



# Tongo Diamond Mine Sierra Leone

Corporate Presentation AUGUST 2022

**ASX: NWF** 

**NEWFIELDRESOURCES.COM.AU** 

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#### Competent Persons' Statement

The information in this presentation has been reviewed and compiled 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 30 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 presentation of this information in the form and context in which it appears.

#### Mineral Resource and Ore Reserve Estimates

Information included in this presentation that relates to the diamond Resource and Reserve estimate is extracted from Newfield's ASX announcement dated 26 November 2018 titled "7.4 million carats Resource for the Tongo Diamond Project", as amended by the ASX announcement dated 28 November 2018 titled "Revised Announcement and Retraction of Valuation References", ASX announcement dated 9 May 2019 titled "Tongo Ore Reserve Estimate and FEED Study Outcomes" and ASX announcement dated 27 January 2021 titled "Increase in Diamond Resource to 8.3 million carats". Newfield confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all the material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed.

Information included in this presentation that relates to the Ore Reserve estimate for the Kundu and Lando dykes is based on and fairly represents information and supporting documentation prepared by Michael Lynn, who is a Fellow of the Geological Society of South Africa, and a registered scientist with the South African Council for Scientific Professions. Mr Lynn has provided his prior written consent to the form and context in which the Ore Reserve estimate for the Kundu and Lando dykes and the supporting information are presented in this presentation.

## Overview



Newfield's flagship asset, the Tongo Diamond Mine, is located in the diamond rich area of eastern Sierra Leone.

Underground production commenced in February 2022 and a first Tongo diamond sale was completed in May 2022.



Newfield Resources Limited ("Newfield" or "NWF") acquired Stellar Diamonds plc in 2018 and has since invested over US\$70m (A\$95m+) to move from exploration through development into production at the Tongo Diamond Mine

The Mine is located in eastern Sierra Leone (West Africa), an area renowned for high quality diamonds The development covers two adjacent mining licenses spanning over 134km² and hosts 11 diamondiferous kimberlite dykes

Initial production is from the 1.1 million carat
Ore Reserve<sup>(1)</sup> of the 8.3 million carat Resource <sup>(2)</sup>

Two separate mining control samples on the Kundu kimberlite indicate a 22% and 26% on original block model grades for these areas mined

In May 2022 a first diamond sale from Tongo of 5,128 carats realised US\$1.34m at an average price of US\$262 per carat, which exceeds the modelled reserve diamond price of US\$222 per carat by 18%

# Corporate Information



## **Corporate Summary**

**NWF** 

**ASX Code** 

\$0.445c

Share Price (as at 4/8/22)

748.47

Shares issued (m)

24.74

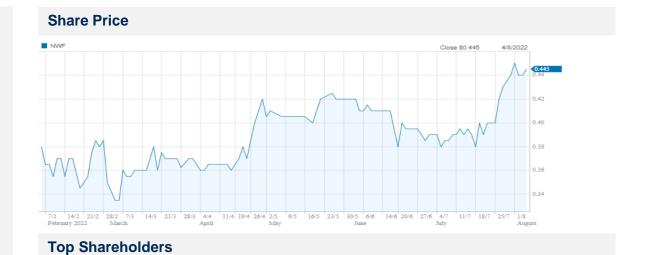
Options issued (m)

5.84

Performance rights on issue (m)

\$333m

Market capitalisation (A\$m)<sup>1</sup>





27.11%

6.04%

6.58%



■ QP & Co

Deutsche Balaton

Sparkle Capital

■ Wonder Holdings

<sup>1.</sup> Share price as at market close on 28 March 2022.

# Directors & Management



## **Board and Management**



## Mr Karl Smithson | Executive Director

- Over 30 years' experience in the resources sector in Africa
- Previously held senior management positions at De Beers, Southern Era Resources, Mano River Resources and Stellar Diamonds
- In-depth knowledge of exploration, evaluation and production of diamond and other mineral resources
- Karl holds a Bachelor of Science in Geology (Honours) from Kingston University, London, and a Masters of Business Administration from the University of Cape Town

## **Management**



## Mr Charl Barnard | General Manager, Tongo Mine

- 25 years project manager experience in Africa, Europe and Middle East
- Held senior roles in the past 15 years as part of the group executive committee for Petra Diamonds and served as in-Country and general manager on both large and open cast ad underground diamond mines in Sierra Leone, Tanzania and South Africa
- Also served roles as Group Head of Health, Safety and Environment

## **Board**

## **Mr Chris Burton**

## Non-Executive Director

- Chartered accountant with over 24 years' experience
- Former audit partner at BDO, servicing ASX-listed resources companies
- Current facilitator with the Institute of Company Directors in Australia (AICD)

## **Mr Alistair Croll**

#### Non-Executive Director

- A mining engineer with 35 years of mining / management experience in Africa and Australia
- 20 years' with De Beers and Anglo American
- Formerly CEO of Kimberley Diamond Company. Various COO positions with ASX listed companies over 17 years

## Mr Jack Spencer-Cotton

#### Non-Executive Director

 Over 27 years' experience with previous senior engineering roles at ERG Group Ltd, Sanmina-SCI, SRX Global and Pfizer

## Management

#### **Rowan Carr**

## Mineral Resource Manager

- Over 30 years' experience in diamond exploration, evaluation and mining projects in Africa
- Previously held management roles in De Beers Group and Stellar Diamonds

#### Julius Baiden

## **Group Finance Manager**

- Finance executive with over 10 years' experience in the resource sector
- Management of the Group's subsidiaries' finances in West Africa



# Project Development



Since 2019 Newfield has established a robust 8.3 million carat resource, completed engineering focused FFFD studies. developed the underground mine and entered production.



**FEB** 2022

DEC

2020

**JAN** 

2020

MAY 2019

## **Progress**

## Mining Ramp Up to Commercial Production and Mine Expansion

continue increased production ramp up from Kundu and Lando to commercial production levels. Undertake studies to bring Tongo Dyke-1 into the mine plan with commercial decision point.

## First Production and Sales

first underground production achieved in Feb-22 with successful diamond sale completed in May-22

## **Underground Development and First Diamonds**

initial surface and underground development, first diamonds yielded on track with original timeline

## Increased Diamond Resource<sup>(2)</sup>

increased to 8.3 million carats (+84% from 4.5 million in 2016) and reserve of 1.1 million carats

## **FEED Study Completed**

by independent consultants PPM and SRK Consulting (1) and Resource increased to 7.4 million carats(2)

## Note(s): (1) Per NWF announcement dated 9 May 2019, 'Tongo Ore Reserve Estimate and FEED Study Outcomes': (2) Resource at +1.00mm cut-off; Reserve at 1.18mm cut-off



# Five Year Strategy



## **Purpose & Vision**

To be a commercially successful diamond mining Company which proudly contributes to global sustainable development goals

## **People & Culture**

A culture of skills improvement with sustainable development

Quality Board and Management

Expatriate and National skills in management positions

Company wide training and development of staff

Share incentive scheme across Board, Management and Staff

Committed to ESG and sustainable development

## **Asset Base**

Significant diamond resource of 8.3 million carats incl. reserve of 1.1 million carats

Current mine plan only focusing on 2 kimberlites which are in reserve

Only 5 of 11 kimberlites in resource, only two in reserve

Opportunity to increase diamond resources and reserves, annual production and life of mine

## **Organic Growth**

Implement a three-stage expansion plan

- 1. Develop Kundu and Lando to commercial production and 250,000 carats p.a.
- 2. Develop Tongo Dyke-1 and Panguma to increase production to target 450,000 carats p.a.
- 3. Exploration and drilling to increase resource from current 8.3 million carats to target over 13 million carats

## Leverage off Quality Product

Rough diamond production forecast to decrease, and demand forecast to increase

Rough Market is forecast to be robust with strengthening prices

Tongo's product is predominantly high quality gems that will be in demand

Seek high quality brand association for Tongo's goods to authenticate product provenance as source of ethically and sustainably mined diamonds



# ESG Strategy



## **ESG Vision**

Newfield is committed to the global principals of sustainable development as the most effective means of creating long term enterprise value and addressing ESG priorities

Our first annual ESG report as a production company was issued in February 2022.

## **Environment**

Full EIA's and Environmental Permits in place

Regular EPA audits confirm compliance with EIA's

Opportunity to enhance green energy consumption via hydropower line

Tongo Underground Mine has a small foot print and does not use chemicals in its mineral recovery process

Company has started to measure GHG emissions for future reporting

Mine is not located in an area designated as "biodiversity significant"

## Social

NWF has identified four key stakeholder groups, being Government of Sierra Leone, Local Communities, Employees and Shareholders

Social licence to operate. Community Development Agreement in place and governs all development initiatives in partnership with communities

NWF works closely with GoSL agency bodies such as NMA and EPA in full transparency and compliance of operations

Currently employ over 250 nationals and offers high salaries with medical and insurance benefits. We have endorsed full training and development programmes to uplift skills. Senior nationals are part of share incentive scheme

## Governance

NWF is an ASX public listed company that adheres to transparent governance, compliance and reporting

Board of Directors functions and responsibilities is guided by ASX Corporate Governance Council's Principals and Recommendations

Company has implemented strict Anti-Bribery and Corruption, Anti-Child and Forced Labour, Code of Conduct and Values Policies

Company adheres to and is compliant with all relevant mining, environmental and statutory laws in Sierra Leone to execute its operations

# **ESG Platform** and Reporting

Following the SocialSuite
Platform which is aligned with
World Economic Forum ESG
Metrics

Adopts to the four pillars of the framework of Governance, Planet, People and Prosperity

ESG Report for 2021 was issued in February 2022 and marked the first for Newfield as a production company



## Substantial Diamond Resource



See Appendix for detailed Resource and Reserve tables

8.3
million carats
JORC
Resource

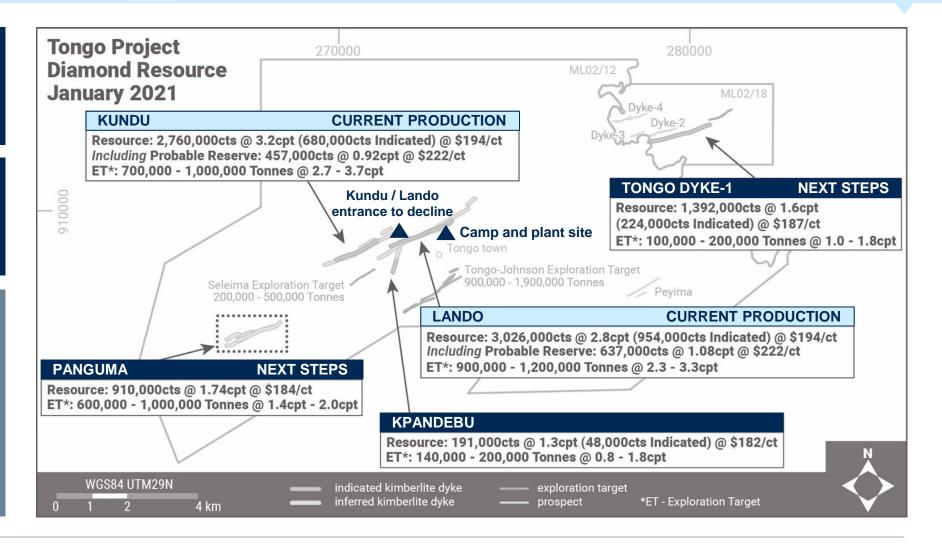
1.1
million carats
JORC Reserve

5 of 11 kimberlites in Resource, all diamondiferous

Resources delineated mostly to 230m depth

The mine commenced with a central decline to access both Kundu and Lando kimberlites. The camp and plant site is located less than 2km from the decline.

Technical studies to be undertaken to bring Tongo Dyke-1 and Panguma into the future mine plan.

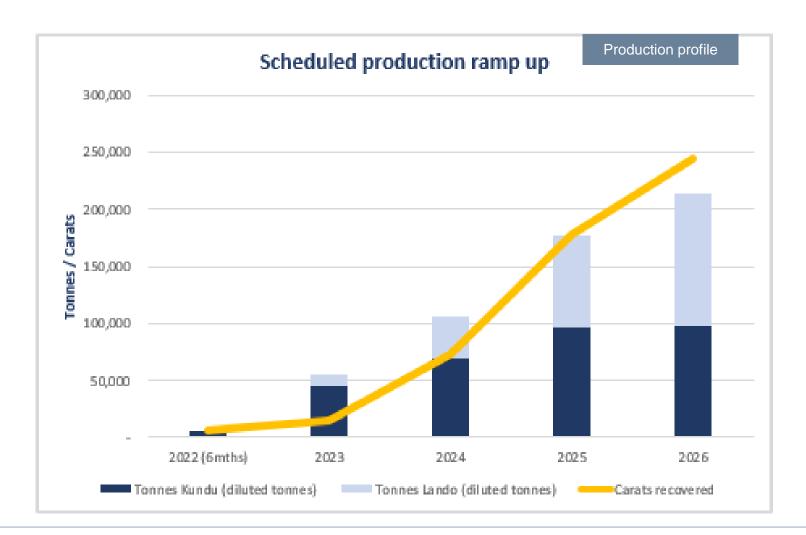




# Production Ramp Up



- Short term production schedule involves a steady ramp up of tonnes and carats from Kundu and Lando Ore Reserves to 250,000 carats per annum
- Commercial production is triggered in H1-25
- Tongo Dyke-1 studies ongoing as part of planned mine expansion strategy
- Panguma dyke will be then be assessed for economic viability and potential further mine expansion opportunities





# Tongo's Quality Gems



#### THE 4 C's OF DIAMOND VALUE

## **CUT**

Excellent crystal shapes with high yield

## **CLARITY**

Large proportion of clear and transparent gems

## COLOUR

Mostly white gems with a large percentage of collection goods (D to G colour for top quality jewellery) based on bulk sample diamond parcels and sales

## **CARAT**

High gem quality ratio compared to other diamond mines

**50%**"Collection
Goods" Run of
Mine D,E,F
Colours

"Tongo has 63% gem content compared to 20% for average worldwide diamond mine.

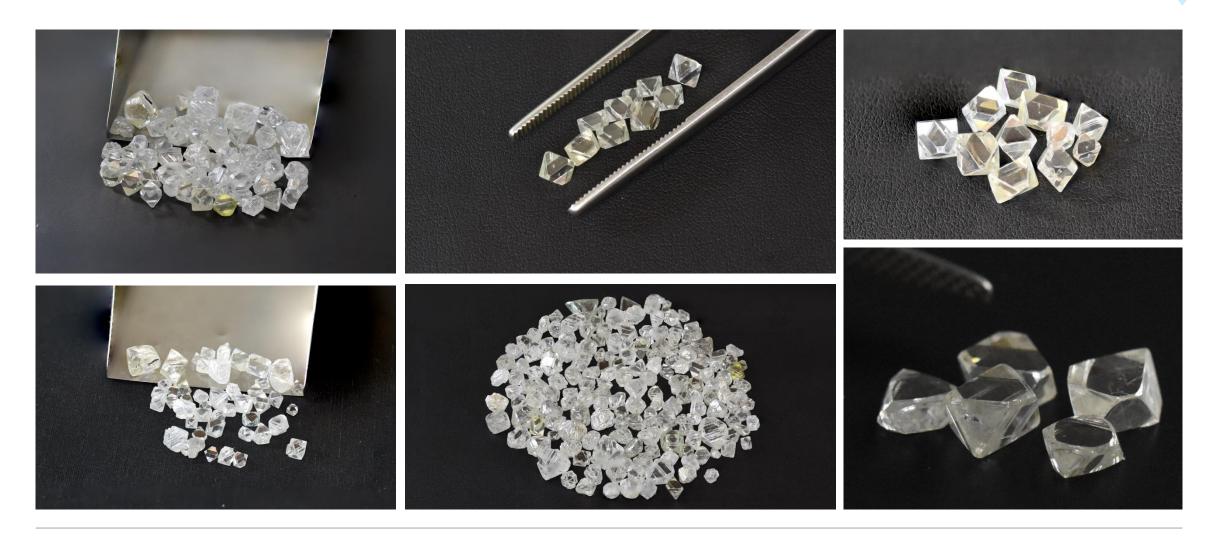
The top colour "collection goods" is 50% of run of mine production which is unusually high for any diamond mine. Fancy yellows and even a pink diamond has been observed."

Ray Ferraris, Diamond Specialist, 'Breakage Report on Five Tongo Diamond Samples for Newfield Resources', July 2019



# High Proportion of Gem Quality Goods and 50% "Collection Goods" (D, E, F Colours)







# Superior in-situ Rock Value





**Tongo Mine Kimberlite in Situ Value** 600 **GOLD EQUIVALENT** = +9 g/t Au weighted Tongo average for Kundu, **Lando and Tongo Dyke-**1 kimberlites Kimberlite USD per Tonne (in situ) 100 100 1000 10 Estimated USD per Carat (Logarithmic)



Diamonds in Kimberlite

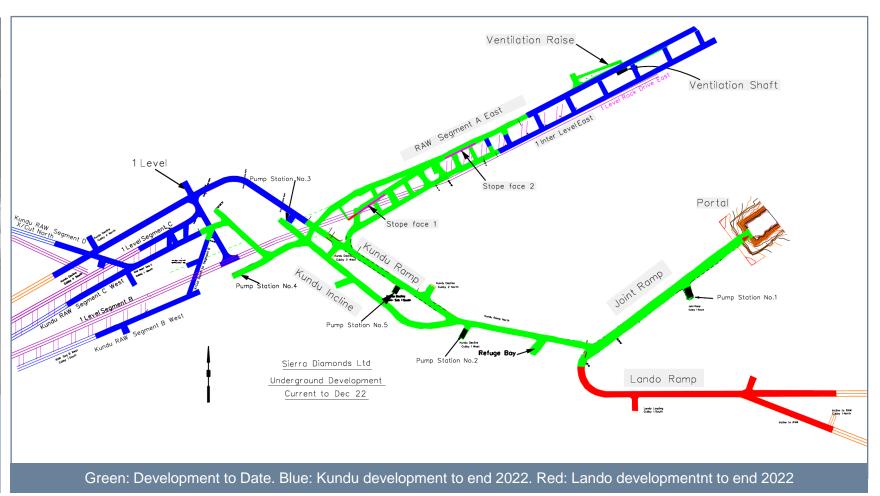


# Underground Development Status





Development to date (green) is >1,500m and into the first mining face on the Kundu kimberlite after development of the decline and RAW





# Mining Activities



Mine development to date is fully supported for safety, and equipped with power, ventilation and pump stations.





Charging Mine Face

Drilling Mine Face

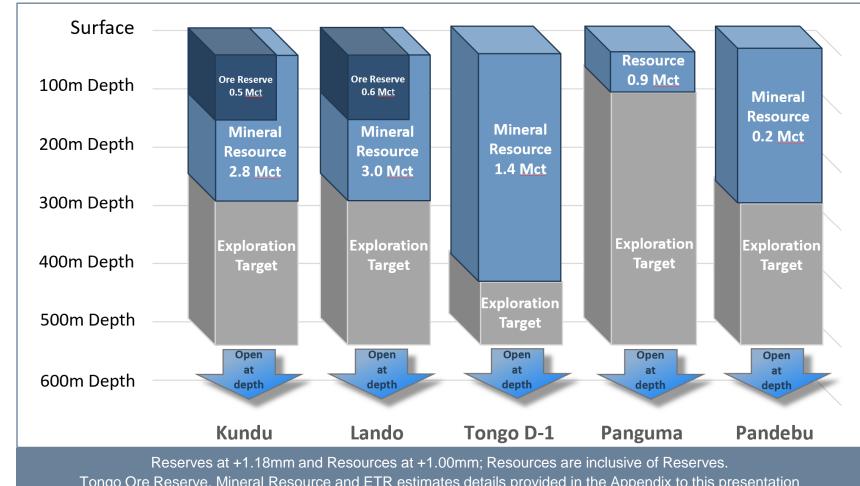
# Resource & Mining Upside



All five kimberlites in resource are open at depth.

There is opportunity through deeper drilling to significantly increase the carats in reserve and resource and as a result extend the current life of mine.

Similar mines in South Africa have achieved depths of mining in excess of 600m.



Tongo Ore Reserve, Mineral Resource and ETR estimates details provided in the Appendix to this presentation

# Short Term Strategy



# Production focus

Open more mine faces on Kundu to ramp up carat production and continue decline development on Kundu and Lando

# Plant upgrade to 50tph plant

Construct and commission the 50tph plant and final recovery to meet growing production profile

## **Diamond Sales**

Further planned diamond sales during 2022 and into 2023

# Mine Expansion Study

FEED study, drilling and technical work to bring Tongo Dyke-1 into the mine plan

# Medium Term Strategy



## **CURRENT MINING PHASE**

STUDIES

**EXPLORATION** 

Achieve commercial production of Kundu and Lando by end 2024

Engineering design and mine scheduling of Tongo Dyke-1 kimberlite

Deeper drilling to increase diamond resource and reserves

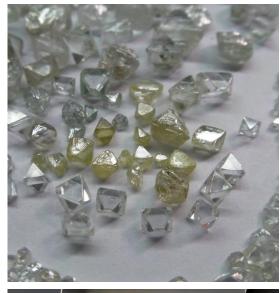
## MINE EXPANSION PHASE

Increase production of Kundu and Lando to over 250,000 carats p.a.

Development of Tongo Dyke-1 to increase production by target 100,000 carats p.a.

Engineering design and mine scheduling of Panguma kimberlite

Resource drilling of other six kimberlites to further increase diamond resource and reserves





# Investment Proposition





## A substantial diamond Resource...

- 8.3 million carats (incl. 1.1 million carats Reserve) from 5 of 11 kimberlites
- Grade weighted average of 2.4 carats per tonne (+1.18mm)
- First sales diamond value of US\$262 per carat (+1.18mm) achieved in May 2022
- In-situ value of kimberlite one of the highest world wide (equivalent to 9g/t Au weighted average)



## ... at the Production Stage...

- >1,500m underground decline and associated development completed
- First production commenced in February 2022
- Production ramp up in progress through developing multiple mining faces
- Commercial production targeted for Dec-24



## ... with an experienced Board and Operations Management team...

- Board and management with significant production experience
- Operational team bring a wealth of country, technical and financial experience
- Mining and engineering team on the mine have worked on numerous underground diamond mines
- Strong blend of Sierra Leone nationals in senior and middle management



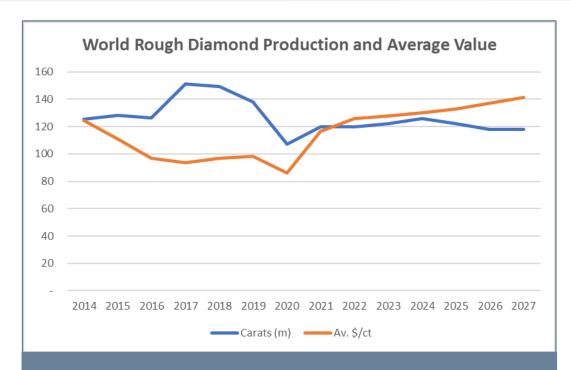
## ... the future mine production is supported by a strong diamond market

- Significant resource and reserve upside from existing and new kimberlites
- Global rough diamond supply is decreasing; rough and polished diamond demand is increasing.
- This will underpin strength of rough diamond prices
- Rough diamond prices have rebounded very strongly in 2021 and 2022



# Robust Market Fundamentals Underpinned by Decreasing Global Diamond Production





Rough diamond production decreased from peak of 151 million carats in 2017 to 120 million carats in 2020. Rough supply to 2027 is forecast to flatline or decrease as mines age and go deeper. Only one new discovery of significance in past 20 years due to limited exploration. Average rough diamond value is US\$117 per carat vs. Tongo's recent sale of US\$262 per carat.



Rough diamond production by value has rebounded strongly from lows of US\$9.2bn in 2020 to US\$14bn in 2021. Rough value is forecast to increase to over US\$16bn as production volumes decrease and rough diamond demand increases.

# Tongo Mineral Resource Estimate



Kimberlite	Resource Category	Tonnes Kimberlite	+1.0mm Grade (CPT)	Total Carats	Diamond Value (US\$/Ct)
Kundu	Indicated	200,000	3.4	680,000	194
Kundu	Inferred	650,000	3.2	2,080,000	194
Kundu	Total	850,000	3.2	2,760,000	
Lando	Indicated	320,000	3.0	954,000	194
Lando	Inferred	740,000	2.8	2,072,000	194
Lando	Total	1,060,000	2.8	3,026,000	
Pandebu	Indicated	60,000	0.8	48,000	182
Pandebu	Inferred	110,000	1.3	143,000	182
Pandebu	Total	170,000	1.3	191,000	
Tongo D-1	Indicated	160,000	1.4	224,000	187
Tongo D-1	Inferred	730,000	1.6	1,168,000	187
Tongo D-1	Total	890,000	1.6	1,392,000	
Panguma	Total Inferred	570,000	1.7	910,000	184
Total	IND. & INF.	3,540,000	2.4	8,279,000	

Notes: Resource grades and values stated at a +1.0mm square bottom cut off. For full Mineral Resource estimate details please see Newfield ASX release dated 26 November 2018, '7.4 million carats Resource for the Tongo Diamond Project' and ASX release dated 27 January 2021, 'Increase in Diamond Resource to 8.3 million carats'. Figures may be subject to rounding

# Tongo Ore Reserve Estimate



Kimberlite Dyke	Classification	Tonnes (Mt)	Diluted Grade (CPT)	Carats (MCTS)	Diamond Value (US\$/Ct)	Kimberlite Dyke
Kundu	PROBABLE	0.496	0.92	0.457	222	Kundu
Lando	PROBABLE	0.589	1.08	0.637	222	Lando
Total	PROBABLE	1.085	1.00	1.093	222	TOTAL

Notes: All Ore Reserve estimates are reported on a 100% basis and assume extraction by underground mining methods. The reference point for the definition of Ore Reserves is at point of delivery to the process plant. Please see Newfield ASX release dated 26 November 2018, '7.4 million carats Resource for the Tongo Diamond Project' and ASX release dated 27 January 2021, 'Increase in Diamond Resource to 8.3 million carats'

# Tongo Exploration Target Ranges

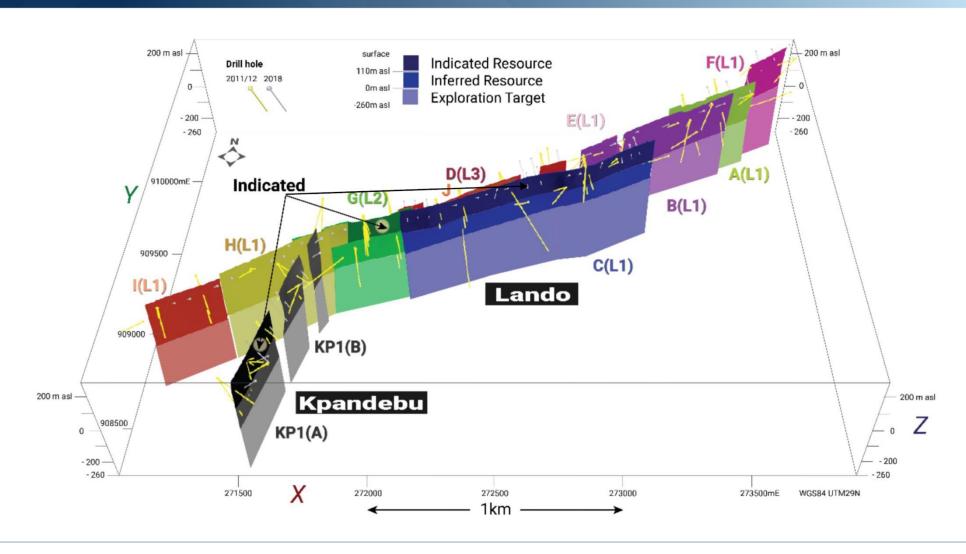


Kimberlite	Depth	Segment	Tonnes Minimum	Tonnes Maximum	+1.18mm Grade Minimum (CPT)	+1.18mm Grade Maximum (CPT)
Tongo D-1 East	surface (200masl) to - 200masl	TD1/2	100,000	200,000	1.0	1.8
Kundu	0masl to -255masl	various	700,000	1,000,000	2.7	3.7
Lando	0masl to -255masl	various	900,000	1,200,000	2.3	3.3
Pandebu	0masl to -255masl	various	140,000	200,000	0.8	1.8
Panguma	Surface to -255masl	various	600,000	1,000,000	1.4	2.0
Tongo (Tonguma)	Surface to -255masl	various	900,000	1,900,000	No grade	No grade
Seleima	Surface to -255masl	various	200,000	500,000	No grade	No grade
Total Range			3,540,000	6,000,000		

The Exploration Target Ranges (ETRs) are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource in these areas and it is uncertain if further exploration will result in the estimation of a Mineral Resource. For full Exploration Target Ranges details please see Newfield ASX release dated 26 November 2018, '7.4 million carats Resource for the Tongo Diamond Project' and ASX release dated 27 January 2021, 'Increase in Diamond Resource to 8.3 million carats'

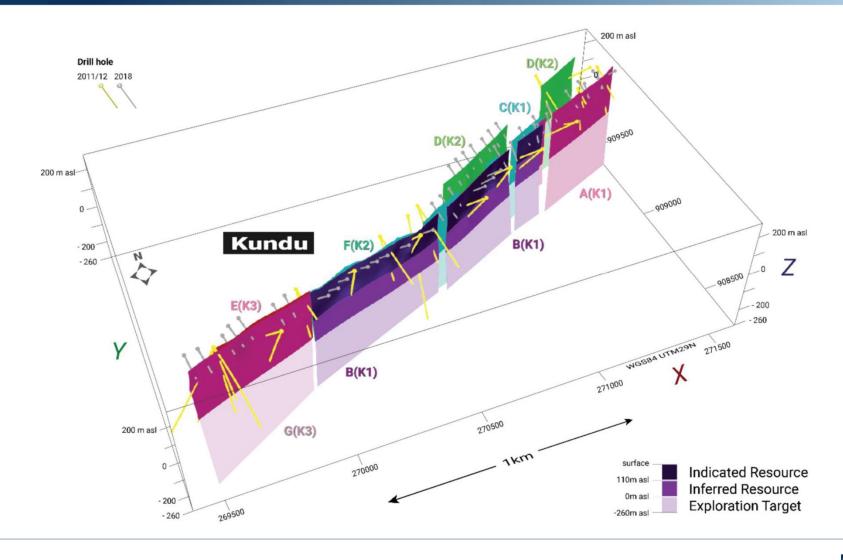
# Lando & Kpandebu Resource & Drilling





# Kundu Resource & Drilling

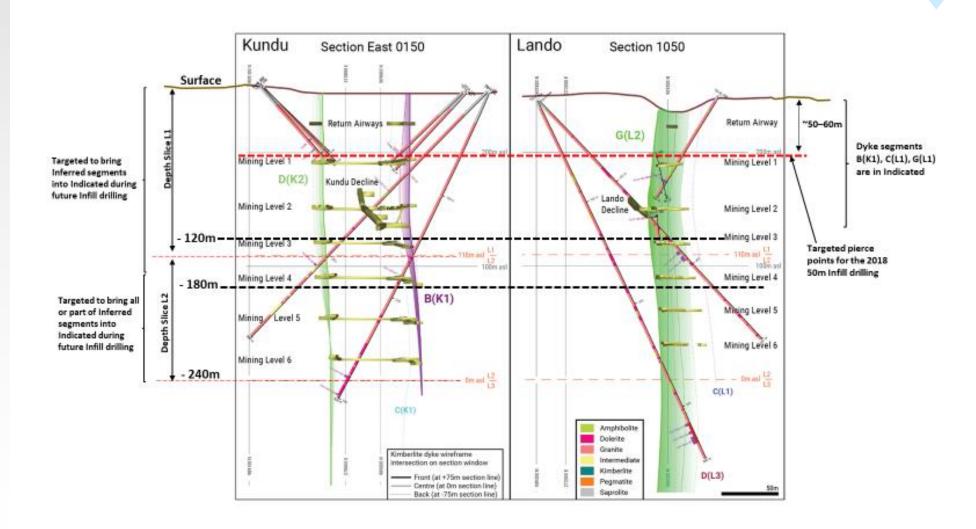




# Mining Levels Targeted for Deep Drilling



Deeper mine levels are targeted for further resource drilling on Lando, Kundu, Tongo Dyke 1 & Panguma



# Sierra Leone



- Sierra Leone is a peaceful and stable country in West Africa that became an independent country in 1961
- Parliamentary based government and a multi-party democracy
- Politically and religious tolerant country
- English language and English-based law
- Agriculture and Mining two of the main contributors to GDP of c. US\$4 billion
- Sierra Leone is renowned for high quality diamonds
- Tongo Mine is located 6 hours' drive east of the capital city Freetown
- Population of over 7.8m people in 2019 (World Bank)





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