PetraDiamonds

Foundations for the future

Petra Diamonds Limited

Corporate Update – February 2020

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PetraDiamonds

Petra Overview

Assets moving to steady state production

Cullinan

74% Petra; 26% BEE
Block cave / Sub-level cave
Mine Plan to 2030

Finsch

74% Petra; 26% BEE
Sub-level cave / Block cave
Mine Plan to 2030

Williamson

75% Petra; 25% Gov of Tanzania
Open Pit
Mine Plan to 2033

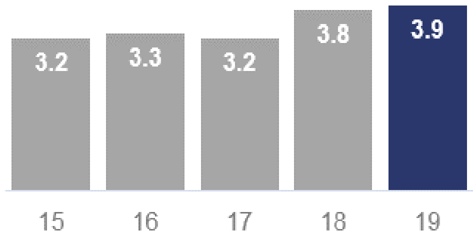
Koffiefontein

74% Petra; 26% BEE
Sub-level cave
Mine Plan to 2025

Company entering phase of FCF generation

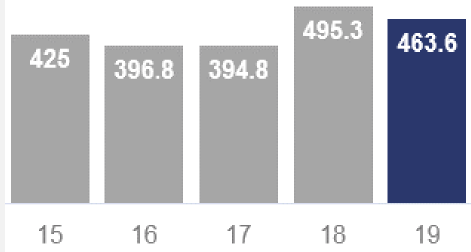
ROUGH DIAMOND PRODUCTION
Million carats

3.87



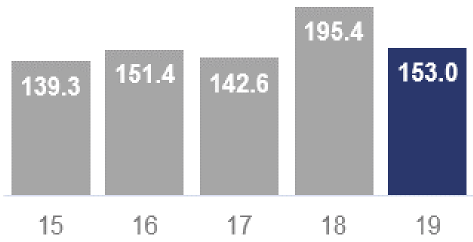
REVENUE
US dollars (millions)

463.6



Adjusted EBITDA[1]
US dollars (millions)

153.0



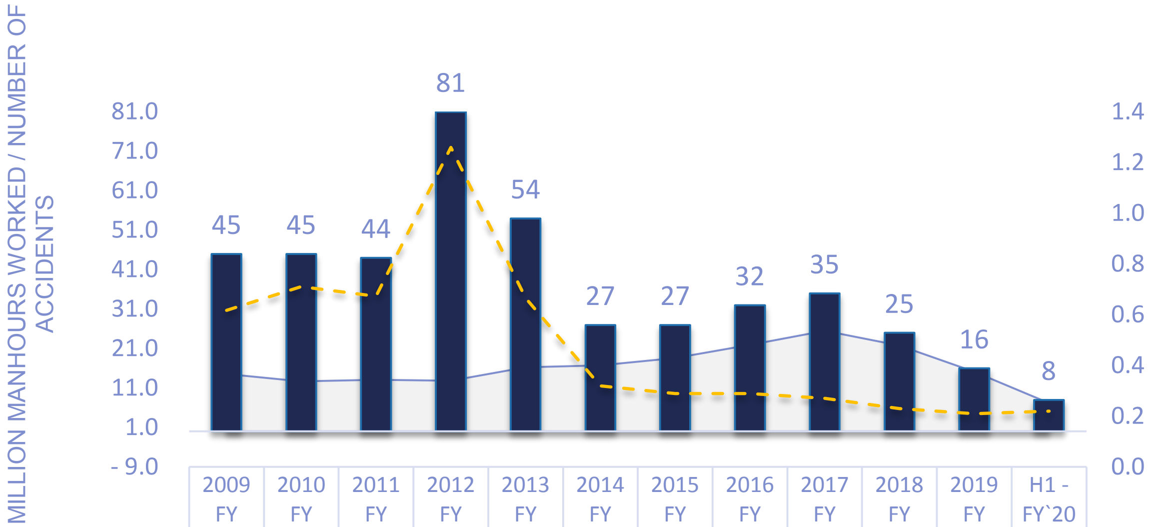
OPERATIONAL FREE CASH FLOW[1]
US dollars (millions)

70.5

[1] Refer to preliminary results announcement dated 16 September 2019 for detailed notes regarding non-IFRS adjusted disclosures

Steady improvement in safety performance over +10 year period

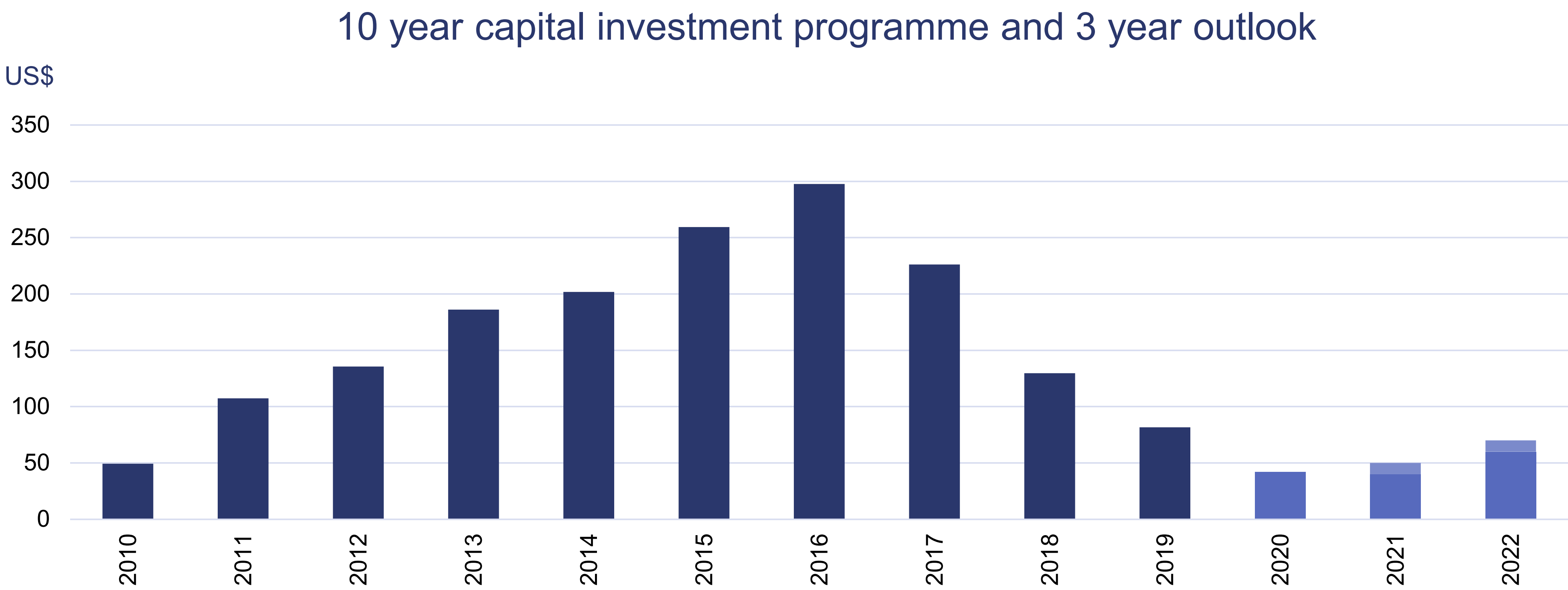
- Safety is our most important personal and organisational value
- Board safety pledge (right) shows importance of leading from the top
- From FY 2009 to H1 FY2020: LTIFR -65% and LTIs -82%



	2009 FY	2010 FY	2011 FY	2012 FY	2013 FY	2014 FY	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	H1 - FY`20
Manhours	14.6	12.7	13.1	12.9	16.2	16.8	18.6	21.9	25.5	21.8	15.1	7.2
LTIs	45	45	44	81	54	27	27	32	35	25	16	8
LTIFR	0.62	0.71	0.67	1.26	0.67	0.32	0.29	0.29	0.27	0.23	0.21	0.22

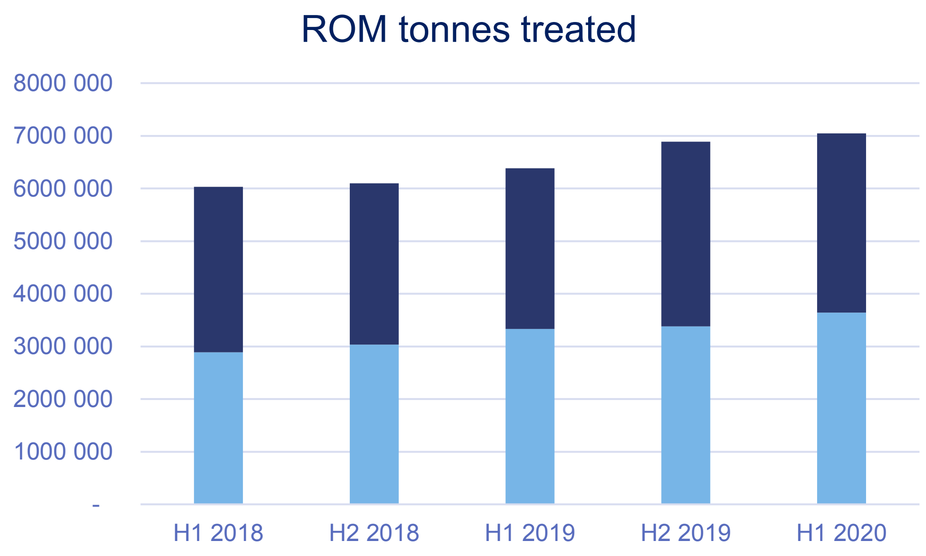
The Lost Time Injury Frequency Rate expressed per 200,000 hours worked

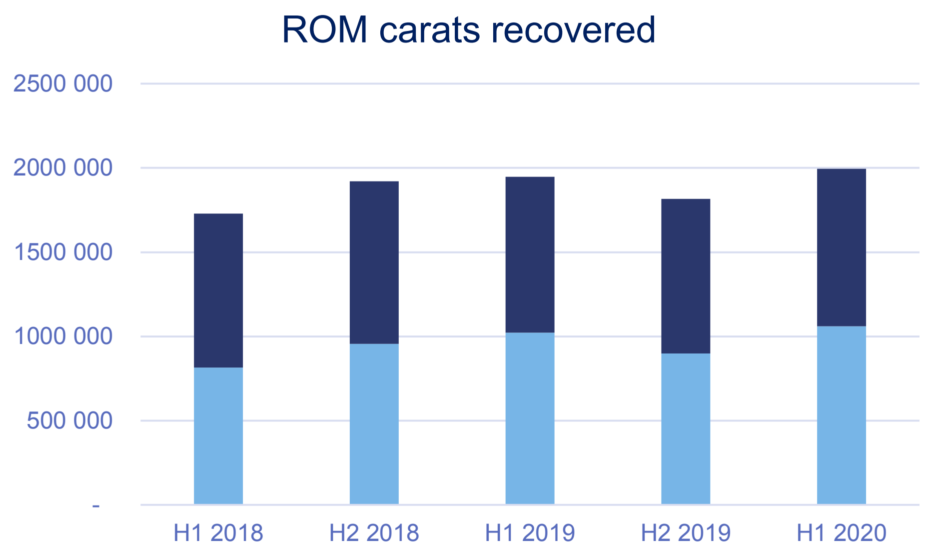
Completion of heavy capital intensive phase



- Petra has completed major capital expansion programmes across each of its assets and is now bedding down steady state production

H1 FY 2020 saw the highest ROM tonnes and carats in Petra's history





H1 FY 2020

- Production +3% to 2.07 Mcts
- On track to meet or exceed guidance of ca. 3.8 Mcts for FY 2020; risks relate to extent of Eskom load shedding and Williamson pit slump
- Strong operational performance supported by implementation of Project 2022 across all sites, especially in light of South Africa power disruptions
- Revenue -6% to $193.9 million from 1.7 Mcts sold due to lower prices (-10%) and adverse product mix at Finsch and Williamson (-3%), partially offset by the sale of the exceptional blue diamond (+7%)
- Recovery of 20.08 carat Type II exceptional blue diamond at Cullinan – sold on 15 November for $14.9 million ($741k per carat)

Project 2022 expected to start delivering benefits from H2 FY 2020

- Initial target of $150-200 million[1] free cash flow over three year period[2]
- Implementation underway at all mines and at Group level; the majority of the value driver ideas generated are expected to move into full implementation, with cash flow benefits commencing in H2 FY 2020
- Throughput comprises the major project component and key notable early successes include:
  - Record half yearly ROM production of 7.0 Mt treated and 2.07m carats recovered, and tracking ahead of guidance

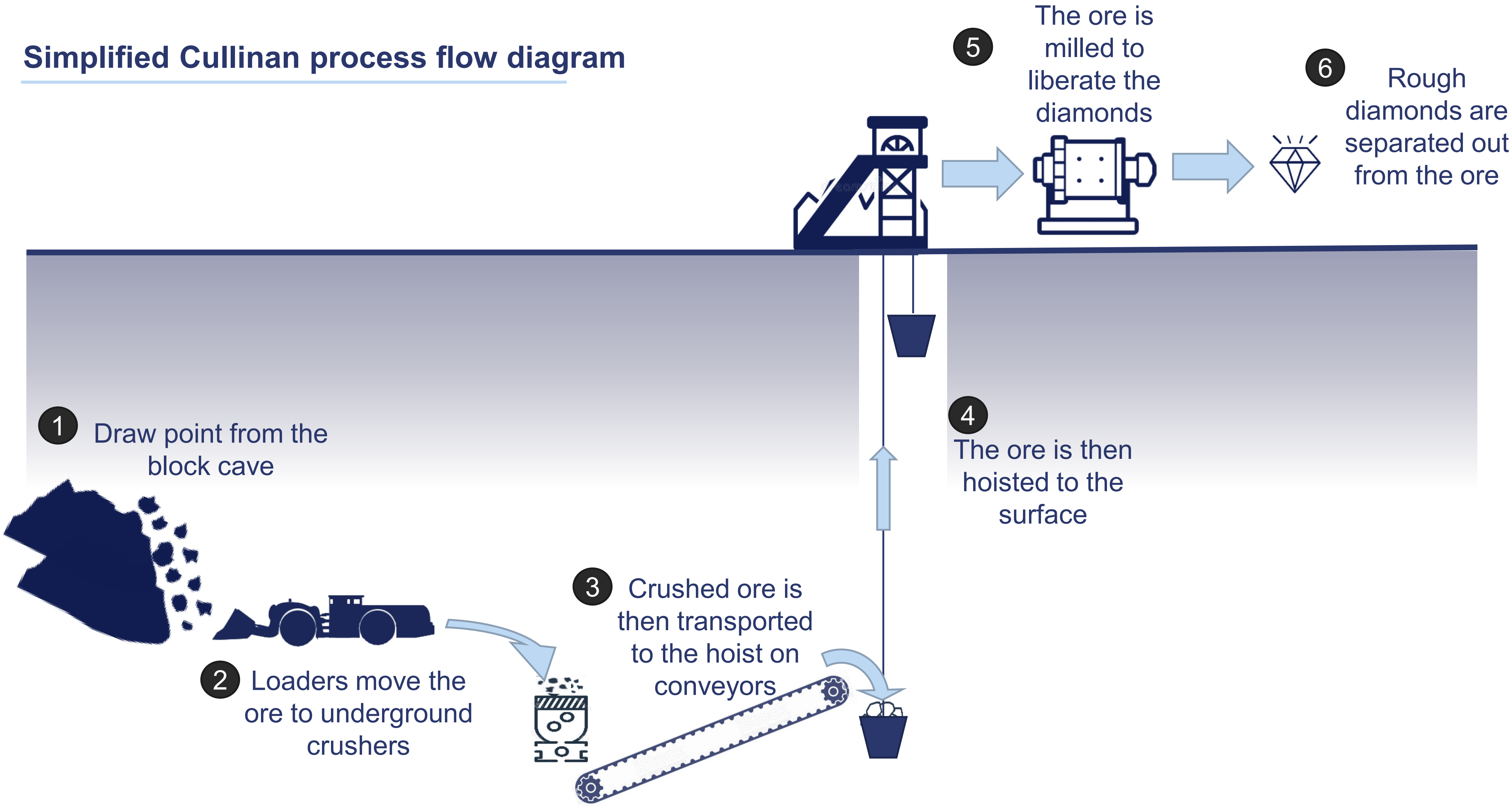
Throughput at all operations (ca. 75%) > **Cost efficiencies** (ca. 10%) > **Strategic sourcing** (ca. 5%) > **Other** (ca. 10%)

[1] Cashflow target based on the following assumptions:
- Flat nominal prices over the three year period (with reference to pricing achieved in H2 FY 2019, excluding exceptional stones sold for US$5 million or greater)
- Exchange rate of ZAR14:US$1 in FY 2020, devaluing at 3.5% annually to ZAR14.49 in FY 2021 and to ZAR14.99 in FY 2022

[2] Delivery is weighted towards FY 2021 and FY 2022 and is dependent on diamond pricing

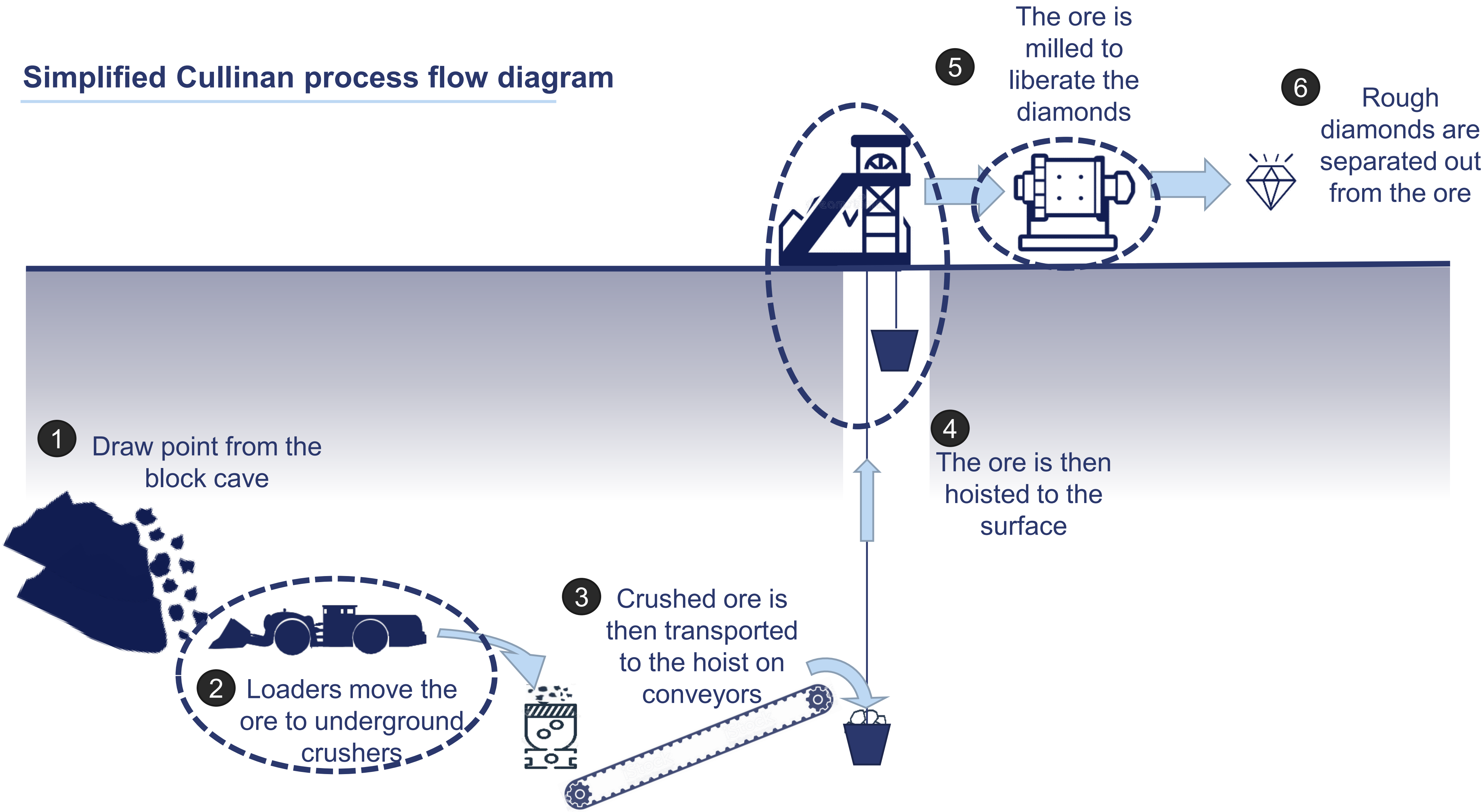
Project 2022 Initiatives Delivering at Cullinan aim at increasing production

Simplified Cullinan process flow diagram



Improvements are mainly focused on addressing the bottlenecks on site

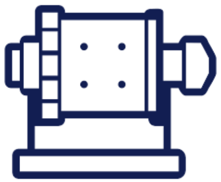
Simplified Cullinan process flow diagram



Specific ideas within mining are being implemented

Area	Idea
Loading	**Shrink shift change:** Increase the number of productive hours on the loaders by changing the blasting time and ensuring that shift handovers happen efficiently
Loading	**Weekend loading:** Appoint a contractor to load over the weekends, thereby increasing the number of utilised days per year and reducing overtime costs on the mine
Loading	**Start your engine:** Improve LHD Cycle time by reducing delays from refueling, operational delays (e.g. large boulders) and unplanned maintenance.
Hoisting	**Wind, don't stop:** Implement a new shaft shift structure to increase the winders operating time and reduce the amount of time that the loaders have to stop loading due to full underground silos

The mining ideas are complemented by a set of ideas in the plant

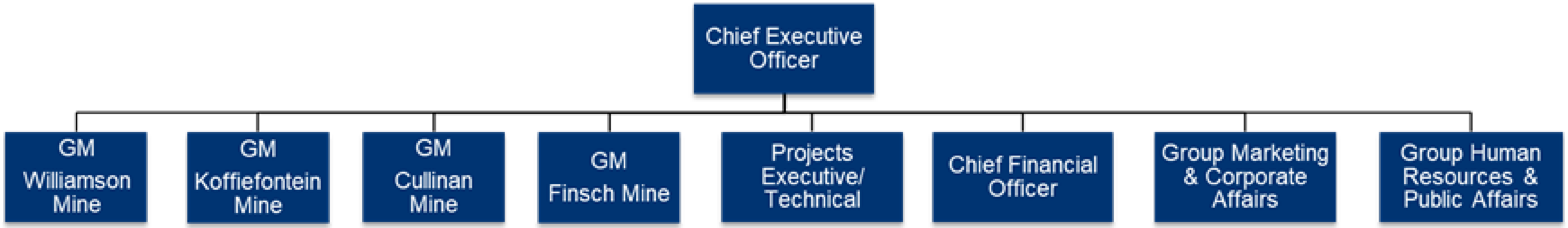
	Area	Idea
	**Recycle crushing**	**Optimisation and redesign of high-pressure grinding roll crushers:** Refurbish and redesign the rolls so that they crush recycled material more effectively and reduce the recycle load of the milling circuit. This will allow a higher proportion of ROM ore to be fed into the mills
	**Milling**	**Develop best practice for operation of the mills**: Improve automated control and standardise operating procedures, so that the operating performance of the mills is more consistent, allowing a higher overall feed rate
	**Tailings ore**	**Accelerate processing of red tailings:** Increase the amount of historical high value red tailings treated to fill plant capacity

P22 is working to change the behaviours of all employees across site

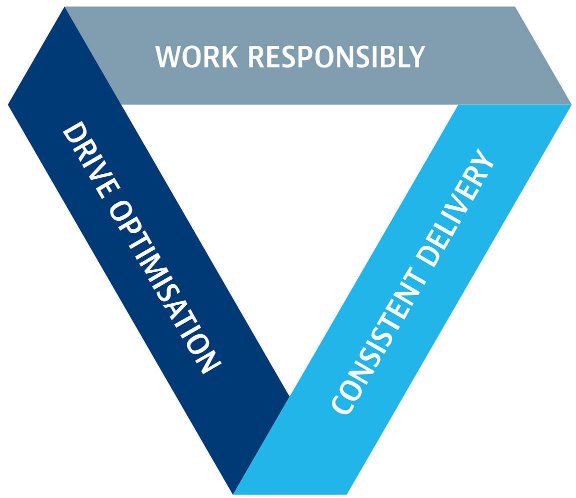
From good, to GREAT

Evolution of Management Structures

Flatter management structure sees operations report directly to the CEO



- Upon appointment of new CEO in April 2019:
  - Organisational design review completed, with aim to maximise efficiency of our operations
  - Project 2022 launched to identify opportunities across the business to drive efficiencies and facilitate improvements
  - Strategic review of the business; short-term focus on rigorous executive of Project 2022 to reduce the Company's high net debt levels, against the backdrop of a challenging diamond market
- Executive Committee above to drive delivery of our strategy



Balance Sheet Snapshot

- Bank facilities of R1.5 billion fully undrawn and available (FX movement causes USD value to fluctuate)
- South African Lender Group consented to a waiver of the EBITDA related covenant ratios associated with Petra's banking facilities for the December 2019 measurement period

	Unit	**31 Dec 2019**	30 Sep 2019	30 Jun 2019
Closing exchange rate used for conversion		**R13.99:US$1**	R15.16:US$1	R14.07:US$1
Cash at bank (incl. restricted amounts)	US$m	**53.6**	57.2	85.2
Diamond inventories	US$m	**85.2**	92.4	57.5
	Carats	**992,425**	1,145,274	666,201
Diamond debtors	US$m	**12.8**	7.2	23.8
US$650 million loan notes (issued April 2017)	US$m	**650.0**	650.0	650.0
Bank loans and borrowings	US$m	**—**	—	—
Net debt	US$m	**596.4**	592.8	564.8
Bank facilities undrawn and available	US$m	**107.2**	98.9	106.6
Consolidated net debt for covenant measurement purposes[1]	US$m	**632.9**	637.7	595.2

[1] Consolidated Net Debt for covenant measurement purposes is bank loans and borrowings plus loan notes, less cash, less diamond debtors and includes the BEE guarantees of ca. US$49.3 million (ZAR689.5 million) as at 31 December 2019 (ca. US$52.1 million (ZAR790.4 million) as at 30 September 2019)

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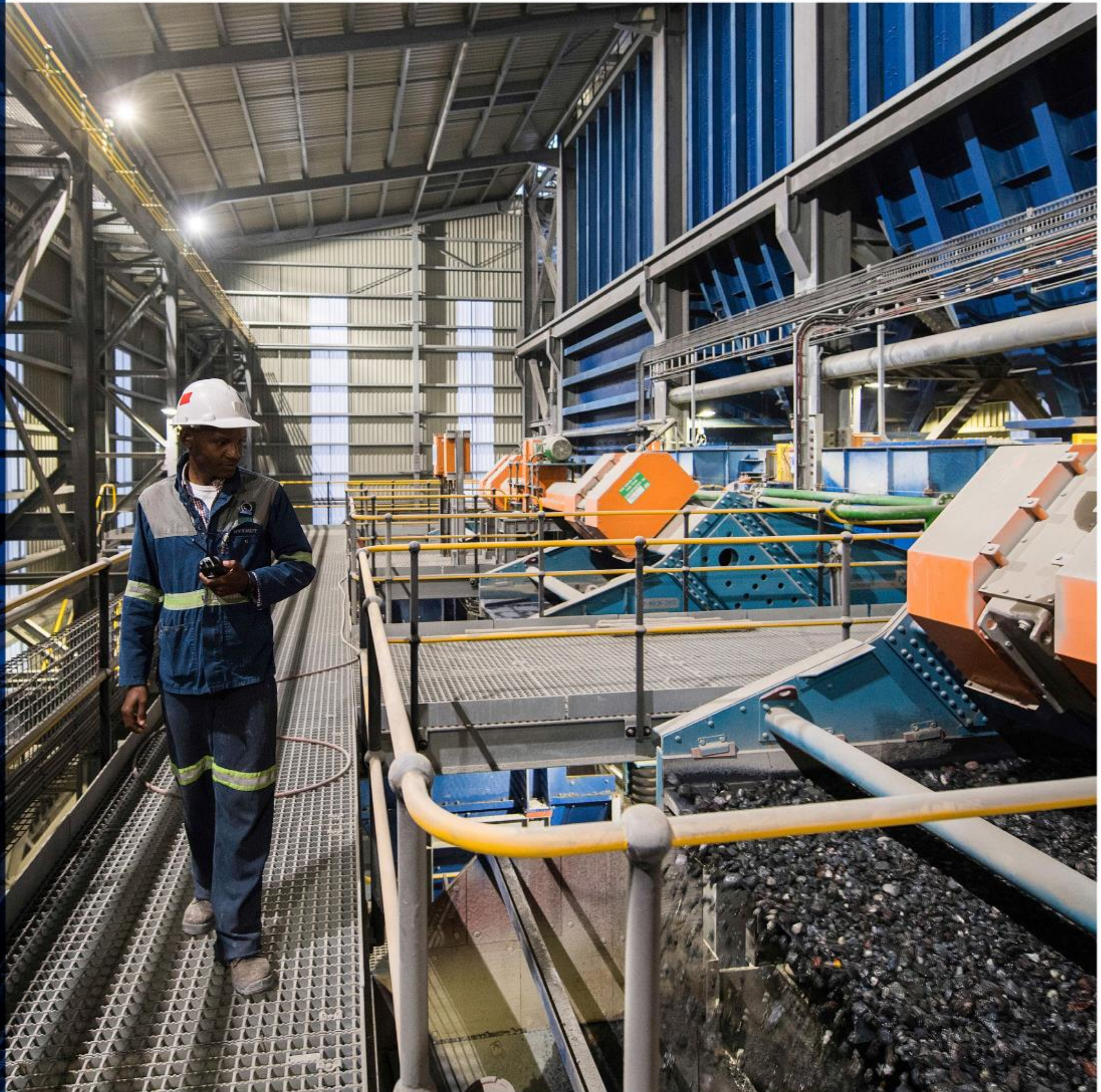
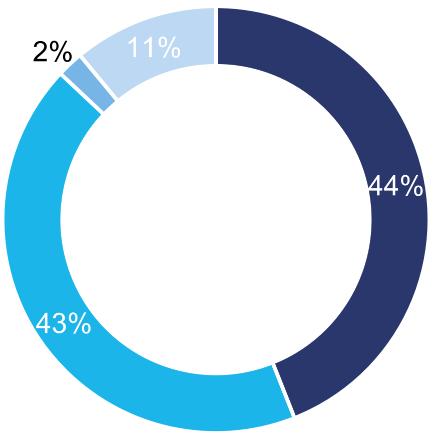
Operations Update



Cullinan became key revenue contributor to Group in H1 FY 2020

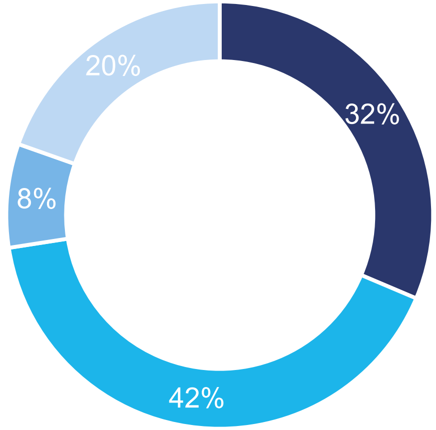
Production by mine



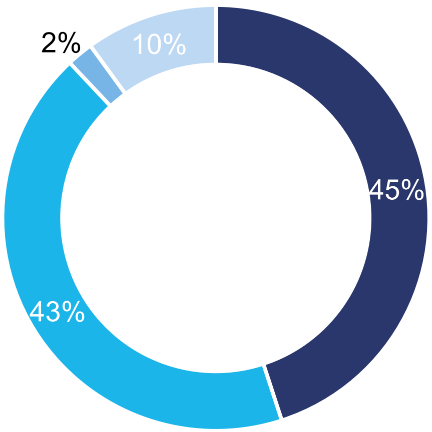
H1 FY 2020
2.1 million carats

Revenue by mine

H1 FY 2020[1]
$193.9 million

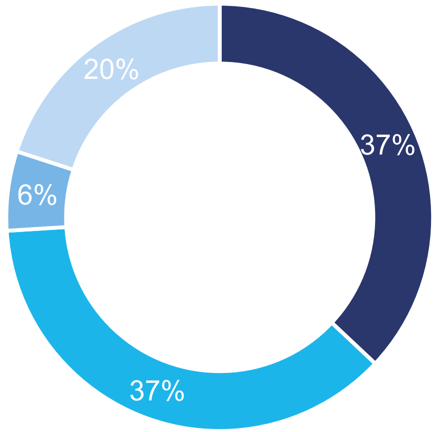


- Finsch
- Cullinan
- Koffiefontein
- Williamson



FY 2019
3.9 million carats

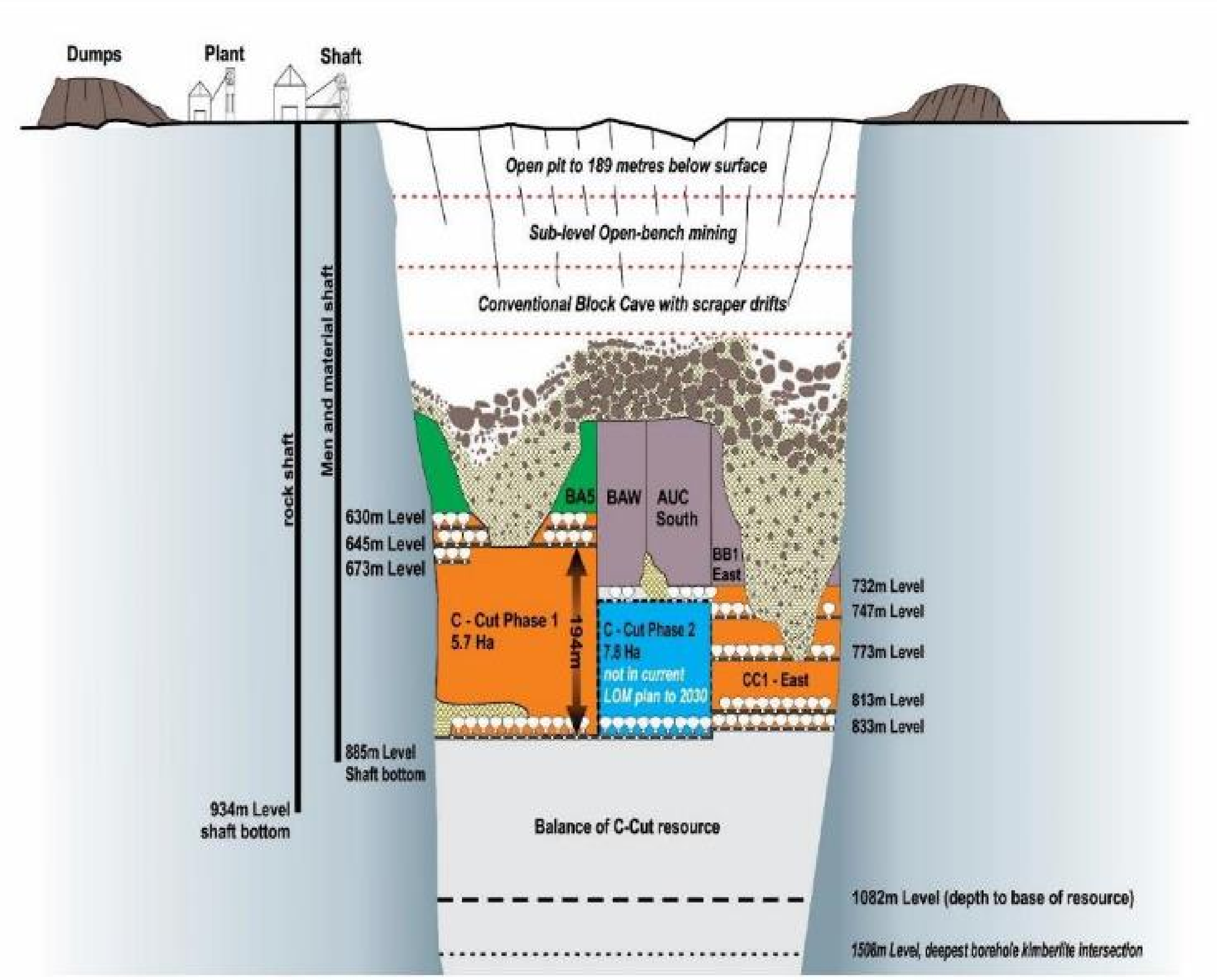
FY 2019
$463.6 million



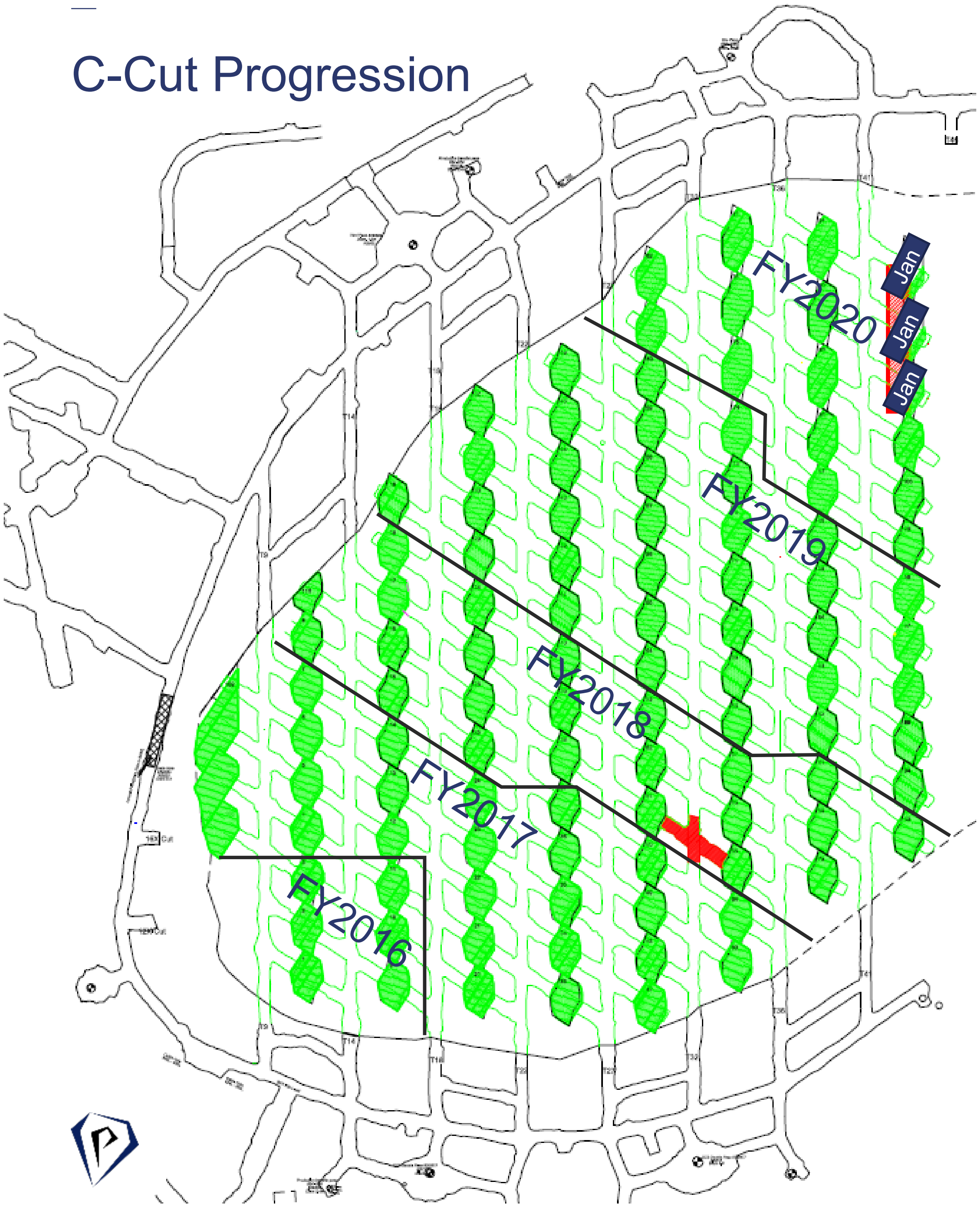
1. Petra sales are always weighted to H2 due to holding 4 tenders vs 3 tenders in H1

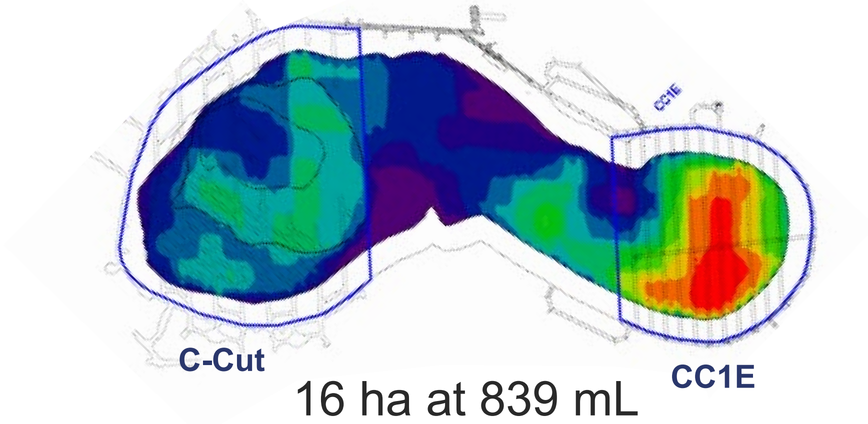
Steady state production from C-Cut Phase 1 and CC1E to be reached in FY 2020

- Undercut ring blasting commenced FY 2015
- Production levels established at 839m and shaft to 934m commissioned – FY 2016
- New plant with throughput capacity of 4.0 Mt ROM and 2.0 Mt tailings – commissioned Q1 FY 2018
- Ground handling complete with third crusher commissioned Q2 FY 2019
- C-Cut & CC1 East Ramp up
  - FY 2017 – 1.2 Mt
  - FY 2018 – 2.5 Mt
  - FY 2019 – 3.6 Mt
  - FY 2020 – 4.1 Mt EST
    - H1 FY 2020 – 2.3 Mt
    - H1 FY 2020 ROM grade of 37.3 cpht marginally lower than guidance of 38 – 42 cpht



C-Cut Progression



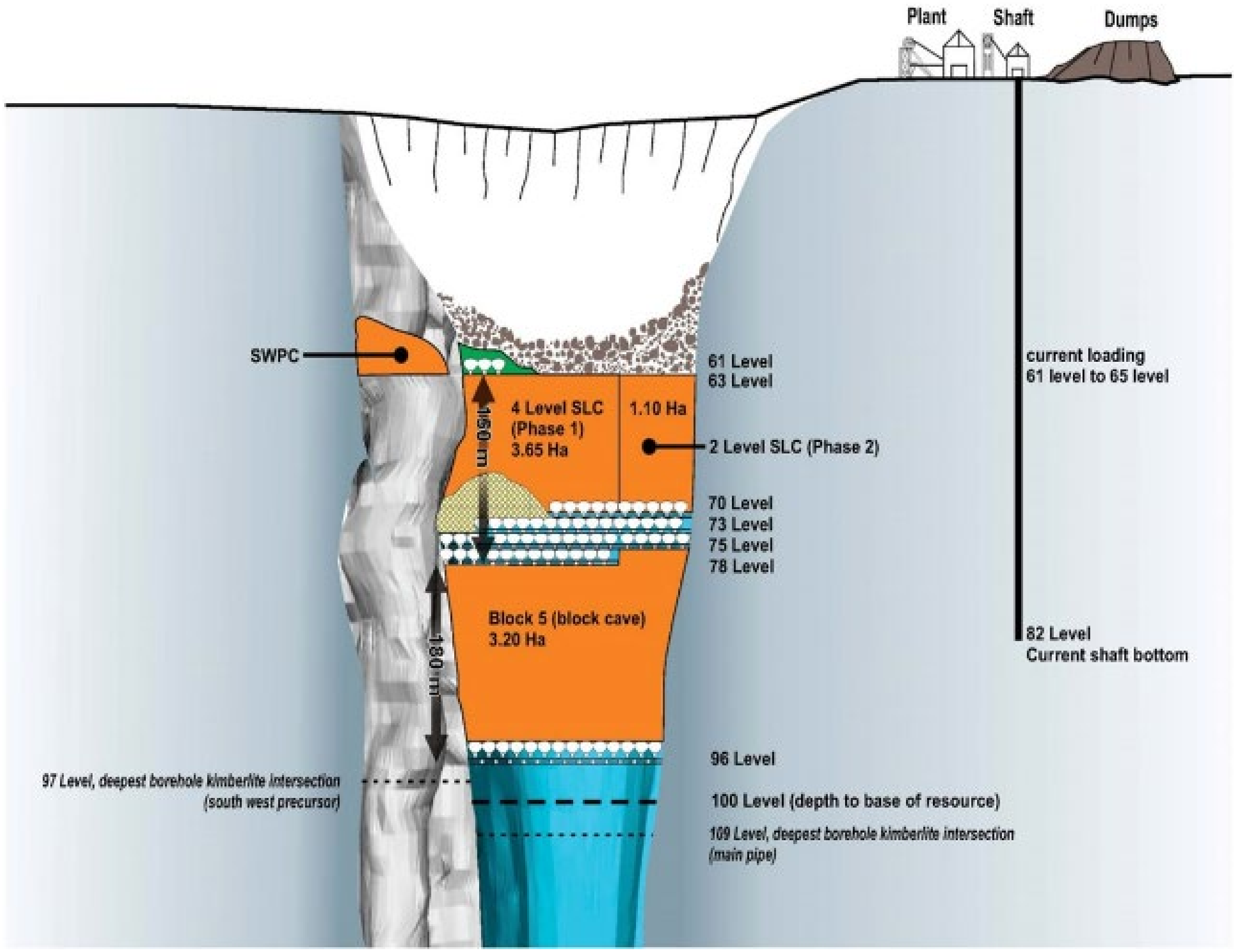


The last 3 draw-bells of 107 planned were slotted in December 2019

- Draw-bell installation scheduled to be completed at the end of January 2020 with a total of 107 draw-bells
- Cave maturity will follow the draw-bell opening sequence with draw-bells requiring roughly 12 months to reach maturity
- Production across the full footprint is expected to provide reduced grade and value volatility, although some variability may still be observed

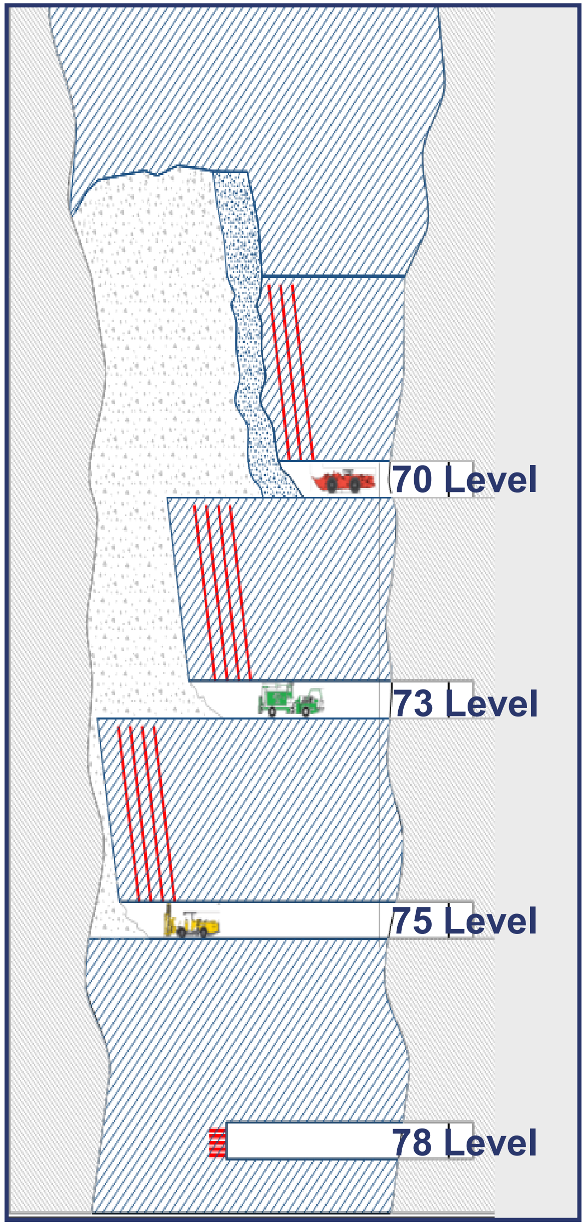
Steady state production from Block 5 SLC to be reached in H2 FY 2020

- Block 5 SLC production commenced from first tunnels on 70L – FY 2016
- Production on 75L commenced in Q3 FY 2018; all tunnels in production in Q3 FY 2019
- Construction of ground handling infrastructure completed in Q1 FY 2019
- Block 5 SLC ramp up:
  - FY 2017 – 0.8 Mt
  - FY 2018 – 1.7 Mt
  - FY 2019 – 2.5 Mt
  - FY 2020 – 2.9 Mt EST
    - H1 FY 2020 – 1.5 Mt
    - H1 FY 2020 ROM grade of 57.4 cpht in line with guidance of 54 – 57 cpht

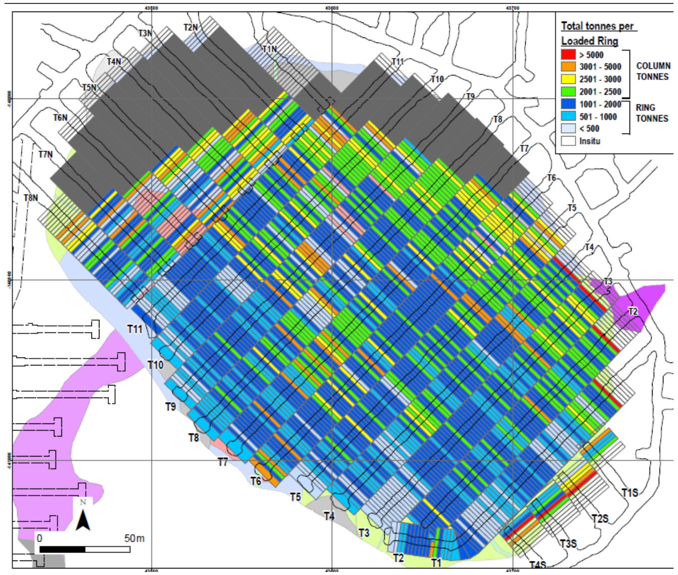


Finsch continued

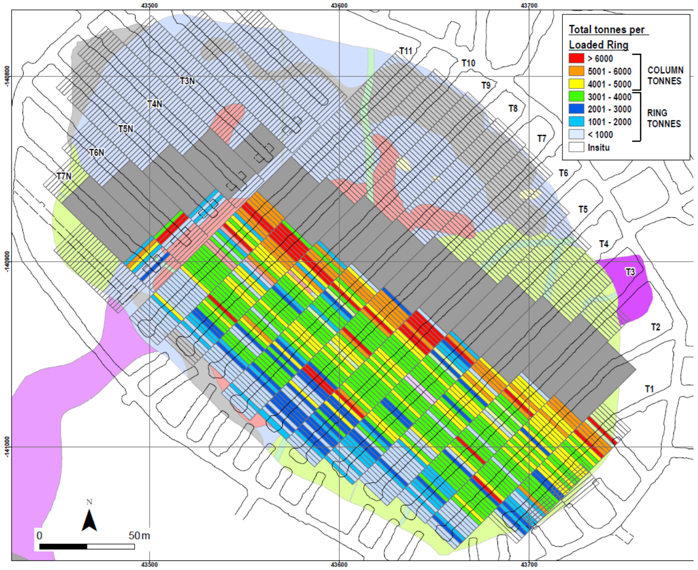
Block 5 SLC Progression



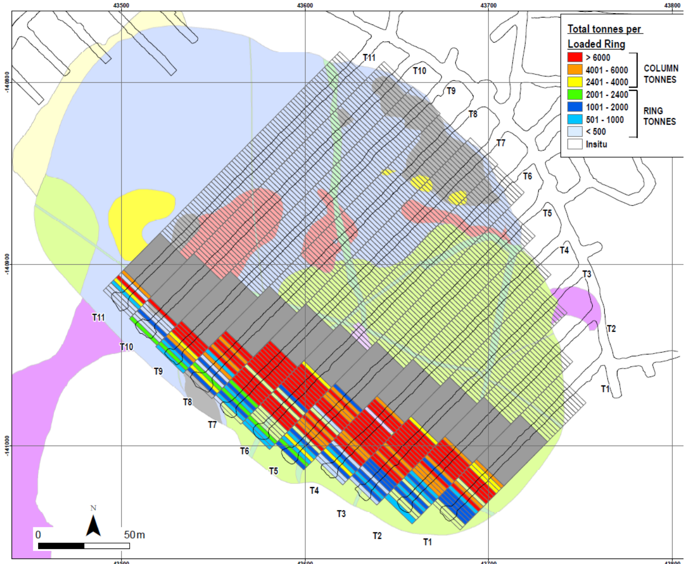
70 Level



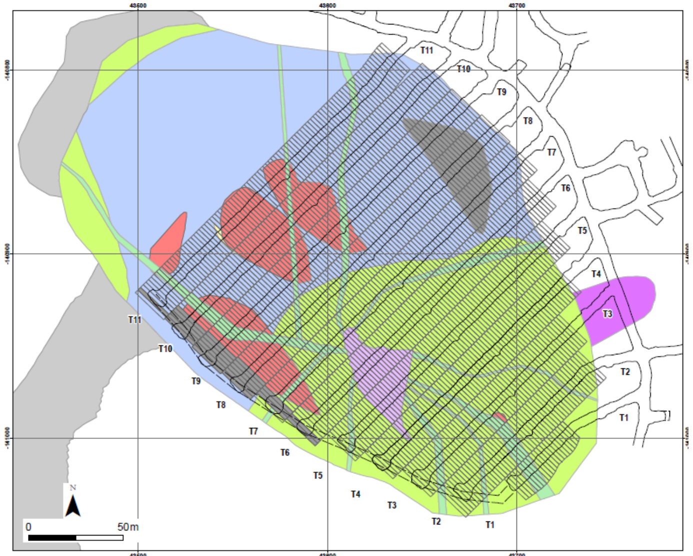
73 Level



75 Level

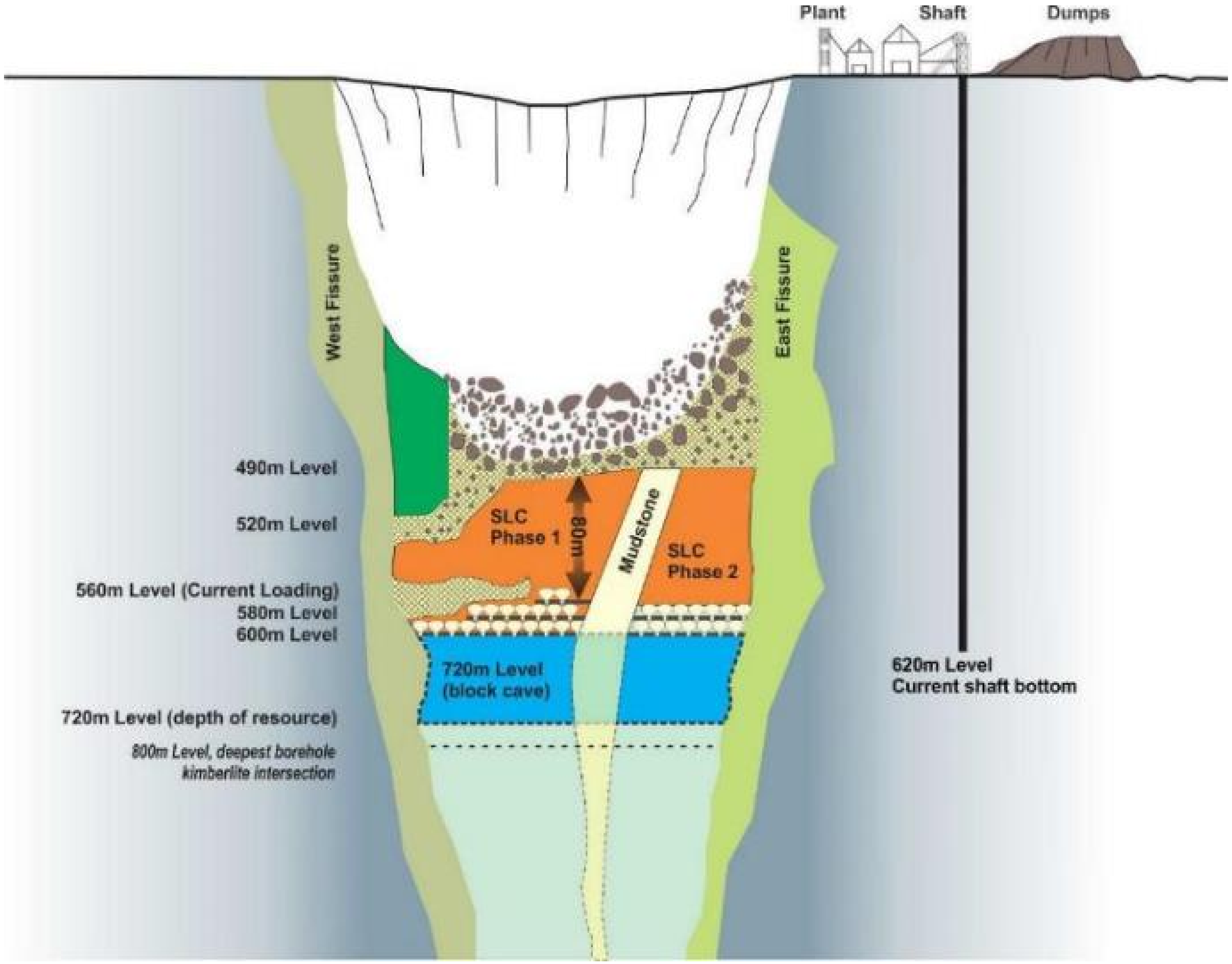


78 Level



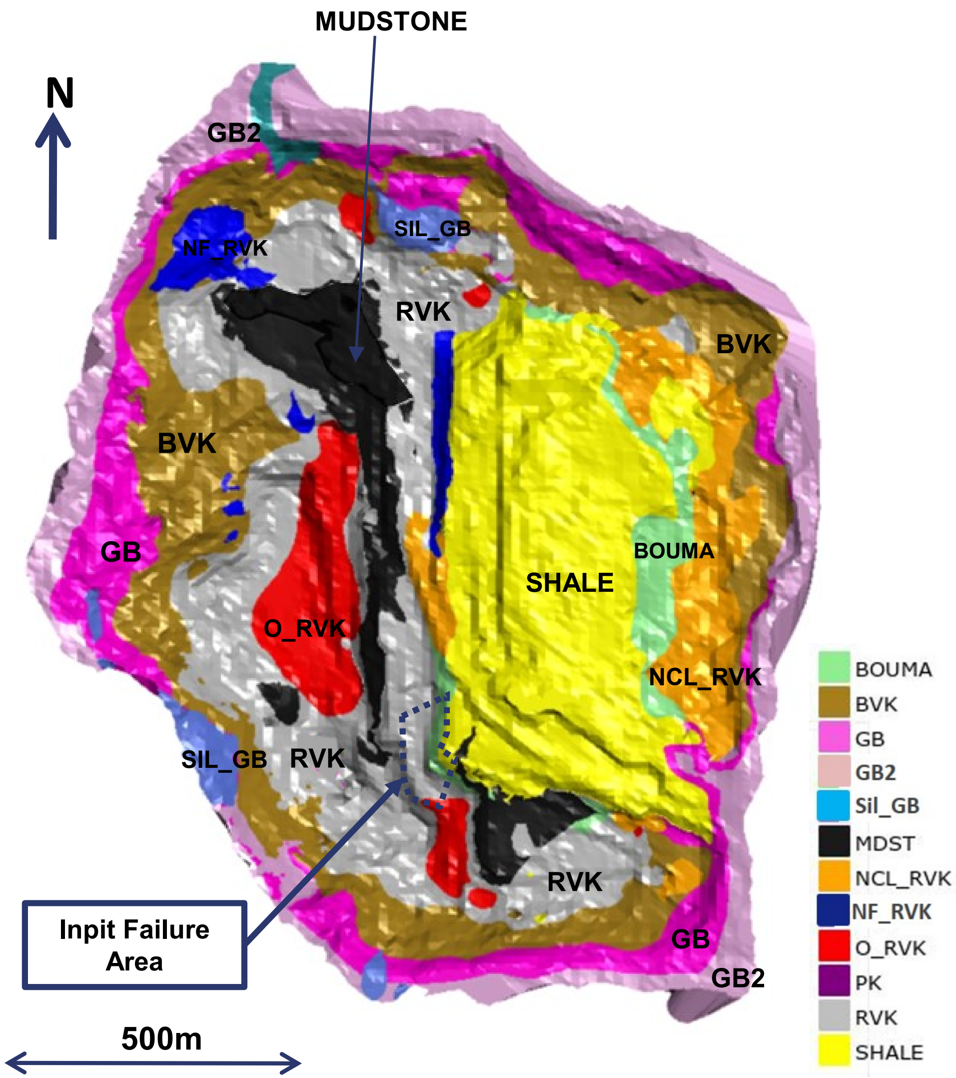
Steady state production from SLC was reached in FY 2019

- Production commenced from 56 Level SLC – FY 2015
- Ground handling system commissioned – Q3 FY 2018
- Production from 60L commenced – Q2 FY 2019
- SLC Production Ramp Up
  - FY 2017 – 0.6 Mt
  - FY 2018 – 0.7 Mt
  - FY 2019 – 1.0 Mt
  - FY 2020 – 1.0 Mt EST
    - H1 FY 2020 – 0.56 Mt
    - H1 FY 2020 ROM grade of 7.9 cpht marginally below guidance of 8.0 – 8.5 cpht



Steady state production achieved in FY 2018

- New mill plant commissioned H2 FY 2017
- FY 2019 – best production results since 1977
  - FY 2019 – 5.0 Mt ROM / 0.4 Mt alluvial
  - FY 2019 – 399 Kcts / $93.0 Mt
  - FY 2020 – 5.0 Mt ROM EST
    - H1 FY 2020 – 2.6 Mt ROM
    - H1 FY 2020 ROM grade of 8.1 cpht ahead of guidance of 6.5 – 7.0 cpht
- 21 Jan 2020: Pit slump of ca. 1.3 Mt on SW sector of pit
  - No impact on FY 2020 expected due to mine running ahead of plan
  - Mitigation plan currently underway to alleviate impact on future production
- Discussions ongoing with Government of Tanzania and local advisers in relation to the overdue VAT receivables and the blocked parcel



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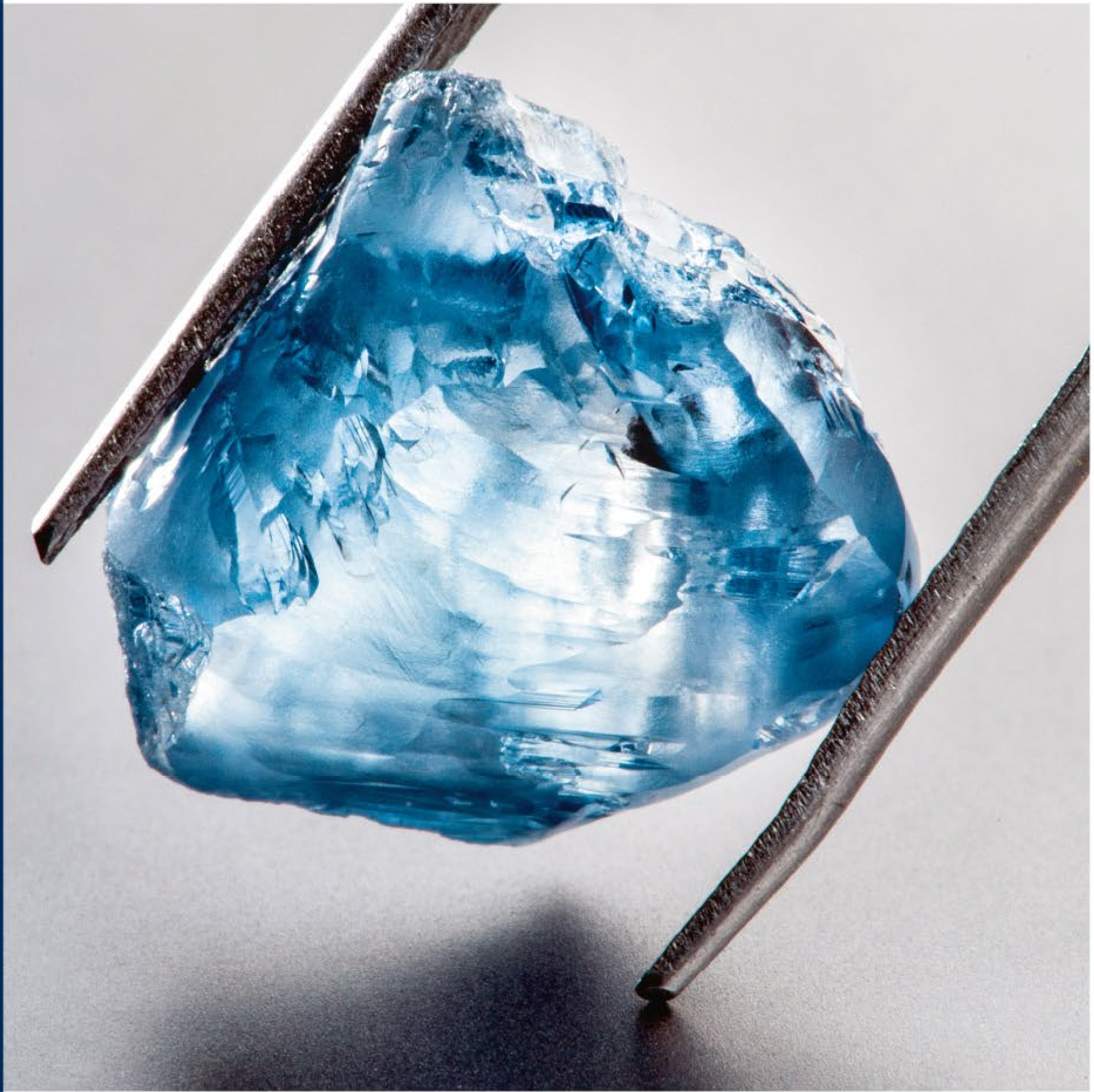
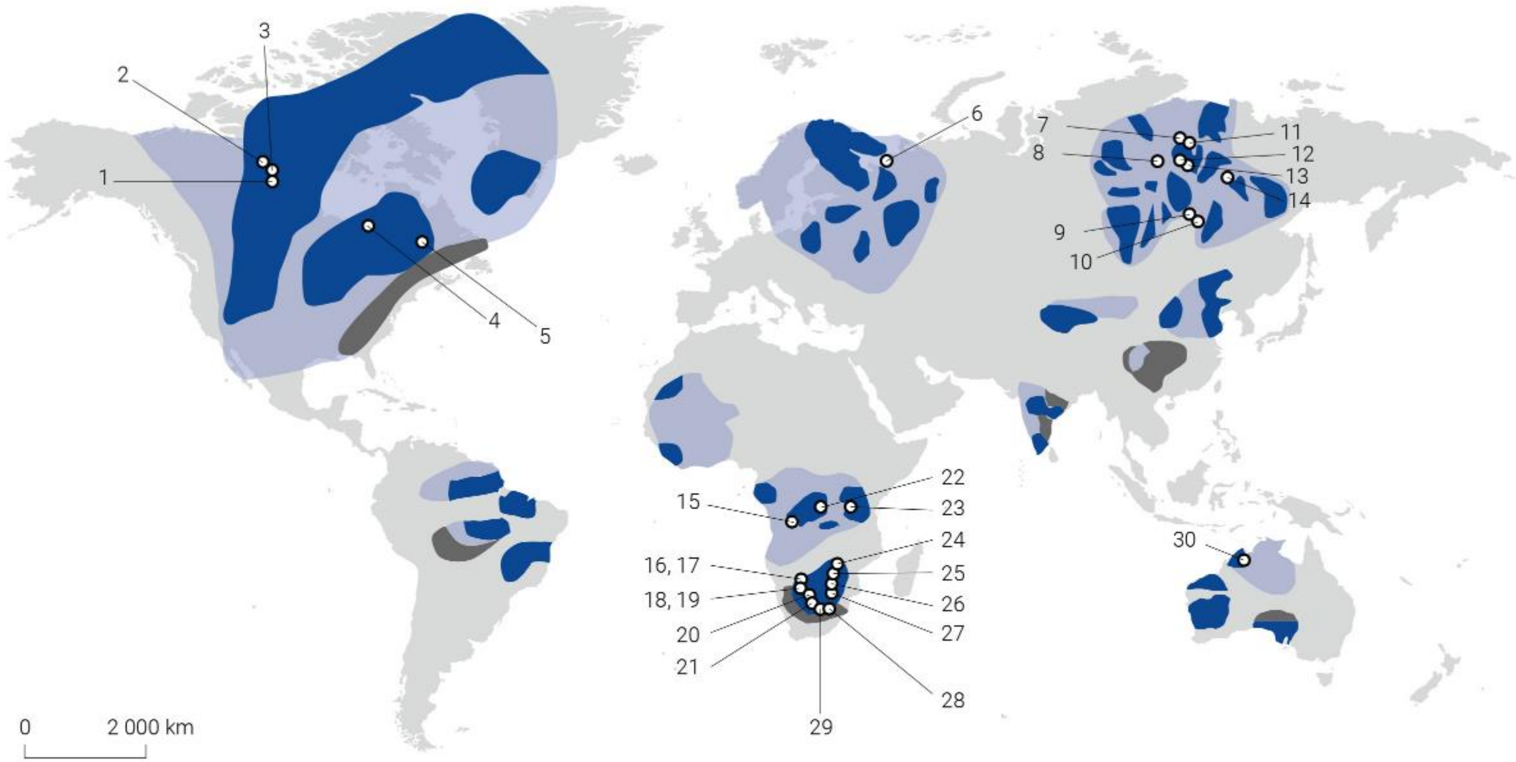
Diamond Market Overview



Only 30 significant kimberlite mines in production today

- Market downturn could lead to an acceleration of closures or cancellation of expansion plans



Archons: Archean areas
(3 500-2 500 million years old)

Protons: Early and middle proterozoic areas
(2 500-1 500 million years old)

Tectons: Late proterozoic areas
(1 500-600 million years old)

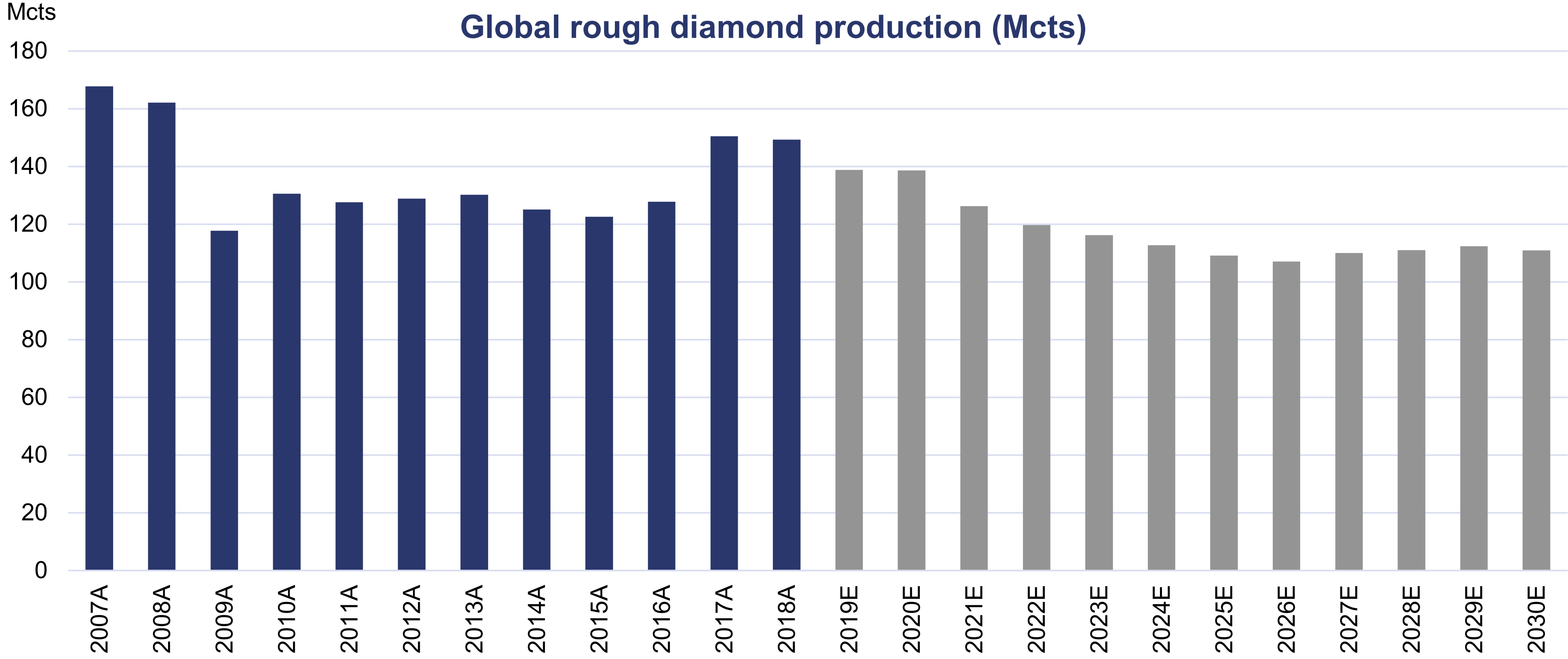
Major kimberlite diamond mines currently in operation

1	Gahcho Kue	**11**	Zarnitsa	**21**	Kimberley Underground
2	Ekati	**12**	Komsomolskaya	**22**	Mbuji Maye
3	Diavik	**13**	Aikhal	**23**	Williamson
4	Victor	**14**	Nyurbinskaya	**24**	Murowa
5	Renard	**15**	Catoca	**25**	Venetia
6	Grib	**16**	Orapa	**26**	Cullinan
7	Udachny	**17**	Letlhakane	**27**	Koffiefontein
8	Jubilee	**18**	Karowe	**28**	Letseng
9	Mir	**19**	Jwaneng	**29**	Liqhobong
10	International	**20**	Finsch	**30**	Argyle

The supply side outlook continues to contract

- Rough diamond production fell 2% to 148.4 Mcts in 2018 with a value of $14.5bn (2017: $14.1bn)
- Argyle mine to close in 2020; produced around 10% of world supply in 2018 and only major source of pink diamonds globally
- World supply projected to fall to 115 Mcts by 2030

Global rough diamond production (Mcts)



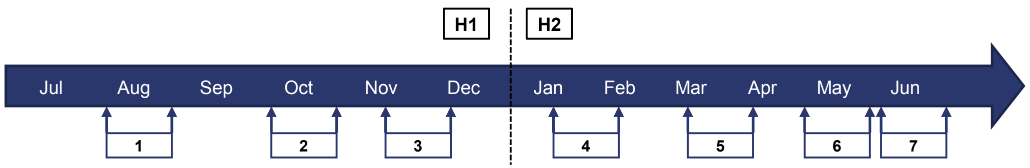
Source: Company reports, Kimberley Process and Petra Diamonds

Short term headwinds affecting pricing

H1 FY 2020 Market Performance (Jul to Dec 2019)

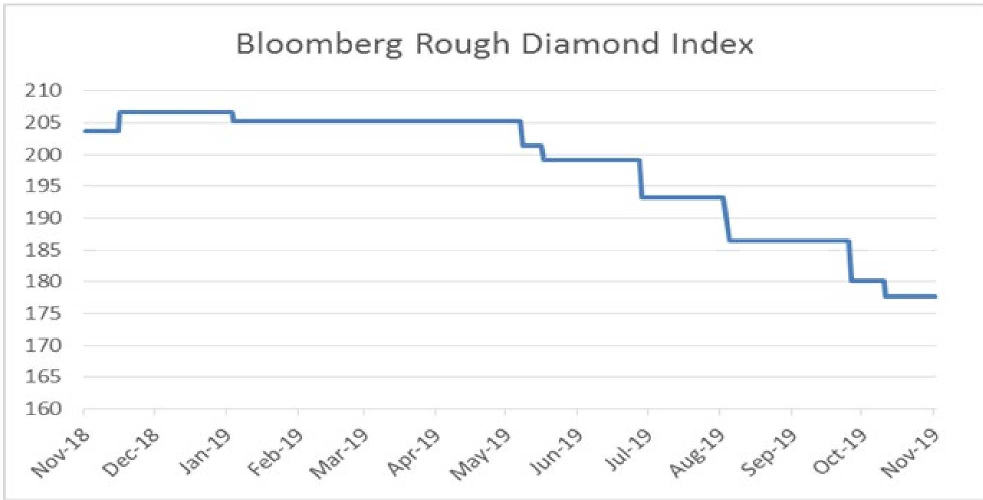
- The first tender in H1 FY 2020 saw like-for-like prices down ca. 4% over Q4 FY 2019, with October seeing some stabilisation and a modest improvement in the December 2019 tender – result was prices were ca. -3% in H1 FY 2020
- Early indications are that H2 FY 2020 prices have firmed somewhat as midstream participants restocked after relatively positive holiday season sales
- Continued supply discipline by the leading diamond mining companies will remain a key factor in the health of the rough market in 2020
- Challenges to the recovery in the diamond market include progress in normalising US/China trade, the impact of the Coronavirus and continuing unrest in Hong Kong

Petra sales calendar



Rough Diamond Prices	H1 FY 2020 US$/ct	FY 2019 US$/ct	H1 FY 2019 US$/ct
Cullinan[1]	**112**	99	105
Finsch	**79**	110	96
Koffiefontein	**431**	480	447
Williamson	**184**	231	223
Group average	**111**	124	119

1. Includes revenue from special stones in H2 FY 2019 and H1 FY 2020



The DPA aims to actively influence consumer demand for diamonds

Global consumer demand grew 2% in 2018 to $76bn[1]

- China (+4.7%) and the US (+4.5%) were the fastest growing regions

Generic marketing

- Budget of +$70m for 2019; primary focus on the US (>50% market share) with additional programmes in China, India and Europe
- Marketing campaigns based on extensive customer research and use broad range of innovative channels to reach focused target audience

Total Clarity

- Aim to build consumer trust in mined diamonds by addressing stereotypical myths and misconceptions
- Independent assessment of the value created by the diamond mining industries for stakeholders

Trade education and assistance

- Continuous engagement with trade, education programmes and production of customisable assets to assist with marketing diamonds to consumers

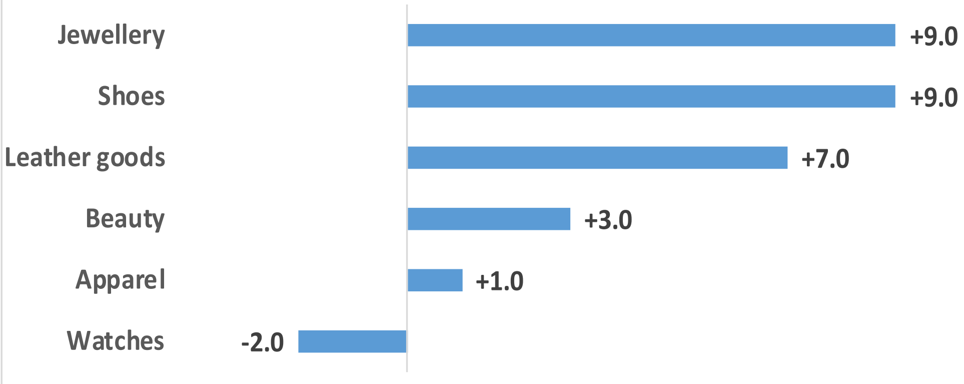
Dispelling myths about our industry

[1] Source: De Beers Diamond Insight Report 2019

LVMH acquisition of Tiffany signals confidence in jewellery sales potential

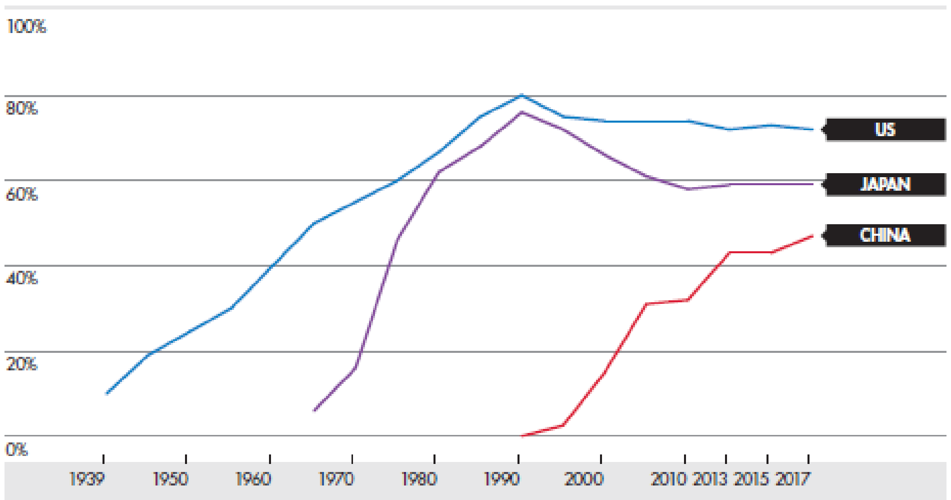
- LVMH acquires Tiffany for $16.2bn – largest deal ever in the luxury goods space
- Personal luxury goods market +4% to €281 billion in 2019, despite geopolitical turbulence and recession fears (preliminary data by Bain & Co)
- Branded diamond jewellery sector noted as being one of the fasted growing categories in the personal luxury goods sector
- Opportunity to expand market for diamond jewellery, which remains ultimate gift to express love and commitment

Luxury Goods Sales Growth in 2019 - ex currency movement



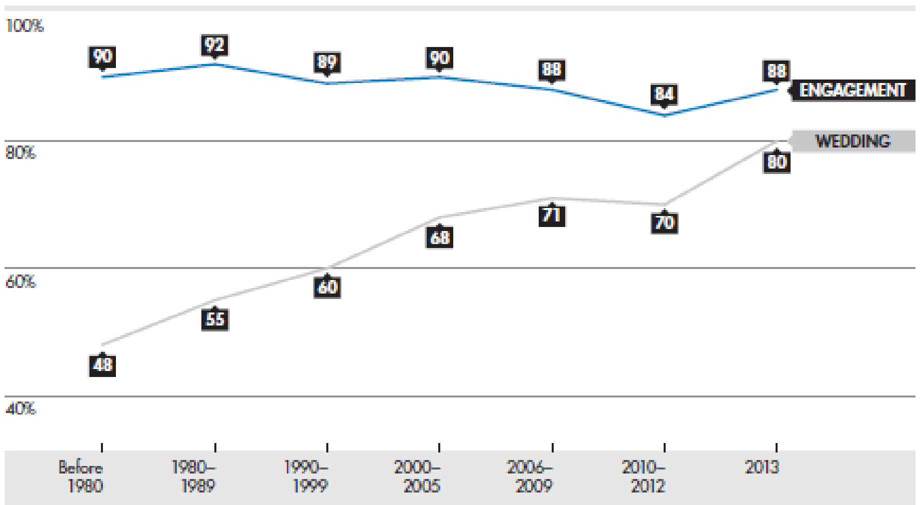
Source: Bain & Co

The enduring diamond engagement ring tradition (% of brides receiving a diamond)



Source: De Beers Insight Report 2019

Percentage of diamonds in US engagement and wedding rings



Source: De Beers Insight Report 2019

PetraDiamonds

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Responsible Mining

The diamond mining industry generates $16 billion in net positive socioeconomic and environmental benefits

OUR PEOPLE

77,000+
people employed by DPA Members.

66%
more than the national average salary is what the average DPA Member employee earns.

$3.9 Billion
benefits created locally through employment.

OUR COMMUNITIES

$6.8 Billion
benefits infused into communities through the purchase of local goods and services.

60%
of the value created is retained locally, benefitting communities directly and indirectly.

$292 Million
benefits of social programs including education and healthcare.

OUR PLANET

1,023 Sq Miles
of land DPA Members protect; 3x the amount of land that they use.

83%
of water used for diamond mining is recycled.

69%
less carbon emission per carat than a laboratory-created diamond.

Our Contribution in FY 2019

Driving sustainable development in our local communities

South Africa   Tanzania

Capital invested (Capex)
- South Africa: US$78.3 million
- Tanzania: US$8.6 million

+

Employee wages
- South Africa: US$105.4 million
- Tanzania: US$37.8 million

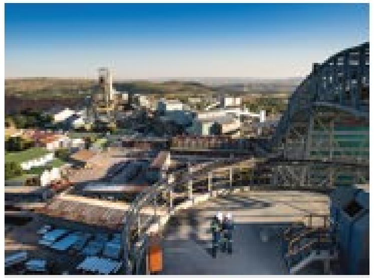
+

Social investment
- South Africa: US$0.7 million
- Tanzania: US$0.3 million

+

Taxes and royalties
- South Africa: US$42.2 million
- Tanzania: US$7.1 million

+



Supplier expenditure
- South Africa: US$199.4 million
- Tanzania: US$62.9 million

Our Values

- Let's do no harm
- Let's make a difference
- Let's do it right
- Let's take control
- Let's do it better

By developing our assets responsibly, we unlock value for all stakeholders

Our People

- Extensive education, training and development from school pupils to staff and wider community members
- Ca. $6.6m training spend in FY 2019

Occupational Health

- 100% of employees offered voluntary HIV/AIDS testing
- Williamson Diamonds Hospital continues to provide subsidised healthcare to all employees, dependents and external communities

Community Development

- Enterprise Development Centres at all South African operations to develop local businesses
- Artisanal mining initiative launched at Koffiefontein
    - Establishment of Koffiefontein Community Mining Primary Cooperative
    - Transfer of certain tailings resources to the benefit of the community

Environment Management

- Successful reduction of carbon footprint for 5 consecutive years and improved CDP disclosure score from C to B
- No major environmental incidents reported for 9 consecutive years

ca. **68,000**[1] people are dependent on our operations

33% of Leadership Development Programme are women

72% of water used on mine is recycled

8% decrease in carbon emitted per carat

1 Petra employed 6,788 employees and contractors as at 30 June 2019, but given the generally accepted ‘multiplier effect’ in South Africa and Tanzania, ca. 68,000 people are dependent on our operations

Playing a Positive Role within our Communities

Petra constructed the Multi Sports Facilities for use by 3 local primary schools, using labourers from the local community and thereby providing sports facilities for a total of 3,597 children

Petra constructed an expansion of the Onverwacht Primary School, using local SMMEs and labourers; 4 new classrooms and a canteen were built and the Grade R Block extended

Petra constructed the Lethabong Day Centre within the Onverwacht school grounds, with 3 classrooms and facilities for both the staff and the children. This centre allows pupils who were often absent caring for siblings to attend school while their siblings attend the Centre

4 local primary schools were provided with the My Maths Buddy programme in order to support the improvement of maths skills

Cullinan hosts mine tours for local students annually in order to assist with careers guidance

The Petra Foundation funded the construction of a new science laboratory for the Chipa-Tabane High School

Outlook

Focus on the execution of Project 2022 to reduce leverage against the backdrop of a challenging diamond market

Evolution of Board and Senior Management	3 Year Succession Plan implemented and organisational design review completed
Consistent operational delivery against market expectations	Operations running ahead of plan and on track to meet FY 2020 guidance
Generation of free cash flow to reduce leverage	Project 2022 seeks to optimise operations and drive cost and capital efficiencies in order to maximise free cash flow
Support of diamond market via Diamond Producers Association ("DPA")	While rough market remains challenging, consumer demand is stable and growing

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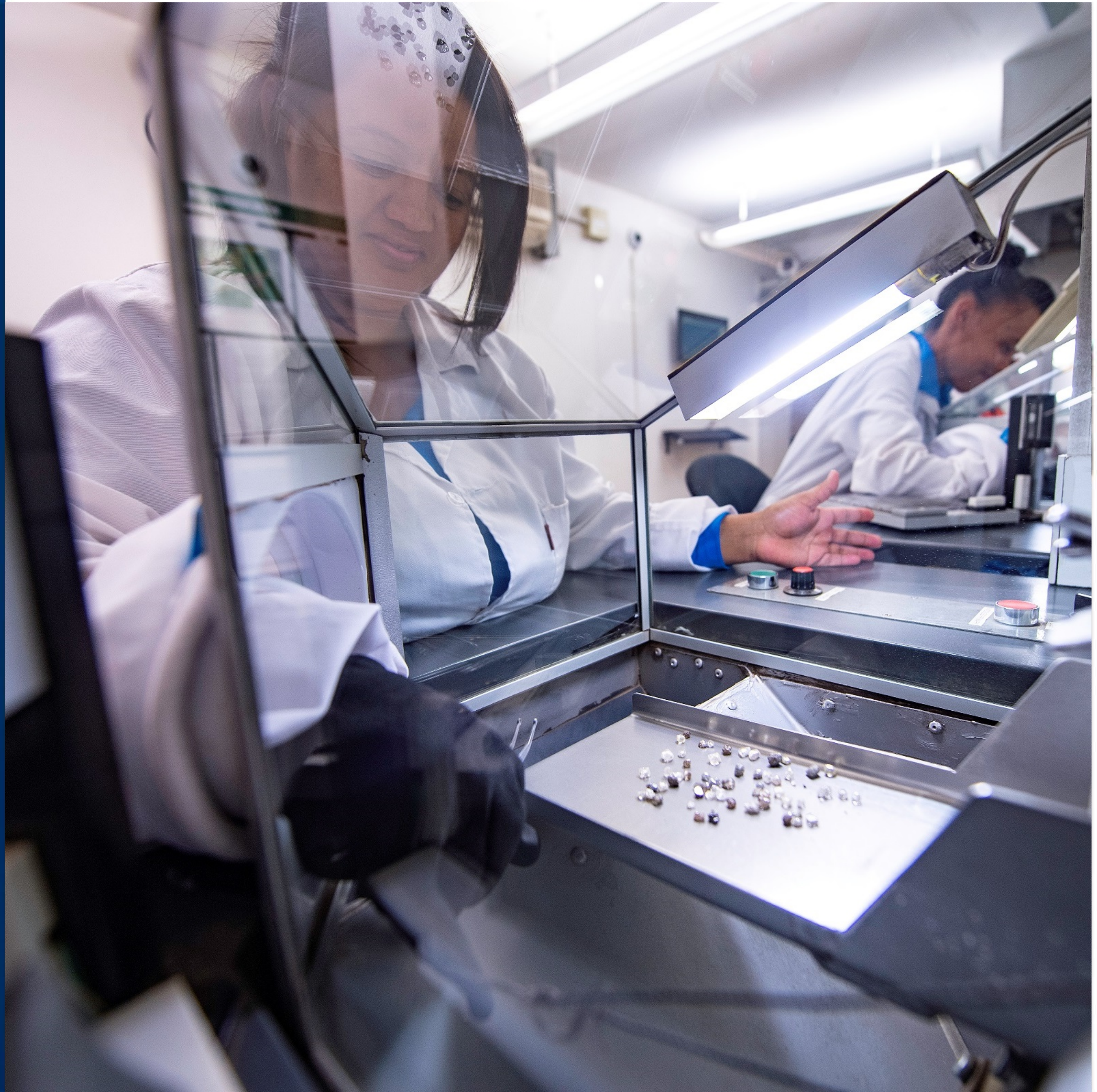
Appendix



Capital Structure

Share Price (1 year to 27 January 2020)

Major Shareholders as at 27 January 2020	% Voting rights
Standard Life Aberdeen plc	15.2%
M&G Plc	10.2%
Cobas Asset Management	5.0%
Lazard Asset Management	4.9%
Directors	2.0%

Listing	LSE: PDL
Average daily trading volume (shares) – (LTM)	5.3m
Shares in issue	865.4m
Free float	94.7%
Market cap @ 9.7p (27 January 2020)	£81m / $105m

Petra Diamonds Corporate Bond	
Issue date:	May 2017
Issue size:	US$650 million
Coupon:	7.25%
Maturity:	May 2022

Board of Directors

Adonis Pouroulis
Non-Executive Chairman

Nomination Committee

Richard Duffy
Chief Executive
Appointed April 2019

Executive Committee
HSE Committee
SED Committee

Jacques Breytenbach
Finance Director

Executive Committee
SED Committee

Tony Lowrie
Senior Independent Non-Executive Director

Audit & Risk Committee
Nomination Committee
Remuneration Committee

Dr Patrick Bartlett
Independent Non-Executive Director

Audit & Risk Committee
Nomination Committee
Remuneration Committee
HSE Committee

Petra Hill
Independent Non-Executive Director and Chairman-Designate
Appointed January 2020

Peter will assume the role of Chairman from 31 March 2020

Gordon Hamilton
Independent Non-Executive Director

Audit & Risk Committee
Nomination Committee
Remuneration Committee

Octavia Matloa
Independent Non-Executive Director

Audit & Risk Committee
SED Committee (Chair)

Varda Shine
Independent Non-Executive Director
Appointed January 2019

Remuneration Committee
SED Committee

Bernard Pryor
Independent Non-Executive Director
Appointed January 2019

HSE Committee (Chair)
Audit & Risk Committee

A Unique Portfolio

Consistent producers of world-class diamonds with exceptional heritage

The Star of Josephine
26.6ct rough, 7.0ct polished
sold for $9.5m ($1.35m/ct)
Cullinan, 2009

The Cullinan Heritage
507.5ct rough, 104ct polished
sold for $35.3m
Cullinan, 2009

25.5ct blue diamond
sold for $16.9m ($663k/ct)
Cullinan, 2013

The Blue Moon of Josephine
29.6ct rough, 12.0ct polished
Rough sold for $25.5m ($862k/ct) and polished sold for $48.5m (+$4m/ct = world record)
Cullinan, 2014

The Cullinan Dream
122.5ct rough, 24.1ct polished
Rough sold for $27.6m
Cullinan, 2014

32.3ct pink diamond
sold for $15.0m ($463k/ct)
Williamson, 2016

The Legacy of the Cullinan Diamond Mine
424.8ct rough sold for $15.0m
Cullinan, 2019

20.0ct blue diamond
sold for $14.9m ($741k/ct)
Cullinan, 2019

FY 2019 vs. FY 2018 Operational Results

	Unit	Finsch FY 2019	Finsch FY 2018	Cullinan FY 2019	Cullinan FY 2018	Koffiefontein FY 2019	Koffiefontein FY 2018	Williamson FY 2019	Williamson FY 2018
ROM PRODUCTION									
Tonnes treated	Tonnes	**3,073,479**	3,084,395	**4,119,406**	3,741,086	**1,000,726**	649,259	**5,082,319**	4,659,563
Grade	cpht	**56.1**	62.5	**38.6**	35.9	**6.4**	8.1	**7.6**	7.0
Diamonds recovered	Carats	**1,724,265**	1,926,467	**1,589,707**	1,342,020	**63,635**	52,537	**386,016**	328,681
TOTAL PRODUCTION									
Tonnes treated	Tonnes	**3,297,047**	3,879,368	**5,075,441**	4,153,835	**1,000,726**	649,259	**5,495,470**	5,045,284
Diamonds recovered	Carats	**1,755,768**	2,073,477	**1,655,929**	1,368,720	**63,635**	52,537	**399,615**	341,102
SALES									
Diamonds sold	Carats	**1,711,311**	2,152,786	**1,562,922**	1,335,669	**60,291**	51,936	**402,329**	253,524
Average price per carat	US$	**99**	108	**110**	125	**480**	525	**231**	270
Revenue	US$M	**170.2**	231.9	**171.4**	167.0	**28.9**	27.2	**93.0**	68.5
On-mine cash cost per tonne treated	ZAR	**388**	329	**234**	239	**450**	596	**11.1**	10.7
Capex	US$M	**24.1**	54.0	**46.3**	73.9	**6.1**	12.3	**8.6**	4.6

Bank debt facilities undrawn and available to the Group as at 31 December 2019 of R1.5 billion (ca. $107.2 million), in addition to diamond debtors of $12.8 million and cash at bank of $53.6 million

Covenant	Maintenance Covenants				Distribution Covenants
	12 months to 31 Dec 2019[4]	12 months to 30 Jun 2020	12 months to 31 Dec 2020	12 months to 30 Jun 2021	All periods
	Required ratio	Required ratio	Required ratio	Required ratio	Required ratio
Consolidated Net Debt[1] to Consolidated EBITDA	≤4.25x	≤3.5x	≤3.25x	≤3.0x	≤2.0x
Consolidated EBITDA to Consolidated Net Finance Charges	≥2.5x	≥2.75x	≥3.0x	≥3.25x	≥6.0x
Consolidated Net Senior Debt[2] to Book Equity[3]	≤0.4x	≤0.4x	≤0.4x	≤0.4x	≤0.3x

[1] Consolidated Net Debt is bank loans and borrowings plus loan notes, less cash, less diamond debtors and includes the BEE guarantees of ca. US$49.3 million (ZAR689.5 million) as at 31 December 2019 (ca. US$52.1 million (ZAR790.4 million) as at 30 September 2019)

[2] Consolidated Net Senior Debt means at any time the Consolidated Net Debt (excluding any second lien and other subordinated debt)

[3] Book Equity is Equity excluding accounting reserves

[4] The South African lender group has consented to a waiver of the EBITDA related covenant ratios for the December 2019 measurement period

Debt Facilities

Lender	Type	Size ZARM	Size US$M[1]	Utilised at 30 June 2019 US$M[1]	Interest Rate	Commitment fee on undrawn facilities	Repayment
Absa & Nedbank	ZAR Revolving credit facility	1,000	71	0	1M JIBAR + 5.0%[2]	1.35%[2]	October 2021
Absa & RMB (FNB)	ZAR Working capital facility	500	36	0	SA Prime – 1.0%	0.85%	Subject to annual renewal

Consolidated Net Debt to Consolidated EBITDA	Additional interest rate ratchet	Additional commitment fee ratchet
≤ to 2.5:1	0.0%	0.0%
> 2.5:1 but ≤ 3.0:1	+1.0%	0.0%
> 3.0:1 but ≤ 3.5:1	+2.0%	+0.225%
> 3.5:1 but ≤ 4.0:1	+3.0%	+0.450%
> 4.0:1	+4.0%	+0.675%

[1] Converted to USD using exchange rate of ZAR13.99/USD1

[2] The ZAR Revolving Credit Facility is subject to margin and commitment fee ratchet mechanisms contingent on the Consolidated Net Debt: Consolidated EBITDA covenant levels at each measurement date – see https://www.petradiamonds.com/investors/fixed-income-investors/banking-facilities/ for further information

Analyst Guidance FY 2020 – Group Capex Profile

Operation	Financial Year	2020
Finsch	ROM tonnes treated (Mt)	2.9 – 3.0
	Expansion Capex (ZARm)	122
	Sustaining Capex (ZARm)	102
Cullinan	ROM tonnes treated (Mt)	4.0 – 4.2
	Expansion Capex (ZARm)	144
	Sustaining Capex (ZARm)	57
Koffiefontein	ROM tonnes treated (Mt)	1.0
	Expansion Capex (ZARm)	41
	Sustaining Capex (ZARm)	22
PETRA (SA Operations)	Expansion Capex (ZARm)	307
	Sustaining Capex (ZARm)	181
Williamson	ROM tonnes treated (Mt)	5.0
	Alluvial tonnes treated (Mt)	0.3
	Sustaining Capex (USDm)	7
PETRA (All Operations)	ROM tonnes treated (Mt)	12.9 – 13.2
	Tailings / other tonnes treated (Mt)	0.3
	Expansion Capex (USDm)	22
	Sustaining Capex (USDm)	20

[1] All Capex numbers stated in FY 2020 money terms (ZAR14.0/US$1 where applicable)
[2] Depreciation on mining assets for FY 2020 guided at ca. US$85-90 million at R14.0/US$1

Tailings Residue Deposit Management in line with Best Practice

- In South Africa risk-based **mandatory Codes of Practices** ("COP")[1] are available for all residue deposits at our mines as required by, and according to set guidelines from the Department of Mineral Resources (DMR), Mine Health and Safety Inspectorate. All COP documents are signed off by the DMR and the respective third party appointed Professional Engineers.
- The Williamson diamond mine in Tanzania does not require a COP by law but, since 2016, in line with best practice Petra developed and implemented operating practices, set out in an operating manual, similar to a COP for the mine's tailings deposits.
- Petra differentiates between a **Coarse Residue Deposit** (CRD) and a **Fine Residue Deposit** (FRD). All operations make use of CRDs and FRDs. Coarse tailings (particles > ca. 0.5mm) are normally deposited on a CRD whilst fine tailings (particles < ca. 0.5mm) are deposited on a FRD. Petra employs a dry conveying and stacking method for the CRD whilst the fine tailings are normally pumped to a FRD.
- Generally, CRDs are relatively stable structures that do not impound water and therefore do not pose a risk of wall breach and flooding. At some operations, older CRDs are being re-treated to extract residual diamonds lost in the diamond winning process during earlier years when diamond winning technology was less efficient.
- All residue facilities are constructed using the upstream deposition method. The outer walls are constructed with the coarser fraction of the fines residue whilst the finer fraction will settle in the dam basin, maintaining the pool away from the embankment walls. Supernatant and storm water are pumped off the deposits on a continuous basis to reuse in the diamond winning process.
- At **Finsch** there are five FRDs; four of the facilities are located on the eastern side of the mining area with three being active and one decommissioned as current deposition rates do not require it to be used. A further facility is located on the western side of the mining area and is also active. At **Koffiefontein** there are three FRDs of which two are currently being used for fines residue deposition. The third dam has been rehabilitated and is no longer utilised. At **Cullinan** there is only one FRD, referred to as the No.7 dam. At the **Williamson** mine in Tanzania there are two FRDs of which one is currently active.
- In addition to internal compliance, assurance and performance audits, third party Professional Engineers together with mine geotechnical engineers are appointed by Petra to oversee and provide assurance on the design and operational standards of the tailings facilities through quarterly inspections.
- Further to third party assurance, annual external audits are conducted in line with OHSAS18001:2007 and ISO 14001:2015 management standards and ad hoc inspections are carried out by the regulator.
- Important parameters that are being recorded, documented and managed include the overall condition of side slopes, benches and basin, drain flow records, deposition rates and corresponding rate of rise, freeboard, the phreatic surface level, structural integrity of the penstocks, pool size and location, impact on surrounding environment and potential zone of influence.

[1] COP includes and refers to the design, managerial instructions, recommended standards and procedures required to manage and monitor the operation of facilities

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Thank you

Further enquiries:
investorrelations@petradiamonds.com
+44 20 7494 8203
www.petradiamonds.com