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ASX Announcement

12 July 2019

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Tongo Mine Development Update

Newfield Resources Limited (**Newfield**) is pleased to announce an operational update in relation to its Tongo Diamond Mine Development in Sierra Leone (**Tongo Mine Development** or **Tongo**).

Highlights

- **Blasting of Box Cut for Underground Mine Decline Access Conducted**
- **42,600m³ of Material Excavated from Box Cut**
- **Drilling of Panguma Kimberlite for JORC Resource Conversion Commenced**
- **Project funding discussions advancing**

Newfield Executive Director, Karl Smithson, commented:

“Since Newfield completed the Front End Engineering Design programme at Tongo, work has been focussed on preparing the box-cut for the underground portal access and subsequent decline development to access the high-grade Kundu and Lando kimberlites. We have so far safely conducted three blasts and anticipate a further two blasts will be required to bring the box cut to the desired elevation for the portal access to be opened up.”

“The Tongo Mine Development hosts a 7.4 million carat¹ JORC compliant inferred and indicated diamond resource, of which 1.1 million carats² has been classified as probable reserve. This delivers a robust eight year initial life of mine. However, Newfield believes that through further resource-to-reserve conversion programmes this life of mine can be significantly increased.”

“Therefore, as part of the ongoing resource development work, Newfield has commenced further drilling and diamond assays on the Panguma kimberlite, which is located to the west of the Kundu and Lando kimberlites. The objective is to declare an initial resource for Panguma, which will also increase the global Tongo Mine Development resource.”

“Discussions with potential financiers in relation to project funding have also advanced significantly in recent weeks. We look forward to providing further updates as work progresses on all these fronts.”

1. Refer ASX announcement 28 November 2018

2. Refer ASX announcement 9 May 2019

Box Cut Blasting

As previously reported, and based on the detailed engineering design and mine plan for Tongo, a single portal entrance has been designed to access the high-grade Kundu and Lando kimberlites (Figure 1). This entrance is situated at a site on the side of a hill that is located between the two kimberlites. A box cut in the hill side has been designed to enable the portal access to be established.

To date three blasts have been safely and successfully undertaken as shaping of the box cut continues. This has entailed the drilling, charging and blasting of some 1,057 holes (4,813 metres), with some 42,600m³ of material having been removed thus far (Figure 2 and 3).

Once the blasting and excavations are completed the box cut side walls will be shaped and, if necessary, reinforced to ensure safety at all times. The 6m x 4m portal entrance will then be opened up for the underground decline to be developed.

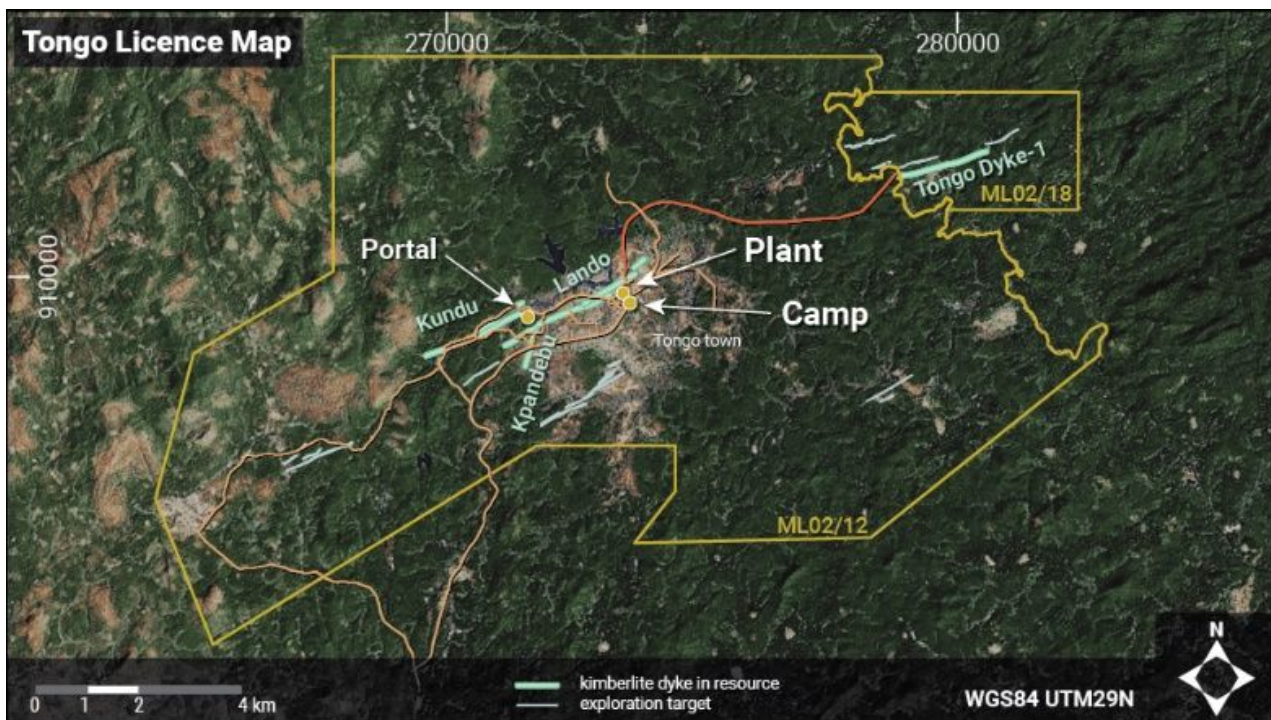


Figure 1: Tongo Mining Licences



Figure 2: Tongo box cut activity – cleaning blast



Figure 3: Tongo box cut activity – bench 1 drill pattern



Figure 4: Aerial view of Tongo box cut

Panguma Kimberlite Resource Drilling

As previously reported the Tongo JORC compliant mineral resource has been established at 7.4 million carats (+1.0mm cut off). In addition, an Exploration Target was reported for the Tongo Mine Development, including the Panguma kimberlite which is located in the west of the Tonguma mining licence area (Figure 5). Based on the previous drilling and bulk sampling data, the Panguma kimberlite has an estimated tonnage range of between 1,000,000 and 1,900,000 tonnes and a grade range of 0.9 and 2.0 carats per tonne.*

Drilling, using an in-house diamond drill rig, has commenced on the Panguma kimberlite to provide a better density of drilling along strike of the kimberlite. So far two holes have been drilled to approximately 80m depth each and both have intersected the Panguma kimberlite. Furthermore, samples of kimberlite drill core and rock samples from the previous drilling and bulk sampling programmes have been consigned to the Saskatchewan Research Council Geoanalytical Laboratories (SRC) in Canada for microdiamond recovery by caustic fusion.

The objective of this additional drilling and evaluation work is to enable a JORC compliant inferred resource to be declared for the Panguma kimberlite, which can in turn increase the overall JORC resource of the Tongo Mine Development.

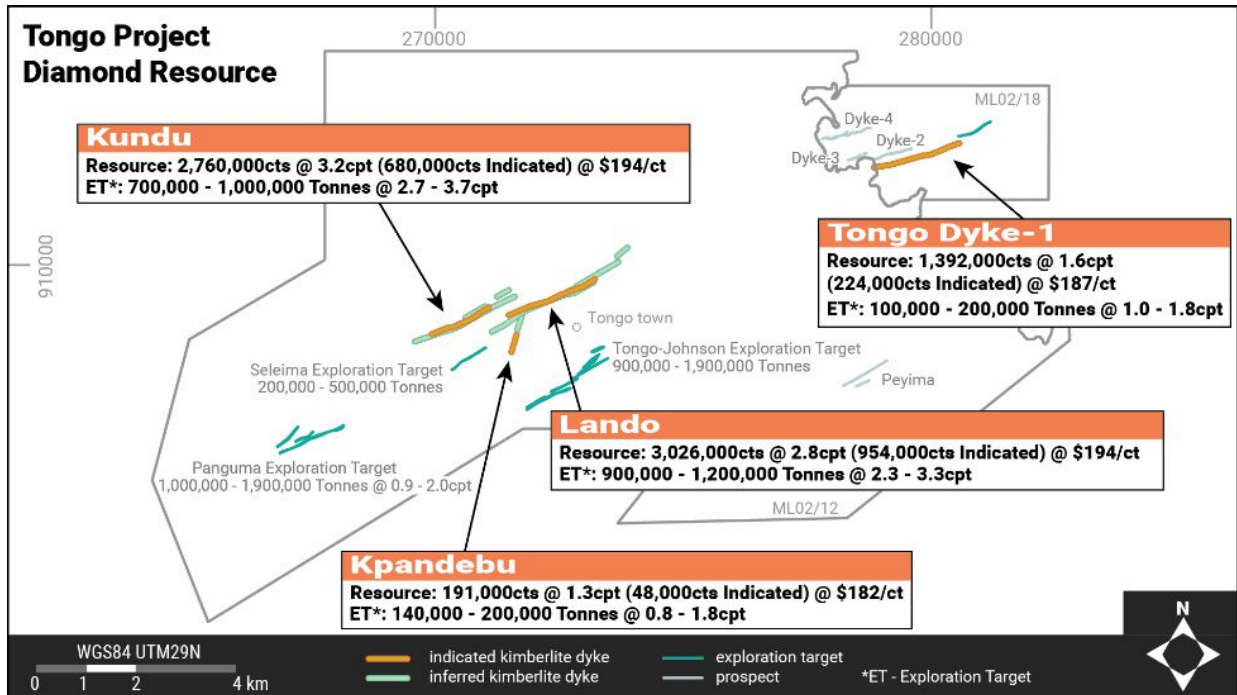


Figure 5: Tongo Mine Development diamond resource*

* The Exploration Target Ranges are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource in these areas and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Project Funding

Completion and release of the FEED Study outcomes in May 2019 has provided the platform for Newfield to advance discussions with potential funding counterparties for Tongo. Newfield’s project funding timeline is aligned with its targeted Final Investment Decision (FID) on the Tongo Mine development in 2H 2019.

Discussions with potential financiers in relation to project funding have advanced significantly, particularly in recent weeks. Newfield is now targeting rapid progression to binding offers and formal documentation.

For further details please contact:

Anthony Ho
 Executive Director
 Newfield Resources Limited

About the Tongo Diamond Mine Development:

The Tongo Diamond Mine Development comprises two adjacent mining licences covering a combined area of 134 square kilometers in eastern Sierra Leone. Tongo hosts 11 identified diamondiferous kimberlites, only four of which are incorporated in the current JORC-compliant indicated and inferred diamond resource estimate of 7.4 million carats. Of this resource a 1.1 million carat probable reserve has been declared for just two of the kimberlites, Kundu and Lando, which give an initial life of mine of eight years.

Competent Person's Statement:

The information in this ASX release is based on information compiled and reviewed by Karl Smithson, Executive Director of Newfield and Chief Executive Officer of Newfield's subsidiary company Sierra Diamonds Limited, a qualified geologist and Fellow of the Institute of Materials, Metals, Mining, with 30 years' experience in the diamond and natural resources sector. Mr Smithson has sufficient experience to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Information included in this announcement that relates to the diamond resource estimate is extracted from Newfield's ASX announcement dated 28 November 2018 titled "Revised Announcement and Retraction of Valuation References". Newfield confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all the material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed.

Information included in this announcement that relates to the Ore Reserve estimate for the Kundu and Lando dykes is extracted from Newfield's ASX announcement dated 9 May 2019 titled "Tongo Ore Reserve Estimate and FEED Study Outcomes". Newfield confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all the material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed.

Forward Looking Statements:

This announcement may contain certain forward looking statements and projections regarding estimated resources and planned strategies and corporate objectives.

Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of Newfield Resources Ltd. The forward looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

Newfield Resources Ltd does not make any representations and provides no warranties concerning the accuracy of the projections, and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws and ASX Listing Rules.

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