

ASX Announcement

23 December 2020

www.newfieldresources.com.au

First Diamonds

Newfield Resources Limited (**Newfield** or **Company**) is pleased to announce that the first production diamonds have been yielded from the Tongo Diamond Mine from the high-grade Kundu Ore Reserve at the Tongo Diamond Project (**Tongo Project**).



Figure 1: Selection of First Production Diamonds



Figure 2. Diamonds from previous bulk sampling exercises of Kundu and Lando kimberlites

Newfield Executive Director, Karl Smithson, commented:

"We are very proud of this achievement of first production diamonds from the Tongo Project. A key observation is that the excellent colour and clarity of these diamonds is consistent with diamonds previously recovered from bulk sampling exercises of the Kundu and Lando kimberlites that are the target of our current mine development (refer Figures 1 and 2).

This occasion is the culmination of the investment in the Tongo Project by Newfield since its acquisition of Stellar Diamonds in early 2018. For our team and at a personal level, this achievement represents a career involvement of over 13 years in the discovery, feasibility and development of the Tongo Project. While much work lies ahead of us, the first diamonds represent the beginning of an exciting journey ahead for Newfield.

On behalf of the Board, I thank our dedicated team as well as technical advisors for their hard work and support to the Tongo Project. In addition, we note our sincere appreciation to our loyal shareholders who have invested in the Company and look forward to more exciting news in the coming months.”

Diamond Recoveries

The first run of mine (diluted) kimberlite from the Kundu ore reserve (as noted in the Company’s ASX announcement dated 28 November 2018) has been processed via the recently established 5tph processing plant. The material hauled from underground is being processed as part of the commissioning process of the plant and has yielded first production diamonds from the mine. As mine development continues the volume of run of mine material from the Return Airway (“RAW”) will increase and its processing, as well as underground surveying of volumes, will allow a reconciliation of the Kundu kimberlite grade versus the ore reserve grade estimate. Progressive build up in kimberlite tonnes and carat recoveries is expected over the coming months as development continues and more mining faces are opened.

Mine Development

The Tongo Diamond Mine is accessed via a 6m x 4m “joint” decline which has been developed and equipped for a distance of 152m (Figure 3). Thereafter, this joint decline splits into two separate 4m x 4m declines that will be developed to the Kundu and Lando kimberlite ore reserves respectively. Currently the focus is on advancing the decline towards the Kundu kimberlite which has advanced some 114m to a split in the drive to an incline to the top of the ore reserve and RAW, and the continuation of the decline to access deeper levels of the Kundu ore reserve where mining stopes will be established. The incline to the RAW has been developed some 125m before intersecting the Kundu kimberlite (Segment B in Figure 3) at the top of Mining Level 1. The RAW is now being developed with a 4m x 4m dimension “on reef” drives to the west along the Kundu kimberlite Segment B which is yielding the first ore from underground. Simultaneously, a drive will be developed towards Kundu Segment A to intersect the kimberlite and progress the drive along its RAW in an eastward direction to a ventilation shaft. This vent shaft will be established to provide the necessary through ventilation for the underground workings, as well as an access route for underground services, and second escape way for workers in the unlikely event of an underground incident. Total underground development to date is 500m.

As further development continues along the Kundu ore reserve a reconciliation of production grade versus the modelled reserve and resource grades will be determined through detailed underground surveys and processing recoveries.

Further details of the Mine Development are available at the Company's website at www.newfieldresources.com.au and in previous ASX announcements including:

- Authorised by:**

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About the Tongo Diamond Mine Development:

The Tongo Diamond Mine Development comprises two adjacent mining licences covering a combined area of 134 sq kms in eastern Sierra Leone. Tongo hosts 11 identified diamondiferous kimberlites, only four of which are incorporated in the current JORC-compliant diamond resource. For further details of the resource, please refer to 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.

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 32 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".

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 Limited. The forward-looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

Newfield Resources Limited 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.