

Quarterly Report to 30 June 2016

ASX Code: **NWF**

Highlights

Sierra Leone Diamond Project:

- Trial-mining at the Golu Small-scale Mining Licence completed. Rehabilitation of mine-site ongoing.
- Diamond ore-characterisation studies completed through DMS plant, and revenue curve and SFD data obtained from the diamonds recovered.
- Resource definition activities, comprising auger drilling and bulk-sampling, continue in central and southern Exploration Licences.
- Interpretation of 4,000 line-kilometre airborne magnetic survey completed as part of the kimberlite exploration. High-value targets identified and ground-truthing activities underway.
- Dredging activities continue on Sewa River with encouraging results.

Corporate:

- Rough diamonds sold by tender in Antwerp.
- \$8.7M (before costs) was raised by the underwritten exercise of 29 million options at 30 cents each.



Photograph of rough diamonds recovered from the Allotropes Diamond Project in Sierra Leone.

ASX Release: 29 July 2016

ACN 153 219 848

DIRECTORS

Mr Anthony Ho
(Executive Director)

Mr Michael Lynn
(Executive Director)

Mr Suryandy Jahja
(Non-Executive Director)

CAPITAL STRUCTURE

Shares on Issue: 225.58M
Options on Issue: 10M

1. ALLOTROPES DIAMOND PROJECT – SIERRA LEONE (NEWFIELD 100%)

1. Exploration Activities and Results

Newfield Resources Limited (“Newfield” or the “Company”) is currently active in all five of its exploration licences covering 1002 km² of tenement holdings within the Bo, Bonthe, Moyamba and Pujehun Districts in the Southern Province of Sierra Leone (Figure 1).

The principal exploration focus in this quarter continues to be directed toward auger drilling and pit bulk-sampling activities in EL 19/2014 and EL 12/2014, the latter comprising the Hima-Mano project and the Makombo point-bar project near Sumbuya, further to the South.

Brown-field exploration has been conducted within and adjacent to, the Golu Small-scale Mining Licence (GSML), with a view to testing additional areas of potential Lower Terrace gravel occurrences. This has resulted in some positive trench-sample results in an area near the village of Gboyeyia on the south-bank of the Sewa River. Further investigation into the next quarter will ascertain whether the Company will be in a position to announce a maiden alluvial JORC resource in this area in the near future.

The trial-mining exercise at Golu has been completed. In excess of 2500 carats has been recovered, which has been sufficient to complete a size frequency distribution on the diamonds as well as obtain relevant revenue data. The ore characteristics of the various alluvial deposits processed through the plant in this time, has also been documented.

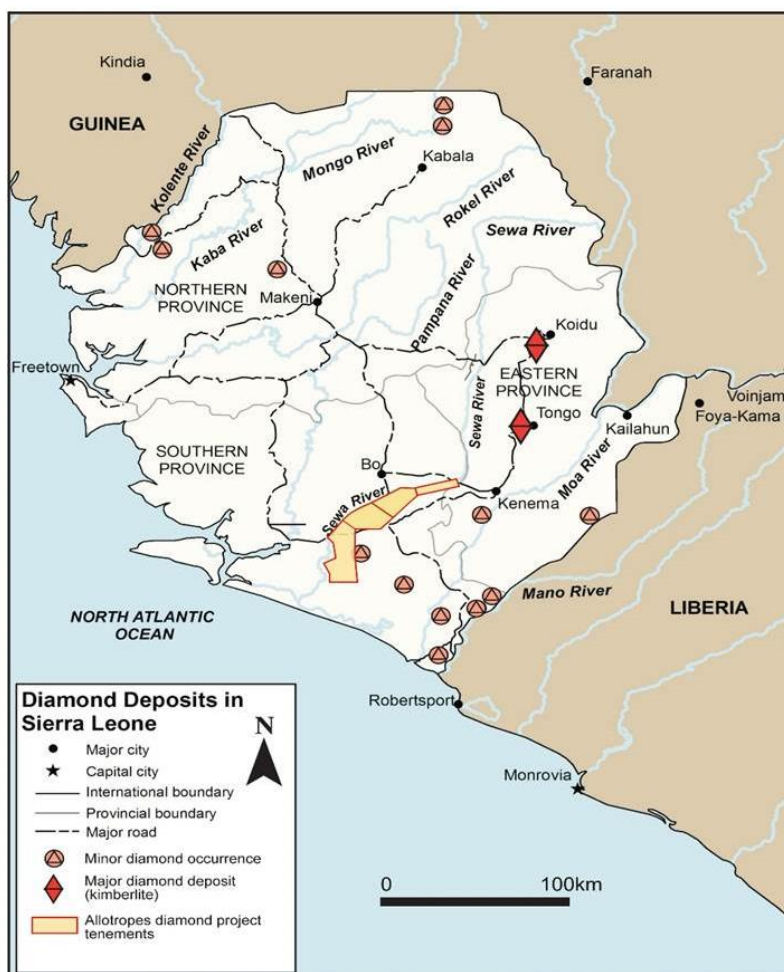


Figure 1. Status of tenement holdings, Sierra Leone.

A new 10 ton per hour DMS front end is being procured to go with the second-hand rotary pan plant, with dual flowsort x-ray units and hands-off glove sorting box, that was purchased from the Kono District and relocated to the Sumbuya plant site at the end of last year. This additional processing capacity is required to accommodate the increase in alluvial bulk-sampling planned within the central and southern licences, and to avoid long tramming distances and associated high transport costs.

The results of an airborne magnetometry (AM) survey were interpreted and an initial ranking exercise completed on the high-interest anomalies generated from the survey.

Results of Airborne Magnetometry (AM) Survey

In January 2016, the Company engaged Xcalibur Airborne Geophysics (Pty) Ltd of South Africa, to conduct a c.4000 line-km airborne magnetometry (AM) survey over the Company's five (5) exploration licences (ELs). The analysis of the survey results was completed in May and these data subsequently reprocessed and interpreted by Mr Justin Ward of Modern Magnetics, Australia (Figure 2). Mr Ward has completed two other reports for the Company in the last two years, and is an accomplished geophysicist, having gained his experience primarily from work conducted in Australia, Africa, Canada and Russia-principally with the De Beers Group of Companies. Mr Ward was able to identify and rank (grade) high-interest targets for further follow-up work. The target generation exercise identified a total of 197 targets that are interpreted as being potentially kimberlitic in nature (pipe and dyke arrays), of which a total of 53 are considered to be of high-interest. A total of nine (9) of these targets have been assigned the highest achievable geophysical grade i.e. Grade 9 (insert, Figure 2).

It is the Company's intention to systematically work through these highest ranked anomalies, commencing with ground-truthing activities aimed at further refining the AM data. The rationale behind this is that AM results are not in themselves discriminating enough to select drill-ready targets and the additional higher resolution required to optimise drilling centres is provided by ground magnetometry (GM) surveys and orientation sampling for kimberlitic indicator minerals (KIMs). These follow-up activities are the most cost-effective approach in reducing unnecessary drilling expenditure by providing the necessary precision to intercept small geophysical targets. In addition, the mapping of outcrops, where present, will also assist with the discrimination of country rock lithologies that may be responsible for spurious magnetic signatures. These activities are the subject of an ongoing ground-truthing program in all ELs, ahead of a planned drilling campaign designed to intersect kimberlites.

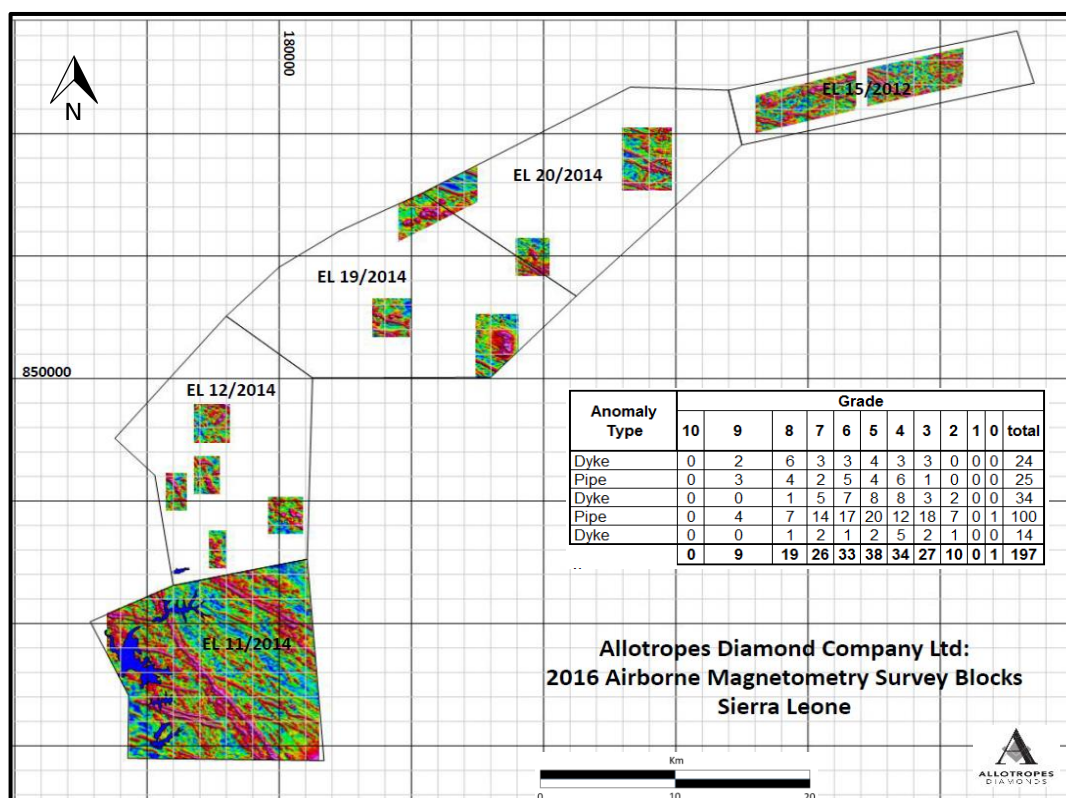


Figure 2. Plan showing localities of completed AM surveys blocks within Allotropes' ELs (analytical signal). Insert shows ranking of 197 interpreted targets.

An outline of the exploration activities and results, follows.

1.1 Exploration Licence - EL 15/2012: Baoma Alluvial Project

1.1.1 Majestic Gravels

During this period, some 5 000 tons of bulk-sample gravel, recovered from the eastern-most extent of the EL, has been processed through the GSML DMS plant. Results have been variable and it is not anticipated that further testing will be conducted on these high-level upper-terraces gravels.

1.1.2 Bamboo Pit-Golu Eastern Extension

A trenching exercise in H2, 2015, located further Sewa River palaeo-Lower Terrace (LT) sediments, in an area located some 500m to the east of the planned mine blocks (Figure 3). Excavation commenced early March 2016 (Figure 3) on old artisanal working, intersecting LT gravels up to depths of 12m, lending credence to the theory that the Bamboo pit is a large palaeo-Sewa River pot-hole feature. Gravel thickness of av. 1m and batch-processing grade ranges of 25-38 carats per hundred tons (cpht) at an average stone size of 0.5 cts/stone, have been achieved to date*. A total of c.250 carats was recovered before the pit was depleted and back-filled.



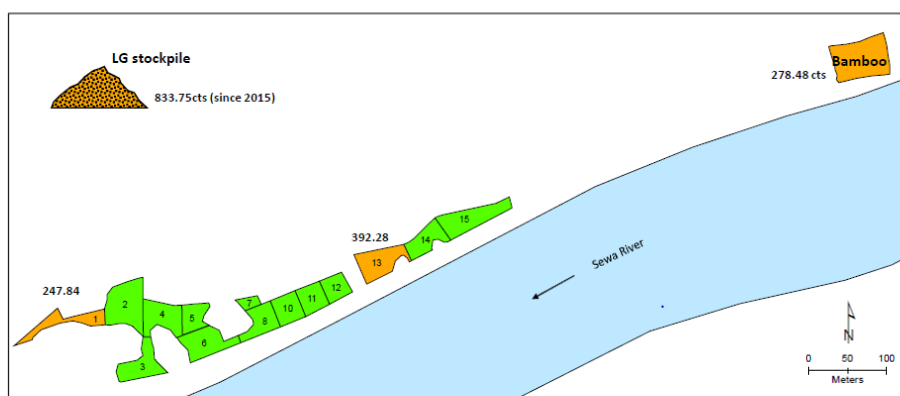
Figure 3. Excavation of the Bamboo Pit LT site as at 9th March 2016. Note boulder-choke at left, towards the Sewa River. The typical upwards-fining Sewa River palaeo-fluvial stratigraphy can be seen at right.

1.1.3 Golu Small-scale Mining Licence (GSML)- Exploration Licence 15/2012

The GSML was granted in September 2015 for a term of three (3) years. The licence covers an area of diamondiferous alluvial (fluvial facies) gravels at the Golu site within EL 15/2012. The palaeo-gravels relate to the ancestral Sewa River system and overlie perturbed, water-bevelled fringing terraces and embayments adjacent to the Modern Sewa River.

Figure 4 shows the extent of mining conducted with the SML to date with tonnages recovered from trial-mining whilst Figure 5 relates to the grades recovered from each of the mine blocks.

In May, trial-mining activities were completed, with approximately 30,000 tons being processed since 2015. Grade results have proved variable and the exercise showed that the management of stripping levels was fundamental in reducing dilution, and associated mining and haulage costs. The highest grade achieved was 60 carats per hundred tons (cpht) and the largest diamond recovered was 7.78 carats (cts).*



- 36% of the total production since 2015 came from LG material (actually highly diluted high grade) followed by Block 13 (17%), Bamboo Pit (12%) and Block 1 (11%).
- Of the total tons processed (30,442) since 2015, LG represented 66%, followed by Block 1 (7.3%), Bamboo (7.1%), Block 3 (5.5%) and Block 6 (4.3%).
- Not all blocks were mined, parts were abandoned due to gravel absence. On average the gravel thickness, excluding Bamboo Pit, was 0.15m thick, whilst at Bamboo it was roughly 0.36m

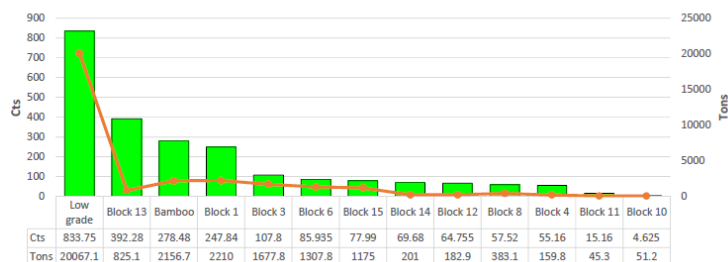
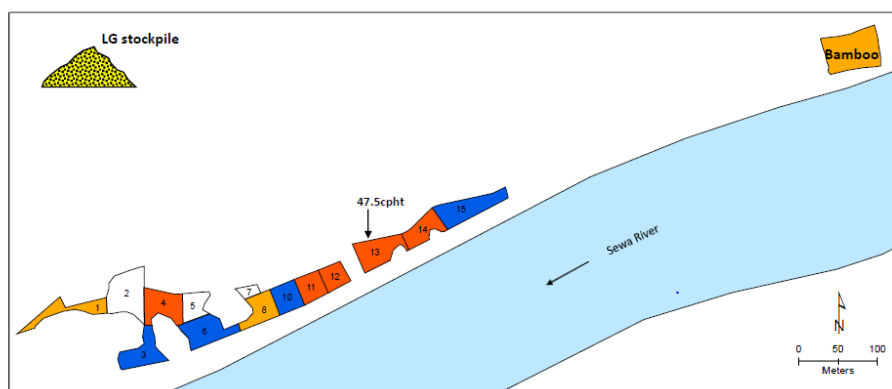


Figure 4. Cartoon depicting mine block positions and amounts of basal gravel recovered from the trial-mining exercise with the GSML (R Spaggiari).

- $\geq 30 \leq 50\text{cpht}$
- $\geq 10 \leq 15\text{cpht}$
- $\geq 5 \leq 10\text{cpht}$
- $\geq 1 \leq 5\text{cpht}$
- No data



- Average grades do not show any particular upstream or downstream pattern, but are mainly clustered around blocks 11, 12, 13 and 14.
- Average grade of Golu, including LG (low grade) and Bamboo Pit, was 7.5cpht
- Block 13 had the highest grade where 60cpht was returned from a single sort giving 264cts.
- The LG had the lowest average grade of 4.2cpht, but this is a result of extensive dilution. If a 70% dilution factor is applied, the grade would be 13.9cpht.

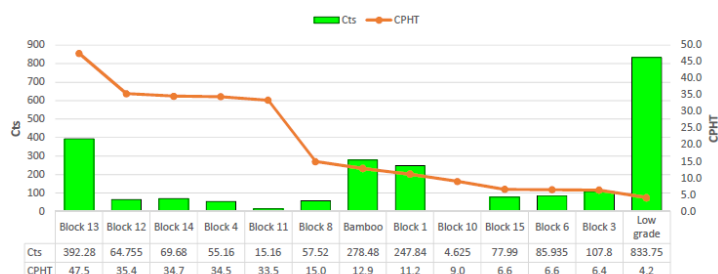


Figure 5. Cartoon depicting variability in grades achieved in the basal gravel recovered from the trial-mining exercise with the GSML (R Spaggiari).

*In accordance with Listing Rule 5.23.2, the Company confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed.

1.1.4 Rehabilitation of Golu Small-scale Mining Licence (GSML)

Concurrent back-filling and rehabilitation of the older mined-out areas is well-advanced within the GSML (Figure 6). The Company estimates that c.90,000 m² will require rehabilitation, of which 14,000 m² has been completed to date. Backfilling of those areas still requiring to be rehabilitated is c.40% complete. To date, over 5000 indigenous trees have been planted.

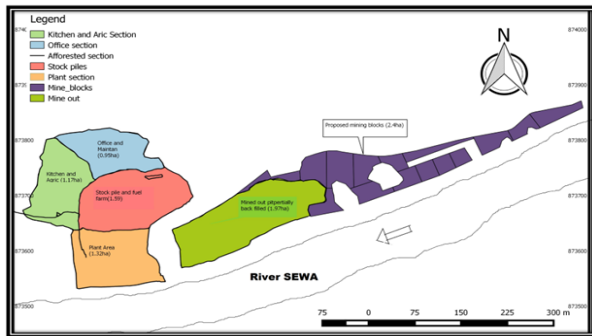


Figure 6. Depicting area disturbed by mining (top). Photo at right, shows established plant growth on rehabilitated mining areas of the Golu mine.

1.1.5 Bulk-sampling activities – Gboyeyi (Sewa River South-bank)

Three bulk-sample trenches located south-west of the GSML, were completed in the period, intercepting typical Sewa River fluvial architecture (as per the Golu deposit). Three trenches were completed (e.g. Figure 7), recovering variable grades with the highest being 24 cpht. The resource potential of the area bounded by the trenches is being investigated further.



Figure 7. Gboyeyi bulk-sampling activities, Sewa River South-bank. Note rounded pebbles and boulder at right, recovered from trench 1 (main photo) (R. Spaggiari).

1.1.6 Airborne Magnetometry (AM) Survey-EL 15/2012 Kimberlite Program

A total of 507 line-km of airborne survey was completed over EL 15/2012 in January 2016 and the results interpreted. On the basis of these results, the Company has begun to conduct follow-up ground-truthing activities such as orientation soil loaming and stream sediment sampling aimed at recovering heavy mineral concentrates for KIM analyses, as well as ground-magnetometry surveys (Geometrics 857 units) over high-interest interpreted anomalies. A company diamond-drill rig (Dando Multitech 4000) has already been purchased for the anticipated follow-up drilling campaign.

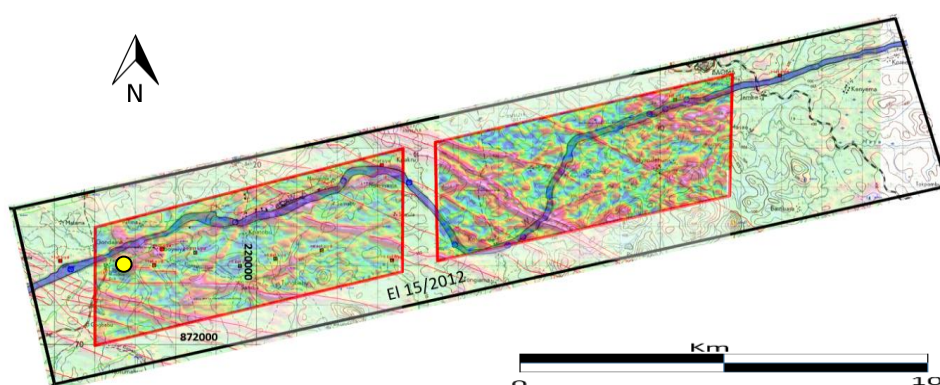


Figure 8. Image depicting results of the two 2016 AM survey blocks completed within EL 15/2012 (analytical signal). Yellow dot shows locality of ground-truthing work conducted to date near Laoma.

1.1.7 Dredging Activities-EL 15/2012

Large-scale dredging operations have been conducted on the Sewa River since 1962, with varying degrees of success and described at length by Hall (1972). In EL 15/2012, formerly Block 11 (Yamandu) (Hall, *op. cit*), river channel recoveries have been historically high in channel features containing *situ gravels*-in the order of 1.0-3.0 carats per cubic yard (72-217 cpht). There has also been intensive diving by artisanal miners over the decades, but the deeper pools have remained inaccessible to informal mining. A bathymetric survey conducted over a substantial portion of the EL 15/2012 exploration licence by the USGS, identified numerous potholes and slots/gorges. In addition, a historical Ground Penetrating Radar (GPR) survey conducted by SLDC along much of the length of the Sewa, has provided the Company an insight into numerous potential trap-sites. It is anticipated that a GPR survey will be conducted by the Company over potential trap sites in H2, 2016.

1.1.7.1 Gbinima Dredge Site

In May, the Company rented an 8-inch (hose) suction dredge and commenced its inaugural exploration activities in selected trap sites in the Sewa River adjacent to the village of Gbinima (Figure 9). Initial results from the Gbinima site are encouraging with large average stone sizes being encountered (average 1.2 carats per stone; c.f. Photograph 1) as well as batch grades in the range of 60-90 cpht. Gravels are well-packed and often thinly cemented (conglomeratic). A typical Sewa fluvial sequence within prospective trap sites encountered, is show in Figure 10.



Figure 9. Photo depicting maiden dredging operations at the Sewa River Gbinima locality, EL 15/2012. Dredge position shown inset.

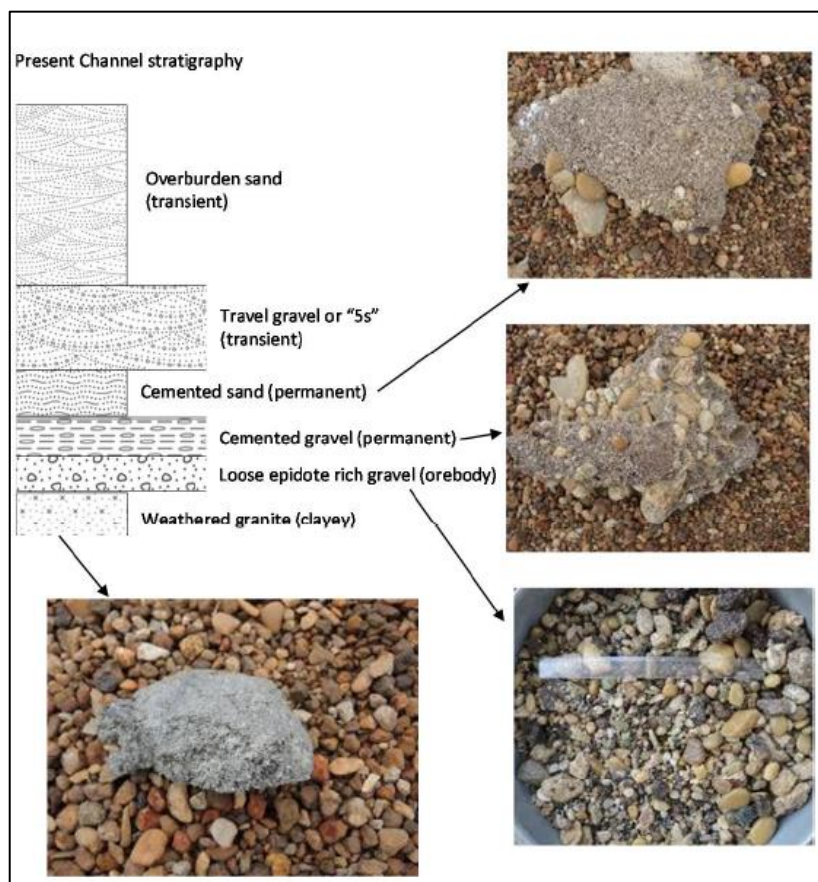


Figure 10. The sedimentary architecture of gravels found at the Gbinima dredge site (after R. Spaggiari).



Photograph 1. Diamonds recovered from the Gbinima dredge site. The stones are of high-quality and have larger average stone size (av. 1.2 cts/stn) when compared with the lower terrace fluvial deposits encountered at Golu (av. 0.33 cts/stn).

1.2 Exploration Licence - EL 20/2014: Jomu-Maina-Tongie Alluvial Program

During the period, 356-line km of aeromagnetic surveying was completed within the EL by the Company as part of its ongoing kimberlite exploration program and ten (10) sites were examined as a ground-truthing exercise over interpreted kimberlite anomalies (e.g. Figure 11). In addition, soil and stream sediment sampling was completed to recover Kimberlitic Indicator Minerals (KIMs), and samples have been sent to The MSA Group in South Africa for analysis. Pending the results of this sampling the kimberlite anomalies will be prioritised for further ground magnetic surveys and drilling.

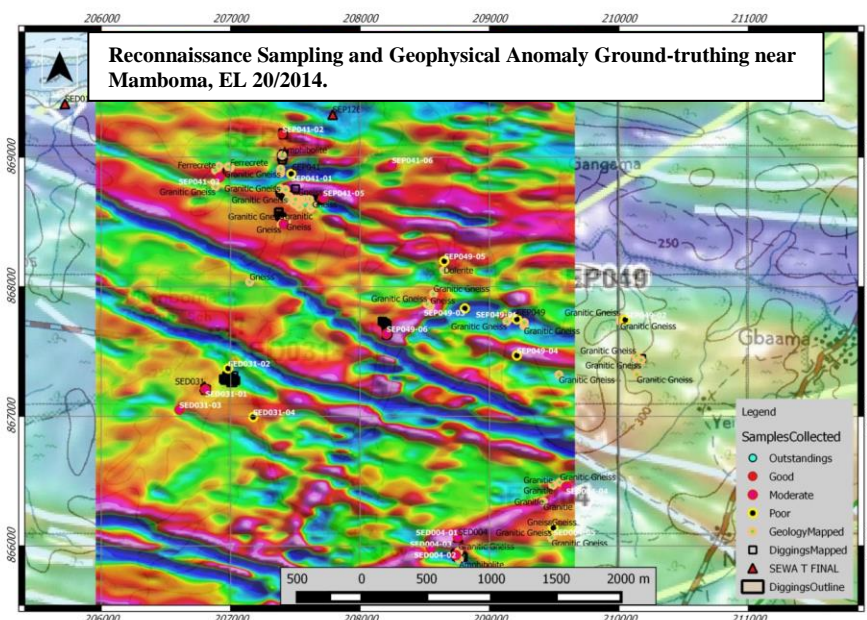


Figure 11. Example of ground-truthing exercises conducted over select target areas of EL 20/2014 as part of its ongoing kimberlite exploration program.

1.3 Exploration Licence - EL 19/2014: Hima-Mano Alluvial Program

The current focus area is adjacent to the Sewa River where a total of four (4) bulk-samples have been excavated on the Sewa River South Bank around the Hima and Mano villages within EL 19/2014 and reported on in the last review period. The area comprises a large buried alluvial flat, crossed by NW-trending dolerite dykes. The dykes are perpendicular to river flow and act as giant riffle features on the palaeo-footwall (Rokel River Group) of the ancestral Sewa River system; thus the geology has influenced gravel distribution and diamond content and this revised model is the basis for the ongoing exploration. The revised geological model (Figure 12) depicts the occurrence of cross-cutting dolerite dykes with associated distribution of high grade gravels occurring in linear/ribbon deposits on the leeside of the dykes and this mode of occurrence will be investigated further.

Current activity involves auger drilling, and to date a total of 80 motorised-auger holes has been drilled, with gravel intercepts being recorded in 49 of the holes.

The revised geological model (Figure 12) depicts the occurrence of cross-cutting dolerite dykes with associated distribution of gravel architecture and respectable grades occurring in linear/ribbon deposits on the leeside of the dykes and this mode of occurrence will be investigated further.

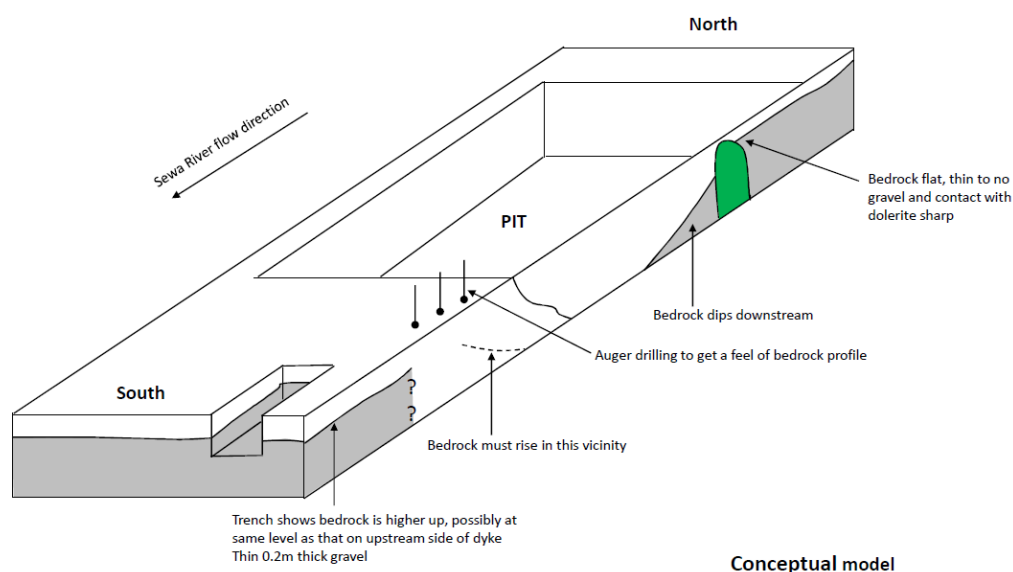


Figure 12. Stylised geological model of a typical Mano bulk sample excavation. Diamond grades are typically embellished in the leeside of the dolerite dyke, which acts like a giant riffle in the river flow. Due to turbulent river flow dynamics, a scour feature (i.e. trap-site) is excavated on the leeside and predictably hosts the better grades by acting as a trap-site (after R. Spaggiari).

1.3.1 Airborne Magnetometry Survey-EL 19/2014 Kimberlite Exploration Program

A total of 409 line-km of the AM survey was completed in EL 19/2014. The flying was conducted over 4 blocks containing high-interest kimberlite targets previously selected by the technical team. The results of the survey were interpreted in the period (Figure 13) and numerous high-interest targets have been identified for follow-up. Soil sampling (KIMs) and ground-magnetometry survey are ongoing over the anomalies.

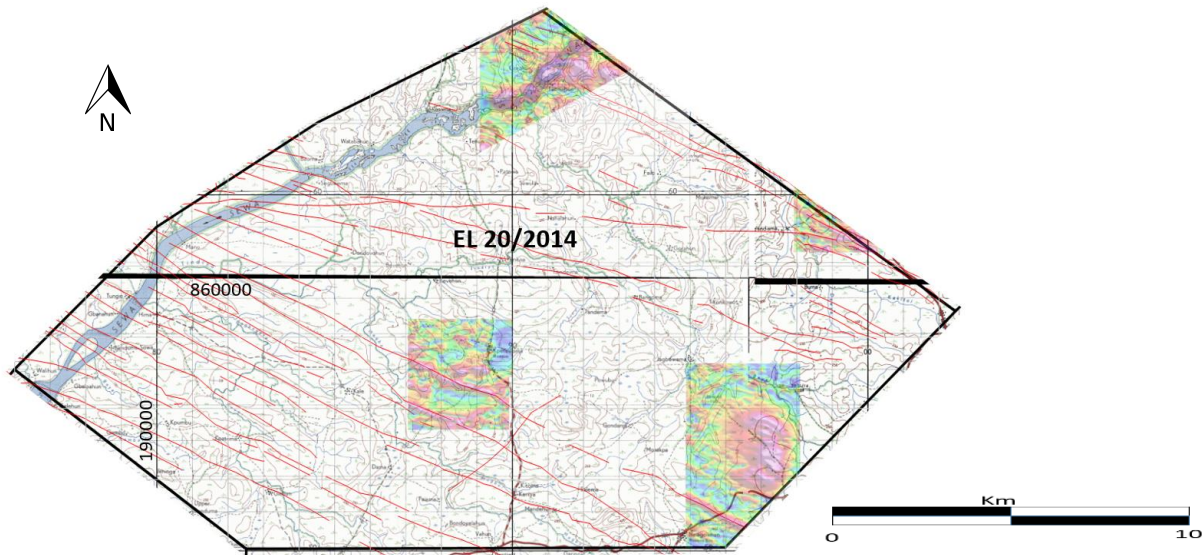


Figure 13. Image depicting results of the four 2016 AM survey blocks completed within EL 12/2012 (analytical signal) on a topocadastral background. Numerous high-interest anomalies have been identified for further follow-up ground-truthing work. Red lines are NW-trending dolerite dykes.

1.4 Exploration Licence - EL 12/2014: Momajo-Pongola-Mokombo Alluvial Programs

1.4.1 Momajo bulk-sampling and motorised-auger drilling program

A total of seven (7) motorised-auger holes have been drilled in and around the artisanal working comprising the Momajo high alluvial terrace. On the basis of this and the presence of artisanal workings, two (2) bulk-sample pits and one (1) bulk-sample trench were excavated (Figure 14) to provide c.1150 tons of gravels for processing in order to test for ore and grade characterisation. The gravel will be treated at the Sumbuya DMS processing plant, once it is on site and commissioned.

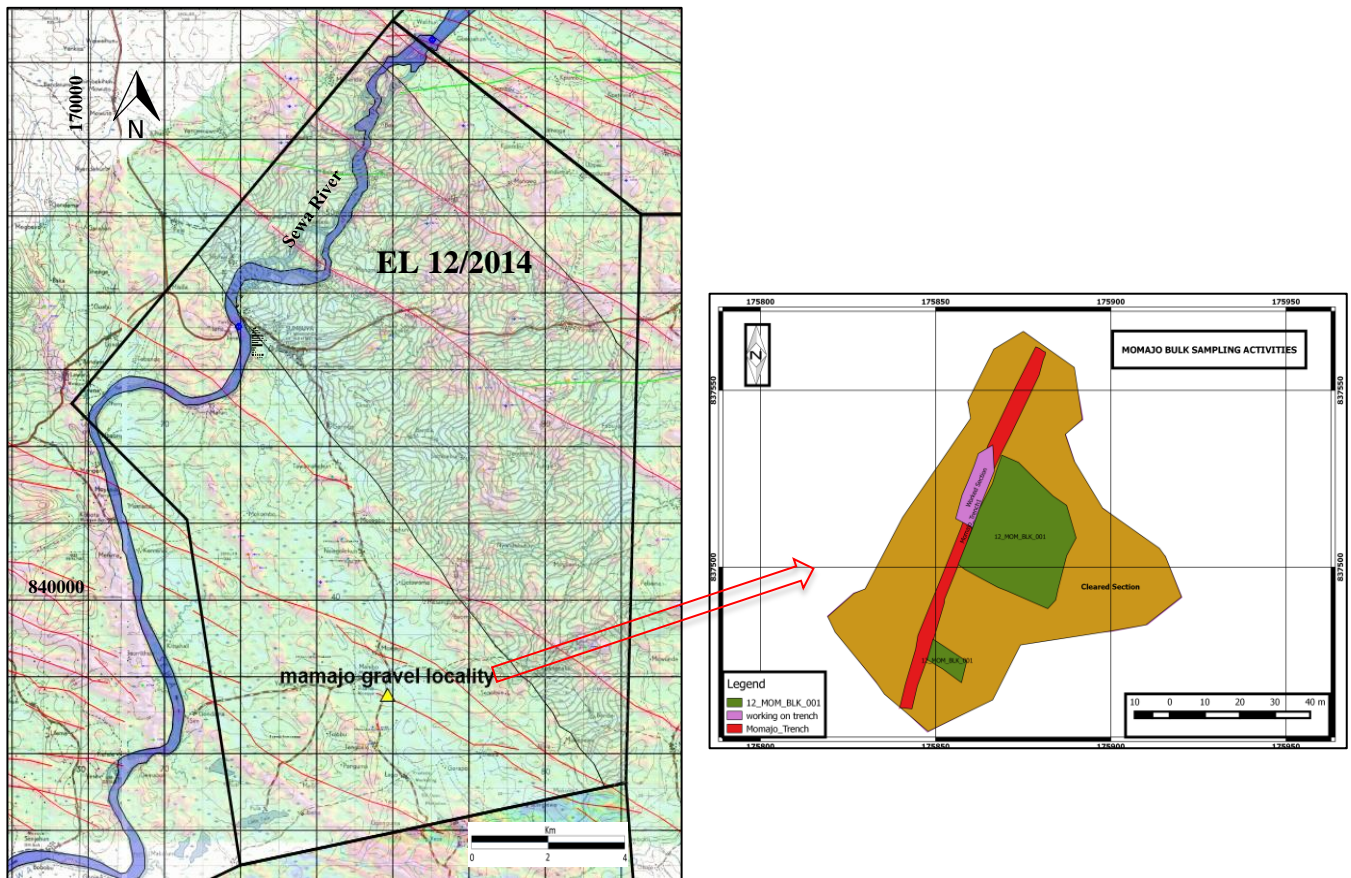


Figure 14. Image depicting bulk-sampling positions (trench [red] and pits [green]; at right) at the Momajo alluvial high-terrace locality, EL 12/2014. Background is magnetic image from legacy data. Red lines are NW-trending dolerite dykes. Hatched area is the Mylonite Zone.

1.4.2 Mokombo Auger Drilling and Bulk-sampling Program

Auger drilling continued in this period, with a total of 104 auger holes drilled to either gravel or into bed rock (Figure 15). Gravel was intersected in seventy-four drilled holes whilst no gravel intersection was achieved in the remaining thirty (30) holes. The gravel type intersected ranges from river flat type; with well-rounded to sub-rounded fine to medium clasts, to colluvium gravel type containing mainly angular-sub-angular Fe-pisoliths, held in a clayey matrix, and finally, an older terrace gravel type (of fluvial origin) containing Fe-stained quartz pebbles which are occasionally ferricretised, is also present, with the cement forming a relatively harder conglomeratic gravel. This conglomerate is only found in drill holes SEA 004 and SEA 015, suggesting an area of older high-level terrace in this locality.

An abandoned 2015 bulk-sample pit (c.f. MABS_023) located some 300m south of the Sumbuya Camp, was de-watered in a further attempt to intersect basal gravel to test for mineralisation. Despite excessive water ingress during the operation, some 240 tons of gravel from a well-developed basal horizon (Figure 16) was extracted and relocated to the Sumbuya plant site for later processing.

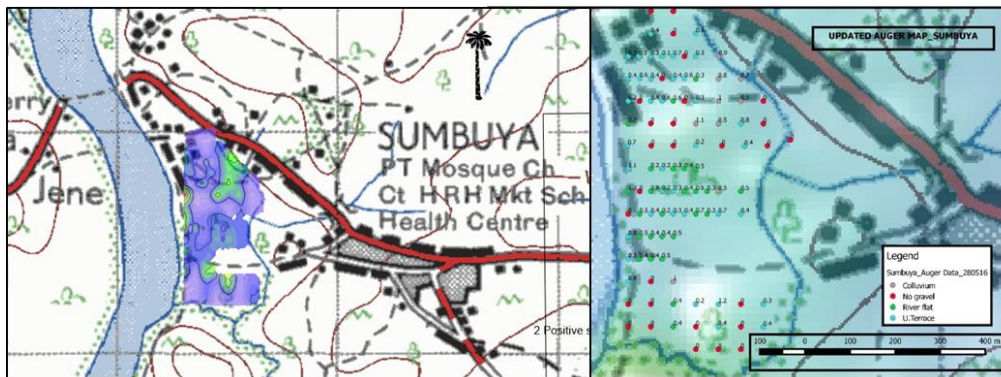


Figure 15: Gravel thickness isopach (at left) and distribution of gravel facies-types, (at right) delineated by the latest auger drilling campaign over the Makombo flat near Allotropes' Sumbuya Camp, Sumbuya Alluvial Project, EL 12/2014.



Figure 16. Bulk-sample pit MABS_023 located some 300m south of the Sumbuya Camp. Material from a well-developed basal gravel horizon (top right), with a palaeo-Sewa River stratigraphic signature (note fluvial cross-bedding), was recovered to the Sumbuya plant site for future processing. The heavy mineral assemblage is shown in the wash sieve (bottom right).

1.4.3 Relocation of Mokombo Bulk-samples: 2015 Dry-Season Exploration Program

The relocation of c.5000 tons of bulk-sample gravel, excavated during the 2015 dry-season exploration program, was relocated to the Sumbuya plant site during the period. Material from 15 bulk-samples was stored temporarily in the field before their relocation to the new plant site. Strict chain of custody was observed, as well as a protocol aimed at minimising the impact of additional material handling.

1.4.4 Airborne and Ground-Magnetometry Survey-EL 12/2014 Kimerlite Exploration Program

1.4.4.1 Airborne Magnetometry (AM) Survey

A total of five (5) follow-up AM blocks were completed in the period (Figure 17). A total of 370 line-km were flown and the data has been subsequently interpreted by an experienced geophysicist. The new data from each block will be utilised to intensify the exploration campaign in the EL, which will be augmented by a follow-up ground-magnetometry (GM) program. Based on the latter results, a drilling campaign will then commence over high-interest targets selected from the GM surveys, which is expected to commence in H2 2016-H1 2017.

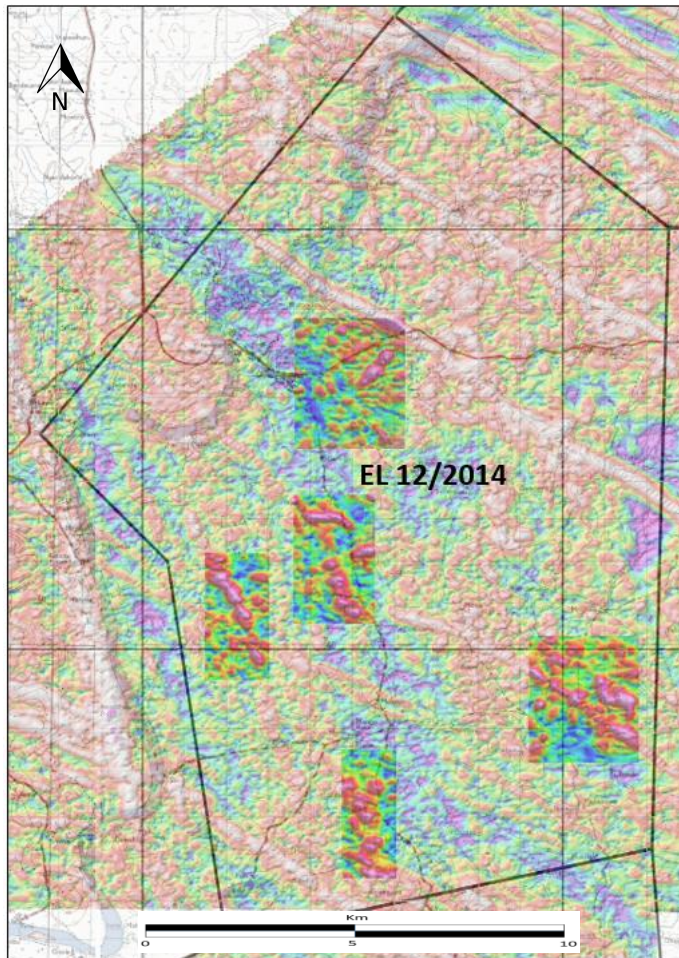


Figure 17. Results depicted from five (5) airborne magnetometry (AM) survey blocks completed over EL 12/2014 (bright colours in polygons=analytical signal plot). The background image is from SLDC legacy Firefly AM (analytical signal) data.

1.4.4.2 Ground Magnetometry (GM) Surveys

A series of GM surveys have been conducted since the purchase of three (3) G857 magnetometer units by the Company. The units have been deployed over some of the legacy AM anomalies to test the efficacy of the equipment and in order to replicate legacy results, as well as investigate some sites selected by the Company. Figure 18 depicts the results of two surveys conducted in the EL during the period, east of Lake Fula, with pleasing results.

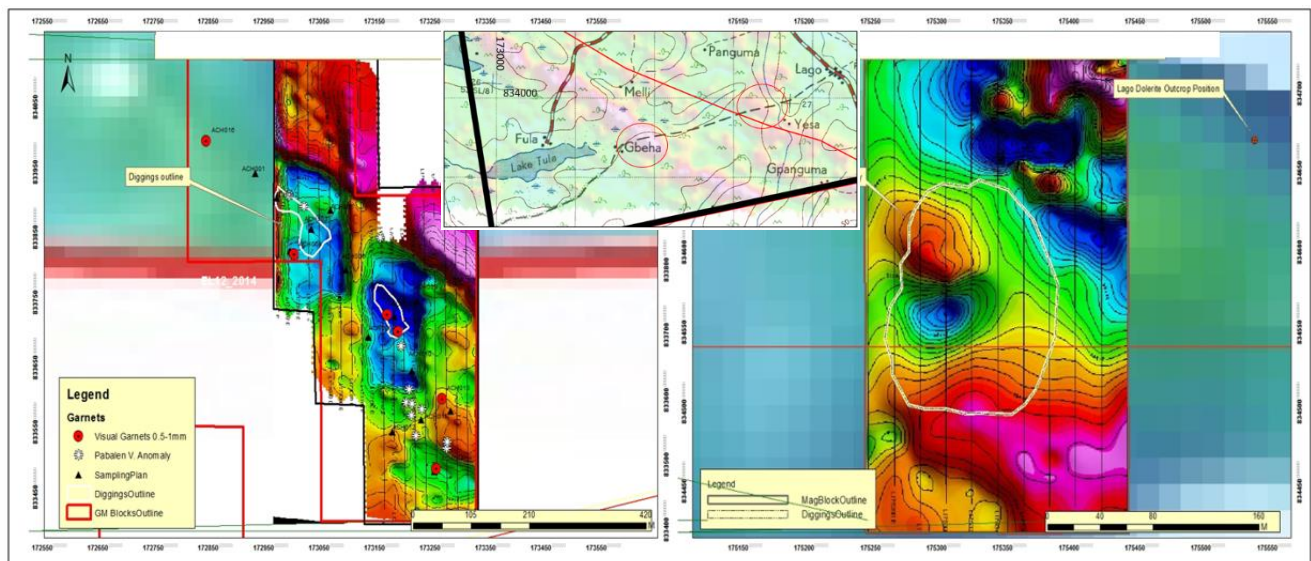


Figure 18. Results depicted over artisanal workings in the Gbenya (Acre 2 & 3; at left) and Lago artisanal workings (at right), EL 12/2014. Strong magnetic signatures require further follow-up by drilling. Survey localities shown inset.

1.4.5 Reconnaissance Sampling for Kimberlite Indicator Minerals (KIMs)

Also during the period, follow-up sampling was conducted around interpreted AM anomalies. A total of 76 samples have been recovered to date and the samples sent to the MSA Group in South Africa for analysis. In addition, the mapping of outcrops, where present, has also assisted with the discrimination of country rock lithologies that may be responsible for spurious magnetic signatures.

1.4.6 Diamond Drilling

Within the period, the Company has deployed its owner-operated track-mounted Dando Multitec 4000 drill rig to test geophysical anomalies stemming from the previous AM and follow-up GM surveys. A total of nine (9) diamond drill holes have been completed to date. To date no kimberlite has as yet, been intersected. Table 1 is a summary of the drilling conducted.

Project	Prospect	UTM Zone	UTMWGS84E	UTMWGS84N	Elevation	Azimuth	Dip	Rig Type	Start Date	End Date	Drilled by	Anomaly ID	EOH Depth	EOH Lithology
SUMBUYA	EL12/2014	29N	173802	845770	29	345	-60	Dando	22/02/2016	29/02/2016	Allotropes	Lomboko Pandanus	67.3	Granitic Gneiss
SUMBUYA	EL12/2014	29N	173783	845789	29	345	-60	Dando	29/02/2016	3/06/2016	Allotropes	Lomboko Pandanus	34.7	Granitic Gneiss
SUMBUYA	EL12/2014	29N	175784	846885	26	0	-90	Dando	3/08/2016	3/09/2016	Allotropes	SEP075	35	Granitic Gneiss
SUMBUYA	EL12/2014	29N	173643	834554	21	7	-60	Dando	3/12/2016	18/03/2016	Allotropes	Lake Fula Trench 001	49.7	Granitic Gneiss
SUMBUYA	EL12/2014	29N	175324	834558	33	0	-90	Dando	24/03/2016	28/03/2016	Allotropes	Lago diggings	45.45	Granitic Gneiss
SUMBUYA	EL12/2014	29N	173182	833741	45	0	-90	Dando	30/03/2016	31/03/2016	Allotropes	Gbenya Acre03 diggings	39.45	Granitic Gneiss
SUMBUYA	EL12/2014	29N	172997	833931	26	7	-60	Dando	1/04/2016	2/04/2016	Allotropes	Gbenya Acre02 diggings	17.6	Dolerite
SUMBUYA	EL12/2014	29N	173007	833879	31	187	-60	Dando	3/04/2016	4/04/2016	Allotropes	Gbenya Acre02 diggings	33.05	Amphibolite
SUMBUYA	EL12/2014	29N	173660	834261	28	187	-60	Dando	4/08/2016	4/10/2016	Allotropes	Lake Fula Trench 002	51	Serpentinite

Table 1. Summary of diamond drilling conducted within the reporting period for EL 12/2014.

1.5 Exploration Licence - EL 11/2014: Alluvial and Kimberlite Exploration Program

1.5.1 Lake Popei Alluvial Exploration Program.

Limited ground-work has been conducted for alluvial occurrences within the period, with exploration activities to date being centred on the kimberlite exploration program.

1.5.2 Lake Popei Kimberlite Exploration Program: Airborne Magnetometry (AM) Survey

A total of 2 389 line-km of an AM survey was completed over EL 11/2014 by Xalibur Airborne Geophysics (Pty) Ltd of South Africa (XAG) in January 2016 and the whole extent of the EL was covered (Figure 19). The data has since been interpreted by an experienced geophysicist. The Lake Popei kimberlite dyke discovery is situated in this EL and it is a well-known fact that kimberlites occur as dyke-arrays or pipe clusters. Thus, the work program to date has focused on the completion and interpretation of an airborne magnetometry (AM) survey (c.f. Figure 19) and limited ground-magnetometry (GM) surveys (e.g. Figure 20).

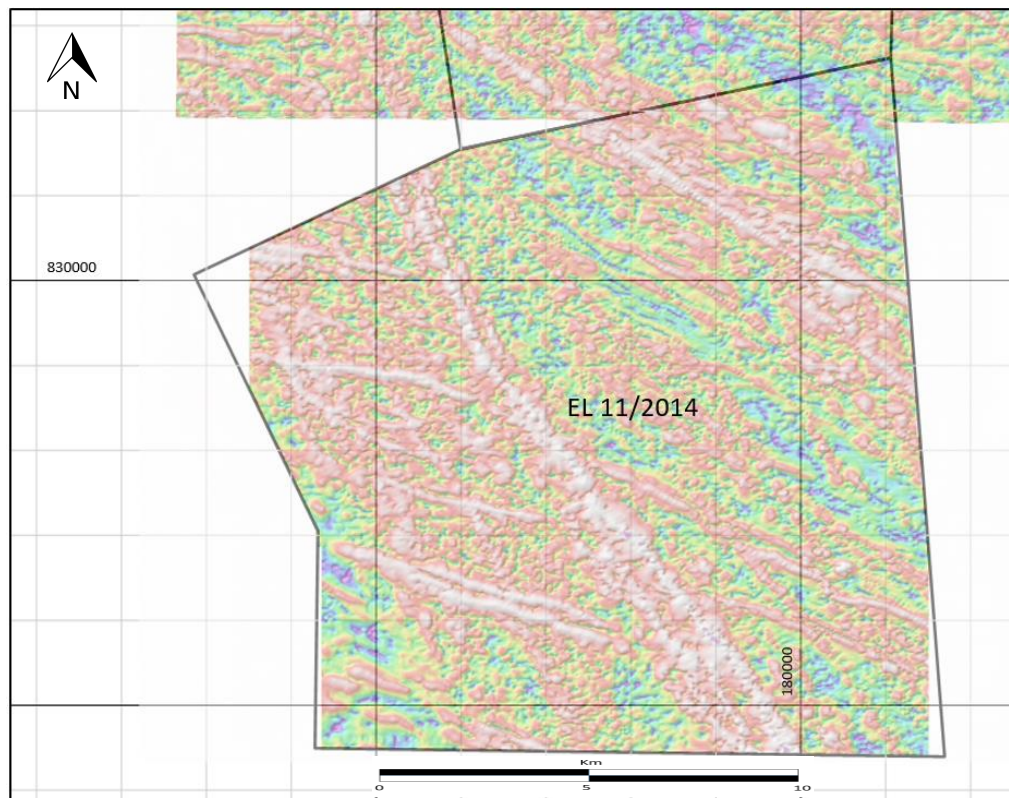


Figure 19. AM coverage over EL 11/2014 (analytical signal plot shown). These data have also been merged with the 2005 SLDC Firefly data (at top) to complete the geophysical coverage over all the Allotrope licence areas.

Since the completion of the AM survey, the Company has commenced follow-up ground-magnetometry (GM) surveys over high-interest targets (e.g. Figure 20). The rationale behind this is that AM results are not in themselves discriminating enough to select drill-ready targets and the additional higher resolution required to optimise drilling centres is provided by GM which is conducted on a tight line spacing to increase the accuracy of target selection. This method, whilst an additional level of geophysical activity, is the most cost-effective approach in reducing unnecessary drilling expenditure by providing the necessary precision to intercept small geophysical targets.

1.5.3 Lake Popei Kimberlite Exploration Program: Ground Magnetometry (GM) Survey

1.5.3.1 Kasse Anomaly-EL 11/2014

This AM anomaly is located close to the village of Kasse into the Bondo bushland. Ground mapping of the surrounding area identified abundant diggings in the adjacent swamp and a ferricrete capping close the anomaly. Granitic gneiss, amphibolite and dolerite was also noted in outcrop and mapped mainly in the southern part of the block. The anomaly

picked from the AM survey data was thus confirmed by the GM survey and is a gratifying result. The Kasse anomaly was described as 320nT monopolar low-complex shape and has good resolution in a reduction-to-the-pole (RTP) transformation. Figure 20 shows the results of the GM survey. The Kasse village is located the north of the anomaly (refer inset).

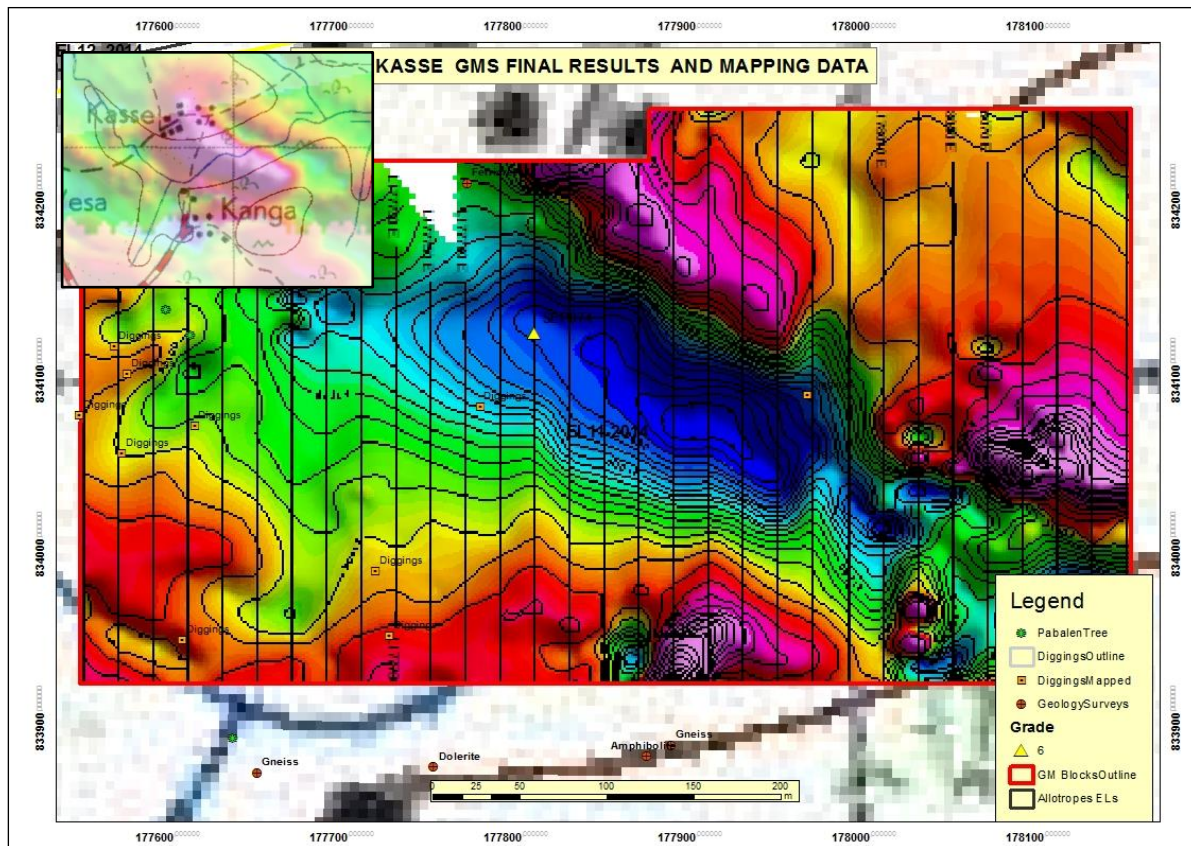


Figure 20. Kasse anomaly-GM survey conducted by Allotropes showing pronounced magnetic anomaly for further follow-up ground-truthing work.

1.5.4 Reconnaissance Sampling for Kimberlite Indicator Minerals (KIMs)

Also during the period, follow up sampling was conducted around interpreted AM anomalies. A total of 247 samples has been collected to date and selected samples sent to the MSA Group in South Africa for analysis. In addition, the mapping of outcrops, where present, has also assisted with the discrimination of country rock lithologies that may be responsible for spurious magnetic signatures.

1.5.5 Diamond Drilling

Within the period, the Company has deployed its owner-operated track-mounted drill rig (Dando Multitec 4000) to test geophysical anomalies stemming from the previous AM and follow-up GM surveys. To date no kimberlite has as yet, been intersected. A total of four (4) diamond core holes have been completed or are in progress.

BoreholeID	Project	Prospect	UTM Zone	UTMWGS84E	UTMWGS84N	Elevation	Azimuth	Dip	Rig Type	Start Date	End Date	Drilled by	Anomaly ID	EOH Depth	EOH Lithology	Comments
LPP_DD_001	LAKE POPEI	EL11/2014	29N	176612	827852	36	330°	-60	Dando	8/05/2016	11/05/2016	Allotropes	Mike Dyke	24.15	Amphibolite	
LPP_DD_002	LAKE POPEI	EL11/2015	29N	176603	827859	36	330°	-60	Dando	11/05/2016	13/05/2016	Allotropes	Mike Dyke	25.65	Amphibolite	
LPP_DD_003	LAKE POPEI	EL11/2016	29N	176658	827843	38	330°	-60	Dando	15/05/2016	16/05/2016	Allotropes	Mike Dyke	25.65	Amphibolite	
SEP074_DD_001	LAKE POPEI	EL11/2017	29N	177910	834110	36	7°	-60	Dando	19/05/2016	Ongoing	Allotropes	SEP074	19.65	Ongoing	

Table 2. Summary of diamond drilling conducted within the reporting period for EL 11/2014.

1.5.6 Second DMS Plant: Sumbuya Alluvial Project

The Company is establishing a second alluvial diamond plant at Sumbuya and has procured a second DMS plant to go with the twin second hand Flowsort X-ray units acquired at the end of 2015. This purchase proved to be a more cost effective route to treat the c.10,000 tons of bulk-sample material already on site as well as ongoing exploration bulk-sample material, and also did away with the long tramming distances through numerous villages to the distant Golu plant site. Civil works are completed (Figure 21) and the two x-ray flow sorts have been commissioned by a technician from Flow Electronics Pty Ltd of Johannesburg, South Africa.



Figure 21. Civil works well underway at the second Allotropes plant site near the township of Sumbuya (EL 11/2014-at left and inset).



Photograph 2. The 10 tph mobile DMS plant purchased from Dynamic Machinery CC., South Africa.

2. Community Initiatives

The Company operates a comprehensive community and social investment programme to complement its exploration activities. To date, expenditure on social infrastructure development totals over USD 300,000. The programme is based on:

- Identification and prioritisation of the needs and priorities of local communities
- Initiatives specifically intended to mitigate the impacts of mining and bulk sampling
- Identification of collaborative opportunities to maximise positive impacts
- Definition of specific activities

Projects completed on the Allotropes exploration licences to date include:

1. Completion of community Court Barres with solar power at Golu and Nongoba villages
2. Construction of hospitals at Jomu and at Golu villages (in progress)
3. Rehabilitation of several village hand pumps
4. Bridge construction at Golu village
5. Royalty payments from diamonds produced by the Golu trial mining programme to the constituency and chiefdom development fund
6. Indigenous timber tree plantations on rehabilitated sites
7. Over 100 km of road rehabilitation, providing access to market for local communities
8. Start-up of small scale enterprises to support Allotropes activities.

Figure 22 shows some of these Company's initiatives.

Socio economic Benefit of Allotropes Diamond Mining to Communities in Bo District

More than \$300,000 spent on Corporate Social Responsibilities since 2014

Local employment



Newly constructed Barry at Golu



Health Centre under construction at Jomu



Rehabilitated well at Waima



Bridge constructed at Kpaku



Reconstructed Sumbuya Road

Figure 22. Some of the socio-economic benefits implemented by the Company to date for communities residing within its exploration licences.

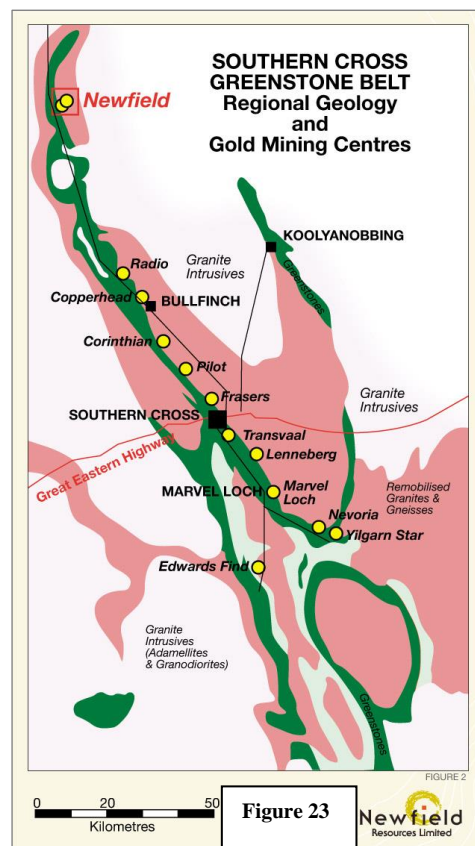
2. NEWFIELD GOLD PROJECT (NEWFIELD 100%)

The Newfield Project comprises two granted mining leases and one granted prospecting licence. The project is centred approximately 60km NNW of Bullfinch, in the Yilgarn Mineral Field (Figure 23).

The project covers the historical Newfield (also known as Carterton) Mining Centre, which is located at the northern end of the highly endowed Southern Cross greenstone belt. Historical, pre 1940, gold production for the Carterton group was 8,552 oz from 8,700t of ore at an average grade of 30.5 g/t Au, with production mainly coming from the Newfield Central workings.

More recent production at the Newfield Central Mine during the period from 2001 – 2005 resulted in 33,200 tonnes of ore extracted for a total of 24,200 ounces at a recovered grade of 22.68g/t Au.

During the quarter exploration activities comprised ongoing prioritising gold targets within the project area with an emphasis on testing for near surface mineralisation within the strike extensions of Newfield Central Fault Zone and within the Newfield East Prospect Area.



3. CREST YARD GOLD PROJECT (NEWFIELD 70%)

The Crest Yard Gold Project, covers 2,455 ha, centred between the historical gold mining centres of Kintore and Dunnsville, located approximately 60km northwest of Kalgoorlie, Western Australia.

Exploration undertaken by the Company on the project to date has included an aeromagnetic survey, a detailed auger geochemical program and aircore drilling programs. This work has defined several areas of bedrock gold mineralisation associated with zones quartz veining, Fe-staining, sericite alteration and haematite alteration within the previously untested Doyle Dam Granodiorite.

The phase two aircore drilling program returned several areas of anomalous bedrock gold mineralisation (greater 100ppb Au) at or near bottom of drill holes within the southern target area. (NWF ASX Release 30 January, 2015*)

The Company continues to review and interpret the results of the aircore drilling programs with a view to refining targets for deeper drill testing in the coming quarters.

*In accordance with Listing Rule 5.23.2, the Company confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed.

4. CORPORATE: ANTWERP ROUGH DIAMOND TENDER

In May, the Company announced that it had recovered over 2,000 carats of diamond from its 100% owned Allotropes Diamond Project in Sierra Leone since its last tender sale. This production was from an ongoing alluvial trial-mining and resource definition programme being undertaken on the project. The parcel was offered on tender in Antwerp, Belgium and coordinated by I. Hennig Tenders, a leading international diamond tender operator.

The parcel on offer was consistent in its high proportion of white gems previously recovered from the Allotropes Diamond Project. The average stone size of this parcel is increased to 0.37 carats, up 19% from 0.31 carats previously. There has also been an increase in the incidence of stones weighing 2 carats and above to over 10% of the total weight of the shipment. The largest gem-quality stone recovered is 7.78 carats.

The Run-of-Mine parcel was sorted and graded into 15 different lots or assortments representing different features and characteristics or variations in size classes and a total sales value of US\$383,372 (US\$270 per carat) was achieved for the shipment, with lots selling up to 121% above reserve price. The Gem and Near Gem stones of 2Cts and larger drew the highest interest from diamantaires. A total of 99 bids were received on the first 9 lots of better size and quality.

The average sale price of US\$270 per carat in this 2nd shipment tender is an improvement on the price achieved in the inaugural tender of September 2015 and the higher average price was largely attributable to a better average size distribution.

REFERENCES

- Hall, P.K., (1972). The diamond fields of Sierra Leone. Geol. Surv. Sierra Leone Bull. 5 (1); 133 pp.
- Ikona, C. K. (2006). Technical Report on Alluvial Diamond Properties –EPL 1/94 & EPL 5/94, Sierra Leone, for Cream Minerals Ltd., 77pp.

COMPETENT PERSON'S STATEMENT- DIAMONDS

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves on the Allotropes Diamond's Sierra Leone Diamond Project, is based on information compiled by Mr Richard Hall (*M.Sc. Geology, Cum Laude*) who is a Fellow of the Australasian Institute of Mining and Metallurgy and a member of the Australian Geological Society, and who is an employee of Newfield Resources Limited.

Mr Hall has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, 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". Mr Hall consents to the inclusion in this ASX release of this information in the form and context in which it appears.

COMPETENT PERSON'S STATEMENT- GOLD

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves on the Newfield, Newfield Extended and Crest Yard Gold Projects is based on information compiled by Mr Bryan Alexander who is a member of the Australasian Institute of Mining and Metallurgy.

Mr Alexander has sufficient experience which is relevant to the style of the mineralisation and type of deposit under consideration and to the activity which he is undertaking, 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". Mr Alexander consents to the inclusion in this ASX Release of this information in the form and context in which it appears.

Schedule of Tenements as at 30 June 2016

Project	Tenement Number	Tenement Name	Registered Holder(s)	Newfield's Interest
<u>Western Australia</u>				
Newfield	M77/0422	Newfield	Newfield Resources Limited	100%
	M77/0846	Woongaring Hills	Newfield Resources Limited	100%
	P77/3679	Newfield	Newfield Resources Limited	100%
Crest Yard	P16/2722	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2723	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2724	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2725	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2726	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2727	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2728	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2729	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2730	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2731	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2733	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2734	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2735	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
	P16/2736	Doyle Dam	Newfield Resources Limited Crest Metals Pty Ltd	70%
<u>Sierra Leone</u>				
Baoma	EL15/2012	Baoma	Allotropes Diamond Company Ltd	100%
Lake Popei	EL11/2014	Lake Popei	Allotropes Diamond Company Ltd	100%
Sumboya	EL12/2014	Sumboya	Allotropes Diamond Company Ltd	100%
Hima	EL19/2014	Hima	Allotropes Diamond Company Ltd	100%
Jomu	EL20/2014	Jomu	Allotropes Diamond Company Ltd	100%
Golu	SML 01/2015	Golu	Allotropes Mining Company Ltd	100%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Newfield Resources Limited

ABN

98 153 219 848

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	513	513
1.2	Payments for (a) exploration and evaluation	(2,812)	(8,759)
	(b) development	-	(220)
	(c) production	(221)	(1,179)
	(d) administration and corporate overheads	(319)	(1,358)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	13	55
1.5	Interest and other costs of finance paid	(3)	(4)
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(2,829)	(10,952)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(46)	(724)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
Net investing cash flows		(46)	(724)
1.13	Total operating and investing cash flows (carried forward)	(2,875)	(11,676)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(2,875)	(11,676)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	8,262	17,954
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	62	62
1.17	Repayment of borrowings	(30)	(68)
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	8,294	17,948
	Net increase (decrease) in cash held	5,419	6,272
1.20	Cash at beginning of quarter/year to date	3,249	2,426
1.21	Exchange rate adjustments to item 1.20	(31)	(61)
1.22	Cash at end of quarter	8,637	8,637

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(99)
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Directors' remuneration	(84)
	Professional services	(15)

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(2,000)
4.2 Development	-
4.3 Production	-
4.4 Administration	(300)
Total	(2,300)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,637	1,249
5.2 Deposits at call	5,000	2,000
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	8,637	3,249

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)	-	-		
7.2 Changes during quarter: (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 +Ordinary securities	225,583,335	225,583,335		
7.4 Changes during quarter: (a) Increases through issues (b) Decreases through returns of capital, buy-backs	29,000,000 -	29,000,000 -	30 cents	30 cents
7.5 +Convertible debt securities (description)	-	-		
7.6 Changes during quarter: (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7 Options (description and conversion factor)	10,000,000	-	Exercise price \$0.30	Expiry date 15 June 2017
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	29,000,000	-	\$0.30	15 June 2016
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Date: **29 July 2016**

(Company Secretary)

Print name:

Kim Hogg

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities:** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.