

# CORPORATE INVESTMENT PRESENTATION

121 Conference, Singapore  
May 2018

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# Forward looking statement

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Certain information set forth in this presentation contains “forward-looking statements” and “forward-looking information” under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements, which include management’s assessment of future plans and operations and are based on current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as “forecasts”, “estimates”, “expects” “anticipates”, “believes”, “projects”, “plans”, “outlook”, “capacity” and similar expressions.

These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company’s actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements.

These risks and uncertainties include, but are not limited to: risks that the presence of diamond development mining prospects mentioned nearby the Company's property are not indicative of the mineralization on the Company's property, the supply and demand for, deliveries of and the level and volatility of prices of rough diamonds, risks that the actual revenues will be less than projected; risks that the target production for the existing mining projects will be less than projected or expected; risks that production will not commence as projected due to delays to on governmental agency oversight or the timely completion of a JORC compliant report; technical problems; inability of management to secure sales or third party purchase contracts; currency and interest rate fluctuations; foreign exchange fluctuations on functional currency on ZAR/USD; various events which could disrupt operations, including labour stoppages and severe weather conditions; and management’s ability to anticipate and manage the foregoing factors and risks.

The forward-looking statements and information contained in this press release are based on certain assumptions regarding, among other things, future prices for diamonds; future currency and exchange rates; the Company’s ability to generate sufficient cash flow from operations and access capital markets to meet its future obligations; and the Company’s ability to retain qualified staff and equipment in a cost-efficient manner to meet its demand. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

The reader is cautioned not to place undue reliance on forward-looking statements. The Company does not undertake to update any of the forward-looking statements contained in this presentation unless required by law. The statements as to the Company’s capacity to achieve revenue are no assurance that it will achieve these levels of revenue.

# Competent Person's Statement

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The information in this presentation that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Stephen Le Roux, a Competent Person who is a Member (Pr. Sci. Nat) of the South African Council for Natural Scientific Professions.

Mr Le Roux is an independent geological consultant, self-employed and contracted for this work by Frontier Diamonds Limited.

Mr Le Roux has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves.

Mr Le Roux consents to the inclusion in the Presentation of the matters based on this information in the form and context in which it appears.

## Reference to Previous ASX Releases

This presentation refers to information contained in the following previous ASX releases:

- ▲ “First diamonds discovered from the Bellsbank Kimberlite Pipe Exploration Project” – ASX Release date 7 March 2018
- ▲ The Company's IPO Prospectus – ASX Release date 3 January 2018

The Company confirms that it is not aware on any new information or data that materially affects the information included in the original market announcements and all material assumptions and technical parameters continue to apply and have not materially changed.

# Frontier snapshot

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- ▲ Listed on the ASX on 5 January 2018 (ASX: FDX)
- ▲ Market cap A\$ 27M at A\$0.135ps (as at 17 May 2018)
- ▲ 74% interests in Sedibeng and Star Mines in South Africa
- ▲ A\$ 30M invested in mines post acquisition from Petra in 2014
- ▲ FDX management ownership of 64%
- ▲ Average 12 year LOM with total reserves of 544,000 carats
- ▲ Sedibeng mine throughput achieved 7,200 tonnes in March, which is expected to reach targeted level 10,000 tonnes by June 2018.

# Our operating model

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Winding Gear at Star Mine



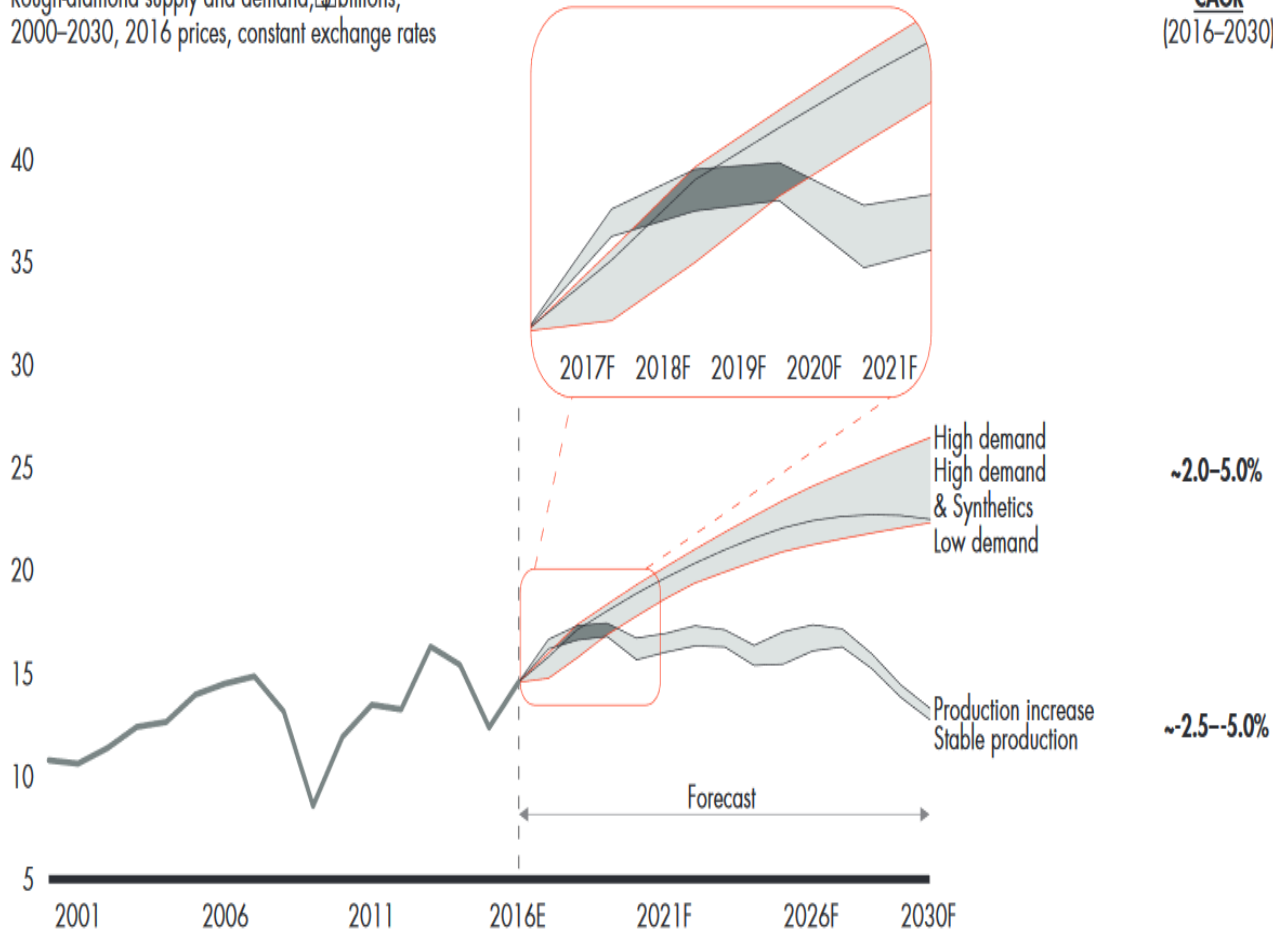
Plant at Sedibeng Mine

- ▲ Extensive underground diamond operational expertise
- ▲ Strong in-house engineering capability drives low cost structure
- ▲ Entrenched best practice and safety/compliance ethos
- ▲ Well understood operations and geology
- ▲ High resource grades: Star 80cpht & Sedibeng 48 cpht
- ▲ High Value Diamonds: >90% gem quality
- ▲ Driving volume and cost efficiencies to enhance margins
- ▲ Appraising proximate acquisition opportunities

# Why are we bullish in the future of diamonds?



Rough-diamond supply and demand, \$billions, 2000-2030, 2016 prices, constant exchange rates



## STRONG MARKET FUNDAMENTALS

- Global diamond prices have enjoyed a real escalation of 3.3% pa over the past 12 years
- Global demand expected to grow at 2-5% pa
- Progressive exhaustion of major resources
- Long-term demand expected to outstrip supply
- High demand for larger quality gems supports Star and Sedibeng realised prices
- Well regulated through the Kimberley Process

Note: Stable production assumes delayed start of production for new mines and earlier end of production for several existing mines; rough-diamond demand has been converted from polished-diamond demand using historical ratio of rough diamonds and polished diamonds values  
Sources: Kimberley Process; Euromonitor; EIU; expert interviews; Bain analysis



## > 90% Gem quality with strong potential for exceptional stones

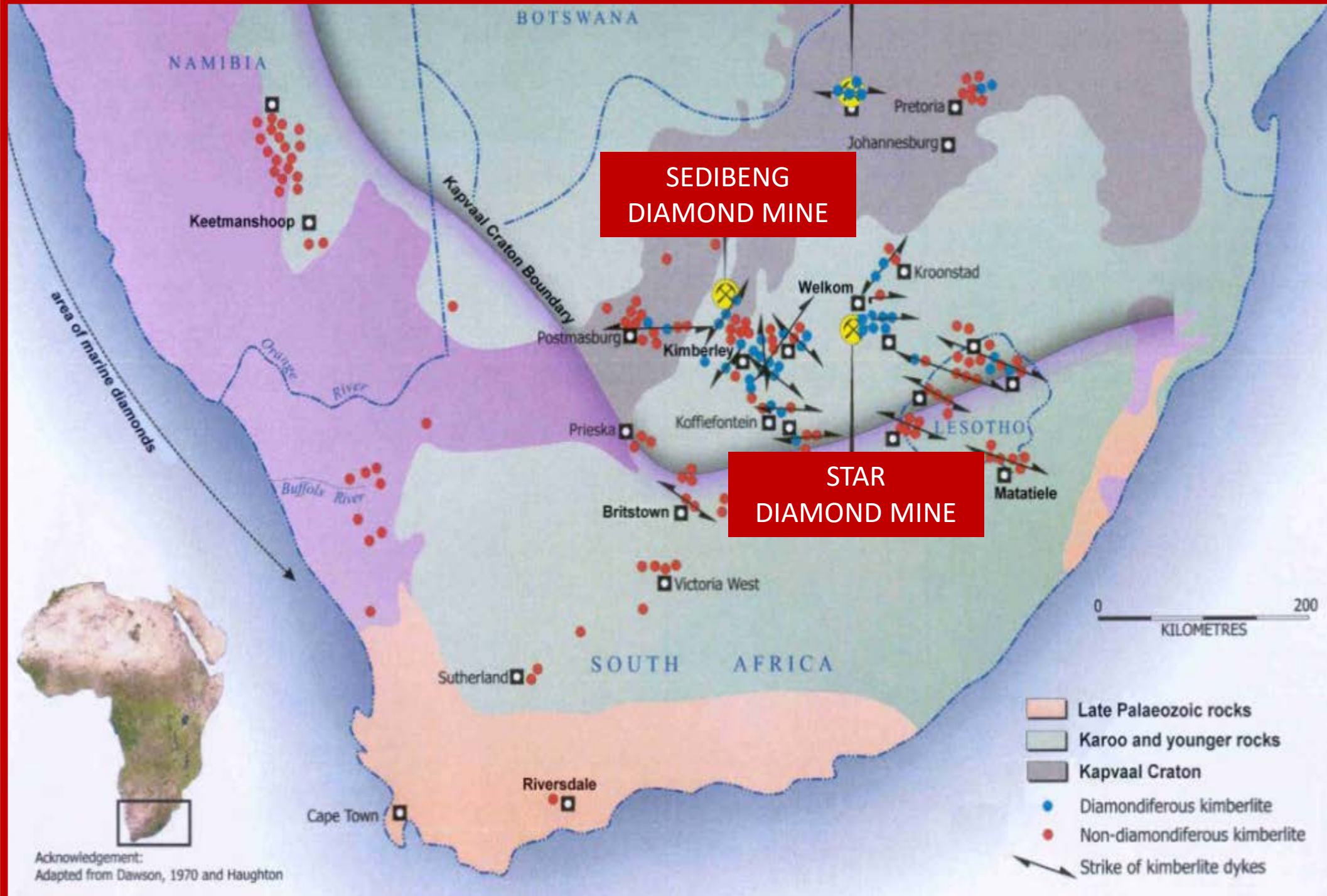


Representative sample of diamonds recovered from Sedibeng during March 2018.

- ▲ Sedibeng Diamonds achieved an average **US\$429** per carat over the last three tenders.
- ▲ Five **exceptional** stone recovered during March totalling 72 carats, including a 27.5 carat special
- ▲ The largest stone recovered from Sedibeng of **126ct** which sold for **US\$5.3 m** in 2007



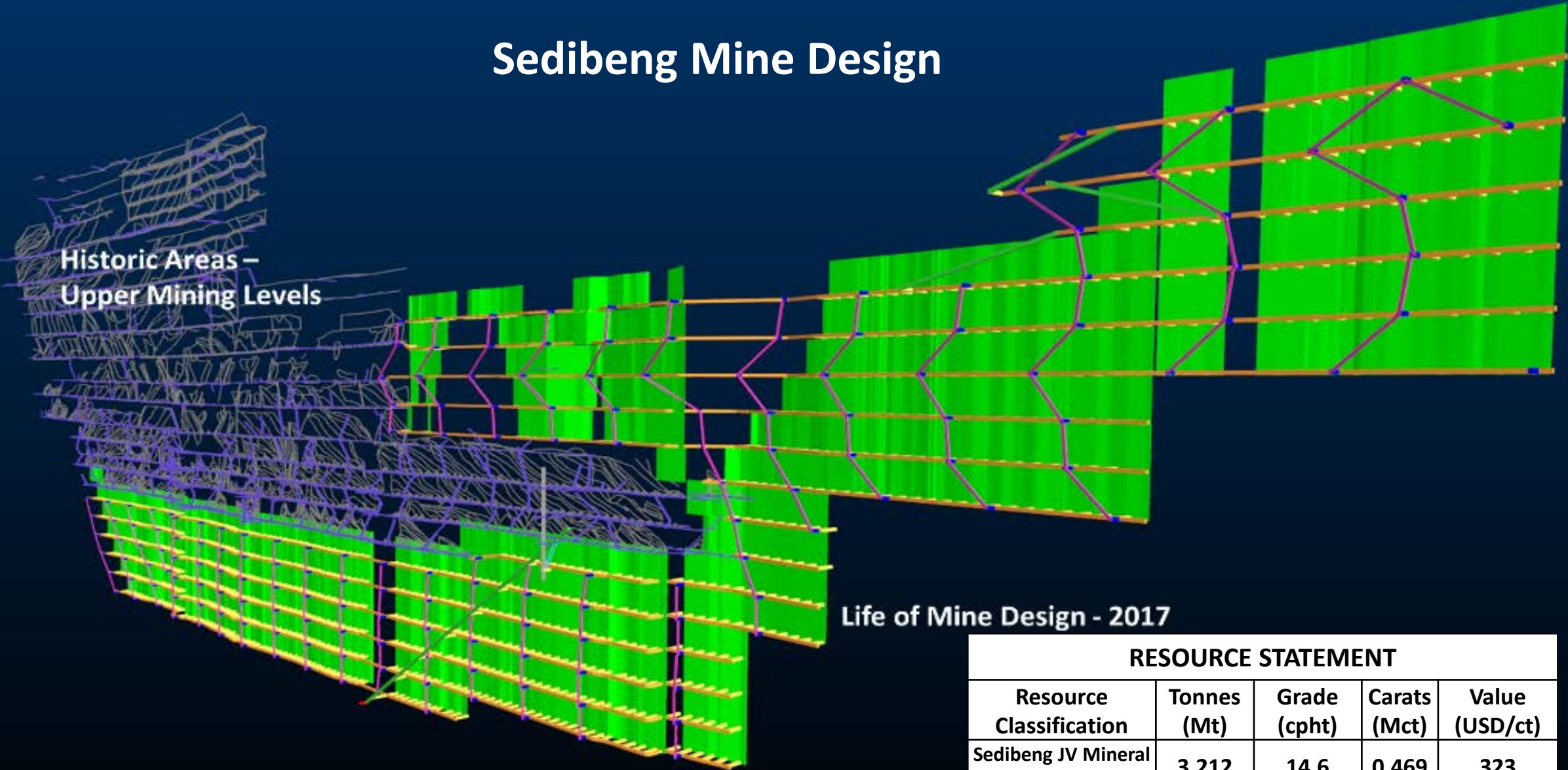
# Location





## Sedibeng Mine Design

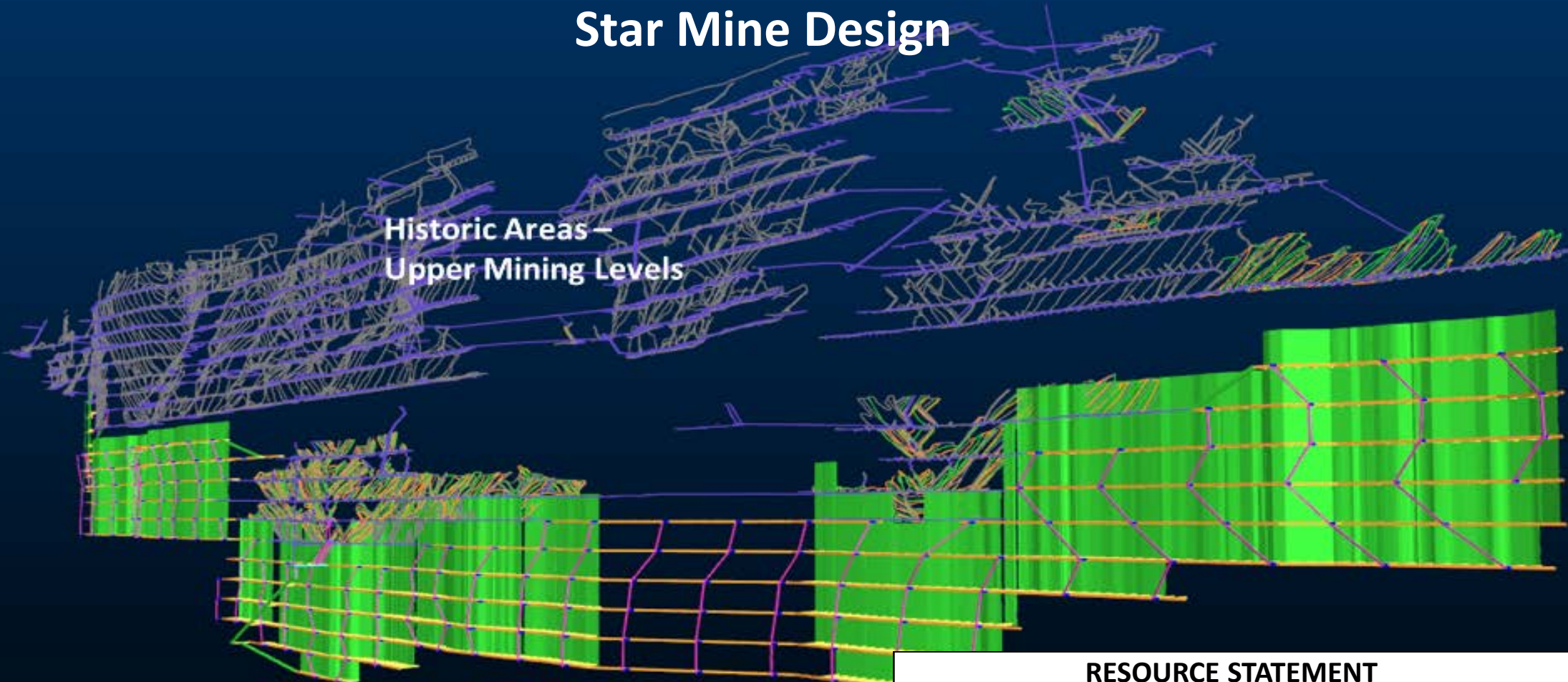
Historic Areas –  
Upper Mining Levels



Life of Mine Design - 2017

RESOURCE STATEMENT				
Resource Classification	Tonnes (Mt)	Grade (cpht)	Carats (Mct)	Value (USD/ct)
Sedibeng JV Mineral Resource	3.212	14.6	0.469	323

## Star Mine Design



Historic Areas –  
Upper Mining Levels

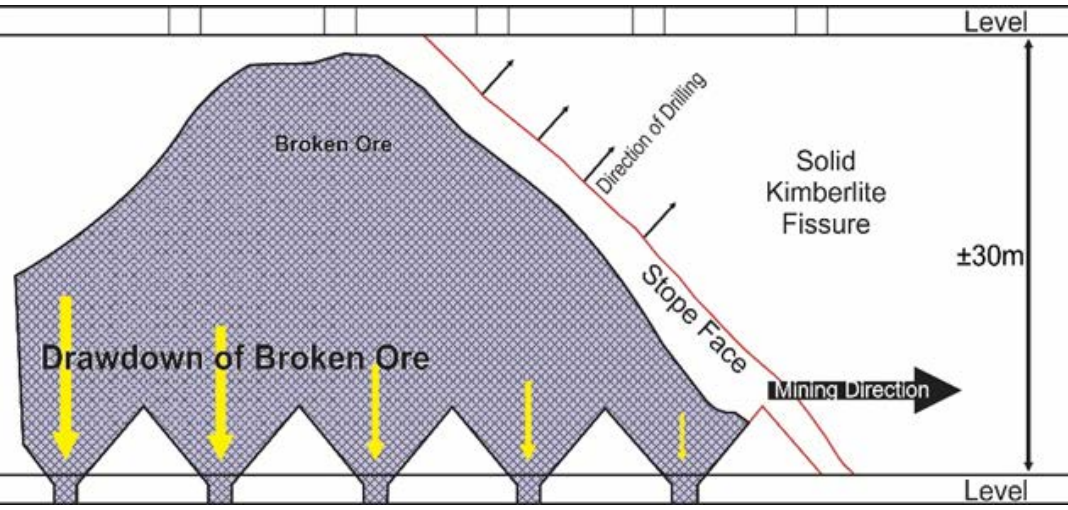
Life of Mine Design - 2017

RESOURCE STATEMENT				
Resource Classification	Tonnes (Mt)	Grade (cpht)	Carats (Mct)	Value (USD/ct)
Star Mineral Resource	1.340	62.6	0.838	293

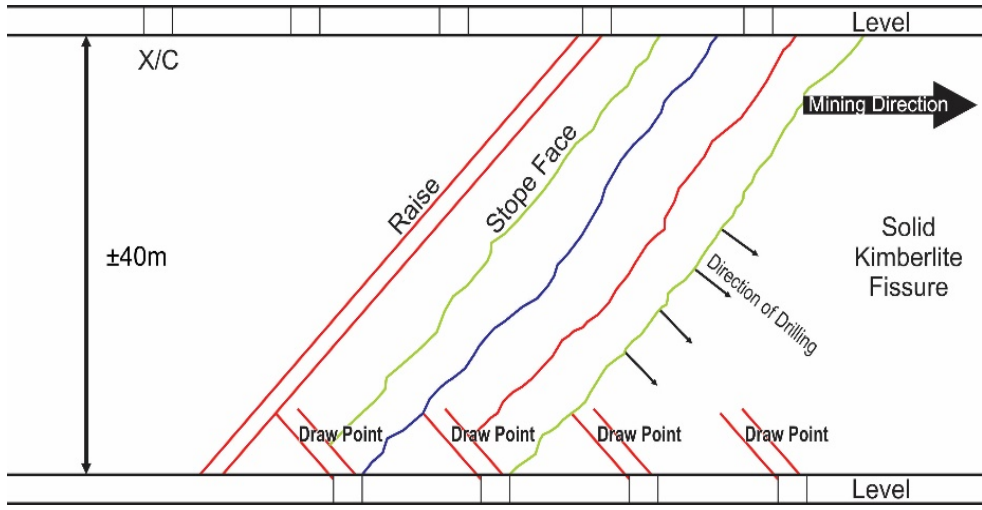


# Operations – Current Shrinkage Mining Method

**Historical overhand Stope Shrinkage Mining Method**

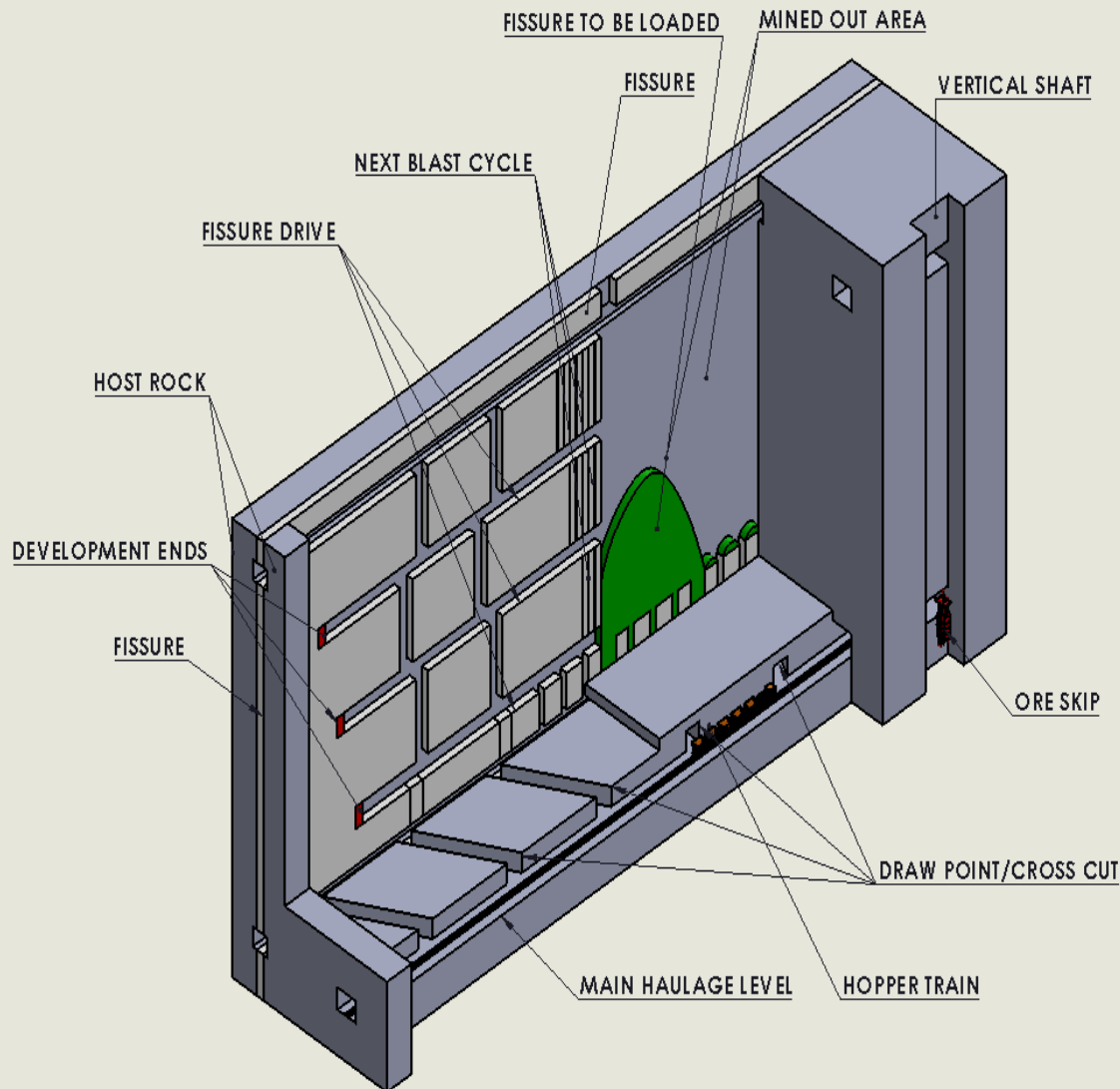


**Historical Underhand Stope Shrinkage Mining Method**



# New Sublevel Retreat Method

## Sublevel Retreat Mining Method



## Replacing previous shrinkage method at Sedibeng and Star

- ✓ Positive impact on revenue and costs expected
  - Less waste dilution in fissure mined
  - Higher product assurance
  - Higher efficiency and mechanisation
- ✓ Improved stope safety environment
- ✓ Relative short-term delay with implementation



# Bulk sampling and tailings retreatment plant

## Plant commissioned

- The plant was purchased, relocated to Sedibeng and refurbished over a 7 month period at a total cost of US\$1.2 million.
- Plant designed to operate in a dual capacity as both a batch treatment plant for bulk samples and as a concentrate retreatment plant to process available tailings material from the Sedibeng mine.
- Plant nameplate design supports 50 tonnes per hour of kimberlite ore throughput or 150 tonnes per hour of tailings feed.
- Processing of approx. 30kt per month of bulk sample material or 90kt per month of Sedibeng tailings material has commenced.



# Bellsbank Kimberlite Pit - Bulk Sampling Program

## Phase 1

- First diamonds recovered from tailings plant commissioning sample from the upper levels of the calcretised kimberlite facies.
- Biggest stone recovered was 1.45 carats.
- Current depth of pit is 20 metres, discovery of diamonds in the upper calcretised kimberlite suggest a strong possibility that the lower facies contain diamonds.
- Economic evaluation including resources and reserve estimation and mine planning is to commence shortly.



# Outlook

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- ▲ Sedibeng ramp-up to 2,600 cts per month in Jul 2018 and Star to 2,500 cts per month in Sep 2018
- ▲ New mining method to drive stronger margins and greater consistency at both operations
- ▲ Exceptional stone potential offers outstanding revenue upside
- ▲ Sedibeng tailings plant commissioning to deliver further profitability driver
- ▲ Assessment of Bellsbank economics underway
- ▲ Active appraisal of various near-term production assets available for sale



Thank you for the opportunity to present our business case



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