ASX: NWF

ABN: 98 153 219 848

15 McCabe St
North Fremantle WA 6159
T: +08 9389 8880
F: +08 9389 8890

www.newfieldresources.com.au

ASX Announcement
4 October 2019

Tongo Mine Development Update

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

Highlights

- **Blasting of box cut for underground mine decline access completed with 53,000m^3 of material excavated**
- **Resource development drilling of Panguma kimberlite in progress**
- **Significant microdiamond results received from Panguma kimberlite**
- **Lease agreement for mining equipment signed**

Newfield Executive Director, Karl Smithson, commented:

"The box cut for the portal access to the underground declines has been completed with zero safety incidents. Work is now focussed on providing the necessary support of the box cut and shaping of the haul road to attain the right angle of entry into the decline. With the recent signing of the lease agreement for the mining equipment, which is due to arrive on site at the end of this year, we look forward to commencing the opening of the portal and driving down the decline towards the Kundu and Lando Ore Reserves from January 2020.

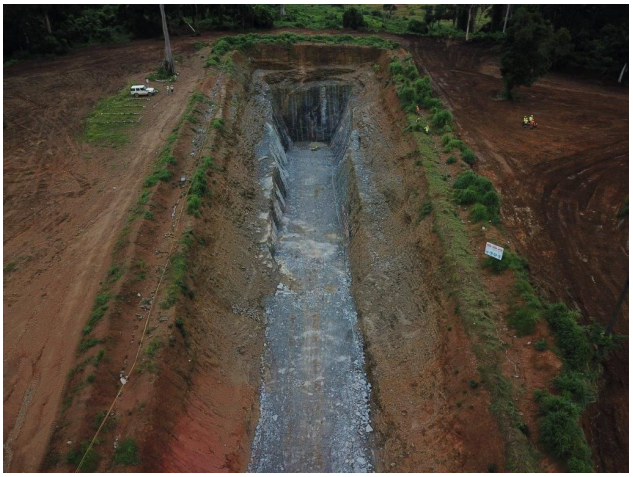
"As part of the mine design optimisation work, it became clear that an opportunity exists to develop the Tongo D-1 kimberlite from 2023 in parallel with planned mining of the Kundu and Lando kimberlites. The decision has therefore been taken to adopt a plant design enabling rapid modular expansion from 50tph to a nameplate 100tph capacity. This provides the potential for significantly expanded production rates from 2023 and also delivers the flexibility to further increase production from existing and other kimberlites that are not yet in the broader mine plan.

"Drilling and assaying of the Panguma kimberlite continues and is delivering positive results. The key initial objective at Panguma is to delineate a JORC-compliant resource and hence increase the overall resource inventory of the Tongo Mine Development from its current 7.4 million carats."

Box Cut Blasting

The drilling, blasting and excavation of the box cut has been completed. Five blasts were undertaken in total and some 52,000 cubic metres of blasted granite have been removed to the waste dump stockpile, where Newfield has recently established a crushing plant to produce aggregate for the mine construction. The box cut is now at the elevation required based on the geotechnical studies to ensure that the 6m x 4m portal entry for the decline to access both the Kundu and Lando kimberlites can be drilled and blasted. A consulting rock engineer has visited the site and undertaken a geotechnical study to make recommendations on the required support for the box cut and the initial development of the portal and decline to ensure a safe working environment.

Procurement of capital items to support the box cut and commence the portal opening and decline development will now be made, in advance of the expected arrival of the rock drills, loaders and haul trucks in late December.



Figures 1 and 2: *Photos of Box Cut Development*

100tph Processing Plant

As part of an optimisation program following the FEED Study completed in May 2019, Newfield assessed options for potential rapid expansion of processing capacity and diamond production rates. This review included weighing a single enlarged plant design against planned refurbishment of the existing 50tph plant coupled with investment in a stand-alone 25tph processing plant at the Tongo Dyke-1 site. The outcome of this review is that it is more efficient, in both capital investment and operating terms, to implement a modular 100tph plant design from the outset of the Tongo Mine Development.

Various key components of the 50tph plant can be used in the development of the 100tph plant. The aggregate capital investment with the expanded capacity is only marginally higher than the original 50tph refurbishment

approach. As the expanded plant design can be implemented on a modular basis, a portion of the capital requirement is capable of being deferred to later years as mine production levels progressively increase.

The detailed design of the 100tph plant has been completed and earthworks excavations for plant civils have commenced.

Panguma Kimberlite Resource Drilling

As previously reported the Tongo global Mineral Resource estimate is currently 7.4 million carats (+1.0mm cut off). For full details of this Mineral Resource estimate, please refer to Newfield ASX release dated 26 November 2019, *7.4 million carats Resource for the Tongo Diamond Project*.

(Newfield confirms that it is not aware of any new information or data that materially affects the information included in that release. All material assumptions and technical parameters underpinning the estimates in that release continue to apply and have not materially changed.)

The Panguma kimberlite, located in the west of the TongoD mining licence area, does not currently have a Mineral Resource estimate. However, Newfield has previously declared an Exploration Target Range for the Panguma kimberlite of 1,000,000 to 1,900,000 tonnes at a grade of 0.9 to 2.0 carats per tonne, based on historical drilling and bulk sampling data.

(The potential quantity and quality of the Exploration Target is conceptual in nature. Insufficient exploration has been undertaken to estimate a Mineral Resource and it is uncertain that further exploration will result in the estimation of a Mineral Resource.)

The current drilling program at Panguma, using an in-house diamond drill rig, continues to provide a better density of drilling along strike of the kimberlite, and thus a higher confidence geological model. So far eight holes (for 574 metres) have been drilled, with all holes intersecting the Panguma kimberlite. It is envisaged that a further four holes will be drilled and then samples of kimberlite core will be consigned to the Saskatchewan Research Council (SRC) for further microdiamond analysis and grade estimation.

Panguma Microdiamond Analysis Results

Two separate samples of the Panguma kimberlite, totalling 329.95kg, were collected as part of the current work program and were consigned to the SRC for caustic fusion (microdiamond analysis). Combined, these samples yielded 962 diamonds, weighing 1.69 carats (see Table 1). A total of 28 diamonds were classified as >0.85mm in size, with the largest stone measuring 5.5mm x 4.7mm x 3.0mm (0.79carats in weight). The two samples showed consistent results and are thus reported together in Table 1 below.

Table 1: *Panguma Kimberlite Microdiamond Results*

Number of Diamonds According to Sieve Size Fraction (mm)		
From	**To**	**No. of Stones**
-4.75	3.35	1
-3.35	2.36	0
-2.36	1.70	3
-1.7	1.18	9
-1.18	0.85	15
-0.85	0.6	23
-0.6	0.425	35
-0.425	0.3	54
-0.3	0.212	103
-0.212	0.15	158
-0.15	0.106	244
-0.106	0.075	317
Total No. of Stones		**962**
Total Sample Weight (kg)		**329.95**
Total No. Carats		**1.69**
Total Diamonds per kg		**2.92**

Mining Equipment Lease

Newfield has entered into a finance lease agreement with BauMart Holdings Limited (ASX:BMH) for the lease of mining equipment that is required for the initial stages of the Tongo underground mine development. The equipment comprises 2x Drill Rig Jumbos, 2x Haul Trucks and 2x LHD Loaders (**Equipment**) with an aggregate value of US$2.8 million.

The finance lease runs for an initial term of three years at an annual interest rate of 14%. At the end of the lease term Newfield has the option to purchase the Equipment at a cost of US$50,000.

Delivery of the equipment to Sierra Leone is expected to be in late December 2019. Under the contract BauMart will provide service and maintenance support for the first 12 months. Thereafter Newfield will assume the responsibility for servicing and maintaining the equipment for the remainder of the term.

Community Development Agreement

Newfield takes its responsibility to the local communities in which it operates very seriously and seeks to make a positive transformational impact on the community around the Tongo Mine Development. The Company is therefore pleased to announce that it has signed a Community Development Agreement (**CDA**) with the local community at Tongo.

The CDA describes the terms for the financing of a Community Development Fund, which will be funded by a 0.3% royalty from the revenues generated by the mine. A committee comprising a wide selection of interested local stakeholders, as well as Newfield representatives, will be responsible for the administration of the fund and for ensuring it is used transparently to create sustainable development projects that benefit the community as a whole.

For further details please contact:

Anthony Ho
Executive Director
Newfield Resources Limited

About the Tongo Diamond Mine Development:

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 four of which are incorporated in the current JORC-compliant indicated and inferred diamond resource estimate of 7.4 million carats.

Competent Person's Statement:

The information in this ASX release 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 31 years' experience in the diamond and natural resources sector. Mr Smithson has sufficient experience 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".

Information included in this announcement that relates to the diamond resource estimate is extracted from Newfield's ASX announcement dated 28 November 2018 titled "Revised Announcement and Retraction of Valuation References". Newfield confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all the material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed.

Forward Looking Statements:

This announcement may contain certain forward-looking statements and projections regarding estimated resources and planned strategies and corporate objectives.

Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of Newfield Resources Ltd. The forward-looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

Newfield Resources Ltd does not make any representations and provides no warranties concerning the accuracy of the projections, and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws and ASX Listing Rules.

APPENDIX 1: Reporting of Microdiamond results for the Panguma Kimberlite in the Tongo Diamond Project -Sierra Leone.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• These samples were collected from two separate areas of the Panguma kimberlite. In the far east of the kimberlite some 187kg were collected from an area that was bulk sampled in 2012. In the far west of the dyke some 142.95kg were collected from float of kimberlite associated with artisanal diggings of the kimberlite. • The samples are not considered to be spatially representative of the whole strike length of the Panguma kimberlite. Further samples of drill core across the strike length of the kimberlite will be submitted for further Microdiamond analysis in the near future. • The selected samples of kimberlite were collected , labelled and bagged prior to dispatching to the Saskatchewan Research Council Geoanalytical Laboratories ("SRC") in Canada. • The SRC is accredited to the ISO/IEC 17025 standard by the Standards Council of Canada as a testing laboratory for diamond analysis using caustic fusion.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• These samples are not from drill core.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	

JORC CODE 2012 "TABLE 1" REPORT

Criteria	JORC Code Explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• All samples were carefully logged and described to determine if they represented potentially different facies of kimberlite. It was decided that the samples were very similar in appearance and that there were no discernible differences in facies.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• No quantitative analysis was done for the samples.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled,*	• SRC conducted extensive quality control tests on each sample and these were reported to the Company along with the sample results. • SRC retained all sample residues and all diamond recovered are stored at SRC.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Microdiamond analysis by caustic fusion of kimberlite rock is a standard process in the diamond industry to determine the initial diamond content of kimberlite. • The SRC is accredited to the ISO/IEC 17025 standard by the Standards Council of Canada as a testing laboratory for diamond analysis using caustic fusion. • SRC conducts quality control testing/spiking of all samples processed and these are reported with the sample results. 100% of all spikes were recovered which demonstrates the thoroughness of the assay process at SRC.

JORC CODE 2012 "TABLE 1" REPORT

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	• No verification of the samples has been undertaken. However, resource consultant Paul Sobie of MPH Consulting (Toronto) recently visited the project area and the Panguma kimberlite to observe the ongoing drilling and visited the areas from which the kimberlite samples were collected.
Location of data points	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	• The sample locations have been accurately geo-referenced.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The two samples were collected at opposite ends (east and west) of the 1.3km strike of the Panguma kimberlite dyke. • The spacing of the samples is not considered to be sufficient to establish the degree of geological and grade continuity. • The two samples of 187kg and 142.95kg were assayed separately but have been reported in this announcement together, since the results are considered to be very consistent.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Not applicable.
Sample security	The measures taken to ensure sample security.	• The samples collected were stored securely in security sealed bags at the Tongo project site. • The samples dispatched for assay were sealed in containers that could not be tampered with in transit from site to the lab on Canada.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	• The assay process is industry standard and no audit is required.

JORC CODE 2012 "TABLE 1" REPORT

Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Tongo project comprises mining licence ML02/12 held by Tonguma Limited and the adjacent mining licence ML02/18 held by Newfield subsidiary company Sierra Diamonds Limited. • The project is subject to a Tribute Mining Agreement between Sierra Diamonds Limited and Tonguma Limited. Sierra Diamonds has the rights to mine the two properties and once all capital costs have been recovered pay to Tonguma a 10% royalty on revenues (after deduction of the 6.5% export royalty paid to the Government of Sierra Leone. • All licence fees are paid up to date and the licences are in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Both Tonguma Limited and Sierra Diamonds limited have conducted extensive exploration and evaluation including of over 75,000m of drilling, bulk sampling and processing of a number of kimberlites. • All of this work has been extensively reported and summarised in two resource reports issued in 2014 (for Sierra Diamonds) a resource report issued in 2016 for Tonguma, and more recently an updated resource report announced by Newfield Resources in November 2018. • In this most recent report the Panguma kimberlite was classified by MPH Consulting (Toronto) as an Exploration Target with a range of tonnage from 1.0 to 1.9 million tonnes with a grade range of 0.9 to 2.0 carats per tonne at a +1.18mm cut off.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The project area is underlain by Archean granite-gneiss into which presumed Jurassic age (circa. 140Ma) kimberlites have intruded. These kimberlites have been weathered into their root zones such that only kimberlite dykes with small blows or pipes remain. The extensive erosion has resulted in widespread dispersion of alluvial diamonds in the Tongo area which have been mined both commercially (to 1980's) and by artisanal miners since the diamonds were first discovered I the early 1950's.

JORC CODE 2012 "TABLE 1" REPORT

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
		• The announcement focusses on the microdiamond and macrodiamond results and not drilling.

	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The key information in this announcement is related to diamond results from caustic fusion of kimberlite samples.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No weighting averaging techniques have been applied to the results. • However, for simplicity in the announcement the results of the two separate samples have been combined. Newfield confirms that the results are consistent across both samples.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The mineralisation occurs in near-vertical kimberlite dykes. • There is no relationship between the diamond content of the kimberlites and the widths of the dykes.

JORC CODE 2012 "TABLE 1" REPORT

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• No diagrams are included in the announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The results of the microdiamond assays reported are full and complete for the combined samples of 329.95kg.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• A total of 11 kimberlite dykes are known on the project area. • These microdiamond results are from the Panguma kimberlite which is currently classified as an Exploration Target (JORC 2012). • A single bulk sample has been collected and processed from the Panguma kimberlite in 2012. The sample weight was 416 dry tonnes of which 184 dry tonnes of kimberlite was calculated. The sample was processed via a production DMS plant and yielded 166 carats at a calculated grade of 94 carats per hundred tonnes at a +1.25mm cut off. In 2012 some 28 holes (9,806m) was drilled across the Panguma kimberlite. • These results were reported in the JORC Mineral Resource Estimate Update Report (26 November 2018) by MPH Consulting (Toronto).
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• An infill drilling programme is currently ongoing across the Panguma kimberlite to complement the 2012 drilling information. In addition, further samples of drill core will be submitted to SRC for Microdiamond analysis. • Based on the drilling, microdiamond and historical bulk sample information, a revised geological and grade model for the Panguma kimberlite will be estimated.

Section 5 Estimation and Reporting of Diamonds and Other Gemstones

(Criteria listed in other relevant sections also apply to this section. Additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)

Criteria	JORC Code explanation	Commentary
Indicator minerals	• *Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.*	• No indicator minerals have been recovered during this work.
Source of diamonds	• *Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.*	• The microdiamonds recovered at SRC have been individually weighed and described if they are above the 300 micron mesh size. These details are not provided in the announcement as they are not considered to be representative of the macrodiamond population of the Panguma kimberlite dyke.
Sample collection	• *Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (eg large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution).* • *Sample size, distribution and representivity.*	• The samples collected and consigned to SRC were collected from an historical bulk sample and float discarded by artisanal miners. • The grab samples from the bulk sample weighed 187kg and the grab samples collected from the artisanal workings weighed 142.95kg. • The two samples are not considered to be representative of the Panguma kimberlite.
Sample treatment	• *Type of facility, treatment rate, and accreditation.* • *Sample size reduction. Bottom screen size, top screen size and re-crush.* • *Processes (dense media separation, grease, X-ray, hand-sorting, etc).* • *Process efficiency, tailings auditing and granulometry.* • *Laboratory used, type of process for micro diamonds and accreditation.*	• The microdiamond drill core samples were processed at accredited lab SRC in Canada using industry standard caustic fusion methods. Results were reported to a mesh size of +0.075mm.
Carat	• *One fifth (0.2) of a gram (often defined as a metric carat or MC).*	• Sample results are reported in sieve sizes ranging from +0.075mm to -4.75mm.
Sample grade	• *Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume.* • *The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric*	• No sample grades are reported from these Microdiamond results. However, the sample weight, carat weight and stones/kg is reported which is a typical reporting standard for announcing Microdiamond results.

JORC CODE 2012 "TABLE 1" REPORT

Criteria	JORC Code explanation	Commentary
	tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation. • *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).*	
Reporting of Exploration Results	• *Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry.* • *Sample density determination.* • *Per cent concentrate and undersize per sample.* • *Sample grade with change in bottom cut-off screen size.* • *Adjustments made to size distribution for sample plant performance and performance on a commercial scale.* • *If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond samples.* • *The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.*	• The microdiamond results were reported per the normal industry standards in the SRC reports and are shown in the table in the announcements. .
Grade estimation for reporting Mineral Resources and Ore Reserves	• *Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.* • *The sample crush size and its relationship to that achievable in a commercial treatment plant.* • *Total number of diamonds greater than the specified and reported lower cut-off sieve size.* • *Total weight of diamonds greater than the specified and reported lower cut-off sieve size.* • *The sample grade above the specified lower cut-off sieve size.*	• No diamond resource or reserves are reported.
Value estimation	• *Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.* • *To the extent that such information is not deemed commercially sensitive, Public Reports should include:*	• No diamond value is estimated from the microdiamond and bulk sample results.

JORC CODE 2012 "TABLE 1" REPORT

Criteria	JORC Code explanation	Commentary
	○ *diamonds quantities by appropriate screen size per facies or depth.* ○ *details of parcel valued.* ○ *number of stones, carats, lower size cut-off per facies or depth.* • *The average $/carat and $/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value.* • *The basis for the price (eg dealer buying price, dealer selling price, etc).* • *An assessment of diamond breakage.*	
Security and integrity	• *Accredited process audit.* • *Whether samples were sealed after excavation.* • *Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.* • *Core samples washed prior to treatment for micro diamonds.* • *Audit samples treated at alternative facility.* • *Results of tailings checks.* • *Recovery of tracer monitors used in sampling and treatment.* • *Geophysical (logged) density and particle density.* • *Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.*	• The SRC laboratory process has been accredited to the ISO/IEC 17025 standard by the Standards Council of Canada for the microdiamond samples.
Classification	• *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.*	• No JORC resource is referred to in this announcement.