



**ACN 153 219 848**

## **2012 ANNUAL REPORT**

For the period from incorporation on 14 September 2011 to 30 June 2012

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## CORPORATE DIRECTORY

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### DIRECTORS

Executive Director	Mr Anthony Ho
Non-Executive Director	Mr Murray Kornweibel
Non-Executive Director	Ms Sanny Nanang
Non-Executive Director	Mr Giap Ch'ng Ooi

### COMPANY SECRETARY

Mr Kim Hogg

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

79 Broadway  
NEDLANDS WA 6009  
Telephone: (61 8) 6389 2688  
Facsimile: (61 8) 6389 2588  
Email: [info@newfieldresources.com.au](mailto:info@newfieldresources.com.au)  
Website: [www.newfieldresources.com.au](http://www.newfieldresources.com.au)

### SHARE REGISTRY

Advanced Share Registry Limited  
150 Stirling Highway  
NEDLANDS WA 6009

Telephone: +61 8 9389 8033  
Facsimile: +61 8 9389 7871

### AUDITOR

BDO Audit (WA) Pty Ltd  
38 Station Street  
SUBIACO WA 6008

### SOLICITORS

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### BANKER

National Australia Bank  
1297 Hay Street  
WEST PERTH WA 6005

### STOCK EXCHANGE

ASX Limited  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

ASX Code: NWF

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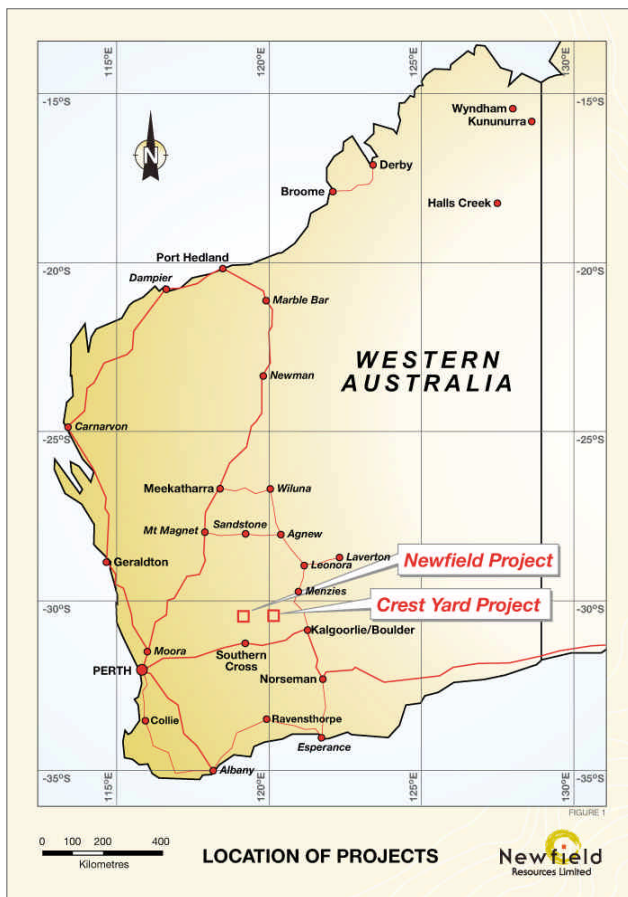
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## REVIEW OF ACTIVITIES

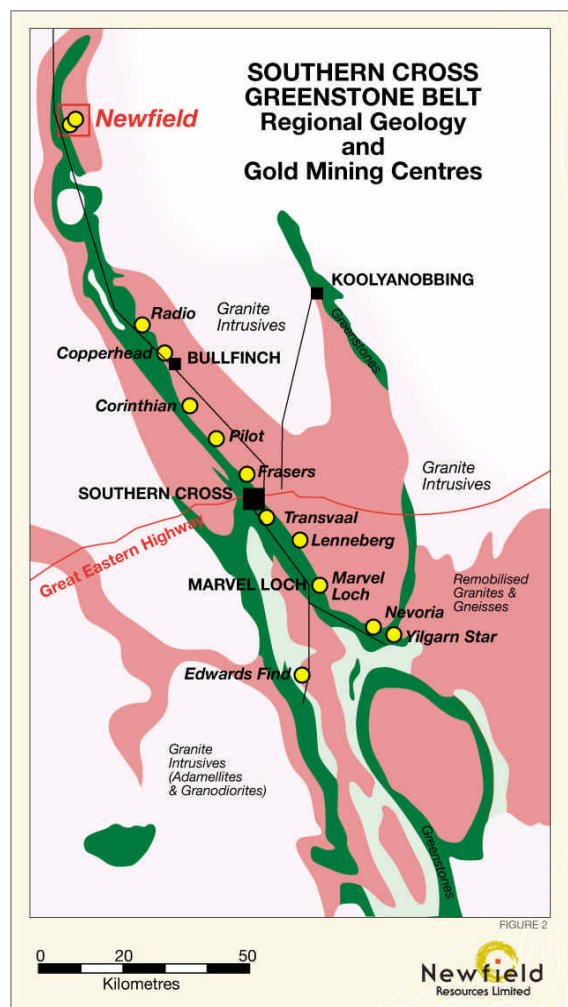
### Newfield Project

Exploration undertaken during July 2012 included the flying of a detailed aeromagnetic and radiometric survey over the project area. The forward work program will involve processing and imaging of the data which will greatly assist in refining the structural and geological interpretation of the project area. An image of the preliminary Total Magnetic Intensity (TMI) is shown in Figure 2.

A first phase diamond drilling program to test the Newfield Central Lode at depth is currently underway. The program, comprising three diamond holes, will test the Newfield Central Lode at approximately 225m vertical depth below surface (approximately 50m beneath the deepest developed level in the existing structure). A long section showing the approximate pierce points of the proposed diamond drill holes is presented in Figure 3.



**Figure 1:** Location of Newfield and Crest Yard projects



**Figure 2:** Preliminary Total Magnetic Intensity (TMI) of Newfield project area

## REVIEW OF ACTIVITIES

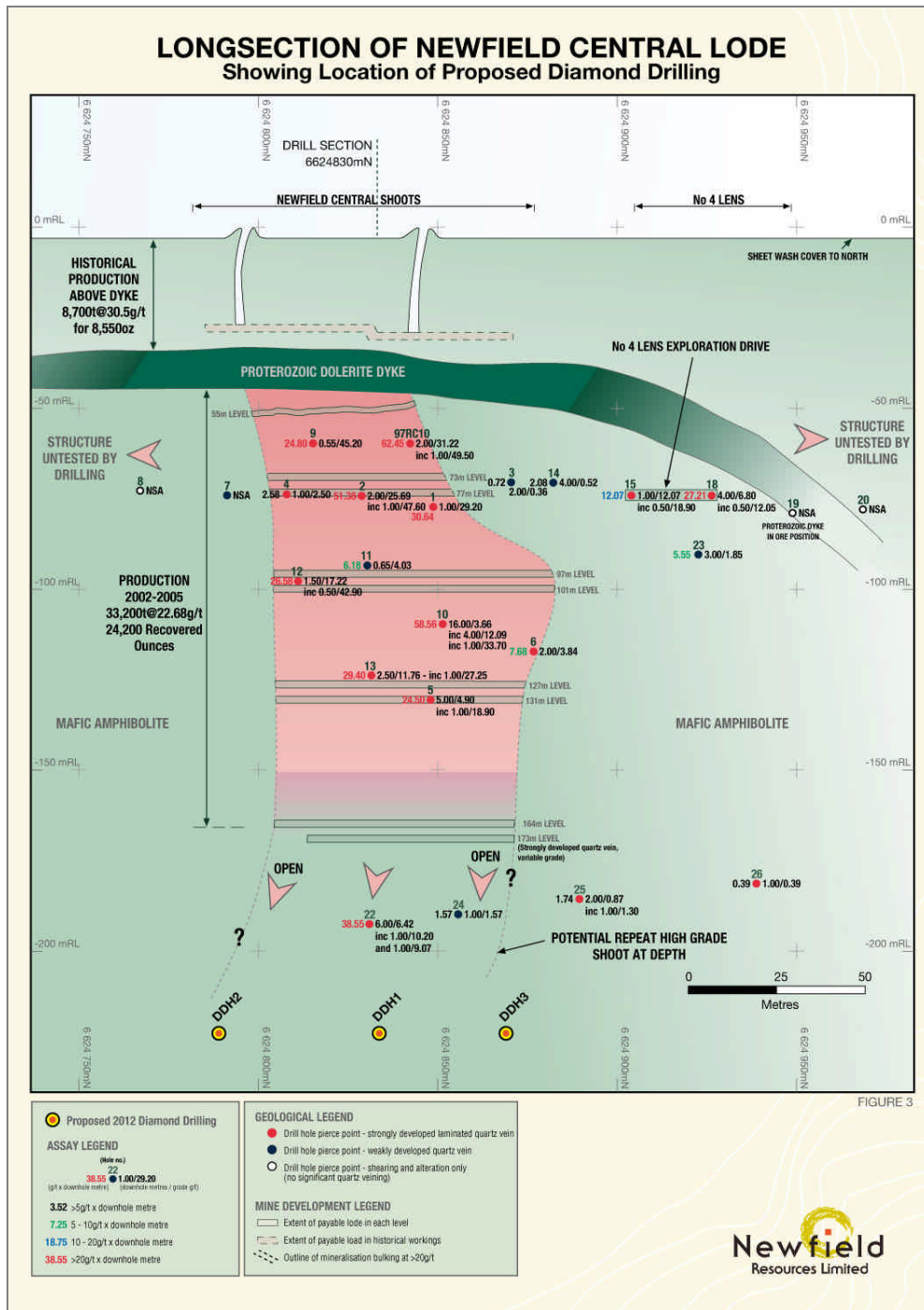


Figure 3: Location of proposed diamond drill holes for Newfield project

## REVIEW OF ACTIVITIES

### Crest Yard Project

Exploration undertaken during July 2012 also included the flying of a detailed aeromagnetic and radiometric survey over the project area. The forward work program will involve processing and imaging of the data which will greatly assist in refining the structural and geological interpretation of the project area.

A detailed auger drilling program was also completed during July 2012 to further define the extent of anomalous gold results returned from a prior broad spaced auger drilling program within the central portion of the project area. The Auger program comprised approximately 1,700 auger holes on an 80m x 80m spacing and will assist in elucidating the orientation of the possible source of the gold anomalism encountered in the historical auger drilling.

Assay results will be integrated with the newly acquired aeromagnetic data to enable better definition of target areas prior to drill testing later in the year.

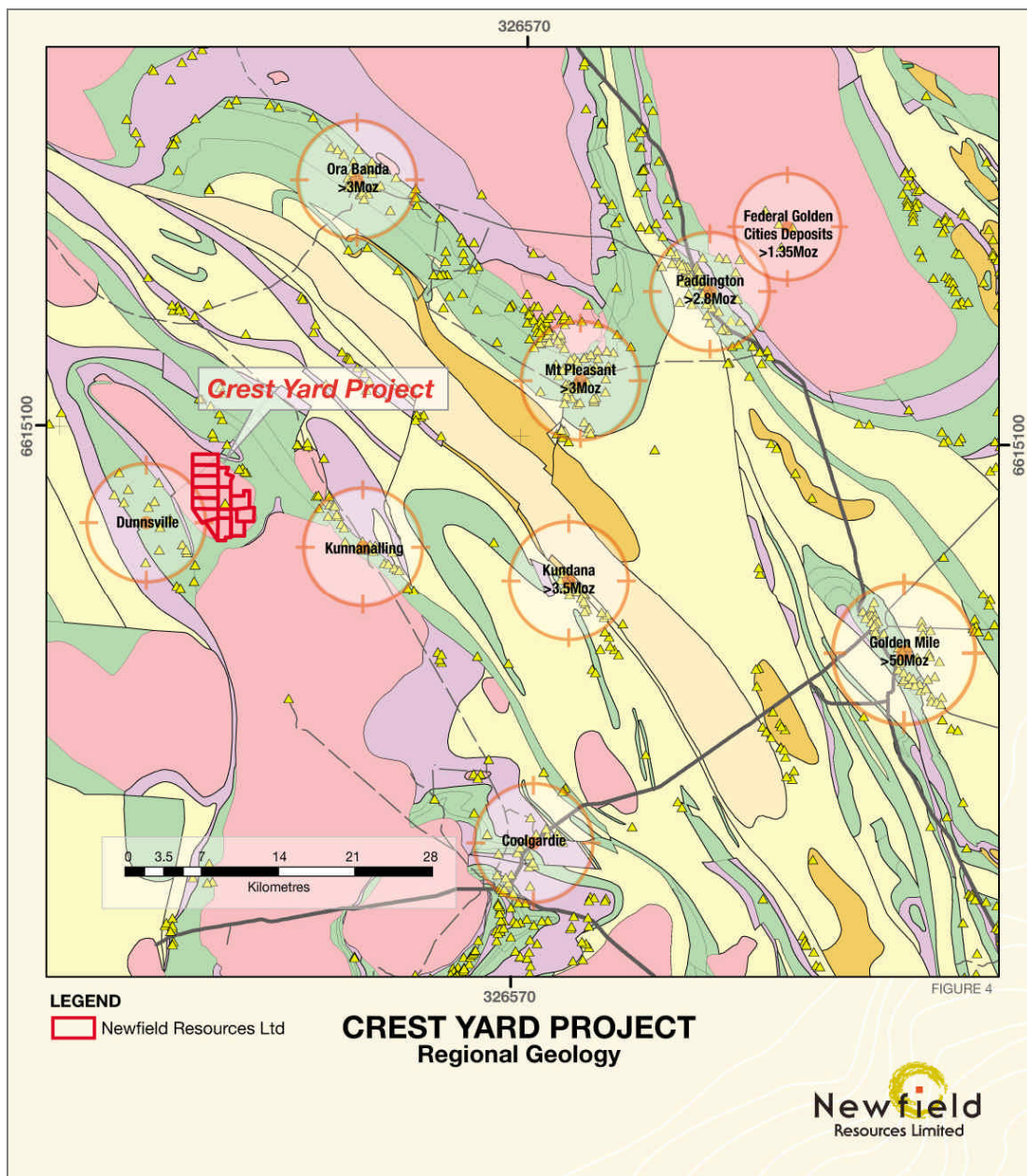


Figure 4: Crest Yard project regional geology

## REVIEW OF ACTIVITIES

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### COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Bryan Alexander who is a member of the Australasian Institute of Mining and Metallurgy. Mr Alexander is a director of Archaean Exploration Services Pty Ltd, who provides geological consulting services to Newfield Resources Limited. Mr Alexander has sufficient experience which is relevant to the style of the mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Alexander consents to the inclusion in this report of this information in the form and context in which it appears.

## DIRECTORS' REPORT

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*The Directors present their report together with the financial report of Newfield Resources Limited (**Company**) for the period from incorporation on 14 September 2011 to 30 June 2012 (the **Period**) 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 Period 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 public practice, Anthony Ho and Associates, specialising in providing corporate and financial services to ASX-listed companies.

Prior to establishing his practice 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 ASX.

Mr Ho will be seeking re-election by shareholders at the 2012 Annual General Meeting.

**Mr Murray Kornweibel**

**Non-Executive Director – Appointed: 6 December 2011**

Mr Kornweibel has had extensive experience in the mining and securities industries. He has been an executive and non-executive director of a number of ASX-listed companies involved in mineral exploration and mining. Mr Kornweibel's involvement in the mining industry covers a number of commodities including gold, nickel and uranium. In addition he has been active in the securities industry and is a Senior Fellow of the Financial Services Institute of Australia. He holds a Bachelor of Science and an MBA from the University of Western Australia.

Mr Kornweibel will be seeking re-election by shareholders at the 2012 Annual General Meeting.

**Mr Sanny Nanang**

**Non-Executive Director – Appointed: 30 March 2012**

Ms Nanang is a graduate in marketing from the Southern Illinois University. Between 1996 and 1999 she was a stockbroker with PT Sigma Batara, one of the early investment banks in Indonesia. She has held various senior positions in investment roles in Indonesia. Ms Nanang has extensive capital market and treasury experience. She is currently an active equity market investor. Ms Nanang is fluent in English, Bahasa Indonesia and Mandarin.

Ms Nanang will be seeking re-election by shareholders at the 2012 Annual General Meeting.

**Mr Giap Ch'ng Ooi**

**Non-Executive Director – Appointed: 5 October 2011**

Mr Ooi is currently a partner in a law firm in Kuala Lumpur. He has significant experience in the field of legal work for over 20 years, mainly in the area of commercial and company litigation, property conveyance, banking and corporate services for financial institutions and listed companies.

He is currently a non-executive director of Meda Inc Berhad, a company which is listed on Bursa Malaysia.

Mr Ooi graduated from the Australian National University in 1985 with a Bachelor of Laws, having already completed a Bachelor of Economics in 1983. He was admitted on the Roll of Barristers and Solicitors of the Supreme Court of the Australian Capital Territory in 1985 and is currently an advocate and solicitor of the High Court of Malaya.

Mr Ooi will be seeking re-election by shareholders at the 2012 Annual General Meeting.

**Mr Soo Jin Gan**

**Non-Executive Director – Appointed 5 October 2011, resigned 21 November 2011**

## DIRECTORS' REPORT

### 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 practice for more than 17 years with a specialist involvement in the preparation of prospectuses, coordinating the 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 Period are as follows:

Director	Company	Period of directorship	
		From	To
Mr Anthony Ho	Alchemy Resources Limited	25 November 2011	Present
	Redisland Australia Limited	2003	Present
	Siburan Resources Limited	2009	Present
	Audalia Resources Limited	2010	17 August 2011
	Brumby Resources Limited	2006	22 March 2011
	Dragon Energy Limited	2008	13 June 2012
Mr Murray Kornweibel	Not Applicable	-	-
Ms Sanny Nanang	Not Applicable	-	-
Mr Giap Ch'ng Ooi	Not Applicable	-	-

### DIRECTORS' INTERESTS

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

Director	Shares
Mr Anthony Ho	-
Mr Murray Kornweibel	300,000
Ms Sanny Nanang	-
Mr Giap Ch'ng Ooi	4,000,000

### DIRECTORS' MEETINGS

The number of directors' meetings and the number of meetings attended by each of the directors of the Company during the Period are:

Director	Board Meetings	
	Held	Attended
Mr Anthony Ho	7	7
Mr Murray Kornweibel	6	5
Ms Sanny Nanang	4	4
Mr Giap Ch'ng Ooi	7	7
Mr Soo Jin Gan	1	1

## DIRECTORS' REPORT

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### PRINCIPAL ACTIVITY

The principal activity of the Company during the Period was the raising of capital and listing on ASX to fund its mineral exploration plans.

### OPERATING AND FINANCIAL REVIEW

#### *Operating review*

The Company was successfully admitted to the Official List of ASX on 4 June 2012. This listing was preceded by capital raisings aggregating \$3,802,153.

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

#### *Financial review*

The Company incurred a loss of \$188,548 after income tax for the Period.

During the Period, the Company also completed a capital raising programme aggregating \$3,802,153.

### Significant Changes in the State of Affairs

The Company was incorporated on 14 September 2011 and was admitted to the Official List of ASX Limited (**ASX**) on 4 June 2012 and official quotation of its securities on ASX commenced on 8 June 2012.

The Company's net assets increased to \$4,048,406 during the Period. The increase in net assets principally comprised:

- (a) an increase in exploration and evaluation expenditure (including acquisition costs) of \$972,409 as a result of the acquisition of two sets of mining tenements group located in Western Australia; and
- (b) an increase in cash and held to maturity investments of \$3,093,573 principally from capital raisings completed during the Period.

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

- (a) the issue of 1 share at \$0.00001 on incorporation;
- (b) the issue of 33,300,000 shares at \$0.00001 each to raise \$333;
- (c) the issue of 18,200,000 shares at \$0.0001 each to raise \$1,820;
- (d) the issue of 30,000,000 shares at \$0.05 each to raise \$1,500,000;
- (e) the issue of 11,500,000 shares at \$0.20 each to raise \$2,300,000; and
- (f) the issue of 3,750,000 shares to vendors at \$0.20 each in respect of the acquisition of tenements.

Total shares on issue at 30 June 2012 are 96,750,001.

### LIKELY DEVELOPMENTS

The Company will continue to pursue its principal activity of mineral exploration and continue to review and assess other acquisition and joint venture opportunities in the resource sector.

### DIVIDENDS

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

## DIRECTORS' REPORT

### ENVIRONMENTAL REGULATION

The Company's exploration and mining activities are governed by a range of environmental legislation and regulations including the National Greenhouse and Energy Report Act 2007 and Mining Act 1978. As the Company is still in the development phase of its interests in exploration projects, Newfield Resources is not yet subject to the public reporting requirements of environmental legislation and regulations. To the best of the directors' knowledge, the Company 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 Period and up to the date of the Directors' Report.

### EVENTS SUBSEQUENT TO REPORTING DATE

Other than the matters described in Note 19 to these financial statements, there has not arisen in the interval between the end of the Period 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 Company, the results of those operations, or the state of affairs of the Company in future financial years.

### REMUNERATION REPORT

The Directors are pleased to present your company's 2012 remuneration report which sets out remuneration information for Newfield Resources Limited's non-executive directors, executive directors and other key management personnel.

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

#### Key management personnel

The following were key management personnel of the Company at any time during the Period and unless otherwise indicated were key management personnel for the entire Period:

Name	Position held
Mr Anthony Ho	Executive Director (appointed 14 September 2011)
Mr Murray Kornweibel	Non-executive Director (appointed 6 December 2011)
Ms Sanny Nanang	Non-executive Director (appointed 30 March 2012)
Mr Giap Ch'ng Ooi	Non-executive Director (appointed 5 October 2011)
Mr Soo Jin Gan	Non-executive Director (appointed 5 October 2011, resigned 21 November 2011)

#### 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;
- the key management personnel's ability to control the achievement of strategic objectives;
- the Company's performance including:
  - the growth in share price; and
  - the amount of incentives within each key management person's compensation.

Given the evaluation and developmental nature of the Company's principal activity, the overall level of compensation does not have regard to the earnings of the Company.

#### 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.

## DIRECTORS' REPORT

### 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 a general meeting. Total remuneration for all non-executive directors, last voted upon by shareholders at a General Meeting held in December 2011, is not to exceed \$350,000 per annum. Directors' fees cover all main board activities and membership of committees.

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

Level of non-executive directors' fees as at the reporting date is as follow:

Name	Non-executive Directors' fees
Mr Murray Kornweibel	\$24,000 per annum
Ms Sanny Nanang	\$24,000 per annum
Mr Giap Ch'ng Ooi	\$24,000 per annum

### Executive remuneration

Remuneration for executives is set out in employment agreements. Details of the employment agreement with the Executive Director 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 including motor vehicles) 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 Company.

### 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.

There were no options issued as LTI during the Period.

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.

### Consequences of performance on shareholder wealth

The Company was incorporated on 14 September 2011 and admitted to the Official List of ASX on 8 June 2012. It is an exploration company whose operational activities have only recently commenced. Consequently, the Company'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.

Remuneration of directors and executives did not commence until the Company was admitted to the Official List of ASX on 8 June 2012.

There were no performance related remuneration transactions during the Period.

## DIRECTORS' REPORT

### Employment agreements

The Company has entered into an employment agreement with its Executive Director, Mr Anthony Ho, effective from 8 June 2012 (**Employment Agreement**). The Employment Agreement outlines the components of remuneration paid to Mr Ho and will be reviewed on an annual basis. The Employment Agreement specifies the duties and obligations to be fulfilled by Mr Ho in the role of Executive Director. The initial term of the Employment Agreement is 1 year. The Company must pay to Mr Ho \$72,000 per annum (exclusive of statutory superannuation) for his services.

Either Mr Ho or Newfield may terminate the agreement at any time by giving three month's written notice to the other. Mr Ho has no entitlement to termination payment should he terminate the agreement by written notice. Newfield may, by giving written notice to Mr Ho, immediately terminate the agreement should a number of specified occurrences happen, including a serious breach of the agreement or serious misconduct. Mr Ho has no entitlement to termination payment in the event of removal for misconduct.

### REMUNERATION OF KEY MANAGEMENT PERSONNEL

2012	PRIMARY	POST-EMPLOYMENT	OTHER BENEFITS	SHARE-BASED PAYMENTS			
	Salary & fees \$	Superannuation benefits \$	Annual Leave \$	Options \$	Total \$	Proportion of remuneration performance related %	Value of options as proportion of remuneration %
<b>Directors</b>							
<i>Non-executive</i>							
Mr M Kornweibel <sup>1</sup>	-	-	-	-	-	-	-
Ms S Nanang	1,467	-	-	-	1,467	-	-
Mr G Ooi	1,467	-	-	-	1,467	-	-
Mr S Gan <sup>2</sup>	-	-	-	-	-	-	-
<i>Executive</i>							
Mr A Ho	4,400	396	385	-	5,181	-	-
<b>Total, all directors</b>	<b>7,334</b>	<b>396</b>	<b>385</b>	<b>-</b>	<b>8,115</b>	<b>-</b>	<b>-</b>

Notes in relation to the table of remuneration:

1. Mr Kornweibel waived his Director's fee for June 2012. Refer to Note 16 of the Financial Statements for consulting services fees in place of the Director's fee.
2. Resigned 21 November 2011.

Non-executive directors' fees commenced from the date of the Company's admission to the Official List of ASX on 8 June 2012. Mr Ho's employment agreement was also effective from that date.

As the Company was incorporated on 14 September 2011, there are no comparatives for remuneration of key management personnel.

### SHARE-BASED REMUNERATION

There were no share-based remuneration transactions during the Period.

## DIRECTORS' REPORT

### OPTIONS

#### Options granted

During or since the end of the Period, the Company granted the following options over unissued ordinary shares:

Class	Expiry date	Exercise Price	Date Granted	Number of Options
Unlisted Options (NWFO)	15 June 2015	\$0.25	28 February 2012	30,000,000

None of these options were exercised during the Period and all remained outstanding at 30 June 2012. These options do not entitle the holder to participate in any share issue of the Company or any other entity.

### 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 directors 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

As at the date of this report no insurance policies in respect of indemnification of officers have been entered into.

### INDEMNIFICATION AND INSURANCE OF AUDITORS

The Company has not, during or since 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 has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### 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.

### NON-AUDIT SERVICES

The following non-audit services were provided by BDO Corporate Finance (WA) Pty Ltd, a company associated with the Company's auditor, BDO Audit (WA) Pty Ltd. 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.

BDO Corporate Finance (WA) Pty Ltd received or are due to receive the following amounts for the provision of non-audit services:

	2012 \$
BDO Corporate Finance (WA) Pty Ltd --	
Investigating accountant's report for inclusion in a prospectus	7,650
BDO Tax (WA) Pty Ltd	
Tax review on GST and stamp duty on tenement purchase agreements	4,020
	<b>11,670</b>

## DIRECTORS' REPORT

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### OFFICERS OF THE COMPANY WHO ARE FORMER AUDIT PARTNERS OF BDO AUDIT (WA) PTY LTD

There are no officers of the Company who are former audit partners of BDO Audit (WA) Pty Ltd.

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 44 and forms part of the Director's Report.

### AUDITOR

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

Dated at Perth, Western Australia this 30<sup>th</sup> day of August 2012.

Signed in accordance with a resolution of the directors:



Anthony Ho  
*Executive Director*

## CORPORATE GOVERNANCE STATEMENT

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The Board of Directors is responsible for the operational and financial performance of the Company, including its corporate governance. During the Period, the Board adopted a corporate governance framework for the Company which is underpinned by the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations with 2010 Amendments* (2<sup>nd</sup> Edition) (the **Recommendations**) applicable to ASX-listed entities.

This Corporate Governance Statement provides details of the Company's compliance with those Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation. A checklist summarising the Company's compliance with the Recommendations is also set out at the end of this statement.

Newfield's corporate governance policies are available on the Company's website: [www.newfieldresources.com.au](http://www.newfieldresources.com.au).

### PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

#### Board Charter

The Board is accountable to shareholders for the performance of the Company. The Board operates under the Board Charter that details its functions, responsibilities and powers and those delegated to management.

On appointment, non-executive directors receive formal letters of appointment setting out the terms and conditions of appointment. The formal letter of appointment covers the matters referred to in the guidance and commentary for Recommendation 1.1. Executive directors are employed pursuant to employment agreements.

#### Evaluation of the performance of senior executives

The performance of senior executives will be evaluated in accordance with the Performance Evaluation Process. As the Performance Evaluation Process was only adopted in April 2012, the first performance evaluation for senior executives will take place in the 2013 reporting period.

The Board Charter and Performance Evaluation Process are available on the Company's website.

### PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

#### Composition of the Board

The Board consists of the Executive Director and three non-executive directors. Details of their skills, experience and expertise and the period of office held by each director have been included in the Directors' Report. The number of board meetings and the attendance of the directors are set out in the Directors' Report.

The roles of Chairman and the Executive Director are not exercised by the same individual. The Company has an Executive Director (considered to be the Chief Executive Officer). The Company does not presently have a Chairman.

#### Independence of non-executive directors

The Board has assessed the independence of the non-executive directors using defined criteria of independence and materiality consistent with the guidance and commentary for Recommendation 2.1.

Although Mr Kornweibel holds 300,000 fully paid ordinary shares in the Company, the Board considers this immaterial. Mr Kornweibel is regarded as independent as he is not a substantial shareholder as defined by the *Corporations Act*.

The Company is at variance with Recommendations 2.1 and 2.2 in that the majority of directors are not independent and the Company does not presently have a Chairman. The Board has determined that the composition of the current Board represents the best mix of directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management. Furthermore, each individual member of the Board is satisfied that whilst the Company may not comply with Recommendations 2.1 and 2.2, all directors bring an independent judgement to bear on Board decisions.

## CORPORATE GOVERNANCE STATEMENT

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### Nomination Committee

No formal nomination committee has been established by the Company as yet. The Board, as a whole, currently serves as the nomination committee.

The Company's Corporate Governance Plan includes a Nomination Committee Charter, which discloses the specific responsibilities of the committee.

Where necessary, the Board seeks advice of external advisers in connection with the suitability of applicants for Board membership.

The Company is at variance with Recommendation 2.4 in that the Company does not presently have a Nomination Committee. The Board considers this arrangement to be appropriate given the current size of the Company.

### Board renewal and succession planning

The appointment of directors is governed by the Company's Constitution and the Appointment and Selection of New Directors policy. In accordance with the Constitution of the Company, no director except a Managing Director shall hold office for a continuous period in excess of three years or past the third annual general meeting following the director's appointment, whichever is the longer, without submitting for re-election.

The Company has not adopted a policy in relation to the retirement or tenure of directors.

The appointment of the Company Secretary is a matter for the Board. Information on the skills, experience and qualifications of the Company Secretary can be found in the Directors' Report.

### Evaluation of the performance of the Board, its committees and individual directors

The performance of the Board, its committees and individual directors will be evaluated in accordance with the Performance Evaluation Process. As the Performance Evaluation Process was only adopted in April 2012, performance evaluations of the Board and individual directors will take place in the 2013 reporting period.

### Induction and education

When appointed to the Board, a new director will receive an induction appropriate to their experience. Directors may participate in continuing education to update and enhance their skills and knowledge from time to time, as considered appropriate.

### Access to information and advice

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. The Board also has a policy under which individual directors and Board committees may obtain independent professional advice at the Company's expense in relation to the execution of their duties, after consultation with the Chairman.

The Company's Constitution, Nomination and Remuneration Committee Charter and the policy for Appointment and Selection of New Directors are available on the Company's website.

## PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

### Code of Conduct

The Board has adopted a Code of Conduct which applies to all directors and officers of the Company. It sets out Newfield's commitment to successfully conducting the business in accordance with all applicable laws and regulations while demonstrating and promoting the highest ethical standards. The Code of Conduct reflects the matters set out in the commentary and guidance for Recommendation 3.1.

## CORPORATE GOVERNANCE STATEMENT

### Diversity Policy

The Board has adopted a Diversity Policy which sets out the Company's aims and practices in relation to recognising and respecting diversity in employment. The Policy reinforces the Company's commitment to actively managing diversity as a means of enhancing the Company's performance by recognising and utilising the contributions of diverse skills and talent from its employees.

The Diversity Policy reflects the matters set out in the commentary and guidance for Recommendation 3.2.

### Gender Diversity

The Board is responsible for establishing and monitoring on an annual basis the achievement against gender diversity objectives and strategies, including the representation of women at all levels of the organisation.

The proportion of women within the whole organisation as at the date of this report are as follows:

	%
Women employees in the whole organisation	20%
Women in senior executive positions	-%
Women on the Board of Directors	25%

The Company is at variance with Recommendation 3.3 in that it has not set or disclosed measurable objectives for achieving gender diversity in accordance with its Diversity Policy. Due to the size of the Company, the Board does not deem it practical to limit the Company to specific targets for gender diversity as it operates in a very competitive labour market where positions are sometimes difficult to fill. However, every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background.

The Code of Conduct and Diversity Policy are available on the Company's website.

## PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

### Audit and Risk Committee

No formal audit committee has been established by the Company as yet. The Board, as a whole, currently serves as the audit committee.

The Company is at variance with Recommendation 4.1 and 4.2 in that it does not presently have an Audit and Risk Committee. The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Company is of sufficient size to justify the appointment of additional directors for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive.

As the operations of the Company develop the Board will reassess the formation of the audit committee.

### External auditor

The Board reviews the external auditor's terms of engagement and audit plan, and assesses the independence of the external auditor. The current practice, subject to amendment in the event of legislative change, is for the rotation of the engagement partner to occur every five years.

The Company's independent external auditor is BDO Audit (WA) Pty Ltd. The appointment of BDO Audit (WA) Pty Ltd will be put to members at the inaugural Annual General Meeting.

The Audit and Risk Committee Charter is available on the Company's website.

## CORPORATE GOVERNANCE STATEMENT

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### PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Continuous Disclosure Policy sets out the key obligations of the directors and employees in relation to continuous disclosure as well as the Company's obligations under the Listing Rules and the Corporations Act. The Policy also provides procedures for internal notification and external disclosure, as well as procedures for promoting understanding of compliance with the disclosure requirements for monitoring compliance.

The Policy reflects the matters set out in the commentary and guidance for Recommendation 5.1.

The Continuous Disclosure Policy is available on the Company's website.

### PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

The Shareholder Communications Policy sets out the Company's aims and practices in respect of communicating with both current and prospective shareholders. The Policy reinforces the Company's commitment to promoting investor confidence by requiring:

- compliance with the continuous disclosure obligations;
- compliance with insider trading laws;
- compliance with financial reporting obligations;
- compliance with shareholder meeting requirements, including the provision of an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and auditor of the Company;
- communication with shareholders in a clear, regular, timely and transparent manner; and
- response to shareholder queries in a prompt and courteous manner.

The Policy reflects the matters set out in the commentary and guidance for Recommendation 6.1.

The Shareholder Communications Policy is available on the Company's website.

### PRINCIPLE 7: RECOGNISE AND MANAGE RISK

#### Risk Management Policy

Newfield recognises that risk is inherent to any business activity and that managing risk effectively is critical to the immediate and future success of the Company. As a result, the Board has adopted a Risk Management Policy which sets out the Company's system of risk oversight, management of material business risks and internal control.

#### Risk oversight

Newfield's risk management framework is supported by the Board of Directors, management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk.

#### Reporting and assurance

When considering the review of the Company's financial reports, the Board receives a written statement declaration in accordance with section 295A of the *Corporations Act*, signed by the Executive Director and a Non-executive Director, that the Company's financial reports give a true and fair view, in all material respects with, of the Company's financial position and comply in all material respects with relevant accounting standards. This statement also confirms that the Company's financial reports are founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

Similarly, in a separate written statement the Executive Director and a Non-executive Director also confirm to the Board that the Company's risk management and internal control systems are operating effectively in relation to material business risks for the period, and that nothing has occurred since period-end that would materially change the position.

The Risk Management Policy is available on the Company's website.

## CORPORATE GOVERNANCE STATEMENT

### PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

#### Remuneration Committee

The Board has not established a formal remuneration committee at this point in the Company's development. It is considered that the size of the Board along with the level of activity of the Company renders this impractical and the Board, acting without the affected director participating in the decision making process, currently serves as a remuneration committee.

The Company's Corporate Governance Plan includes a Remuneration Committee Charter, which discloses its specific responsibilities.

The Company is at variance with Recommendation 8.1 and 8.2 in that it does not currently have a Remuneration Committee. The Board considers this arrangement to be appropriate given the current size of the Company.

#### Non-executive directors' remuneration policy

The structure of non-executive directors' remuneration is clearly distinguished from that of executives. Remuneration for non-executive directors is fixed. Total remuneration for all non-executive directors, last voted upon by shareholders at the 2011 General Meeting, is not to exceed \$350,000 per annum. Non-executive directors do not receive performance related compensation. Neither the non-executive directors nor the executives of the Company receive any retirement benefits, other than superannuation.

#### Executive directors' remuneration policy

As noted previously, the Executive Director is employed pursuant to employment agreement. A Summary of the employment agreement is set out in the Remuneration Report.

Further details regarding the remuneration arrangements of the Company are set out in the Remuneration Report.

The checklist below summarises the Company's compliance with the Recommendations.

	Requirement	Comply Yes/ No	Reference/ Explanation
<b>Pr 1</b>	<b>Lay solid foundations for management and oversight</b>		
Rec 1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose the functions.	Yes	Website & Page 15
Rec 1.2	Companies should disclose the process for evaluating the performance of senior executives.	Yes	Website & Page 15
Rec 1.3	Companies should provide the information indicated in the Guide to reporting to Principle 1.	Yes	Website & Page 15
<b>Pr 2</b>	<b>Structure the board to add value</b>		
Rec 2.1	A majority of the board should be independent directors.	No	Website & Page 15
Rec 2.2	The chair should be an independent director.	No	Website & Page 15
Rec 2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Yes	Website & Page 15
Rec 2.4	The board should establish a nomination committee.	No	Website & Page 16
Rec 2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes	Website & Page 16
Rec 2.6	Companies should provide the information indicated in the Guide to reporting to Principle 2.	Yes	Website & Page 15 & 16

## CORPORATE GOVERNANCE STATEMENT

	Requirement	Comply Yes/ No	Reference/ Explanation
<b>Pr 3</b>	<b>Promote ethical and responsible decision making</b>		
Rec 3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none"> <li>the practices necessary to maintain confidence in the company's integrity;</li> <li>the practices necessary to take account of their legal obligations and reasonable expectations of their stakeholders; and</li> <li>the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</li> </ul>	Yes	Website & Page 16
Rec 3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	Yes	Website & Page 17
Rec 3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	No	Website & Page 17
Rec 3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Yes	Website & Page 17
Rec 3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	Yes	Website & Page 17
<b>Pr 4</b>	<b>Safeguard integrity in financial reporting</b>		
Rec 4.1	The board should establish an audit committee.	No	Website & Page 17
Rec 4.2	The audit committee should be structured so that it: <ul style="list-style-type: none"> <li>consists only of non-executive directors;</li> <li>consists of a majority of independent directors;</li> <li>is chaired by an independent chair, who is not the chair of the board; and</li> <li>has at least three members.</li> </ul>	No	Website & Page 17
Rec 4.3	The audit committee should have a formal charter.	Yes	Website & Page 17
Rec 4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	Yes	Website & Page 17
<b>Pr 5</b>	<b>Make timely and balanced disclosure</b>		
Rec 5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior level for that compliance and disclose those policies or a summary of those policies.	Yes	Website & Page 18
Rec 5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	Yes	Website & Page 18

## CORPORATE GOVERNANCE STATEMENT

	Requirement	Comply Yes/ No	Reference/ Explanation
<b>Pr 6</b>	<b>Respect the rights of shareholders</b>		
Rec 6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	Website & Page 18
Rec 6.2	Company should provide the information indicated in the Guide to reporting on Principle 6.	Yes	Website & Page 18
<b>Pr 7</b>	<b>Recognise and manage risk</b>		
Rec 7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	Website & Page 18
Rec 7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes	Website & Page 18
Rec 7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	Website & Page 18
Rec 7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	Yes	Website & Page 18
<b>Pr 8</b>	<b>Remunerate fairly and responsibly</b>		
Rec 8.1	The board should establish a remuneration committee.	No	Website & Page 19
Rec 8.2	The remuneration committee should be structured so that it: <ul style="list-style-type: none"> <li>consists of a majority of independent directors;</li> <li>is chaired by an independent chair; and</li> <li>has at least three members.</li> </ul>	No	Website & Page 19
Rec 8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes	Website & Page 19
Rec 8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8.	Yes	Website & Page 19

**STATEMENT OF COMPREHENSIVE INCOME**  
for the period from incorporation on 14 September 2011 to 30 June 2012

	Note	14 September 2011 to 30 June 2012 \$
<b>Revenue from continuing operations</b>		
Other income		25,195
Operational expenses		(133,796)
Corporate and administrative expenses		(79,947)
		<hr/>
<b>Loss before income tax</b>		<b>(188,548)</b>
Income tax expense / (benefit)	5	-
		<hr/>
<b>Net loss for the Period</b>		<b>(188,548)</b>
		<hr/>
<b>Other comprehensive income</b>		
Other comprehensive income / (loss)		-
		<hr/>
<b>Total comprehensive loss for the Period attributable to the owners of the Company</b>		<b>(188,548)</b>
		<hr/> <hr/>
<b>Loss per share for loss attributable to the ordinary equity holders of the Company</b>		
Basic loss per share (cents)	15	0.37
		<hr/>

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 Statement of Comprehensive Income is to be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION**  
**as at 30 June 2012**

	Note	2012 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	6	1,093,573
Trade and other receivables	7	39,234
Held to maturity investments	8	<u>2,000,000</u>
<b>Total Current Assets</b>		<u>3,132,807</u>
<b>NON-CURRENT ASSETS</b>		
Exploration and evaluation assets	9	<u>972,409</u>
<b>Total Non-Current Assets</b>		<u>972,409</u>
<b>TOTAL ASSETS</b>		<u>4,105,216</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	10	56,425
Provisions	11	<u>385</u>
<b>Total Current Liabilities</b>		<u>56,810</u>
<b>TOTAL LIABILITIES</b>		<u>56,810</u>
<b>NET ASSETS</b>		<u><u>4,048,406</u></u>
<b>EQUITY</b>		
Contributed equity	12	4,236,954
Accumulated losses	13	<u>(188,548)</u>
<b>TOTAL EQUITY</b>		<u><u>4,048,406</u></u>

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

**STATEMENT OF CHANGES IN EQUITY**  
for the period from incorporation on 14 September 2011 to 30 June 2012

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	Contributed Equity \$	Accumulated Losses \$	Total \$
<b>Balance at 14 Sept 2011</b>	-	-	-
Loss for the Period	-	(188,548)	(188,548)
<b>Total comprehensive loss for the Period</b>	-	(188,548)	(188,548)
<b>Transactions with equity holders in their capacity as equity holders:</b>			
Contribution of equity net of transaction costs	4,236,954	-	4,236,954
<b>Balance at 30 June 2012</b>	<b>4,236,954</b>	<b>(188,548)</b>	<b>4,048,406</b>

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

**STATEMENT OF CASH FLOWS**  
for the period from incorporation on 14 September 2011 to 30 June 2012

	Note	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees		(216,880)
Interest received		17,412
Interest paid		(18)
<b>Net cash outflow from in operating activities</b>	18	<u>(199,486)</u>
<b>Cash flows from investing activities</b>		
Payments for held-to-maturity investments		(2,000,000)
Payments for exploration and evaluation assets – acquisition costs		(150,950)
Payments for exploration and evaluation assets – capitalised costs		(47,994)
<b>Net cash outflow from investing activities</b>		<u>(2,198,944)</u>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of share capital	12	3,802,153
Share issue costs		(310,150)
Proceeds from borrowings		400,000
Repayment of borrowings		(400,000)
<b>Net cash inflow from financing activities</b>		<u>3,492,003</u>
<b>Net increase in cash and cash equivalents</b>		1,093,573
<b>Cash and cash equivalents at 14 Sept 2011</b>		-
<b>Cash and cash equivalents at 30 June 2012</b>	6	<u><u>1,093,573</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the period from incorporation on 14 September 2011 to 30 June 2012**

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting entity**

The financial report of Newfield Resources Limited for the period from incorporation on 14 September 2011 to 30 June 2012 (the **Period**) was authorised for issue in accordance with a resolution of the directors on 30 August 2012.

Newfield Resources Limited (the **Company**) is a public company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Company was incorporated on 14 September 2011 as QVB Pty Ltd. On 20 January 2012 the Company converted to a public company limited by shares and changed its name to Newfield Resources Limited.

The nature of the operations and principal activities of the Company are described in the Directors' Report.

**Basis of preparation**

*Statement of compliance*

The financial statements are general-purpose financial statements, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**). The financial report of the Company also complies with the International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board.

*Basis of measurement*

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

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

*Significant accounting policies*

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

**Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are outlined below:

*Exploration and evaluation expenditure*

The write-off and carrying forward of exploration acquisition costs is based on an assessment of an area of interest's viability and/or the existence of economically recoverable reserves.

*Deferred taxation*

Deferred tax assets in respect of tax losses have not been brought to account as it is not considered probable that future taxable profits will be available against which they could be utilised.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the period from incorporation on 14 September 2011 to 30 June 2012**

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**Summary of Significant Accounting Policies**

***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.

***Cash and cash equivalents***

Cash and cash equivalents in the 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 Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

***Held to maturity investments***

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. If the Company were to sell other than an insignificant amount of held to maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held to maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

***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 Company will not be able to collect all amounts due.

***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. Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits.

Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs are determined on the basis that the restoration will be completed within one year of abandoning the site.

***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 Company. 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the period from incorporation on 14 September 2011 to 30 June 2012**

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***Employee benefits***

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

***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.

***Revenue recognition***

Revenue represents interest received and reimbursements of exploration expenditures and is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured. Interest income is recognised as it accrues.

***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 Comprehensive Income.

The Company has unused tax losses. However, no deferred tax balances have been recognised, as it is considered that asset recognition criteria have not been met at this time.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period from incorporation on 14 September 2011 to 30 June 2012

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***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 Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross 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.

***Leases***

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

***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.

***New accounting standards and interpretations***

The following new standards and amendments to standards are mandatory for the financial year beginning 1 July 2011:

- AASB 2009-12 Amendments to Australian Accounting Standards (AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052)
- AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 1, 7, 101 & 134 and Interpretation 13)
- AASB 2010-5 Amendments to Australian Accounting Standards (AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042)
- AASB 2010-6 Amendments to Australian Accounting Standards – Disclosure on Transfers of Financial Assets (AASB 1 and 7)
- AASB 2010-9 Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (AASB 1)
- AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project (AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretation 2, 112 & 113)
- AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and proportionate Consolidation (AASB 127, 128 and 131)
- Revised AASB 124 Related Party Disclosures

The adoption of these standards did not have any impact in the current period and is unlikely to affect future periods.

***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 entity in the period of initial application. They have not been applied in preparing this financial report:

- (i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard is not expected to impact on the Company's accounting for financial assets as it does not have any available for sale assets. There will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities. The Company has decided not to early adopt AASB 9.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the period from incorporation on 14 September 2011 to 30 June 2012**

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(ii) AASB 11 Joint Arrangements (effective from 1 January 2013)

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or 'joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the Company has not entered into any joint arrangements.

(iii) AASB 13 Fair Value Measurement, AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective from 1 January 2013)

This standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard is not expected to have a material impact on the Company's financial statements. The Company has decided not to early adopt this amendment.

(iv) AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. Newfield Resources Limited is listed on the ASX and is not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the entity.

(v) Presentation of Items of Other Comprehensive Income, Amendments to IAS Presentation of Financial Statements (effective from 1 July 2012)

This standard is not applicable until 1 January 2012 but is available for early adoption. When adopted, the standard is not expected to impact on the Company's financial statements as it does not have any Other Comprehensive Income. The Company has decided not to early adopt this amendment.

(vi) IAS 19 Employee Benefits (effective from 1 January 2013)

This standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard is not expected to have a material impact on the Company's financial statements as it only has a minimum level of employees. The Company has decided not to early adopt this amendment.

(vii) Amendments to Australian Accounting Standard to Remove Individual Key Management Personnel Disclosure Requirements (effective from 1 July 2013)

This standard makes amendments to AASB 124 Related Party Disclosures to remove the individual key management personnel disclosures requirements with an effective date of 1 July 2013. Early adoption of this standard is not permitted.

**Comparatives**

The Company was incorporated on 14 September 2011. These financial statements are for the period from incorporation to 30 June 2012 and consequently no comparatives are necessary.

**2. 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.

**Financial risk management objectives**

The Board monitors and manages the financial risk relating to the operations of the Company. The Company's activities include exposure to market risk, fair value interest rate risk and price risk, credit risk, liquidity risk and cash flow interest rate 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. Risk management is carried out under the direction of the Board.

**Market price risk**

The Company is involved in the exploration and development of mining tenements for minerals, including gold and base metals. Should the Company 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period from incorporation on 14 September 2011 to 30 June 2012

**Credit risk**

There is a limited amount of credit risk relating to the cash and cash equivalents that the Company holds in deposits. The Company receives interest on its cash management deposits based on daily balances and at balance date was exposed to a variable interest rate of 3.5% per annum. The Company's operating account does not attract interest. The Company's cash reserves are only placed with major Australian banks. The Company is not materially exposed to changes in market interest rates.

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

*Exposure to credit risk*

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	<b>Carrying Amount 2012 \$</b>
Cash and cash equivalents	1,093,573
Held-to-maturity investments	2,000,000
Trade and other receivables	33,430
	<b>3,127,003</b>

The credit quality is assessed and monitored as follows:

<b>Credit quality of financial assets</b>	<b>Equivalent S&amp;P rating<sup>1</sup></b>		<b>Internally rated<sup>2</sup></b>	<b>Total</b>
	<b>A+ and above</b>	<b>BBB and below</b>	<b>No default</b>	
<b>At 30 June 2012</b>				
Cash and cash equivalents	1,093,573	-	-	1,093,573
Held-to-maturity investments	2,000,000	-	-	2,000,000
Trade and other receivables – current	-	-	39,234	39,234
	<b>3,093,573</b>	<b>-</b>	<b>39,234</b>	<b>3,132,807</b>

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. Trade and other receivables consists of GST paid, interest accrued and initial listing fee refundable from ASX.

*Allowance for impairment loss*

A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired.

Balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

**Fair value of financial instruments**

The fair values of financial assets and liabilities are determined in accordance with generally accepted pricing models based on estimated future cash flows. The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

**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 Company's short, medium and long-term funding and liquidity management requirements. The Company 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period from incorporation on 14 September 2011 to 30 June 2012

**Liquidity 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.

<b>30 June 2012</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>1 year</b>	<b>2-5 years</b>	<b>&gt;5 years</b>
Trade and other payables	56,425	(56,425)	(56,425)	-	-

**Cash flow and interest rate risk**

The Company's income and operating cash flows are not materially exposed to changes in market interest rates.

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

	<b>Carrying Amount 2012 \$</b>
<b>Variable rate instruments</b>	
Cash at bank	593,573
<b>Fixed rate instruments</b>	
Term deposits	2,500,000
	<b>3,093,573</b>

*Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points in interest rates would increase or decrease the Company's loss by \$5,936, 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.

**3. AUDITOR'S REMUNERATION**

During the Period the following fees were paid or payable for services provided by the auditor of the Company and its related practices:

**Audit Services**

*BDO Audit (WA) Pty Ltd*

- audit and audit review of financial reports 19,578

**Other Services**

*BDO Corporate Finance (WA) Pty Ltd*

- investigating accountant's report for inclusion in a prospectus 7,650

*BDO Tax (WA) Pty Ltd*

- review of GST and stamp duty on tenements purchase agreements 4,020

**31,248**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period from incorporation on 14 September 2011 to 30 June 2012

<b>4. EXPENSES</b>	<b>2012</b>
	<b>\$</b>
<b>(a) Employee benefits expenses included in Statement of Comprehensive Income</b>	
Wages and salaries	7,333
Superannuation expense	396
	<u>7,729</u>
<b>(b) Consulting fees included in Statement of Comprehensive Income</b>	<u>130 490</u>
<b>(c) Secretarial and accounting fees included in Statement of Comprehensive Income</b>	<u>38,558</u>
<b>5. INCOME TAX</b>	
<b>(a) Income tax expense</b>	<u>-</u>
<b>(b) Numerical reconciliation between tax expense and pre-tax net loss</b>	
Loss before income tax expense	<u>(188,548)</u>
Income tax benefit calculated at rates noted in (d) below	(56,564)
Effect of non-deductible items	326
Increase in deferred tax balances not brought to account	<u>56,239</u>
Income tax expense	<u>-</u>
<b>(c) Deferred tax assets and liabilities not brought to account</b>	
The potential tax benefit @ 30% for the following items for which no deferred tax asset has been recognised is as follows:	
Carry forward tax losses	362,788
Capital raising costs	75,648
Provisions and accruals	4,086
Other	170
	<u>442,691</u>
The tax benefits of the above deferred tax assets will only be obtained if:	
(a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;	
(b) the Company continues to comply with the conditions for deductibility imposed by law; and	
(c) no changes in income tax legislation adversely affect the Company in utilising the benefits.	
The temporary difference @ 30% relating to the following item for which no deferred tax liability has been recognised is as follows:	
Exploration and evaluation costs	<u>291,723</u>
	<u>291,723</u>
The above deferred tax liability has not been recognised because it would be offset by the deferred tax asset which has also not been recognised.	
<b>(d) Tax Rates</b>	
The potential tax benefit in respect of tax losses not brought into account has been calculated at 30%.	

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period from incorporation on 14 September 2011 to 30 June 2012

<b>6. CASH AND CASH EQUIVALENTS</b>	<b>2012 \$</b>
Cash at bank and in hand	<u><b>1,093,573</b></u>

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 2.

**7. TRADE AND OTHER RECEIVABLES**

GST receivable	5,804
Sundry debtors	25,648
Interest receivable	<u>7,782</u>
	<u><b>39,234</b></u>

The Company's exposure to credit risk related to trade and other receivables is disclosed in Note 2.

No receivables were past due but not impaired.

**8. HELD TO MATURITY INVESTMENTS**

**Current**

Held to maturity investments	<u><b>2,000,000</b></u>
------------------------------	-------------------------

Held to maturity investments represents the Company's term deposits with Macquarie Bank. These deposits are for a term of 4 months with a maturity date of 5 October 2012. The deposits are denominated in Australian dollars and are measured at their fair value. None of the deposits are past due or impaired. The Company's exposure to credit risk related to held to maturity investments is disclosed in Note 2.

**9. EXPLORATION AND EVALUATION ASSETS**

Exploration and evaluation costs carried forward in respect of areas of interest	<u><b>972,409</b></u>
--	-----------------------

**Reconciliation**

Cost as at 14 September 2011	-
Exploration and evaluation	71,459
Acquisition of Newfield Tenements	700,475
Acquisition of Crest Yard Tenements	<u>200,475</u>
Cost as at 30 June 2012	<u><b>972,409</b></u>

The value of the exploration and evaluation costs carried forward is dependent upon the continuance of the Company'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. Refer to Note 18 for details of non-cash exploration costs.

**10. TRADE AND OTHER PAYABLES**

Trade creditors	36,096
Other creditors and accruals	<u>20,329</u>
	<u><b>56,425</b></u>

The Company's exposure to credit and liquidity risks related to trade and other payables are disclosed in Note 2. The carrying amount of trade and other payables approximates its fair value.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period from incorporation on 14 September 2011 to 30 June 2012

	2012 \$
<b>11. PROVISIONS</b>	
Provision for employee entitlements	<u>385</u>
Balance brought forward	-
Movement during the Period	<u>385</u>
Balance carrying forward	<u>385</u>

**12. CONTRIBUTED EQUITY**

96,750,001 fully paid ordinary shares	<u>4,236,954</u>
---------------------------------------	------------------

**(a) Ordinary shares**

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

	Number of Shares	2012 \$
Balance at beginning of Period	-	-
Issue of shares at \$0.00001 each on incorporation	1	0
Issue of shares at \$0.00001 each	33,300,000	333
Issue of shares at \$0.0001 each	18,200,000	1,820
Issue of shares at \$0.05 each	30,000,000	1,500,000
Issue of shares at \$0.20 each	15,250,000	3,050,000
Share issue costs	-	<u>(315,199)</u>
Balance at the end of the Period	<u>96,750,001</u>	<u>4,236,954</u>

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) Options**

The following options to subscribe for ordinary fully paid shares were granted during the Period:

Class	Expiry date	Exercise Price	Date Granted	Number of Options
Unlisted Options (NWFO)	15 June 2015	\$0.25	28 February 2012	30,000,000

These options are free attaching options with no value recognised in the Statement of Comprehensive Income. None of these options were exercised or lapsed during the Period and all remained outstanding at 30 June 2012. These options do not entitle the holder to participate in any share issue of the Company or any other entity.

**(c) Capital management**

The Company's objectives when managing capital are disclosed in Note 2.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period from incorporation on 14 September 2011 to 30 June 2012

**13. ACCUMULATED LOSSES**

**2012**  
**\$**

Accumulated losses at the beginning of the Period	-
Net loss for the Period	(188,548)
Accumulated losses at the end of the Period	<u><b>(188,548)</b></u>

**14. COMMITMENTS AND CONTINGENCIES**

**Remuneration commitments**

Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:

Within one year	73,684
	<u><b>73,684</b></u>

Amounts disclosed as remuneration commitments include commitments arising from the employment agreements of directors and executives referred to in the Remuneration Report of the Directors' Report that are not recognised as liabilities and are not included in the compensation of key management personnel.

**Service commitments**

The Company has entered into a service agreement with Townshend York Pty Ltd (**Townshend York**), a company associated with Mr Ho, to provide company secretarial services in connection with the operations of the Company, under which Townshend York receives \$51,000 per annum for the first year of the agreement, \$54,000 for the second year and \$60,000 for the third year.

The Company has also entered into a service agreement with Townshend York to provide accounting services in connection with the operations of the Company, under which Townshend York receives \$24,000 per annum.

Future payables arising from the above service agreements as at 30 June are as follow:

Within one year	75,183
After one year but not more than five years	157,233
	<u><b>232,416</b></u>

Refer to Note 16 for details of these key management personnel transactions during the Period.

**Exploration and project commitments**

The Company has certain obligations to perform minimum exploration work on mining tenements held. These obligations may vary over time, depending on the Company'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 of the Company which have not been provided for in the financial statements amount to \$120,200 per annum.

**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 tenements acquired. The Company presently has a 70% interest in the tenements acquired from Crest, with the option to acquire the remaining 30% on or before 30 June 2013 through the issue of 1,250,000 shares.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period from incorporation on 14 September 2011 to 30 June 2012

**15. EARNINGS PER SHARE**

**Basic and diluted earnings per share**

The calculation of basic loss per share at 30 June 2012 was based on the following:

	<b>2012</b>
	<b>\$</b>
<b>Loss attributable to ordinary shareholders</b>	
Net loss for the Period	<u>(188,548)</u>
<b>Weighted average number of ordinary shares</b>	<b>Number</b>
Balance at beginning of Period	-
Effect of shares issued on 14 September 2011	1
Effect of shares issued on 22 September 2011	32,384,536
Effect of shares issued on 28 February 2012	7,755,326
Effect of shares issued on 30 March 2012	9,587,629
Effect of shares issued on 30 May 2012	<u>1,676,976</u>
	<u><b>51,404,468</b></u>

Diluted earnings 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 in the current period, they are not considered dilutive, and not shown. The number of potential ordinary shares is set out in Note 12.

**16. KEY MANAGEMENT PERSONNEL**

**Key management personnel compensation**

	<b>2012</b>
	<b>\$</b>
Short-term employee benefits	7,334
Post-employment benefits	396
Other benefits	<u>385</u>
<b>Total compensation</b>	<u><b>8,115</b></u>

Detailed remuneration disclosures are provided in the Remuneration Report on pages 10 to 12.

**Equity holdings of key management personnel**

**Shares**

The movement during the Period in the number of ordinary shares in Newfield Resources Limited held, directly, indirectly or beneficially by each key management person, is as follows:

	Held at 14 September 2011	Purchases	Granted as remuneration	Disposals	Held at date of resignation	Held at 30 June 2012
<b>Directors</b>						
Mr A Ho	-	-	-	-	-	-
Mr M Kornweibel	-	300,000	-	-	-	300,000
Ms S Nanang	-	-	-	-	-	-
Mr G C Ooi	-	6,000,000	-	(2,000,000)	-	4,000,000
Mr S Gan <sup>1</sup>	-	5,000,000	-	(5,000,000)	-	-

1. Resigned 21 November 2011.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period from incorporation on 14 September 2011 to 30 June 2012

**16. KEY MANAGEMENT PERSONNEL (continued)**

**Options**

The movement during the Period in the number of options over ordinary shares in Newfield Resources Limited held, directly, indirectly or beneficially by each key management person, is as follows:

	Held at 14 September 2011	Purchases	Granted as remuneration	Other changes	Held at date of resignation	Held at 30 June 2012	Vested during the Period
<b>Directors</b>							
Mr A Ho	-	-	-	-	-	-	-
Mr M Kornweibel	-	-	-	-	-	-	-
Ms S Nanang	-	-	-	-	-	-	-
Mr G C Ooi	-	-	-	-	-	-	-
Mr S Gan <sup>1</sup>	-	-	-	-	-	-	-

1. Resigned 21 November 2011.

No shares or options were granted to key management personnel during the Period as compensation.

**Other transactions with key management personnel**

Mr Anthony Ho holds positions in other entities that result in him having control or significant influence over the financial or operating policies of those entities.

Two of those entities transacted with the Company during the Period. 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 Period relating to those transactions were as follows:

Transaction	Transactions value period ended 30 June 2012 \$	Balance outstanding as at 30 June 2012 \$
Secretarial and Accounting fees <sup>1</sup>	38,558	4,583
IPO related consulting fees <sup>2</sup>	50,771	-

**Notes**

1. A company associated with Mr Ho, Townshend York Pty Ltd, provides company secretarial and accounting services in connection with the operations of the Company. Terms for such services are based on market rates, and amounts are payable on a monthly basis.
2. A company associated with Mr Ho, Townshend York Pty Ltd, provided consultancy services in respect of the Company's IPO. Terms for such services were based on market rates, and amounts were payable on a monthly basis.

Mr M Kornweibel, a director, provided consultancy services in connection with the operation of the Company during the Period. Terms of those services were based on market rates, and amounts were payable on a monthly basis. The aggregate amount recognised during the Period relating to those transactions was \$1,470, none of which was outstanding at 30 June 2012.

**Loans from key management personnel**

During the period the Company borrowed \$200,000 from Mr Giap Ch'ng Ooi for the purpose of funding its working capital. The loan was interest free, unsecured and repayable within 7 days of lodgement of a Prospectus with ASX/ASIC for the IPO of Newfield Resources Limited. The loan was fully repaid by the Company during the Period and the balance as at year end was nil.

During the period the Company also borrowed \$100,000 from Mr Soo Jin Gan for the purpose of funding its working capital. The loan was interest free, unsecured and repayable within 7 days of lodgement of a Prospectus with ASX/ASIC for the IPO of Newfield Resources Limited. The loan was repaid in full in November 2011 upon Mr Gan's resignation as a Director of the Company.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period from incorporation on 14 September 2011 to 30 June 2012

**17. SEGMENT REPORTING**

The Board has determined that the Company has two reportable segments, being mineral exploration and Corporate.

	<b>Mineral Exploration \$</b>	<b>Corporate and administrative \$</b>	<b>Company \$</b>
<b>30 June 2012</b>			
<b>Segment revenue</b>	-	25,195	<u>25,195</u>
<b>Segment result</b>	(133,796)	(54,752)	<u>(188,548)</u>
<b>Segment assets</b>	972,409	3,132,807	<u>4,105,216</u>
<b>Segment liabilities</b>	(23,465)	(33,345)	<u>(56,810)</u>

<b>18. RECONCILIATION OF CASH FLOWS USED IN OPERATING ACTIVITIES</b>	<b>2012 \$</b>
<b>(a) Cash flows from operating activities</b>	
Loss for the Period	(188,548)
Adjustments	<u>-</u>
Operating loss before changes in working capital and provisions	(188,548)
Change in trade and other receivables	(39,234)
Change in trade and other payables	27,911
Change in provisions	<u>385</u>
Net cash used in operating activities	<u><u>(199,486)</u></u>

**(b) Non-cash investing and financing activities**

On 22 November 2011, the Company entered into an agreement for an option to purchase a 100% interest in the Newfield Tenements. As part consideration for the exercise of the option, the Company issued 3,000,000 fully paid ordinary shares at a deemed issued price of \$0.20 per share on 30 May 2012.

On 22 November 2011, the Company entered into an agreement for an option to purchase a 70% interest in the Crest Yard Tenements. As part consideration for the exercise of the option, the Company issued 750,000 fully paid ordinary shares at a deemed issued price of \$0.20 per share on 30 May 2012.

These transactions are not reflected in the Statement of Cash Flows.

**19. SHARE BASED PAYMENTS**

**Acquisition of Newfield Tenements**

On 22 November 2011, the Company entered into an agreement for an option to purchase a 100% interest in the Newfield Tenements. As part consideration for the exercise of the option, the Company issued 3,000,000 fully paid ordinary shares at a deemed issued price of \$0.20 per share on 30 May 2012, resulting in a share based payment of \$600,000. The fair value of the share based payment was determined by reference to the market price of the Company's fully paid ordinary shares being \$0.20 per share on the date of issue. The share based payment has been recognised as exploration and evaluation expenditure in the Statement of Financial Position in accordance with the policy set out in Note 1.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the period from incorporation on 14 September 2011 to 30 June 2012**

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**19. SHARE BASED PAYMENTS (continued)**

**Acquisition of Crest Yard Tenements**

On 22 November 2011, the Company entered into an agreement for an option to purchase a 70% interest in the Crest Yard Tenements. As part consideration for the exercise of the option, the Company issued 750,000 fully paid ordinary shares at a deemed issued price of \$0.20 per share on 30 May 2012, resulting in a share based payment expense of \$150,000. The fair value of the share based payment was determined by reference to the market price of the Company's fully paid ordinary shares being \$0.20 per share on the date of issue. The share based payment has been recognised as exploration and evaluation expenditure in the Statement of Financial Position in accordance with the policy set out in Note 1.

**20. EVENTS SUBSEQUENT TO REPORTING DATE**

There has not arisen in the interval between the end of the Period 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 Company, the results of those operations, or the state of affairs of the Company in future financial years.

## DIRECTORS' DECLARATION

---

In the opinion of the directors of Newfield Resources Limited:

- (a) the financial statements and notes and the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report, set out on pages 10 to 12, are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance, for the financial period ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1;
- (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.

This declaration has been made after receiving the declarations from the Executive Director required by section 295A of the *Corporations Act 2001* for the period from incorporation on 14 September 2011 to 30 June 2012. In accordance with section 295A, those declarations were that:

- (i) the financial records of the Company have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
- (ii) the financial statements and notes comply with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001* in all material respects; and
- (iii) the financial statements and notes give a true and fair view, in all material respects, of the financial position and performance of the Company.

Dated at Perth, Western Australia this 30<sup>th</sup> day of August 2012.

Signed in accordance with a resolution of the directors.



Anthony Ho  
Executive Director

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWFIELD RESOURCES LIMITED**

### **Report on the Financial Report**

We have audited the accompanying financial report of Newfield Resources Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### **Directors' Responsibility 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Newfield Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



## Opinion

In our opinion:

- (a) the financial report of Newfield Resources Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the period ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

## Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the period ended 30 June 2012. 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.

## Opinion

In our opinion, the Remuneration Report of Newfield Resources Limited for the period ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

**BDO Audit (WA) Pty Ltd**

BDO  


**CHRIS BURTON**  
Director

Perth, Western Australia  
Dated this 30<sup>th</sup> day of August 2012

30 August 2012

The Directors  
Newfield Resources Limited  
79 Broadway  
NEDLANDS WA 6009

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF  
NEWFIELD RESOURCES LIMITED**

As lead auditor of Newfield Resources Limited for the period ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.



**CHRIS BURTON**  
Director

**BDO Audit (WA) Pty Ltd**  
Perth, Western Australia

## SHAREHOLDER INFORMATION

### *Details of shares and options as at 28 August 2012:*

#### **Top holders**

The 20 largest registered holders of each class of equity security as at 28 August 2012 were:

#### *Fully paid ordinary shares*

	<b>Name</b>	<b>No. of Shares</b>	<b>%</b>
1.	Asia Pacific Horizon Capital	21,436,364	22.16
2.	Prime Investment Limited	12,504,545	12.92
3.	Anrinza Future Pty Ltd	7,155,457	7.40
4.	RJ Harvest Capital Limited	5,359,091	5.54
5.	PT Kresna Graha Sekurindo TBK	5,359,091	5.54
6.	Mutual Street Pty Ltd	4,544,089	4.70
7.	Giap Ch'ng Ooi	4,000,000	4.13
8.	Serng Yee Liew	3,863,636	3.99
9.	Zhao Li Lee	3,000,000	3.10
10.	Ming Rui Limited	2,750,000	2.84
11.	Xing Min Lee	2,750,000	2.84
12.	Ka Leung Yim	2,000,000	2.07
13.	Ms Wai Heng Ho	1,895,000	1.96
14.	Hermawan Hosein	1,786,363	1.85
15.	Robert Ang	1,750,000	1.81
16.	Paul Nguong Wee Tang	1,650,000	1.71
17.	Maureen Song	1,650,000	1.71
18.	Lina Tanuwidjaja Young	1,000,000	1.03
19.	Crest Metals Pty Ltd	750,000	0.77
20.	Anna Chong	600,000	0.62
		<b>85,803,636</b>	<b>88.69</b>

#### *Options exercisable at \$0.25 on or before 15 June 2015*

	<b>Name</b>	<b>No. of Options</b>	<b>%</b>
1.	Asia Pacific Horizon Capital Ltd	9,818,182	32.73
2.	Prime Investment Ltd	5,727,273	19.09
3.	Anrinza Future Pty Ltd	3,272,728	10.91
4.	Serng Yee Liew	3,000,000	10.00
5.	Mutual Street Pty Ltd	2,454,545	8.18
6.	PT Kresna Graha Sekurindo Tbk	2,454,545	8.18
7.	RJ Harvest Capital Ltd	2,454,545	8.18
8.	Hermawan Hosein	818,182	2.73
		<b>30,000,000</b>	<b>100.00</b>

## SHAREHOLDER INFORMATION

### Distribution schedules

A distribution schedule of each class of equity security as at 28 August 2012:

#### *Fully paid ordinary shares*

Range			Holders	Units	%
1	-	1,000	0	0	0.00
1,001	-	5,000	3	6,252	0.01
5,001	-	10,000	548	5,474,407	5.66
10,001	-	100,000	10	315,705	0.32
100,001	-	Over	35	90,953,637	94.01
Total			596	96,750,001	100.00

#### *Options exercisable at \$0.25 on or before 15 June 2015*

Range			Holders	Units	%
1	-	1,000	0	0	0.00
1,001	-	5,000	0	0	0.00
5,001	-	10,000	0	0	0.00
10,001	-	100,000	0	0	0.00
100,001	-	Over	8	30,000,000	100.00
Total			8	30,000,000	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
Asia Pacific Horizon Capital	21,436,364
Prime Investment Limited	12,504,545
Anrinza Future Pty Ltd	7,155,457
RJ Harvest Capital Limited	5,359,091

### Restricted Securities

#### *Fully paid ordinary shares*

Number of Shares	Escrow Period
74,000,001	24 months commencing on the date of Official Quotation
3,750,000	12 months from 30 May 2012

#### *Options exercisable at \$0.25 on or before 15 June 2015*

Number of Options	Escrow Period
30,000,000	24 months commencing on the date of Official Quotation

## SHAREHOLDER INFORMATION

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### Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares (being 1,851 as at 28 August 2012):

Holders	Units
0	0

### 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.

### ASX Admission Statement

During the Period, the Company has applied its cash in a way consistent with its business objectives.

## SUMMARY OF TENEMENTS

### Summary of tenements as 30 August 2012

Projects	Location	Licence Number	Area (km <sup>2</sup> )	Status	Newfield's Interest
<b>Western Australia</b>					
Newfield	Newfield	M77/0422 <sup>1</sup>	0.85	Granted	100%
Newfield	Woongaring Hills	M77/0846 <sup>1</sup>	0.39	Granted	100%
Newfield	Newfield	P77/3679 <sup>2</sup>	0.50	Granted	100%
Crest Yard	Doyle Dam	P16/2722 <sup>3</sup>	2.00	Granted	70%
Crest Yard	Doyle Dam	P16/2723 <sup>3</sup>	2.00	Granted	70%
Crest Yard	Doyle Dam	P16/2724 <sup>3</sup>	1.96	Granted	70%
Crest Yard	Doyle Dam	P16/2725 <sup>3</sup>	2.00	Granted	70%
Crest Yard	Doyle Dam	P16/2726 <sup>3</sup>	1.66	Granted	70%
Crest Yard	Doyle Dam	P16/2727 <sup>3</sup>	2.00	Granted	70%
Crest Yard	Doyle Dam	P16/2728 <sup>3</sup>	0.82	Granted	70%
Crest Yard	Doyle Dam	P16/2729 <sup>3</sup>	1.89	Granted	70%
Crest Yard	Doyle Dam	P16/2730 <sup>3</sup>	1.60	Granted	70%
Crest Yard	Doyle Dam	P16/2731 <sup>3</sup>	1.90	Granted	70%
Crest Yard	Doyle Dam	P16/2733 <sup>3</sup>	2.00	Granted	70%
Crest Yard	Doyle Dam	P16/2734 <sup>3</sup>	1.96	Granted	70%
Crest Yard	Doyle Dam	P16/2735 <sup>3</sup>	1.73	Granted	70%
Crest Yard	Doyle Dam	P16/2736 <sup>3</sup>	1.03	Granted	70%

Notes in relation to the summary of tenements:

1. Current registered holders of the tenement are Anthony John Woodhill, Anthony William Kiernan, Archaean Exploration Services Pty Ltd, Woodline Pty Ltd, Plato Prospecting Pty Ltd, and Carterton Holdings Pty Ltd. Transfer of title to Newfield Resources Limited is in process.
2. Current registered holder of the tenement is Newfield Central Pty Ltd. Transfer of title to Newfield Resources Limited is in process.
3. Current registered holder of the tenement Crest Metals Pty Ltd. Transfer of title to Newfield Resources Limited is in process.