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ASX Announcement

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Tongo Project Update

Highlights

- FEED program advancing and due for completion in 4Q 2018
- 10,981m mine development drilling completed over four kimberlites
- Geological modelling completed and detailed mine design in progress
- Bulk sample processing commenced
- First diamond export completed

Newfield Resources Limited (ASX:NWF) (**Newfield**) is pleased to provide a further update on the progress of the FEED program and new Mineral Resource estimation for its Tongo Diamond Project in Sierra Leone (**Tongo Project**).

Front End Engineering Design (FEED) program

The FEED program has recently focused on the mine design and geotechnical aspects of the planned underground kimberlite mine development at Tongo. Based on the detailed information obtained from the recent drilling campaign, and the geotechnical results of the kimberlite, country rock and surface material, it has been decided that a single portal with dimensions of 6m x 4m at surface will be used to enter the underground access with two declines then branching off to the adjacent Kundu and Lando kimberlites. The mine design is currently being refined based on the updated wireframes and geological models provided by independent consultants. Once the final design is agreed then the capital and operating budgets for the Tongo mine will be finalised.

The FEED program is on track for scheduled completion in Q4 2018.

Mine development drilling

The mine development drilling has been completed over what will be the first two levels of underground mining of the Kundu, Lando and Tongo Dyke-1 kimberlites. However, a fourth kimberlite, Pandebu, was also drilled as it lies adjacent to Lando and could be readily incorporated into future mine planning. Previous mining of a kimberlite blow associated with Pandebu yielded over 18,000 carats of high value diamonds.

A total of 10,981 meters was drilled from 127 holes at an inter-hole spacing of 50m along strike of each of the kimberlites to a depth of around 80 to 100m. Detailed logging of the holes has provided the necessary information with which to create more detailed wireframe and geological models which have been forwarded to independent mining engineers at SRK Consulting to enable the underground mine design to be completed.

Mineral Resource estimate update

Independent geological consulting group, MPH Consulting (**MPH**), has generated updated wireframe and geological block models based on the recent drilling campaign data. Samples of kimberlite drill core from Kundu, Lando, Tongo Dyke-1 and Pandebu have been dispatched to the Saskatchewan Research Council laboratory in Canada for microdiamond analysis. The results of this analysis will be used to finalise the grade of each kimberlite for the updated Mineral Resource estimate.

Bulk sampling

The Company's 5tph Dense Media Separation Plant is presently being used to process available stockpile and bulk sample material from the Pandebu, Lando and Kundu kimberlites.

Processing of a previously controlled bulk sample of the 900m long Pandebu kimberlite dyke has been completed. Approximately 300 carats of diamond have been yielded from approximately 300 tonnes of kimberlite processed, giving a +1mm grade of 1 carat per tonne. This parcel has been exported to Antwerp for valuation and the results of the processing and diamond valuation, including the drilling and microdiamond data, are expected to enable a Mineral Resource estimate to be declared for the Pandebu kimberlite.



50tph processing plant

Newfield has recently completed the breakdown of the 50tph processing plant and has relocated it from the Koidu mine site to the Tongo project site. A new design for this plant has been finalised and the procurement of long lead items will now commence.

Newfield's Executive Director, Mike Lynn, commented:

"Newfield continues to make good progress on the Tongo project. Based on the detailed work completed to date we expect the FEED program, including the revised mine plan and resource statements, to be completed during the final quarter of 2018. We look forward to providing further updates as we progress."

For further details please contact:

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About the Tongo Diamond Project:

The Tongo Diamond Project comprises two adjacent mining licences covering a combined area of 134 square kilometres in eastern Sierra Leone. The Tongo Project spans 11 identified diamondiferous kimberlites, only three of which have been the subject of historic resource estimates by previous owners. It also benefits from considerable existing infrastructure including a 50tph processing plant which will be upgraded, an existing 5tph bulk sample processing facility, mining vehicles and equipment, and significant associated building and camp facilities. Newfield is rapidly progressing a Front End Engineering Design (FEED) program targeted at accelerated development of the Tongo Project in 2019.

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