

ASX Announcement

25 June 2018

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FEED Program and Mineral Resource Estimate Update

Highlights:

- FEED program on schedule for completion in 4Q 2018
- 9,000m mine development drilling campaign in progress
- Updated Mineral Resource estimate underway and expected in 4Q 2018

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

Front End Engineering Design (FEED) program

The FEED program for the Tongo Project commenced in 1Q 2018 and is being coordinated by independent consulting groups, Paradigm Project Management and SRK Consulting. The FEED will more precisely define the technical requirements of the Tongo Project and deliver an optimised underground mine design and treatment plant layout. This work will also refine the final capital expenditure estimate and operating cost budgets for the Tongo Project. The FEED program is on track for scheduled completion in 4Q 2018.

Mine development drilling campaign

A 9,000m mine development drilling campaign to complement the FEED commenced in May 2018. This campaign is designed to more precisely delineate the geological nature and morphology of the Kundu, Lando and Tongo kimberlites (and associated country rock) within the first two levels of planned underground mining of each kimberlite.

Figure 1:



Drilling of Lando Kimberlite

Some 95 drill holes have been completed to date for 8,206 metres. Kimberlite has been intersected in 87 holes. Drill spacing is predominantly at 50m strike intervals and to a vertical depth of approximately 80m below surface, being the depth of the envisaged first two mining levels at the Tongo Project. The campaign is expected to be completed in July 2018.

A new and more detailed geological model of these three main kimberlites will be generated post completion of the drilling. Select drill holes are also being subjected to hydrological and geotechnical test work as part of the underground mine design workstream within the FEED program.

Mineral Resource estimate update

Independent geological consulting group, MPH Consulting (**MPH**), has been appointed to provide an updated Mineral Resource estimate for the Tongo Project. This updated estimate is expected to include current and new grade and diamond value data, as well as incorporate results from the present mine development drill program. The scope of work also includes the provision of updated or maiden Exploration Target Ranges on deeper levels at Kundu, Lando and Tongo, as well as other kimberlites generally within the Tongo Project.

Newfield's Executive Director, Mike Lynn, commented:

"Newfield has made strong progress at its flagship Tongo Diamond Project following its merger with AIM-listed Stellar Diamonds plc in April. The FEED program is full steam ahead and is on track for completion in the fourth quarter of this year. A mine development drilling campaign running alongside the FEED program is expected to be concluded next month. This drilling campaign will also result in an updated Mineral Resource estimate for the project later in the year. Newfield continues to actively engage with government and community stakeholders with respect to its development plans. We remain firmly focussed on the rapid progression of the Tongo Diamond Project towards being the next diamond mining operation in Sierra Leone."

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 the current relocation of a 50tph processing plant, 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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