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THIS ANNOUNCEMENT CONSTITUTES INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (EU) NO.596/2014.

12 March 2018

**Recommended Offer**

for

**Stellar Diamonds plc (“Stellar”)**

by

**Newfield Resources Limited (“NWF”)**

**to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006**

The boards of Stellar and NWF are pleased to announce that they have reached agreement on the terms of a recommended all-share offer by NWF to acquire the entire issued and to be issued share capital of Stellar (the “**Combination**” to form the “**Combined Group**”).

**SUMMARY OF THE TERMS OF THE COMBINATION**

Under the terms of the Combination, each Stellar Shareholder will be entitled to receive:

**for each Stellar Share: 0.7622 of a New NWF Share (“Scheme Ratio”)**

Based on the NWF Closing Price of A\$0.29 per NWF Share on 9 March 2018 (being the last Trading Day before the date of this Announcement) at an exchange rate of A\$1.77 to £1.00, the terms of the Combination represent:

- a value of approximately 12.5 pence per Stellar Share;
- a value of the entire issued share capital of Stellar of approximately £7.74 million;
- a premium of approximately:
  - 154 per cent. to the Stellar Closing Price of 4.925 pence per Stellar Share on the Latest Practicable Date;

- 142 per cent. to the prior 30 Trading Day VWAP of 5.15 pence per Stellar Share as at Latest Practicable Date; and
- 443 per cent. to the Stellar Closing Price of 2.3 pence per Stellar Share on the 31 January 2018, being the Trading Day prior to announcement of the Possible Offer.

Based on the theoretical ex-rights price of an NWF Share of A\$0.223 per share (“**Theoretical Ex-rights Price**”) calculated in connection with the completion of the NWF Financings (see below), at the Possible Offer Exchange Rate, the terms of the Combination represent:

- a value of approximately 9.77 pence per Stellar Share (“**Theoretical Ex-rights Price Offer Value**”);
- a value of the entire issued share capital of Stellar of approximately £6.06 million;
- a premium of approximately:
  - 98 per cent. to the Stellar Closing Price of 4.925 pence per Stellar Share on the Latest Practicable Date;
  - 90 per cent. to the prior 30 Trading Day VWAP of 5.15 pence per Stellar Share as at Latest Practicable Date; and
  - 325 per cent. to the Stellar Closing Price of 2.3 pence per Stellar Share on the 31 January 2018, being the Trading Day prior to announcement of the Possible Offer.

Appropriate NWF Share offers are being made to Stellar Option and Warrant Holders (“**Option and Warrant Offers**”). Under the terms of the Option and Warrant Offers, Stellar Option and Warrant Holders will be offered NWF Shares equivalent in value, at the Theoretical Ex-rights Price and the Possible Offer Exchange Rate, to the net value of their Options or Warrants, being the difference between the Theoretical Ex-rights Price Offer Value and the exercise cost of the relevant Options or Warrants multiplied by the number of Stellar Options or Warrants held.

The Stellar Option and Warrant Holders (apart from those, excluding Rowan Carr, who are not Stellar Directors and Peterhouse Corporate Finance Limited) have all irrevocably undertaken to accept the Option and Warrant Offers and agreed not to exercise their Options and/or Warrants prior to the Scheme becoming Effective, lapsing or being withdrawn, unless the Stellar Board withdraws its recommendation of the Combination or their Irrevocable Undertaking otherwise terminates.

An appropriate NWF Share offer is being made to Deutsche Balaton as the holder of the DB Share Rights based on the Scheme Ratio (“**DB Share Rights Offer**”). Deutsche Balaton has irrevocably undertaken to accept the DB Share Rights Offer and agreed not to exercise its DB Share Rights prior to the Scheme becoming Effective, lapsing or being withdrawn, unless the Stellar Board withdraws its recommendation of the Combination or their Irrevocable Undertaking otherwise terminates.

An appropriate offer is also being made to CLN Holders to repay in full the Stellar CLNs following the Scheme becoming Effective. The CLN Holders have irrevocably undertaken to accept the appropriate offer for their CLNs and agreed not to convert their CLNs prior to the Scheme becoming Effective, lapsing or being withdrawn, unless the Stellar Board withdraws its recommendation of the Combination or their Irrevocable Undertaking otherwise terminates.

Subject to the Scheme becoming Effective and assuming acceptance in full of the Option and Warrant Offers and the DB Share Rights Offer and completion of the NWF Rights Issue (as described below) and the NWF Conditional Placement (together, the “**NWF Financings**”) and assuming no NWF Options are exercised and no other Stellar Shares or NWF Shares are issued:

- Scheme Shareholders would receive in aggregate approximately 47.26 million New NWF Shares, representing, in aggregate, approximately 8.14 per cent. of the enlarged issued share capital of the Combined Group pursuant to the Scheme;
- Stellar Option and Warrant Holders (including Deutsche Balaton) would receive in aggregate approximately 37.03 million New NWF Shares, representing approximately 6.37 per cent. of

the enlarged issued share capital of the Combined Group pursuant to the acceptance of the Option and Warrant Offers; and

- Deutsche Balaton would receive a further 10.81 million New NWF Shares, representing approximately a further 1.86 per cent. of the enlarged issued share capital of the Combined Group pursuant to the acceptance of the DB Share Rights Offer.

The total number of New NWF Shares issued to Scheme Shareholders and the holders of rights over Stellar Shares (including holders of Stellar Options, Stellar Warrants and DB Share Rights) would, in aggregate, amount to 95.10 million New NWF Shares, representing in aggregate, approximately 16.37 per cent. of the enlarged issued share capital of the Combined Group pursuant to the Scheme.

The Combination is conditional on, amongst other things, the approval of the Scheme by the Scheme Shareholders. The Conditions to the Combination are set out in full in Appendix I to this Announcement.

### Highlights of the Combination

- Stellar is a diamond development and exploration company focused on West Africa. Stellar's projects are located within the major diamond producing areas of Sierra Leone and Liberia. Stellar is interested in the high-grade and high-value Tongo-Tonguma Project through the Tongo exploration licence owned by Stellar and the Tribute Mining Agreements with Ocea Mining Limited which holds the Tonguma Licence.
- NWF Resources Limited is an Australian exploration company listed on the ASX market with a focus on a number of diamond exploration licences in Sierra Leone and several gold projects in Western Australia.
- NWF has today lodged a prospectus for an underwritten rights issue to raise approximately A\$30 million ("**NWF Rights Issue**") and announced a general meeting ("**NWF GM**") seeking, amongst other things, NWF Share Authority for the issue of the NWF Shares pursuant to the NWF Conditional Placement. Completion of the NWF Rights Issue is conditional on, inter alia, completion of the Scheme. If the Scheme becomes Effective, the proceeds of the NWF Rights Issue would mainly be used to advance the high-grade and high-value Tongo-Tonguma Project in Sierra Leone into commercial production and to repay the Stellar CLNs.
- Following receipt by Stellar of a US\$3 million loan from NWF ("**Loan**"), all conditions precedent in respect of the Tribute Mining Agreements with Ocea Mining Limited ("**Ocea**"), which set out the economic terms for development of the Tongo-Tonguma Project, have been satisfied or waived and the transaction has been completed as announced on 1 March 2018.
- Subject to the Scheme becoming Effective, completion of the NWF Rights Issue and NWF Conditional Placement, the enlarged NWF Group will have approximately A\$40.56 million in cash before transaction costs.
- The boards of NWF and Stellar believe that a combination of the two groups would create an enlarged and well-funded diamond development group with a number of highly prospective licences in Sierra Leone and Liberia and an experienced management team with combined 100+ years of diamond sector experience.
- The boards of NWF and Stellar believe that the Combination and the NWF Financings provide the potential to generate significant long-term value to the shareholders of both companies through bringing the high grade Tongo-Tonguma Project into commercial production. In addition, NWF's exploration to date in Sierra Leone has generated positive results that indicate undiscovered kimberlites in its licence areas and bulk sampling from some alluvial deposits have resulted in diamond sales attracting over US\$450 per carat. Furthermore, Stellar's historical exploration in its Liberian licences also suggests the presence of undiscovered kimberlites in areas of known diamond diggings.

- On completion of the Combination, Karl Smithson, Chief Executive Officer of Stellar, will be invited to join the NWF Board as an executive director. It is intended that Stellar's Chief Operating Officer, Rowan Carr, and other senior staff, including the Tongo project manager and plant/metallurgical manager, will be retained by NWF after completion of the Scheme.
- NWF is admitted to the official list of ASX and NWF Shares are quoted on ASX. On completion of the Combination, the New NWF Shares, NWF Conditional Placement Shares and the Rights Issue Shares will also be admitted to official quotation trading on the ASX.
- It is the intention that the New NWF Shares will be held in an issuer sponsored account. Stellar Shareholders who wish to trade their New NWF Shares should refer to paragraph 14 of Part II of this announcement for further details of how the New NWF Shares may be traded by Stellar Shareholders upon the Scheme becoming Effective.

### **Background to and reasons for the Combination**

NWF is an Australian exploration company listed on the ASX market with an advanced diamond project in Sierra Leone comprising four exploration licences covering approximately 780.9km<sup>2</sup> and several gold projects in Western Australia. The NWF Board believes that the Tongo-Tonguma kimberlite project, which lies to the north-east of NWF's Allotropes diamond project, complements NWF's existing operations in Sierra Leone as well as offering the potential for substantial near and long-term cash flows.

The basis for the Combination is to merge the business interests of NWF and Stellar in Sierra Leone and to use the proceeds of the NWF Rights Issue to advance the Tongo-Tonguma Project into production. The NWF Board believes that a combination of the two groups following the NWF Financings will create an enlarged and well-funded diamond development group focussed on Sierra Leone.

Further information on NWF and Stellar is set out in Part II of this Announcement.

### **Background to and reasons for the recommendation**

Stellar has been working for a number of years towards its strategy of developing a significant hard rock diamond mine in West Africa. It has sought funding for its Tongo Project since 2015 and for the Tongo-Tonguma Project since the Tribute Mining Agreements were signed in April 2017. The Combination, if it became Effective, would result in Stellar having access to the proceeds of the underwritten NWF Rights Issue which NWF has confirmed are intended to be used mainly to provide Stellar with sufficient funds to complete the FEED study and Mine Plan drilling and then commence development of the Tongo-Tonguma Mine. The FEED study has recently commenced and is expected to take approximately 4 months to complete. It will define the final capital expenditure definitive estimate and the operating cost budgets for the Tongo-Tonguma Project and will result in a refined financial model and projections being produced alongside an execution plan. Through the Combination, Stellar Shareholders would benefit from exposure to the Combined Group's potential future cash flows which may be generated from the Tongo-Tonguma Project. The Stellar Board's recommendation of the Combination is therefore based primarily on the assumption that the NWF Rights Issue completes. The NWF Rights Issue, which was announced by NWF today in accordance with the timetable set out in Appendix IV, is underwritten and in providing its recommendation the Stellar Directors have considered the terms of the Underwriting Agreement and the process and timing for completion of the NWF Rights Issue alongside the anticipated Scheme timetable.

**Stellar Shareholders should note that the Stellar Board may withdraw their recommendation if the NWF Rights Issue does not complete for any reason, including where the NWF Rights Issue Underwriter exercises its right to terminate under one of the limited termination provisions contained in the Underwriting Agreement. The Stellar Board may also withdraw their recommendation if the NWF Rights Issue does not raise sufficient funds to develop the Tongo-Tonguma towards a meaningful level of production. If the Stellar Board withdraws its recommendation, the Chairman of the Court Meeting intends to adjourn the Court Meeting indefinitely such that the Scheme will not become Effective.**

On 5 March 2018, Stellar published its unaudited interim results for the six months ended 31 December 2017 stating that Stellar had cash resources of US\$52,824 at 31 December 2017 and total current assets of US\$84,128 and total liabilities (all of which were classed as current liabilities) of US\$4.45 million (which, for the avoidance of doubt, includes the Stellar CLNs). The Stellar Group incurred a loss before taxation of US\$938,123 in the six months ended 31 December 2017. The cash position of the Stellar Group remains constrained as the majority of the Loan is being applied towards the FEED, payment of mining licences, certain creditors and costs in relation to the Combination.

If the Combination is not completed, Stellar would need to raise additional capital in the near term to provide working capital and meet its liabilities. The Stellar Directors believe that, since the Tribute Mining Agreement with Ocea was closed on 28 February 2018, the Company will have the ability to access sufficient levels of finance to fund the capital expenditure requirements at Tongo-Tonguma, and to meet essential administrative expenses for the foreseeable future. However, the Stellar Directors believe that capital markets in the UK have proven extremely difficult to raise funds for junior mining companies in recent years and there is no guarantee that Stellar will be able to find either the short-term funding or longer-term debt and equity funding necessary to continue operating and to bring the Tongo-Tonguma Project into production. It is possible that any future equity raises by Stellar would be at a lower price compared to the effective value per share of existing Stellar Shares pursuant to the Combination and could result in significantly higher level of dilution for Stellar Shareholders.

By participating in the Combination, Stellar Shareholders may exchange their Stellar Shares for NWF Shares at a significant premium to recent relative market values. Stellar Shareholders combined with the Warrant and Option Holders and the holder of the DB Share Rights, will, in aggregate hold approximately 16.37 per cent. of the enlarged share capital of NWF following the Scheme becoming Effective, with NWF having sufficient funding to progress development of the Tongo-Tonguma Project towards diamond production.

### **Recommendation**

The Stellar Board, which has been so advised by Cairn Financial Advisers LLP as to the financial terms of the Combination, considers the terms of the Combination to be fair and reasonable. Cairn Financial Advisers LLP is providing independent financial advice to the Stellar Board for the purpose of Rule 3 of the Code. In providing their advice to the Stellar Board, Cairn Financial Advisers LLP has taken into account the commercial assessments of the Stellar Board. In addition, the Stellar Directors believe that the terms of the Combination are in the best interests of Stellar Shareholders as a whole.

Accordingly, the Stellar Directors unanimously recommend that Stellar Shareholders vote in favour of the Scheme at the Court Meeting and in favour of the resolution to be proposed at the General Meeting as the Stellar Directors have irrevocably undertaken to do in respect of their own beneficial holdings of 5,604,862 Stellar Shares representing, in aggregate, approximately 9.04 per cent. of the ordinary share capital of Stellar in issue on the Latest Practicable Date.

### **Irrevocable undertakings and NWF Lock-in agreements**

NWF has, in total, received irrevocable undertakings to vote in favour of the Scheme in respect of 18,475,628 Stellar Shares representing, in aggregate, approximately 29.80 per cent. of the issued ordinary share capital of Stellar as at the Latest Practicable Date. These Irrevocable Undertakings include minor changes to the undertakings given in and replace the previous irrevocable undertakings announced on 1 February 2018.

Other than Stellar Option Holders who are not Stellar Directors and Peterhouse Corporate Finance Limited, the Stellar Option and Warrant Holders, Deutsche Balaton (in relation to the DB Shares Rights Offer) and each of the CLN Holders, have agreed to accept the relevant appropriate offer to be made to them under Rule 15 of the Takeover Code based on draft offers provided to them as summarised in this Announcement.

Certain of the parties who have provided Irrevocable Undertakings (including the Stellar Directors, Rowan Carr (Stellar's Chief Operating Officer), Deutsche Balaton and Creditforce (together the

“**Locked-in Parties**”) have entered into voluntary Lock-in agreements with NWF in respect of New NWF Shares to be issued to these parties subject to the Scheme becoming Effective. Pursuant to the terms of these agreements, the parties have agreed, *inter alia*, not to dispose of the New NWF Shares held for a period of six months subject to customary exemptions. Subject to the Scheme becoming Effective, and the Option and Warrant Offers and the DB Share Rights Offer being accepted, it is expected that the Locked-in Parties would hold, in aggregate 61,545,885.00 New NWF Shares, representing, in aggregate, approximately 10.6 per cent. of the issued ordinary shares of NWF following completion of the Combination and the NWF Financings.

### **Next steps**

The Scheme will be put to Stellar Shareholders at the Court Meeting and at the General Meeting. In order to become Effective, the Scheme must be approved by a majority in number of the Stellar Shareholders voting at the Court Meeting, either in person or by proxy, representing at least 75 per cent. in value of the Stellar Shares voted. In addition, a special resolution implementing certain matters in connection with the Scheme must be passed by Stellar Shareholders representing at least 75 per cent. of votes cast at the General Meeting.

The Scheme Circular, containing further information about the Combination and notices of the Court Meeting and the General Meeting, will be published as soon as practicable and, in any event, (save with the consent of the Panel) within 28 days of this Announcement. The proposed timetable for the Scheme is set out in Appendix IV. If any of the key dates set out in the expected timetable change, an announcement will be made through a Regulatory Information Service.

Mike Lynn, Executive Director of NWF, said:

“Newfield has made significant progress with its exploration work on the Allotropes Diamond Project in Sierra Leone. Through the course of this work, NWF has gained a sound understanding of operating in Sierra Leone and developed excellent goodwill with the relevant local, provincial and national governing entities in the country.

We welcome the addition of Karl Smithson and Rowan Carr and Stellar’s operations personnel in Sierra Leone as the Combination brings together a management team with considerable experience and qualifications in the diamond exploration and mining industry. This human resource combined with a sound funding platform and the high grade Tonguma and Tongo Project will create an enlarged and well-funded diamond development group focussed on Sierra Leone.”

Karl Smithson, Chief Executive Officer of Stellar, said:

“The Board of Stellar is delighted to recommend to our shareholders the proposed merger and combination of business interests with Newfield. Not only does this come at a significant premium for Stellar Shareholders, but it also secures the funding at a premium for the development of the Tongo-Tonguma Project. Furthermore, the enlarged Company will have the financial and technical capacity to deliver the project which we believe can offer long term and sustainable cash flows to all shareholders.”

**This summary should be read in conjunction with the full text of the following Announcement including the Appendices. The Conditions and certain further terms of the Combination are set out in Appendix I. Appendix II contains bases and sources of certain information contained within this document. Appendix III contains details of the Irrevocable Undertakings given to NWF. Appendix IV contains the proposed timetable of events. Appendix V contains definitions of certain terms used in this Announcement.**

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***Important notices***

*Cairn Financial Advisers LLP, which is authorised and regulated by the Financial Conduct Authority, is acting for Stellar as financial adviser in relation to the Combination and is not acting for any other person in relation to the Combination. Cairn Financial Advisers LLP will not be responsible to anyone other than Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or any offer for Stellar or arrangement referred to herein.*

*This Announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise. This announcement does not constitute a prospectus or a prospectus equivalent document. The shareholders of Stellar and NWF are advised to read carefully the formal documentation in relation to the Combination once it has been despatched.*

*Stellar will prepare the Scheme Circular to be distributed to Stellar Shareholders. Stellar and NWF urge Stellar Shareholders to read the Scheme Circular when it becomes available because it will contain important information relating to the Combination.*

*No person has been authorised to make any representations on behalf of Stellar or NWF concerning the Scheme or the Combination which are inconsistent with the statements contained herein, and any such representations, if made, may not be relied upon as having been so authorised.*

*No person should construe the contents of this Announcement as legal, financial or tax advice and any interested person should consult its own advisers in connection with such matters.*

***Overseas jurisdictions***

*The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable requirements. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.*

*To the fullest extent permitted by applicable law, the companies and persons involved in the Combination disclaim any responsibility or liability for the violation of such restrictions by any person.*

*This Announcement has been prepared for the purposes of complying with English law, Australian law to the extent applicable, and the Takeover Code and the information disclosed in this announcement may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.*

### **Overseas Shareholders**

*The availability of the Combination and the New NWF Shares to Stellar Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located or of which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.*

*Unless otherwise determined by NWF or required by the Takeover Code, and permitted by applicable law and regulation, the Combination will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Combination by any means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Combination are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws of that jurisdiction, and persons receiving this Announcement and all documents relating to the Combination (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws of that jurisdiction.*

*Further details in relation to overseas Stellar Shareholders will be contained in the Scheme Circular.*

*The New NWF Shares have not been, and will not be, registered under the US Securities Act 1933, as amended (the "US Securities Act") or the securities laws of any state, district or other jurisdiction of the United States and the relevant clearances have not been, and will not be, obtained from the securities commission or similar regulatory authority. The Combination is not being made in any US state or other jurisdiction where it is not legally permitted to do so. Accordingly, such securities may not be, offered, sold, resold, delivered or distributed, directly or indirectly, in or into such jurisdictions or any other jurisdiction if to do so would constitute a violation of relevant laws of, or require registration thereof in, such jurisdiction (except pursuant to an exemption, if available, from any applicable registration or prospectus requirements or otherwise in compliance with all applicable laws).*

*NWF and Stellar intend to rely on an exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof in connection with the consummation of the Combination and the issuance of New NWF Shares. Stellar Shareholders (whether or not US persons) who are or will be affiliates (within the meaning of the US Securities Act) of Stellar or NWF prior to, or of NWF after, the Effective Date will be subject to certain US transfer restrictions relating to the New NWF Shares received pursuant to the Scheme. For the purposes of qualifying for the exemption from the registration requirements of the US Securities Act afforded by Section 3(a)(10), Stellar will advise the Court that its sanctioning of the Scheme will be relied upon by NWF as an approval of the Scheme following a hearing on its fairness to Stellar Shareholders.*

*US shareholders should note that the Combination is made for the securities of an English company in accordance with the laws of England and Wales and the AIM Rules for Companies published by the London Stock Exchange. The Combination is subject to disclosure requirements of England and Wales that are different from those of the United States.*

*The receipt of New NWF Shares pursuant to the Combination by a US Stellar Shareholder may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other, tax laws. Each Stellar Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Combination.*



*It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, since NWF is located in Australia and most of its officers and directors are residents of Australia. You may not be able to sue NWF or its officers or directors in Australia for violations of the US securities laws. It may be difficult to compel NWF and its affiliates to subject themselves to a US court's judgment.*

*You should be aware that NWF may purchase securities otherwise than under the Combination, such as in open market or privately negotiated purchases.*

*None of the securities referred to in this Announcement have been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this Announcement. Any representation to the contrary is a criminal offence in the United States.*

### **Notes regarding New NWF Shares**

*The New NWF Shares to be issued pursuant to the Combination will not be registered under the relevant securities laws of Japan or the Republic of South Africa and the relevant clearances have not been, and will not be, obtained from the securities commission or similar regulatory authority of any province or territory of Canada. Accordingly the New NWF Shares may not be, offered, sold, resold, delivered or distributed, directly or indirectly in or into Canada, Japan or the Republic of South Africa or any other jurisdiction if to do so would constitute a violation of relevant laws of, or require registration thereof in, such jurisdiction (except pursuant to an exemption, if available, from any applicable registration or prospectus requirements or otherwise in compliance with all applicable laws).*

*The offer of New NWF Shares for issue or sale or resale within Australia is prohibited unless a disclosure document has been lodged with the ASIC, or an exemption applies. New NWF Shares will be issued in reliance on exemptions in ASIC Legislative Instrument 2015/358 as the Combination will be made under a foreign compromise or arrangement that is made in accordance with laws in force in the United Kingdom, being an eligible foreign country.*

*This document is not a disclosure document for the purposes of Chapter 6D of the Australian Corporations Act 2001 (Cth) and does not purport to include the information required of a disclosure document under Chapter 6D of the Australian Corporations Act 2001 (Cth). It has not been approved by any Australian regulatory authority, such as ASIC or ASX and has not been lodged with ASIC. You are advised to exercise caution in relation to the proposal set out in this document. You should obtain independent professional advice if you have any queries or concerns about any of the contents or subject matter of this document.*

### **No Profit Forecast or Quantified Financial Benefits Statement**

*No statement in this Announcement is intended as a profit forecast, profit estimate or quantified financial benefits statement and no statement in this Announcement should be interpreted to mean that earnings per Stellar Share or NWF Share for the current or future financial years would necessarily match or exceed the respective historical published earnings per Stellar Share or NWF Share or to mean that the Combined Group's earnings in the first twelve months following the Combination, or in any subsequent period, would necessarily match, or be greater than or be less than those of NWF and/or Stellar for the relevant preceding financial period or any other period.*

### **Dealing disclosure requirements of the Takeover Code (the "Code")**

*Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an*

*Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.*

*An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Code applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0) 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Rule 2.9 disclosure**

*In accordance with Rule 2.9 of the Code, Stellar confirms that, as at the date of this Announcement, it has in issue 62,007,748 ordinary shares of 1 pence nominal value each. The International Securities Identification Number (ISIN) of the Stellar Shares is GB00BYZ5QT80.*

*In addition to the issued ordinary share capital of Stellar, currently rights over 111,882,669 Stellar Shares have been granted as follows:*

	<i>Rights over Stellar Shares</i>
<i>Rights held by Stellar Warrant Holders<sup>1</sup></i>	<i>92,448,272</i>
<i>Options held by Stellar Directors and employees</i>	<i>5,250,000</i>
<i>DB Share Rights over Stellar Shares<sup>2</sup></i>	<i>14,184,397</i>
<b>Total</b>	<b>111,882,669</b>

<sup>1</sup>The rights held by Stellar Warrant Holders includes warrants over 92,220,553 Stellar Shares which are associated with the Stellar CLNs. The number of these CLN Warrants has been calculated based on the aggregate exercise price of the CLN Warrants of US\$2.475 million and US\$1.34 million with the exercise price being assumed to be, for the purpose of the Combination, 5 pence per share and using an exchange rate of US\$1.41 to £1.00. The CLN Warrant exercise price may vary in accordance with the terms of the Stellar CLNs (which are summarised in Stellar's previous announcements, notably the announcements of 14 August 2017 and 11 September 2017) in the event that the Combination does not proceed. CLN Warrants in respect of 227,719 Stellar Shares are exercisable at a price of 7.125 pence.

<sup>2</sup> Pursuant to an agreement entered into with Stellar on 6 October 2016 (as subsequently amended) whereby Deutsche Balaton AG conditionally agreed to waive certain of its rights under its Stellar CLN relating to its ability to convert/and or exercise its Stellar CLN and CLN Warrants respectively into shares in a subsidiary of Stellar.

In addition, Stellar CLNs of US\$2.99 million have been issued of which US\$1.65 million have a maturity date of 31 March 2018 and US\$1.34 million have a maturity date of 5 June 2018.

In accordance with Rule 2.9 of the Code, NWF confirms that, as at the date of this Announcement, it has in issue 270,583,335 NWF Shares. For the avoidance of doubt, this figure does not take into account the NWF Rights Issue Shares or the NWF Conditional Placement Shares. Australian incorporated companies do not have authorised capital or par value for shares. The International Securities Identification Number (ISIN) of the NWF Shares is AU000000NWF9. In addition, NWF has a total of 6 million options on issue. These options are unquoted, and exercisable at A\$0.50 each on or before 30 December 2020.

### **Publication on Website**

A copy of this Announcement will be made available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at [www.Stellar-diamonds.com](http://www.Stellar-diamonds.com) in accordance with Rule 26.1 of the Code by no later than 12 noon (London time) on 13 March 2018. The content of the website referred to in this Announcement is not incorporated into and does not form part of this Announcement.

A notice informing Stellar Shareholders (other than Stellar Shareholders who have elected to receive electronic communications) that this Announcement is available at [www.Stellar-diamonds.com](http://www.Stellar-diamonds.com) potential-offer-newfield will be posted in the near future. Stellar Shareholders may request a hard copy of this document by contacting Karl Smithson during business hours on +44 (0) 207 164 6371 or by submitting a request in writing to 40 Bloomsbury Way, London, WC1A 2SE or by email to [karl.smithson@stellar-diamonds.com](mailto:karl.smithson@stellar-diamonds.com). Stellar Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Combination should be in hard copy form.

### **Forward-looking statements**

This Announcement contains certain forward-looking statements with respect to the possible Combination involving NWF and Stellar. The words "believe", "expect", "anticipate", "project" and similar expressions, among others, generally identify forward-looking statements. These forward-looking statements are based on numerous assumptions and assessments made in light of NWF's or, as the case may be, Stellar's experience and perception of historical trends, current conditions, business strategies, operating environment, future developments and other factors it believes appropriate. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements. Such risks and uncertainties include, but are not limited to, the possibility that the Combination will not be completed, failure to obtain necessary regulatory approvals or required financing or to satisfy any of the other conditions to the Combination, adverse effects on the market price of NWF Shares and on NWF's or Stellar's operating results because of a failure to complete the Combination, failure to realise the expected benefits of the possible Combination, negative effects relating to the announcement of the Combination or any further announcements relating to the Combination or the

consummation of the Combination on the market price of NWF Shares or Stellar Shares, significant transaction costs and/or unknown liabilities, customer reaction to the announcement of the Combination, possible litigation relating to the Combination or the public disclosure thereof, general economic and business conditions that affect the combined companies following the consummation of the Combination, changes in global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax laws, regulations, rates and policies, future business acquisitions or disposals and competitive developments. These factors are not intended to be an all-encompassing list of risks and uncertainties. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this Announcement could cause NWF's plans with respect to Stellar, NWF's or Stellar's actual results, performance or achievements, industry results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and persons reading this Announcement are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this Announcement. NWF and Stellar expressly disclaim any obligation to release publicly any revisions to forward-looking statements as a result of subsequent events or developments, except as required by law.

### **Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Electronic communications**

Please be aware that addresses, electronic addresses and certain information provided by Stellar Shareholders, persons with information rights and other relevant persons for the receipt of communications from Stellar may be provided to NWF during the Offer Period if requested under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

## PART II

### 1) Introduction

The boards of directors of NWF and Stellar are pleased to announce that they have reached agreement on the terms of a recommended all share offer pursuant to which NWF will acquire the entire issued and to be issued ordinary share capital of Stellar (the "**Combination**"). The Combination is to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.

### 2) Terms of the Combination

Under the terms of the Combination, each Stellar Shareholder will be entitled to receive:

**for each Stellar Share: 0.7622 of a New NWF Share ("Scheme Ratio")**

Based on the NWF Closing Price of A\$0.29 per NWF Share on 9 March 2018 (being the last Trading Day before the date of this Announcement) at an exchange rate of A\$1.77 to £1.00, the terms of the Combination represent:

- a value of approximately 12.5 pence per Stellar Share;
- a value of the entire issued share capital of Stellar of approximately £7.74 million;
- a premium of approximately:
  - 154 per cent. to the Stellar Closing Price of 4.925 pence per Stellar Share on the Latest Practicable Date;
  - 142 per cent. to the prior 30 Trading Day VWAP of 5.15 pence per Stellar Share as at Latest Practicable Date; and
  - 443 per cent. to the Stellar Closing Price of 2.3 pence per Stellar Share on the 31 January 2018, being the Trading Day prior to announcement of the Possible Offer.

Based on the theoretical ex-rights price of an NWF Share of A\$0.223 per share ("**Theoretical Ex-rights Price**") calculated in connection with the completion of the NWF Financings (see below), at the Possible Offer Exchange Rate, the terms of the Combination represent:

- a value of approximately 9.77 pence per Stellar Share ("**Theoretical Ex-rights Price Offer Value**");
- a value of the entire issued share capital of Stellar of approximately £6.06 million;
- a premium of approximately:
  - 98 per cent. to the Stellar Closing Price of 4.925 pence per Stellar Share on the Latest Practicable Date;
  - 90 per cent. to the prior 30 Trading Day VWAP of 5.15 pence per Stellar Share as at Latest Practicable Date; and
  - 325 per cent. to the Stellar Closing Price of 2.3 pence per Stellar Share on the 31 January 2018, being the Trading Day prior to announcement of the Possible Offer.

Appropriate NWF Share offers are being made to Stellar Option and Warrant Holders ("**Option and Warrant Offers**"). Under the terms of the Option and Warrant Offers, Stellar Option and Warrant Holders will be offered NWF Shares equivalent in value, at the Theoretical Ex-rights Price and the

Possible Offer Exchange Rate, to the net value of their Options or Warrants, being the difference between the Theoretical Ex-rights Price Offer Value and the exercise cost of the relevant Options or Warrants multiplied by the number of Stellar Options or Warrants held.

The Stellar Option and Warrant Holders (apart from those, excluding Rowan Carr, who are not Stellar Directors and Peterhouse Corporate Finance Limited) have all irrevocably undertaken to accept the Option and Warrant Offers and agreed not to exercise their Options and/or Warrants prior to the Scheme becoming Effective, lapsing or being withdrawn, unless the Stellar Board withdraws its recommendation of the Combination or their Irrevocable Undertaking otherwise terminates.

An appropriate NWF Share offer is being made to Deutsche Balaton as the holder of the DB Share Rights based on the Scheme Ratio ("**DB Share Rights Offer**"). Deutsche Balaton has irrevocably undertaken to accept the DB Share Rights Offer and agreed not to exercise its DB Share Rights prior to the Scheme becoming Effective, lapsing or being withdrawn, unless the Stellar Board withdraws its recommendation of the Combination or their Irrevocable Undertaking otherwise terminates.

An appropriate offer is also being made to CLN Holders to repay in full the Stellar CLNs following the Scheme becoming Effective. The CLN Holders have irrevocably undertaken to accept the appropriate offer for their CLNs and agreed not to convert their CLNs prior to the Scheme becoming Effective, lapsing or being withdrawn, unless the Stellar Board withdraws its recommendation of the Combination or their Irrevocable Undertaking otherwise terminates.

Subject to the Scheme becoming Effective and assuming acceptance in full of the Option and Warrant Offers and the DB Share Rights Offer and completion of the NWF Rights Issue (as described below) and the NWF Conditional Placement (together, the "**NWF Financings**") and assuming no NWF Options are exercised and no other Stellar Shares or NWF Shares are issued:

- Scheme Shareholders would receive in aggregate approximately 47.26 million New NWF Shares, representing, in aggregate, approximately 8.14 per cent. of the enlarged issued share capital of the Combined Group pursuant to the Scheme;
- Stellar Option and Warrant Holders (including Deutsche Balaton) would receive in aggregate approximately 37.03 million New NWF Shares, representing approximately 6.37 per cent. of the enlarged issued share capital of the Combined Group pursuant to the acceptance of the Option and Warrant Offers; and
- Deutsche Balaton would receive a further 10.81 million New NWF Shares, representing approximately a further 1.86 per cent. of the enlarged issued share capital of the Combined Group pursuant to the acceptance of the DB Share Rights Offer.

The total number of New NWF Shares issued to Scheme Shareholders and the holders of rights over Stellar Shares (including holders of Stellar Options, Stellar Warrants and DB Share Rights) would, in aggregate, amount to 95.10 million New NWF Shares, representing in aggregate, approximately 16.37 per cent. of the enlarged issued share capital of the Combined Group pursuant to the Scheme.

The Combination is conditional on, amongst other things, the approval of the Scheme by the Scheme Shareholders. The Conditions to the Combination are set out in full in Appendix I to this Announcement.

### **3) Background to and reasons for the Combination**

NWF is an Australian exploration company listed on the ASX market with an advanced diamond project in Sierra Leone comprising four exploration licences covering approximately 780.9km<sup>2</sup> and several gold projects in Western Australia. The NWF Board believes that the Tongo-Tonguma kimberlite project, which lies to the north-east of NWF's Allotropes diamond project, complements NWF's existing operations in Sierra Leone as well as offering the potential for substantial near and long-term cash flows.

The basis for the Combination is to merge the business interests of NWF and Stellar in Sierra Leone and to use the proceeds of the NWF Rights Issue to advance the Tongo-Tonguma Project into production. The NWF Board believes that a combination of the two groups following the NWF

Financings will create an enlarged and well-funded diamond development group focussed on Sierra Leone.

#### **4) Stellar Recommendation**

The Stellar Board, which has been so advised by Cairn Financial Advisers LLP as to the financial terms of the Combination, considers the terms of the Combination to be fair and reasonable. Cairn Financial Advisers LLP is providing independent financial advice to the Stellar Board for the purpose of Rule 3 of the Code. In providing their advice to the Stellar Board, Cairn Financial Advisers LLP has taken into account the commercial assessments of the Stellar Board. In addition, the Stellar Directors believe that the terms of the Combination are in the best interests of Stellar Shareholders as a whole.

Accordingly, the Stellar Directors unanimously recommend that Stellar Shareholders vote in favour of the Scheme at the Court Meeting and in favour of the resolution to be proposed at the General Meeting as the Stellar Directors have irrevocably undertaken to do in respect of their own beneficial holdings of 5,604,862 Stellar Shares representing, in aggregate, approximately 9.04 per cent. of the ordinary share capital of Stellar in issue on the Latest Practicable Date.

#### **5) Background to and reasons for the Stellar Recommendation**

Stellar has been working for a number of years towards its strategy of developing a significant hard rock diamond mine in West Africa. It has sought funding for its Tongo Project since 2015 and for the Tongo-Tonguma Project since the Tribute Mining Agreements were signed in April 2017. The Combination, if it became Effective, would result in Stellar having access to the proceeds of the underwritten NWF Rights Issue which NWF has confirmed are intended to be used mainly to provide Stellar with sufficient funds to complete the FEED study and Mine Plan drilling and then commence development of the Tongo-Tonguma Mine. The FEED study has recently commenced and is expected to take approximately 4 months to complete. It will define the final capital expenditure definitive estimate and the operating cost budgets for the Tongo-Tonguma Project and will result in a refined financial model and projections being produced alongside an execution plan. Through the Combination, Stellar Shareholders would benefit from exposure to the Combined Group's potential future cash flows which may be generated from the Tongo-Tonguma Project. The Stellar Board's recommendation of the Combination is therefore based primarily on the assumption that the NWF Rights Issue completes. The NWF Rights Issue, which was announced by NWF today, is underwritten and in providing its recommendation the Stellar Directors have considered the terms of the Underwriting Agreement and the process and timing for completion of the NWF Rights Issue alongside the anticipated Scheme timetable.

**Stellar Shareholders should note that the Stellar Board may withdraw their recommendation if the NWF Rights Issue does not complete for any reason, including where the NWF Rights Issue Underwriter exercises its right to terminate under one of the limited termination provisions contained in the Underwriting Agreement. The Stellar Board may also withdraw their recommendation if the NWF Rights Issue does not raise sufficient funds to develop the Tongo-Tonguma towards a meaningful level of production. If the Stellar Board withdraws its recommendation, the Chairman of the Court Meeting intends to adjourn the Court Meeting indefinitely such that the Scheme will not become Effective.**

On 5 March 2018, Stellar published its unaudited interim results for the six months ended 31 December 2017 stating that Stellar had cash resources of US\$52,824 at 31 December 2017 and total current assets of US\$84,128 and total liabilities (all of which were classed as current liabilities) of US\$4.45 million (which, for the avoidance of doubt, includes the Stellar CLNs). The Stellar Group incurred a loss before taxation of US\$938,123 in the six months ended 31 December 2017. The cash position of the Stellar Group remains constrained as the majority of the Loan is being applied towards the FEED, payment of mining licences, certain creditors and costs in relation to the Combination.

If the Combination is not completed, Stellar would need to raise additional capital in the near term to provide working capital and meet its liabilities. The Stellar Directors believe that, since the Tribute Mining Agreement with Octea was closed on 28 February 2018, the Company will have the ability to access sufficient levels of finance to fund the capital expenditure requirements at Tongo-Tonguma, and to meet essential administrative expenses for the foreseeable future. However, the Stellar Directors believe that capital markets in the UK have proven extremely difficult to raise funds for junior mining companies in recent years and there is no guarantee that Stellar will be able to find either the short-term funding or longer-term debt and equity funding necessary to continue operating and to bring the Tongo-Tonguma Project into production. It is possible that any future equity raises by Stellar would be at a lower price compared to the effective value per share of existing Stellar Shares pursuant to the Combination and could result in significantly higher level of dilution for Stellar Shareholders.

By participating in the Combination, Stellar Shareholders may exchange their Stellar Shares for NWF Shares at a significant premium to recent relative market values. Stellar Shareholders combined with the Warrant and Option Holders and the holder of the DB Share Rights, will, in aggregate hold approximately 16.37 per cent. of the enlarged share capital of NWF following the Scheme becoming Effective, with NWF having sufficient funding to progress development of the Tongo-Tonguma Project towards diamond production.

## **6) Irrevocable Undertakings to vote in favour of the Combination**

NWF has received Irrevocable Undertakings from each of the Stellar Directors to vote in favour of the Scheme at the Court Meeting and the resolution to be proposed at the General Meeting, in respect of their entire beneficial holdings amounting to, in aggregate, 5,604,920 Stellar Shares, representing approximately 9.04 per cent. of the issued ordinary share capital of Stellar as at the Latest Practicable Date.

NWF has also received Irrevocable Undertakings to vote in favour of the Scheme at the Court Meeting and the resolution to be proposed at the General Meeting from Rowan Carr (Stellar's Chief Operating Officer), Deutsche Balaton and Creditforce, in respect of, in aggregate, 12,870,708 Stellar Shares representing approximately 20.76 per cent. of the issued ordinary share capital of Stellar as at the Latest Practicable Date.

NWF has therefore received Irrevocable Undertakings in respect of a total of 18,475,628 Stellar Shares representing, in aggregate, approximately 29.80 per cent. of the issued ordinary share capital of Stellar as at the Latest Practicable Date. These Irrevocable Undertakings include minor changes to the undertakings given in and replace the previous irrevocable undertakings announced on 1 February 2018.

The Irrevocable Undertakings cease to be binding if, amongst other things, the Stellar Directors withdraw their recommendation of the Combination. Further details of the Irrevocable Undertakings are set out in Appendix III to this Announcement.

## **7) Information on the Stellar Group**

Stellar is a public limited company incorporated in England and Wales. The Stellar Shares are admitted to trading on the AIM market of the London Stock Exchange (code: STEL). Stellar has a market capitalisation of approximately £3.05 million based upon the Stellar Closing Price of 4.925 pence for a Stellar Share on the AIM market on the Latest Practicable Date.

Stellar is a diamond development and exploration company focused on West Africa. Following the sale of Stellar's Guinea projects in December 2017, Stellar's projects are located within the major diamond producing areas of Sierra Leone and Liberia. Stellar's Tongo Project emerged as the Group's flagship asset following advanced evaluation and trial mining and a positive preliminary economic assessment in 2015 which demonstrated the potential viability of the Tongo Project. Stellar also has a 90 per cent. interest in the Kumgbo project in Liberia, which is being held on a care and maintenance basis whilst Stellar considers its options including the possibility of seeking a joint



venture partner. Assets held at the former Kono project in Sierra Leone will be re-located to the Tongo Project.

The Tongo Project covers an area of 9.98 km<sup>2</sup> and was formerly held under an exploration license EL48/2012. Stellar applied for a large scale mining licence and this has been approved subject to the payment of the mining licence fee. Stellar has also secured an environmental licence over the Tongo Project.

In August 2016, Stellar announced its intention to combine Stellar's Tongo kimberlite diamond Project with Ocea's adjacent kimberlite diamond project, Tonguma, and to bring both assets into production under the same production infrastructure resulting in the PEA and CPR being produced on the Tongo-Tonguma Project in 2016. The Stellar Directors believe the greater scale of the Tongo-Tonguma Mine in comparison to Tongo as a stand-alone project combined with only an estimated 30 per cent. incremental estimated cost in capex for mining both Projects compared to just Tongo, made the proposed Tongo-Tonguma mine a more attractive investment proposition that would enable Stellar to more readily attract funding for the mine capital costs.

It was initially intended that Stellar would acquire Tonguma, however, in April 2017, Stellar entered into the conditional Tribute Mining Agreements, pursuant to which Stellar would simultaneously mine both its wholly owned Tongo Project and, as sub-contractor of Ocea, the adjacent Tonguma Project, with Stellar being the operator of the combined mine. Completion of the Tribute Mining Agreement has now taken place as announced on 1 March 2018.

Further details of the Tongo Project and the Tonguma Project (including inferred resource statements, exploration history, estimated capex costs and mine plan (subject to adjustments arising from the FEED)) are available on Stellar's website at [www.stellar-diamonds.com](http://www.stellar-diamonds.com). Details of the Tribute Mining Agreements (including economic terms) are set out in the following Stellar announcements, which are also available to view on Stellar's website at [www.stellar-diamonds.com](http://www.stellar-diamonds.com):

<i>Document</i>	<i>Location</i>
Tribute Mining Agreements	Stellar announcement entitled "Tongo-Tonguma Update" announced on 20 February 2017
	Stellar announcement entitled "Tribute Mining Agreement Signed over Tongo-Tonguma" announced on 28 April 2017
	Stellar announcement entitled "Completion of Tribute Mining Agreement over Tongo-Tonguma, Sierra Leone" announced on 1 March 2018

### ***Tonguma Project overview***

The Tonguma Project has a 25 year mining licence covering a much larger area (compared to the Tongo Project) of 124 square kilometres. Further details of the Tonguma project, including inferred resources and exploration targets, are set out in the CPR referenced above.

### ***Tongo-Tonguma Project***

Both the Tongo and Tonguma licences have been extensively explored through a combined exploration spend of US\$43 million, including some 66,000m of drilling, and initial underground production sites have been identified. Resource work carried out by Stellar, Ocea and their independent consultants confirmed substantial high grade resources in three kimberlite dyke deposits across the Tongo-Tonguma Projects to inferred confidence levels as reported in the PEA completed by PPM/SRK (details of which were announced by Stellar on 5 October 2016). The PEA suggests compelling economic potential for developing the mine from three separate underground declines at the combined Tongo-Tonguma Project as further detailed in the CPR.

The CPR reported that only three kimberlites dykes of a total of 11 on the Tongo-Tonguma licence area (four at Tongo and seven at Tonguma) had been categorised as resource. A further four dykes have been drilled out at Tonguma resulting in an exploration target being stated in the CPR. Although it cannot be guaranteed that further exploration will result in exploration targets becoming a mineral resource or result in increased recovery of diamonds, the Stellar Directors consider that the exploration target for Tonguma, as reported in the CPR, demonstrates significant upside to the overall resource base of the Tongo-Tonguma Project.

### ***Tongo-Tonguma Project mine plan***

Details of the estimated capex requirements for the Tongo-Tonguma Project (excluding any of Tonguma's "exploration target" carats which may be brought into a future resource estimation) are included in the PEA and CPR.

PPM have been appointed by Stellar to prepare the FEED study which will refine all elements of Stellar's Mine Plan as determined in the PEA to higher levels of confidence in order to reduce the project delivery risk and refine project costs. With over 66,000m of drilling in aggregate completed at the Tongo-Tonguma Project to date, approximately 9,000m of additional core drilling will be undertaken at 50m intervals to better define the near-surface geology of the Tongo-Tonguma kimberlites in resource with particular reference to siting of the decline portals, the declines and the development drives for the first two levels of mining to a depth of 75m below surface. Furthermore, the drilling is expected to provide the necessary geotechnical and hydrogeological information for the initial years of mining.

The FEED will also define the final capital expenditure definitive estimate and the operating cost budgets. In addition, the Project execution plan will also be developed. A refined financial model including capex costs will also be developed for the Tongo-Tonguma Mine.

Pursuant to the Tribute Mining Agreements, the existing 50tph processing plant at Ocea's Koidu mine has been acquired by Stellar at nominal value and will be relocated to Tonguma and be further upgraded by Stellar to serve as the processing plant for the Tongo-Tonguma mine. The availability of this plant locally rather than having to buy and import from overseas, should save Stellar considerable time and money and facilitate the early production potential of the mine. Once further resource definition work has been completed, Stellar will review the plant capacity and the installed metallurgical unit processes in order to optimise the plant for the life of mine.

### ***Stellar trading update***

On 19 December 2017, Stellar published its audited annual financial report for the year ended 30 June 2017 ("**Stellar 2017 Annual Report**"). In this report Stellar announced that it had cash resources of US\$0.17 million at 30 June 2017 and total current assets (including cash but excluding assets relating to the disposal of the Group's Guinea project which was sold in 2017) of US\$0.21 million and total liabilities (all of which were classed as current liabilities) of US\$4.31 million (which, for the avoidance of doubt, includes the Stellar CLNs). The Stellar Group incurred a loss before taxation of US\$2.25 million in the year ended 30 June 2017 in relation to continuing operations and a total loss of US\$9.18 million including a loss on discontinued operations of US\$6.93 million in relation to a write down of the Stellar Group's Guinea projects. The sale of the Stellar Group's Guinea projects was completed in December 2017. The Stellar Group's focus is the funding of the Tongo-Tonguma project and accordingly during the year ended 30 June 2017 and in the current period subsequent to 30 June 2017, the Stellar Group has not generated cash flows from its operations.

Deloitte, the Stellar Group's auditors, did not qualify their audit opinion in respect of the Stellar accounts for the year ended 30 June 2017, however they drew attention to Note 1.2 to the financial statements concerning the Stellar Group's ability to continue as a going concern, noting that:

"The Group incurred a net loss for the year of \$9,180,288 and, as of that date, the Group's current liabilities exceeded its current assets by \$3,180,687. This condition indicates the existence of a

material uncertainty in respect of the Group's ability to continue as a going concern. The going concern assumption of the Group is dependent on the Group obtaining additional finance to meet its working capital needs for a period of not less than twelve months from the date of approval of the financial statements. The Directors have prepared the financial statements of the Group on the basis that the Group is a going concern. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern. Our opinion is not modified in respect of this matter."

Since 30 June 2017:

- Stellar completed the sale of its Guinea projects for a total transaction price of US\$1.25 million;
- an Environmental Licence was issued by the Government of Sierra Leone in respect of the Tongo Project;
- the Stellar Group entered into the CLN US\$1.34m (repaying a previous convertible loan note for US\$1.24m) and raised a further US\$0.8m through an equity placing and open offer;
- The Stellar Group received the Loan of US\$3.0 million from NWF;
- The Stellar Group received an unsecured loan of US\$109,500 from Rowan Carr;
- the FEED programme commenced on 20 February 2018 with a site visit by consultants PPM and SRK Consulting;
- Stellar announced completion of the Tribute Mining Agreements on 1 March 2018.

On 5 March 2018, Stellar published its unaudited interim results for the six months ended 31 December 2017, stating that Stellar had cash resources of US\$52,824 at 31 December 2017 and total current assets of US\$84,128 and total liabilities (all of which were classed as current liabilities) of US\$4.45 million (which, for the avoidance of doubt, includes the Stellar CLNs). The Stellar Group incurred a loss before taxation of US\$938,123 in the six months ended 31 December 2017.

Note 1.2 to the interim accounts noted that:

"The going concern of the Group is dependent on obtaining additional finance in order to meet its working capital needs for a period of not less than twelve months from the date of approval of the financial statements and to continue to fund development of exploration projects. This indicates the existence of material uncertainties which may cast significant doubt on the ability of the Company and the Group to continue as a going concern, and hence may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Company announced on the 1 February 2018 a possible all share offer by a scheme of arrangement for Stellar by Newfield Resources, which, if successful, would result in Stellar shares being exchanged for Newfield shares. As part of this transaction Newfield is undertaking a series of placements and rights issue to raise a cumulative A\$40 million, most of which would be used to develop the Tongo-Tonguma project in Sierra Leone. Subject to the scheme of arrangement proceeding and completion of the fundraises by Newfield, existing Stellar shareholders and holders of rights over Stellar shares would hold a combined 16.37 per cent. of the enlarged Newfield Resources.

However, should the scheme of arrangement not be successful, the Directors believe that, since the tribute mining agreement with Ocea was closed on 28 February 2018, the Company will have the ability to access sufficient levels of finance to fund the capital expenditure requirements at Tongo-Tonguma, and to meet essential administrative expenses for the foreseeable future. However there is no guarantee that Stellar will be able to find either the short term funding or longer term debt and equity funding necessary to continue operating and to bring the Tongo-Tonguma Project into production. The financial statements do not include any adjustment to the carrying amount or classification of assets and liabilities that would occur if the Company was unable to continue as a going concern."

Stellar Shareholders are referred to the full text of the Stellar reports and financial statements for the year ended 30 June 2017 and the six months ended 31 December 2017, copies of which can be found on Stellar's website at [www.stellar-diamonds.com/wp-content/uploads/2017/12/Stellar-June-](http://www.stellar-diamonds.com/wp-content/uploads/2017/12/Stellar-June-)

2017-Financials.pdf and [http://stellar-diamonds.com/wp-content/uploads/2018/03/Stellar\\_Diamonds\\_2017\\_Interims.pdf](http://stellar-diamonds.com/wp-content/uploads/2018/03/Stellar_Diamonds_2017_Interims.pdf).

For further details in relation to the Tongo-Tonguma Project, Stellar Shareholders should also refer to the CPR report produced on the Tongo-Tonguma Project (amongst other assets in Guinea which have subsequently been sold) which is also available on Stellar's website ([www.stellar-diamonds.com/wp-content/uploads/2016/10/CPR\\_STELLAR\\_2016.pdf](http://www.stellar-diamonds.com/wp-content/uploads/2016/10/CPR_STELLAR_2016.pdf)) and Stellar's announcement entitled "Tribute Mining Agreement Signed over Tongo-Tonguma", dated 28 April 2017, which describes the terms and conditions of the Tribute Mining Agreements and potential economics of the Tongo-Tonguma Project.

## **8) Information on the NWF Group**

NWF is an Australian exploration company, listed on the ASX market, with a diamond exploration project in Sierra Leone, comprising four exploration licences covering approximately 726km<sup>2</sup>, and several gold projects in Western Australia.

NWF was founded in September 2011 focused on two gold projects in Western Australia, the Newfield project and the Crest Yard project, and its shares were admitted to trading on ASX in July 2012. NWF has retained its interest in the Western Australian projects, but its focus turned to the Allotropes Diamond Project in the Southern Bo District in Sierra Leone, which it acquired in March 2014. NWF has raised over A\$46 million since it was founded in September 2011.

### *Western Australian Projects*

The Newfield project comprises two granted mining leases. The project is centred approximately 60km NNW of Bullfinch, in the Yilgarn Mineral Field and 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.

A review of the existing datasets has identified several high priority gold targets, which include near surface targets within the strike extensions of the Newfield Central Fault Zone and the down-dip extensions of the Newfield Central Main Lode.

The Crest Yard gold project, covers 987 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 programme 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). NWF continues to review and interpret the results of the previously completed aircore drilling programs with a view to refining targets for deeper drill testing in the future.

### *Sierra Leone Project*

In March 2014, NWF acquired the Allotropes Diamond Project in the Southern Bo District in Sierra Leone, which is about 100 kilometres south west of Stellar's Tongo licence. Subsequently, NWF

expanded its tenement holding to over 1,000 km<sup>2</sup>. Following systematic exploration for both primary and secondary diamond resources, it has recently reduced this to a total of 726 km<sup>2</sup> of tenement holdings within the Bo, Bonthe, Moyamba, Pujehun and Kenema Districts in the Southern Province of Sierra Leone.

Exploration involves terrestrial alluvial, river dredge, and primary kimberlite activities.

#### Terrestrial Alluvial Exploration

The objective of this work is to identify economic alluvial terrace deposits associated with the Sewa River and its tributaries. The methodology involves mapping to identify virgin terraces, ground penetrating radar surveys (GPR), and auger drilling to delineate bedrock depressions and gravel accumulations. Trial mining of the Golu terrace deposit in 2015 and 2016 produced nearly 3,000 ct of diamonds and provided a detailed geological model of these kinds of deposit. In the year to 30 June 2017, a Maiden JORC-compliant Diamond Resource statement was completed for the Gboyeiya Alluvial Project, which lies within EL 15/2012 on the Sewa River south-bank. The average diamond size is significantly larger (0.66 carats per stone) than that recovered from trial-mining at the Golu small-scale mining licence (0.33 carats per stone), and the average diamond value is conservatively estimated at US\$ 270 per carat.

Bulk sampling of higher level terraces identified along the Sewa River has shown that grades are low and these deposits are generally sub-economic, despite reduced overburden thicknesses. Consequently, all current exploration is focused on low terrace/river flat deposits.

Similarly, the overburden thickness has been shown to increase in a downstream direction, and only terrace deposits in the upper reaches of the Sewa River within the existing licences are being targeted.

#### Sewa River Dredging

Following trials in 2016 with rented equipment, NWF deployed new technology on the Sewa River during 2017 with the introduction of four (4) new owner-built and operated suction dredge units where encouraging screened-grades were reported from localised trap-sites. For example, the average recovered stone size at Gbinima (EL15/2012) was 0.96 cts/stn, and a total of nearly 700 ct have been recovered to date, at an average value of over US\$ 400/ct. The objective of this work is to identify deep 'pot-hole' depressions which were inaccessible to previous workers, and which have the potential to contain several thousands of carats.

Targeting of such depressions is difficult, but is aided by GPR data procured by a previous operator (Sierra Leone Diamond Company; SLDC) as well as current bathymetry and new GPR data produced by NWF.

The Company has two Dense Media Separation (DMS) processing plants and Flowsort<sup>tm</sup> X-ray recovery units currently deployed in the north (10 tonne per hour DMS) and south (5 tonne per hour DMS) of the Allotropes project area, to process samples collected from alluvial exploration and dredge sampling.

#### Kimberlite Exploration

NWF flew an airborne magnetic (AM) survey in early 2016, to complement a survey flown by SLDC in 2004, to identify magnetic anomalies associated with kimberlite intrusions. The background geology over most of the licence areas is Archaean shield (granitic and gneissic rocks, with amphibolitic zones and Jurassic-age dolerite intrusions) which is magnetically 'busy'. This makes selection of kimberlite anomalies (expected to occur as narrow dykes) very difficult. Despite this, one previously known kimberlite occurrence lies within the NWF licences (the Lake Popei dykes in EL11/2014) and this occurrence is visible in the aeromagnetic data. A total of over 200 anomalies were selected, and follow-up of these targets commenced in mid-2016. Prioritisation of the large number of targets is being achieved through kimberlitic indicator mineral (KIM) sampling, as well as reference to the distribution of recent and historical artisanal diamond mining. Artisanal diamond mining has produced

several tens of thousands of carats of diamonds in deposits remote from the modern Sewa River and exhibit no expected fluvial signature such as rounded pebbles. The implication of this is that the diamonds may be associated with local primary sources (i.e. kimberlites). These are the diamond focus areas for follow-up work to identify new kimberlite occurrences. This work will be completed within the current licences during 2018.

### *Financial Summary*

NWF incurred a loss of A\$1,399,735 after income tax for the financial year to 30 June 2017, (2016: loss of A\$4,188,563). As at 30 June 2017 the Group had net assets of A\$26,429,792 (2016: A\$25,543,512) including cash and cash equivalents of A\$1,068,249 (2016: A\$8,636,589).

Since admission to ASX in June 2012, NWF has raised A\$42.7m at prices between A\$0.25 and A\$0.80.

Stellar Shareholders are referred to the full text of the NWF 2017 annual results announcement, copies of which can be viewed on NWF's website at [www.newfieldresources.com.au](http://www.newfieldresources.com.au) along with copies of the 2015 and 2016 annual reports.

### ***NWF trading update***

Alongside the exploration activities mentioned above, in November 2017 NWF completed its fourth sale of rough diamonds in Antwerp. A total of 534 carats were recovered from suction-dredging operations conducted in the Sewa River. An average US\$/carat (\$/ct) sale price of \$462 (previous \$340/ct) was realised from an average stone size of 0.86 carats per stone (cts/stn) (previous 0.49 cts/stn).

Stellar Shareholders are referred to the full text of the NWF Quarterly Report to 31 December 2017, copies of which can be viewed on NWF's website at [www.newfieldresources.com.au](http://www.newfieldresources.com.au).

### **9) Management, employees and NWF intentions**

Following completion of the Combination and assuming completion of the NWF Rights Issue, Newfield's intentions are to apply the majority of the proceeds of the NWF Rights Issue to develop the Tongo-Tonguma Project, involving capital expenditure in mine development, plant refurbishment and purchases and mining infrastructure. Where appropriate, it will also conduct exploration on the Tongo-Tonguma licence areas. There is therefore no intention to change the future business of Stellar which has a stated strategy of developing the Tongo-Tonguma Project in Sierra Leone into commercial development subject to obtaining the required funding.

The executive management of Stellar, Karl Smithson (Chief Executive Officer) and Rowan Carr (Chief Operating Officer) are intended to be retained by NWF after completion of the Scheme. Their existing Stellar contracts and obligations will be observed. Karl Smithson will also be nominated as an executive director of NWF. Each of the non-executive Directors of Stellar, being Peter Daresbury, Steven Poulton and Hansjorg Plaggemars has confirmed that he intends to resign from the Stellar Board (and any Stellar subsidiary board positions) conditional upon and with effect from, the Scheme becoming Effective. Each of the non-executive Directors will receive any accrued director fees, payment for notice periods and expenses due under their respective letters of appointment, in each case in compensation for loss of office and in full and final settlement of all and any claims they may have against the Stellar Group in respect of their holding office. It is expected that Peter Daresbury will enter into a consultancy agreement with NWF for a period of up to 6 months after the Effective Date.

Stellar employs two other expatriates, Graham Radburnd (Tongo Project manager) and Edwin Castillo (Plant/metallurgical manager) and these will be both be retained on the Tongo-Tonguma Project. Stellar's Sierra Leonean staff will be retained and managed according to the local labour law.

Subject to completion of the Combination and the NWF Rights Issue, additional expatriate and local employees will be recruited for the Tongo-Tonguma Project development, mostly once the FEED programme has been completed as this will dictate the revised mine plan and hence manpower requirement. Key positions will be mining manager, security manager, administration manager, human resources manager, HSEC manager and an experienced Chief Financial Officer for the Combined Group.

Newfield's intentions in relation to deployment of the fixed assets of Stellar are aligned with its intentions to develop the Tongo-Tonguma Project set out above. All of Stellar's fixed assets are based in Sierra Leone and therefore there is no redeployment of these after completion of the Combination, other than the Stellar assets held at the former Kono project in Sierra Leone which will be re-located to the Tongo Project. Similarly, NWF will continue with Stellar's current policy in respect of the Kungbo Project in Liberia.

As Newfield will become the sole shareholder of Stellar, it is expected that Stellar will cancel the admission of the Stellar Shares to trading on AIM upon the Scheme becoming Effective. As a wholly owned subsidiary of Newfield, Stellar's reporting line will be to the Western Australian office of Newfield. In the short term, it is expected that NWF will maintain Stellar's registered office in London. However since Stellar will have no assets or staff in London following the Combination, NWF may consider it reasonable to re-organise the NWF Group and the Stellar Group to streamline reporting lines which could lead to Stellar Diamonds Plc being de-registered.

In summary, save as stated above, the NWF Directors do not expect there will be any changes materially impacting the number of employees within the Stellar Group or their conditions of employment (including their entitlement to pensions contributions), the locations of Stellar's existing and future places of business or Stellar's fixed assets.

#### ***Intentions regarding NWF's existing business and ASX listing***

NWF intends to continue its exploration activities on both its Western Australian gold projects and its diamond projects (Allotropes Diamond) in Sierra Leone.

Save as set out above in respect of recruiting a mining manager, security manager, administration manager, human resources manager, HSEC manager and an experienced Chief Financial Officer for the Combined Group, the Combination is not expected to have any impact on the employees, management, places of business and the headquarters of NWF.

NWF will remain listed on the ASX and, subject to completion of the Scheme, application will be made for trading of the New NWF Shares on the ASX alongside application to trading of the NWF Rights Issue Shares and NWF Shares arising from the NWF Conditional Placement.

#### **10) Structure of the Combination**

It is intended that the Combination will be effected by means of a Court approved scheme of arrangement between Stellar and Stellar Shareholders under Part 26 of the Companies Act.

The purpose of the Scheme is to provide for NWF to become the holder of the entire issued and to be issued ordinary share capital of Stellar. This is to be achieved by the transfer of the Stellar Shares to NWF, in consideration for which the Stellar Shareholders and persons with rights over Stellar Shares, including Stellar Option and Warrant Holders, will receive consideration, in the form of New NWF Shares on the basis set out in paragraph 2 above.

In order to become effective, the Scheme requires:

- i. its approval by a majority in number of the Scheme Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting, representing 75 per cent. or more in value of the Stellar Shares voted by those Stellar Shareholders at that meeting;
- ii. the resolution required to implement certain matters in connection with the Scheme (including:
  - (i) amendments to Stellar's articles of association to ensure that any Stellar Shares issued

between approval of the Scheme at the Court Meeting and the Scheme Record Time will be subject to the Scheme and that any Stellar Shares issued after the Scheme Record Time will automatically be acquired by NWF; (ii) the approval of the cancellation of trading on AIM of Stellar Shares in accordance with the AIM Rules; and (iii) the approval of the re-registration of Stellar as a private limited company and related change of name of Stellar Diamonds plc, each conditional on the Scheme becoming Effective) being duly passed by Stellar Shareholders representing 75 per cent. or more of votes cast at the General Meeting; and

- iii. the approval of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Stellar and NWF) and the delivery of a copy of the Court Order to the Registrar of Companies.

## **11) Conditions and further terms of the Combination**

The Scheme is subject to the Conditions and certain further terms set out in Appendix I to this Announcement and which will be set out in the Scheme Document.

Subject to satisfaction (or, where applicable, waiver) of the Conditions, the Scheme is expected to become Effective by 26 April 2018.

**Stellar Shareholders should note that completion of the Scheme is not conditional on completion of the underwritten NWF Rights Issue and are therefore encouraged to note the basis of the Stellar Board recommendation set out in paragraph 4 above and the terms of the NWF Rights Issue as described in paragraph 17 below. If the Stellar Directors withdraw their recommendation of the Combination, the Chairman of the Court Meeting intends to use his discretion to adjourn the Court Meeting indefinitely.**

The Combination will lapse if:

- (i) the approvals of the requisite majorities of Stellar Shareholders at the Court Meeting and the General Meeting are not obtained on or before the 22<sup>nd</sup> day after the expected date of such meeting as set out in the Scheme Circular (or, in each case, such later date as may be agreed between NWF and Stellar and, in the case of the Court Meeting, the Court may allow);
- (ii) the Scheme is not sanctioned by the Court by the 22<sup>nd</sup> day after the expected date of such hearing as set out in the Scheme Circular (or such later date as may be agreed between NWF and Stellar); or
- (iii) the Scheme does not become Effective by the Long Stop Date,

provided however that the deadlines for the timing of the Court Meeting, the General Meeting and the Court hearing to approve the Scheme as set out above may be waived by NWF and the deadline for the Scheme to become effective may be extended by agreement between Stellar and NWF (with the consent of the Panel).

If the Scheme is not Effective by the Long Stop Date (or such later date as may be agreed between NWF and Stellar, with the consent of the Takeover Panel, and (if required) the Court may allow) the Scheme will not be implemented and the Combination will not proceed.

Upon the Scheme becoming Effective, it will be binding on all Stellar Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

Further details of the Scheme, including an indicative timetable for its implementation, will be set out in the Scheme Circular. It is expected that the Scheme Circular and the Forms of Proxy accompanying the Scheme Circular will be published as soon as practicable and, in any event, (save with the consent of the Panel) within 28 days of this Announcement. The Scheme Circular and Forms of Proxy will be made available to all Stellar Shareholders at no charge to them.



## **12) Stellar Option and Warrant Holders, Deutsche Balaton and CLN Holders**

Appropriate NWF Share offers are being made to Stellar Option and Warrant Holders (“**Option and Warrant Offers**”). Under the terms of the Option and Warrant Offers, Stellar Option and Warrant Holders will be offered NWF Shares equivalent in value, at the Theoretical Ex-rights Price and the Possible Offer Exchange Rate, to the net value of their Options or Warrants, being the difference between the Theoretical Ex-rights Price Offer Value and the exercise cost of the relevant Options or Warrants multiplied by the number of Stellar Options or Warrants held. Cairn Financial Advisers LLP, independent adviser to Stellar for the purpose of Rule 3 of the Code, considers that the appropriate NWF Share offer being made to those members of Stellar’s management who hold Stellar Options are fair and reasonable.

The Stellar Option and Warrant Holders (apart from those, excluding Rowan Carr, who are not Stellar Directors and Peterhouse Corporate Finance Limited) have all agreed not to exercise their Options and/or Warrants prior to the Scheme becoming Effective, lapsing or being withdrawn, unless the Stellar Board withdraws its recommendation of the Combination or their Irrevocable Undertaking otherwise terminates.

An appropriate NWF Share offer is being made to Deutsche Balaton as the holder of the DB Share Rights based on the Scheme Ratio (“**DB Share Rights Offer**”). Deutsche Balaton has agreed not to exercise its DB Share Rights prior to the Scheme becoming Effective, lapsing or being withdrawn, unless the Stellar Board withdraws its recommendation of the Combination or their Irrevocable Undertaking otherwise terminates.

An appropriate offer is also being made to CLN Holders to repay in full the Stellar CLNs following the Scheme becoming Effective. The CLN Holders have agreed not to convert their CLNs prior to the Scheme becoming Effective, lapsing or being withdrawn, unless the Stellar Board withdraws its recommendation of the Combination or their Irrevocable Undertaking otherwise terminates.

## **13) De-listing and re-registration**

Application will be made to AIM for the cancellation of the admission of the Stellar Shares to trading on AIM, shortly after the Scheme becoming Effective. When the Scheme becomes Effective, the share certificates in respect of Stellar Shares will cease to be valid and entitlements to Stellar Shares held in CREST will be cancelled.

Upon completion of the Combination, NWF Shares will continue to be listed on the ASX. The Combined Group will retain the name Newfield Resources Limited.

## **14) New NWF Shares and Lock-in arrangements**

Once the Scheme has become Effective, the New NWF Shares will be allotted to Scheme Shareholders.

NWF Shares are quoted on the ASX under the symbol "NWF". An application will be made for the New NWF Shares (and the NWF Rights Issue Shares and NWF Conditional Placement Shares) to be quoted on the ASX. The New NWF Shares will be subject to the provisions of Australian securities laws, and the Australian Corporations Act (amongst other Australian legislation).

The New NWF Shares to be issued under pursuant to the Combination will be issued free from all liens, charges, encumbrances and other third party rights and/or interests of any nature whatsoever credited as fully paid and will rank pari passu with all other NWF Shares, including the right to receive in full all dividends and other distributions, if any, declared, made or paid after the date hereof.

Being Australian securities, the NWF Shares are not capable of being registered, transferred or settled directly through CREST, the UK electronic settlement system.

It is the intention that the New NWF Shares will be held in an issuer sponsored account. Stellar Shareholders who wish to trade their New NWF Shares will need to arrange with a broker to have

those shares transferred to a CHESS account. If Stellar Shareholders cannot identify a broker in the UK who can trade NWF Shares, then NWF and its share registry will assist Stellar Shareholders who wish to trade their New NWF Shares by referring them to stockbrokers in Australia. Stellar Shareholders who would like NWF's assistance in this matter should contact the Company Secretary, Kim Hogg, at kim.hogg@anthonyho.com.au. However, Stellar Shareholders should note that NWF will only be effecting an introduction and that the Stellar Shareholder will need to make their own arrangement with such stockbrokers in relation to broking facilities and the costs of transactions.

Stellar Shareholders should also note that the ASX defines a 'marketable parcel of shares' as being a parcel of shares with a value of at least A\$500. Parcels of shares with a value of less than A\$500 are deemed to be uneconomic to trade due to the impact of transaction fees ("Less than Marketable Parcel"). Under ASX rules, companies on the ASX can provide a facility to their shareholders whereby holdings of less than A\$500 are aggregated and sold in the market with the cash returned to participating shareholders (the "Facility").

In the 3 months following completion of the Combination, Newfield intends to provide this Facility to holders of a Less than Marketable Parcel of NWF Shares. This Facility will enable holders of Less than Marketable Parcels to sell their shares without incurring any costs that could otherwise make a sale of their shares uneconomic. Holders of Less than Marketable Parcels will be provided with at least six weeks' notice of the Facility and will have the right to elect to retain their Less than Marketable Parcels should they so wish.

### **Lock-in arrangements**

Certain of the parties who have provided irrevocable undertakings (including the Stellar Directors, Rowan Carr, Deutsche Balaton and Creditforce (together the "Locked-in Parties")) have entered into voluntary Lock-in agreements with NWF in respect of New NWF Shares to be issued to these parties subject to the Scheme becoming Effective. Pursuant to the terms of these agreements, the parties have agreed, *inter alia*, not to dispose of the New NWF Shares held for a period of six months subject to customary exemptions. Subject to the Scheme becoming Effective, and the Option and Warrant Offers and the DB Share Rights Offer being accepted, it is expected that the Locked-in Parties would hold, in aggregate 61,545,885.00 New NWF Shares, representing, in aggregate, approximately 10.6 per cent. of the issued ordinary share of NWF following completion of the Combination and the NWF Financings.

### **15) Fractional entitlements**

Fractions of the New NWF Shares will not be allotted or issued pursuant to the Combination, but entitlements of Scheme Shareholders and holders of rights over Stellar Shares who accept the relevant offer will be rounded down to the nearest whole number of New NWF Shares.

### **16) NWF Financings**

NWF has announced the NWF Conditional Placing to raise A\$3 million through the issue of 15,000,000 new ordinary shares in NWF at A\$0.20 per share subject to the necessary NWF shareholder approvals (the NWF Share Authority) being obtained at the NWF GM. It has also today published a prospectus for an underwritten rights issue to raise approximately A\$30 million through the issue of the NWF Rights Issue Shares at a price of A\$0.15 per NWF Share ("**NWF Rights Issue**"). Completion of the NWF Rights Issue is conditional on, *inter alia*, completion on the Scheme. Further terms of the NWF Rights Issue and underwriting agreements are described in paragraph 17 below.

In addition to the Loan already made to Stellar and subject to completion of the Scheme, the NWF Rights Issue and the NWF Conditional Placement, NWF intends that the majority of the net proceeds of the NWF Placement (which was completed on 8 February 2018), NWF Conditional Placement and NWF Rights Issue will, be used:

- i. to develop the high-grade and high value Tongo-Tonguma project in Sierra Leone into production, in accordance with the Mine Plan developed by Stellar (including any revised plan

arising from the FEED results) and pursuant to the terms of the Tribute Mining Agreements entered into by Stellar with Octea, further details of which were announced by Stellar on 28 April 2017;

- ii. to repay the Stellar CLNs and accrued interest of approximately US\$3.2 million in aggregate and other creditors; and
- iii. to provide general working capital to the enlarged NWF Group.

Funds from the NWF Placement and NWF Conditional Placing will also be used for the advancement of Newfield's existing projects, namely, continued exploration work on its Allotropes Diamond Project in Sierra Leone and its gold projects in Kalgoorlie, Western Australia.

The following table sets out the anticipated capital structure of NWF upon completion of the NWF Conditional Placement, the NWF Rights Issue and issue of New NWF Shares (assuming no other NWF Shares are issued for any reason, including on exercise of existing options):

	<b>NWF Shares</b>	<b>Options NWF Shares</b>
Existing Securities	270,583,335	6,000,000 <sup>i</sup>
NWF Rights Issue Shares	200,231,668 <sup>ii</sup>	-
NWF Conditional Placement Shares	15,000,000 <sup>ii</sup>	-
NWF Rights Issue Options	-	50,000,000 <sup>iii</sup>
New NWF Shares	95,100,000 <sup>iv</sup>	-
<b>TOTAL</b>	<b>580,915,003</b>	<b>56,000,000</b>

<sup>i</sup> Exercisable at A\$0.30 each on or before 30 December 2020.

<sup>ii</sup> Subject to rounding.

<sup>iii</sup> To be issued subject to the receipt of NWF shareholder approval being obtained at the NWF GM (the NWF Share Authority).

<sup>iv</sup> To be issued subject to the receipt of NWF shareholder approval being obtained at the NWF GM. Such Options will be exercisable at A\$0.30 each on or before 31 March 2021.

<sup>v</sup> Rounded to the nearest 0.1 million NWF Shares. This assumes that the Option and Warrant Offer and the DB Share Offer is accepted in full and that no other Stellar Shares are issued prior to the Scheme becoming effective.

## **17) Terms and conditions of the NWF Rights Issue and underwriting**

The NWF Rights Issue, which was announced earlier today in accordance with the timetable in Appendix IV is conditional on, *inter alia*, the completion of the Scheme, and the admission of the NWF Rights Issue Shares to trading on the ASX.

### *Underwriting*

NWF Rights Issue Underwriter, Townshend Capital Pty Ltd, has agreed to underwrite the Rights Issue pursuant to the terms of the Underwriting Agreement.

NWF agreed to pay the Underwriter an underwriting fee of \$200,000, which, subject to the receipt of NWF Shareholder approval, is to be settled by the issue of the NWF Rights Issue Options to the Underwriter or its nominees. If the required resolution is not passed, NWF will pay the \$200,000 underwriting fee to the Underwriter in accordance with the terms of the Underwriting Agreement.

NWF has also agreed to pay the Underwriter's costs and expenses of and incidental to the Rights Issue. The Underwriting Agreement also contains a number of indemnities, representations and warranties from NWF to the Underwriter that are considered standard for an agreement of this type.

The Underwriter may terminate the Underwriting Agreement by the provision of written notice to NWF in any of the following circumstances:

- (a) the Offer or the Scheme is withdrawn or modified by NWF or Stellar without the prior written consent of the Underwriter (except to the extent that such withdrawal or modification is required by the Panel and does not affect the material commercial terms of the Offer);
- (b) a material adverse change occurs;
- (c) an event of insolvency occurs in respect of a member of the NWF Group or any member of the Stellar Group which has or is reasonably likely to have a significant adverse effect on the outcome of the Rights Issue in so far as it relates to the assets, liabilities, financial position, performance, profitability or prospects of the NWF Group as a whole or the Stellar Group as a whole;
- (d) any NWF disclosure materials given to the Underwriter by NWF after the date of the Underwriting Agreement and before completion discloses a matter which would cause any NWF warranty to cease to be true and correct in all material respects and such matter has or ought reasonably to have a significant adverse effect on the outcome of the Rights Issue in so far as it relates to the assets, liabilities, financial position, performance, profitability or prospects of the NWF Group as a whole or the Stellar Group as a whole; or
- (e) any NWF warranty ceases to be true and correct in all material respects and the breach of such NWF warranty has or ought reasonably to have a significant adverse effect on the outcome of the Rights Issue in so far as it relates to the assets, liabilities, financial position, performance, profitability or prospects of the NWF Group as a whole or the Stellar Group as a whole.

Townshend Capital Pty Ltd ([www.townshendcapital.com.au](http://www.townshendcapital.com.au)) is a boutique investment management Australian Financial Services licensee pursuant to section 913B of the Corporations Act 2001, licence number 219326) that provides corporate advice and deal services to wholesale clients, as well as ASX-listed entities. NWF has worked with Townshend Capital Pty Ltd on a number of successful transactions, including its initial public offering in June 2012 (\$4.5 million), its private placement in October 2015 (\$10 million), and the underwriting of NWF options in May 2016 (\$8.7 million) and June 2017 (\$3.0 million).

#### *Sub-underwriting*

The Underwriter is entitled to enter into sub-underwriting arrangements. NWF is aware that the Underwriter has entered into a sub-underwriting agreement with the Lead Sub-Underwriter, an existing substantial holder of NWF. NWF is not a party to this sub-underwriting agreement.

Pursuant to this sub-underwriting agreement, the Lead Sub-Underwriter has agreed to subscribe for an aggregate maximum of A\$15 million worth of NWF Shares under the Rights Issue (that is, by taking up its entitlement as an Eligible Shareholder and sub-underwriting for the balance).

Any shortfall for which the Underwriter is required to subscribe will first be allocated to the Lead Sub-Underwriter, up to the maximum described above.

The Lead Sub-Underwriter is NWF's largest shareholder. As at the date of this Announcement, the Lead Sub-Underwriter holds a relevant interest in 51,793,028 Shares, constituting a voting power of 19.14% in NWF.

It is intended that the Lead Sub-Underwriter will be allocated 25,000,000 of the NWF Rights Issue Options.

The Lead Sub-Underwriter has informed NWF that the Lead Sub-Underwriter does not have any associates who hold a relevant interest in any Securities.

Any shortfall NWF Shares will be allocated firstly to the eligible NWF Shareholders who apply for shortfall NWF Shares, then pursuant to the Underwriting Agreement.

In the unlikely event that no other NWF Shareholders subscribe for new Shares (either pursuant to the Rights Issue or the shortfall offer) the voting power of the Lead Sub-Underwriter would increase from 19.14% to approximately 26.13%.

NWF notes the following in respect of the Lead Sub-Underwriter arrangements:

- (i) The Stellar Board recommendation of the Offer is based primarily on the assumption that the capital raising under the Rights Issue completes successfully.

Due to the importance of Stellar Board support for the Stellar Offer, the Underwriting Agreement was required to include limited termination events and other conditionality. Such terms were agreed by the Underwriter on the basis of the Lead Sub-Underwriter's commitment.

The Underwriting Agreement is therefore on terms materially more favourable to NWF than market standard, as a result of the Lead Sub-Underwriter's commitment.

- (ii) The Lead Sub-Underwriter will not benefit from the proposed use of funds raised pursuant to the Offer, other than as a holder of NWF Shares and the portion of Underwriting Options received.
- (iii) It is the view of the NWF Directors that NWF Shareholders have been provided with adequate notice of the proposed Rights Issue and therefore will be provided with a reasonable opportunity to accept the Rights Issue (as well as applying for shortfall, should they wish); and
- (iv) Eligible NWF Shareholders have the ability to subscribe for shortfall MWF Shares in excess of their entitlement, in priority to the Lead Sub-Underwriter arrangements.

## **18) Expected timetable**

Further details of the Scheme will be contained in the Scheme Circular. It is expected that the Scheme Circular, containing further information about the Combination and notices of the Court Meeting and General Meeting together with the Forms of Proxy will be published in accordance with the timetable set out in Appendix IV and that, subject to the satisfaction, or where relevant waiver, of all relevant Conditions as set out in Appendix I to this Announcement, the Scheme will become Effective in accordance with the expected timetable of principal events is set out in Appendix IV.

If any of the dates and/or times in the expected timetable in Appendix IV change, the revised dates and/or times will be notified to Stellar Shareholders by announcement through a Regulatory Information Service.

## **19) Documents available on website**

Copies of the following documents are or will shortly be available on NWF's website at [www.newfieldresources.com.au](http://www.newfieldresources.com.au) and Stellar's website at [www.stellar-diamonds.com/potential-offer-newfield](http://www.stellar-diamonds.com/potential-offer-newfield) by no later than 12 noon (London time (GMT)) on the Business Day following the date of this Announcement:

- This Announcement
- The Irrevocable Undertakings described in paragraph 6 and listed in Appendix III
- The Loan Agreement

## APPENDIX I

### CONDITIONS AND FURTHER TERMS OF THE COMBINATION

#### Part 1: Conditions of the Scheme and the Combination

1. The Scheme will be conditional upon the following having occurred prior to the Long Stop Date, or such later date as NWF and Stellar may, with the consent of the Takeover Panel, agree and (if required) the Court may allow:
  - (a) the approval of the Scheme by a majority in number of the Scheme Shareholders on the register of Stellar at the Voting Record Time, entitled to vote and present and voting, either in person or by proxy, at the Court Meeting (or at any adjournment, postponement or reconvention of such meeting) and such Court Meeting being held on or before 19 April 2018 (or such later date as NWF may, subject to the Takeover Code and/or with the consent of the Takeover Panel, agree and (if required) the Court may approve) and the votes cast at such meeting in favour of the Scheme representing 75 per cent. or more of the total votes cast at such meeting;
  - (b) the resolutions as set out in the notice of the General Meeting in the Scheme Document, being duly passed by the requisite majority at the General Meeting (or at any adjournment, postponement or reconvention of that meeting) and not subsequently being revoked and such General Meeting being held on or before 19 April 2018 (or such later date as NWF may, subject to the Takeover Code and/or with the consent of the Takeover Panel, agree and (if required) the Court may approve);
  - (c) the sanction of the Scheme (without modification or, if agreed by NWF, with modification and a copy of the Court Order being delivered to Companies House and, if the Court so orders, the Court Order being registered by Companies House.
2. In addition, the Scheme will also be conditional upon the following Conditions, and, accordingly, the necessary actions to make the Scheme Effective, including the delivery of the copy of the Court Order to Companies House, will not be taken unless such following Conditions (as amended if appropriate) have been satisfied (and continue to be satisfied pending the commencement of the Scheme Court Hearing) or waived prior to the Scheme being sanctioned by the Court:

#### Confirmation of absence of adverse circumstances

- (a) except as Publicly Announced or fairly disclosed in Disclosed Information, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Stellar Group (as defined below) is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject, which in each case as a consequence of the Combination or because of a change in the control or management of Stellar, could or might reasonably be expected to result in (to an extent or in a manner which is material and adverse in the context of the Combination or would have a material and adverse effect on the Wider Stellar Group as a whole):
  - (i) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests or business of any member of the Wider Stellar Group thereunder, or interests or business of any such member in or with any other person, firm, company or body (or any arrangements to which any such member is a party relating to any such interests or business), being or becoming capable of being terminated, modified, amended, relinquished or adversely affected or any other obligation or liability arising or any action being taken or arising thereunder;
  - (ii) any asset owned or used by any member of the Wider Stellar Group, or any interest in such asset, being or falling to be disposed of or charged or ceasing to be available to any member of the Wider Stellar Group or any right arising under which any such asset or interest could be required to be disposed of or charged or cease to be available to any member of the Wider Stellar Group;

- (iii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any member of the Wider Stellar Group or any such mortgage, charge or other security (whenever created, arising or having arisen) becoming enforceable or being capable of being enforced;
- (iv) the value of any member of the Wider Stellar Group or its financial or trading position or prospects being prejudiced or adversely affected;
- (v) any member of the Wider Stellar Group ceasing to be able to carry on business under any name which it at present uses;
- (vi) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Stellar Group;
- (vii) except as agreed by NWF and Stellar, any liability of any member of the Wider Stellar Group to make any severance, termination, bonus or other payment to any of its directors or other officers;
- (viii) any requirement on any member of the Wider Stellar Group to acquire, subscribe, pay up or repay any shares or other securities; or
- (ix) any monies borrowed by or any other indebtedness (actual or contingent) of, or any grant available to any member of the Wider Stellar Group, being or becoming repayable or capable of being declared repayable immediately or prior to its or their stated maturity date or repayment date, or the ability of such member of the Wider Stellar Group to borrow monies or incur any indebtedness becoming or being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Stellar Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, could reasonably be expected to result in any of the events or circumstances as are referred to in subparagraphs (i) to (ix) of this Condition;

#### Other third party clearances

- (b) no government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, antitrust regulator, central bank, court or any other body or person whatsoever in any relevant jurisdiction (each a Third Party) having decided to take, institute, implement, threaten or withdraw any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps, and there not continuing to be outstanding any statute, regulation or order of any Third Party, in each case which would or might reasonably be expected to (to an extent or in a manner which is material and adverse in the context of the Combination):
  - (i) require, prevent or delay the divestiture, or materially alter the terms of any proposed divestiture by any member of the Wider NWF Group (as defined below) or by Stellar or any other member of the Wider Stellar Group of all or any portion of their respective businesses, assets or properties or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own, control or manage any of their respective assets or properties or any part thereof;
  - (ii) require, prevent or delay the divestiture by any member of the Wider NWF Group of any shares or other securities in Stellar;
  - (iii) impose any limitation on, or result in a delay in, the ability of any member of the Wider NWF Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares

or any other securities (or the equivalent) in any member of the Wider Stellar Group or the Wider NWF Group or to exercise voting or management control over any such member;

- (iv) otherwise materially adversely affect any or all of the business, assets, liabilities, financial or trading position, profits, operational performance or prospects of any member of the Wider NWF Group or of any member of the Wider Stellar Group;
- (v) make the Combination or its implementation by NWF or any member of the Wider NWF Group of any shares or other securities in, or control or management of, Stellar void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, prevent, delay, impede or otherwise interfere with the implementation thereof, or require material amendment or impose additional material conditions or obligations with respect thereto, or otherwise challenge, or interfere with the Combination or its implementation by NWF or any member of the Wider NWF Group of any shares or other securities in, or control or management of, Stellar;
- (vi) other than pursuant to the implementation of the Combination, require any member of the Wider NWF Group or the Wider Stellar Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) or interest in any member of the Wider Stellar Group owned by any third party;
- (vii) impose any material limitation on the ability of any member of the Wider NWF Group or the Wider Stellar Group to conduct its business or integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider NWF Group or the Wider Stellar Group;
- (viii) require any member of the Wider Stellar Group to relinquish, terminate or amend in any way any contract to which any member of the Wider Stellar Group is a party; or
- (ix) result in any member of the Wider NWF Group or the Wider Stellar Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Combination of any shares or other securities in, or control or management of, Stellar having expired, lapsed or been terminated;

- (c) all notifications, notices, filings or applications in connection with the Combination or any aspect of the Combination or its financing that are necessary and which are the responsibility of the Stellar Group having been made and all authorisations, orders, grants, consents, clearances, licences, confirmations, permissions and approvals which are necessary (Authorisations), in any jurisdiction, for and in respect of the Combination or any aspect of the Combination or its financing, or the acquisition or proposed acquisition by any member of the Wider NWF Group of any shares or other securities in, or control or management of, Stellar by any member of the Wider NWF Group and which are the responsibility of the Stellar Group having been obtained in terms and in a form reasonably satisfactory to NWF from all appropriate Third Parties and persons or bodies with whom any member of the Wider Stellar Group has entered into contractual arrangements, and all such Authorisations together with all authorisations, orders, grants, consents, clearances, licences, confirmations, permissions and approvals necessary or appropriate for any member of the Wider NWF Group to carry on its business (the Business Authorisations) remaining in full force and effect (where the absence of such Authorisations or Business Authorisations would be material and adverse in the context of the Combination) and all filings necessary for such purpose which are the responsibility of the Stellar Group have been made and there being no notice or intimation of any intention to revoke, suspend, restrict, materially adversely modify or not to renew any of the same at the time at which the Combination becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with by the Stellar Group;



No material transactions, claims or changes in the conduct of the Stellar Group

(d) since 30 June 2017 and except as Publicly Announced or fairly disclosed in Disclosed Information, no member of the Wider Stellar Group having:

- (i) save as between Stellar and wholly-owned subsidiaries of Stellar or for Stellar Shares required to be issued or transferred out of treasury pursuant to the award of Stellar Shares in the ordinary course under the Stellar Share Schemes, issued, agreed to issue, authorised or proposed the issue of additional shares of any class, or of securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or redeemed, purchased or repaid any of its own shares or other securities or reduced or made any other change to any part of its share capital other than pursuant to the implementation of the Combination;
- (ii) other than to another member of the Stellar Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;
- (iii) save for transactions between members of the Stellar Group or pursuant to the Combination, merged with or demerged from any body corporate or acquired or disposed of or transferred, mortgaged, charged or created any security interest over any assets or any right, title or interest in any asset (including shares or loan capital (or the equivalent thereof) in any undertaking or undertakings and further including trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition, disposal, transfer, mortgage, charge or security interest (which, in the case of any transfer, mortgage, charge or security interest, is other than in the ordinary course of business);
- (iv) save for transactions between members of the Stellar Group, made or authorised or proposed or announced an intention to propose any change in its loan capital;
- (v) issued, authorised, proposed the issue of or made any change in or to the terms of any debentures or (save for trade credit incurred in the ordinary course of business or for transactions between members of the Stellar Group) incurred or increased any indebtedness or become or agreed to become subject to any liability (actual or contingent);
- (vi) implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in respect of the Combination or in the ordinary course of business;
- (vii) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could be materially restrictive on the businesses of any member of the Wider Stellar Group or the Wider NWF Group (other than in the ordinary course of business) and which is material in the context of the Wider Stellar Group taken as a whole;
- (viii) other than in respect of a member which is dormant and was solvent at the relevant time, taken any corporate action or had any legal proceedings instituted or threatened against it or petition presented or order made for its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its

assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed;

- (ix) been unable or admitted in writing that it is unable to pay its debts as they fall due or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness;
- (x) waived or compromised any material claim otherwise than in the ordinary course of business;
- (xi) in respect of Stellar and wholly-owned subsidiaries of Stellar, made any material alteration to its memorandum or articles of association or other incorporation documents (in each case, other than an alteration in connection with the Scheme);
- (xii) proposed, agreed to provide or modified the terms of any employee share scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Stellar Group or entered into or changed the terms of any contract with any director or senior executive;
- (xiii) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities;
- (xiv) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Takeover Panel or the approval of Stellar Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code; or
- (xv) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition;

No material adverse change

(e) since 30 June 2017 and save as Publicly Announced or fairly disclosed in Disclosed Information:

- (i) no material adverse change or deterioration having occurred (or circumstances having arisen which would or might be expected to result in any adverse change or deterioration) in the business, assets, liabilities, financial or trading position or profits, operational performance or prospects of any member of the Wider Stellar Group;
- (ii) no agreement or arrangement between any member of the Wider Stellar Group and any other person has been terminated or varied in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Stellar Group taken as a whole;
- (iii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Stellar Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the Wider Stellar Group having been instituted, announced, implemented or threatened by or against or remaining outstanding in respect of any member of the Wider Stellar Group;
- (iv) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened in writing, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider Stellar Group;

- (v) no contingent or other material liability in respect of any member of the Wider Stellar Group having arisen or become apparent or increased that might reasonably be likely to adversely affect any member of the Wider Stellar Group that is material in the context of the Wider Stellar Group taken as a whole;
  - (vi) no amendment or termination of any joint venture or partnership to which any member of the Wider Stellar Group is a party having been agreed or permitted; and
  - (vii) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Stellar Group which is necessary for the proper carrying on of its business, in each case, to an extent or in a manner which is material in the context of the Combination and has had, or would or might reasonably be expected to have, a material and adverse effect on the Wider Stellar Group, taken as a whole;
- (f) except as Publicly Announced or fairly disclosed in Disclosed Information, NWF not having discovered:
- (i) that any financial, business or other information concerning the Wider Stellar Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Stellar Group, is misleading or contains any misrepresentation of fact or omits to state a fact necessary to make that information not misleading;
  - (ii) that any member of the Wider Stellar Group is subject to any liability (actual or contingent) which is not disclosed in Stellar's annual report for the financial year ended 30 June 2017 or the interim report for the six months ended 31 December 2017;
  - (iii) that any member of the Wider Stellar Group, partnership, company or other entity in which any member of the Wider Stellar Group has a significant economic interest and which is not a subsidiary undertaking of Stellar is subject to any liability (contingent or otherwise) which is not disclosed in Stellar's 2017 Annual Report; or
  - (iv) any information which affects the import of any information disclosed in writing at any time by or on behalf of any member of the Wider Stellar Group to any member of the Wider NWF Group or its advisers,

in each case to an extent or in a manner which is material in the context of the Combination or material in the context of the Wider Stellar Group, taken as a whole;

#### Other issues

- (g) except as Publicly Announced or fairly disclosed in Disclosed Information, NWF not having discovered that:
- (i) any past or present member of the Wider Stellar Group has failed to comply with any or all applicable legislation or regulation, of any jurisdiction, with regard to the disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters and which non-compliance would likely give rise to any liability (actual or contingent), or that there has otherwise been any such disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability (actual or contingent) on the part of any member of the Wider Stellar Group which, in each case, is material in the context of the Wider Stellar Group, taken as a whole;
  - (ii) there is, or is likely to be, any liability (actual or contingent) of any past or present member of the Wider Stellar Group to make good, repair, reinstate or clean up any property or any

controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider Stellar Group, under any environmental legislation, regulation, notice, circular or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto which, in each case, is material in the context of the Wider Stellar Group, taken as a whole;

- (iii) there are adequate procedures in place to prevent persons associated with the Wider Stellar Group from engaging in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, as amended or any other applicable anti-corruption legislation and NWF not having discovered a contravention by any past or present member of the Wider Stellar Group or any persons associated with, or performing services on behalf of, the Wider Stellar Group, of such legislation; and
- (iv) any past or present member of the Wider Stellar Group has not complied with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and any laws implementing the same, the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act of 1977; or
- (v) there is, or is likely to be or expected to be, or there has been, any:
  - (a) claim brought against any member of the Wider Stellar Group by a person or class of persons in respect of;
  - (b) circumstances that exist whereby a person or class of persons would be likely to have a claim in respect of; or
  - (c) liability (actual or contingent) of any member of the Wider Stellar Group as a result of or relating to,

any material, chemical, product or process of manufacture or materials now or previously held, used, sold, manufactured, carried out or under development, exploration or research by any past or present member of the Wider Stellar Group where such claim or liability is or could reasonably be expected to be material in the context of the Wider Stellar Group, taken as a whole; and

- (h) any past or present member of the Wider Stellar Group has engaged in any business with or made any investments in, or made any payments to, (a) any government, entity or individual with which US or European Union persons are prohibited from engaging in activities or doing business by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations or the European Union or any of their respective member states.

3. For the purposes of these Conditions:

- (a) A Third Party shall be regarded as having intervened if it has decided or intimated a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or made, proposed or enacted any statute, regulation, decision or order or taken any measures or other steps or required any action to be taken or information to be provided and intervene shall be construed accordingly;
- (b) Publicly Announced means disclosed in (i) Stellar's 2017 Annual Report or its interim report to 31 December 2017, or (ii) publicly announced (by delivery of an announcement to a Regulatory Information Service) by or on behalf of Stellar on or before the date of this Announcement;
- (c) Substantial interest means a direct or indirect interest in 20 per cent. or more of the voting or equity capital or the equivalent of an undertaking;
- (d) Disclosed Information means (i) this Announcement, (ii) information which is Publicly Announced; (iii) the information disclosed in the annual report and accounts of Stellar for the

financial year ended 30 June 2017 and the interim report for the 6 months ended 31 December 2017; and (iv) any information which has been fairly disclosed to NWF on or before the date of this Announcement;

- (e) Wider NWF Group means NWF and its subsidiary undertakings, associated undertakings and any other undertakings in which NWF and such undertakings (aggregating their interests) have a substantial interest, excluding the Stellar Group; and
- (f) Wider Stellar Group means Stellar and its subsidiary undertakings, associated undertakings and any other undertakings in which Stellar and such undertakings (aggregating their interests) have a substantial interest.

## **Part 2. Certain further terms of the Combination**

1. NWF reserves the right, subject to the prior consent of the Panel, to elect to implement the acquisition of the Stellar Shares by way of a takeover offer (as such term is defined in section 974 of the Companies Act). In such event, such Combination will be implemented on the same terms (subject to appropriate amendments as described in this Appendix I), so far as applicable, as those which would apply to the Scheme. Furthermore, if such an offer is made and sufficient acceptances are received, when aggregated with Stellar Shares otherwise acquired by NWF, it is the intention of NWF to apply the provisions of section 979 of the Companies Act to acquire compulsorily any outstanding Stellar Shares to which such offer relates.
2. If NWF is required by the Panel to make an offer for Stellar Shares under the provisions of Rule 9 of the Code, NWF may make such alterations to any of the above conditions as are necessary to comply with the provisions of that Rule.
3. The Scheme and any dispute or claim arising out of, or in connection with it, (whether contractual or non-contractual in nature) will be governed by English law and will be subject to the jurisdiction of the Courts of England. The Combination will comply with the applicable rules and regulations of the London Stock Exchange and the Takeover Code.
4. The terms of the Scheme will provide that the Scheme Shares will be acquired under the Scheme fully paid and free from all liens, charges and encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever and together with all rights attaching thereto, including the right to receive and retain all dividends and other distributions declared, paid or made after the date on which the Scheme becomes Effective. If any dividend or other distribution or return of capital is proposed, declared, made, paid or becomes payable by Stellar in respect of a Scheme Share on or after the date of this Announcement and prior to the Scheme becoming Effective, NWF reserves the right to reduce the number of New NWF Shares to be issued as consideration by up to the amount per Scheme Share of such dividend, distribution or return of capital except where the Scheme Share is or will be acquired pursuant to the Scheme on a basis which entitles NWF to receive the dividend, distribution or return of capital and to retain it. For these purposes a New NWF Share will be valued at A\$0.29 (being the NWF Closing Price on the Latest Practicable Date). If NWF exercises such right to reduce the value of the consideration payable for each Scheme Share by the amount per Scheme Share of any dividend that has not been paid, the Scheme Shareholders shall be entitled to receive and retain such dividend when paid.
5. If any such dividend or distribution is paid or made after the date of this Announcement and NWF exercises its rights described above, any reference in this Announcement to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced. Any exercise by NWF of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.
6. The New NWF Shares to be issued under the Scheme will be issued credited as fully paid and will rank pari passu with all other NWF Shares, including the right to receive in full all dividends and other distributions, if any, declared, made or paid after the date hereof.

7. Fractions of the New NWF Shares will not be allotted or issued pursuant to the Combination, but entitlements of Scheme Shareholders will be rounded down to the nearest whole number of New NWF Shares.
8. Under Rule 13.5 of the Code, NWF may not invoke a condition to the Combination so as to cause the Combination not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to NWF in the context of the Combination. The determination of whether or not such a condition can be invoked would be determined by the Panel.
9. The New NWF Shares to be issued pursuant to the Combination have not been, and will not be, registered under the US Securities Act or under any laws of any state, district or other jurisdiction, of the United States. Accordingly, unless an exemption under relevant securities laws is available, the New NWF Shares are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly, in, into or from the United States or to, or for the account or benefit of, any US Person. The Combination does not constitute an offer of New NWF Shares in the United States. Neither the SEC nor any US state securities commission has approved or disapproved of the New NWF Shares, or determined if this Announcement is accurate or complete. Any representation to the contrary is a criminal offence.
10. Scheme Shareholders who are or will be "affiliates" (as such term is defined in Rule 144 under the Securities Act) of NWF after the Effective Date, will be subject by reason of the US securities laws to certain transfer restrictions relating to New NWF Shares received pursuant to the Scheme. Under US securities laws, a Scheme Shareholder who is deemed to be an affiliate of NWF after completion of the Scheme, may not resell New NWF Shares received pursuant to the Scheme without registration under the Securities Act, except (i) pursuant to the applicable resale provisions of Rule 144 promulgated under the Securities Act, (ii) pursuant to another applicable exemption from the registration requirements of the Securities Act or (iii) in a transaction not subject to such registration requirements.
11. The availability of the consideration pursuant to the Combination to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirement.
12. Each of the Conditions will be regarded as a separate condition and will not be limited by reference to any other Condition.

**APPENDIX II**  
**SOURCES OF INFORMATION AND BASES OF CALCULATION**

1. The value placed by the Combination on the existing issued and to be issued share capital of Stellar is based on the following as at the Latest Practicable Date:

- Issued share capital consisting of 62,007,748 Stellar Shares of 1 pence nominal value each;
- Rights over 111,882,669 Stellar Shares granted as follows:

	<i>Rights over Stellar Shares</i>
Rights held by Stellar Warrant Holders <sup>1</sup>	92,448,272
Rights held by Stellar Option Holders	5,250,000
DB Share Rights over Stellar Shares <sup>2</sup>	14,184,397
<b>Total</b>	<b>111,882,669</b>

<sup>1</sup> The rights held by Stellar Warrant Holders includes CLN Warrants over 92,220,553 Stellar Shares which are associated with the Stellar CLNs. The number of these CLN Warrants has been calculated based on the aggregate exercise price of the CLN Warrants of US\$2.475million and US\$1.340 million with the exercise price being assumed to be, for the purpose of the Combination, 5 pence per share and using an exchange rate of US\$1.41 to £1.00. The CLN Warrant exercise price may vary in accordance with the terms of the Stellar CLNs (which are summarised in Stellar's previous announcements, notably the announcements of 14 August 2017 and 11 September 2017) in the event that the Combination does not proceed. CLN Warrants in respect of 227,719 Stellar Shares are exercisable at a price of 7.125 pence.

<sup>2</sup> Pursuant to an agreement entered into with Stellar on 6 October 2016 (as subsequently amended) whereby Deutsche Balaton conditionally agreed to waive certain of its rights under its Stellar CLN relating to its ability to convert and or exercise its Stellar CLN and CLN Warrants respectively into shares in a subsidiary of Stellar.

2. In addition, the Stellar CLNs of US\$2.99 million have been issued of which US\$1.65 million have a maturity date of 31 March 2018 and US\$1.34 million have a maturity date of 5 June 2018. The CLN US\$1.65 million is currently convertible at 5 pence. The CLN US\$1.34 million is convertible at a price of 70% of the lower of the VWAP of the Company's equity raisings, further details of which are set out in the CLN Announcements. Stellar Shareholders should refer to announcements made by Stellar for further details of the Stellar CLNs and associated CLN Warrants.
3. The Stellar Closing Price on 9 March 2018 is taken from the London Stock Exchange website.
4. The VWAP for Stellar Shares are derived from Proquote.
5. Unless otherwise stated, the financial information relating to Stellar is extracted from the audited consolidated financial statements of Stellar for the financial year ended 30 June 2017, prepared in accordance with IFRS and the unaudited interim financial statements of Stellar for the six months ended 31 December 2017.

The number of Stellar Shares in respect of which Stellar Warrants may become exercisable as a result of the Combination is estimated to be 92,448,272 Stellar Shares based on the assumptions in respect of the CLN Warrants stated above and calculated at an exchange rate of US\$1.41: £1.00, being the exchange rate at the time of the announcement of the Possible Offer.

**APPENDIX III**  
**IRREVOCABLE UNDERTAKINGS**

**Stellar Directors' Irrevocable Undertakings**

<b>Name of Stellar Director</b>	<b>Number of Stellar Shares in respect of which undertaking is given</b>	<b>% of Stellar issued ordinary share capital</b>
Peter Daresbury	2,033,827	3.28%
Karl Smithson	1,526,486	2.46%
Steven Poulton	1,456,745	2.35%
Hansjörg Plaggemars	587,862	0.95%
<b>Total</b>	<b>5,604,920</b>	<b>9.04%</b>

**Other Stellar Shareholders' Irrevocable Undertakings**

<b>Name of Stellar Shareholder</b>	<b>Number of Stellar Shares in respect of which undertaking is given</b>	<b>% of Stellar issued ordinary share capital</b>
Deutsche Balaton	8,547,692	13.78%
Creditforce	3,293,914	5.31%
Rowan Carr	1,029,102	1.66%
<b>Total</b>	<b>12,870,708</b>	<b>20.76%</b>

Each Irrevocable Undertaking outlined above binds the relevant Stellar Shareholder, amongst other things, to vote in favour of the Scheme at the Court Meeting and the resolution to be proposed at the General Meeting, in respect of his or its entire beneficial holding of Stellar Shares.

The Irrevocable Undertakings from Deutsche Balaton, Creditforce and each of the Directors and Rowan Carr will cease to be binding if, among other things:

- i. the Stellar Board does not recommend the Combination;
- ii. the relevant offer or Scheme Circular is not posted to Stellar Shareholders within the permitted period under the Takeover Code or as otherwise agreed with the Panel;
- iii. the Combination does not become effective, is withdrawn or lapses in accordance with its terms;
- iv. the Stellar Directors withdraw their recommendation in support of the Combination.

The Irrevocable Undertakings above remain binding in the event of a higher, or any other, bid or offer for Stellar subject to the Board of Stellar not withdrawing their recommendation.

**Irrevocable Undertakings in relation to conversion and exercise rights of the Stellar Warrant and Options Holders and the holder of the DB Share Rights and the holders of the Stellar CLNs**

Appropriate NWF Share offers are being made to Stellar Option and Warrant Holders. Under the terms of the Option and Warrant Offers, Stellar Option and Warrant Holders will be offered NWF Shares equivalent in value, at the Theoretical Ex-rights Price and the Possible Offer Exchange Rate, to the net value of their Options or Warrants, being the difference between the Theoretical Ex-rights Price Offer Value and the exercise cost of the relevant Options or Warrants multiplied by the number of Stellar Options or Warrants held.



The Stellar Option and Warrant Holders (apart from those, excluding Rowan Carr, who are not Stellar Directors and Peterhouse Corporate Finance Limited) have all agreed not to exercise their Options and/or Warrants prior to the Scheme becoming Effective, lapsing or being withdrawn, unless the Stellar Board withdraws its recommendation of the Combination or their Irrevocable Undertaking otherwise terminates.

An appropriate NWF Share offer is being made to Deutsche Balaton as the holder of the DB Share Rights based on the Scheme Ratio (“**DB Share Rights Offer**”). Deutsche Balaton has agreed not to exercise its DB Share Rights prior to the Scheme becoming Effective, lapsing or being withdrawn, unless the Stellar Board withdraws its recommendation of the Combination or their Irrevocable Undertaking otherwise terminates.

An appropriate offer is also being made to CLN Holders to repay in full the Stellar CLNs following the Scheme becoming Effective. The CLN Holders have agreed not to convert their CLNs prior to the Scheme becoming Effective, lapsing or being withdrawn, unless the Stellar Board withdraws its recommendation of the Combination or their Irrevocable Undertaking otherwise terminates.

Pursuant to the Irrevocable Undertakings, the relevant CLN Holders, Option and Warrant Holders (apart from those, excluding Rowan Carr, who are not Stellar Directors and Peterhouse Corporate Finance Limited) and Deutsche Balaton (in respect of the DB Share Rights) have agreed to accept the relevant appropriate offer made to them under Rule 15 of the Takeover Code on the basis set out in the Announcement, failing which their rights over Stellar Shares will lapse.

Parties with rights over Stellar Shares who have provided Irrevocable Undertakings summarised above are set out below.

Name of Stellar Shareholder who has provided an irrevocable	Number of Stellar Shares over which undertaking is given	Percentage of Stellar issued share capital as at 31 January 2018	Rights over Stellar Shares (based on an exchange rate of US\$1.41: £1.00)
Deutsche Balaton	8,547,692	13.78%	<p>Stellar CLN principal outstanding:</p> <ul style="list-style-type: none"> <li>• US\$1,650,000 (CLN1)</li> <li>• US\$293,345 (CLN2)</li> </ul> <p>CLN Warrants with an exercise price of US\$2,475,000 in aggregate, exercisable at a price of 5 pence per Stellar Share into 35,106,383 Stellar Shares<sup>1</sup>.</p> <p>CLN Warrants with an exercise price of US\$880,035 in aggregate, exercisable at a price of 5 pence per Stellar Share into 12,482,766 Stellar Shares<sup>1</sup>.</p> <p>In addition to the above, Deutsche Balaton is entitled to be issued 14,184,397 Stellar Shares (being shares with an aggregate value of US\$1.0 million issued at 5 pence per share).<sup>2</sup></p>
Creditforce	3,293,914	5.31%	<p>Stellar CLN principal outstanding: US\$450,000</p> <p>CLN Warrants with an exercise price of</p>

			US\$1,350,000 in aggregate with an exercise price of 5 pence per Stellar Share into 19,148,936 Stellar Shares. <sup>1</sup>
Peter Daresbury	2,033,827	3.28%	Nil
Karl Smithson	1,526,486	2.46%	Stellar Options over 1,850,000 Stellar Shares
Steven Poulton	1,456,745	2.35%	Stellar Options over 750,000 Stellar Shares  Stellar CLN principal outstanding: US\$598,838  CLN Warrants with an exercise price of US\$1,796,514 in aggregate with an exercise price of 5 pence per Stellar Share into 25,482,468 Stellar Shares. <sup>1</sup>
Hansjörg Plaggemars	587,862	0.95%	Stellar Options over 750,000 Stellar Shares
Rowan Carr	1,029,102	1.66%	Stellar Options over 1,250,000 Stellar Shares

<sup>1</sup>The rights held by Stellar Warrant Holders include CLN Warrants over 92,220,553 Stellar Shares which are associated with the Stellar CLNs. The number of these CLN Warrants has been calculated based on the aggregate exercise price of the CLN Warrants of US\$2.475million and US\$1.340 million with the exercise price being assumed to be, for the purpose of the Combination, 5 pence per share and using an exchange rate of US\$1.41 to £1.00. The CLN Warrant exercise price may vary in accordance with the terms of the Stellar CLNs (which are summarised in Stellar's previous announcements, notably the announcements of 14 August 2017 and 11 September 2017) in the event that the Combination does not proceed. The exercise price of the CLN Warrants (other than in the case of default) in accordance with the Stellar CLN is the lower of 5 pence or a) the VWAP of the next \$2m in equity raised after the date of the Stellar CLN; or (b) the VWAP of the first \$10m in equity raised after 1 February 2017; or (c) the VWAP of the equity raisings from the date of the Stellar CLN until at least US\$35,000,000 in debt finance is raised for the Tongo-Tonguma Project.

<sup>2</sup> Pursuant to an agreement entered into with Stellar on 6 October 2016 (as subsequently amended) whereby Deutsche Balaton conditionally agreed to waive certain of its rights under its Stellar CLN relating to its ability to convert/and or exercise its loan note and warrants respectively into shares in a subsidiary of Stellar.

## APPENDIX IV

### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Scheme. It is expected that the Scheme Circular setting out, amongst other things, the full terms and conditions of the Scheme, an explanatory statement pursuant to section 897 of the Companies Act, an expected timetable of principal events, notices of the Court Meeting and General Meeting and details of the actions to be taken by Stellar Shareholders, together with the Forms of Proxy for the Court Meeting and the General Meeting, will be sent to Stellar Shareholders on or around 27 March 2018.

*If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Stellar Shareholders by announcement through a Regulatory Information Service.*

<b>Event</b>	<b>Date</b>
Lodgement of NWF Rights Issue prospectus with ASIC and ASX	12 March 2018
Notice of NWF Rights Issue sent to shareholders	14 March 2018
Scheme Circular sent to Stellar Shareholders	27 March 2018
Closing Date of NWF Rights Issue	6 April 2018
NWF GM	11 April 2018
Issue date of NWF Conditional Placement Shares	11 April 2018
Court Meeting and General Meeting to approve the Scheme	19 April 2018
Stellar Court hearing to grant order sanctioning the Scheme	25 April 2018
Scheme becomes Effective	26 April 2018
Issue date of NWF Shares under Entitlement Offer and Stellar Offer Cancellation admission of Stellar Shares to trading on AIM	27 April 2018

## APPENDIX V

### DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"A\$"	Australian Dollar
"AIM"	AIM, a market of the London Stock Exchange
"AIM Rules"	The rules of AIM as set out in the publication entitled 'AIM Rules for Companies' published by the London Stock Exchange
"ASIC"	Australian Securities and Investments Commission
"ASX"	Australian Securities Exchange
"ASX Listing Rules"	the official listing rules of the Australian Securities Exchange
"Australia"	the Commonwealth of Australia
"Business Day"	a day (other than a Saturday or Sunday) on which banks are open for general business in London or a Perth Business Day
"CHESS"	The Clearing House Electronic Subregister System, operated by the ASX Settlement Pty Limited
"CLN Announcements"	the announcements made by Stellar on 14 August 2017 and 11 September 2017 setting out details of the CLN US\$1.34m, CLN US\$1.65m, CLN US\$1.34m Warrants and CLN US\$1.65m Warrants
"CLN Holders"	holders of the CLN US\$1.34m and the CLN US\$1.65m
"CLN US\$1.34m"	the unsecured convertible loan note with aggregate principal value of US\$1,342,183 held by Deutsche Balaton, Creditforce and Steven Poulton
"CLN US\$1.34m Warrants"	the warrants issued to the CLN US\$1.34m noteholders pursuant to the terms of the CLN US\$1.34m, to subscribe for Stellar Shares
"CLN US\$1.65m"	the convertible loan note with aggregate principal value of CLN US\$1,650,000 held by Deutsche

	Balaton
"CLN US\$1.65m Warrants"	the warrants issued to Deutsche Balaton, in connection with the CLN US\$1.65m, to subscribe for Stellar Shares
"CLN Warrant"	a CLN US\$1.65m Warrant or a CLN US\$1.34m Warrant
"CLNs"	the CLN US\$1.34m and the CLN US\$1.65m
"Code" or "Takeover Code"	the City Code on Takeovers and Mergers
"Combination"	the direct or indirect acquisition of the entire issued and to be issued share capital of Stellar, by NWF to be implemented by way of the Scheme or (should NWF so elect, subject to the consent of the Panel (where necessary)) by way of an Offer
"Combined Group"	the combined group following the Combination, consisting of the NWF Group and the Stellar Group with NWF being the continuing parent entity
"Companies Act"	the UK Companies Act 2006, as amended
"Competent Person" or "MPH"	MPH Consulting Limited, the competent person for the purpose of the purpose of the AIM Mining, Oil & Gas Companies Note
"Conditions"	the conditions to the implementation of the Combination (including the Scheme) which are set out in Appendix I to this Announcement and to be set out in the Scheme Circular
"Court"	the High Court of Justice of England and Wales
"Court Meeting"	the meeting(s) of Scheme Shareholders to be convened by an order of the Court under the Companies Act, notice of which will be set out in the Scheme Circular, to consider and if thought fit approve the Scheme (with or without amendment) including any adjournment, postponement or reconvention thereof
"Court Order"	the order of the Court sanctioning the Scheme under section 899 of the Companies Act
"CPR"	the competent person's report primarily relating to the Tongo and Tonguma projects (as well as the Guinea Projects) prepared by MPH and available on Stellar's website
"Creditforce"	Creditforce Limited
"CREST"	the relevant system (as defined in the

	Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & Ireland Ltd is the operator
“DB Share Rights”	the right held by Deutsche Balaton to be issued the DB Shares pursuant to an agreement entered into between Stellar and Deutsche Balaton on 6 October 2016 (as subsequently amended) whereby Deutsche Balaton conditionally agreed to waive certain of its rights under the CLN US\$1.65m relating to its ability to convert/and or exercise the CLN US\$1.65m and CLN US\$1.65m Warrants respectively into shares in a subsidiary of Stellar, further terms of which are included in Stellar’s announcements dated 6 October 2016 and 11 September 2017
“DB Share Rights Offer”	The offer by NWF to acquire the DB Share Rights held by Deutsche Balaton
“DB Shares”	the 14,184,397 Stellar Shares to be issued to Deutsche Balaton on exercise of the DB Share Rights
"Dealing Disclosure"	an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer
“Deutsche Balaton”	Deutsche Balaton A.G.
"Effective"	in the context of the Combination: (i) if the Combination is implemented by way of Scheme, means the Scheme having become effective pursuant to its terms; or (ii) if the Combination is implemented by way of an Offer, such offer having become or been declared unconditional in all respects in accordance with its terms
"Effective Date"	the date on which the Combination becomes Effective
"EMI Share Option Scheme"	Stellar Diamonds plc EMI Share Option Scheme
"FEED"	Front end engineering design
"General Meeting"	the general meeting of Stellar Shareholders to be convened in connection with the Combination, notice of which will be set out in the Scheme Circular, to consider and if thought fit approve various matters in connection with the implementation of the Scheme, including any adjournment, postponement or reconvention thereof
“HSEC”	Health, safety, environment and community

"IFRS"	International Financial Reporting Standards
"JORC"	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, as published by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
"Irrevocable Undertakings"	The undertakings by certain Stellar Shareholders and holders of rights over Stellar Shares summarised in Appendix III of this announcement
"Latest Practicable Date"	9 March 2018, being the latest practicable date prior to the release of this Announcement
"Lead Sub-Underwriter"	Mr Rustiyan Oen
"Loan"	the US\$3 million loan from NWF to Stellar announced by Stellar on 1 February 2018
"Lock-ins"	the agreements entered into by the Locked-in Parties subject to which they have agreed, not to dispose of New NWF Shares received by them in the event that the Combination becomes effective, for a period of six months save for customary exceptions
"Locked-in Parties"	the Stellar Directors, Rowan Carr, Deutsche Balaton and Creditforce
"London Stock Exchange"	London Stock Exchange plc
"Long Stop Date"	31 May 2018
"Mine Plan"	the mine plan for Tongo-Tonguma developed as part of and reported in the PEA by PPM and SRK Consulting and as subsequently updated following the outcome of the FEED process
"New NWF Shares"	the new NWF Shares, to be allotted pursuant to the Scheme (or, if applicable, the Offer), the Options and Warrants Offers and the DB Share Rights Offer
"NWF" or "Newfield"	Newfield Resources Limited, incorporated in Western Australia with registered office 79 Broadway, Nedlands, Western Australia, 6009
"NWF Board"	the board of directors of NWF
"NWF Closing Price"	the closing middle market price of a NWF Share on a particular Trading Day

“NWF Conditional Placement”	conditional private placement of 15,000,000 new NWF Shares at a price of A\$0.20 per share to raise A\$3 million, conditional on the NWF Share Authority
“NWF Conditional Placement Shares”	the new NWF Shares to be issued in connection with the NWF Conditional Placement
“NWF Financings”	the NWF Rights Issue, the NWF Conditional Placement and the NWF Placement
“NWF GM”	the general meeting to be held by NWF in connection, <i>inter alia</i> , with the NWF Share Authority
"NWF Group"	NWF and its subsidiaries (excluding the Stellar Group)
“NWF Options”	options to acquire NWF Shares
“NWF Placement”	private placement of 35,000,000 new NWF Shares at a price of A\$0.20 per share raising A\$7 million
“NWF Rights Issue”	the underwritten non-renounceable rights issue by NWF announced earlier today to raise A\$30 million through the issue of the NWF Rights Issue Shares, conditional on, <i>inter alia</i> , completion of the Scheme
“NWF Rights Issue Options”	the options over 50,000,000 new NWF Shares in aggregate, exercisable at A\$0.30 per share proposed to be granted to the NWF Rights Issue Underwriter and its nominees, subject to the receipt of NWF Shareholder approval at the NWF GM and completion of the NWF Rights Issue
“NWF Rights Issue Shares”	the 200,231,668 new NWF Shares to be issued at A\$0.15 per NWF Share pursuant to the NWF Rights Issue
“NWF Rights Issue Underwriter”	Townshend Capital Pty Ltd
“NWF Share Authority”	the shareholder authority being sought at the NWF GM which is necessary to issue the NWF Conditional Placement Shares
“NWF Shareholder”	A holder of NWF Shares
"NWF Shares"	the ordinary shares in the capital of NWF
“Octea”	Octea Mining Limited
"Offer"	the implementation of the Combination by means of a takeover offer as defined in section 974 of



	the Companies Act in circumstances described in this Announcement, rather than by means of the Scheme
"Offer Period"	the offer period (as defined by the Takeover Code) relating to Stellar, which commenced on 1 February 2018
"Opening Position Disclosure"	an announcement pursuant to Rule 8 of the Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to an offer
"Option and Warrant Offers"	The offers being made to the Stellar Option and Warrant Holders
"Overseas Shareholders"	Stellar Shareholders who are resident in, located in, ordinarily resident in, or citizens or nationals of, jurisdictions outside the United Kingdom
"Panel" or "Takeover Panel"	the Panel on Takeovers and Mergers
"PEA"	the preliminary economic assessment of the Tongo-Tonguma Project produced by Paradigm Project Management and SRK Consulting, a summary of which was announced by Stellar on 5 October 2016
"Perth Business Day"	a day (other than a Saturday or Sunday) on which banks are open for general business in Perth
"Peterhouse Warrant"	a warrant granted by Stellar to Peterhouse Corporate Finance Limited
"Possible Offer"	the possible offer for all of the issued and to be issued Stellar Shares as announced on 1 February 2018
"Possible Offer Announcement"	the announcement made by Stellar on 1 February 2018 in relation to the Possible Offer
"Possible Offer Exchange Rate"	Exchange rate of A\$1.74 : £1 on 31 January 2018, being the day prior to the Possible Offer Announcement
"PPM"	Paradigm Project Management
"Regulatory Information Service"	a primary information provider which has been approved by the Financial Conduct Authority to disseminate regulated information
"Restricted Jurisdiction"	any jurisdiction where the relevant action would constitute a violation of the relevant laws and regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing or

	other formality which NWF or Stellar regards as unduly onerous
"Scheme" or "Scheme of Arrangement"	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Stellar and the Scheme Shareholders, with or subject to any modification, addition or condition which NWF and Stellar may agree, and if required, the Court may approve or impose
"Scheme Circular"	the document to be sent to Stellar Shareholders setting out, amongst other things, the full terms and conditions of the Scheme and the notice convening the Court Meeting
"Scheme Court Hearing"	the hearing (or any adjournment thereof) of the Court to sanction the Scheme
"Scheme Court Order"	the order of the Court sanctioning the Scheme under section 899 of the Companies Act
"Scheme Record Time"	the time and date specified in the Scheme Circular by reference to which the Scheme will be binding on holders of Stellar Shares at such time
"Scheme Shareholders"	holders of Scheme Shares at the relevant time
"Scheme Shares"	<p>the Stellar Shares:</p> <p>(i) in issue at the date of the Scheme Circular and which remain in issue at the Scheme Record Time;</p> <p>(ii) (if any) issued after the date of the Scheme Circular but before the Voting Record Time and which remain in issue at the Scheme Record Time; and</p> <p>(iii) (if any) issued at or after the Voting Record Time but at or before the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme or in respect of which the original or any subsequent holders thereof are, or have agreed in writing to be, bound by the Scheme and, in each case, which remain in issue at the Scheme Record Time excluding, in any case, any Stellar Shares held by or on behalf of NWF at the Scheme Record Time</p>
"Stellar"	Stellar Diamonds plc with registered office at 40 Bloomsbury Way, Lower Ground Floor, London, WC1A 2SE, United Kingdom with Company number 546035
"Stellar Board"	the board of directors of Stellar
"Stellar Closing Price"	the closing middle market price of a Stellar Share on a particular Trading Day

"Stellar CLNs"	the CLN US\$1.65 million and the CLN US\$1.34 million
"Stellar Directors"	the directors of Stellar
"Stellar Group"	Stellar and its subsidiary undertakings
"Stellar Option and Warrant Holders"	Stellar Option Holders and Stellar Warrant Holders
"Stellar Option Holder"	a holder of Stellar Option
"Stellar Options"	options to acquire Stellar Shares pursuant to the Stellar Share Schemes
"Stellar Share Schemes"	the EMI Share Option Scheme and the Unapproved Share Option Scheme
"Stellar Shareholder"	a holder of Stellar Shares
"Stellar Shares"	ordinary shares of 1 penny each in the capital of Stellar
"Stellar Warrant"	a CLN Warrant or a Peterhouse Warrant
"Stellar Warrant Holder"	a holder of a Stellar Warrant
"Sub-Underwriting Agreement"	the agreement entered into on 12 March 2018 between the NWF Rights Issue Underwriter and the Lead Sub-Underwriter
"Theoretical Ex-rights Price Offer Value"	9.77 pence, being the implied value of a Stellar Share calculated at the time of the Possible Offer Announcement
"Tongo Licence"	means the exploration licence, EL48/2012, in respect of the Tongo project for which a mining licence has been approved under application number 752 subject to payment of the licence fee
"Tongo Project"	the kimberlite project covering approximately 9.98 square kilometres in the Lower Bambara Chiefdom, Kenema District, in the Eastern Province of Sierra Leone and covered by mining lease EL48/2012
"Tongo-Tonguma Project" or "Tongo-Tonguma mine"	being the Tongo Project and the adjacent Tonguma Project which are proposed to be jointly developed by Stellar pursuant to the terms of the Tribute Mining Agreements
"Tonguma"	Tonguma Limited, a company incorporated in the British Virgin Islands

"Tonguma Licence"	means the mining licence ML01/12 in respect of the Tonguma Project which is owned by Tonguma
"Tonguma Project"	the kimberlite project covering approximately 124 square kilometres in the Lower Bambara Chiefdom, Kenema District, in the Eastern Province of Sierra Leone and covered by mining lease ML01/12
"Trading Day"	a day on which Stellar Shares or NWF Shares (as applicable) trade on AIM or ASX respectively
"Tribute Mining Agreements"	the tribute mining agreement and the revenue share agreement each entered into on 27 April 2017 between Stellar's wholly owned subsidiary, Sierra Diamonds Limited, Tonguma Limited, the Company and Octea Limited to develop and operate the Tonguma Project
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"Unapproved Share Option Scheme"	Stellar Diamonds plc Unapproved Share Option Scheme
"Underwriting Agreement"	the agreement entered into on 12 March 2018 between NWF and the NWF Rights Issue Underwriter
"Voting Record Time"	the time and date specified in the Scheme Circular by reference to which entitlement to vote at the Court Meeting will be determined, expected to be 6.00pm (London time (GMT)) on the day which is two days before the date of the Court Meeting or if the Court Meeting is adjourned, 6.00pm (London time (GMT)) on the day which is two days before such adjourned meeting
"VWAP"	volume weighted average price

All times referred to in this Announcement are to London time unless otherwise stated.

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