PetraDiamonds

European Roadshow

21-23 November 2016

Driving Forward

MEMBER OF DIAMOND PRODUCERS ASSOCIATION

London Stock Exchange

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PREMIUM

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FY 2016 – Driving Forward

Continued production growth

- Record production of 3.7 Mcts and 19.0 Mt in FY 2016
- FY 2019 target increased from ca. 5 Mcts to ca. 5.3 Mcts

Expansion programmes on track

- SLC at Finsch and new C-Cut block cave at Cullinan commenced initial production
- Cullinan mill plant project on track
- Peak Capex year now behind the Company

Increased profitability

- EBITDA[1] margin of 38% (FY 2015: 33%)

Solid start to FY 2017

- First two tenders of the year realised ca. $161 million; 1 more tender planned for H1 FY 2017 and 4 tenders for H2 FY 2017
- Prices on par with H2 FY 2016 on a like-for-like basis
- EBITDA[1] margin of +40% expected in FY 2017

Underground development, Cullinan

New plant construction, Cullinan

1. EBITDA is Adjusted EBITDA – see slide 5 for further disclosure

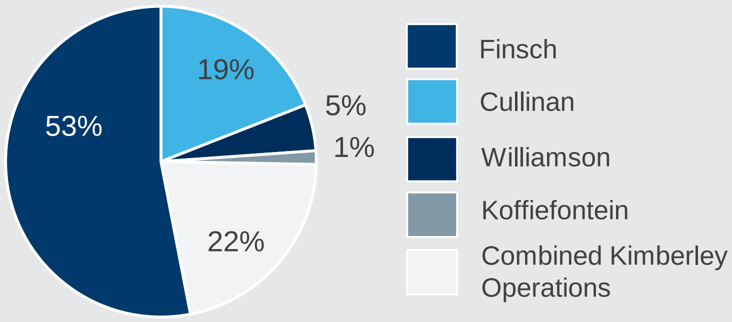
Financial Position

	Unit	30 Sep 2016	30 June 2016	30 June 2015
Closing exchange rate used for conversion		*R13.71:US$1*	*R14.68:US$1*	*R12:16:US$1*
Cash at bank	US$m	42.2	48.7	166.6
US$ loan notes (including accrued interest)	US$m	308.3	302.0	303.3
Bank loans and borrowings	US$m	197.8	131.5	35.0
Net debt	US$m	463.9	384.8	171.7
Bank facilities undrawn and available	US$m	70.0	110.0	255.1
Diamond inventories	Carats US$m	902,211 69.0	549,620 43.6	339,489 33.5
Diamond debtors	US$m	0.7	63.4	57.6

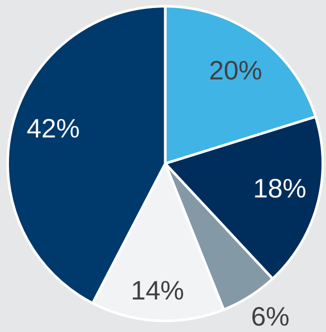
- Effective 1 July 2016, revisions agreed to the covenant measurements related to the Senior Secured Lender Debt Facilities – see slide 40
- Company projected to become initially free cash flow positive in FY 2017, as expansion programmes at Finsch and Cullinan continue the production ramp-up of undiluted mining areas

Q1 FY 2017 Operational Results

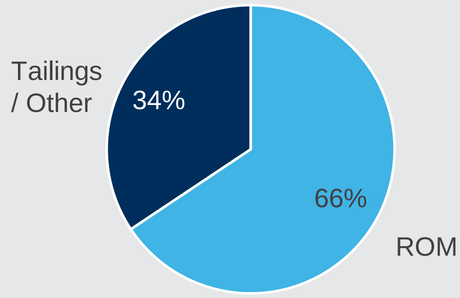
Production by mine



Revenue by mine



Production Split - Carats



	Unit	Q1 FY 2017[1]	Q1 FY 2016	FY 2016[1]
SALES				
Revenue	US$M	**94.7**	**N/A**	**430.9**
Diamonds sold	Carats	745,447	N/A	3,448,084
PRODUCTION				
Total tonnes treated	Mt	5.4	3.9	19.0
ROM diamonds	Carats	720,475	646,051	2,582,135
Tailings & other[2] diamonds	Carats	337,048	196,745	1,119,270
Total diamonds	Carats	**1,097,523**	**842,796**	**3,701,405**

1. Production and sales includes 75.9% of Kimberley Ekapa Mining from 18 January 2016.
2. ‘Other’ includes mining of the Ebenhaezer satellite kimberlite pipe at Koffiefontein and alluvial diamond mining at Williamson

Diamond Market – Overview

PetraDiamonds

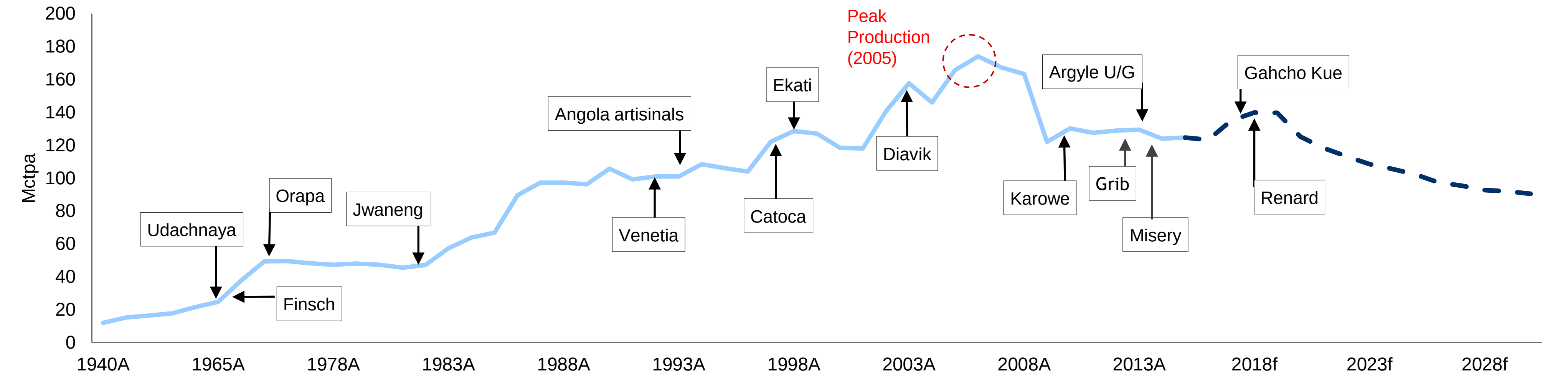
Supply

- Supply constraints*:* Global rough diamond production rose 2% to 127 Mcts worth $13.9bn in 2015 (average $109/ct)
- No new finds*:* success rate in diamond exploration estimated to be <1% - no significant finds this century, plus exploration expenditure cut worldwide
- Overall declining trend*:* 2005 expected to have been world peak diamond production
- New mines coming on stream in 2016/2017 not large enough to counter declines from world's major producers
- World supply expected to decline slowly after 2020

Demand

- US recovery*:* economy continues to improve; very strong diamond buying culture (ca. 45% of world demand); retail demand currently performing well
- "Late cycle" commodity: growth in developed and emerging markets to continue further to rising wealth and growing middle classes worldwide
- Bridal underpin*:* The bridal sector provides a certain level of immunity to fluctuating economic conditions; desire for diamond bridal jewellery increasingly taking hold in emerging markets
- Mass luxury*:* China / India starting to follow US model of affordable diamond jewellery (US$200 to + US$2,000)

Global Diamond Supply: Historical & Forecast Rough Production



Source: Kimberley Process Statistics / RBC Capital Markets

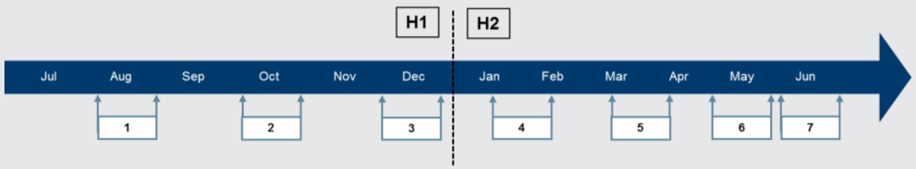
Diamond Market – Overview

PetraDiamonds

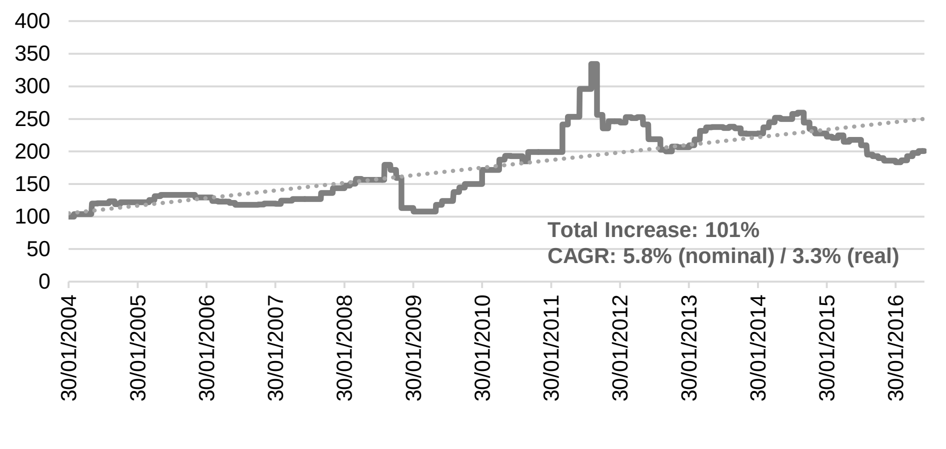
FY 2016 Market

- Petra pricing down ca. 6% for Year
- H1: Market experienced challenging conditions in H1 2016 – Petra pricing down ca. 9%
- H2: Market stabilised in early calendar 2016, with good sales demand from the midstream of the diamond pipeline – Petra pricing up ca. 3%

Petra Sales Timing – FY 2017



Rough Diamond Index (Jan 2004 to Jun 2016)



FY 2017 Outlook

- Market conditions will depend on continued supply discipline from the major producers, as well as a stable retail market, particularly in the US
- DPA commenced first marketing campaign in US in October – "Real is Rare – Real is a Diamond"
- July 2016: Petra conservatively guiding for flat diamond pricing for FY 2017, but improved product mix expected for Finsch, Cullinan and Koffiefontein (less tailings contribution and ever-increasing volumes of ore from undiluted areas)
- First two tenders of FY 2017 saw steady market conditions, with pricing on a like for like basis generally on par with H2 FY 2016

Petra – Rough Diamond Prices (US$/ct)

	Guidance Weighted Average US$/ct[1] FY 2017	Actual Weighted Average US$/ct FY 2016	Actual Weighted Average US$/ct FY 2015
Finsch	100-105	89	90
Cullinan	105-115	126[2]	174[2]
Koffiefontein	520-550	462	386
Kimberley Operations	125-130	132	302[3]
Williamson	220-230	384[2]	298

1. Excludes guidance for exceptional diamonds (stones above $5 million in value)
2. Average values excluding exceptional stones: Cullinan FY16: $109/ct; Cullinan FY15: $119/ct; Williamson FY15: $238/ct
3. Kimberley FY15 reflects production from Kimberley Underground only

Exceptional Diamonds

PetraDiamonds

- Petra classifies ‘exceptional diamonds’ as stones that sell for +$5 million each
- Exceptional diamonds contributed on average $23 million pa from FY 2009 to FY 2016
- Average increased to ca. $36 million pa in FY 2014 to FY 2016
- First tender of FY 2017 included sale of a 138.57 carat white stone from Cullinan which sold for US$6.5 million, and a 10.64 carat pink stone from Williamson which sold for US$5.2 million.

Exceptional Diamond Sales – FY 2016

Williamson

23 carat Williamson pink sold for $10 million in December 2015

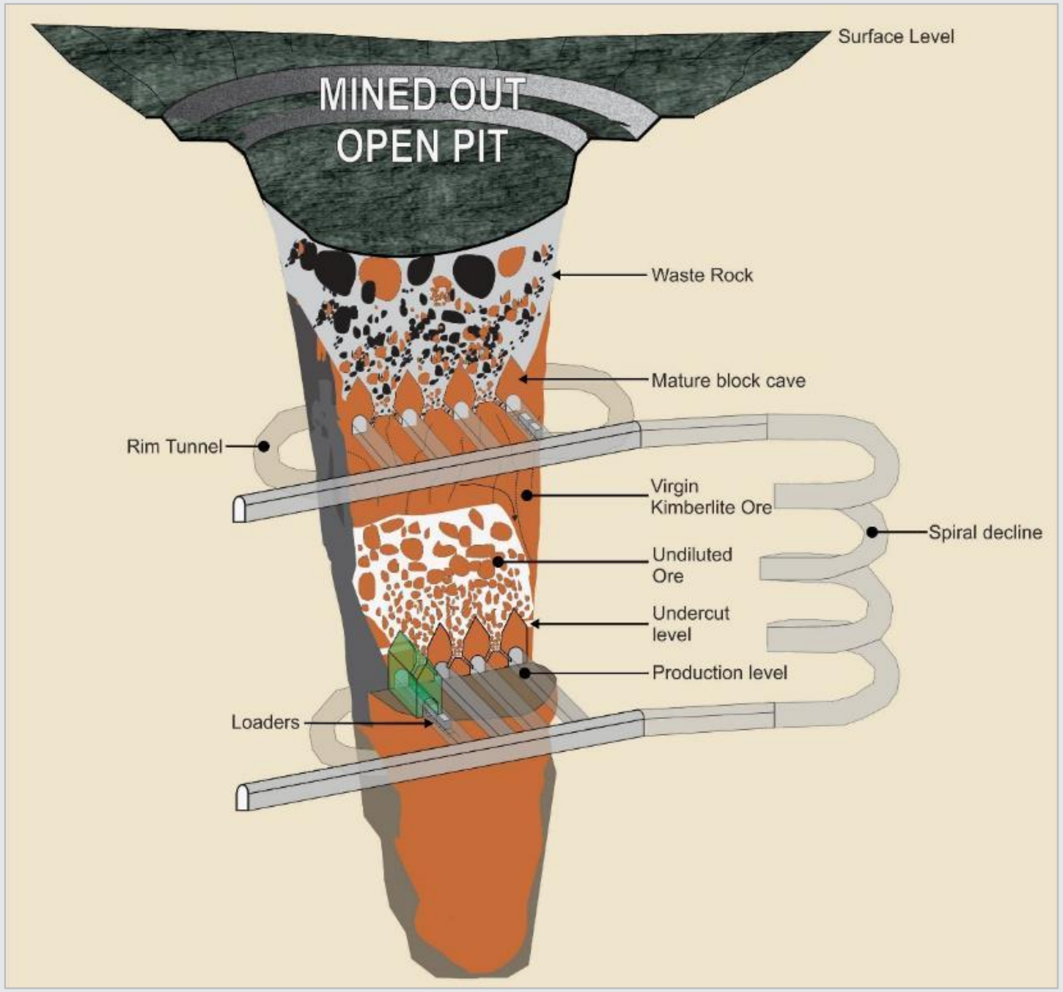
32 carat Williamson pink sold for $15 million in March 2016

Cullinan

Petra’s 15% share in sale of 24 carat Cullinan Dream was $5 million in June 2016

121 carat Cullinan white sold for $6 million in June 2016

Moving to Undiluted Ore



- Caving is a safe and proven mechanised mining method; provides access to higher volumes of ore than other methods
- Current underground mining taking place in diluted, mature caves nearing end of lives
- Expansion programmes to take next 'cut' by deepening and establishing new block/sub level caves in undiluted kimberlite
- ROM grades expected to rise significantly, increasing margin per tonne mined:

  Finsch +25%: ca. 44 cpht to ca. 55 cpht[1]

  Cullinan +79%: ca. 28 cpht to ca. 50 cpht[1]

- Will reduce wear and tear on processing systems (waste rock is harder and more abrasive than kimberlite)

[1] Management expectations

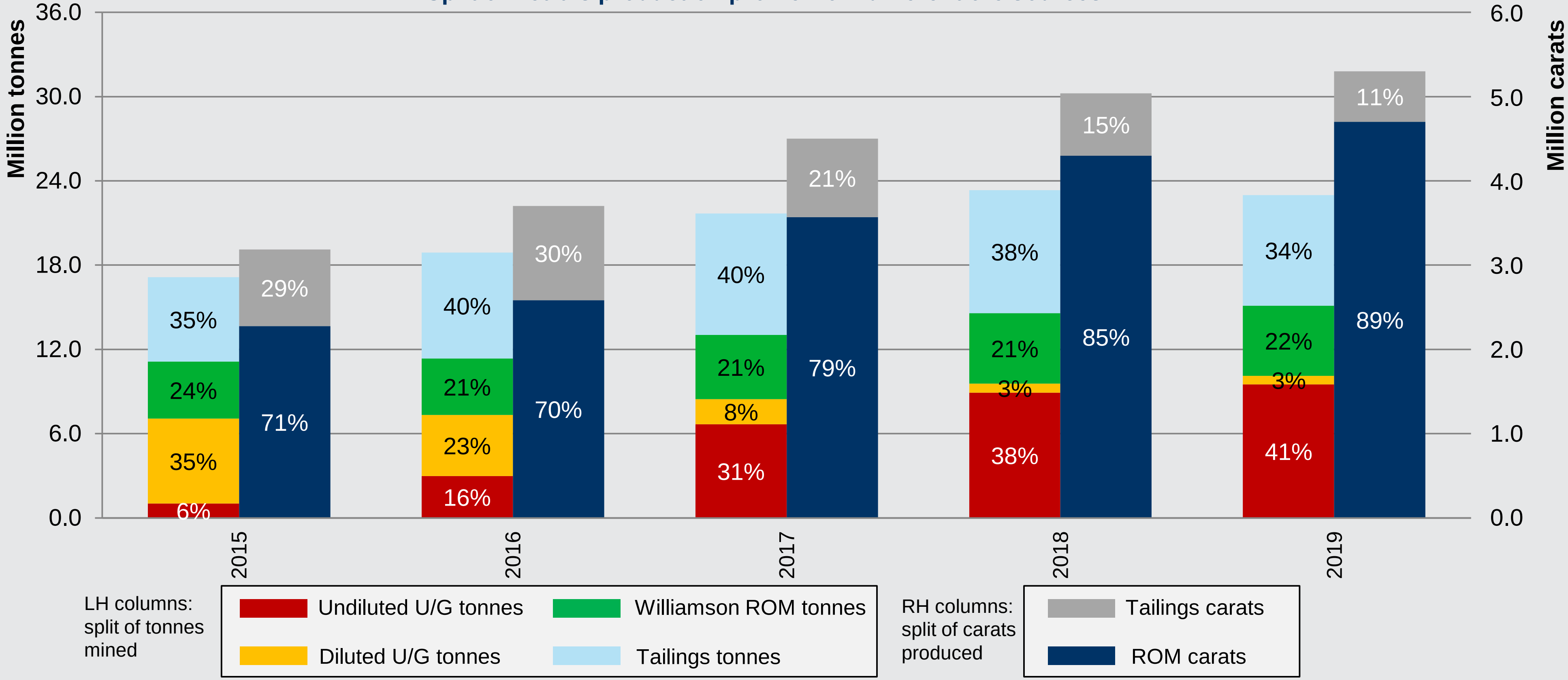
Growth and Margin Expansion

Petra Diamonds

Adjusted EBITDA margin expected to rise from ca. 38% in FY 2016 to +50% by FY 2019

- Increase in ROM grades and increase in tonnage throughput (mainly due to Kimberley Mines transaction) to lead to ca. 43% growth in production
- Lower value tailings carat production to reduce from 30% in FY 2016 to 11% of carat production by FY 2019

Split of Petra's production profile from different ore sources[1]



1. Production relating to KEM JV stated at 75.9% Petra attributable terms

Finsch – Development Programme

PetraDiamonds

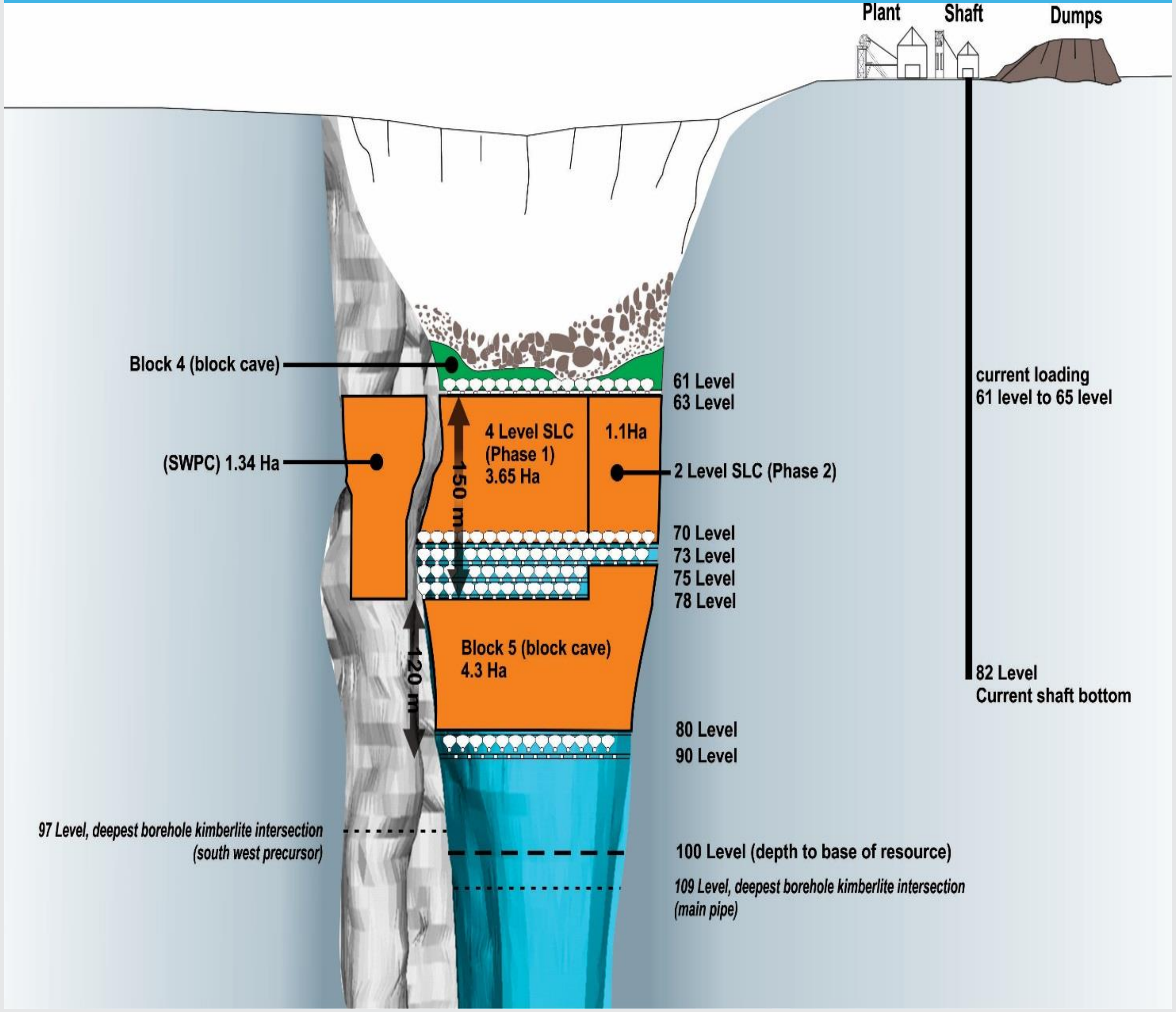
Expansion Plan

- **Expansion plan to take production to ca. 2.0 Mctpa (ROM) by FY 2018**
- Sub level cave
  - tunnelling in host rock complete
  - 6/11 tunnels in production – 1st level
- New Block 5 Block Cave to be installed at 900m

Key Future Milestones

- Production from SLC – **from H2 FY 2016**
- Dedicated ore-handling infrastructure (to transfer SLC ore to existing infrastructure at 650m) – **end FY 2016**
- Mining of South West Precursor from 630m to 780m – **H1 FY 2017**
- Decommissioning of Block 4 automated ore-handling system – **end FY 2017**
- Pre 79 Tailings treated – **end FY 2017**
- Steady state ROM production – **FY 2018**
- Mining of overburden dumps – **continue to FY 2019/FY 2020**
- Block 5 Block Cave at 900m – **FY 2024**

FY 2016 Development: Waste: 2,484 metres; Raiseboring: 99 metres; Kimberlite: 2,969 metres



Finsch Development Snapshot

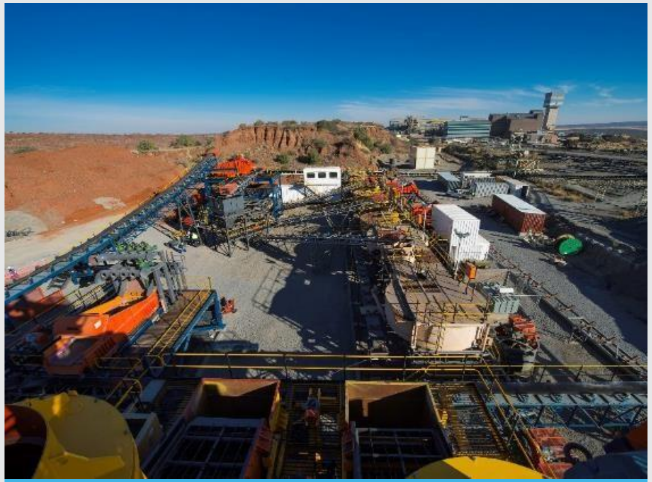
Long hole drilling, 70 Level SLC kimberlite

Tipping blasted ore through rockbreaker

Access development tunnel

UG conveyor used to transport broken ore

Installation of the Apron Feeder Bulkhead



The new bulk sample plant

Cullinan – Development Programme

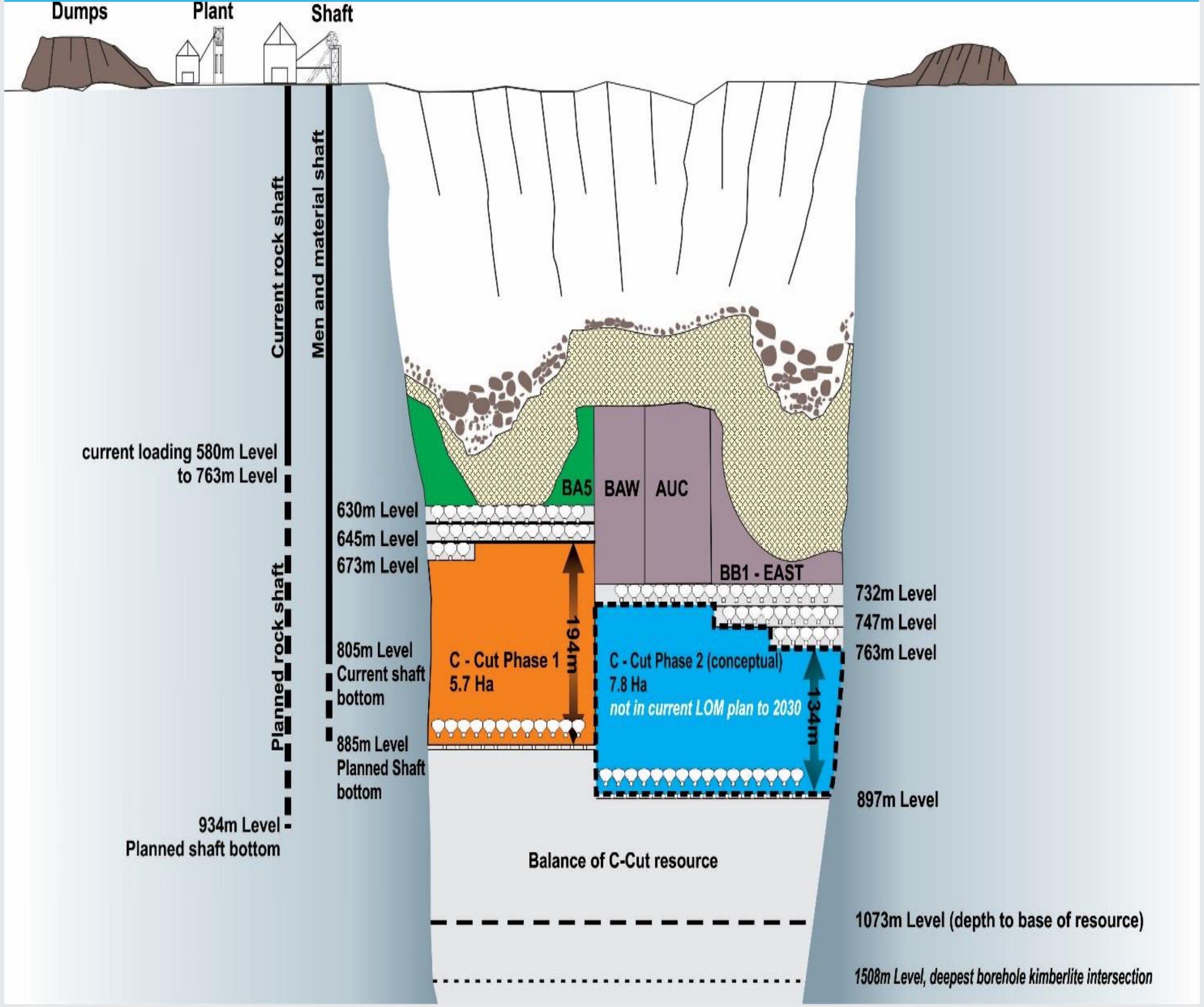
Expansion Plan

- **Expansion plan to take production to ca. 2.2 Mcts by FY 2019 (2.0 ROM & 0.2 tailings)**
- C-Cut Phase 1: new block cave being established on the western side of the orebody
- Development work transitioning from waste tunnelling in host rock to kimberlite
- First rings in the undercut blasted – **June 2015**

Key Future Milestones

- New production levels established at 839m and shaft to 930m commissioned – **FY 2016**
- 880m ore-handling system, allowing for future ramp-ups to utilise full C-Cut footprint – **FY 2016**
- Initial production from new C-Cut cave – **H2 FY 2016**
- Ore shaft completed and commissioned – **H1 FY 2017**
- New Cullinan plant operational – **end FY 2017**
- Steady state ROM production (4Mtpa) – **FY 2019**

FY 2016 Development: Waste: 1,911 metres; Raiseboring: 838 metres; Kimberlite: 2,837 metres



Cullinan Development Snapshot

Rock breaker south extraction

Long hole drilling draw point

North production conveyor 2

Mill plant, mill basis and DMS feed area

Crusher installation

101 conveyor to mill

Cullinan Mill Plant Project

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Recovery, XRL and HPGR

2 Silos and conveyor belts

Mill structure

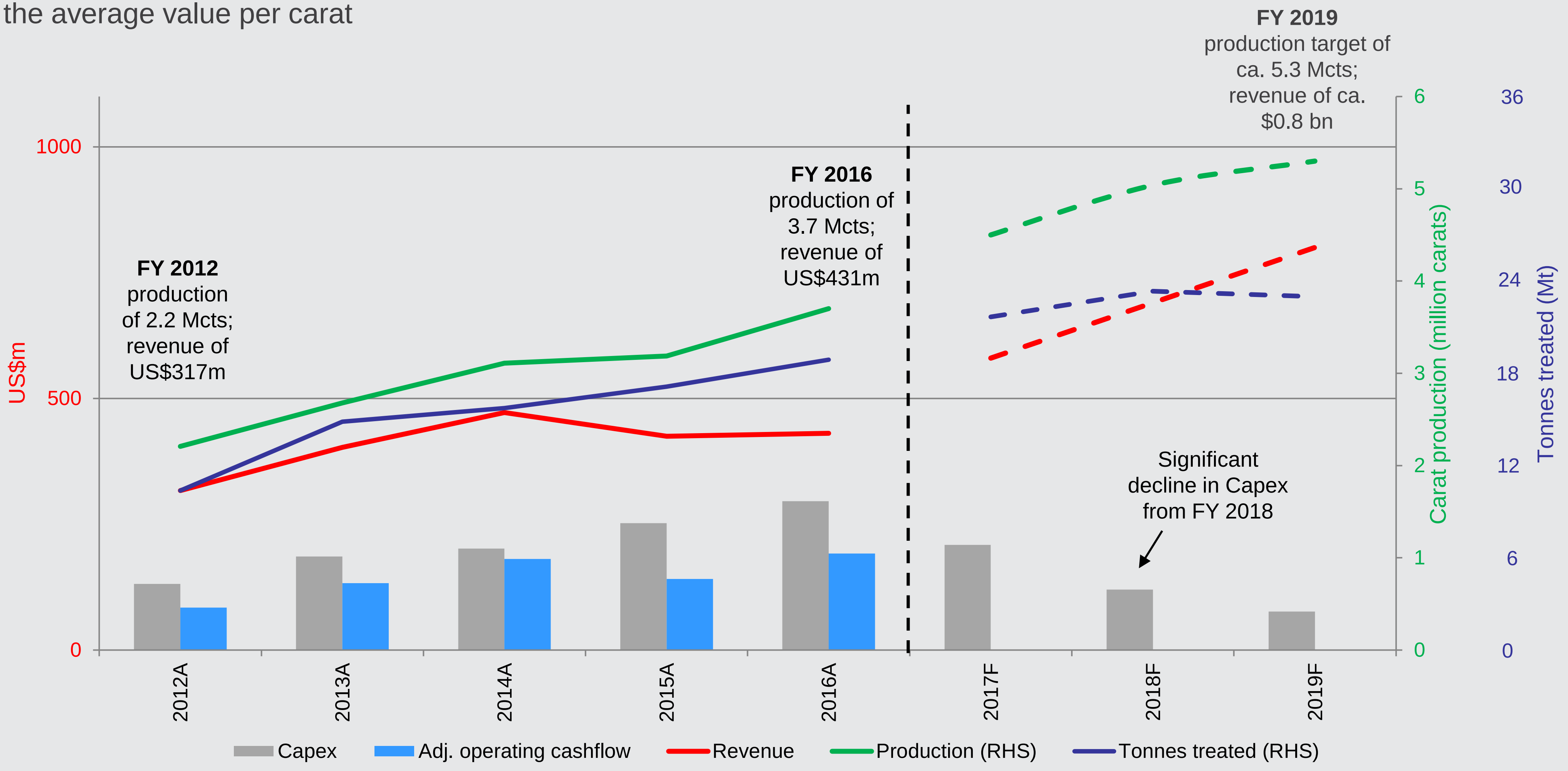
XRL screens

First mill in place

- Increase in diamond liberation and gentler process likely to result in less breakage
- Saving of ca. ZAR20 – 25/t in processing costs
- Strong standalone economics
    - Payback of ca. 3 years
    - IRR of 25%
- Construction and commissioning on track – new plant expected to be fully operational during Q4 FY 2017

Growth and Margin Expansion

Petra to maintain a fairly flat tonnage profile from FY 2017 onwards, but the replacement of poor quality tonnes with better quality tonnes will significantly grow production and increase the average value per carat



1. All forecasts for Capex, revenue and production are management estimates. Capex is in nominal terms; diamond prices are calculated using a 4% pa real price increase
2. Capex, production, adj. operating cashflow and revenue relating to KEM JV stated at 75.9% Petra attributable terms

Sustainability

Health and Safety

- Achievements: Stable LTIFR; Finsch won two MineSAFE Awards
- Challenges: Petra's mining method and operations are inherently safe but there is an ever present risk of accidents
- Fatality in Jul 15 at Tailings Treatment Plant at Cullinan related to equipment maintenance and fatality in Aug 16 at Williamson due to disconnecting an overhead power cable
- Investigations carried out into both accidents, findings shared with Group and new control procedures put in place; Petra striving for zero harm

Stable Labour Relations in FY 2016

- FY 2017 is last year of 3 year wage agreement
- Restructure of Group BEE holdings – Itumeleng Petra Diamonds Employee Trust (IPDET) now holds 12% in each SA operation

Training and Development

- $5.8m spent on training & development programmes in FY 2016

Environment – continued focus on efficiencies

- All expansion programmes designed for improvements in energy, water and carbon emitted per tonne
- Petra shortlisted by Carbon Disclosure Project for 'Best year on year change in performance' for FTSE 350 companies'

Finsch achieved 3 million FFS on 29 July 2016

Annual CEO Tour of Operations – presentation on Petra's strategic direction and opportunity for employees to have direct access and Q&A

Integrated Approach to Sustainability

PetraDiamonds

Williamson Children's Day
An annual fun day for children of all ages

Environmental Awareness
Tree planting at local schools

Local Economic Development
Finsch's Small Business supports entrepreneurs

Professional Development
Exposure to career opportunities in Kimberley

Education
Williamson donates +1,000 desks to Kishapu

Community
Cullinan contributes food parcels for Mandela Day

Appendix

Capital Structure

Share Price (1 year to 15 Nov 2016) vs FTSE 250 & FTSE 350 Mining

As at 15 November 2016	Number of voting rights	% ISC
BlackRock Investment (UK) Limited	79,795,839	15.1%
T. Rowe Price	57,956,911	10.9%
Standard Life Investments	39,638,469	7.6%
M&G Investment Funds	28,900,000	5.5%
Directors	21,062,590	4.0%

Listing	LSE: PDL
Average daily trading volume (shares) – (YTD)	3.1m
Shares in issue	530.0m
Free float	89.47%
Market cap @ 148.4p (15 Nov 2016)	£790m / $980m

The Petra Board

Adonis Pouroulis
Non-Executive Chairman

Successful mining entrepreneur

Founded Petra Diamonds in 1997 and floated first diamond company on AIM

Along with fellow directors, built Petra into pan-African diamond group with over 5,000 employees

Instrumental in raising funds to help finance and structure early stage mining companies in Africa

Johan Dippenaar
CEO

One of South Africa's most successful diamond entrepreneurs with 25 years' experience

Founded diamond group in 1990 and grew portfolio to three producing mines before listing as Crown Diamonds on ASX

Merger with Petra in 2005 – now at helm of London's largest listed diamond company

Jim Davidson
Technical Director

Acknowledged world authority on kimberlite geology and exploration

+20 years' experience in diamond mine management

Formerly Head of Diamond Exploration for Rio Tinto across Southern Africa

As Technical Director of Crown Diamonds, managed specialist underground fissure mines over a decade

Tony Lowrie
Senior Independent Non-Executive Director

Over 35 years' association with the equities business and an experienced NED

Formerly Chairman of ABN AMRO Asia Securities & MD of ABN AMRO Bank. Has previously been a NED of Allied Gold Plc (prior to its merger with St Barbara Limited), Dragon Oil plc, Kenmare Resources, J. D. Wetherspoon plc and several quoted Asian closed end funds

Currently a Director of the Edinburgh Dragon Fund

Dr Patrick Bartlett
Independent Non-Executive Director

Acknowledged expert on kimberlite geology and design and geotechnical aspects of block caving

Formerly Chief Geologist for De Beers; responsible for all kimberlite mines in South Africa

In-depth knowledge of several Petra mines, having worked at Finsch, Koffiefontein, Kimberley Underground, plus was geologist at Cullinan between 1983 to 2003

Since retiring has been involved in block caving projects for BHP, Anglo and Rio Tinto

Gordon Hamilton
Independent Non-Executive Director

Extensive experience as a NED across wide range of businesses, both JSE and LSE listed; chairs Audit Committee for all these companies

Formerly a partner for +30 years at Deloitte & Touche LLP; primarily responsible for multinational and FTSE 100 listed company audits, mainly in mining, oil & gas, and aerospace and defence; headed up Deloitte South Africa desk in London

Served for 9 years as member of the UK Financial Reporting Review Panel

Octavia Matloa
Independent Non-Executive Director

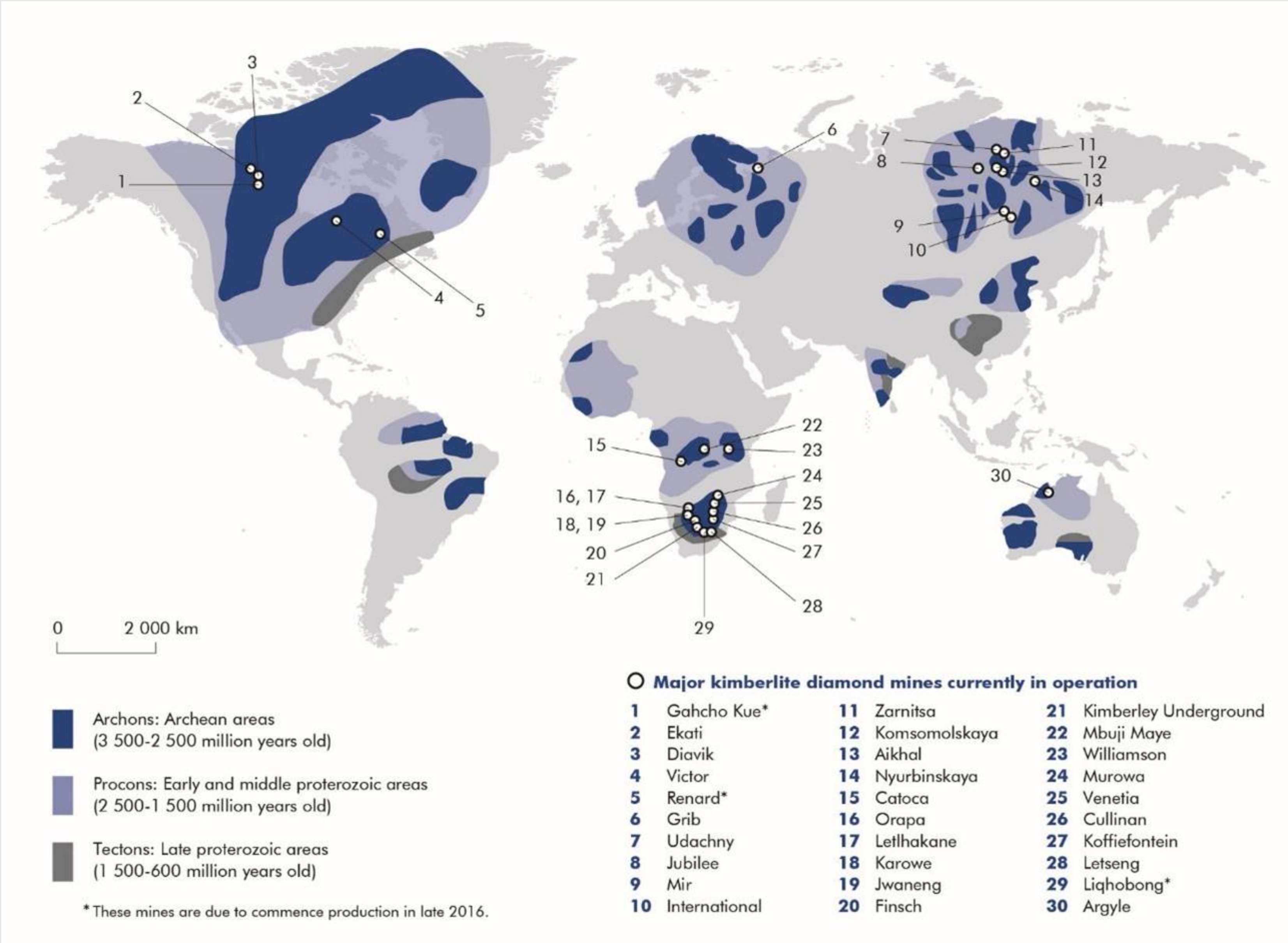
A chartered accountant with broad business, financial and auditing experience

Member of the Audit Committee

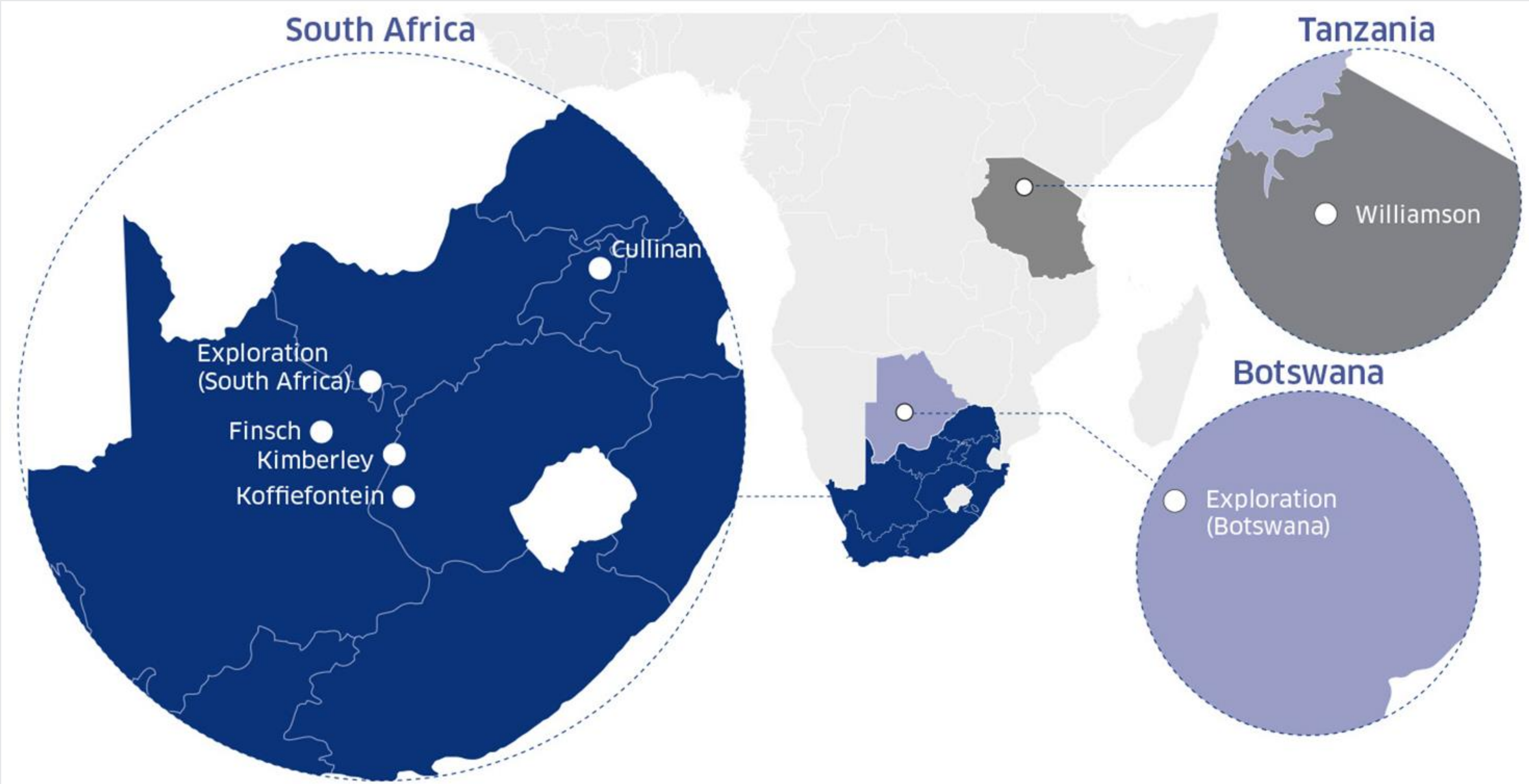
Completed articles with PwC in South Africa in 2000 before joining the Department of Public Transport, Roads and Works, first as deputy chief financial officer, followed by chief director management accountant

An entrepreneur who has founded a number of businesses

World Diamond Mines



Focus on Africa



- Five producing mines (four in South Africa and one in Tanzania), plus exploration in Botswana and South Africa
- Diversified portfolio is key to managing production risk across the Group

An Exceptional Growth Plan

PetraDiamonds

July 2007

Koffiefontein

70% Petra[1]; 30% BEE

Sub-level / Block Cave
Mine Plan to 2025
+20yr Potential Life

July 2008

Cullinan

74%[1] Petra; 26% BEE

Block Cave
Mine Plan to 2030
+50yr Potential Life

February 2009

Williamson

75% Petra[1]; 25% Government of Tanzania

Open Pit
Mine Plan to 2033
+50yr Potential Life

May 2010

Kimberley UG

74% Petra[1]; 26% BEE

Block Cave
Mine Plan to 2026
+13yr Potential Life

September 2011

Finsch

74% Petra[1]; 26% BEE

Sub-level / Block Cave
Mine Plan to 2030
+25yr Potential Life

January 2016

Kimberley Mines

49.9% Petra; 50.1% Ekapa

Tailings Operations
Mine Plan to 2019
+20yr Potential Life

Petra has acquired six non-core diamond mining operations from De Beers

Petra approach:

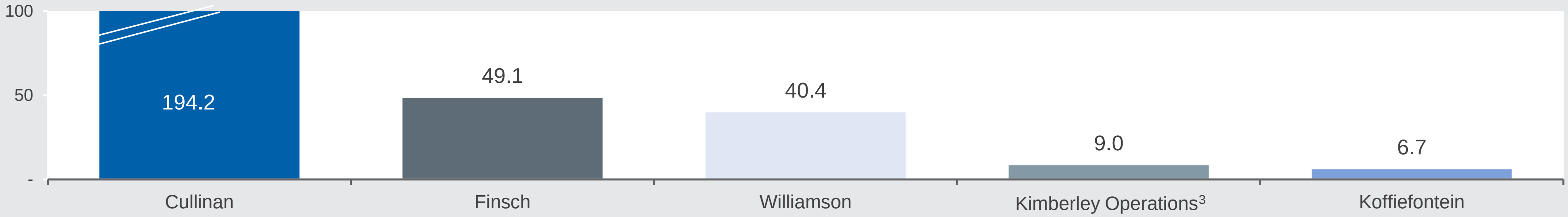
- Flat management structures
- Focus on efficiencies / cost control
- Focus on value as opposed to volume production
- Utilise in-house expertise / knowledge
- Phased approach to development (lower capital intensity)
- Make decisions, get going

1. Refer to ‘FY 2017 Analyst Guidance – Explanatory Notes’, section ‘Effective Interest in Mines’ at https://www.petradiamonds.com/investors/analysts/analyst-guidance for further disclosures re. Petra’s effective interest in its mines

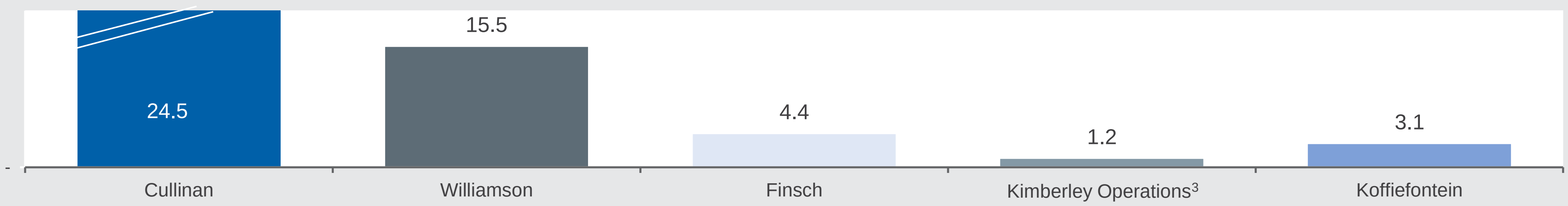
2016 Resource Statement (30 June 2016)

World-class Resource base of 312.2 million carats[1] worth ca. US$48.6 billion[2]

Gross Resources *(Mcts)*



Gross In Situ Value *(US$bn)[2]*

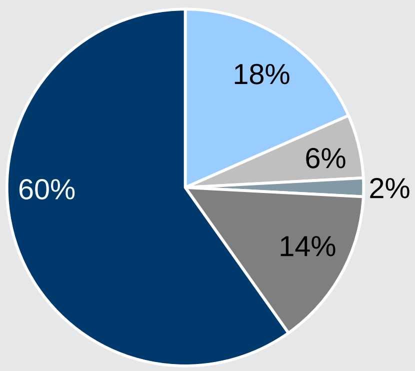


1. The total Group Resource includes 4.1 Mcts for the Helam mine in South Africa (now on care and maintenance) and 8.7 Mcts for the KX36 exploration project in Botswana
2. The estimated Resource value uses FY 2016 average carat values to calculate the in situ values of the Cullinan, Finsch, Williamson, Koffiefontein and Kimberley Operations; the values for Helam and KX36 have not been included in this estimate value
3. Reflects Petra's effective interest at 30 June 2016, being 100% of KUM's resources, and 49.9% of Kimberley Mines Resources

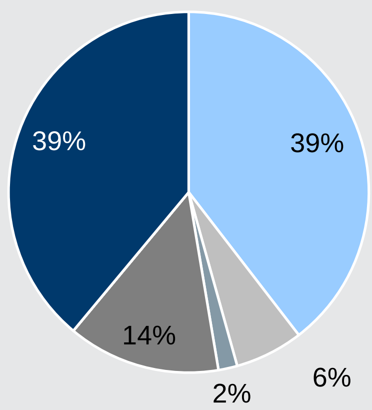
Production and Revenue – FY 2016 vs. FY 2019

Gross Production

FY 2016 actual: 3.7 million carats

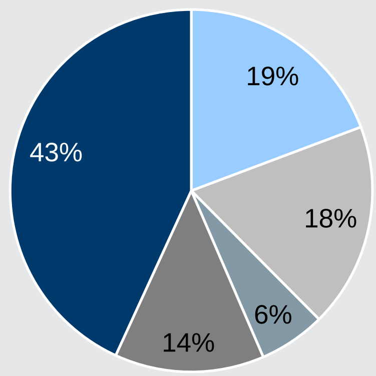


FY 2019: ca. 5.3 million carats[1]

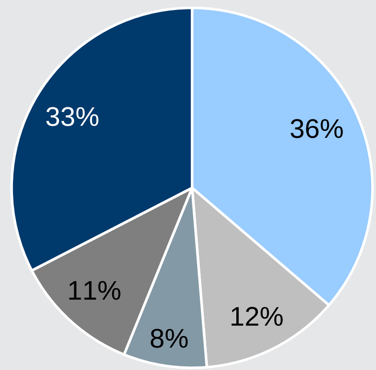


Gross Revenue

FY 2016 actual: US$430.9 million



FY 2019: ca. US$0.8 billion[1]



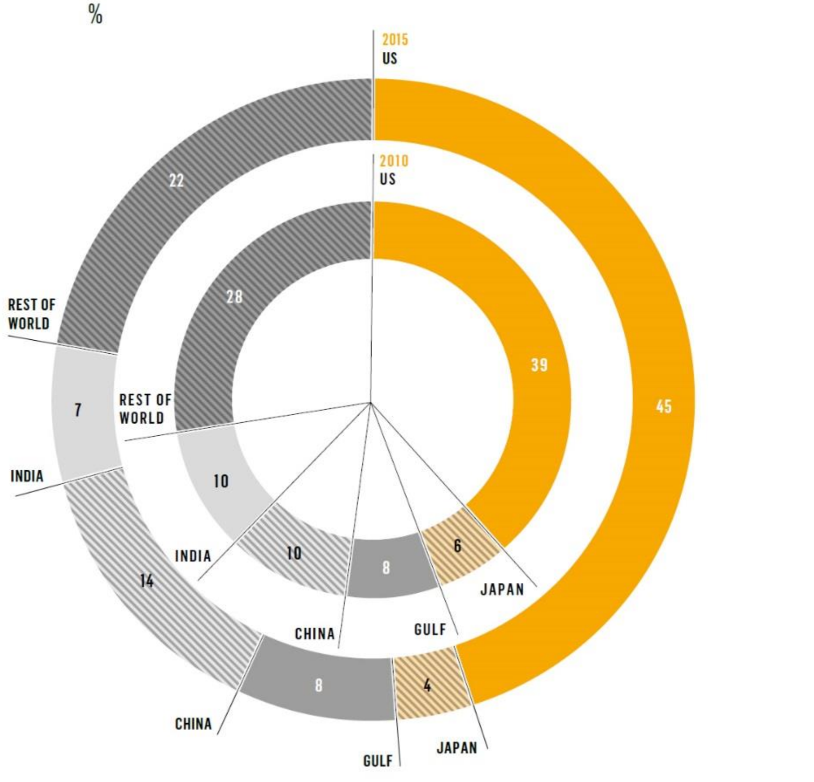
1. FY 2019 figures are management estimates; revenue calculated using a 4% annual real price increase

The Diamond Market in 2015

- Global diamond jewellery sales +2% in local currency but -2% in USD: ca. $79 billion

Share of World Polished Diamond Consumption in Value (US$ PWP)

FIG. 6: **SHARE OF POLISHED DIAMOND DEMAND BY VALUE (POLISHED WHOLESALE PRICES IN US$ TERMS): TOP FIVE GEOGRAPHIES AND REST OF WORLD**



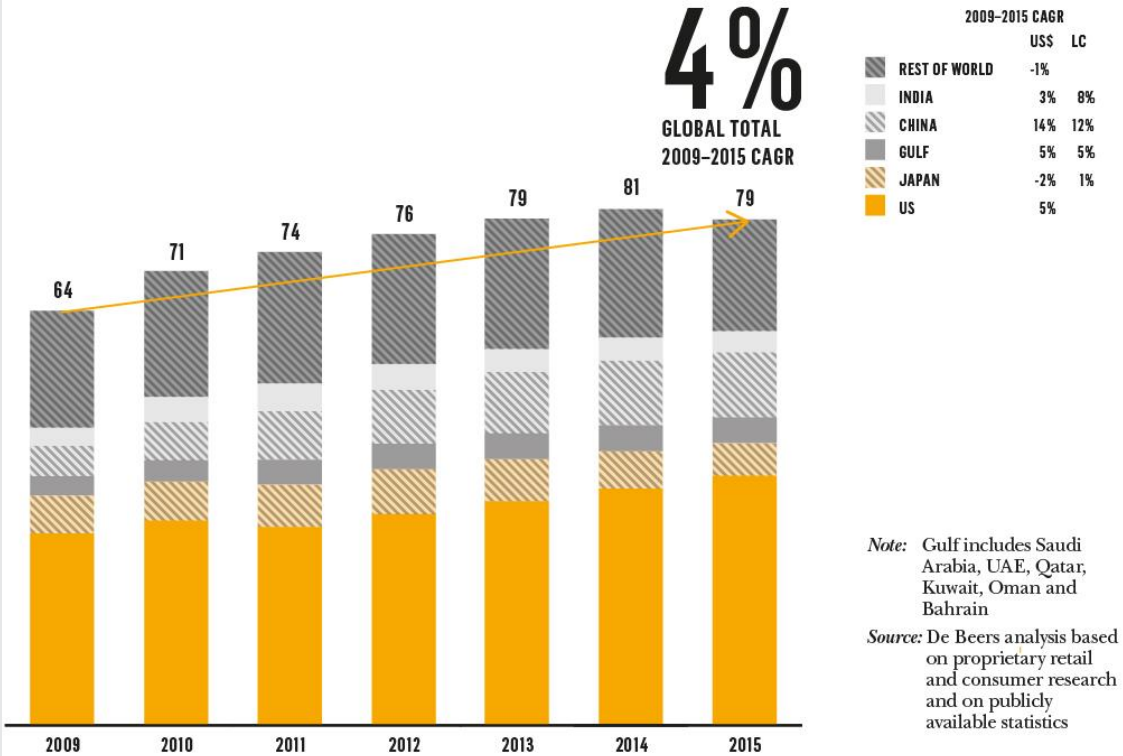
Note Gulf includes Saudi Arabia, UAE, Qatar, Kuwait, Oman and Bahrain

Source: De Beers analysis based on proprietary retail and consumer research and on publicly available statistics

Diamond Jewellery Value, Growth by Geography (US$bn)

FIG. 4: **DIAMOND JEWELLERY VALUE: GLOBAL GROWTH BY MAIN GEOGRAPHY**

US$ BILLION (NOMINAL) AND GROWTH IN %



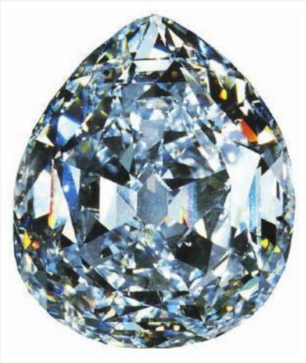
Note: Gulf includes Saudi Arabia, UAE, Qatar, Kuwait, Oman and Bahrain

Source: De Beers analysis based on proprietary retail and consumer research and on publicly available statistics

Petra Production Profile

- Production profile of a kimberlite is highly consistent when the mine is in steady state production
- Ever growing volumes across the full diamond spectrum (from lowest to highest value)
- Growing trend for mass luxury supported by strong pricing performance in smaller / 2nd to 3rd quality goods

Iconic Diamonds From Iconic Mines



The Greater Star of Africa
Largest polished yield from the Cullinan at 530ct; sits in the Royal Sceptre
Cullinan, 1905

The Cullinan Heritage
507.5 carats rough
Cullinan, 2009

The Williamson Pink
55ct rough; 24ct polished; gifted to Princess Elizabeth on her engagement
Williamson, 1947

The Golden Jubilee
755.5ct rough,
545.6ct polished
Cullinan, 1986

The Cullinan
3,106 carats rough
Largest gem diamond ever discovered
Cullinan, 1905

The Oppenheimer
253.7ct rough
Perfect yellow diamond
Dutoitspan Mine, Kimberley U/G, 1964

The Star of Josephine
26.6ct rough,
7.0ct polished
Cullinan, 2009

The Blue Moon
29.6ct rough,12.0ct polished
Cullinan, 2014

The Taylor Burton
240.8ct rough,
69.4ct polished
Cullinan, 1966

The Most Highly Concentrated Form of Wealth

Examples of recent polished diamond sales at auction

The 14.62ct Oppenheimer Blue diamond

Sold for $57.7m
$3.9m per carat,
18 May 2016

The 12.03ct Blue Moon of Josephine diamond

Sold for $48.4m
$4.0m per carat,
12 November 2015

The 24.18ct Cullinan Dream diamond

Sold for $25.4m
$1.1m per carat,
9 June 2016

The 15.38ct Unique Pink diamond

Sold for $31.6m
$2.1 per carat,
17 May 2016

FY 2016 Operational Results

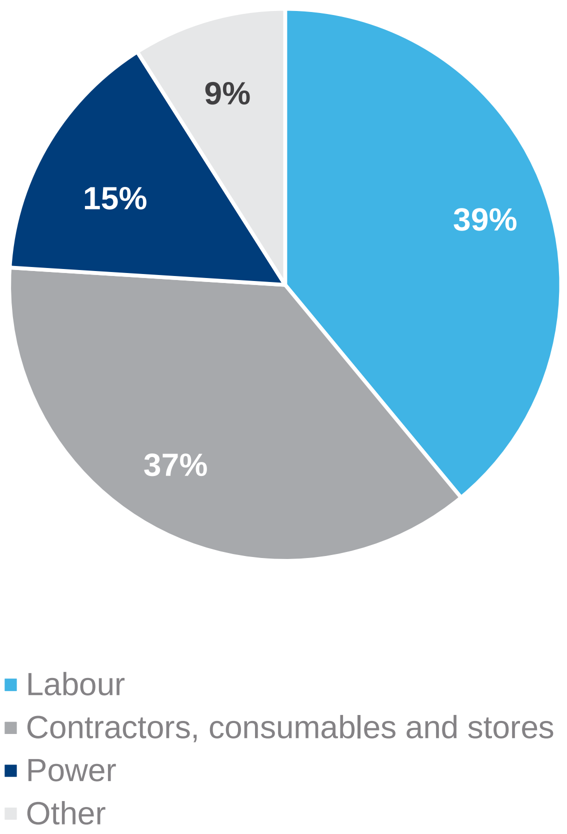
	Finsch		Cullinan		Koffiefontein		Combined Kimberley Ops		Williamson	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
ROM PRODUCTION										
Tonnes Treated (t)	**3,547,798**	3,016,385	**2,302,892**	2,513,004	**681,344**	341,783	**721,513**	1,196,269	**4,003,180**	4,056,638
Grade (cpht)	**44.3**	43.1	**28.0**	24.4	**7.5**	8.1	**12.3**	11.5	**5.0**	4.8
Diamonds recovered (carats)	**1,572,725**	1,298,914	**643,724**	611,993	**50,825**	27,756	**88,572**	137,226	**199,796**	194,048
TOTAL PRODUCTION										
Tonnes treated (t)	**5,843,716**	5,672,856	**3,189,181**	4,971,310	**1,128,198**	866,027	**4,305,271**	1,196,269	**4,420,632**	4,426,044
Diamonds recovered (carats)	**2,214,064**	2,065,875	**680,813**	729,496	**62,190**	45,384	**531,469**	137,226	**212,869**	202,265
SALES										
Diamonds sold (carats)	**2,085,123**	2,067,933	**663,175**	700,896	**55,500**	46,033	**438,680**	138,052	**205,548**	208,351
Average price per carat (US$)	**89**	90	**126**[1]	174[2]	**462**	386	**132**	302	**384**	298
Revenue (US$M)	**186.4**	185.4	**83.3**	122.2	**25.7**	17.8	**57.7**	41.8	**78.9**	62.1
ON-MINE CASH COST PER TONNE TREATED	**R183**	R164	**R257**	R154	**R317**	R303	**R140**	R264	**US$11**	US$12
TOTAL CAPEX	**73.8**	88.0	**179.4**	121.5	**27.5**	26.8	**16.8**	13.9	**24.4**	16.2

1. Excluding exceptional diamonds, the average value for FY 2016 was US$109 per carat
2. Excluding exceptional diamonds, the average value for FY 2015 was US$119 per carat

FY 2016 - Operating Costs

Petra's focus on cost control and the weaker ZAR helped to mitigate inflationary pressures

FY 2016 On-mine cash cost breakdown
(South Africa operations)



Group on-mine US$ cash costs decreased 3% due to:

- Increase in tonnes treated (7% increase)
- Inflationary increases, including the impact of electricity and labour costs (7% increase)
- Offset by positive translation of the South African operations' ZAR costs at weaker ZAR:USD rate (17% decrease)

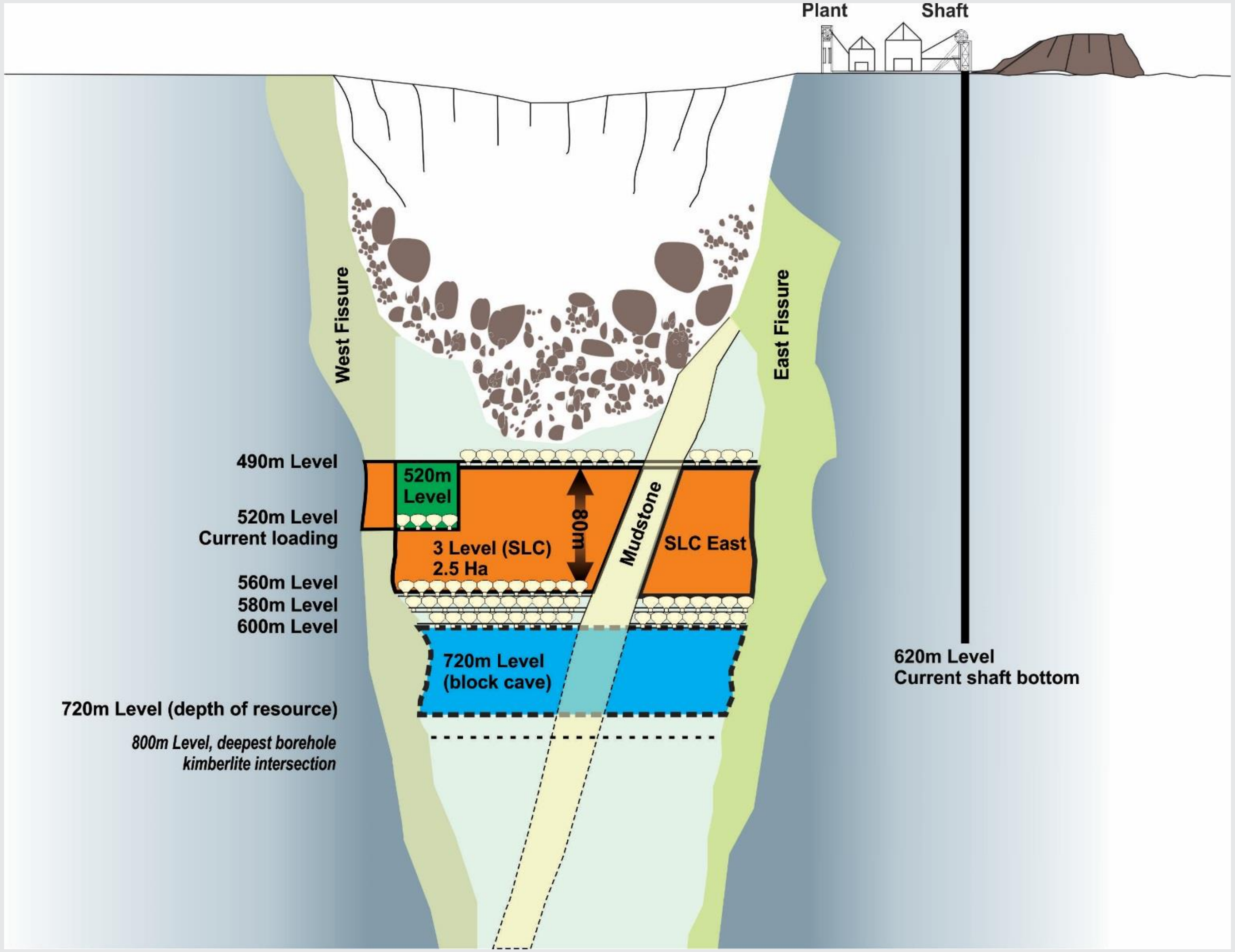
Koffiefontein – Development Programme

Expansion Plan

Expansion Plan – to take production to ca. 95,000 ctpa by FY 2017

- SLC to be mined over 3 levels from 560 mL to 600 mL
- Production commenced from first tunnels of SLC on 560 mL – **end FY 2015**
- 52L Western Fissure came into production to supplement ore from SLC Phase 1 on 56L – **FY 2016**
- Ramp up ROM production to 1.1 Mt – **FY 2017**

Koffiefontein Kimberlite Pipe Schematic



Kimberley Underground – Development Programme

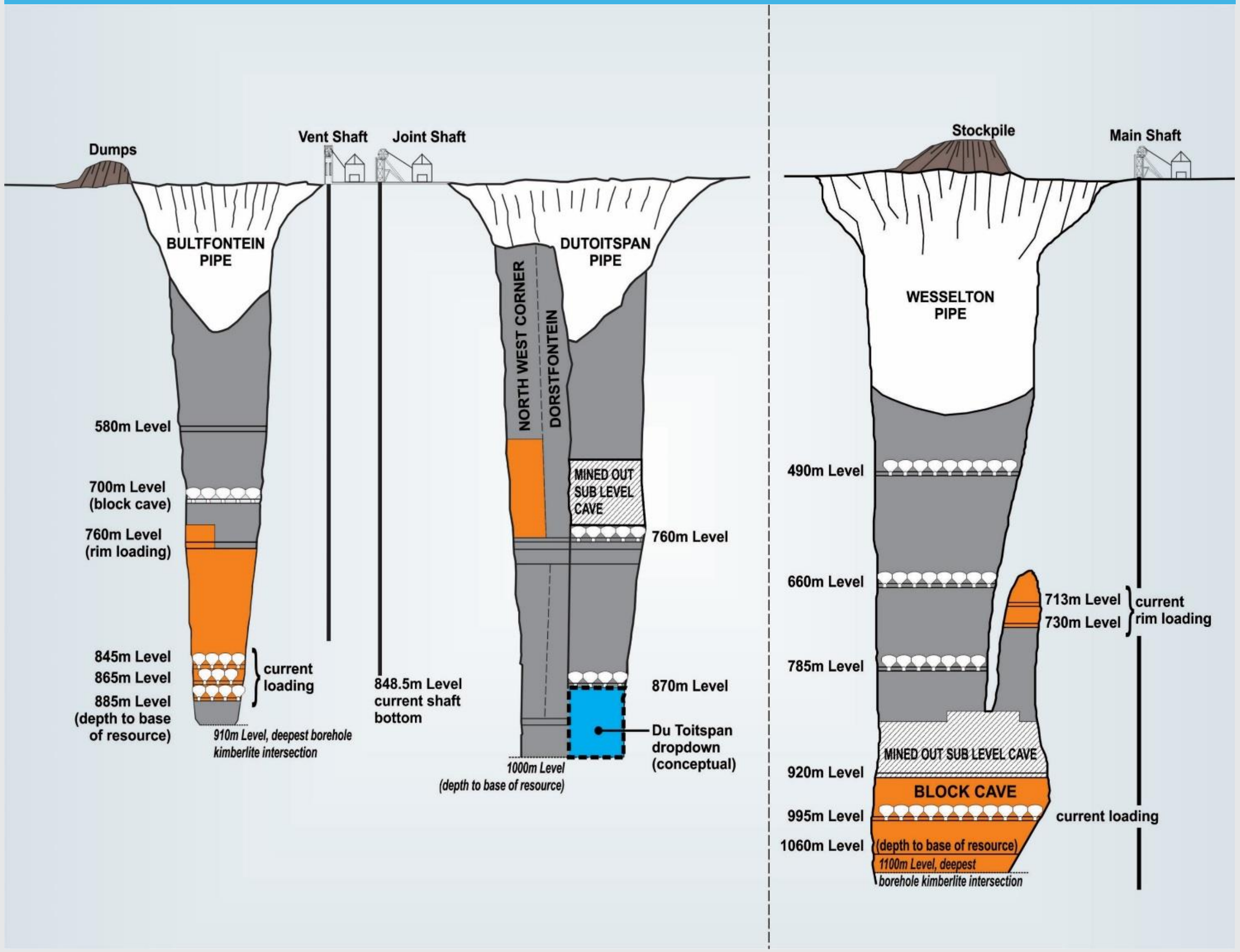
PetraDiamonds

Expansion Plan

Expansion Plan – planned underground production of ca. 215,000 ctpa from FY 2019

- Underground ore to be treated at Central Treatment Plant – **from FY 2017**
- Planned grade of 13 – 14 cpht – **from FY 2018**
- ROM tonnes ramping up from 1.2 Mt planned in FY 2016 to ca. 1.6 Mtpa – **from FY 2019**
- Underground development at Wesselton and Dutoitspan to extend mine life

Kimberley Underground Kimberlite Pipes Schematic



Williamson – Development Programme

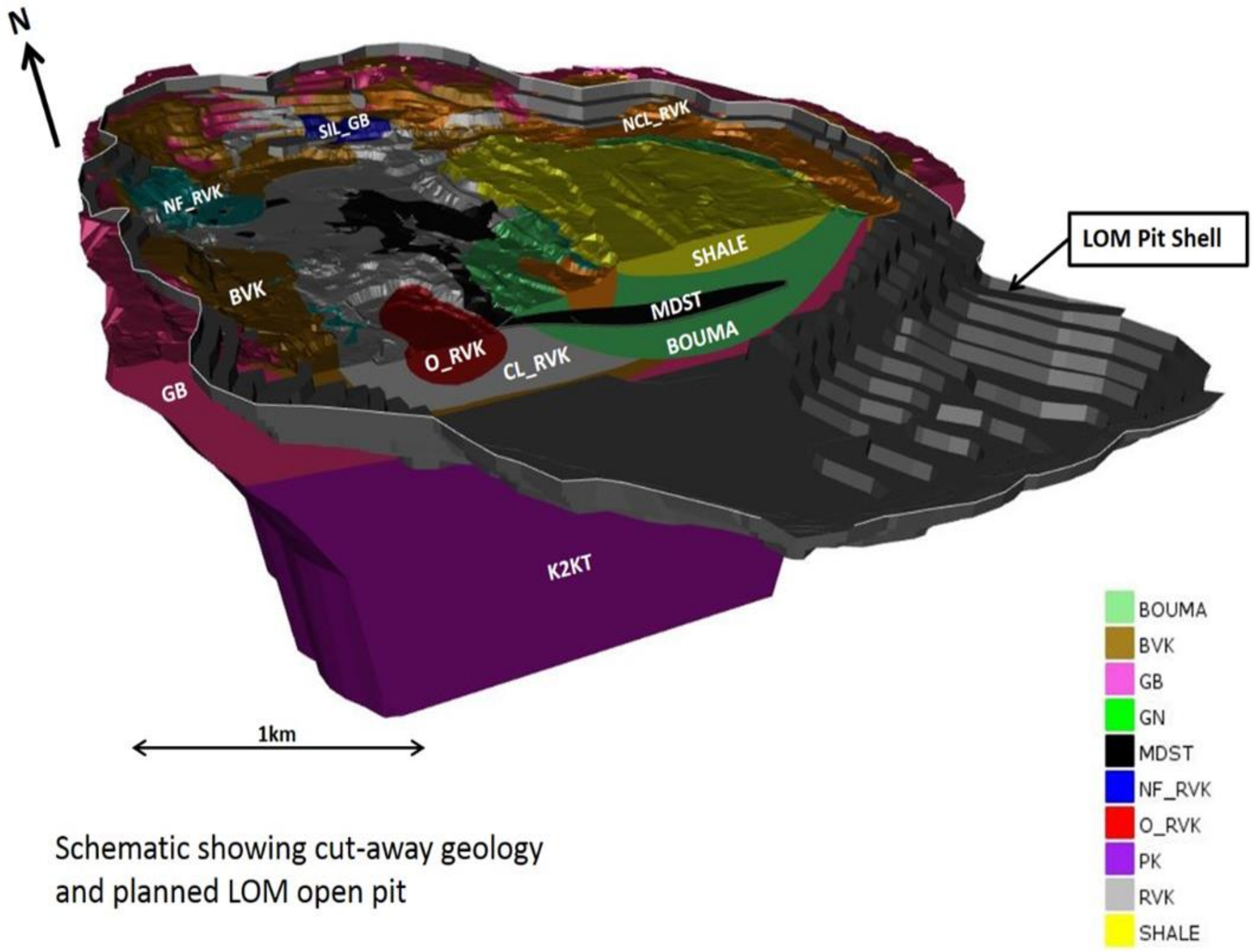
PetraDiamonds

Expansion Plan

Expansion Plan – to take production to ca. 325,000 ctpa by FY 2018

- Plant modifications (additional crusher circuit, 2 autogenous mills) commenced – **FY 2016**
- Commissioning of crusher – **FY 2016**
- Commissioning of autogenous mills – **H1 FY 2017**
- ROM throughput planned at 4.6 Mt – **FY 2017**
- Ramp up of ROM throughput to ca. 5 Mtpa (at ca. 6.5 – 7 cpht) by **FY 2018**

Williamson Kimberlite Pipe Schematic



Schematic showing cut-away geology and planned LOM open pit

Debt Facilities

- Bank facilities (excl. FX lines) as at 30 Sep 2016: ca. $268 million
- Bank debt facilities undrawn and available to the Group as at 30 Sep 2016: $70 million
- Debt includes US$300 million senior secured second lien notes issued May 2015

Lender	Type	Size ZARM	Size US$M[1]	Utilised at 30 Sep 2016 ZARM/US$M	Interest Rate	Repayment
Absa & RMB (FNB)	ZAR Amortising term facility	900	66	ZAR900M	3M JIBAR + 3.5%	3 semi-annual payments from Mar 2018
IFC	USD Amortising term facility	-	35	US$35.0M	3M LIBOR + 4.0%	3 semi-annual payments from Mar 2018
Absa, Nedbank & RMB (FNB)	ZAR Revolving credit facility	1,250	91	ZAR940M	1M JIBAR + 5.0%	Repayable Dec 2019
IFC	USD Revolving credit facility	-	25	US$18.8M	1M LIBOR + 5.5%	Repayable Dec 2019
Absa & RMB (FNB)	ZAR Working capital facility	700	51	ZAR130M	SA Prime – 1.0%	Subject to annual renewal
Bond holders	Second lien secured bond notes	-	300	US$300M	8.25%	May 2020

1. US$m equivalent, exchange rate US$1:ZAR13.71

Bank Debt Facilities – Covenants

	Maintenance Covenants					Distribution Covenants
Covenant	12 months to 30 June 2016	12 months to 30 June 2016	12 months to 31 Dec 2016	12 months to 30 June 2017	12 months to 31 Dec 2017 and thereafter	All periods
	Actual	Required ratio	Required ratio	Required ratio	Required ratio	Required ratio
Net Debt[1] to EBITDA	2.8x	≤3.1x (Revised from ≤2.5x)	≤2.8x (Revised from ≤2.5x)	≤2.5x	≤2.5x	≤2.0x
EBITDA to net finance charges	4.3x	≥3.7x (Revised from ≥4.0x)	≥3.85x (Revised from ≥4.0x)	≥4.0x	≥4.0x	≥6.0x
Net Debt[1] to Book Equity	0.5x	≤0.6x (Revised from ≤0.75x)	≤0.6x (Revised from ≤0.5x)	≤0.6x (Revised from ≤0.5x)	≤0.5x	≤0.3x

1. Net Debt is Consolidated Debt per published results, plus the guarantee for the BEE Partners loan facilities of ZAR1,303 million as at 30 June 2016 (30 June 2015: ZAR1,163 million)

Leverage Ratios

		30 June 2016	30 June 2015
IFRS Net debt[1]	USDm	375.8	160.5
Consolidated net debt (for bank debt covenant measurement)	USDm	464.6	256.1
Gearing[2]	%	69	26
Adjusted EBITDA[3]	USDm	164.3	139.3
EBITDA margin[4]	%	39	33
Consolidated net debt: EBITDA[5]	x	2.8	1.8
EBITDA net interest cover[6]	x	4.3	7.3
Adjusted operating cashflow[7]	USDm	192.0	141.3

1. Net debt is the US$ loan notes and bank loans and borrowings net of cash at bank
2. Gearing is calculated as net debt divided by total equity
3. Adjusted EBITDA, stated before depreciation, share-based expense, net finance expense, tax expense, impairment charges, net unrealised foreign exchange gains and losses and loss on discontinued operations
4. EBITDA margin is Adjusted EBITDA divided by revenue
5. Consolidated net debt: EBITDA is Consolidated net debt divided by Adjusted EBITDA
6. EBITDA: net interest cover is EBITDA divided by net finance costs, exchange gains or losses and unwinding of present value adjustment for rehabilitation costs
7. Adjusted operating cashflow, is operating cash flow adjusted for the cash effect of the movement in diamond debtors between each financial year end, excluding unrealised foreign exchange translation movements

Capex Profile – FY 2017 to FY 2019

	Financial Year	2017	2018	2019
Operation				
Finsch	ROM tonnes treated (Mt)	3.6	3.8	3.8
	Tailings tonnes treated (Mt)	1.3	-	-
	Expansion Capex (ZARm)	692	428	225
	Sustaining Capex (ZARm)	116	105	97
Cullinan	ROM tonnes treated (Mt)	2.8	3.6	4.0
	Tailings tonnes treated (Mt)	0.3	2.4	2.4
	Expansion Capex (ZARm)	1366	376	124
	Sustaining Capex (ZARm)	82	89	92
Koffiefontein	ROM tonnes treated (Mt)	1.1	1.1	1.1
	Expansion Capex (ZARm)	152	89	43
	Sustaining Capex (ZARm)	29	35	35
KEM JV	ROM tonnes treated (Mt)	1.2	1.4	1.6
(100% terms)	Tailings tonnes treated (Mt)	8.6	8.4	7.2
	Expansion Capex (ZARm)	419	493	381
	Sustaining Capex (ZARm)	76	84	77
PETRA	Expansion Capex (ZARm)	2629	1386	774
(SA Operations)	Sustaining Capex (ZARm)	303	313	301

Williamson	ROM tonnes treated (Mt)	4.6	5.0	5.0
	Alluvial tonnes treated (Mt)	0.4	-	-
	Expansion Capex (USDm)	5	5	4
	Sustaining Capex (USDm)	3	4	4

PETRA	ROM tonnes treated (Mt)	13.3	14.9	15.5
(All Operations)	Tailings / other tonnes treated (Mt)	10.7	10.8	9.6
	Expansion Capex (USDm)	193	104	59
	Sustaining Capex (USDm)	25	26	25

1. All Capex numbers are stated in FY 2017 money terms (ZAR14:$1 where applicable)
2. Depreciation on mining assets for FY 2017 guided at ca. US$70 – 75 million at ZAR14:$1
3. As in prior guidance, capital estimates above do not include any capitalised borrowing costs; guidance is to assume majority of borrowing costs are to be capitalised
4. Finsch: Block 5 Block Cave expansion capital (post FY 2019) is guided at ca. $25-30 million (FY 2017 money terms), to be incurred over the five year period FY 2020 to FY 2024

Thank You

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