

## **ASX Announcement**

28 February 2022

[www.newfieldresources.com.au](http://www.newfieldresources.com.au)

# **Tongo Mine Development Update**

Newfield Resources Limited (**Newfield**) announces an operational update in relation to its Tongo Diamond Mine Development in Sierra Leone (**Tongo Mine Development** or **Tongo**).

### **Highlights**

- **1,127m of underground development completed to date**
- **Kundu ventilation raise development has commenced**
- **Level-1 rock and fissure drives have commenced**
- **Processing of kimberlite ore ongoing with encouraging recoveries with stones up to 9.6ct**
- **Recovered process grade of 2.7 carats per tonne (+22% compared to the resource grade)**

### **Newfield Executive Director, Karl Smithson, commented:**

*“Good progress has been made on the underground development at the Tongo Mine since our last update. We continued the development on three fronts, being the Kundu Return Air Way (RAW) drive, the Kundu Decline and the 1<sup>st</sup> Level rock and fissure drives. On the latter we have intersected the kimberlite in our first crosscut and will now establish the fissure drive and raise from which to establish our first mining stopes. We have also recently commenced the ventilation raise from the Kundu Return Air Way,*

*“Processing of the kimberlite ore recovered from the RAW development is giving encouraging diamond recoveries with gemstones up to 9.6ct in size being yielded and indicative run of mine grades of 2.7 carats per tonne being calculated. We are encouraged that this grade exceeds by 22% the resource block model grades for the same area of kimberlite being mined.*

*“Further updates will be provided as we progress through this exciting phase of the Tongo Mine development.”*

## **Underground Mine Development**

Total underground development has now exceeded 1 kilometre - 1,127m of waste and kimberlite development has been achieved to date. Development activity is currently focussed on the continuation of the Kundu decline, Level-1 rock and fissure drives and the ventilation raise from the Kundu Return Airway (RAW). The fissure drives and the development off the ventilation raise will enable access to the ore body and the establishment of the first mining stopes and signal the transition of Newfield from an explorer and project developer to a producer.

### **Kundu Return Air Way**

The development of the Return Air Way (RAW) on Kundu Segment A has passed the point where the ventilation raise can commence (Figure 1). The RAW has now been developed some 245m and blasting in an easterly direction will continue on-reef to give top level access to the planned stope mining from Level-1 located below the RAW. This development will continue to provide kimberlite ore for processing until such time as the first mining stopes come into production – scheduled for June 2022.

### **Kundu Decline**

Blasting of the 4m x 4m Kundu decline and has now passed the point where the first mining level rock drive is being established. Some 225m of decline development has been completed. The decline has progressed 32m beyond the break away for the Level-1 rock drive and is planned to continue to the northwest and then turn to the southwest to access the Level-1 development of the Kundu Segment B and C dyke segments.

### **Level-1 Development**

The Level-1 rock drive to access segment A East of the dyke system has turned off the Kundu decline where 34m has been developed so far. The first crosscut breakaway to access ore was blasted after 16m and intersected kimberlite during February 2022, ahead of the scheduled date of late March 2022. On-reef fissure drive development is now in progress which will in turn allow the establishment of the first raise and mining stope faces.

### **Kimberlite Processing and Diamond Recoveries**

Processing of the kimberlite ore recovered from the on-reef Kundu RAW development continues to yield encouraging diamond grades and quality diamonds. Initial in-house observation estimates that 80% of the diamond recoveries are in the gem quality category, with the largest diamond recovered being a 9.6 carat gem. The photographs below are pictures of some gem quality stones recovered to date, and notably the shapes and quality are in line with the expectations of run of mine production as seen during the sampling phase. Many diamonds exhibit excellent crystal shapes with top colour

and clarity characteristics. Although volume of ore processed to date is relatively small, the results are consistent with, or higher than, the estimated mineral resource grade and value of that area of the Kundu Segment A resource.

### **Grade Reconciliation**

In addition to the run of mine processing activities, two controlled bulk samples have been processed to calculate the actual recovered grade from mining and processing, versus the 2019 resource model grades. These samples have been mined from the ongoing Kundu Segment A RAW development and the carat recoveries reconciled directly with those segments of kimberlite in the resource block model, which has grades assigned on a 10m x 10m x 1m block basis across the declared resource.

#### ***Control Sample 1***

A total of 380.88 dry tonnes of kimberlite (including some mining dilution) yielded 970.50 carats at a +1.2mm bottom cut off on the processing plant. This calculates to a +1.2mm dry grade of 2.55 carats per tonne. By comparison the resource grade for that segment of kimberlite was estimated at 2.21 carats per tonne at a +1.18mm cut off some 15.4% higher than the modelled resource grade based on the sample data.

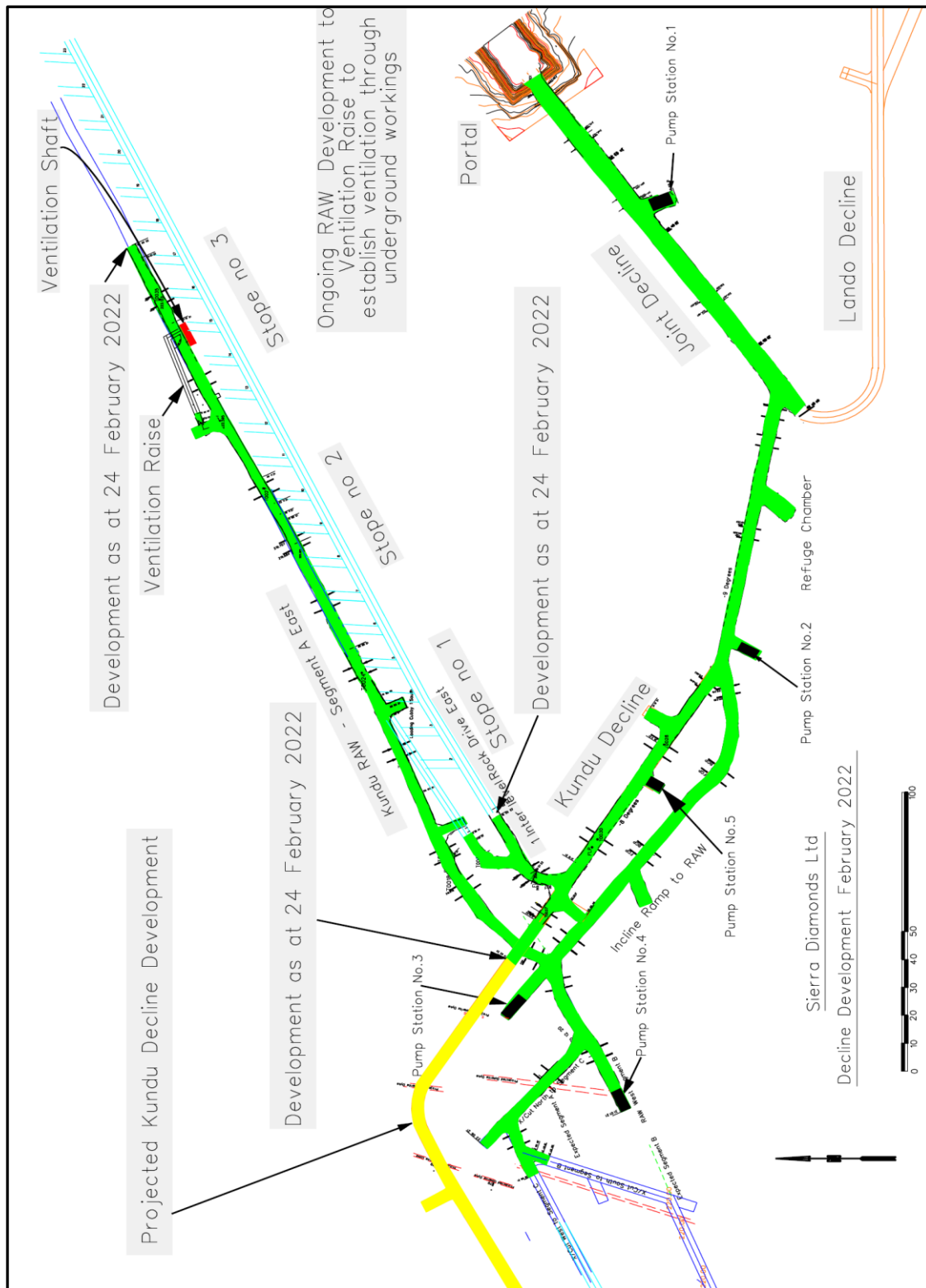
#### ***Control Sample 2***

Although this sample is not yet completed, the results show a more compelling divergence between the mining and processing grade and the block model resource grade. A small sample of 65.7 dry tonnes has been mined and processed so far to yield 230.99 carats, giving a recovered dry grade of 3.52 carats per tonne at a +1.2mm cut off, compared to the modelled resource grade of 2.21 carats per tonne at a +1.18mm cut off (+59.3% variance). It should be stated that the sample size is too small to be representative, but the indications are that the current mining and processing grades do exceed the resource block model grades.

Combining the results of Control Samples 1 and 2, which represent a continuous sample along strike of the Kundu A RAW, some 446.58 tonnes have yielded 1,201.49 carats at an average recovered dry grade of 2.69 carats per tonne, versus the resource block model grades of 2.21 carats per tonne, for a variance of +21.7%.

### **Outlook**

The focus for development is to continue the ventilation raise and travelling way, to equip the vent shaft with a 75kW fan to ensure through ventilation and to equip second escape way via the vent shaft. In addition, the Kundu decline development will continue and the Level-1 rock and fissure drives be developed to lead to establishment of the first mining stopes on Kundu Segment A kimberlite.



***Gem Diamonds recently recovered from Tongo Mine***



*Top photos: 9.6ct gemstone*



*Left: a 5 grainer (Octahedron). Right: a 3.15ct Diamond*



*Left: 3 grainer diamonds. Right: 4 grainer diamonds*





*Top photo: Mixed gems exhibiting excellent crystal shapes*



*Top photo: Macrocrystic Kundu A Kimberlite*

**Authorised by:****The Board of Directors**

Newfield Resources Limited

**About the Tongo Diamond Project:**

The Tongo Diamond Mine Development comprises two adjacent mining licences covering a combined area of 134 square kilometers in eastern Sierra Leone. Tongo hosts 11 identified diamondiferous kimberlites, only five of which are incorporated in the current JORC-compliant indicated and inferred diamond resource estimate of 8.3 million carats. Of this resource, a 1.1 million carat probable reserve, has been estimated.

**Competent Person's Statement:**

The information in this ASX release that relates to Exploration Results, Mineral Resources or Ore Reserves on the Tongo Diamond Project, is based on information compiled and reviewed by Karl Smithson, Executive Director of Newfield and Chief Executive Officer of Newfield's subsidiary company Sierra Diamonds Limited, a qualified geologist and Fellow of the Institute of Materials, Metals, Mining, with 33 years' experience in the diamond and natural resources sector. Mr Smithson has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Smithson consents to the inclusion in this ASX release of this information in the form and context in which it appears.