



# Tongo Diamond Mine Sierra Leone

## Corporate Presentation

03 November 2023

ASX: NWF

[NEWFIELDRESOURCES.COM.AU](http://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.



# Operational Highlights

The Tongo Diamond Mine in Sierra Leone is a high-grade and high value mine that produces top quality gem diamonds suited to the high-end luxury jewelry market



Significant diamond resource of 8.3 million carats<sup>(1)</sup>  
*Incl.*  
Probable reserves of 1.1 million carats<sup>(2)</sup>

US\$80 million capital expenditure since 2018

Underground development of >2,000m completed to reach first mining level 50m below surface

Over 250 employees on site led by highly experienced mining and operations team

Mining grades exceeding resource model by average of 38%

Two diamond sales totaling 12,457 carats achieved average price of US\$216 per carat

Note(s): (1) Resource at +1.00mm cut-off; (2) Reserve at 1.18mm cut-off (3) modelled price at +1.18mm cut-off





# Substantial Diamond Resource

See Appendix for detailed Resource and Reserve tables



**8.3**  
million carats  
JORC  
Resource

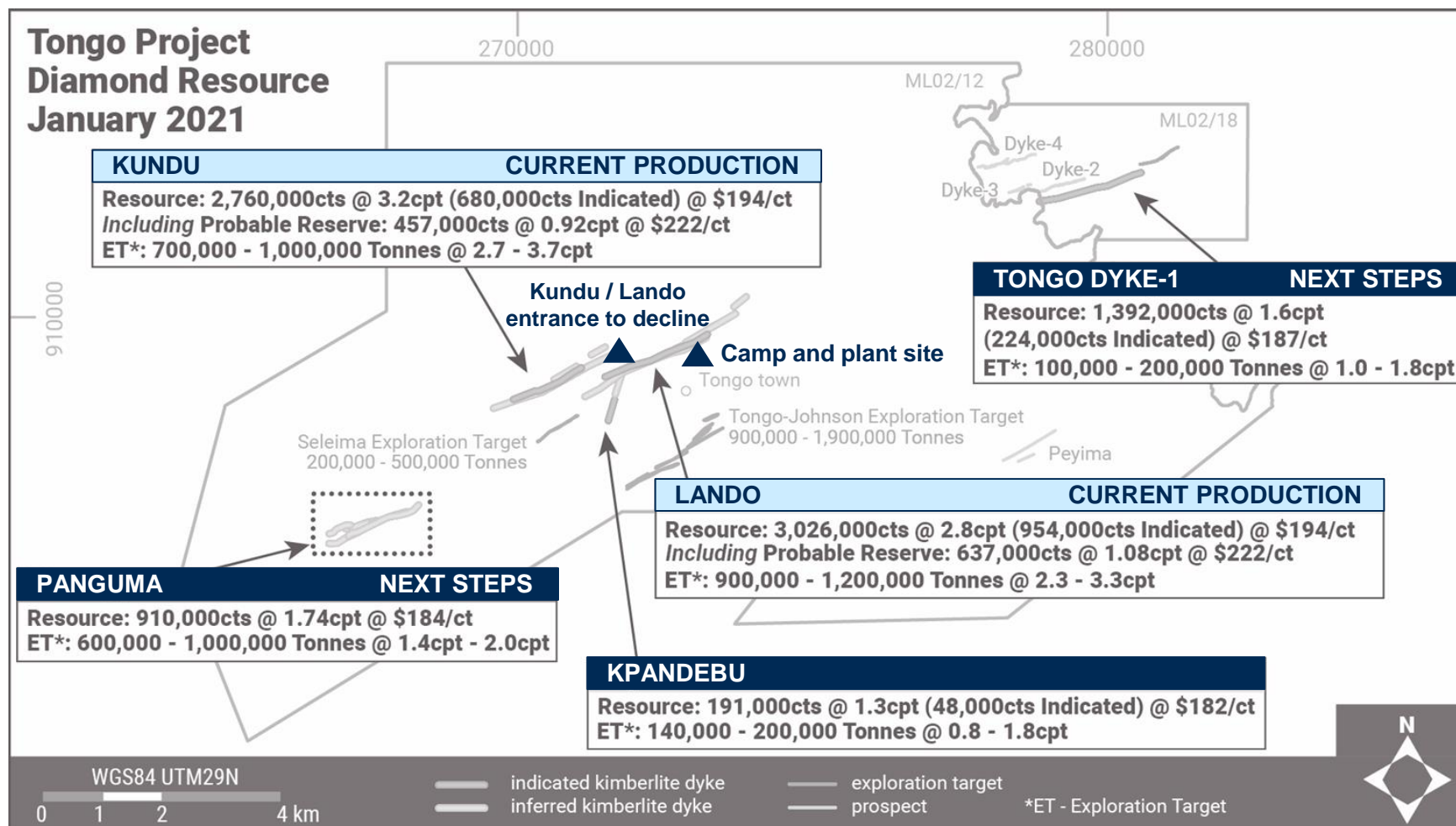
**1.1**  
million carats  
JORC Reserve

**5**  
of 11 kimberlites  
in Resource, all  
diamondiferous

Resources  
delineated  
mostly to 230m  
depth

The mine commenced with a central decline to access both Kundo 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.





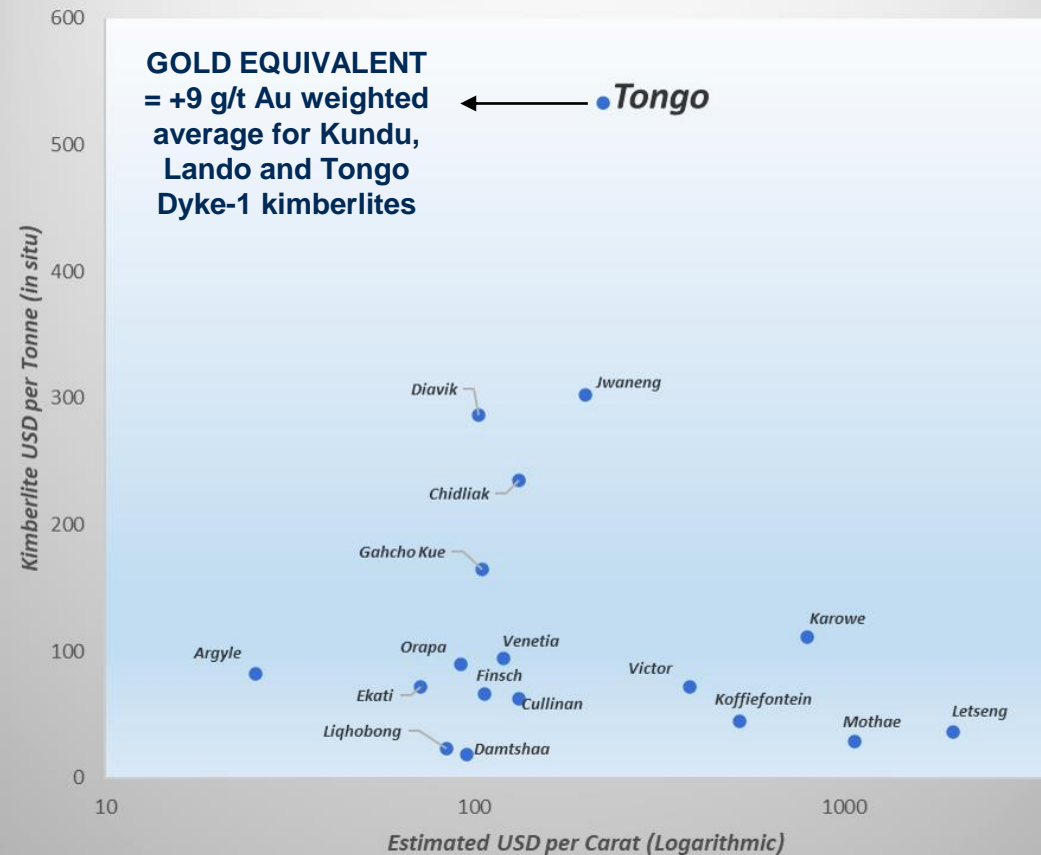
# Superior in-situ Rock Value

Tongo is a high-grade and high value project. The three kimberlites in the mine plan, Kundu, Lando and Tongo Dyke-1 have a weighed average in-situ grade of over US\$500 per tonne, equivalent to 9 g/t Au, one of the highest in the diamond producing world



Based on disclosed +1.0mm Mineral Resource estimate grades and diamond values

Tongo Mine Kimberlite in Situ Value



Diamonds in Kimberlite

Note(s): Tongo weighted average based on +1.18mm resource grade and value estimates per resource reports and \$1,950 oz gold price





# Underground Development



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



Portal entrance to the decline



Kundu decline



Underground Pump Station



Drilling Mine Face



Charging Mine Face



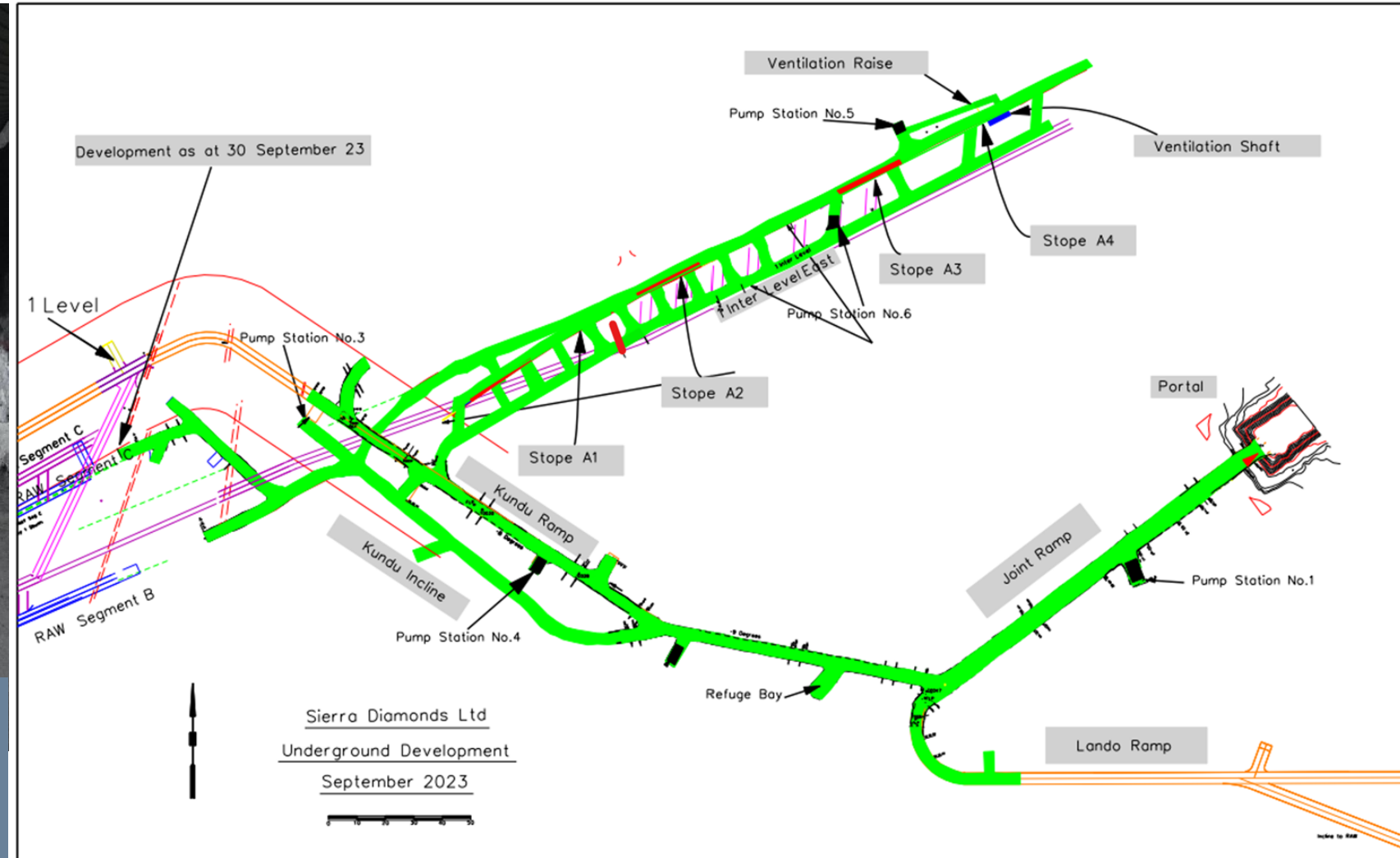


# Underground Development

Mining of Kundu Segment A Stopes A1 to A4 completed, development now progressing west into kimberlite Segments B and C



Development to date (green) is >2,000m accessing the underground from a central portal and declines into the ore bodies







# Processing

Processing via 5tph DMS plant with Flowsort recovery. Upgrade to 50tph plant design completed and construction to commence after funding, many major components are already procured and on site.





# High Proportion of Gem Quality “Collection Goods” (D, E, F, G colours)

Diamond sales have averaged US\$216 per carat, including gem diamonds up to of 15 carats in size



# Resource & Mining Upside

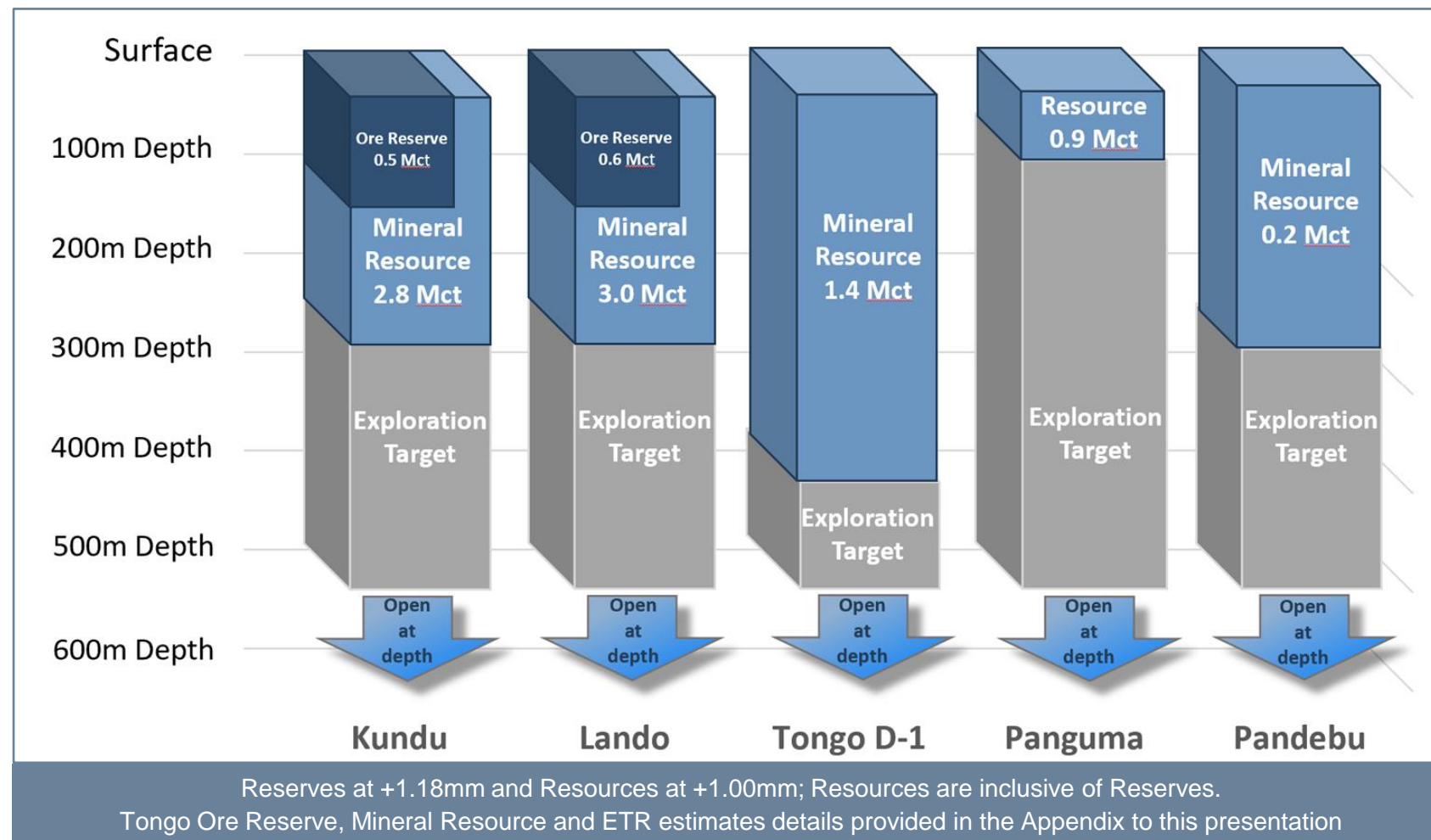
There is significant stope to increase the resource/reserve (and hence mine plan) beyond the current 8.3 million carats through evaluation of other kimberlites as well as through deeper drilling beyond the current resource depths

Only five of 11 kimberlites are currently in the 8.3 million carat resource, and only to shallow depths

Reserve only declared on top 120m levels of Kundu and Lando.

Drilling has intersected these kimberlites to depths below 400m.

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







# Short Term Strategy

## Production focus

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Open more mine faces on Kundu to ramp up carat production and continue decline development on Kundu and Lando. Access first Lando ore H2-24

## Plant upgrade to 50tph plant

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

## Diamond Sales

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Quarterly diamond sales planned in 2024

## Mine Expansion Study

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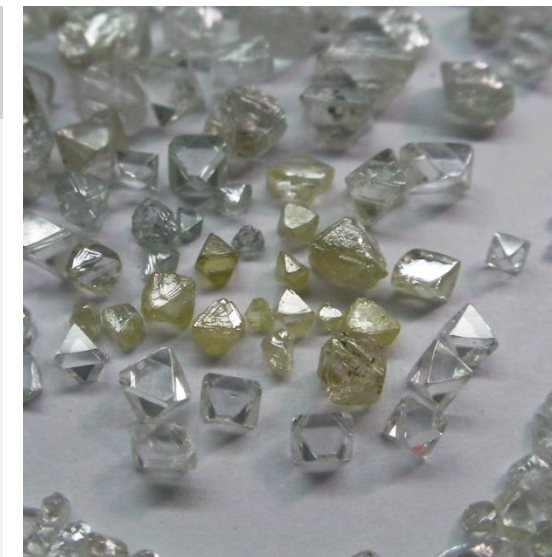
Technical studies and, to bring Tongo Dyke-1 into the mine plan and establish economics of Panguma kimberlite for future mining



# Medium Term Strategy



	CURRENT MINING PHASE	MINE EXPANSION PHASE
MINING	Achieve commercial production of Kundu and Lando by H1-25	Increase current production to over 250,000 carats p.a. by 2027 Development of Tongo Dkye-1 to increase production by target 75,000 carats p.a. by 2029 <sup>1</sup>
FEED STUDIES	Engineering design and mine scheduling of Tongo Dyke-1 kimberlite with a view to resource to reserve conversion and commencing mine development in early 2026	Engineering design and mine scheduling of Panguma kimberlite can increase production further
EXPLORATION	Deeper drilling to increase diamond resource and reserves on kimberlites	Resource drilling of other six kimberlites to further increase diamond resource and reserves



Notes: (1) Subject to positive Tongo Dyke-1 studies, continued expansion of production to over 400,000 carats p.a. by 2029

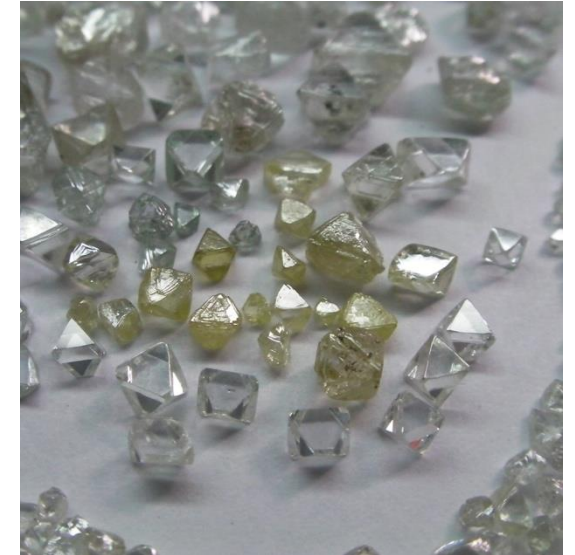


# Funding Strategy

Rights issue and debt funding will enable Newfield to achieve commercial, full-scale production outlined in the medium-term strategy



	FUNDING	USE OF PROCEEDS
Equity Issues in Sept-23	<p>A\$3.11m placing at A\$0.15/sh</p> <p>A\$13.86m debt to equity conversion at A\$0.15/sh</p>	<p>Working capital</p> <p>Strengthen Balance Sheet</p>
Entitlement Offer Oct-23	<p>Raising up to A\$17.6 million at A\$0.15/sh with free attaching 1 for 2 option at A\$0.25 for 5 years. A\$7.8 million underwritten by Truth Wealth Management, a significant shareholder.<sup>1</sup></p>	<p>To Complement AFC debt facility. Funds to be allocated towards continued development and production expansion of Tongo Mine, construction of 50tph plant, mine plan studies and loan repayments</p>
Proposed Debt Funding	<p>Non-binding terms Sheet entered into with Africa Finance Corporation (AFC) for up to US\$50 million debt facility.<sup>2</sup> Lenders detailed due diligence well progressed.</p>	<p>Mine expansion and achieving commercial production at the Tongo Diamond Mine</p>



Notes: (1) Refer announcement and prospectus dated 23-Oct-23 ; (2) Refer announcement dated 10-Jul-23 for full details



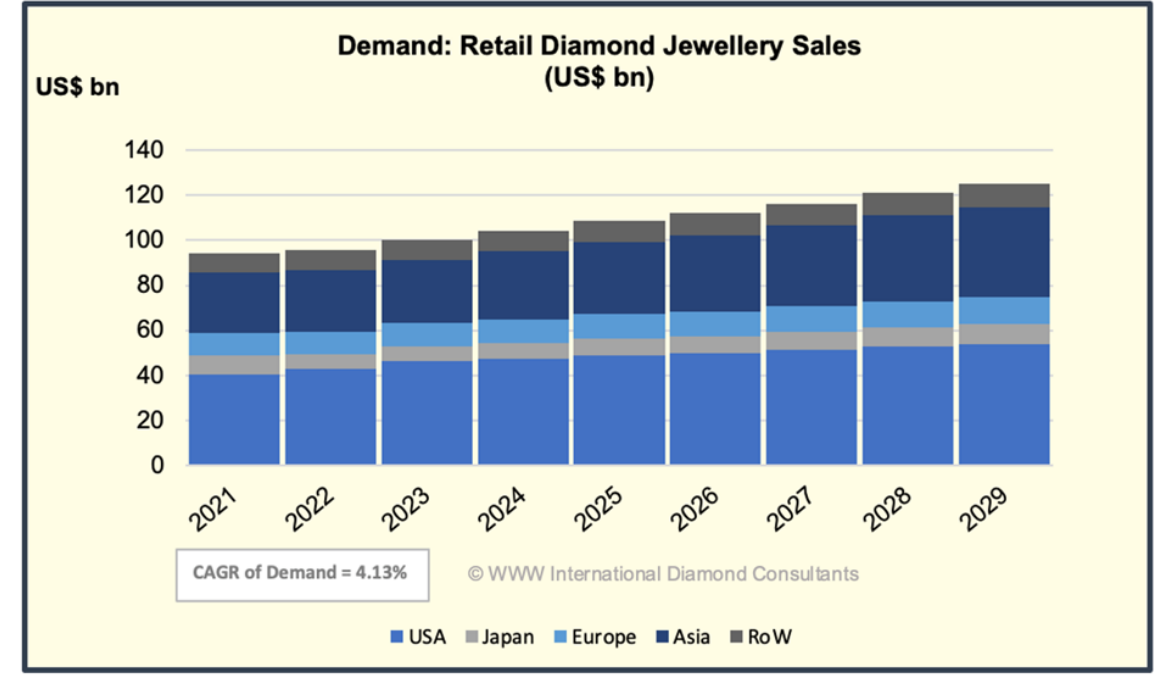
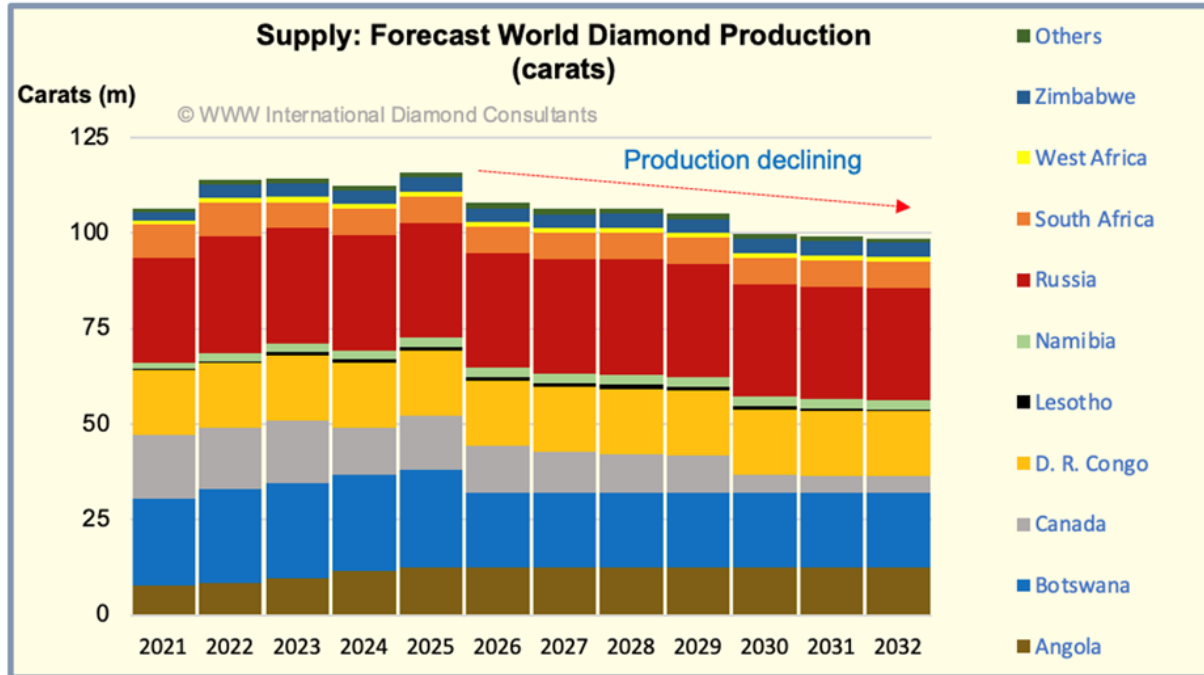
# ESG Compliance and Strategy



ESG Vision	Environment	Social	Governance	ESG Platform and Reporting
<p>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</p> <p>The most recent ESG report was issued in February 2023.</p>	<p>Full EIA's and Environmental Permits in place</p> <hr/> <p>Regular EPA audits confirm compliance with EIA's</p> <hr/> <p>Opportunity to enhance green energy consumption via hydro-power line</p> <hr/> <p>Tongo Underground Mine has a small foot print and does not use chemicals in its mineral recovery process</p> <hr/> <p>Company has started to measure GHG emissions for future reporting</p> <hr/> <p>Mine is not located in an area designated as "biodiversity significant"</p> <hr/>	<p>NWF has identified four key stakeholder groups, being Government of Sierra Leone, Local Communities, Employees and Shareholders</p> <hr/> <p>Social licence to operate. Community Development Agreement in place and governs all development initiatives in partnership with communities</p> <hr/> <p>NWF works closely with GoSL agency bodies such as NMA and EPA in full transparency and compliance of operations</p> <hr/> <p>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</p>	<p>NWF is an ASX public listed company that adheres to transparent governance, compliance and reporting</p> <hr/> <p>Board of Directors functions and responsibilities is guided by ASX Corporate Governance Council's Principals and Recommendations</p> <hr/> <p>Company has implemented strict Anti-Bribery and Corruption, Anti-Child and Forced Labour, Code of Conduct and Values Policies</p> <hr/> <p>Company adheres to and is compliant with all relevant mining, environmental and statutory laws in Sierra Leone to execute its operations</p>	<p>Following the SocialSuite Platform which is aligned with World Economic Forum ESG Metrics</p> <hr/> <p>Adopts to the four pillars of the framework of Governance, Planet, People and Prosperity</p> <hr/> <p>ESG Report for 2022 was issued in February 2023 and is the second report for Newfield as a production company</p> <hr/>



# Robust Market Fundamentals Underpinned by Decreasing Global Diamond Production



Diamond supply has been constrained for several years. Production will increase slightly to around 115m carats in 2025 before gradually falling year on year throughout the forecast period. This could be lower should Alrosa decide to reduce production due to reductions in rough demand brought about by looming G7 sanctions on Russian diamonds.

Average rough diamond value is US\$117 per carat vs. Tongo's recent sales average US\$216 per carat.

The global diamond jewellery market is expected to have a CAGR between 3-4% through to the end of the decade. The US market will remain the cornerstone for the diamond market for most of the next decade. Thereafter the growth in Asian markets will become prominent. China and India will lead the way.

# Investment Case: A Developed Mine With A High-Quality Product



## **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)
- Average value of US\$216 per carat for two diamond sales completed
- In-situ value of kimberlite one of the highest worldwide (equivalent to 9g/t Au weighted average)



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

- >2,000m underground decline and associated development completed
- Mine infrastructure well established
- First production achieved with expansion and ramp up planned
- Targeting 250,000cts by 2027 and development of Tongo Dyke-1 by 2029 to increase production by target 75,000cts per annum



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

- Company has significant production experience skills
- 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 in medium and long term
- Rough diamond prices forecast to strengthen in 2024 and have robust price inflation beyond due to predicted supply deficit





# Appendices



# Directors & Management



## Executive Management



**Mr Karl Smithson** | Executive Director

- 35 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

## Senior 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 and underground diamond mines in Sierra Leone, Tanzania and South Africa
- Also served roles as Group Head of Health, Safety and Environment

## Board

**Mr Jack Spencer-Cotton**  
Non-Executive Director

- Over 28 years' experience in the field of engineering. He has held senior roles with international manufacturing companies and has established his own consulting engineering business. Presently project manager at One New Energy and NED of ASX listed Mustera Property Group.

**Mr Kunal Malhotra**  
Non-Executive Director

- An experienced company director and company secretary for a number of listed and non-listed public entities.
- A Fellow of the Governance Institute of Australia and holds a Bachelor of Law and Commerce from the University of Western Australia.

**Mr Koos Visser**  
Technical Adviser

- A highly experienced electrical engineer with significant mine operational experience in a range of commodities including diamonds.
- Previously COO for Petra Diamonds successfully overseeing operations on a number of large diamond mines.

## Management and Advisers

**Ms Lili Jiang**  
Chief Financial Officer

- Chartered Accountant with over 15 years corporate and financial management experience in the resource sector.
- Holds a Masters in Professional Accounting from Curtin University, Western Australia.

**Natalie Teo**  
Company Secretary

- Chartered Secretary and an Associate of the Governance Institute of Australia
- Currently Secretary to several ASX and NXS-listed entities, engaged with a firm that provides accounting and corporate advisory services.



# 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)



# Corporate Information



Capital Structure (as at 30 October 2023)	
ASX Code	NWF
Top 20 Shareholders (as at 30 August 2023)	81%
Shares issued (m)	882.05
Share Price	\$0.10
<b>Market capitalisation (A\$m)</b>	<b>88.20</b>
Employee Performance Rights (m)	11.57
Unquoted Options (m)	29.74

Substantial Shareholders	Shareholding (%)
Rustiyan Oen	23.86
Wonder Holdings Pty Ltd	10.48
Truth Wealth Management VCC	10.20
QP & Co Pty Ltd	5.59

Source: Advanced Share Registry, Yahoo Finance  
As at market close 30 October 2023

# 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
<b>Kundu</b>	<b>Total</b>	<b>850,000</b>	<b>3.2</b>	<b>2,760,000</b>	
Lando	Indicated	320,000	3.0	954,000	194
Lando	Inferred	740,000	2.8	2,072,000	194
<b>Lando</b>	<b>Total</b>	<b>1,060,000</b>	<b>2.8</b>	<b>3,026,000</b>	
Pandebu	Indicated	60,000	0.8	48,000	182
Pandebu	Inferred	110,000	1.3	143,000	182
<b>Pandebu</b>	<b>Total</b>	<b>170,000</b>	<b>1.3</b>	<b>191,000</b>	
Tongo D-1	Indicated	160,000	1.4	224,000	187
Tongo D-1	Inferred	730,000	1.6	1,168,000	187
<b>Tongo D-1</b>	<b>Total</b>	<b>890,000</b>	<b>1.6</b>	<b>1,392,000</b>	
<b>Panguma</b>	<b>Total Inferred</b>	<b>570,000</b>	<b>1.7</b>	<b>910,000</b>	<b>184</b>
<b>Total</b>	<b>IND. &amp; INF.</b>	<b>3,540,000</b>	<b>2.4</b>	<b>8,279,000</b>	

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)
<b>Tongo D-1 East</b>	surface (200masl) to -200masl	TD1/2	100,000	200,000	1.0	1.8
<b>Kundu</b>	0masl to -255masl	various	700,000	1,000,000	2.7	3.7
<b>Lando</b>	0masl to -255masl	various	900,000	1,200,000	2.3	3.3
<b>Pandebu</b>	0masl to -255masl	various	140,000	200,000	0.8	1.8
<b>Panguma</b>	Surface to -255masl	various	600,000	1,000,000	1.4	2.0
<b>Tongo (Tonguma)</b>	Surface to -255masl	various	900,000	1,900,000	No grade	No grade
<b>Seleima</b>	Surface to -255masl	various	200,000	500,000	No grade	No grade
<b>Total Range</b>			<b>3,540,000</b>	<b>6,000,000</b>		

*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'*



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