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ASX Announcement

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Tongo Project Update

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

Highlights

- **Tongo FEED Study nearing completion with expected release in 1Q 2019**
- **25-year Large Scale Mining Licence Signed for the 9.98 km² area held by subsidiary company Sierra Diamonds Limited**
- **Box cut preparation for the portal entrance and decline development has commenced**
- **1,626 carats of diamond exported for valuation, up to 48% collection goods (D to G colours)**

Newfield Executive Director, Karl Smithson, commented:

"We are rapidly nearing the conclusion of the Tongo Front-End Engineering Design programme with our technical partners PPM, SRK Consulting and Datamine. Final mine optimisation is ongoing and will be completed shortly. We have also commenced the excavations and shaping of the box cut for the single access portal in order to maximise efficiency in the planned mine development schedule.

"The receipt of the 25 year, renewable, large-scale mining licence for Sierra Diamonds is another key step forward as we move towards the proposed commercial development of the Tongo Mining project.

"We also recently exported parcels of Tongo diamonds for valuation and are very encouraged to see the high proportion of gem quality stones in the parcels and, in particular, the very high percentage of what the industry terms "collection goods", which are diamonds with top colours in the D to G range."

FEED Program

All key workstreams of the FEED program have been completed. The first run of the Datamine optimisation has been performed (to generate the mine development and production profile) and a second, optimised run is planned for the coming days. Once the final optimisation has been accepted this will be captured by the project financial model, bringing the FEED study to a close. Review and finalisation of all FEED outcomes, including documentation, is expected to see release of the key FEED outcomes during 1Q 2019.

Tongo Mining Licence

Newfield's wholly owned subsidiary company, Sierra Diamonds Limited, has now received the signed, large scale mining licence (ML02/18) for the 9.98 km² area that hosts the Tongo Dyke-1 kimberlite resource. This licence sits adjacent to the 124 km² Tonguma mining licence (ML02/12). Both licences cover the 7.4 million JORC compliant Indicated and Inferred diamond resources hosted by the Tongo Project (see Figure 1). ML02/18 is valid for a 25 year period from 16 May 2018.

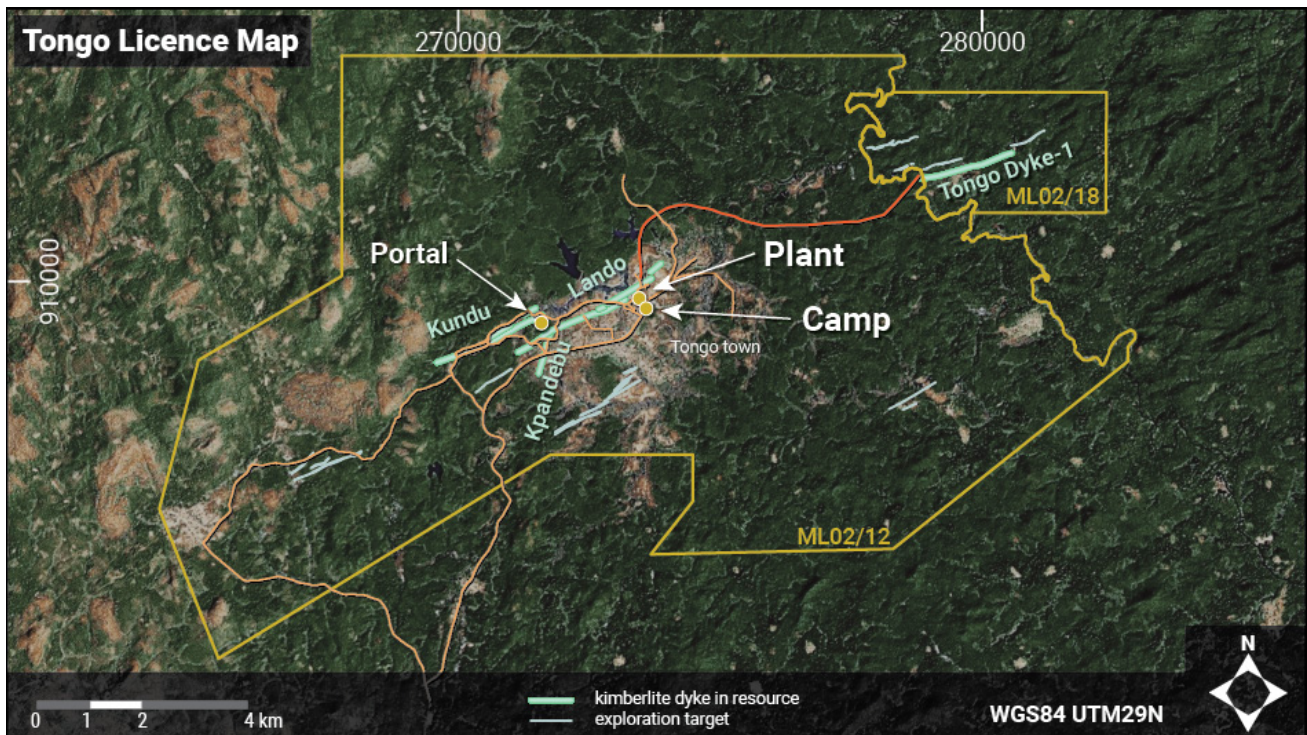


Figure 1: Tongo Mining Licences

Box Cut Preparation

Based on the FEED studies, a single portal entrance has been designed to access the high-grade Kundu and Lando kimberlites. This entrance is situated at a site on the side of a hill that is located between the two kimberlites. Whilst this will result in slightly more decline development metres being required, it will provide significant cost savings and operational efficiencies as opposed to having a separate portal entrance for each kimberlite.

Based on drilling and geotechnical studies, a volume of 45,160 m³ of overburden, weathered granite and competent granite is required to be excavated to shape the box cut prior to the portal entrance blasting commencing. This process has commenced with some 22,386 m³ of overburden and weathered granite having been removed to date, with the topsoil overburden being stockpiled separately for rehabilitation

purposes. Drilling and blasting are now required to advance further into the harder material as the box cut development continues.

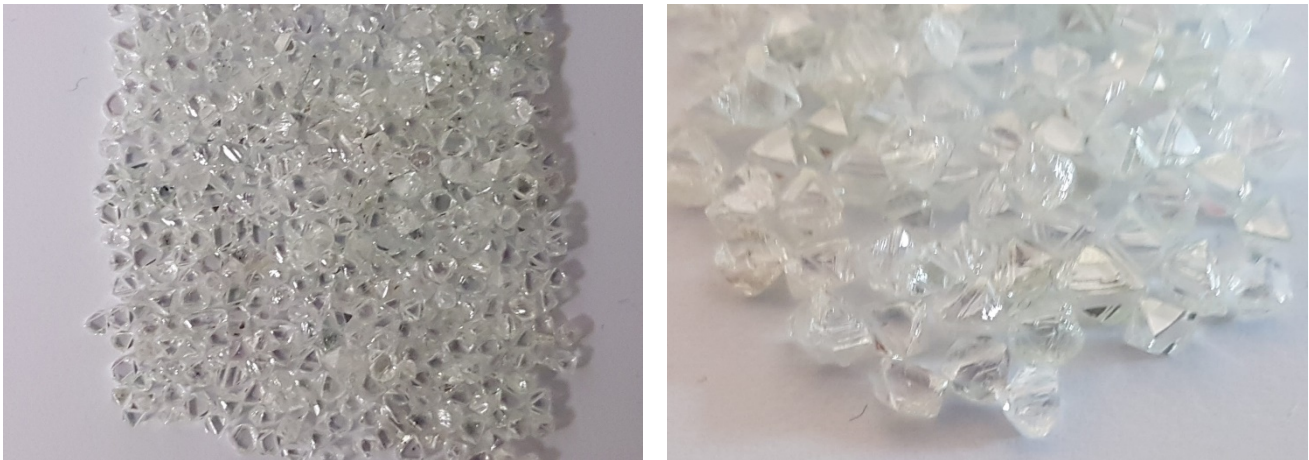
Figure 2: Tongo box cut activity



Diamond Export

Some 2,000 carats have been yielded from processing of stockpiled bulk samples of the Kundu, Lando and Pandebu kimberlites. In 4Q 2018, two diamond parcels totalling approximately 1,626 carats (post acid cleaning) were exported to Antwerp for assortment and valuation, comprising Lando (958.33cts), Kundu (300.19cts) and Pandebu (367.33cts) stones. These parcels contain an unusually high proportion of “collection goods” (D to G colours), including 48% in the case of Lando, which is particularly encouraging.

Figure 3: Tongo diamond export parcels



All diamonds exported are fully Kimberley Process Compliant and all required taxes and royalties were paid to the Government of Sierra Leone upon export.

For further details please contact:

Anthony Ho
Executive Director
Newfield Resources Limited

About the Tongo Diamond Project:

The Tongo Diamond Project comprises two adjacent mining licences covering a combined area of 134 square kilometers in eastern Sierra Leone. The Tongo Project spans 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. It also benefits from considerable existing infrastructure including a 50tph processing plant which will be upgraded, an existing 5tph bulk sample processing facility, mining vehicles and equipment, and significant associated building and camp facilities. Newfield is finalising the Front End Engineering Design (FEED) program targeted at accelerated development of the Tongo Project in 2019.

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".

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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