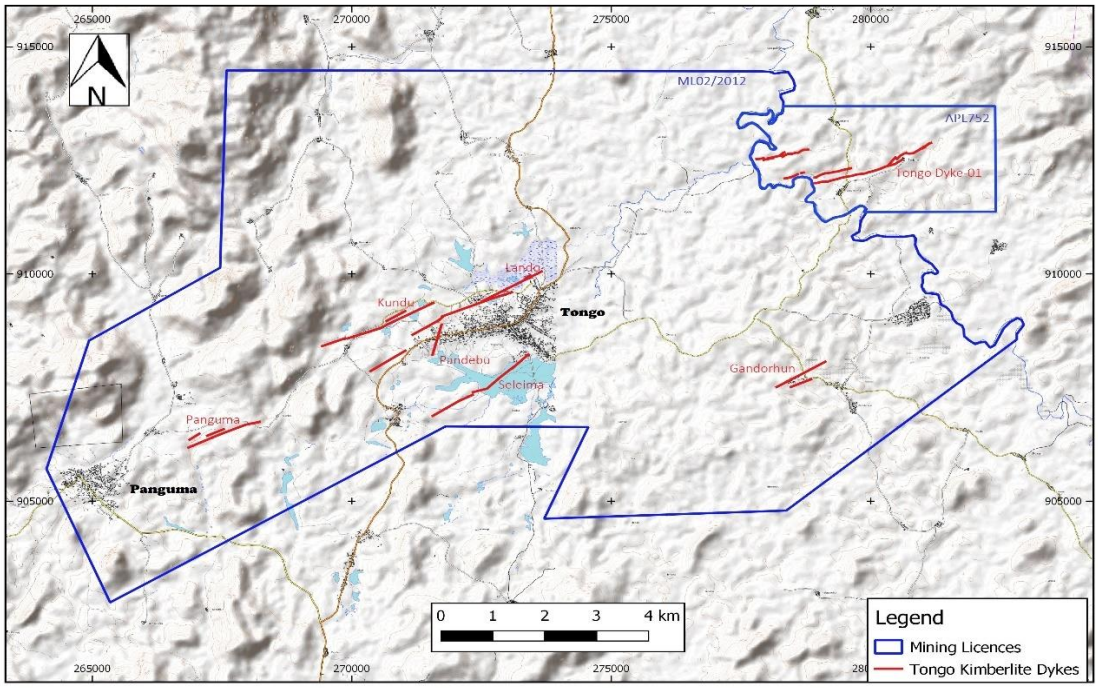

Figure 2. Showing the Tongo Diamond Project combines the kimberlite dyke hosting historical mineral resources on adjacent mining licences covering an area of 134 km^2 in the Kenema District of Sierra Leone.

Front End Engineering and Design (FEED) Program

The FEED program for the Company's flagship Tongo Project commenced in the March 2018 quarter and is being coordinated by independent consulting groups, Paradigm Project Management and SRK Consulting. The FEED will more precisely define the technical requirements of the Tongo Project and deliver an optimised underground mine design and treatment plant layout. This work will also refine the final capital expenditure estimate and operating cost budgets for the Tongo Project. The FEED program is on track for scheduled completion in the December 2018 quarter. Activities completed to date include:

- Drone surveys for detailed mapping of the planned mine layout were flown, and preliminary mine site, plant, office and accommodation layouts were prepared, based on the significant existing infrastructure which includes roads, offices, workshops, stores, accommodation and old plant site.
- Design of the 50 tonnes per hour (tph) dense media separation (DMS) plant based on a second-hand plant acquired from Octea was completed. The plant will incorporate new scrubbing and crushing units, and a completely new recovery section, incorporating primary and secondary Debtech (De Beers) CDX118CD (dry feed) X-ray machines.
- Geotechnical and geohydrological fieldwork was undertaken by SRK engineers, and preliminary selection of the underground portal sites for both the Kundu and Lando underground mines was done.
- Commencement of Environmental monitoring and reporting
- Stakeholder engagement and commencement of Community investment initiatives.
- Specific site activities included upgrading of the gravel road between Mano Junction and the Tongo Project. This road is important to the logistical support for the mine, and travel time between the tarred road and the Tongo Project has been shortened from approximately 90 minutes to 35 minutes.
- Refurbishment of a 5 tph DMS plant for bulk sampling work, and addition of a dual X-ray recovery system. This plant will be used for processing of existing bulk sample, as well as several thousand tonnes of uncontrolled kimberlite sample which is stockpiled at the Tongo Project. This material will be processed during the September 2018 quarter to deliver initial carats for updated Mineral Resource estimation, and to improve confidence in the diamond revenue model.
- Dismantling and relocation of the 50 tph production plant from Kono to the Tongo Project is underway and is expected to be completed during the September 2018 quarter. Construction of the new plant will follow.
- Detailed underground mine design will commence in the September 2018 quarter once the resource model has been updated.

Mine Development Drilling Campaign and Mineral Resource Update

Boart Longyear was appointed to undertake a 10,000m mine development drilling program to complement the FEED. Drilling was completed during July 2018. This campaign was designed to more precisely delineate the geology and morphology of the Kundu, Lando and Tongo kimberlites (and associated country rock) within the first two levels of planned underground mining. This has facilitated more precise mine planning and thus assisted in de-risking the initial phases of mining. The drill collars are at approximate 50m intervals along the strike of the dykes, infilling previous resource drilling work which was at 200 m intervals.

Independent geological consulting group, MPH Consulting of Canada (MPH), has been retained to update the Diamond Resource estimate for the Tongo Project. The additional geological information provided by the current drilling campaign is expected to bring some shallow portions of the previous Resource into the Indicated Resource category, and to bring some previous Exploration Target zones into the Inferred Resource category. The updated JORC-compliant Diamond Resource estimate is expected to completed in the 4Q 2018, once an additional bulk sample has been completed and the diamonds recovered have been valued.

3. Allotropes Alluvial Diamond Project (Sierra Leone – 100%)

Following the receipt of relatively disappointing results from bulk sampling of high level terraces, and from samples in the lower reaches of the Sewa River, where overburden thicknesses are in excess of 8 m, a series of relinquishments of licence holdings commenced with the relinquishment of ground in the southernmost portion of Allotropes tenement holdings. Further exploration is now focused on low terrace/river flat targets in the northern and eastern areas, and on dredge targets within the Sewa River, where higher grades and thinner overburden have been found (**Figure 3**).

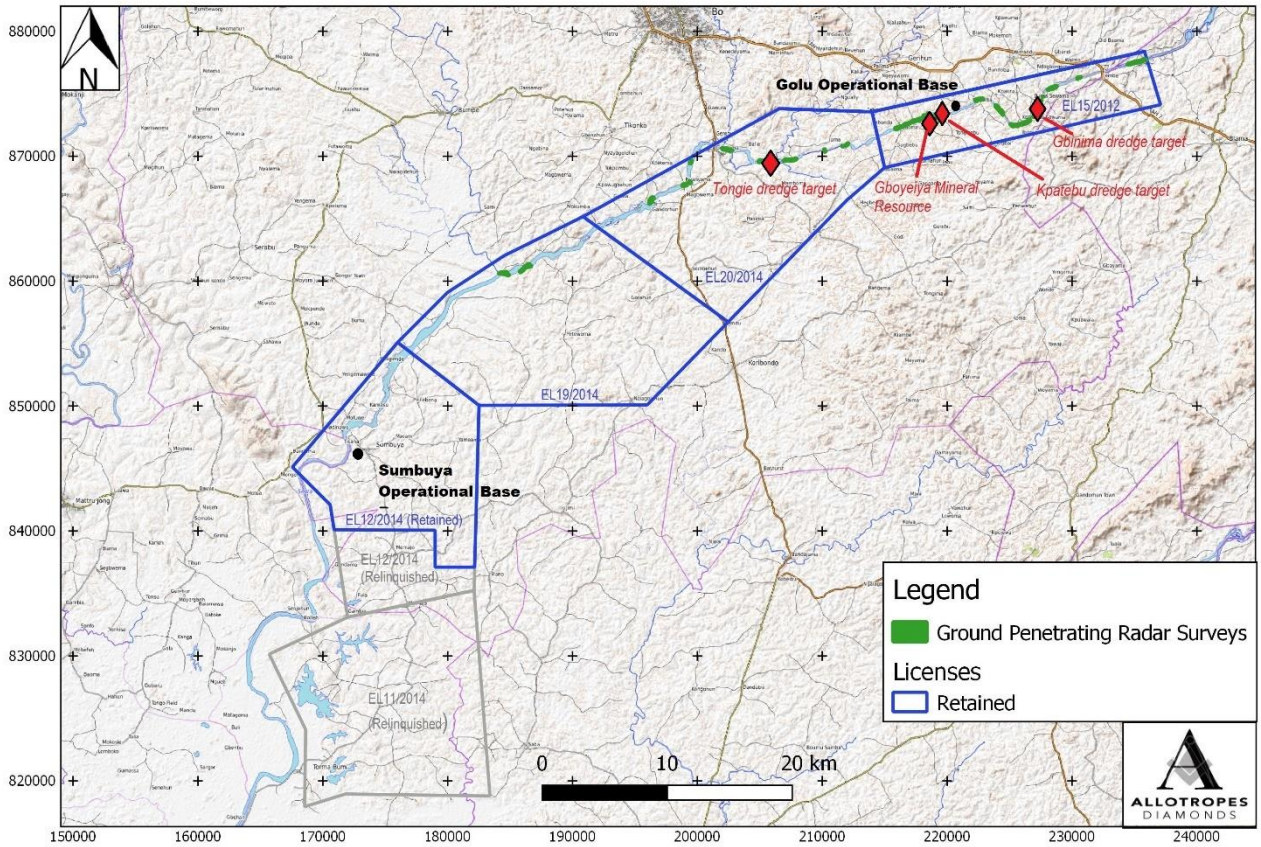

Figure 3. Showing low terrace/river flat targets in the northern and eastern areas, and on dredge targets within the Sewa River, where higher grades and thinner overburden have been found.

Dredging in the Sewa River continued through the 2017 wet season in the Gbinima area, where a relatively coarse diamond population was identified. However, the residual resource in the area was found to be small and was depleted by the end of 2017. The dredge units were subsequently deployed to new target areas at Tongie, identified from historical work.

A ground penetrating radar (GPR) survey was completed over selected portions of the Sewa River within EL15/2012 and EL20/2014 in May. The survey was designed to identify gravel targets. Results were received in June, and the dredge units have subsequently been relocated to the Kpatobu area to test targets in that area.

The river flat Mineral Resource defined at Gboyeiya in 2016 is being further investigated in 2018. Two dredge units are being used to extract gravel from bulk sample paddocks which have been prepared through overburden stripping. The gravel is being processed by the 5 tph DMS plant which has been relocated from the southern area. The results of this work will inform the veracity of the Mineral Resource estimate, as well as test the effectiveness of this method of gravel extraction in a terrestrial setting. The method provides security, environmental and cost advantages, but is slower than conventional mining.

Allotropes completed its fourth sale of rough diamonds in Antwerp in November. A total of 534 carats was recovered from suction-dredging operations conducted in the Sewa River at Gbinima. An average US$/carat ($/ct) sale price of $462 was realised from an average stone size of 0.86 carats per stone (cts/stn).

Allotropes concluded its kimberlite exploration programme in June, after no additional kimberlite occurrences were identified within the existing licences. As a result, we impaired the asset.

4. Crest Yard Gold Project (Australia – 70%)

The Crest Yard Gold Project, covers 987 ha, centred between the historical gold mining centres of Kintore and Dunnsville, located approximately 60km northwest of Kalgoorlie, Western Australia.

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

The phase two aircore drilling program returned several areas of anomalous bedrock gold mineralisation (> 100 ppb Au) at or near the bottom of drill holes within the southern target area.

During the reporting period the Company rationalised the Crest Yard project tenement holdings by retaining only the tenements covering the highest priority gold target areas in the eastern part of the project area. Newfield Resources Ltd continues to review and interpret the results of the previously completed aircore drilling programs with a view to refining targets for deeper drill testing in the coming year.

5. Impairment

During the year the Group booked an impairment loss of $25,875,775 on the Group's gold exploration projects in Western Australia and the Allotropes diamond exploration project in Sierra Leone, as the Group shifts its focus on the development of the Tongo Project acquired during the year.

Schedule of Tenements at 30 June 2018

PROJECT	TENEMENT NUMBER	TENEMENT NAME	REGISTERED HOLDER(S)	NEWFIELD'S INTEREST
SIERRA LEONE				
TONGO KIMBERLITE MINE	APL752	Tongo	Sierra Diamonds Limited	100%
ALLOTROPES DIAMOND PROJECT	EL15/2012	Baoma	Allotropes Diamond Company Ltd	100%
	EL/12/214	Sumbuya	Allotropes Diamond Company Ltd	100%
	EL19/2014	Hima	Allotropes Diamond Company Ltd	100%
	EL20/2014	Jomu	Allotropes Diamond Company Ltd	100%
LIBERIA				
KUMBGO PROJECT	MEL1157/15	Kumgbo	Stellar Diamonds (Liberia) Inc.	90%
	MEL1158/14	Kumgbo	Stellar Diamonds (Liberia) Inc.	90%
WESTERN AUSTRALIA				
NEWFIELD GOLD PROJECT	M77/0422	Newfield	Newfield Resources Ltd	100%
	M77/0846	Woongaring Hills	Newfield Resources Ltd	100%
CREST YARD GOLD PROJECT	P16/2722	Doyle Dam	Newfield Resources Ltd Crest Metals Pty Ltd	70%
	P16/2726	Doyle Dam	Newfield Resources Ltd Crest Metals Pty Ltd	70%
	P16/2728	Doyle Dam	Newfield Resources Ltd Crest Metals Pty Ltd	70%
	P16/2729	Doyle Dam	Newfield Resources Ltd Crest Metals Pty Ltd	70%
	P16/2730	Doyle Dam	Newfield Resources Ltd Crest Metals Pty Ltd	70%
	P16/2731	Doyle Dam	Newfield Resources Ltd Crest Metals Pty Ltd	70%

*The Directors present their report together with the consolidated financial statements of the Group comprising of Newfield Resources Limited (the **Company** or **Newfield**) and its subsidiaries (the **Group** or **Consolidated Entity**) for the year ended 30 June 2018 and the Auditor's report thereon.*

DIRECTORS AND KEY PERSONNEL

Directors

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

Mr Anthony Ho
Executive Director – appointed 14 September 2011

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

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

Mr Ho will retire by rotation and will be seeking re-election by shareholders at the 2018 Annual General Meeting.

Mr Michael Lynn
Executive Director – appointed 24 August 2015

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

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

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

Mr Robert Ang
Non-Executive Director – appointed 30 January 2018

Mr Robert Ang is a graduate in banking and finance from Monash University. His banking career included being Vice President of the Bank of America in Jakarta as the Head of the Foreign Exchange Desk between 1994 and 1997. Between 1998 and 2003 he was posted to Singapore as the Director of the Bank of America of its Foreign Exchange Trading division. Mr Ang then joined Credit Suisse Bank in Singapore between 2003 and 2006 as a Director managing its Asian Currencies trading division. He returned to the Singapore office of Bank of America-Merrill Lynch where he was a Director between 2006 and 2010. Mr Ang was also a Director of UniCredit Bank AG based in Hong Kong in 2012/13. His career included being the Director of Forex Trading of The Toronto-Dominion Bank based in Singapore in 2013/14.

He presently is a Portfolio Manager of ESW Manage Pte Ltd in Singapore responsible for trades in foreign exchange currencies, commodities and stock indices futures.

Mr Suryandy Jahja
Non-Executive Director – appointed 6 August 2015, resigned 30 January 2018

Company Secretary

Mr Kim Hogg – appointed 14 September 2011

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

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

DIRECTORSHIPS IN OTHER LISTED ENTITIES

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

Director	Company	Period of directorship	
		From	To
Mr Anthony Ho	Alchemy Resources Limited	2011	Present
	Australian Agricultural Projects Limited	2003	Present
	Mustera Property Group Ltd	April 2014	Present
	Glory Resources Limited (now de-listed)	February 2014	March 2016
Mr Michael Lynn	Not Applicable	-	-
Mr Robert Ang	Not Applicable	-	-

DIRECTORS' INTERESTS

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

Director	Shares	Options
A Ho	-	400,000
M Lynn	522,000	1,500,000
R Ang (appointed 30 January 2018)	7,238,922	-

DIRECTORS' MEETINGS

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

Director	Board Meetings	
	Held while Director	Attended
A Ho	5	5
M Lynn	5	5
R Ang (appointed 30 January 2018)	4	4
S Jahja (resigned 30 January 2018)	1	1

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

PRINCIPAL ACTIVITY

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

OPERATING AND FINANCIAL REVIEW

Operating review

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

Financial review

The Group incurred a loss of $27,451,951 after income tax for the financial year (2017: loss of $1,399,735) which included an impairment loss on exploration and evaluation assets of $25,875,775 (2017: nil). The impairment loss was recognised on the Group's gold exploration projects in Western Australia and the Allotropes diamond exploration project in Sierra Leone, as the Group shifts its focus on the development of the Tongo Project acquired during the year.

During the financial year, the Company successfully raised $40,034,750 before costs through various share placements and entitlement offer. As at 30 June 2018 the Group had net assets of $63,716,812 (2017: $26,429,792) including cash and cash equivalents of $14,970,438 (2017: $1,068,249).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In April 2018 the Company acquired 100% of the issued and to be issued shares in Stellar Diamonds Plc (**Stellar**), an AIM-listed diamond explorer, through the issue of 50,313,270 fully paid ordinary shares in the Company. As part of the acquisition, the Company also issued 45,171,279 fully paid ordinary shares for settlement of some of Stellar's financial liabilities. Stellar, through its wholly owned subsidiaries, held several diamond exploration projects in Sierra Leone and Liberia. The Review of Activities section sets out further details of the Tongo Project, which is the subject of the current development focus of the Group.

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

(a) the issue of 35,000,000 shares at $0.20 per share to raise $7,000,000 before costs;

(b) the issue of 15,000,000 shares at $0.20 per share to raise $3,000,000 before costs;

(c) the issue of 200,231,668 shares at $0.15 per share to raise $30,034,750 before costs;

(d) the issue of 50,313,270 shares as consideration for acquisition of 100% interest in Stellar Diamonds Plc; and

(e) the issue of 45,171,279 shares for settlement of Stellar's financial liabilities.

Total shares on issue at 30 June 2018 are 581,299,552 (2017: 235,583,335).

LIKELY DEVELOPMENTS

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

DIVIDENDS

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

OPTIONS

Options granted

The following options were granted since the end of the previous financial year:

Class	Grant Date	Expiry Date	Exercise Price	Number of Options
Unlisted Options	4 May 2018	31 March 2021	$0.30	50,000,000

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

Options on issue

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

Class	Grant Date	Expiry Date	Exercise Price	Number of Options
Unlisted Options	1 December 2016	30 December 2020	$0.50	6,000,000
Unlisted Options	4 May 2018	31 March 2021	$0.30	50,000,000

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

ENVIRONMENTAL REGULATION

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

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

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

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

EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

REMUNERATION REPORT - AUDITED

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

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

Key management personnel

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

Name	Position held
Mr Anthony Ho	Executive Director
Mr Michael Lynn	Executive Director
Mr Robert Ang	Non-executive Director (appointed 30 January 2018)
Mr Suryandy Jahja	Non-executive Director (resigned 30 January 2018)

Principles of remuneration

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

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

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

Remuneration structure

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

Non-executive director remuneration

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

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

Executive remuneration

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

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

Fixed remuneration

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

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

REMUNERATION REPORT - AUDITED (continued)

Long-term incentive

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

Following shareholder approval at the Company's 2016 AGM, all directors were granted options over ordinary shares in November 2016, details of which are shown later in this Remuneration Report. No options were granted to directors or employees during this financial year.

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

Group performance and link to remuneration

The Group's main activities are mineral exploration in Africa and Australia. The Group's financial results are not considered to be a principal performance indicator. However, the overall level of key management personnel remuneration will take into account the achievement of strategic objectives, service criteria and growth in share price.

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

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

	2018	2017	2016	2015	2014
Net loss for the year	$27,451,951	$1,399,735	$4,188,563	$1,522,992	$1,209,904
Dividends paid	Nil	Nil	Nil	Nil	Nil
Change in share price	($0.18)	($0.05)	($0.49)	$0.61	($0.01)
Share price at beginning of the period	$0.35	$0.40	$0.89	$0.28	$0.29
Share price at end of the period	$0.17	$0.35	$0.40	$0.89	$0.28
Loss per share	9.04 cents	0.62 cents	2.17 cents	0.95 cents	1.11 cents

Use of remuneration consultants

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

Voting and comments made at the Company's 2017 Annual General Meeting ('AGM')

At the 2017 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2017. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Service agreements

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

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

Name	Term of agreement	Notice period*	Base salary/fees including superannuation	Termination payments**
A Ho *Executive Director*	12 months fixed term	3 months	AUD$99,000	3 months
M Lynn *Executive Director*	12 months fixed term	3 months	USD$180,000	3 months

* The notice period applies equally to either party.

** Base amount payable if the Company terminates employees with notice, and without cause (e.g. for reasons other than unsatisfactory performance).

Remuneration of key management personnel for the year ended 30 June 2018

		SHORT-TERM		POST-EMPLOYMENT	SHARE-BASED PAYMENTS			
		Salary & fees $	Annual Leave $	Superannuation benefits $	Options $	Total $	Proportion of remuneration performance related %	Value of options as proportion of remuneration %
Directors								
Non-executive								
Mr R Ang[1]	2018	10,065	-	-	-	10,065	-	-
	2017	-	-	-	-	-	-	N/A
Mr S Jahja[2]	2018	13,935	-	-	-	13,935	-	-
	2017	24,000	-	-	9,500	33,500	-	28%
Executive								
Mr A Ho	2018	99,000	(1,663)	-	-	97,337	-	-
	2017	100,000	(2,202)	9,500	9,500	116,798	-	8%
Mr M Lynn	2018	239,058	(1,834)	-	-	237,224	-	-
	2017	218,838	(5,670)	-	28,500	241,668	-	12%
Total, all KMPs	**2018**	**362,058**	**(3,497)**	**-**	**-**	**358,561**	-	**-**
	2017	**342,838**	**(7,872)**	**9,500**	**47,500**	**391,966**	-	**12%**

1. Appointed 30 January 2018
2. Resigned 30 January 2018

Share-based remuneration

The Company did not provide any share-based remuneration during the financial year.

A total of 2,400,000 options over ordinary shares were granted in the previous financial year, all of which vested immediately. None of these options were exercised or forfeited during the financial year.

Loans to key management personnel

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

Other transactions with key management personnel

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

REMUNERATION REPORT - AUDITED (continued)

Key management personnel equity holdings

Fully paid ordinary shares

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

	Held at 1 July 2017	Held at date of appointment	Participation in Entitlement Offer	Held at date of resignation	Held at 30 June 2018
Mr A Ho	-	N/A	-	N/A	-
Mr M Lynn	300,000	N/A	222,000	N/A	522,000
Mr R Ang	N/A	4,160,300	3,078,622	N/A	7,238,922
Mr S Jahja	250,000	N/A	-	250,000	N/A

Options over ordinary shares

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

	Held at 1 July 2017	Held at date of appointment	Change during the year	Held at date of resignation	Held at 30 June 2018	Vested during the year	Vested and exercisable at 30 June 2018
Mr A Ho	400,000	N/A	-	-	400,000	-	400,000
Mr M Lynn	1,500,000	N/A	-	-	1,500,000	-	1,500,000
Mr R Ang	N/A	-	-	-	-	-	-
Mr S Jahja	500,000	N/A	-	500,000	N/A	N/A	N/A

This concludes the remuneration report, which has been audited.

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

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

Insurance

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

INDEMNIFICATION AND INSURANCE OF AUDITORS

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

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

NON-AUDIT SERVICES

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

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

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

	2018 $	2017 $
Services other than audit and review of financial statements:		
Tax compliance services	19,983	32,559
Total remuneration for non-audit services	19,983	32,559

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 55 and forms part of the Directors' Report.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

Anthony Ho
Executive Director
Dated at Perth this 28th day of September 2018.

NEWFIELD RESOURCES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2018

	Note	2018 $	2017 $
Other income	7	254,347	179,277
Exploration and evaluation expenses		(570,422)	(726,070)
Corporate and administrative expenses	7	(866,003)	(846,341)
Business combination costs	23	(316,557)	-
Exploration and evaluation assets written off	14	401	(2,942)
Impairment of exploration and evaluation assets	14	(25,875,775)	-
Finance costs		(77,942)	(3,659)
Loss before income tax		(27,451,951)	(1,399,735)
Income tax benefit / (expense)	8	-	-
Net loss after income tax for the year		**(27,451,951)**	**(1,399,735)**
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences	21	1,413,701	(651,270)
Other comprehensive loss for the year, net of tax		1,413,701	(651,270)
Total comprehensive loss for the year		**(26,038,250)**	**(2,051,005)**
Loss attributable to:			
Owners of the Company		(27,451,951)	(1,399,735)
Non-controlling interest		-	-
		(27,451,951)	**(1,399,735)**
Total comprehensive loss attributable to:			
Owners of the Company		(26,038,250)	(2,051,005)
Non-controlling interest		-	-
		(26,038,250)	**(2,051,005)**
Basic loss per share (cents)	26	(9.04)	(0.62)

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 30 June 2018

	Note	2018 $	2017 $
CURRENT ASSETS			
Cash and cash equivalents	9	14,970,438	1,068,249
Trade and other receivables	10	7,112,581	1,817,404
Inventory	11	204,182	176,767
Other current assets	12	309,930	230,800
Total Current Assets		22,597,131	3,293,220
NON-CURRENT ASSETS			
Trade and other receivables	10	-	70,584
Property, plant & equipment	13	6,627,001	3,170,781
Exploration and evaluation assets	14	57,612,303	20,300,092
Total Non-Current Assets		64,239,304	23,541,457
TOTAL ASSETS		86,836,435	26,834,677
CURRENT LIABILITIES			
Trade and other payables	15	3,541,786	225,784
Employee benefits	17	86,286	124,028
Loans and borrowings	16	15,593	22,301
Total Current Liabilities		3,643,665	372,113
NON-CURRENT LIABILITIES			
Income tax payable		32,772	32,772
Deferred tax liabilities	8	11,186,216	-
Other non-current payables	18	4,761,711	-
Provisions	23	3,495,259	-
Total Non-Current Liabilities		19,475,958	32,772
TOTAL LIABILITIES		23,119,623	404,885
NET ASSETS		**63,716,812**	**26,429,792**
EQUITY			
Contributed equity	19	102,090,022	38,964,752
Reserves	20	(2,235,593)	(3,849,294)
Accumulated losses	21	(36,137,683)	(8,685,732)
Non-controlling interest		66	66
TOTAL EQUITY		**63,716,812**	**26,429,792**

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

NEWFIELD RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2018

	Contributed Equity $	Other Reserves $	Accumulated Losses $	Total $	Non-controlling interests $	Total Equity $
Balance at 30 June 2017	38,964,752	(3,849,294)	(8,685,732)	26,429,726	66	26,429,792
Loss for the year	-	-	(27,451,951)	(27,451,951)	-	(27,451,951)
Other comprehensive income/(loss)	-	1,413,701	-	1,413,701	-	1,413,701
Total comprehensive loss for the year	-	1,413,701	(27,451,951)	(26,038,250)	-	(26,038,250)
Transactions with equity holders in their capacity as equity holders:						
Issue of ordinary shares, net of transaction costs	63,325,270	-	-	63,325,270	-	63,325,270
Underwriting fees settled by issue of options	(200,000)	200,000	-	-	-	-
Balance at 30 June 2018	**102,090,022**	**(2,235,593)**	**(36,137,683)**	**63,716,746**	**66**	**63,716,812**
Balance at 30 June 2016	36,141,400	(3,271,957)	(7,325,997)	25,543,446	66	25,543,512
Loss for the year	-	-	(1,399,735)	(1,399,735)	-	(1,399,735)
Other comprehensive income/(loss)	-	(651,270)	-	(651,270)	-	(651,270)
Total comprehensive loss for the year	-	(651,270)	(1,399,735)	(2,051,005)	-	(2,051,005)
Transactions with equity holders in their capacity as equity holders:						
Issue of ordinary shares, net of transaction costs	2,823,352	-	-	2,823,352	-	2,823,352
Grant of options as remuneration to directors and employees	-	113,933	-	113,933	-	113,933
Transfer of share-based payment reserve upon exercise/expiry of options	-	(40,000)	40,000	-	-	-
Balance at 30 June 2017	**38,964,752**	**(3,849,294)**	**(8,685,732)**	**26,429,726**	**66**	**26,429,792**

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

NEWFIELD RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2018

	Note	2018 $	2017 $
Cash flows from operating activities			
Receipts from customers		-	49,901
Payments to suppliers and employees		(3,712,646)	(748,688)
Interest received		113,830	139,201
Interest paid		(2,235)	(3,659)
Net cash (outflow) from operating activities	29	(3,601,051)	(563,245)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		20,941	2,605
Payments for property, plant and equipment		(99,269)	(1,070,083)
Payments for exploration and evaluation assets		(8,764,032)	(7,081,142)
Proceeds from sales of diamonds from exploration activities		612,704	-
Loans advanced to other entities		(10,837,740)	(1,500,000)
Loan repayment from other entity		1,500,000	-
Net cash (outflow) from investing activities		(17,567,396)	(9,648,620)
Cash flows from financing activities			
Proceeds from the issue of share capital	19	40,034,750	3,000,000
Payments of share issue costs		(580,618)	(200,997)
Proceeds from borrowings		30,362	43,072
Repayment of borrowings		(4,445,408)	(52,733)
Net cash inflow from financing activities		35,039,086	2,789,342
Net increase/(decrease) in cash and cash equivalents		13,870,639	(7,422,523)
Cash and cash equivalents at 1 July		1,068,249	8,636,589
Effects of exchange rate changes on cash and cash equivalents		31,550	(145,817)
Cash and cash equivalents at 30 June	9	**14,970,438**	**1,068,249**
Non-cash financing and investing activities	29		

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

1. REPORTING ENTITY

Newfield is a public company limited by shares incorporated in Australia whose shares are traded on the Australian Securities Exchange.

These consolidated financial statements comprise the Company and its subsidiaries (collectively the "**Group**" and individually "**Group companies**"). They were authorised for issue by the Board of Directors on 28 September 2018.

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

2. BASIS OF PREPARATION

Statement of compliance

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

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

Basis of measurement

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

Going concern

For the year ended 30 June 2018 the Group:

a) recorded a loss of $27,451,951 which included an impairment loss on exploration and evaluation assets of $25,875,775;
b) had net cash outflows from operating activities of $3,601,051 and investing activities of $17,567,396;
c) received cash inflow from financing activities of $35,039,086, including proceeds from the issue of share capital of $40,034,750; and
d) has a net working capital of $18,953,466 at balance date.

As a result of the completion of the merger with Stellar Diamonds Plc and acquisition of the Tongo Diamond Project and the capital raisings achieved during the year, the Group is well positioned to fund its operational activities which include the development of the Tongo Diamond Project.

Accordingly, these 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 liabilities in the normal course of business.

3. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The group has subsidiaries whose operations are located outside of Australia (refer Note 22 for details of subsidiaries). The functional currency for the Group's parent entity is Australian dollars (AUD). The functional currency for the Group's subsidiaries operating outside of Australia is U.S. dollars (USD). The consolidated financial statements are presented in Australian dollars (AUD), which is the Group's presentational currency. All values are rounded to the nearest dollar unless otherwise stated.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of consolidation

Subsidiaries

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

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

Transactions eliminated on consolidation

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

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

Foreign currency translation

(a) Foreign currency transactions

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

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

(b) Foreign operations

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

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

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

Segment reporting

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Acquisition of assets

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

Business Combination

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the

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

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

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

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

Cash and cash equivalents

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

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

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost less any impairment losses recognised. Collectability of trade receivables is reviewed on an ongoing basis. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due. Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Inventory

Inventories are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes.

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

Exploration and evaluation expenditure

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

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

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

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

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

Mining assets

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

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

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

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

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

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

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

Impairment of non-financial assets

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

Trade and other payables

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

Borrowings

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

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

Employee benefits

(i) Short-term obligations

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Other long-term employee benefit obligation

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

Royalty Obligation

On the acquisition of Stellar Diamonds plc, Newfield acquired an obligation to pay royalty payments on sales from the combined project (refer Note 23 for details). The liability for royalty payments is measured at the present value of the estimated future cash outflows to be made under the royalty agreement.

Contributed equity

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

Share based payments

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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

Sale of goods

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

Rent Income and recoverable outgoings

Rent revenue comprises rent received and receivable, and recoverable outgoings charged to tenants in accordance with the lease agreements. Rental revenue from investment properties and inventories is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Interest

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

Leases

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

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

Earnings per share

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

Current and non-current classification

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

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

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

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

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

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

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

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

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

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

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

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

Goods and services tax

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of new or revised accounting standards and interpretations

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

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

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

New accounting standards and interpretations that are not yet mandatory

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

(i) AASB 9 Financial Instruments and its consequential amendments

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

(ii) AASB 15 Revenue from contracts with customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018 and an entity will recognise revenue to depict the transfer of promised good or services to customers in an amount that reflects the consideration to which the entity expects to be entitled. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards. The adoption of this standard is unlikely to have a material impact on the Consolidated Entity given that the Consolidated Entity has a minimal amount of revenue at this stage.

(iii) AASB 16 Leases

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

(iv) AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle Amendments - Disclosure Initiative: Amendments to AASB 3, 112 and 123

This standard and the amendments are applicable to annual reporting periods beginning on or after 1 January 2019 and an entity will be required to clarify if the entity remeasures its previously held interest in a joint operation when it obtains control of the business in a business combination, to clarify income tax consequences of payments on financial instruments classified as equity and that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Consolidated Entity is yet to fully assess the impact of this standard.

(v) AASB Interpretation 22 - Foreign Currency Transactions and Advance Consideration

This standard and the amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and the Interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transaction for each payment or receipt of advance consideration.

The Consolidated Entity is yet to fully assess the impact of this interpretation .

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(vi) AASB Interpretation 23, and relevant amending standards - Uncertainty over Income Tax Treatments

This standard and the amendments are applicable to annual reporting periods beginning on or after 1 January 2019 and the Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances.

The Consolidated Entity is yet to fully assess the impact of this interpretation .

5. FINANCIAL RISK MANAGEMENT

Overview

Risk management is carried out under policies set by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas. A copy of the Group's risk management policy can be found on the Company's website at www.newfieldresources.com.au.

Financial risk management objectives

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

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

	2018 $	2017 $
Financial assets		
Cash and cash equivalents	14,970,438	1,068,249
Trade and other receivables	7,112,581	1,879,815
	22,083,019	2,948,064
Financial liabilities		
Trade and other payables	3,541,786	171,374
Loans and borrowings	15,593	22,300
Other non-current payables	8,256,970	-
	11,814,349	193,674

Market risk

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

Foreign currency risk

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

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

5. FINANCIAL RISK MANAGEMENT (continued)

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

	Assets		Liabilities	
	2018	2017	2018	2017
	$	$	$	$
US dollars	900,124	535,730	11,132,111	84,346
British pound	37,095	-	226,496	-
Euro	-	-	5,043	-
South African rand	-	-	153,862	2,806
Sierra Leonean leone	83,122	23,224	106,518	14,046
	1,020,341	558,954	11,624,030	101,198

The Group had net monetary liability denominated in foreign currencies of $10,603,689 (assets $1,020,341 less liabilities $11,624,030) as at 30 June 2018 (2017: net assets of $457,756). Based on this exposure, had the Australian dollar strengthened/weakened by 10% (2017: strengthened/weakened by 7%) against these foreign currencies with all other variables held constant, the Group's loss before tax for the year would have been $1,060,369 higher/lower (2017: $32,043 lower/higher) and equity would have been $1,060,369 lower/higher (2017: $32,043 higher/lower). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual foreign exchange gain for the year ended 30 June 2018 was $18,428 (2017: gain of $38,605).

Cash flow and interest rate risk

Apart from the term deposits held at fixed rates, the Group also receives interest on its cash management accounts based on daily balances at variable rates. The Group's operating accounts do not attract interest.

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

	2018	2017
	$	$
Variable rate instruments		
Cash at bank	10,918,220	732,145
Fixed rate instruments		
Security deposits	-	70,584
Loans to other entities (Note 10)	7,000,000	1,500,000
Loans and borrowings (Note 16)	(15,593)	(22,300)
	17,902,627	**2,280,429**

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates would increase or decrease the Group's loss by $109,182 (2017: $7,321), based on the cash at bank at reporting date and calculated on an annual basis. The Board assessed a 100 basis point movement as being reasonably possible based on short term historical movements. This analysis assumes that all other variables remain constant.

Market price risk

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

5. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

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

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

Exposure to credit risk

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

	2018 $	2017 $
Cash at bank	14,970,438	1,062,224
Other receivables	7,112,581	1,879,815
	22,083,019	2,942,039

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

Credit quality of financial assets	Counterparties with external credit rating[1] AA-(S&P)	Other third parties without external credit rating No default	Total
At 30 June 2018			
Cash at bank[2]	13,950,094	1,020,344	14,970,438
Other receivables from once-off transactions with third parties[3]	-	7,112,581	7,112,581
	13,950,094	**8,132,925**	**22,083,019**
At 30 June 2017			
Cash at bank and short-term bank deposits[2]	818,526	249,723	1,068,249
Other receivables from once-off transactions with third parties[3]	70,584	1,809,231	1,879,815
	889,110	**2,058,954**	**2,948,064**

1. The equivalent S&P rating of the financial assets represents that rating of the counterparty with whom the financial asset is held rather than the rating of the financial asset itself.
2. Some of the Group's subsidiaries operate in Sierra Leone and held cash at Sierra Leone financial institutions. No external credit rating was available for these Sierra Leone financial institutions as at the reporting date.
3. Other receivables represent security deposit, sundry debtors and loan to other entities.

Allowance for impairment loss

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

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

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

No impairment loss was recognised by the Group for the financial year (2017: $Nil).

Liquidity risk management

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

5. FINANCIAL RISK MANAGEMENT (continued)

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

	Carrying amount	Contractual cash flows	1 year	2-5 years	>5 years
2018					
Trade and other payables	3,541,786	(3,541,786)	(3,541,786)	-	-
Loans and borrowings	15,593	(16,087)	(16,087)	-	-
Other non-current payables	8,256,970	(14,168,133)	-	(14,168,133)	-
	11,814,349	(17,726,006)	(3,557,873)	(14,168,133)	-
2017					
Trade and other payables	171,374	(171,374)	(171,374)	-	-
Loans and borrowings	22,300	(23,218)	(23,218)	-	-
	193,674	(194,592)	(194,592)	-	-

6. AUDITOR'S REMUNERATION

	2018 $	2017 $
The following fees were paid or payable to the auditors and the auditors' related practices:		
Audit and review services		
Auditors of the Company - BDO Audit (WA) Pty Ltd	55,000	43,107
Network firms of BDO Audit (WA) Pty Ltd	39,838	36,414
Other auditors	59,855	-
Audit and review of financial statements	**154,693**	**79,521**
Other Services		
Auditors' related practice – BDO Corporate Tax (WA) Pty Ltd		
- in relation to taxation services	6,630	6,630
Network firms of BDO Audit (WA) Pty Ltd		
- in relation to taxation services	13,353	25,929
	19,983	**32,559**

7. REVENUE AND OTHER INCOME AND EXPENSES

Other income		
Interest income	220,412	88,148
Rental income and recoverable outgoings	-	49,901
Gain on sale of assets	15,507	2,623
Foreign exchange gain	18,428	38,605
	254,347	179,277
Corporate and administrative expenses include the following specific expenses:		
(a) Depreciation		
Furniture & Fittings	3,525	30,365
(b) Employee benefits expenses		
Wages and salaries	110,284	115,193
Superannuation expense	-	9,500
Share-based payments (grant of options) (Note 31)	-	113,933
	110,284	238,626
(c) Occupancy expenses	189,676	143,355

	2018 $	2017 $
8. INCOME TAX		
(a) Income tax expense		
Current tax expense	-	-
Deferred tax expense	-	-
	-	-
(b) Numerical reconciliation between tax expense and pre-tax net loss		
Loss before income tax expense	(27,451,951)	(1,399,735)
Income tax benefit calculated at rates at 27.5% (2017:27.5%)	(7,549,287)	(384,927)
Effect of non-deductible items	203,257	31,624
Timing difference and tax losses not recognised	7,915,608	391,428
Differences in tax rate of subsidiaries operating in other jurisdictions	(569,578)	(38,125)
Income tax expense	-	-
(c) Deferred tax assets and liabilities not brought to account		
The potential tax benefit for the following items for which no deferred tax asset has been recognised is as follows:		
Carry forward tax losses	2,984,474	2,777,843
Capital raising costs	130,303	211,413
Provisions and accruals	18,866	128,387
Other	6,724,133	91,743
	9,857,776	3,209,386

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

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

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

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

The temporary difference relating to the following item for which no deferred tax liability has been recognised is as follows:		
Other	-	-
Exploration, evaluation and development costs	-	(375,050)
	-	(375,050)
(d) Deferred tax liabilities recognised		
Exploration and evaluation assets (Note 23)	11,186,216	-
	11,186,216	-
9. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	**14,970,438**	**1,068,249**

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

		2018 $	2017 $
10. TRADE AND OTHER RECEIVABLES			
Current			
GST receivable		7,211	8,173
Sundry debtors		39,199	307,609
Interest receivable		56,959	-
Loans to other entities	(i)	7,000,000	1,500,000
Loans to employees		9,212	1,622
		7,112,581	**1,817,404**
Non-current			
Security Deposit – office Lease		**-**	**70,584**

(i) The Group has lent funds to a private company during the year for interest earning purposes. The loan earns a fixed interest rate of 7% p.a. with interest payable monthly. The loan is unsecured and repayable at call.

There was no impairment loss booked to trade and other receivables for the financial year (2017: nil).

No receivables were past due but not impaired.

The Group's exposure to credit risk related to trade and other receivables is disclosed in Note 5.

11. INVENTORY		
Current		
Spare parts for processing plant at cost	204,182	176,767
	204,182	**176,767**

There was no impairment loss booked to inventory for the financial year (2017: nil).

12. OTHER CURRENT ASSETS		
Prepaid Insurance	84,759	109,839
Prepaid rent	149,197	20,548
Staff salary advance	1,534	1,820
Other advance payment to suppliers and contractor	74,440	98,593
	309,930	**230,800**

13. PROPERTY, PLANT & EQUIPMENT

	2018 $	2017 $
Furniture & fittings – at cost	150,632	129,456
Less: Accumulated depreciation	(107,625)	(78,409)
	43,007	51,047
Motor vehicles – at cost	614,413	440,693
Less: Accumulated depreciation	(443,405)	(214,301)
	171,008	226,392
Plant & equipment – at cost	7,785,156	3,448,388
Less: Accumulated depreciation	(1,514,955)	(686,955)
	6,270,201	2,761,433
Capital spares	13,880	13,383
Capital work in progress	128,905	118,526
	6,627,001	**3,170,781**

Reconciliations of carrying amount	Furniture & Fittings $	Motor vehicles $	Plant & equipment $	Capital spares & WIP $	Total $
Balance at 1 July 2016	67,058	327,098	1,830,427	394,549	2,619,132
Additions	15,454	17,964	916,688	118,526	1,068,632
Transfer between groups	-	-	368,622	(368,622)	-
Depreciation	(29,853)	(108,271)	(296,104)	-	(434,228)
Foreign exchange differences	(1,612)	(10,399)	(58,200)	(12,544)	(82,755)
Balance at 30 June 2017	51,047	226,392	2,761,433	131,909	3,170,781
Balance at 1 July 2017	51,047	226,392	2,761,433	131,909	3,170,781
Acquired in business combination (Note 23)	1,281	11,288	3,648,674	-	3,661,243
Additions	15,650	33,039	135,708	6,550	190,947
Disposals	(1,506)	(5,818)	(99,257)	(584)	(107,165)
Depreciation	(24,906)	(102,568)	(358,784)	-	(486,258)
Foreign exchange differences	1,441	8,675	182,427	4,910	197,453
Balance at 30 June 2018	43,007	171,008	6,270,201	142,785	6,627,001

14. EXPLORATION AND EVALUATION ASSETS

	2018 $	2017 $
Exploration and evaluation costs carried forward in respect of areas of interest	**57,612,303**	**20,300,092**
Reconciliation		
Carrying amount at beginning of the year	20,300,092	14,824,010
Exploration and evaluation	10,213,977	6,225,829
Sale of diamonds from exploration activities	(314,766)	(304,620)
Exploration and evaluation assets acquired through business combination (Note 23)	52,250,897	-
Exploration expenditure written off	401	(2,942)
Impairment loss (Australian gold projects and Allotropes diamond project)	(25,875,775)	-
Foreign currency revaluation of Baoma tenement	44,065	(38,837)
Foreign exchange differences in opening balances	993,412	(403,348)
Carrying amount at end of the year	**57,612,303**	**20,300,092**

14. EXPLORATION AND EVALUATION ASSETS (continued)

The value of the exploration and evaluation costs carried forward is dependent upon the continuance of the Group's rights to tenure of the areas of interest, the results of future exploration, and the recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale. On completion of impairment testing of the exploration and evaluation assets, the Group has made a decision to fully impair the carrying value of the gold exploration projects in Western Australia and the Allotropes diamond exploration project in Sierra Leone. The Group is not planning any substantive expenditure on these projects in the foreseeable future. In the absence of any offers, it also cannot determine the value that it may ultimately recover from any farm-out or joint venture arrangements and has therefore made the decision to fully impair the carrying value of these projects for financial reporting purposes. As a result, an impairment loss of $1,424,382 was recognised during the year on the Group's gold exploration projects in Western Australia and an impairment loss of $24,451,393 was recognised on the Allotropes diamond exploration project in Sierra Leone.

	2018 $	2017 $
15. TRADE AND OTHER PAYABLES		
Trade creditors and accruals	**3,541,786**	**225,784**

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

	2018 $	2017 $
16. LOANS & BORROWINGS		
Insurance premium funding	**15,593**	**22,301**

The Group has an insurance premium funding arrangement with Hunter Premium Funding Limited (**Hunter**), under which the principal and interests will be repaid by ten equal monthly instalments. A flat interest rate of 5.97% (2017: 7.81%) was charged by Hunter. The Group's exposure to various risks associated with loans and borrowings are disclosed in Note 5. The carrying amount of loans and borrowings approximates its fair value.

	2018 $	2017 $
17. EMPLOYEE BENEFITS		
Provision for annual leave entitlements	8,010	30,434
Provision for employment termination benefits	78,276	93,594
	86,286	**124,028**

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

	2018 $	2017 $
18. OTHER NON-CURRENT PAYABLES		
Contractual liability acquired through business combination	**4,761,711**	**-**

During the year the Group acquired 100% interest in Stellar Diamonds Plc (**Stellar**), an AIM-listed diamond explorer. 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 and RSA, as consideration, Stellar would pay Octea Group cash US$5.5 million by February 2023, which has been recognised as a non-current payable in Stellar's accounts. Refer to Note 23 for further details of non-current payables acquired through business combination.

The fair value of this non-current liability was based on discounted cash flows using an estimated current borrowing rate of 10%. This non-current liability is carried at amortised cost. Total interest expense recognised for the year in relation to this non-current payable is $75,707 (2017: nil). The Group's exposure to various risks associated with other non-current payables are disclosed in Note 5.

	2018 $	2017 $
19. CONTRIBUTED EQUITY		
581,299,552 fully paid ordinary shares (2017: 235,583,335 fully paid ordinary shares)	**102,090,022**	**38,964,752**

(a) Ordinary shares

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

	2018 Number	2017 Number	2018 $	2017 $
Balance at the beginning of the year	235,583,335	225,583,335	38,964,752	36,141,400
Exercise of options at $0.30 each	-	5,134,065	-	1,540,220
Issue of shares at $0.30 each per Option Underwriting Agreement	-	4,865,935	-	1,459,780
Issue of shares at $0.20 each for cash	35,000,000	-	7,000,000	-
Issue of shares at $0.20 each for cash	15,000,000	-	3,000,000	-
Issue of shares at $0.15 each for cash	200,231,668	-	30,034,750	-
Issue of shares as consideration for the acquisition of Stellar Diamonds Plc (Note 23)	50,313,270	-	12,578,317	-
Issue of shares for settlement of financial liabilities acquired through business combination (Note 23)	45,171,279	-	11,292,820	-
Share issue costs	-	-	(780,617)	(176,648)
Balance at the end of the year	581,299,552	235,583,335	102,090,022	38,964,752

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

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

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

(b) Capital risk management

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

19. CONTRIBUTED EQUITY (continued)

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

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

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

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

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

20. OTHER RESERVES

	2018 $	2017 $
Share Based Payments Reserve		
Balance at beginning of year	113,933	40,000
Grant of options to directors and employees (Note 31)	-	113,933
Grant of options to underwriters of the Rights Issue	200,000	-
Exercise/expiry of options previously granted	-	(40,000)
Balance at end of year	313,933	113,933
Foreign Currency Translation Reserve		
Balance at beginning of year	(3,963,227)	(3,311,957)
Currency translation differences on translation of foreign operations	1,413,701	(651,270)
Balance at end of year	(2,549,526)	(3,963,227)
Total	**(2,235,593)**	**(3,849,294)**

Share based payments reserve

The reserve is used to recognise the values attributed to options over ordinary shares granted to employees and consultants in consideration for the provision of services. Refer to Note 31 for details of share based payments during the year.

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars. The group has subsidiaries whose operations are located outside of Australia (refer Note 22 for details of subsidiaries). The functional currency for the Group's subsidiaries operating outside of Australia is U.S. dollars (USD). In accordance with the Group's accounting policies as disclosed in Note 5, the assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated into AUD at the exchange rates at the reporting date. Exchange rate used by the Group for translation as at 30 June 2018 was AUD1 = USD0.7411 (at 30 June 2017 was AUD1 = USD0.7687). The income and expenses of foreign operations are translated into AUD at the dates of the transactions.

21. ACCUMULATED LOSSES

	2018 $	2017 $
Accumulated losses at the beginning of the year	(8,685,732)	(7,325,997)
Transfer from share-based payment reserve	-	40,000
Net loss for the year	(27,451,951)	(1,399,735)
Accumulated losses at the end of the year	**(36,137,683)**	**(8,685,732)**

22. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 4:

Name of entity	Place of business/country of incorporation	Ownership interest held by the Group 2018	2017	Principal activities
Allotropes Diamonds Pty Ltd	Australia	100%	100%	Mineral Exploration
Allotropes Diamond Company Ltd	Sierra Leone	100%	100%	Mineral Exploration
Stellar Diamonds Limited	United Kingdom	100%	-	Holding company
Stellar Diamonds Limited	Guernsey	100%	-	Holding company
Basama Diamonds Ltd	Republic of Seychelles	100%	-	Prospecting and exploration of diamonds
Basama Diamonds Ltd (Sierra Leone Branch)	Sierra Leone	100%	-	Prospecting and exploration of diamonds
Sierra Diamonds Limited	British Virgin Islands	100%	-	Prospecting and exploration of diamonds
Sierra Diamonds Limited (Sierra Leone Branch)	Sierra Leone	100%	-	Prospecting and exploration of diamonds

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy described in Note 4:

Name of entity	Place of business/country of incorporation	Ownership interest held by the Group 2018	2017	Principal activities
Allotropes Mining Company Ltd*	Sierra Leone	100%	100%	Mineral Exploration
Stellar Diamonds (Liberia) Incorporated	Liberia	90%	-	Prospecting and exploration of diamonds

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

23. BUSINESS COMBINATION

On 25 April 2018 the Company acquired 100% of the issued and to be issued shares in Stellar Diamonds Plc (**Stellar**), an AIM-listed diamond explorer, through the issue of 50,313,270 fully paid ordinary shares in the Company.

Details of the purchase consideration and provisionally accounted net assets acquired are as follows:

	2018 $
Purchase consideration	
Ordinary shares issued	12,578,317
Total purchase consideration	**12,578,317**

The fair value of the 50,313,270 shares issued as consideration was based on the published share price of the Company on date of acquisition ($0.25 per share).

23. BUSINESS COMBINATION (continued)

The Group has provisionally accounted for the fair value of assets and liabilities acquired based on information available a at the date of this report. The fair value of assets and liabilities acquired will be re-assessed subsequent to period end when further information is available. The provisionally accounted assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value $
Trade and other receivables	46,369
Plant and equipment	3,661,243
Exploration and evaluation assets (i)	52,250,897
Trade and other payables	(4,482,696)
Bank overdraft	(19,396)
Convertible notes	(4,357,361)
Derivative financial liabilities (ii)	(11,292,820)
Loan from the Company	(3,961,587)
Other non-current financial liability (iii)	(4,584,857)
Deferred tax liability	(11,186,216)
Contingent liability (iv)	(3,495,259)
Net assets acquired	**12,578,317**

(i) Provisional accounting on fair value of assets acquired

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**). As consideration, Stellar would pay Octea Group cash US$5.5 million by February 2023. Furthermore, under the terms and conditions of the TMA & RSA, Stellar would pay to Octea Group cash US$5 million and GBP85,346 (**Octea Initial Payment**) as soon as any revenue generated from the Combined Projects were not required for working capital for the following 3 months. Stellar would also pay to Octea Group 10% royalty on all sales revenue generated from the Combined Project (after paying any Sierra Leone government royalties) from the date on which the Octea Initial Payment had been paid in full (**Octea Royalty Payment)**.

Newfield has recognised the exploration and evaluation asset acquired in relation to the right to mine the Tonguma Project pursuant to the TMA and RSA. The Group has provisionally estimated the fair value of the assets acquired using the fair value of consideration paid as at the date of acquisition. The fair value of the assets acquired will be reassessed subsequently when further information is available to deliver a reliable valuation representing the assets condition at the date of acquisition.

(ii) Settlement of derivative financial liabilities through further issue of shares

As at the date of acquisition, Stellar has certain warrants and share rights on issue associated with the convertible notes issued. These warrants and share rights have been recognised as derivative financial liabilities in Stellar. As part of the business combination transaction, the Group agreed to issue 45,171,279 fully paid ordinary shares in the Company to the warrants and share rights holders as consideration for these warrants and share rights. This was completed on 3 May 2018 and as a result this liability was settled on that date. All the warrants and share rights in Stellar were cancelled immediately after the acquisition by the Group. As a result, the Group recorded an additional investment of $11,292,820 in Stellar.

(iii) Other non-current financial liability

As discussed in note (i) above, under the terms and conditions of the TMA & RSA, Stellar is required to pay Octea Group cash US$5.5 million by February 2023. This payable has been recognised as a non-current financial liability in Stellar with a fair value of AUD4,584,857 as at date of acquisition. The fair value was based on discounted cash flows using an estimated current borrowing rate of 10%.

23. BUSINESS COMBINATION (continued)

(iv) Contingent liability

A contingent liability of $3,495,259 was recognised on the acquisition of Stellar for the Octea Initial Payment and Octea Royalty Payment (refer note (i) above) pursuant to the TMA & RSA which are dependent upon the financial performance of the Combined Project. The timing of the Octea Initial Payment is uncertain depending on when the Combined Project can generate positive cashflow. The timing and amount of the Octea Royalty Payment are uncertain depending on how long it would take for the Octea Initial Payment to be paid in full and how much gross diamond sales revenue will be generated from the Combined Project. The fair value of the contingent liability as at the date of acquisition was calculated using discounted cash flows based on inputs from a preliminary economic study on the Combined Project, taking into consideration of management's assessment of the likelihood of these cash flows. The following table gives the main assumptions made in provisionally determining the fair value of contingent liability as at date of acquisition:

ITEM	UNIT	VALUE
COMMERCIAL		
Revenue per carat	$/ct	209-279
Kimberlite grade	cpht	100-260
Capex contingency	%	0%
Opex contingency	%	0%
Diamond price escalation	%	10.0%
Capex and Opex escalation	%	0.0%
Marketing fee	%	1.5%
Discount rate used for NPV of cash flows	%	50%
Project life		2018-2037
MANPOWER		
Burden	%	10%
TECHNICAL		
Recovery Efficiency	%	100%
Manned Hours per day	Hours	24
Manned Hours per month	Hours	648
Manned Hours per year	Hours	7,776

TTM SALARIES (EXPATRIATES)
US$ ANNUAL
36k – 200k

TTM SALARIES (NATIONALS)
US$ ANNUAL
1.9k – 120k

Based on the above assumptions the Group estimated that the Octea Initial Payment (USD5 million plus GBP85,346) will be paid from 2019 to 2022 and the Octea Royalty Payment (10% on all sales revenue generated from the Combined Project after paying any Sierra Leone government royalties) will commence immediately after the Octea Initial Payment is paid in full.

(v) Significant estimates and judgements

a) Business combination versus asset acquisition

The Group has made a judgement that the acquisition of Stellar Diamonds Plc should be classified as a business combination rather than asset acquisition based on the facts and circumstances.

b) Fair value of assets and liabilities acquired

The group has made significant estimates and judgements when assessing the fair value of assets and liabilities acquired through this business combination transaction. Details of the estimates and judgements made are included in note (iii) and (iv) above.

(vi) Acquisition-related costs

Acquisition-related costs of $316,557 have been expensed in the Statement of Profit or Loss and Other Comprehensive Income and included in operating cash flows in the Statement of Cash Flows.

(vii) Loss contributed by Stellar

Since date of acquisition Stellar contributed a loss of $132,976 to the Group's total loss for the year.

24. FAIR VALUE MEASUREMENT

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

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

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

25. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

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

	2018 $	2017 $
Within one year	63,419	162,023
After one year but not more than five years	-	261,627
	63,419	**423,650**

Service commitments

The Group has entered into various agreements with service providers to provide secretarial and accounting services in connection with the operations of the Group. One of these service providers is an entity associated with a Director of the Company and the agreement was entered on normal commercial terms. Future payables arising from these service agreements as at 30 June are as follow:

	2018 $	2017 $
Within one year	298,449	140,333
After one year but not more than five years	-	-
	298,449	**140,333**

The Group has also entered into a consulting service agreement with a service provider in relation to the front-end-engineering-design programme currently being carried out at its Tongo Project in Sierra Leone. Future payables arising from this service agreement as at 30 June are as follow:

	2018 $	2017 $
Within one year	719,132	-
After one year but not more than five years	-	-
	719,132	**-**

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:

	2018 $	2017 $
Within one year	1,624,216	437,380
After one year but not more than five years	158,960	3,005,362
More than five years	130,000	150,000
	1,913,176	**3,592,742**

25. COMMITMENTS AND CONTINGENCIES (continued)

Contingencies

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

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

Pursuant to the Tribute Mining Agreement and Revenue Share Agreement entered into with Octea Group Limited, the Group agreed to pay to Octea Group cash USD5 million and GBP85,346 (**Octea Initial Payment**) as soon as any revenue generated from the Combined Project are not required for working capital for the following 3 months. The Group must also pay to Octea Group 10% royalty on all sales revenue generated from the Combined Project (after paying any Sierra Leone government royalties) from the date on which the Octea Initial Payment has been paid in full (**Octea Royalty Payment**). Refer to Note 23 for further details of contingent liabilities arising under the Tribute Mining Agreement and Revenue Share Agreement which have been recognised as liabilities on acquisition of Stellar. The fair value of this obligation has been determined to be $3,495,249 at the date of acquisition.

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

26. EARNINGS/(LOSS) PER SHARE

Basic and diluted earnings/(loss) per share

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

	2018 $	2017 $
Loss attributable to ordinary shareholders of Newfield Resources Limited		
Net loss for the year	(27,451,951)	(1,399,735)
Weighted average number of ordinary shares	**Number**	**Number**
Balance at beginning of year	235,583,335	225,583,335
Effect of shares issued during the financial year	68,133,279	265,049
Weighted average numbers of ordinary shares on issue during the year	**303,716,614**	**225,848,384**

Diluted earnings/(loss) per share must be calculated where potential ordinary shares on issue are dilutive. As the potential ordinary shares on issue would decrease the loss per share, they are not considered dilutive, and not shown. The number of potential ordinary shares is set out in Note 31.

27. SEGMENT REPORTING

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

	Mineral Exploration Australia $	Mineral Exploration Sierra Leone $	Corporate $	Group $
2018				
Segment income	-	30,775	223,572	254,347
Impairment loss	(1,424,382)	(24,451,393)	-	(25,875,775)
Segment result	(1,423,981)	(25,066,747)	(961,223)	(27,451,951)
Segment assets	-	65,771,922	21,064,513	86,836,435
Segment liabilities	(4,917)	(22,969,893)	(144,813)	(23,119,623)
2017				
Segment income	-	41,228	138,049	179,277
Segment result	(2,942)	(684,717)	(712,076)	(1,399,735)
Segment assets	1,363,819	22,750,767	2,720,091	26,834,677
Segment liabilities	(10,120)	(245,283)	(149,482)	(404,885)

Geographical information

	Income		Geographical non-current assets	
	2018 $	**2017** $	**2018** $	**2017** $
Australia	223,572	138,049	12,165	1,447,458
Liberia	-	-	61,475	-
Sierra Leone	30,775	41,228	64,165,664	22,093,999
	254,347	179,277	64,239,304	23,541,457

28. RELATED PARTY TRANSACTIONS

(a) Parent entity

The Group is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest 2018	Ownership interest 2017
Newfield Resources Limited	Ultimate Australian parent entity	Australia	100%	100%

(b) Subsidiaries

Interests in subsidiaries are set out in Note 22.

(c) Key management personnel compensation

	2018 $	2017 $
Short-term employee benefits	358,560	334,966
Post-employment benefits	-	9,500
Share-based payments	-	47,500
Total compensation	**358,560**	**391,966**

Detailed remuneration disclosures are provided in the Remuneration Report on pages 12 to 15.

(d) Other transactions with key management personnel

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

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

Director	Transaction	Transactions value year ended 30 June 2018 $	Transactions value year ended 30 June 2017 $	Balance outstanding as at 30 June 2018 $	Balance outstanding as at 30 June 2017 $
Mr A Ho	Fees for company secretarial services provided	60,000	60,000	5,500	5,500

Outstanding balances are unsecured and are repayable in cash.

29. RECONCILIATION OF CASH FLOWS USED IN OPERATING ACTIVITIES

	2018 $	2017 $
(a) Cash flows from operating activities		
Loss for the year	(27,451,951)	(1,399,735)
Adjustments of non-cash/non-operating items:		
Depreciation	3,525	30,365
Interest amortisation	75,707	-
Share-based payments	-	113,933
Gain on sale of assets	(15,507)	(2,623)
Unrealised foreign exchange losses	13,077	1,050
Exploration expenditure written off	(401)	2,942
Impairment of exploration and evaluation assets	25,875,775	-
Other exploration and evaluation expenditure	570,422	658,999
Operating loss before changes in working capital and provisions	(929,353)	(595,069)
Change in trade and other receivables	53,189	(69,154)
Change in other assets	26,238	20,639
Change in trade and other payables	(2,738,410)	89,146
Change in provisions	(12,715)	(8,807)
Net cash used in operating activities	(3,601,051)	(563,245)

(b) Non-cash investing/financing activities

On 3 May 2018 the Company issued a total of 50,313,270 fully paid ordinary shares as consideration for acquisition of Stellar Diamonds Plc (**Acquisition**). Refer Note 23 for further details of the shares issued.

On 3 May 2018, the Company issued 45,171,279 fully paid ordinary shares for settlement of derivative financial liabilities acquired through the Acquisition of Stellar. Refer Note 23 for further details of the shares issued.

On 4 May 2018 the Company issued 50,000,000 options exercisable at $0.30 each on or before 31 March 2021 to the underwriters of a rights issue in lieu of a cash payment to satisfy the underwriting fee due to the underwriter.

30. RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	2017	Non-cash changes			Cash inflows	Cash outflows	2018
		Acquired in business combination	Settlement through issue of shares	Foreign exchange movements			
	$	$	$	$	$	$	$
Long-term borrowings	-	15,650,181	(11,292,820)	50,977	-	(4,408,338)	-
Short-term borrowings	22,301	-	-	-	30,362	(37,070)	15,593
Total	22,301	15,650,181	(11,292,820)	50,977	30,362	(4,445,408)	15,593

31. SHARE BASED PAYMENTS

On 4 May 2018 the Company issued 50,000,000 options exercisable at $0.30 each on or before 31 March 2021 to the underwriter of a rights issue in lieu of a cash payment to satisfy the $200,000 underwriting fee. These options have no vesting conditions attached to them and are expensed in full on issue. As a result $200,000 was recognised as share issue costs during the year for these options.

During the previous financial year, the Company granted 6,000,000 options exercisable at $0.50 each on or before 30 December 2020 to directors and employees of the Group.

Fair value of options granted

The fair value of options granted during the previous year 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	1.90 cents
Grant date	30 November 2016
Number of options	6,000,000
Expiry date	30 December 2020
Expected average exercise period	2.04 years
Exercise price	$0.50
30-day VWAP*	$0.2305
Estimated volatility	50.65%
Risk-free interest rate	2.30%
Dividend yield	0%

*The calculation of 30-day VWAP includes share trading prices for both on-market and off-market trades.

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.

These options have no vesting conditions attached to them and are expensed in full on issue. Total expense recognised as share-based payments for the year was nil (2017: $113,933).

Set out below are summaries of options granted by the Company:

Grant date	Exercise price	Expiry date	Balance at start of the year Number	Granted during the year Number	Exercised/lapsed during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
2018							
1 December 2016	$0.50	30 December 2020	6,000,000	-	-	6,000,000	6,000,000
4 May 2018	$0.30	31 March 2021	-	50,000,000	-	50,000,000	50,000,000
			6,000,000	50,000,000	-	56,000,000	56,000,000
Weighted Average exercise price			$0.50	$0.30	-	$0.32	$0.32
2017							
1 December 2016	$0.50	30 December 2020	-	6,000,000	-	6,000,000	6,000,000
31 March 2014	$0.30	15 June 2017	10,000,000	-	(10,000,000)	-	-
			10,000,000	6,000,000	(10,000,000)	6,000,000	6,000,000
Weighted Average exercise price			$0.30	$0.50	$0.30	$0.50	$0.50

The options outstanding at 30 June 2018 have a weighted average remaining contractual life of 32.68 months (2017: 42 months).

32. PARENT ENTITY DISCLOSURES

As at and throughout the financial year ended 30 June 2018 the parent entity of the Group was Newfield Resources Limited.

(a) Summary financial information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2018	**2017**
	$	**$**
Loss after income tax	(37,322,213)	(2,398,563)
Total comprehensive loss	(37,322,213)	(2,398,563)
Statement of financial position		
Current assets	21,380,072	2,714,453
Total assets	51,688,053	25,654,110
Current liabilities	190,488	159,602
Total liabilities	190,488	159,602
Net assets	51,497,565	25,494,508
Shareholder's equity		
Issued capital	102,090,022	38,964,752
Share based payments reserves	313,933	113,933
Accumulated losses	(50,906,390)	(13,584,177)
Total equity	51,497,565	25,494,508

(b) Guarantees entered into by the parent entity

The parent entity did not provide any guarantees during the financial year (2017: nil).

(c) Contingent liabilities of the parent entity

Other than the contingencies disclosed in Note 25, the parent entity did not have any other contingent liabilities at year end (2017: nil).

(d) Contractual commitments for capital expenditure

The parent entity did not have any commitment in relation to capital expenditure contracted but not recognised as liabilities as at reporting date (2017: nil).

33. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the year and the date of these financial statements any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

In the opinion of the Directors of Newfield Resources Limited:

(a) the financial statements and notes set out on pages 17 to 49, are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance, for the financial year ended on that date; and

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

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

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Anthony Ho
Executive Director

28 September 2018
Perth

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INDEPENDENT AUDITOR'S REPORT

To the members of Newfield Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Newfield Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

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

Basis for opinion

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

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for Exploration and Evaluation Assets

Key audit matter	*How the matter was addressed in our audit*
The carrying value of capitalised exploration and evaluation assets as at 30 June 2018 is disclosed in Note 14. The Group's accounting policy with respect to Exploration and Evaluation Assets is disclosed in Note 4. During the year the Group impaired several of its Exploration and Evaluation assets by a total of $25,875,775. As the carrying value of the Exploration and Evaluation Assets represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular: • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and directors' minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • We have evaluated management's determination of impairment of the exploration and evaluation assets during the year to assess whether the expenses were correctly calculated and properly allocated to the relevant areas of interest; and • Assessing the adequacy of the related disclosures in Note 4 and Note 14 to the Financial Statements.

Accounting for the acquisition of Stellar Diamonds

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 23 the Group acquired 100% of Stellar Diamonds, a UK AIM listed entity through a Scheme of Arrangement. This has been accounted for as a business combination and under Australian Accounting Standards, management is required to identify all assets and liabilities acquired and estimate the fair value of each item. This is a key audit matter due to the significance of the acquisition to the Group's financial statements, the complexities involved in accounting for a business combination and the significant judgements made by management, including the assessment of the transactions being a business combination and the estimation of the fair value of assets and liabilities acquired.	Our procedures included, but were not limited to the following: • Reviewing the Business Combination Scheme Document to understand the key terms and conditions, and confirming our understanding of the transaction through discussions with management and those charged with governance; • Obtaining an understanding of the transaction including an assessment as to whether the transaction constituted the acquisition of a business or an asset acquisition; • Assessing management's calculation of the fair value of consideration transferred to effectuate the acquisition and agreeing the share price used in the calculation to the quoted share price of the Group at acquisition date; • Assessing management's fair value estimation of the assets and liabilities identified in the acquisition. This included reading and assessing the Revenue Share Agreement and the Tribute Mining Agreement which Stellar had entered in to for the Tongo project; • Challenging management on the key assumptions used in provisionally accounting for assessing the fair value of the assets and liabilities acquired; and • Assessing the appropriateness of the related disclosures in Note 23 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

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

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 15 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Newfield Resources Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Glyn O'Brien

Glyn O'Brien

Director

Perth, 28 September 2018

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

As lead auditor of Newfield Resources Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 28 September 2018

Details of shares and options as at 24 September 2018:

Top holders

The 20 largest registered holders of each class of quoted equity security as at 24 September 2018 were:

Fully paid ordinary shares – quoted

	Name	No. of Shares	%
1.	Rustiyan Oen	151,793,028	26.11
2.	Sparkle Capital Pty Ltd <Sparkle Investment A/C>	55,037,467	9.47
3.	Citicorp Nominees Pty Limited	53,158,974	9.14
4.	QP & Co Pty Ltd <Quppi Family A/C>	37,813,875	6.51
5.	Wonder Holding Pty Ltd	28,833,334	4.96
6.	Deutsche Balaton	28,518,073	4.91
7.	Anrinza Future Pty Ltd	26,418,185	4.54
8.	PT Griyainsani Cakrasadaya	25,000,000	4.30
9.	Ka Bio Ong	18,200,000	3.13
10.	JP Morgan Nominees Australia	17,672,728	3.04
11.	HSBC Custody Nominees (Australia) Limited	10,795,487	1.86
12.	Steven Poulton	9,862,821	1.70
13.	Chewkart Super Pty Ltd	7,500,000	1.29
14.	Robert Ang	7,238,922	1.24
15.	Creditforce Limited	7,124,838	1.23
16.	Elrich Holdngs Pty Ltd	6,666,666	1.15
17.	Serng Yee Liew	6,127,912	1.05
18.	Mutual Street Pty Ltd	4,460,000	0.77
19.	Mr Leonard Hartana	3,760,138	0.64
20.	BNP Paribas Nominees Pty Ltd	3,541,798	0.61
		509,524,246	87.65

Registered holders holding 20% or more of each class of unquoted equity security as at 24 September 2018 were:

Options exercisable at $0.50 on or before 30 December 2020 – unquoted

Name	No. of Options	%
Michael David Lynn	1,500,000	25.00

Options exercisable at $0.30 on or before 31 March 2021 – unquoted

Name	No. of Options	%
Rustiyan Oen	25,000,000	50.00

Distribution schedules

A distribution schedule of each class of equity security as at 24 September 2018:

Fully paid ordinary shares

Range			Holders	Units	%
1	-	1,000	978	125,178	0.02
1,001	-	5,000	141	335,335	0.06
5,001	-	10,000	101	853,701	0.15
10,001	-	100,000	147	5,375,456	0.92
100,001	-	Over	127	574,609,882	98.85
Total			1,494	581,299,552	100.00

Distribution schedules (continued)

Options exercisable at $0.50 on or before 30 December 2020

Range			Holders	Units	%
1	-	1,000	0	0	0
1,001	-	5,000	0	0	0
5,001	-	10,000	0	0	0
10,001	-	100,000	5	500,000	8.33
100,001	-	Over	14	5,500,000	91.67
Total			19	6,000,000	100.00

Options exercisable at $0.30 on or before 31 March 2021

Range			Holders	Units	%
1	-	1,000	0	0	0
1,001	-	5,000	0	0	0
5,001	-	10,000	0	0	0
10,001	-	100,000	0	0	0
100,001	-	Over	15	50,000,000	100.00
Total			15	50,000,000	100.00

Substantial shareholders

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

Substantial shareholder	Number of Shares
Rustiyan Oen	151,793,028
Sparkle Capital Pty Ltd	55,037,467
QP & Co Pty Ltd <Quppi Family A/C>	37,813,875
PT Griyainsani Cakrasadaya	25,000,000

Restricted securities or securities subject to voluntary escrow

As at 24 September 2018, the Company had no restricted securities on issue.

As at 24 September 2018, the following securities were subject to voluntary escrow:

- 61,545,885 fully paid ordinary shares – escrowed until 03 November 2018.

Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares (being 3,124 shares as at 24 September 2018):

Holders	Units
1,082	306,402

Voting Rights

The voting rights attaching to ordinary shares are:

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

Options do not carry any voting rights.

On-Market Buy Back

There is no current on-market buy-back.

Principles of Good Corporate Governance and Recommendations

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

Schedule of Tenements at 24 September 2018

PROJECT	TENEMENT NUMBER	TENEMENT NAME	AREA (km²)	STATUS	NEWFIELD'S INTEREST
SIERRA LEONE					
TONGO KIMBERLITE MINE	APL752	Tongo	134.00	Granted	100%
ALLOTROPES DIAMOND PROJECT	EL15/2012	Baoma	101.50	Granted	100%
	EL19/2014	Hima	249.50	Granted	100%
	EL20/2014	Jomu	212.25	Granted	100%
LIBERIA					
KUMBGO PROJECT	MEL1157/15	Kumgbo	300.00	Granted	90%
	MEL1158/14	Kumgbo	370.54	Granted	90%
WESTERN AUSTRALIA					
NEWFIELD GOLD PROJECT	M77/0422	Newfield	0.85	Granted	100%
	M77/0846	Woongaring Hills	0.39	Granted	100%
CREST YARD GOLD PROJECT	P16/2722	Doyle Dam	2.00	Granted	70%
	P16/2726	Doyle Dam	1.66	Granted	70%
	P16/2728	Doyle Dam	0.82	Granted	70%
	P16/2729	Doyle Dam	1.89	Granted	70%
	P16/2730	Doyle Dam	1.60	Granted	70%
	P16/2731	Doyle Dam	1.90	Granted	70%