

Dated 31 January 2018

STELLAR DIAMONDS PLC

(“BORROWER”)

AND

NEWFIELD RESOURCES LIMITED

(“LENDER”)

LOAN AGREEMENT

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THIS AGREEMENT is made on 31st day of January 2018.

AMONG:

- (1) **STELLAR DIAMONDS PLC**, a public company quoted on the AIM market of the London Stock Exchange, with registered number 05424214 and whose registered office is at Lower Ground Floor, 40 Bloomsbury Way, London, WC1A 2SE, United Kingdom (the "**Borrower**"); and
- (2) **NEWFIELD RESOURCES LIMITED** a public company quoted on the Australian Securities Exchange, registered under the laws of Australia with Australian Company Number ACN 153219848 and whose registered office address is at 79 Broadway, Nedlands, Western Australia 6009 (the "**Lender**").

BACKGROUND

- (A) The Lender has entered into subscription agreements with certain investors for such investors to subscribe in aggregate A\$7,000,000 into the Lender, conditional on announcement by the Borrower of a possible offer by it for all the issued and to be issued share capital of the Lender.
- (B) The Lender has agreed to provide, from the proceeds of such fundraising, the unsecured loan facility of USD 3,000,000 (Three Million United States Dollars) referred to below to the Borrower on and subject to the terms and conditions of this Agreement.

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, unless the context otherwise require, the following words and expressions have the following meanings:

- Agreement** means this loan agreement
- Assets** the assets set out in schedule 2
- Business Day** a day (other than a Saturday and a Sunday) on which

	banks are open for business in London and Perth, Australia
Commitment	means the total sum of USD 3,000,000 (Three Million United States Dollars)
Competing Bid	a firm offer announced pursuant to Rule 2.7 of the City Code on Takeovers and Mergers to acquire the entire issued and to be issued share capital of the Borrower by a person other than the Lender or a person acting in concert with the Lender
Directors	the board of directors for the time being of the Borrower
Drawdown Date	the date on which the Loan is made, or is to be made
Drawdown Request	a drawdown request, substantially in the form set out in Schedule 1 to this Agreement
Event of Default	any of the events set out in Clause 10
Facility	the loan facility made available under this Agreement
Facility Tenor	eight (8) months commencing from the date of the Drawdown Request to be automatically extended by a further three (3) months if required for completion of the Transaction Scheme
Interest	24% of the principal Loan amount
Interest Payment Date	the last day of the Facility Tenor
Loan	means the principal sum of USD 3,000,000 (Three Million United States Dollars) made available by the Lender to the Borrower to be used in accordance with the provision of this Agreement
Loan Repayment Date	the earlier of:

(i) the date on which the Loan together with all accrued interests is fully repaid by the Borrower; and

(ii) the Long Stop Date;

or, if a Competing Bid is made before the Long Stop Date, either:

(i) where the Competing Bid lapses or is withdrawn, the later of the Long Stop Date or five (5) Business Days after such lapse or withdrawal, or

(ii) the date falling three (3) months from the date when the Competing Bid becomes wholly unconditional.

Long Stop Date	the last date of the Facility Tenor
Octea Transaction	means the transaction agreed and signed with Octea Limited detailed in the Revenue Share Agreement and the Tribute Mining Agreement, both dated and signed on 27 April 2017
Transaction Scheme	the scheme of arrangement procedure to be launched by the Borrower to implement the Borrower offer for the entire issued and to be issued share capital
USD	United States Dollars

1.2 Unless a contrary indication appears, a reference in this Agreement to:

- (a) any document, agreement or instrument shall be construed as a reference to such document, agreement or instrument as amended, novated, supplemented, extended or restated;
- (b) a "**Lender**", "**Borrower**" or other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- (c) a "**person**" shall include a reference to an individual, firm, company, corporation,

partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees; and

- (d) a reference to a "**holding company**" or a "**subsidiary**" means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee) by way of security or in connection with the taking of security, or (b) its nominee. In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Companies Act 2006 shall be amended so that: (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights;
- (e) any words following the term "**including**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- (f) a clause or schedule shall be construed as a reference to the Clauses and schedule of this Agreement;
- (g) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (h) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.

1.3 Headings are for ease of reference only.

1.4 Words importing the singular shall include the plural and vice versa.

2 THE FACILITY

- 2.1 The Lender grants to the Borrower an unsecured loan in an aggregate principal amount equal to the Commitment for the Facility Tenor on the terms, and subject to the conditions, of this Agreement.
- 2.2 The amount of the Lender's participation in the Facility shall be equal to its Commitment.

3 USE OF PROCEEDS

- 3.1 The Borrower shall use all monies borrowed by it under this Agreement to (i) close the Ocea Transaction by paying for certain overdue licence fees and commencing the Front End Engineering Design (FEED) work and mine development drilling which will incur some near-term costs and (ii) fund general project working capital purposes.

4 UTILISATION

- 4.1 The Lender shall within 3 business days following signing of this Agreement, and satisfaction of the Condition Precedent under Clause 5 below, transfer its Commitment to the account of the Borrower set out in Clause 4.2 below.

- 4.2 The Borrower's account details are:

STELLAR DIAMONDS PLC

Bank Name and address: Barclays Wealth, PO Box 82, St Helier, Jersey, JE4 8PU

SWIFT Code: BARCGB22

IBAN: GB58 BARC 2045 0573 5837 24

Account Name: Stellar Diamonds Limited

Sort Code: 204505

Account No: 73583724

- 4.3 The Lender shall pay the Loan to the Borrower in USD in immediately available cleared funds on the Drawdown Date to, or for the account of, the Borrower as specified in the Drawdown Request.
- 4.4 The currency of account shall be USD and all payments that the Borrower makes under this agreement shall be made:

- (a) in full, without any deduction (except as allowed by clause 8.6 below), set-off or counterclaim; and
- (b) in immediately available cleared funds on the due date to an account which the Lender may specify to the Borrower for the purpose.

5 CONDITION PRECEDENT

5.1 The Lender shall not be required to disburse its Commitment as described under Clause 4.1 unless it has:

- (a) completed a placement by an issue of its ordinary shares and raised no less than A\$7,000,000 (before costs); and
- (b) received a completed Drawdown Request.

5.2 Either party may terminate this Agreement by the provision of written notice to the other party if the condition specified under Clause 5.1(a) has not been satisfied on or before the date that is 10 Business Days after the date of this Agreement.

5.3 The Lender may waive the conditions as specified under Clause 5.1, in whole or in part and with or without conditions, without prejudicing the Lender's right to require subsequent fulfilment of such conditions.

6 INTEREST

6.1 The rate of interest on the Loan for the Facility Tenor shall be 24% (twenty four per cent) per annum which shall accrue daily (on the basis of a 30-day calendar month) on the outstanding balance of such Loan.

6.2 Interest which has accrued on the Loan in accordance with Clause 6.1 shall be payable in full by cash on the Loan Repayment Date to the Lender or on such other days as may be agreed jointly by the Lender and the Borrower.

7 COSTS

7.1 The Lender and Borrower shall pay their own any legal costs related to the preparation of this Agreement.

8 REPAYMENT AND PREPAYMENT

8.1 The Borrower shall repay the Loan in full, together with all interest accrued thereon and all other amounts due from the Borrower under this Agreement, on the Loan Repayment Date or on a date as otherwise agreed jointly between the Lender and the Borrower.

8.2 The Borrower may, at its sole discretion, elect to prepay the whole Loan by notifying the Lender five (5) Business Days in advance.

8.3 All payments made by the Borrower under Clause 8 shall be made in USD and in immediately available cleared funds to the relevant bank account of the Lender set out in Clause 8.4. The Lender may replace their bank account details by notice to the Borrower at any time.

8.4 Lender's account details are:

Bank Name: National Australia Bank

Bank Address: Level 1/1238 Hay Street, West Perth WA 6005, Australia

Beneficiary A/C Name: Newfield Resources Limited

Beneficiary address: 79 Broadway, Nedlands WA 6009, Australia

BSB No: 086-492

A/C No: 11-974-2327

SWIFT Code: NATAAU3306P

8.5 If any payment becomes due on a day which is not a Business Day, the due date of such payment will be extended to the next Business Day, or if that Business Day falls in the following calendar month, such due date shall be the immediately preceding Business Day.

8.6 All payments made by the Borrower under this Agreement shall be made in full, without set-off, counterclaim or condition and free and clear of and without any deduction or withholding, provided that, if the Borrower is required by law or regulation to make such deduction or withholding, it shall:

- (a) ensure that the deduction or withholding does not exceed the minimum amount legally required;
- (b) pay to the relevant taxation, or other authorities, as appropriate, the full amount of the deduction or withholding;

- (c) furnish to the Lender, within the period for payment permitted by the relevant law, either:
 - (i) an official receipt of the relevant taxation authorities involved in respect of all amounts so deducted or withheld; or
 - (ii) a certificate of deduction or equivalent evidence of the relevant deduction or withholding.
- (d) pay to the Lender such additional amount as is necessary to ensure that the net full amount received by the Lender after the required deduction or withholding is equal to the amount that the Lender would have received had no such deduction or withholding been made.

9 WARRANTIES

9.1 Each party warrants to the other that:

- (a) it has taken all necessary actions and has all requisite power and authority to enter into and perform this Agreement in accordance with its terms;
- (b) this Agreement constitutes (or shall constitute when executed) valid, legal and binding obligations on it in accordance its terms; and
- (c) the execution and delivery by it of this Agreement, and compliance with its terms shall not breach or constitute a default under its constitution, or any other agreement or instrument to which it is a party or by which it is bound, or of any order, judgment, decree or other restriction applicable to it.

9.2 If an Event of Default occurs (as set out in Clause 10 below), the Lender shall be entitled to exercise one of the remedies provided under Clause 11 below (as applicable) towards repayment of the Facility.

9.3 The Borrower undertakes to notify the Lender in writing without delay of any Event of Default.

10 EVENTS OF DEFAULT

An Event of Default occurs if:

- 10.1 the Borrower defaults in the repayment of the Facility or any other sum due from it under this Agreement and such default continues for a period of fifteen (15) Business Days after the Loan Repayment Date;
- 10.2 the Borrower fails (other than by failing to pay) to comply with any provision of this Agreement and (if the Lender considers, acting reasonably, that the failure is capable of remedy), such default is not remedied within fifteen (15) Business Days of the earlier of:
 - (a) the Lender notifying the Borrower of the default and the remedy required; or
 - (b) the Borrower becoming aware of the default;
- 10.3 any representation, warranty or statement made, repeated or deemed made by the Borrower in this Agreement is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made;
- 10.4 the Borrower stops or suspends payment of any of its debts, or is unable to, or admits its inability to, pay its debts as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law;
- 10.5 the Borrower ceases or threatens to cease to carry on the whole or a substantial part of its business (save for the purposes of a solvent reorganisation);
- 10.6 a moratorium is declared in respect of any indebtedness of the Borrower;
- 10.7 any action, proceedings, procedure or step (other than one that is frivolous or vexatious in nature) is taken:
 - (a) for the suspension of payments, a moratorium of any indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Borrower other than for the purposes of a solvent reorganisation; or
 - (b) for the composition, compromise, assignment or arrangement with any creditor; or
 - (c) for the appointment of a liquidator, receiver, administrative receiver, administrator, manager or other similar officer in respect of the Borrower or any of its assets; or

(d) under any other applicable liquidation, insolvency, composition, reorganisation or other similar laws;

10.8 any event occurs in relation to the Borrower similar to those in Clause 10.4 to Clause 10.8 (inclusive) under the laws of any applicable jurisdiction;

10.9 otherwise than on the exercise of any existing security (as the Parties acknowledge that the shares of Sierra Diamonds Limited are currently pledged), or save with the Lender's prior written consent, the Assets are sold, transferred or otherwise disposed of to any company which is not a subsidiary of the Borrower;

10.10 any provision of this Agreement is or becomes, for any reason, invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect,

then at any time thereafter whilst such event or circumstance is continuing, the Lender may, in its sole discretion, by notice in writing to the Borrower exercise any of the rights under Clause 11.

11 LENDER'S REMEDIES FOR EVENTS OF DEFAULT

If any Event of Default described in Clause 10 occurs and

(a) such default continues for a period of fifteen (15) Business Days after the Loan Repayment Date in the case of non-payment of the Loan and accrued interest;

(b) such default is not remedied within fifteen (15) Business Days of the earlier of

(i) the Lender notifying the Borrower of the default and the remedy required; and

(ii) the Borrower becoming aware of the default,

the Lender may declare the outstanding Loan and any accrued interest immediately repayable.

12 REMEDIES, WAIVERS, AMENDMENTS AND CONSENTS

12.1 No amendment of this Agreement shall be effective unless it is in writing and signed by, or on behalf of, each party to it (or its authorised representative).

- 12.2 A waiver of any right or remedy under this Agreement or by law, or any consent given under this Agreement, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- 12.3 A failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Agreement. No single or partial exercise of any right or remedy provided under this Agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Agreement by the Lender shall be effective unless it is in writing.
- 12.4 The rights and remedies provided under this Agreement are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

13 ASSIGNMENT

- 13.1 No party may assign any of its rights or transfer any of its rights and obligations under this Agreement without the written consent of the others.

14 NOTICES

- 14.1 Any communication under this Agreement shall be made in writing and may be made by email.
- 14.2 Any communication by one person to another under this Agreement shall be made or delivered to that person's address as specified above and shall be deemed to have been received:
- (a) if made by email; or
 - (b) if made by letter, when left at the relevant address or (as the case may be) two Business Days after being deposited in the post first class postage prepaid in an envelope addressed to it at that address, and

a notice or other communication given as described in this Clause on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

15 PARTIAL INVALIDITY

- 15.1 If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law or regulation of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions or the legality, validity or enforceability of such provisions under the law of any other jurisdiction will in any way be affected or impaired.
- 15.2 The parties agree that, if the UK Panel on Takeovers and Mergers determines that any provision of this Agreement that requires the Lender to take or not to take action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Takeover Code, that provision shall have no effect and shall be disregarded.

16 COUNTERPARTS

- 16.1 This Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one agreement.
- 16.2 No counterpart shall be effective until each party has executed at least one counterpart.

17 THE CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

- 17.1 Any person who is not a party to this Agreement has no right (whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise) to enforce or enjoy the benefit of any term of this Agreement. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- 17.2 The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

18 GOVERNING LAW

- 18.1 This Agreement and any dispute or claim arising out of, or in connection with, it or its subject

matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

18.2 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim that arises out of, or in connection with, this Agreement or its subject matter or formation (including non-contractual disputes or claims).

IN WITNESS whereof the parties or their duly authorised representatives have executed this Agreement on the day and year first above written.

The Lender

Signed by

NEWFIELD RESOURCES LIMITED

acting by _____, a director

.....

Director

The Borrower

Signed by

STELLAR DIAMONDS PLC

acting by Karl Smithson, a director

.....

Director

Schedule 1 – Form of drawdown request

To: The Lender

Attention: [NAME] Department

Date: [DATE]

Stellar Diamonds Plc

USD [3,000,000] Loan Agreement dated [DATE] between [PARTIES] (Loan Agreement)

We refer to the Loan Agreement. This is a Drawdown Request. Words and expressions defined in the Loan Agreement have the same meaning in this Drawdown Request unless given a different meaning in this Drawdown Request.

We give you notice that we wish to draw down the following Loan on [DATE]:

Amount: USD [3,000,000]

Drawdown Date: [DATE]

Facility Tenor: 6 months to be automatically extended by a further three (3) months (if required in order to complete the Transaction Scheme).

The Loan is to be made available by credit to [ACCOUNT DETAILS].

This Drawdown Request is irrevocable.

.....

For and on behalf of

[NAME OF BORROWER]

Schedule 2- Assets

The Assets include all the shares in, and other related assets (including any exploration and mining licences) in, the following Target subsidiaries:

1. Stellar Diamonds Limited;
2. Basama Diamonds Ltd;
3. Sierra Diamonds Limited; and
4. Stellar Diamonds (Liberia) Incorporated.