

Quarterly Report to 31 December 2017

ASX Code: **NWF**

Highlights

Sierra Leone Diamond Project:

- The Company completed its fourth sale of rough diamonds in Antwerp. A total of 534 carats were recovered from suction-dredging operations conducted in the Sewa River. An average US\$/carat (\$/ct) sale price of \$462 (previous \$340/ct) was realised from an average stone size of 0.86 carats per stone (cts/stn) (previous 0.49 cts/stn).
- The kimberlite exploration program continues, with the drilling of anomalies interpreted from a mega-block ground magnetometry (GM) survey completed over EL 19/2014 and EL 12/2014.
- The alluvial exploration program focussed on the mapping of potential dredge targets over a 90 km reach of the Sewa River. The more prospective of these targets will be verified by a ground penetrating radar (GPR) survey in Q1 2018.
- Dredging activities continue at the Gbinima locality.



E-colour 5.08 carat diamond recovered from recent dredging activities in EL 15/2012

ASX Release: 30 January 2018

ACN 153 219 848

DIRECTORS

Mr Anthony Ho
(Executive Director)

Mr Michael Lynn
(Executive Director)

Mr Suryandy Jahja
(Non-Executive Director)

CAPITAL STRUCTURE

Shares on Issue: 235.58M

Options on Issue: 6M

1. ALLOTROPES DIAMOND PROJECT – SIERRA LEONE (NEWFIELD 100%)

Exploration Activities and Results

Newfield Resources Limited (“Newfield” or the “Company”) is currently active in four of its exploration licences, covering 726 km² of tenement holdings within the Bo, Bonthe, Moyamba, Pujehun and Kenema Districts in the Southern Province of Sierra Leone (Figure 1). A recent rationalisation of the operational footprint has seen the voluntary surrender of EL 11/2011 (221.23 km²) and the voluntary surrender of a portion of EL 12/2014 (54.8 km²) (cf. Figure 1), allowing the Company to focus on its priority areas.

Exploration in this last quarter has been confined to the mapping of potential GPR and dredge localities in all four exploration licences as Sierra Leone enters the dry season. Approximately 90km of the Sewa River reach falls within the ELs.

The diamond drilling of geophysical ground-magnetometry (GM) anomalies has also been the focus of the kimberlite program. All causative bodies were resolved.

An outline of the exploration activities and results follows.

1 Exploration Licence - EL 15/2012

1.1 Gbinima and Kpatobu Dredging Program

Dredging continued at Gbinima, with two dredges, with the remaining two being disassembled for necessary refurbishment. The Gbinima flood-plain site has returned a consistent average stone size to date of 0.86 cts/stn, a record for the Company, as well as delivered some spectacular recovered grades (2017 Annual Report). With the exploration now almost complete at Gbinima, a dredge site has been mapped and prepared for sampling at the Kpatobu locality (Figure 2).

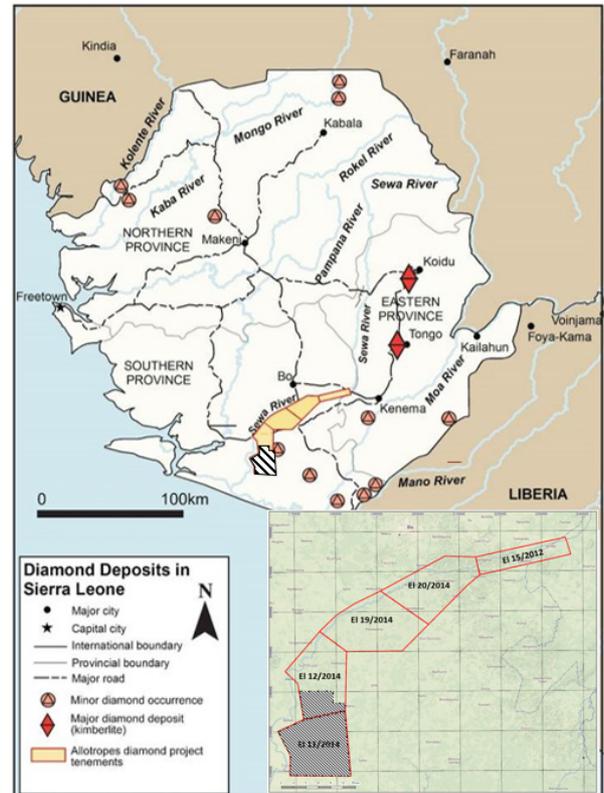


Figure 1. Status of Exploration Licence (EL) holdings, Sierra Leone. The recent voluntary surrender of licence holdings is shown in the hatched areas.

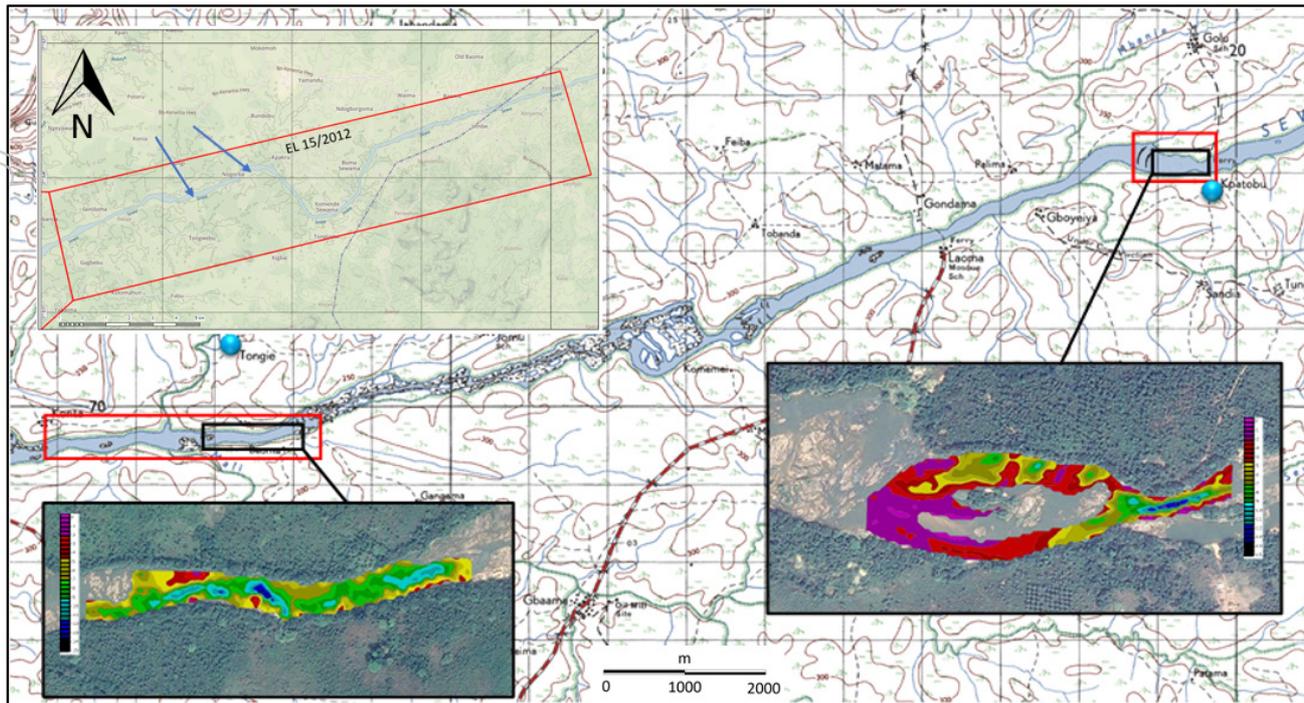


Figure 2. Locality of Kpatobu dredge site, EL 15/ 2012. Contours represent depth to bedrock. Scale bar shows metres below river surface.

(Red squares = dredge area of interest. Examples of recent bathymetry surveys = black squares).

1.2 Sejeje Dredging Program

The Sejeje River is an interpreted palaeo-course of the ancestral Sewa River. A single dredge target was tested in the Sejeje River. Whilst results were discouraging, and the project subsequently abandoned, the program demonstrated that diamond-bearing tributaries can be viably dredged during the wet-season.

2. Exploration Licence - EL 20/2014: Baoma/Tongie Dredging and GPR locality

The Bebeje River is a tributary to the Sewa. Both the modern and ancestral Bebeje River gravels are diamondiferous and have returned grades over 36 carats per hundred tons (cpht) (Hall, 1972). The confluence of the Bebeje and Sewa lies between the villages of Tongie and Baoma. The site of a previous bathymetric survey (*cf.* Figure 2), the area has been mapped and selected on its potential to host trap sites that may be a suitable host for economic gravel concentrations.

No kimberlite exploration was undertaken in this EL during the reporting period.

3. Exploration Licence - EL 19/2014: Kimberlite Exploration

3.1 Manowo GM Mega-Block Survey

The Manowo mega-block (Figure 3), straddles an interfluvium from which the bounding drainages have reported KIMs from samples collected by both the Company and a previous operator, Sierra Leone Diamond Company (SLDC).

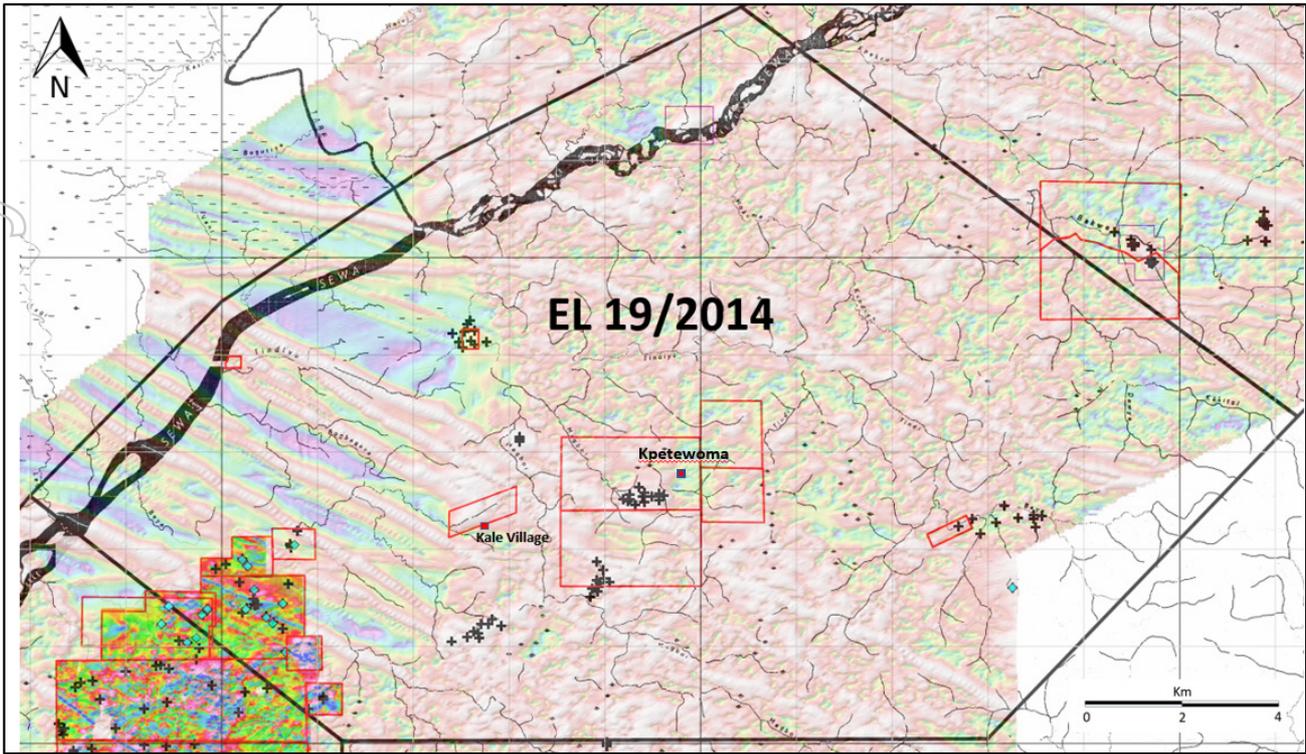


Figure 3. Bottom left-Manowo mega GM survey results (TMI), EL 19/2014. Drill hole collars are indicated in light blue diamonds; soils samples are black crosses. Red polygons-individual GM blocks. Background image is TMI from 2016 airborne magnetometry (AM) survey, overlying regional drainage.

Intriguingly, several artisanal diamond diggings in the vicinity do not appear to be associated with significantly transported alluvial sediments, suggesting a primary source for the diamonds. The GM survey overlaps the common EL 19/2014 and EL 12/2014 licence boundaries (*cf.* Figure 3). Several follow-up surveys have been conducted over anomalies which have been targeted for drilling. It is pertinent to note that a total of twenty-eight targets have been identified for follow-up work, following the interpretation of the GM survey results (*i.e.* within EL 19/2014 and EL 12/2014).

3.2 Kale GM Survey-Target Selection

A GM survey completed around the village of Kale (*cf.* Figure 3, left of centre), was designed over a linear NE-SW AM feature associated with old and active artisanal workings. From this, three priority drill targets were selected (Figure 4) and the drill-sites mapped. The Kale swamp is the only currently known diamondiferous deposit that overlies the Rokel River Group shale floor-rocks (Hall, 1972).

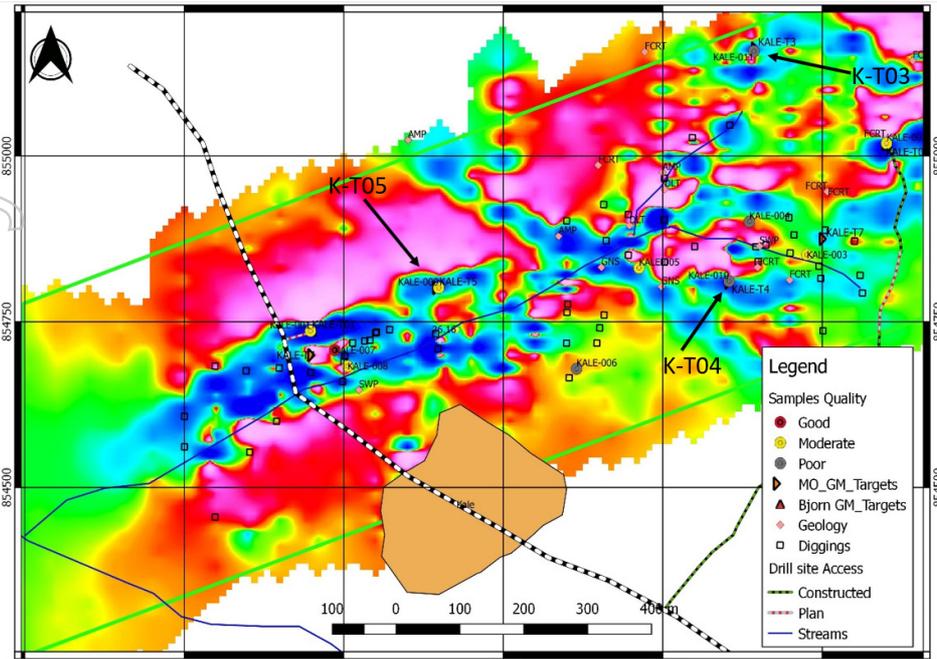


Figure 4. Kale GM survey (TMI), selected over a NE-SW AM anomaly and selected artisanal workings (cf. Figure 3 for locality). Three high-interest drill targets were selected from the interpreted GM data (arrowed).

3.3 Diamond Drilling

No diamond drilling was conducted in the EL in the reporting period.

3.4 KIM sampling

Follow-up stream and soil sampling was conducted over the high-priority targets selected in the Kale GM survey (cf. Figure 4), as well as over a GM block surrounding the village of Kpetewoma (cf. Figure 3; Figure 5). The latter was based on historical diamond recoveries recorded by Hall (*op. cit.*) in Block 15 (cf. Figure 5).

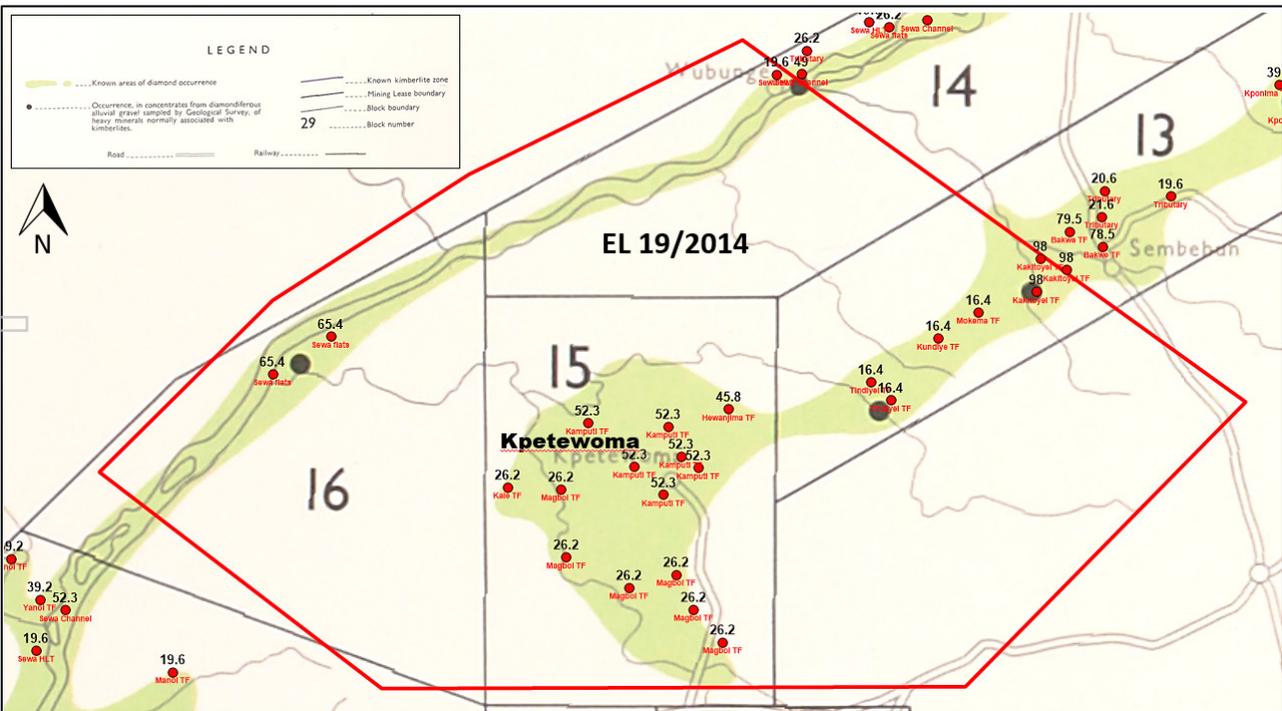


Figure 5. The Kpetewoma area (Block 15) was a centre of intense diamond activity in the 1960's (grades shown as cphpt³).

A total of 65 samples were collected, comprising thirty-eight stream samples and twenty-seven soil samples from the Manowo, Kale and Kpetewoma areas (Table 1). All samples were washed, and hand gravitated in field and classified on their heavy mineral concentrate (HMC). It was noted that the HMCs were abundant in the fine fraction, while the coarse fraction was less abundant.

None of the samples have as yet been despatched for laboratory testing as further mineral grain picking is being completed.

Number of Samples	Locality	EL
27	Manowo	EL12-2014
9	Kale	EL12-2014
1	Kpetewoma	EL19-2014
28	Kpetewoma	EL19-2014
65		

Table 1. Summary of soil and stream sediment sampling in the period, for EL 19/2014. (MNW=Manowo; KPW=Kpetewoma).

No alluvial exploration was conducted in the EL in the reporting period.

4. Exploration Licence - EL 12/2014

4.1 Manowo Mega-block GM Survey

Activities in the period comprised the field mapping (ground-truthing) of additional targets interpreted from the GM survey, which predominantly straddles the EL (Figure 6).

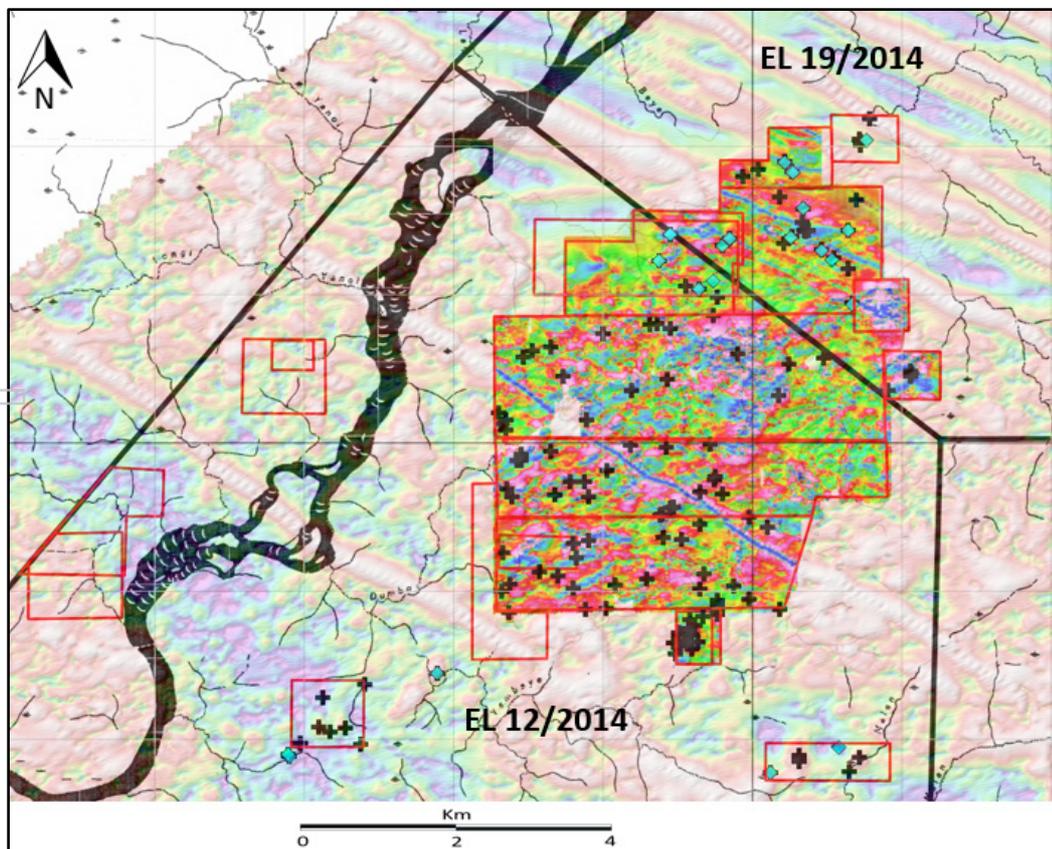


Figure 6. Location of Manowo mega-block GM survey, EL 12/2014. Additional red blocks indicate discrete GM surveys. Drill hole collars are indicated in light blue diamonds; soils samples are black crosses (background TMI image from 2016 AM survey).

4.2 GM Survey-Target Selection

A review of GM anomalies resulted in twenty-eight small targets being selected for follow-up soil sampling and surface mapping (Figure 7). These field observations and additional sampling is required to locate an accurate geographic position for any indicator minerals where they overlie a GM target. Where these data overlap, then allows the positioning of an accurate drill site.

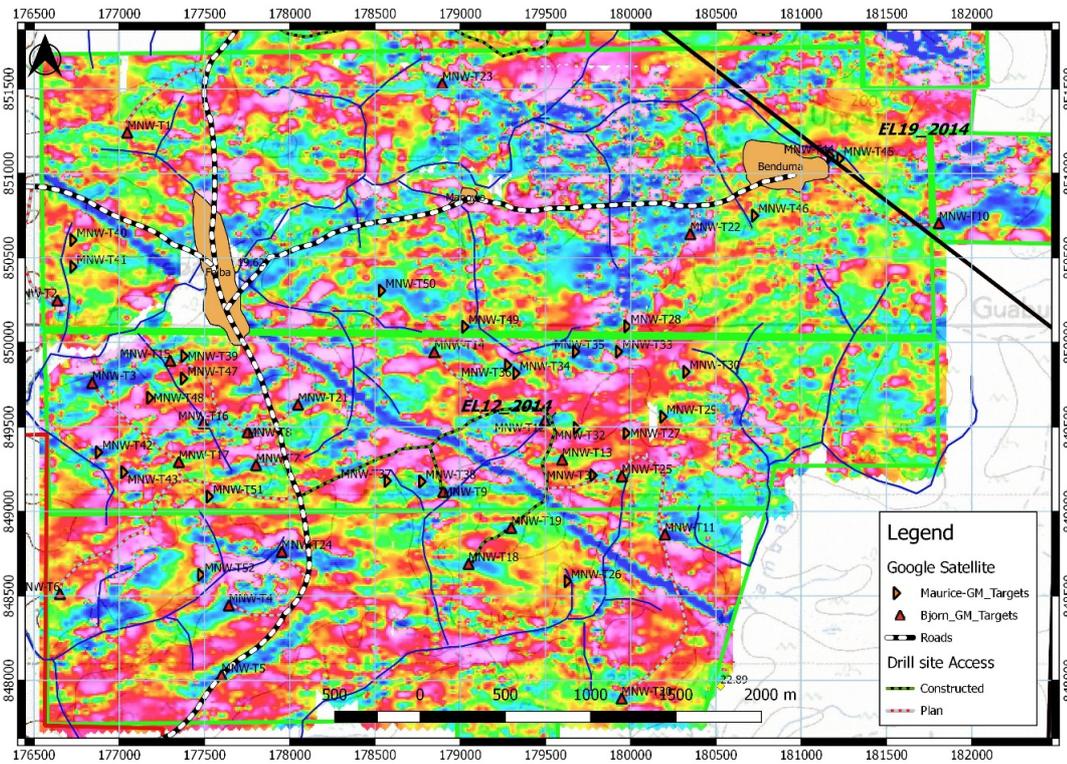


Figure 7. Overview of priority drilling targets (red triangles) generated from the Manowo mega-block GM survey. To date, a total of 96 samples have been collected from the survey.

4.2 Diamond Drilling

A total of two holes were drilled in the period, for a total of 55.6m of core recovered. (Table 2). Drilled under challenging conditions, both holes successfully resolved the target and the causative lithologies identified and confirmed from the magnetic susceptibility (mag.sus.) data collected during logging.

Hole ID	EOH
MNW-T012-DD-001	10.35
MNW-T025-DD-001	
MNW-T025-DD-001	
MNW-T025-DD-001	
MNW-T025-DD-001	45.25
Total	55.6

Table 2. Summary of drilling conducted on EL 12/2014. No kimberlite has as yet been intersected.

4.5 *Voluntary Partial Surrender of EL 12/2014.*

The final report for the voluntary surrender of a portion of EL 12/2014 (refer NWF September Quarterly) was submitted to the National Minerals Agency in Freetown for formal processing.

5. *Exploration Licence - EL 11/2014-Voluntary Surrender of EL*

The final report for the voluntary surrender of the whole of EL 11/2014 (refer NWF September Quarterly) was submitted to the National Minerals Agency in Freetown for formal processing.

REFERENCES

Hall, P.K., (1972). The diamond fields of Sierra Leone. *Geol. Surv. Sierra Leone Bull.* 5 (1); 133 pp.

COMPETENT PERSON'S STATEMENT- DIAMONDS

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves on the Allotropes Diamond's Sierra Leone Diamond Project, is based on information compiled by Mr Richard Charles Blake Hall (*M.Sc. Geology, Cum Laude*) who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Geological Society of Australia. Mr Hall consults for Newfield Resources Ltd, and has sufficient experience which is relevant to the style of 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hall consents to the inclusion in this ASX release of this information in the form and context in which it appears.

2. NEWFIELD GOLD PROJECT

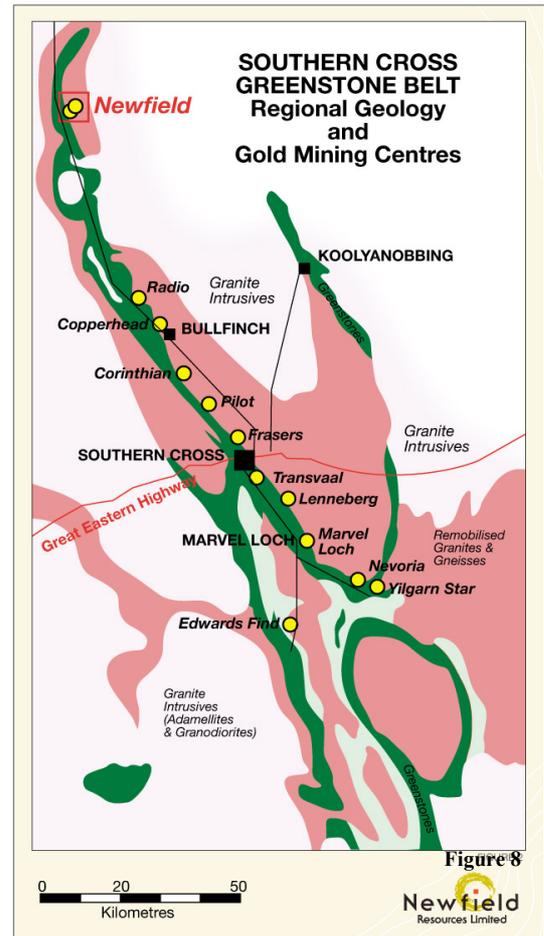
The Newfield Project comprises two granted mining leases. The project is centred approximately 60km NNW of Bullfinch, in the Yilgarn Mineral Field (Figure 8).

The project covers the historical Newfield (also known as Carterton) Mining Centre, which is located at the northern end of the highly endowed Southern Cross greenstone belt. Historical, pre-1940, gold production for the Carterton group was 8,552 oz from 8,700t of ore at an average grade of 30.5 g/t Au, with production mainly coming from the Newfield Central workings.

More recent production at the Newfield Central Mine during the period from 2001 – 2005 resulted in 33,200 tonnes of ore extracted for a total of 24,200 ounces at a recovered grade of 22.68g/t Au.

During the reporting period exploration activities comprised ongoing prioritisation of gold targets within the project area.

A review of the existing datasets has identified several high priority gold targets, which include near surface targets within the strike extensions of the Newfield Central Fault Zone and the down-dip extensions of the Newfield Central Main Lode.



3. CREST YARD GOLD PROJECT (NEWFIELD 70%)

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

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

The phase two aircore drilling program returned several areas of anomalous bedrock gold mineralisation (greater 100ppb Au) at or near bottom of drill holes within the southern target area. (NWF ASX Release 30 January 2015).¹ Newfield Resources Ltd continues to review and interpret the results of the previously completed aircore drilling programs with a view to refining targets for deeper drill testing in the coming quarters.

¹ In accordance with Listing Rule 5.23.2, the Company confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed.

COMPETENT PERSON'S STATEMENT-GOLD

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves on the Newfield and Crest Yard Gold Projects 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, a company which consults to Newfield Resources Ltd. 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Alexander consents to the inclusion in this ASX Release of this information in the form and context in which it appears.

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Schedule of Tenements as at 31 December 2017

Project	Tenement Number	Tenement Name	Registered Holder(s)	Newfield's Interest
<u>Western Australia</u>				
Newfield	M77/0422	Newfield	Newfield Resources Limited	100%
	M77/0846	Woongaring Hills	Newfield Resources Limited	100%
Crest Yard	P16/2722	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2726	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2728	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2729	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2730	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2731	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
<u>Sierra Leone</u>				
Baoma	EL15/2012	Baoma	Allotropes Diamond Company Ltd	100%
Sumboya	EL12/2014	Sumboya	Allotropes Diamond Company Ltd	100%
Hima	EL19/2014	Hima	Allotropes Diamond Company Ltd	100%
Jomu	EL20/2014	Jomu	Allotropes Diamond Company Ltd	100%

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Newfield Resources Limited

ABN

98 153 219 848

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	320	619
1.2 Payments for		
(a) exploration & evaluation	(475)	(1,265)
(b) development	-	-
(c) production	-	-
(d) staff costs	(581)	(1,280)
(e) administration and corporate costs	(86)	(220)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	71
1.9 Net cash from / (used in) operating activities	(822)	(2,075)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	5	5
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	1,200	1,500
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	1,205	1,505

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(7)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(9)	(22)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(9)	(29)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	90	1,068
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(822)	(2,075)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	1,205	1,505
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(9)	(29)
4.5 Effect of movement in exchange rates on cash held	(6)	(11)
4.6 Cash and cash equivalents at end of period	458	458

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Mining exploration entity and oil and gas exploration entity quarterly report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	458	90
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	458	90

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	(70)
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Directors' remuneration	(65)
Professional services	(5)

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
N/A	

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
N/A		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(950)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(670)
9.5 Administration and corporate costs	(210)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(1,830)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Company secretary)

Date: **30 January 2018**

Print name: **Kim Hogg**

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.