

STORMERS INSIGHT

“Home of the Eternity Diamond”



OUR WORKFORCE IS OUR POWER - CCEO'S FOREWORD

As I look back on the first two quarters it is remarkable how much we persevered and accomplished, collectively and individually – being hit hard by two unfortunate LTIs – working around the clock to divert stormwater (hats off to the Mining team, Tumelo and his team) to avoid flooding the pit – embracing the ESG journey which is now critical than ever before – introducing subsidised medical aid to improve the welfare of our employees – improving internet connectivity and access on site – revamping our kitchen and clinic – having a doctor and radiographer on site – intensifying community development projects to improve the livelihood of our host communities – effecting significant number of internal promotions to improve employees morale and support their professional growth – intensifying training to build competent workforce – maintaining transparent and effective recruitment process to ensure availability of required skills and achieving outstanding production performance in Q2 – colleagues you will agree with me that this list is not exhaustive, our achievements are endless.

Despite all these great achievements that reflect the true nature of Kao Mine employees' resilience and commitment, we will always remember with sadness the tragic passing of Siyabonga Moloi, who we lost at such a tender age – Psalm 147:3 He heals the broken-hearted and binds up their wounds.

I would also like to thank our Site Managers for maintaining a fortress production performance — healthy, robust, and vibrant working environment — for daily guidance and for being a source of strength to our team. The basis of our success is our employees, having a great team of employees — with guts and brains and enormous capabilities who can navigate personally challenging circumstances while dedicating themselves to professional excellence — is what ensures our prosperity, now and in the future.

5 STARS...WE DID IT! - A MILESTONE FOR THE BOOKS



On the 3rd November we celebrated one of our biggest milestones, which was attaining the 5 star rating from NOSA.

Festivities were underway, and we have to thank all SMD Employees and contractors for their dedication towards ensuring safe working conditions, adhering to the Health and Safety protocols, as well as being our brother's keepers.

This rating would not have been possible without team work from everyone on site.



A CAUSE TO BRING SERVICES CLOSER TO THE COMMUNITY



KATLEHONG HEALTH POST

The Construction of Katlehong Health Post was crucial as there is no other healthcare facility apart from the mine clinic to cater for the communities needs, as the closest one is in Ha Rampai. Completion is set at end of April 2023.

The Health Post comprises of 2 consulting rooms, 2 waiting rooms, a storeroom, dispensary, ablutions as well as a 1 bedroom apartment for the healthcare professional who will be based at the post.



Shishila Pre-School above comprises of 2 classrooms, 1 storeroom and a kitchen. The stunning paintings were done by a young artist named Rethabile Ralebese

ENGINEERING PROJECTS

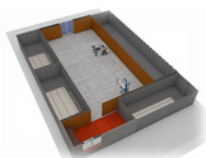


- The crusher was installed during December 2022 in the Tertiary C circuit
- It is currently being assessed from a performance perspective to quantify the long-term benefit

- Two new Perkins generators were installed as replacements of the old Caterpillar generators
- This will positively impact the site's ability to function irrespective of external supply constraints



- New sewerage treatment dam finished construction during January 2023
- Current close off and future efficiency improvements for the treatment processes are underway



- New site gym construction is still underway
- Completion is planned for end March to start of April 2023



BLOOD DRIVE A MASSIVE SUCCESS



A HUGE WIN FOR SMD EMPLOYEES & CONTRACTORS

Boiketlong Clinic owned by Storm Mountain Diamonds is finally fully operational when it comes to offering on-site pre employment as well as exit medical screenings.

Medicals will resume for all SMD Employees and Contractors on a rotational basis now that a contracted Doctor as well as Radiologist have been identified.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

ESG is a set of standards, that measure a business's impact on society, the environment and how transparent and accountable it is. ESG is sometimes referred to as sustainable investing because it involves conducting business that provides a long-term value without producing any negative effects on the environment or society.

ESG has three pillars; environmental, social and governance which yield "Sustainability" as the outcome. A good ESG strategy must include sustainability factors like how a company is encouraging diversity in the workplace, introducing employee benefits programs, going green and helping fight climate change by reducing its carbon footprint. For example, extreme weather conditions and climate related natural disasters are on the rise all around the world and we have experienced such weather extremes here in Lesotho. In 2007 we experienced severe drought which resulted in the plummeting of rainfall which ultimately affected maize production for the year. Drought brought on by El Nino hit the nation in 2015-2016, severely affecting the agricultural industry. During this time, the government of Lesotho declared a drought emergency and requested aid from foreign organizations and development partners. In showing its commitment to addressing or reducing its contribution to such global issues and implementing effective sustainability strategies, a company will earn customer loyalty, gain investor confidence, improve asset management and financial performance, and make the company resilient even in unprecedented times like the recent Covid-19 pandemic.

To ensure the integration of ESG into its operations, Storm Mountain Diamonds has joined the Responsible Jewelry Council and uses the standards to guide it to achieving its sustainability goals. RJC has different codes of practices (COPs) for various departments in the mining operations that can be analyzed and rated to determine the department's efforts towards ensuring sustainability.



MINING BOARD VISIT



The Mining Board embarked on a site visit on the 9th March 2023. This is the board that advises the Natural Resources Minister.

The purpose of the visit was for the board to familiarize themselves with Kao Mine Operations. The visit was a fruitful one, and we hope to have the board, alongside the Minister in the future.

KAO TITANS SCOOP TROPHY

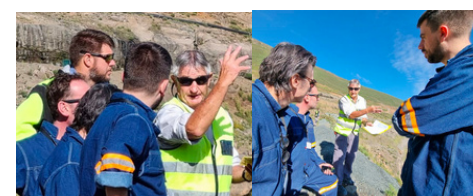


SMD brought a trophy home from the local mines soccer tournament.

DIAMCAD VISIT TO SMD (KAO)



Storm Mountain Diamonds (KAO Mine) had the pleasure of hosting Bart De Hantsetters, Tom Debout and Mathias Vangilbergen from Diamcad on site at KAO Mine Lesotho. They received a tour and an overview of our operations. It was a real pleasure for us to have the gentlemen on site. The SMD and Namakwa Diamonds teams made their visit a memorable and we thank them as well.



BITTER-SWEET GOODBYES



In January and February consecutively, the mine had to bid farewell to two precious gems that have been pillars of our operations in many years. The first departure was that of our Chief Technical Officer Douglas Davidson 'DD' as he was affectionately known, followed by that of Financial Manager Neo Hoala. The Recovery, Metallurgy and Finance teams had a good run with these powerhouses. SMD Management wishes them all the best in their future endeavors

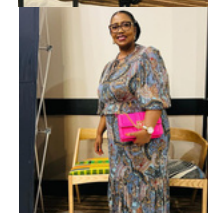
HIS MAJESTY'S 25TH JUBILEE IN PICTURES



Storm Mountain Diamonds was a proud sponsor of his Majesty King Letsie the III's 25th Jubilee Gala Dinner which was held on the 19th November 2022 at AVANI Lesotho

"A child is a beam of sunlight from the Infinite and Eternal, with possibilities of virtue and vice, but as yet unstained"

— LYMAN ABBOTT



The Mine supported his Majesty's initiative with the SOS Children's home.

SMD Fully endorses the advancement and betterment of the livelihoods of children and will continue playing an active role in aiding causes that fall within that scope



Q1 & Q2 NEW ENGAGEMENTS

1. Sello Ramokhoro - Construction Assistant
2. Kananelo Phohleli - Surveillance Officer
3. Mohau Mofana - Surveillance Officer
4. Makabelo Mohono - Surveillance Officer

5. Masheane Maboka - Metallurgist
6. Sootho Hokoana - Survey Assistant
7. Majobo Makoe - Recovery Sorter
8. Thapelo Khaile - Data Capturer

9. Thabo Masiu - Survey Assistant
10. Pule Sehlabo - Buyer
11. Thabiso Mothabeng - Storeman
12. Mantsane Moketu - Surveillance Officer

13. Neo Leisanyane - Surveillance Officer
14. Masekabi Lieta - Assistant Fuel Depot Controller
15. Taetsane Nkomo - Bricklayer
16. Thabang Mots'oele - Junior Mining Engineer Intern
17. Wilbur Mtholo - Junior Mining Engineer Intern

18. Marmello Thokoa - Environmental Intern
19. Motselisi Ramakhula - Environmental Intern
20. Nthabiseng Raselimo - Finance Intern
21. Qenehelo Mahamo - Health & Safety Intern
22. Makoetle Ntsihlele - Site Admin Clerk Intern