

New dual bulk sample and tailings re-treatment plant commissioned



22 February 2018

Frontier Diamonds Limited (ASX: FDX) (**Frontier** or **the Company**) is pleased to announce the successful commissioning of a new bulk sample processing plant facility located at its Sedibeng Diamond Mine operations in the Northern Cape Province, South Africa.

The plant has been designed to operate in a dual capacity as both a batch treatment plant for bulk samples extracted from the nearby Bellsbank Exploration Project, as well as other regional exploration targets, and as a concentrate retreatment plant to process available tailings material from the Sedibeng Mine.

Highlights

- ▲ The plant was purchased, relocated to Sedibeng and refurbished over a seven month period for a total cost of approximately US\$1.2M.
- ▲ Wet commissioning of the plant was achieved on 22 January 2018. Several hundred tonnes of overburden material from the Bellsbank pit has now been successfully processed.
- ▲ Plant nameplate design supports 50 tonnes per hour kimberlite ore throughput or 150 tonnes per hour tailings feed throughput.
- ▲ Processing of approximately 30kt per month of bulk sample material or 90kt per month of Sedibeng tailings material is now set to commence.

Discussing the commissioning of the plant, Frontier's CEO, Jan Louw said, *"For what was a very low initial capital outlay Frontier now has the ability to conduct both systematic bulk sampling and processing of various exploration targets in the area, and process the more than two million tonnes of diamond-bearing tailings material currently sitting at our Sedibeng Mine. The speed and cost with which this plant has been put into operation readily evidences one of Frontier's key competitive advantages – its close relationship with its associate company's deep in-house engineering and operational expertise."*

Bulk sampling and tailings retreatment plant

The Sedibeng bulk sample and tailings retreatment plant consists of a scrubber, primary crusher, secondary crusher circuit, plus coarse and fines pan with concentrate being processed on a batch basis through the current Sedibeng Dense Media Separation (DMS) and X-Ray plant. The plant has a designed nameplate capacity of 50 tph for kimberlite ore and 150 tph for tailings feed.

The plant was purchased for US\$0.6M from a local dump retreatment operator, Superkolong Pty Ltd, a subsidiary of Batla Minerals SA (NYSE Euronext: MLBAT). Relocation and refurbishment of the plant commenced in July 2017, using exclusively the in-house engineering expertise at Frontier's contracted associate company's Kimberley workshop.⁽¹⁾ The plant was successfully refurbished and wet commissioned at a total engineering cost of approximately US\$0.6M. The total capital investment of approximately US\$1.2M can be measured against an estimated replacement value of the plant of approximately US\$4.7M.

⁽¹⁾ Frontier entered into a 5 year Service Agreement with Frontier Mining Projects (Pty) Ltd (FMP), an entity associated with Frontier's Managing Director, on 25 July 2017, for the provision of engineering and operational services. FMP is also a substantial shareholder in Frontier.

Figure 1: Commissioning of the bulk sample and tailings retreatment plant with Bellsbank material



Source: Frontier, February 2018

Wet commissioning of the plant was achieved on 22 January 2018. Several hundred tonnes of overburden material from the Bellsbank pit has now been processed.

Processing of approximately 30kt per month of bulk sample material or 90kt per month of Sedibeng tailings material is now set to commence. Treatment of the tailings material is targeted to contribute to overall profitability at the Sedibeng Mine.

Forward looking statements

This announcement contains forward looking statements that are subject to risk factors associated with diamond mining businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

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About Frontier Diamonds Limited

Frontier Diamonds Limited (ASX: FDX) is an independent diamond mining company with interests in two producing underground mines in South Africa, the Sedibeng Diamond Mine and the Star Diamond Mine, and a development project at Bellsbank.

Visit www.frontierdiamonds.com for information on Frontier's current and planned future activities.

