

ASX Announcement

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Tongo Mine Development Update

Impact of COVID-19 and Mitigation Management

Newfield Resources Limited (**Newfield**) announces an operational update in relation to its Tongo Diamond Mine Development in Sierra Leone (**Tongo Mine Development** or **Tongo**) and the current worldwide COVID-19 virus pandemic.

Highlights

- Underground decline development continues with 76m of underground development completed to date.
- Surface infrastructure and 100tph plant earthworks and civils construction continues
- 50 cases of COVID-19 are confirmed in Sierra Leone and measures to mitigate health risks associated with the pandemic have been implemented by both the GoSL and Newfield.

Newfield Executive Director, Karl Smithson, commented:

"The development of the underground decline is now well underway and we have achieved an advance of 76 metres to date.

"Although the number of reported cases of the COVID-19 pandemic in Sierra Leone remains small, the outbreak has introduced a number of new challenges to the ongoing Tongo Mine Development. The new operating standards we have implemented are in line with those required by the Government of Sierra Leone (GoSL) and recommended by the World Health Organisation. We will not compromise the health of our employees or any stakeholders, and will continue to closely monitor the situation with regard to the spread of the virus and emergency measures imposed by the Government."



Immediate Impact of Pandemic on Operations

The GoSL has implemented various emergency measures to combat the COVID-19 pandemic, including curfews and in-country travel restrictions. However, the Company has been granted permission to continue work within the constraints of various lockdown measures. Whilst expatriate staff are currently unable to rotate in and out of Sierra Leone, a large complement of expatriate staff remains in country to continue the development of the Tongo Mine.

The Company has accordingly reviewed and updated its emergency response policy and procedures, and all staff are being briefed on new operating standards which comply with emergency requirements of the GoSL and recommendations of the WHO. This includes work site entry and exit health assessments, distancing protocols, additional hand washing facilities, information updates and personal and family health practices. After the practices were enthusiastically adopted by the work force, they were briefed to the wider community via well-attended special briefing and awareness sessions and easy to understand visual aids. This ongoing education process is helping reduce the risk of local spread of the COVID-19 virus should it arrive within the local community.

Quarantine quarters have been identified on the mine should they be required.

Underground Development and Mine Construction Continues

Underground development drill and blast operations continue, and to date the decline development has advanced some 76m (Figure 1). The ongoing development of the 6m x 4m decline tunnel is critical to the project progress, as each blast brings us closer to the first ore stopes. Whilst supply chain delivery of spares and consumable items has been severely impacted by interim limitations imposed by local and international institutions, the Company presaged these restrictions and made special arrangements before the limitations were implemented, such that it is possible to continue underground development operations, at least for the short term. The development work at Tongo therefore continues within the constraints of the new COVID-19 safe working protocols. Progress has been achieved with 133 LTI free days as at the 31st March 2020.

Mine infrastructure construction continued with good progress made on the 100 tph plant earthworks foundations and civils. Furthermore, construction continued on mine administrative offices, the site clinic and establishment of a potable water supply at the main camp and mine site. At the mine site, the change house, lamp room and offices approach completion. Supply chain delivery of construction and mining materials is now experiencing tightening and is likely to delay completion of some of these structures. The likely impact of such delays on the overall project programme is being actively monitored as events unfold in Sierra Leone with the COVID-19 virus pandemic.

METC Engineering of Johannesburg reports that construction of the 100tph plant components has been suspended due to a strict lockdown in South Africa. This will undoubtedly affect delivery of the processing plant,



due to commence in Q2 of 2020, which will have a knock-on effect on the availability of the 100 tph plant once ore is available for processing. However, the Company has a back-up plan in place, which involves utilising the existing bulk sample plant to process the first ore that arrives from the underground stopes. This plant has sufficient capacity to process the first ore deliveries as stopes are gradually added to the production capacity. This back-up plan will mitigate the effects of the likely delay in the delivery of the 100tph plant noted above and will support the overall project objective of achieving first diamond production by year's end.



Figure 1: Underground development tunnel with dimensions 6m wide by 4m high

Authorised by:

The Board of Directors
Newfield Resources Limited