

14 March 2018

Dear Shareholder

**NOTICE TO ELIGIBLE SHAREHOLDERS OF NON-RENOUNCEABLE PRO RATA ENTITLEMENT OFFER**

We write to you as the registered holder of shares in Newfield Resources Limited (**Company**) (ASX: NWF) as at today's date.

As advised in the Company's ASX announcement dated 12 March 2018, the Company is undertaking a non-renounceable pro rata entitlement offer to eligible shareholders at an issue price of \$0.15 per new share (**New Shares**) and on the basis of 74 New Shares for every 100 shares held at the record date of 16 March 2018 (**Record Date**) (**Offer**).

Pursuant to the Offer, the Company will issue approximately 200,231,668 New Shares to raise approximately \$30 million before costs. The Offer is underwritten by Townshend Capital Pty Ltd.

On 12 March 2018, the Company announced that the Boards of the Company and Stellar Diamonds plc (**Stellar**) had reached agreement on the terms of a recommended combination of the Company and Stellar via an all-scrip transaction to be effected by a Court-sanctioned scheme of arrangement of Stellar under Part 26 of the UK Companies Act 2006 (**Stellar Scheme**). Pursuant to this combination, the Company would acquire 100% of the issued and to be issued share capital of Stellar. The Offer is conditional upon the completion of the Stellar Scheme. If the Stellar Scheme is not effected then the Offer will be withdrawn and all application monies received will be returned to applicants in accordance with the provisions in the Corporations Act.

**1. Eligible Shareholders**

The Offer will be available to all shareholders of the Company registered on the Record Date whose registered address is in Australia or New Zealand (**Eligible Shareholders**). The Offer is not being extended to shareholders of the Company whose registered address is outside the above jurisdictions or do not meet the offer restrictions.

**2. Purpose of the Offer**

Funds raised under the Offer are intended to be used as follows:

- (a) for the development of Stellar's Tongo-Tonguma kimberlite project in Sierra Leone into production in accordance with the mine plan as will be determined by the ongoing Front End Engineering Design programme;
- (b) to repay Stellar's outstanding loan notes and accrued interest of approximately US\$3.2 million in aggregate and other creditors; and
- (c) general working capital and transaction costs.

**3. Indicative Timetable**

The New Shares are intended to be issued in accordance with the following indicative timetable:

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Event	Date (2018)
Lodgement of Prospectus with ASIC and ASX Announcement of Appendix 3B with ASX Notice of Entitlement Offer sent to option holders	Monday, 12 March
Notice of Entitlement Offer sent to security holders	Wednesday, 14 March
“Ex” date	Thursday, 15 March
Record date	Friday, 16 March
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	Wednesday, 21 March
Last day to extend the offer closing date	Tuesday, 3 April
Offer closes at 5pm. <i>Note: Entitlement Offer shares will not be quoted on a deferred settlement basis</i>	Friday, 6 April
Entity notifies ASX of under subscriptions (shortfall)	Tuesday, 10 April
Underwriting (shortfall) shares subscribed for	Thursday, 12 April
Stellar Scheme becomes Effective (condition precedent for Entitlement Offer satisfied)	Thursday, 26 April
Anticipated date for issue of shares	Friday, 27 April
Anticipated date for commencement of shares trading on a normal settlement basis	Monday, 30 April

All dates are indicative only and subject to change without prior written notice. Any extension of the Closing Date will have a consequential effect on the date of issue of the New Shares.

#### 4. Shortfall

Eligible Shareholders may apply for shares under the shortfall offer subject to such applications being received by the Closing Date. The issue price for each share to be issued under the shortfall offer shall be \$0.15 per share. Any shortfall shares will be allocated firstly to the Eligible Shareholders who apply for shortfall shares, then to Townshend in its capacity as underwriter.

#### 5. Capital Structure of the Company

Prior to the lodgement of the Prospectus, the Company had 270,583,335 shares and 6,000,000 options on issue. On completion of the Offer and the Transactions, the Company would have a maximum of 580,915,003 shares and 56,000,000 options on issue.

#### 6. Prospectus

Details of the Offer and Transactions are contained in the Prospectus. The Prospectus can be accessed from the Company's ASX platform at the ASX website, [www.asx.com.au](http://www.asx.com.au). A copy of the Prospectus and the Entitlement and Acceptance Form are intended to be sent to Eligible Shareholders on 21 March 2018.

The Directors urge you to read the Prospectus carefully and seek advice from your financial adviser if you have any queries. This notice is to inform you of the Offer. You are not required to do anything in respect to this letter.

If you require clarification on any of the above matters, please contact the undersigned on +61 8 6389 2688.

Yours faithfully

Kim Hogg  
COMPANY SECRETARY