

DIAMONCO LIMITED
ANNUAL TECHNICAL REPORT FOR
THE EDWARD CREEK PROJECT
EXPLORATION LICENCE 5780
FOR THE PERIOD ENDING 12 MAY 2017

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Date: September 2017

Tenement Holder & Operator: DiamondCo Limited
1:250,000 sheet name: WARRINA SH 53-3
Keywords: Diamonds; Exploration

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Figures: 1
Appendices: 2

EL5780_2017_A_01_REPORT.DOCX

DiamondCo Limited
Exploration Licence No. 5780
Period 13/05/16 to 12/05/17

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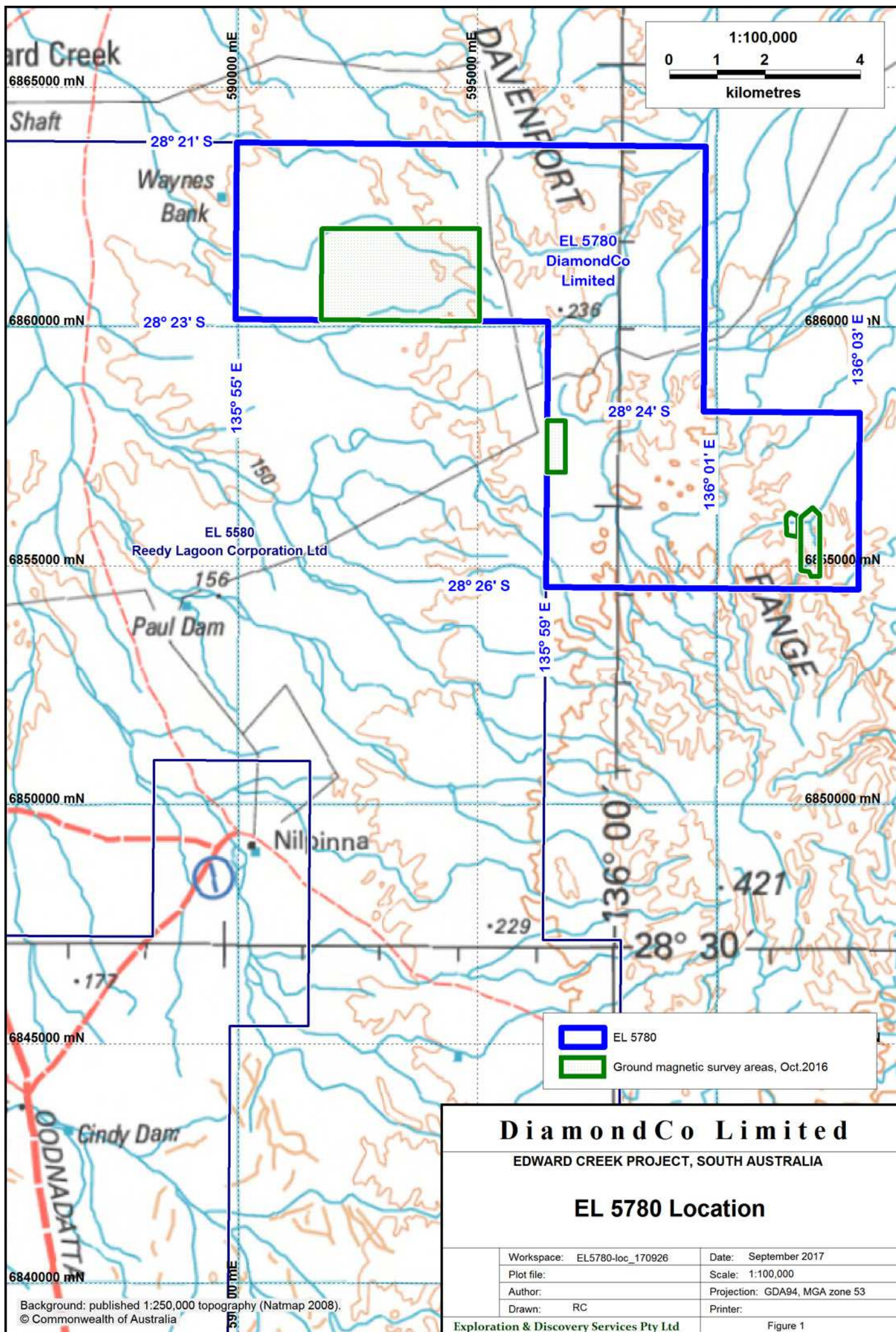
NOTE: Reports and digital data comprising appendices 1 & 2 are supplied in separate digital data format files only.

DiamondCo Limited
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DIGITAL DATA

Digital Data 'Verification File' listing:

Verification Listing	VL4		
Exploration Work Type	File Name	Format	Description
Office Studies			
Report preparation	EL5780_2017_A_01_Report.pdf	pdf	Report Body
Ground geophysics			
Magnetics	EL5780_2017_A_03_ground-mag-data-located.txt	txt	Ground magnetic survey data, located
Magnetics	EL5780_2017_A_02_geophys-logistics-report.pdf	pdf	Ground magnetic survey logistics report
File Verification Listing (this file)	EL5780_2017_A_04_VerificationList.txt	txt	This file



1. INTRODUCTION.

Exploration Licence 5780 is located in the north central region of the Warrina 1:250,000 map sheet about 100 kilometres southeast from Oodnadatta (Figure 1). It covers 66 km².

EL 5780 was granted to DiamondCo Limited ("the Company") for a two year term commencing 13 May 2016.

Exploration for diamonds has been conducted in the area.

Exploration for diamonds has been undertaken in the area by DiamondCo Limited ("DiamondCo") since 2007, on adjoining licence EL 5580, held by Reedy Lagoon Corporation Limited. All interest in diamonds within the area of EL 5580 is held by DiamondCo under the terms of a joint venture agreement dated 26 March 2007. Abundant kimberlitic microilmenite and spinel, numerous pyrope garnet and a chrome diopside grain recovered from the region to the west provide evidence that kimberlite is in the proximity.

A Native Title Mining Agreement ("NTMA") between Reedy Lagoon Corporation Limited, DiamondCo Limited and Arabana Aboriginal Corporation was signed on 19 September 2013. The NTMA was amended on 6 September 2016 and adopted as a NTMA for EL 5780 on 6 September 2016.

This report includes all work completed by DiamondCo on EL 5780 during the report period.

2. REGIONAL AND LOCAL GEOLOGY.

The Edward Creek Project area is located on the interpreted north-eastern boundary of the Gawler Craton. The geology of licence is dominated by a group of Precambrian inliers known collectively as the Denison Inlier. The Denison Inlier was uplifted by Miocene block faulting to form the Peake and Denison Ranges. The licence area lies mostly on part of the southern most inlier (Margaret Inlier) which forms the Davenport Range. Permian and Mesozoic sediments flank the western boundary of the inlier. Bedrock is dominated by Adelaidean sedimentary rocks, Ordovician Diapiric Breccia, and local areas of intrusive Ordovician monzonite and related rocks.

3. EXPLORATION DURING THE TWELVE MONTH PERIOD.

Ground magnetic survey conducted on the adjacent EL5580 extended onto EL5780 (Figure 1). Ground acquisition, in preference to airborne, was undertaken in order to recover data considered likely to be more useful in modelling for the target kimberlite intrusions. The survey recovered a total of 310 line kilometres of data at line spacings of 50 metres and 100 metres. Approximately 110 line kilometres of this data was estimated to have been recovered from EL 5780 (Appendices 1 & 2).

Review and interpretation of the data did not identify any anomalies or potential kimberlite targets in EL5780.

4. REHABILITATION

No rehabilitation was required and none was undertaken during the period.

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5. ACCESS and APPROVALS

All exploration is conducted in accordance with a Native Title Mining Agreement for Exploration between RLC, DiamondCo and Arabana Aboriginal Corporation dated 19 September 2013 and amended 6 September 2016.

Notice of entry (form 21) for the geophysical survey was given to all interested parties.

6. EXPENDITURE

Expenditure on exploration within EL 5780 for the 12 month period is documented in separate 6-monthly reports and totals \$21,128.

7. FUTURE WORK PROGRAMME.

DiamondCo is considering further investigation for potential kimberlite targets, subject to results from follow-up work, including drilling conducted on the adjacent EL5580 in July 2017.

G H Fethers, A R Caughey
September 2017.

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APPENDIX 1

2016 Ground Magnetic Survey, operations & logistics report

CONTENTS:

Operations & Logistics Report

- Report *2016 Ground Geophysical Survey within the Edward Creek Project, South Australia, operations and logistics report prepared by Modern Mag ground magnetic surveys.* (J.Ward) supplied in accompanying PDF file:

EL5780_2017_A_02_geophys-logistics-report.pdf

Note: Survey completed over EL's 5780 and 5580

DIAMOND Co

2016 Ground Geophysical Survey
Within the Edward Creek Project, South Australia

Operations and logistics report prepared by Modern Mag ground magnetic surveys.



ModernMag

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1. General Information

1.1 Introduction

In August 2016, Modern Mag was awarded the contract to conduct a ground magnetic survey for DiamondCo within the Edward Creek Project in South Australia. This report summarises the procedures, details and equipment used by Modern Mag in the acquisition, verification and processing of the magnetic data. Below is a summary of the survey details:

Client	DiamondCo
Modern Mag project number	1044
Survey Area	Edward Creek, South Australia
Field base	Nilpinna Cattle Station, South Australia
Mobilisation	Tuesday 4 th –Wednesday 5 th October, 2016
Production	6 th October – 16 th October, 2016
Demobilisation	Monday 17 th – Tuesday 18 th October 2016

Table 1. Survey details

1.2 Survey Summary

On the morning of Tuesday 4th October the survey crew mobilised from Horsham to the field base at the Nilpinna Station. The survey was conducted between the 6th and 16th of October. The crew returned to Horsham on the 18th October.

Preliminary data checks were performed in the field. Data acquisition was monitored during the survey and digital data was sent each day to the Modern Mag office in Melbourne.

1.3 Survey Personnel

The following Modern Mag personnel were involved with this project:

Title	Name
Project Manager	Justin Ward
Field Manager	Nathan Ward

Table 2. Survey personnel

1.4 Survey Equipment and Specifications

The survey equipment used was as follows:

Roving magnetometer	GEM GSMP-35 (Sampled at 1Hz)
Base magnetometer	GEM GSM19 (overhauser) (Sampled at 0.33Hz)
Station spacing	~1m
Line spacing	50 & 100m
Line direction	North -South

Table 3. Survey equipment

All data was surveyed and acquired in GDA94, MGA 53 south.

1.5 Survey Grid Specifications

The survey grid specifications were as follows:

Grid	Line Spacing	Line Direction	Line-km
Area 1	50m and 100m	N-S	303.14 l-km
Area 2	50m and 100m	N-S	7.37 l-km
Total			310.51 l-km

Table 4. Survey grid specifications

1.6 Survey location

The location of the grids are shown in the following figure:

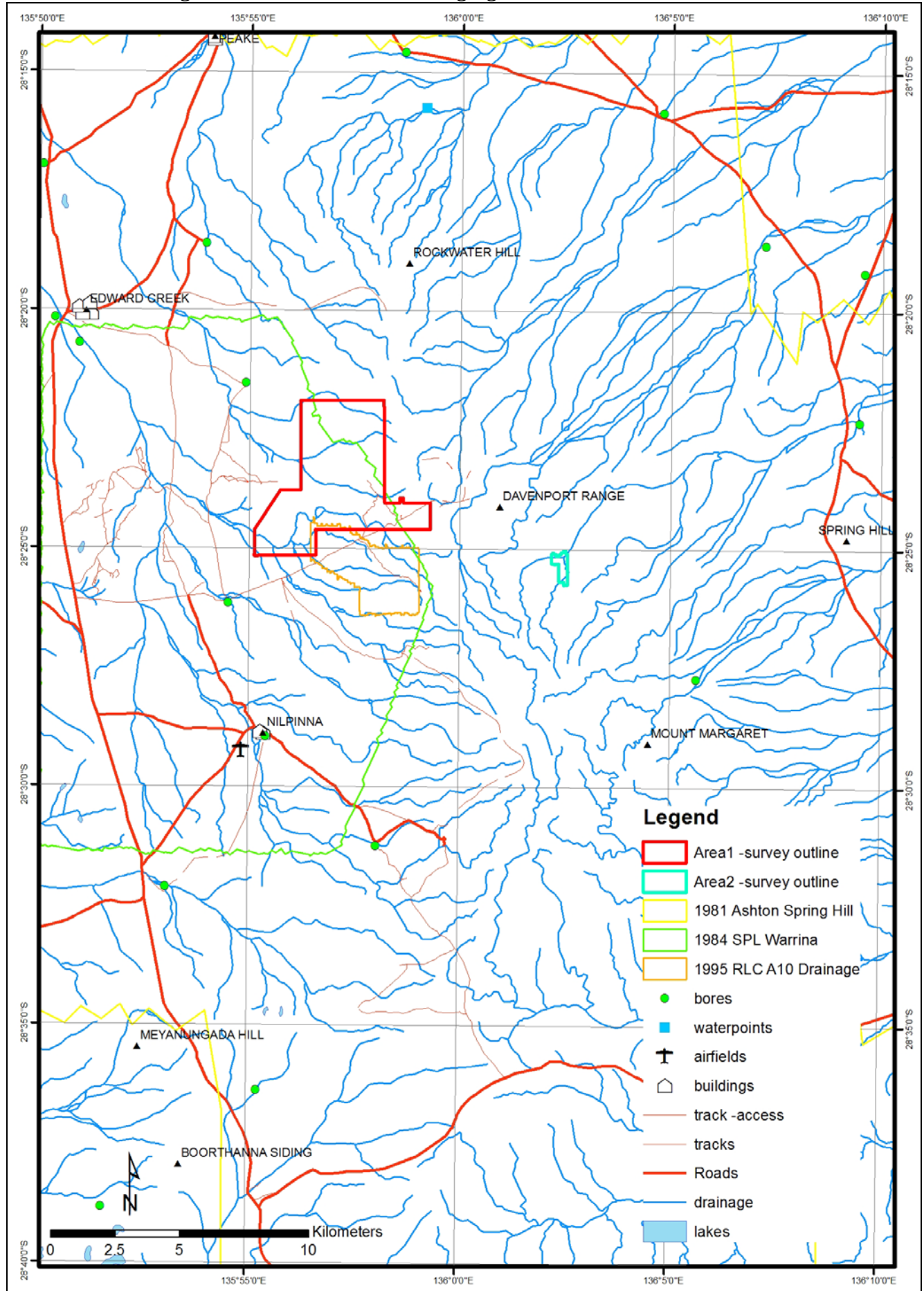


Figure 1. Survey location

2. Production Report

This survey was conducted on a dollar per l-km rate so the daily production rates are not itemised in this section.

There were no days lost due to equipment delays or bad weather. There were no environmental or health and safety accidents/incidents.

There were 11 total production days. An average of 28 l-km was surveyed each day. The cooler weather had a positive influence on the production rate, as did the flat terrain and short travel time from the Nilpinna station.

There was some cultural interference in area 1. There was a fence crossings in the east and infrastructure around mystery bore in the west. The responses from these man-made objects have been manually removed from the data when they caused the signal to unlock.

3. Final magnetic data processing

The following processes were performed on the data:

3.1 Diurnal processing

The raw diurnal data was checked and corrected for spikes. This has not degraded the data much at all since the base station was sampled rapidly at 1Hz.

3.2 Diurnal correction to the magnetic data

The synchronized digital diurnal data collected by the base station was first subtracted from the corresponding ground magnetic readings and the mean diurnal value added back to the channel. The mean diurnal value for the grids was as follows:

Grid	Mean diurnal value
Area 1	55,758.4200 nT
Area 2	56,620.4611 nT

Table 5. Base values for TMI grids

3.3 No filtering of the data

No filters of any kind have been applied to the data. The data was of exceptionally high quality and no filtering was required.

3.4 Gridding

All grids have been interpolated with a cell spacing equivalent to $1/5^{\text{th}}$ of the smallest line spacing. For both areas a 10m cell spacing was used for the entire grid, with a blanking distance of 110m. The minimum curvature algorithm was used to interpolate the grids.

4. Deliverables

Data has been provided in a Geosoft format consistent with that required by DiamondCo and recommended for DiamondCo by Diamond Geophysics consulting.

The data has been provided in the following formats:

Point data:

- Grid corner points have been delivered as *.ply text files.

Line data:

- Geosoft compressed database
- Ascii *.xyz file with file header and line numbers
- Grid outlines have been delivered as ArcMap shape and Mapinfo TAB files.
- ASEG-GDF2 files. Suitable for government data submission.

Grid data:

- Geosoft grids
- MapInfo Tiffs
- ArcMap Tiffs

Maps:

Geosoft maps are the recommended way to view the data from this survey. These maps can be opened with the free Geosoft viewer, or within ArcMap or Mapinfo using the free Geosoft plugins for these products. All these free Geosoft products are included on the data disk included with this report.

The data disk in the rear of this report contains the data above as well as a digital copy of this report.

Contractor information

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Email: jward@modernmagnetic.com

www.modernmagnetic.com

Grid Plots

Plots of the 2 grids are included on the following pages. Both images are of the total magnetic intensity (TMI).

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APPENDIX 2

2016 Ground Magnetic Survey, located & gridded data

CONTENTS:

Ground Magnetic Survey Data

- Located data supplied in accompanying text file:

EL5780_2017_A_03_ground-mag-data-located.txt

Note: Survey completed over EL's 5780 and 5580

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1. Introduction
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3. Exploration
4. Conclusions

List of figures:

- 1 Exploration Index Map
- 2 Location in South Australia

Digital data:

Report comprises a single PDF file only: EL5780_2018_F_01_Report (418 kb).

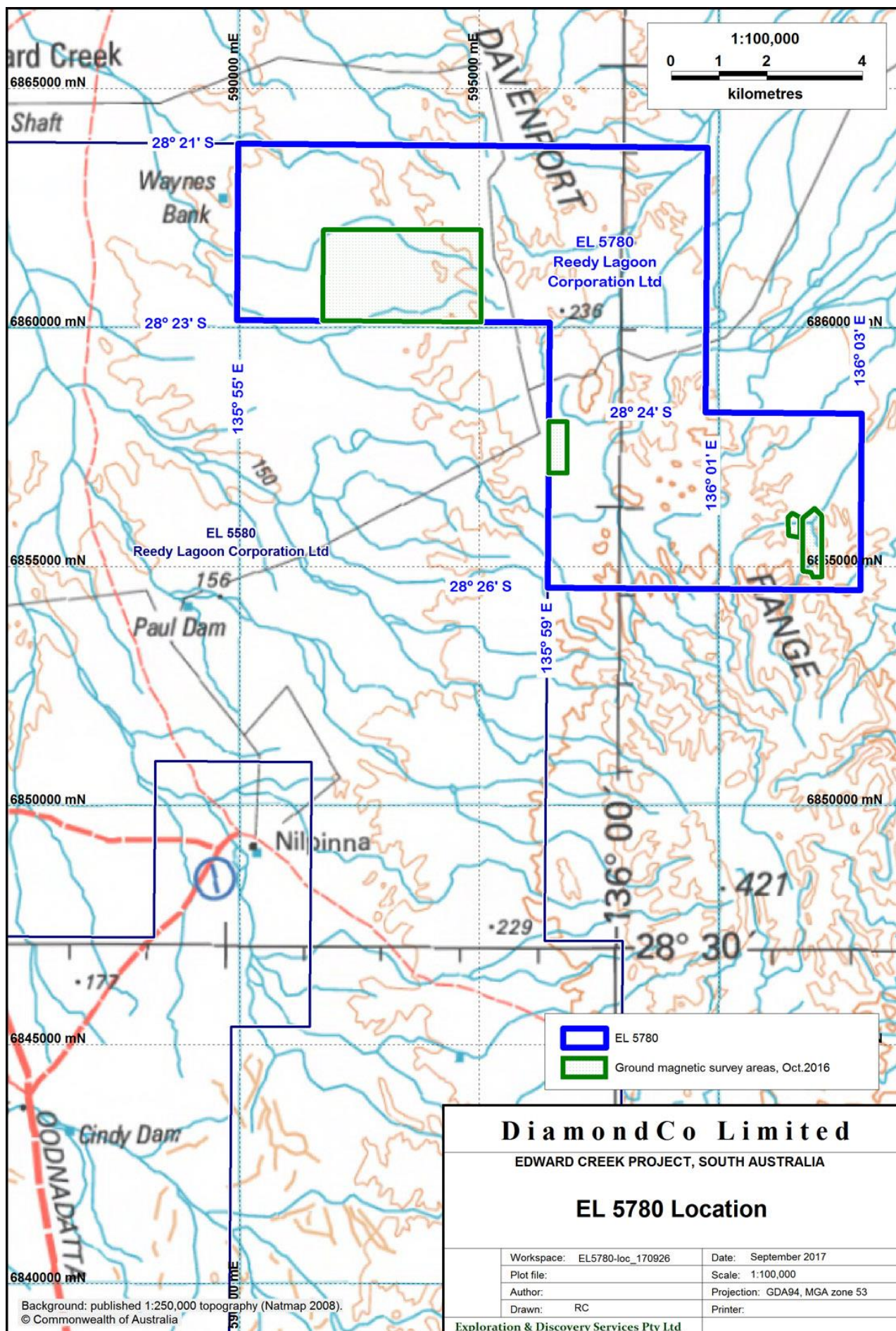
SUMMARY.

DiamondCo Limited explored EL 5780 for diamonds and diamond source rocks. EL 5780 was granted to DiamondCo Limited for a two year term commencing 13 May 2016.

No work was undertaken on the licence during the twelve month period ended 12 May 2018.

During the prior period, ground magnetic survey was conducted on parts of the licence (Figure 1). No anomalies or potential kimberlite targets were identified in these areas. The work is described in the Annual Technical report for the 12 month period ending 12 May 2017.

The licence expired on 12 May 2018.



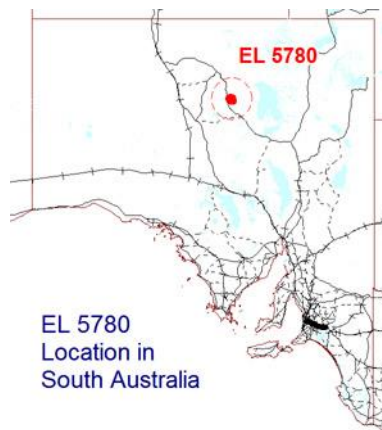
DiamondCo Limited
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Period 13/05/17 to 12/05/18

1. INTRODUCTION.

Exploration Licence 5780 was located in the north central region of the Warrina 1:250,000 map sheet about 100 kilometres southeast from Oodnadatta (Figure 1). It covered 66 km².

EL 5780 was granted to DiamondCo Limited ("the Company") for a two year term commencing 13 May 2016. The licence expired on 12 May 2018.

No mineral occurrences are known in the licence area. The region has been explored previously for base metals and diamonds. There are a number of small copper occurrences or historic mines elsewhere in the surrounding Peake and Denison Ranges. DiamondCo's exploration was a follow-up to diamond exploration by Stockdale prospecting in the 1980s.



Exploration for diamonds was conducted in the area.

A Native Title Mining Agreement ("NTMA") between Reedy Lagoon Corporation Limited, DiamondCo Limited and Arabana Aboriginal Corporation was signed on 19 September 2013. The NTMA was amended on 6 September 2016 and adopted as a NTMA for EL 5780 on 6 September 2016.

This report includes all work completed by DiamondCo on EL 5780 during the report period and a summary statement on work completed during the term of the licence since its grant.

2. REGIONAL AND LOCAL GEOLOGY.

The Edward Creek Project area is located on the interpreted north-eastern boundary of the Gawler Craton. The geology of licence is dominated by a group of Precambrian inliers known collectively as the Denison Inlier. The Denison Inlier was uplifted by Miocene block faulting to form the Peake and Denison Ranges. The licence area lies mostly on part of the southern most inlier (Margaret Inlier) which forms the Davenport Range. Permian and Mesozoic sediments flank the western boundary of the inlier. Bedrock is dominated by Adelaidean sedimentary rocks, Ordovician Diapiric Breccia, and local areas of intrusive Ordovician monzonite and related rocks.

3. EXPLORATION.

No work was undertaken on the licence during the twelve month period ended 12 May 2018.

During the prior 12 month period, commencing on date of grant, ground magnetic survey was conducted on parts of EL 5780 (Figure 1). Review and interpretation of the data did not identify any anomalies or potential kimberlite targets in EL5780. The work is described in the Annual Technical report for the 12 month period ending 12 May 2017 and all data associated with the magnetic survey was provided with that report.

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4. CONCLUSIONS

Work conducted did not identify any anomalies or potential kimberlite targets in EL5780.

No rehabilitation was required and none was undertaken.

DiamondCo did not seek extension in term and the licence expired on 13 May 2018.

Expenditure on exploration within EL 5780 since grant is documented in separate 12-monthly reports and totals \$23,086.

G H Fethers
July 2018.

References:

Fethers GH, Caughey AR, 2017: Annual technical report for the Edward Creek project EL 5780 for the period ending 12 May 2017.