



PetraDiamonds

BMO Capital Markets 26th Global Metals & Mining Conference

February 26 – March 1, 2017

Driving Forward



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H1 FY 2017 – Driving Forward

Continued production growth

- Production +24% to 2 Mcts; 10Mt treated
- FY 2019 target of ca. 5.3 Mcts remains on track

Expansion programmes on track

- SLC at Finsch and new Cullinan C-Cut block cave on track to deliver ca. 1Mt each in FY 2017
- Commissioning of new Cullinan plant to commence at end of Q3 FY 2017
- Declining Capex trend: Peak Capex period passed (H2 FY 2016)

Increased profitability

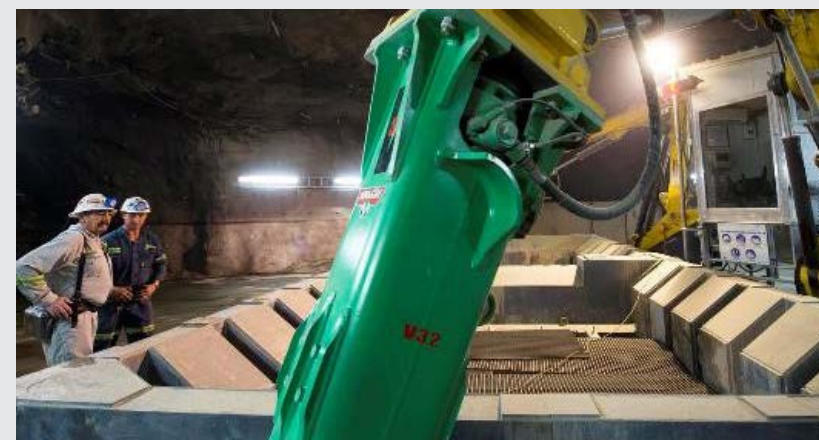
- EBITDA¹ margin of 38% (H1 FY 2016: 31%)

Solid start to FY 2017

- Signs of stabilisation in rough diamond market; flat prices during H1 FY 2017
- Petra expects market conditions to remain stable in H2; confirmed by tender closed during February 2017



New Cullinan Plant: Recovery, HPGR & XRL Buildings



Cullinan Expansion Project: Rock breaker, South extraction

¹ EBITDA is Adjusted EBITDA, stated before the Kimberley Ekapa Mining Joint Venture ("KEM JV") fair value adjustment, depreciation, share-based expense, net finance expense, tax expense and net unrealised foreign exchange gains and losses

H1 FY 2017 - KPIs

Key:

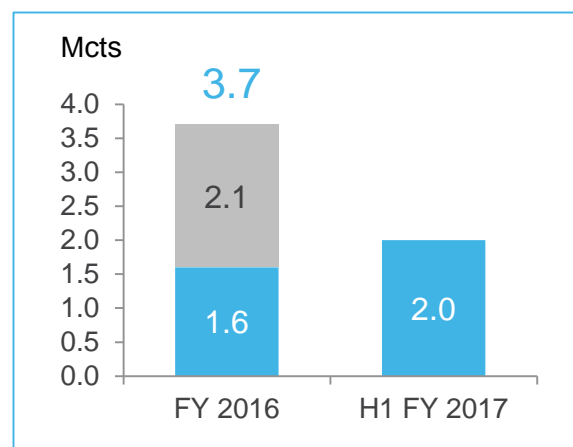
H2

H1

PRODUCTION

Million carats

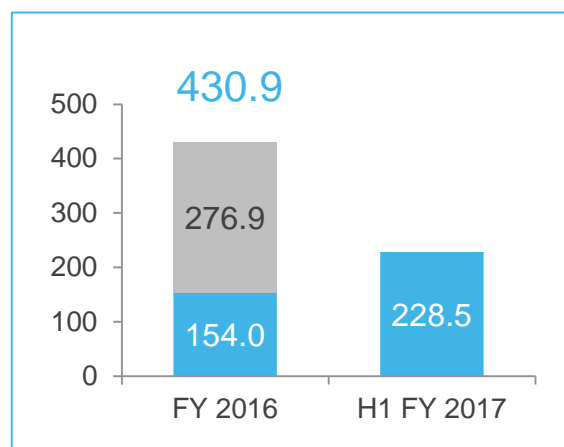
Guidance
c.4.4 – 4.6



- Production +24% to 2 Mcts
- Increased contribution from undiluted ROM ore leading to improved ROM grades
- Additional tailings production from KEM JV

REVENUE

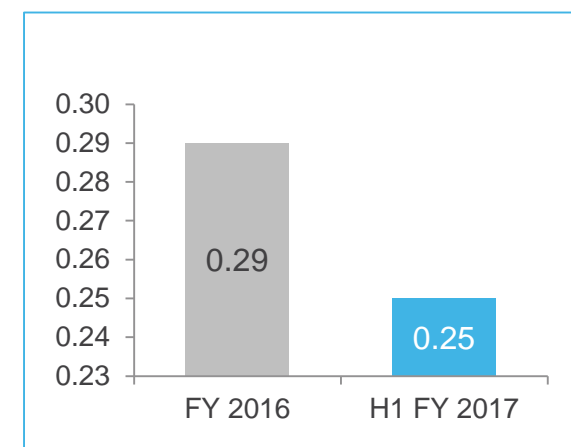
US\$ (million)



- Revenue +48% to US\$228.5m
- US\$217.6 excluding Exceptional Diamonds
- Carats sold +47% to 1.9 Mcts

SAFETY

LTIFR



- Improving LTIFR trend
- However, it is with deep regret that the Group experienced fatalities in H1 FY 2017; renewed focus on safety
- Targeting zero harm workplace

H1 FY 2017 - KPIs

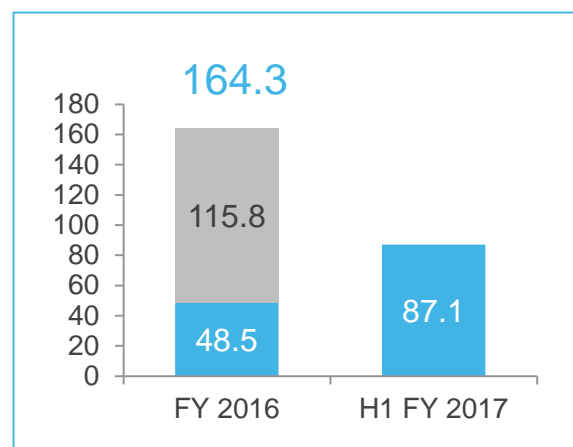
Key:

H2

H1

EBITDA¹

US\$ (million)

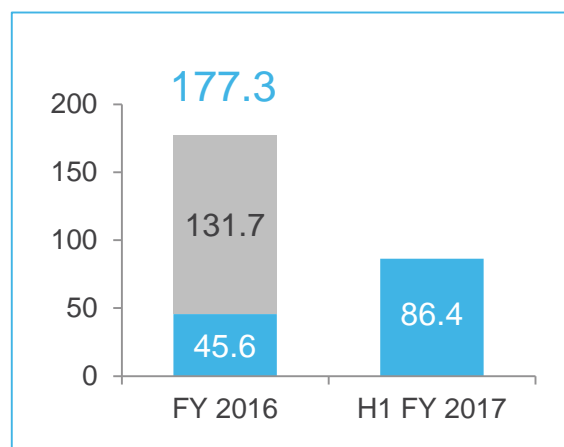


- EBITDA margin of 38% (H1 FY 2016: 31%)

¹ EBITDA is Adjusted EBITDA, stated before KEM JV fair value adjustment, depreciation, share-based expense, net finance expense, tax expense and net unrealised foreign exchange gains and losses

OPERATING CASHFLOW

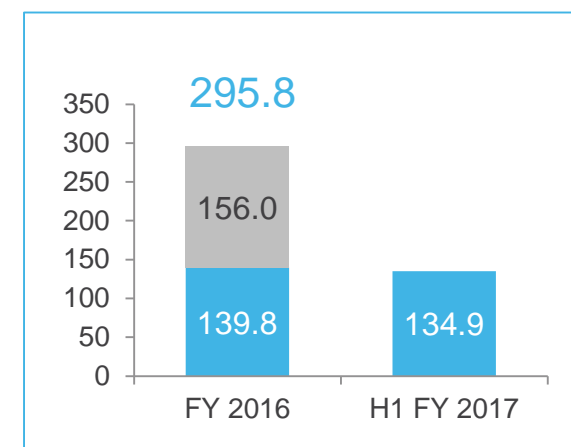
US\$ (million)



- Increase in operating cashflow, together with declining capex trend
- Expected to become free cash flow positive by end of FY 2017

CAPEX²

US\$ (million)



- Represents ca. 60% of expected full year 2017 spend
- Declining Capex trend
- Peak Capex spend passed in H2 FY 2016

² Capex is Operational Capex, excluding capitalised borrowing costs

Financial Position

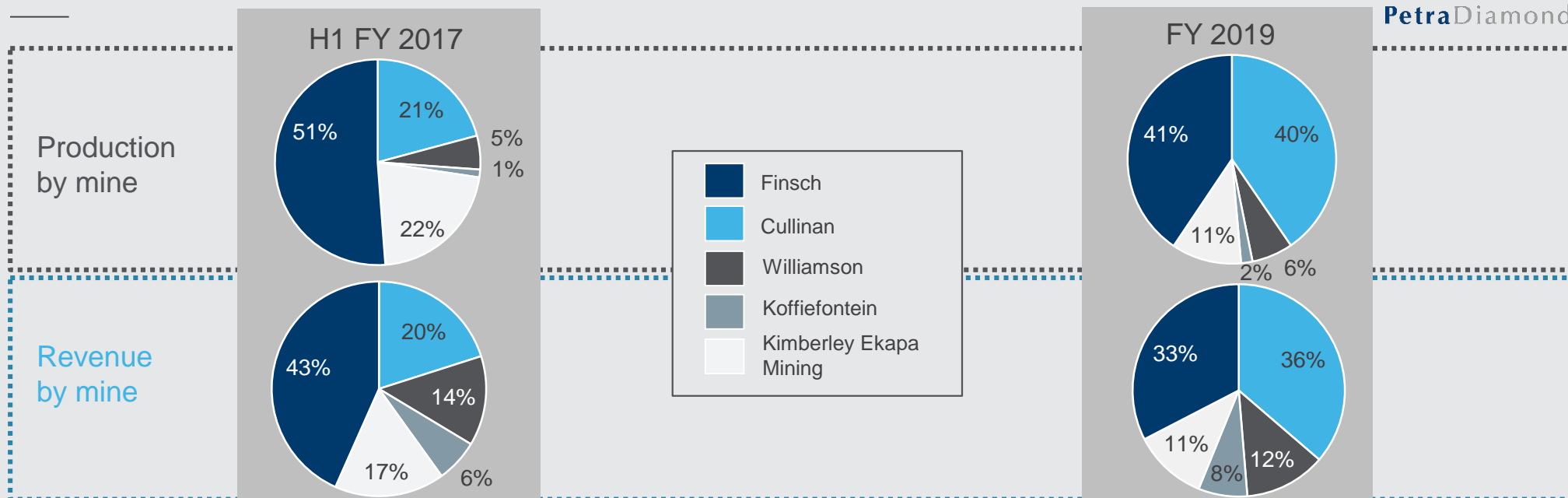
	Unit	31 Dec 2016	30 June 2016	31 Dec 2015
<i>Closing exchange rate used for conversion</i>		<i>R13.73:US\$1</i>	<i>R14.68:US\$1</i>	<i>R15.46/US\$1</i>
Cash at bank	US\$m	49.0	48.7	42.1
US\$ loan notes (including accrued interest)	US\$m	302.1	302.0	302.1
Bank loans and borrowings	US\$m	210.5	131.5	63.9
Net debt	US\$m	463.6	384.8	323.9
Bank facilities undrawn and available	US\$m	57.1	110.0	177.1
Diamond inventories	Carats	673,031	549,620	666,357
	US\$m	56.6	43.6	57.4
Diamond debtors	US\$m	1.9	63.4	1.4

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

H1 FY 2017 – driving forward to FY 2019



PetraDiamonds

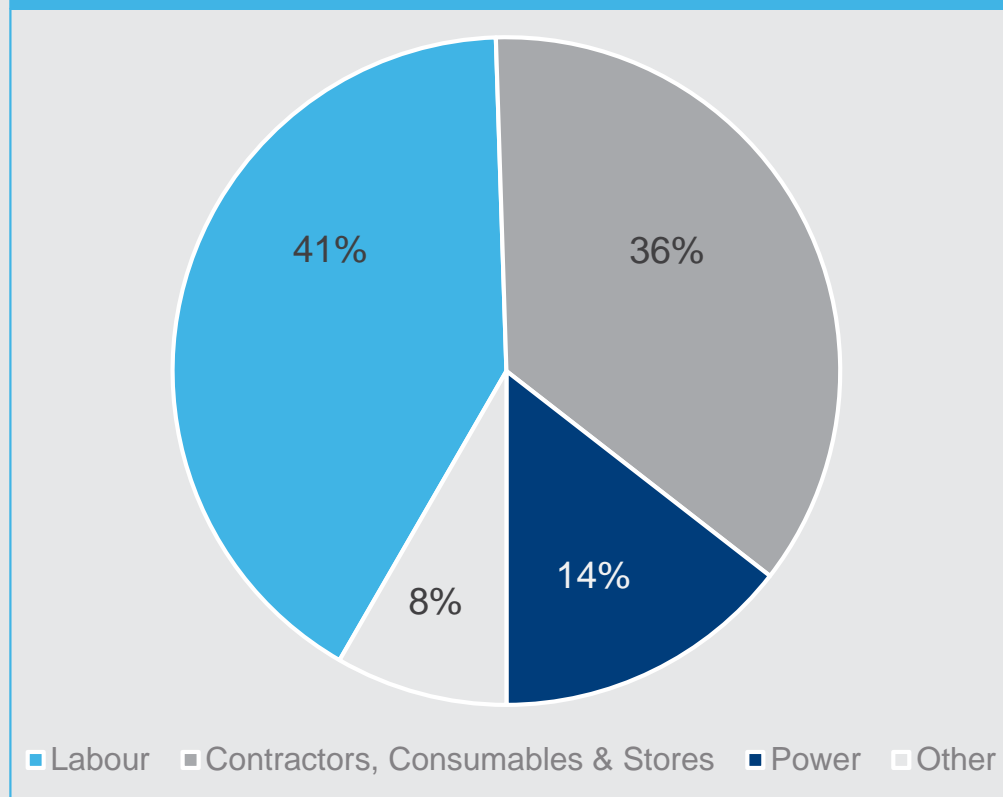


	Unit	H1 FY 2017	H1 FY 2016	Variance	FY 2016 ¹
SALES					
Revenue	US\$m	228.5	154.0	+48%	430.9
Diamonds sold	Carats	1,910,113	1,303,051	+47%	3,448,084
PRODUCTION					
Total tonnes treated	Mt	9.9	7.7	+29%	19.0
ROM diamonds	Carats	1,331,615	1,243,706	+7%	2,582,135
Tailings & other ¹ diamonds	Carats	683,472	385,697	+77%	1,119,270
Total diamonds	Carats	2,015,087	1,629,403	+24%	3,701,405
CAPEX					
Total Capex	US\$m	156.4	151.3	+3%	322.3

Operating Costs

- Petra's focus on cost control helped maintain on-mine cash operating costs in line with expectations, despite ongoing inflationary pressures.
- On-mine cash cost increased 17%, mainly due to:
 - Increased volumes treated, predominantly due to the establishment of the KEM JV and the associated increase in tailings production (12% increase); and
 - inflationary increases, including the impact of electricity and labour costs (7% increase);
- positively offset by:
 - the effect of translating South African operations' ZAR denominated costs at weaker ZAR/USD exchange rates (2% decrease).

H1 FY 2017 On-mine cash cost breakdown (SA operations)



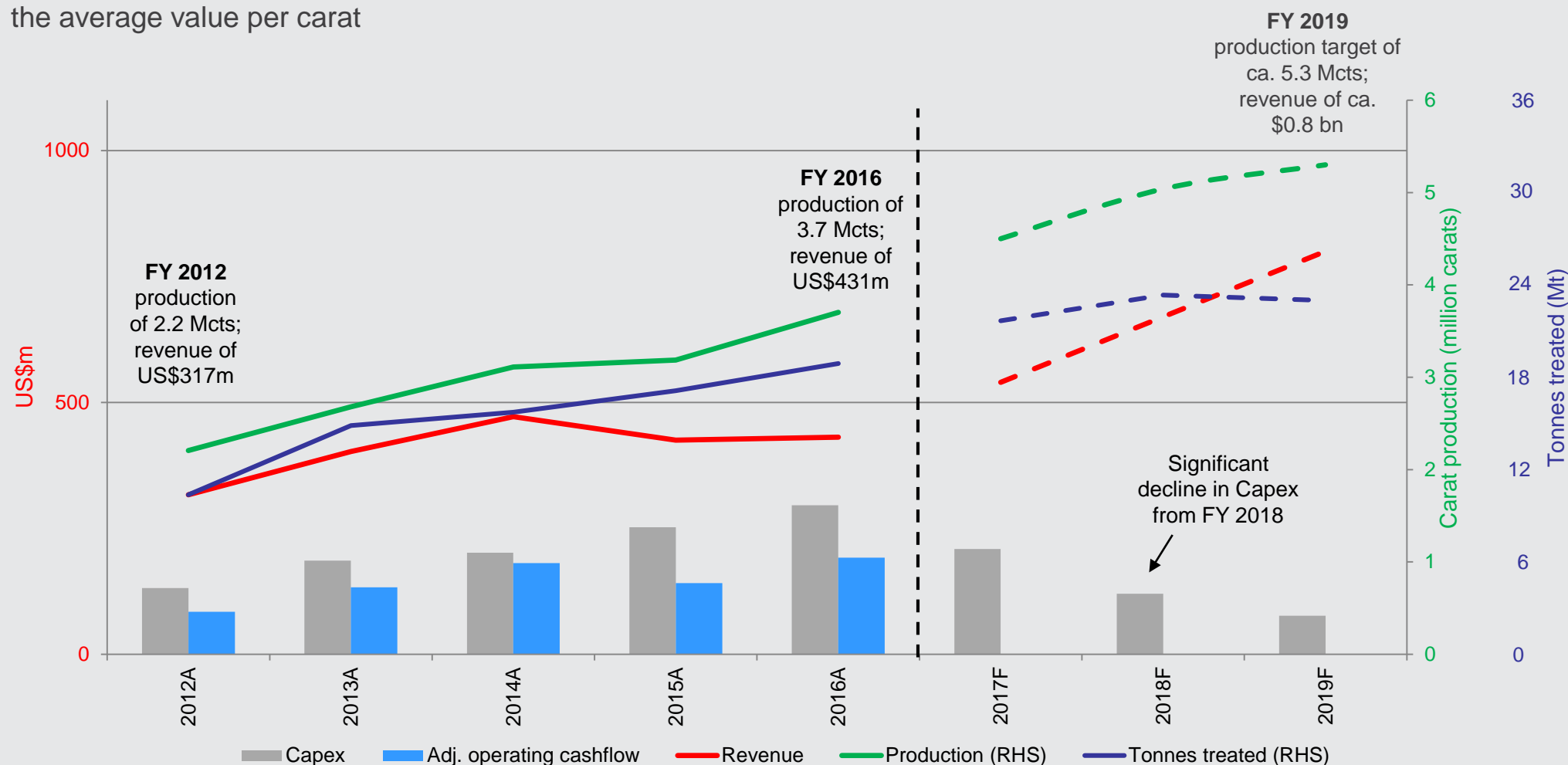
H1 FY 2017 – Summary of Results

	6 months to 31 December 2016 ("H1 FY 2017")	6 months to 31 December 2015 ("H1 FY 2016")	Year ended 30 June 2016 ("FY 2016")
	US\$ million	US\$ million	US\$ million
Revenue	228.5	154.0	430.9
Adjusted mining and processing costs	(137.7)	(99.6)	(257.7)
Other direct income	1.4	0.7	2.8
Profit from mining activity	92.2	55.1	176.0
Exploration expense	(0.3)	(1.9)	(2.7)
Corporate overhead	(4.8)	(4.7)	(9.0)
Adjusted EBITDA	87.1	48.5	164.3
Kimberley Ekapa Mining JV fair value adjustment	4.1	—	—
Depreciation	(28.6)	(24.2)	(51.8)
Share-based expense	(2.1)	(2.4)	(4.1)
Net finance expense	(15.9)	(13.3)	(36.2)
Tax expense	(16.4)	(2.3)	(8.6)
Adjusted net profit after tax	28.2	6.3	63.6
Net unrealised foreign exchange gain / (losses)	7.0	(8.5)	3.2
Net profit / (loss) after tax	35.2	(2.2)	66.8
Earnings per share attributable to equity holders of the Company – US\$ cents			
Basic profit / (loss) per share – from continuing operations	5.27	(0.72)	10.38

1. Refer to interim results announcement dated 20 February 2017 for detailed notes explaining non IFRS adjusted disclosures

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

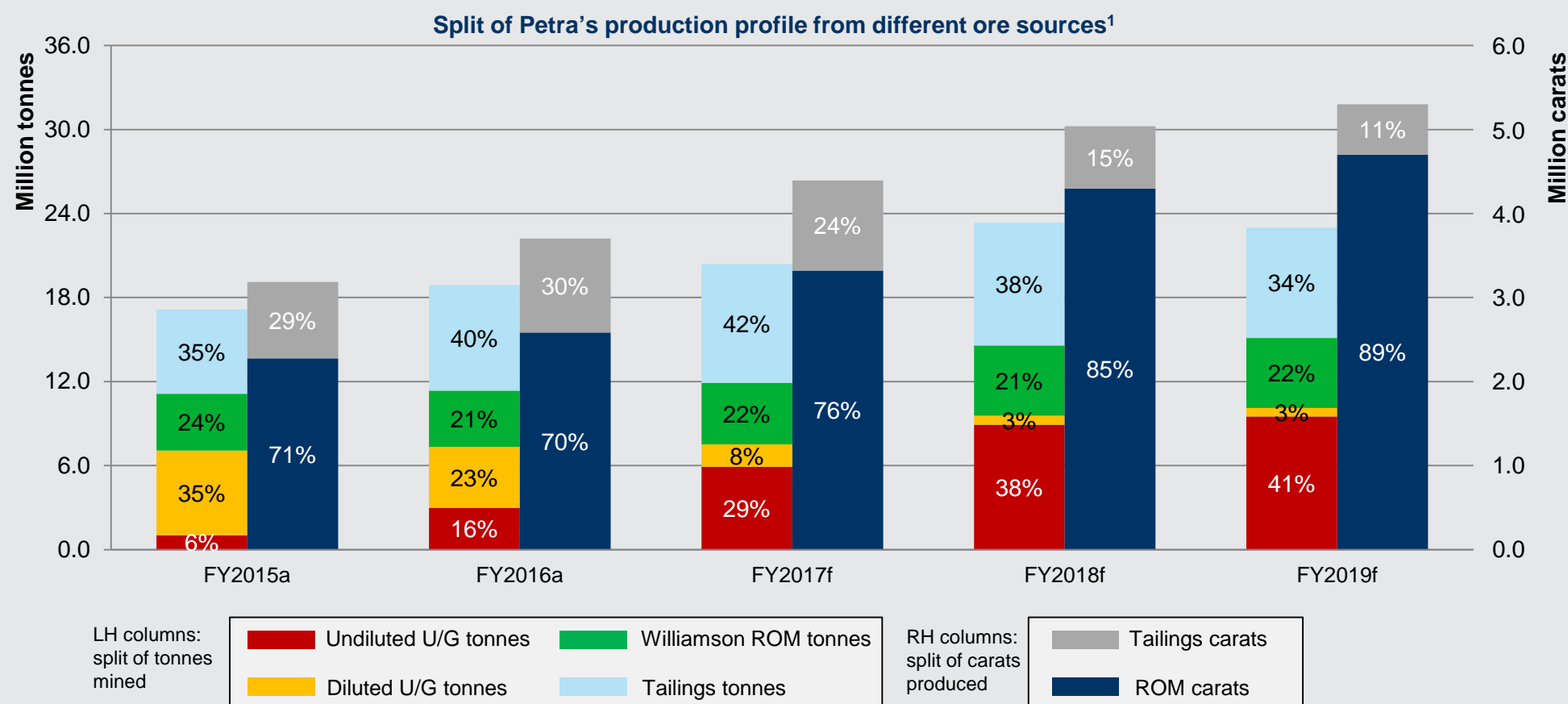


1. All forecasts for Capex, revenue and production are management estimates. Capex is in nominal terms; diamond prices are calculated using a 4% pa real price increase
2. Capex, production, adj. operating cashflow and revenue relating to KEM JV stated at 75.9% Petra attributable terms

Growth and Margin Expansion

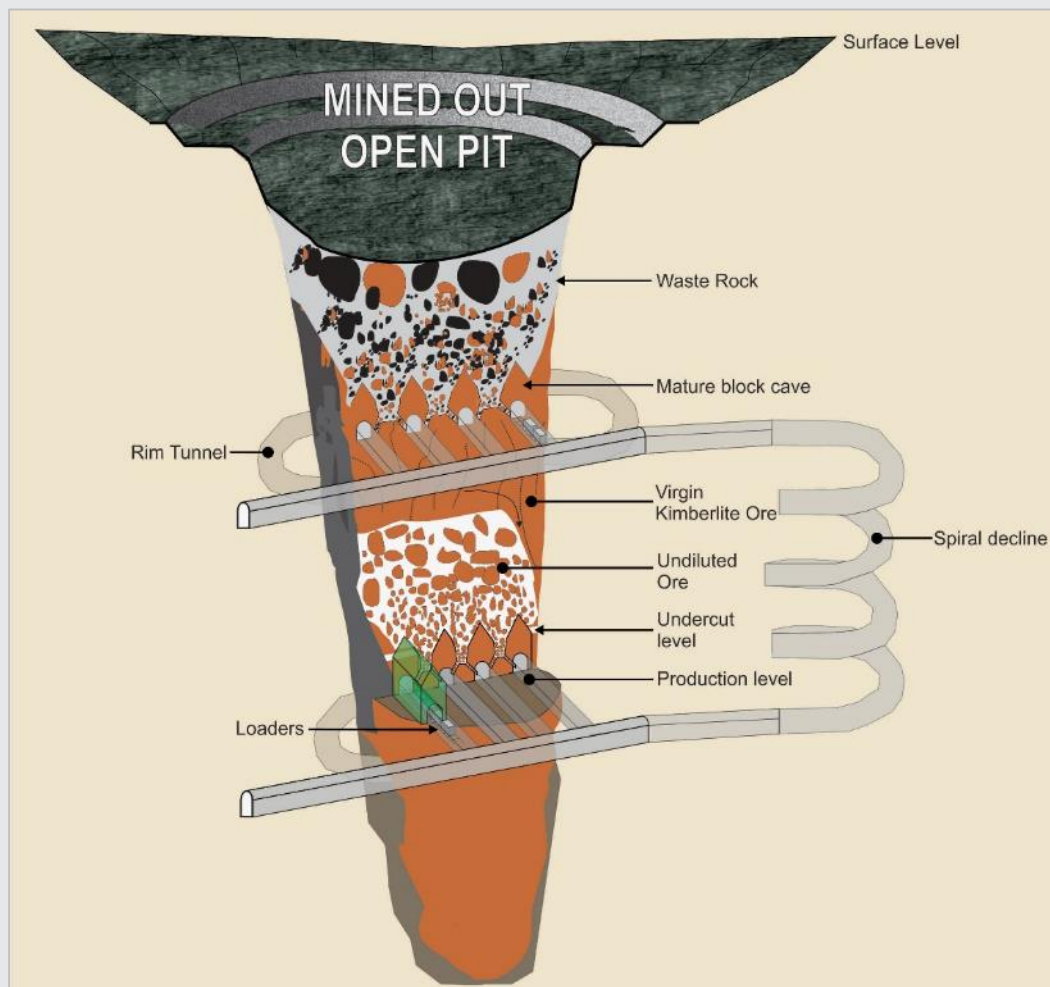
Adjusted EBITDA margin expected to rise from ca. 38% in FY 2016 to +50% by FY 2019

- Increase in ROM grades together with an 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



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

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 cpht¹

Cullinan +79%: ca. 28 cpht to ca. 50 cpht¹

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

¹ Management expectations

Finsch – Development Programme

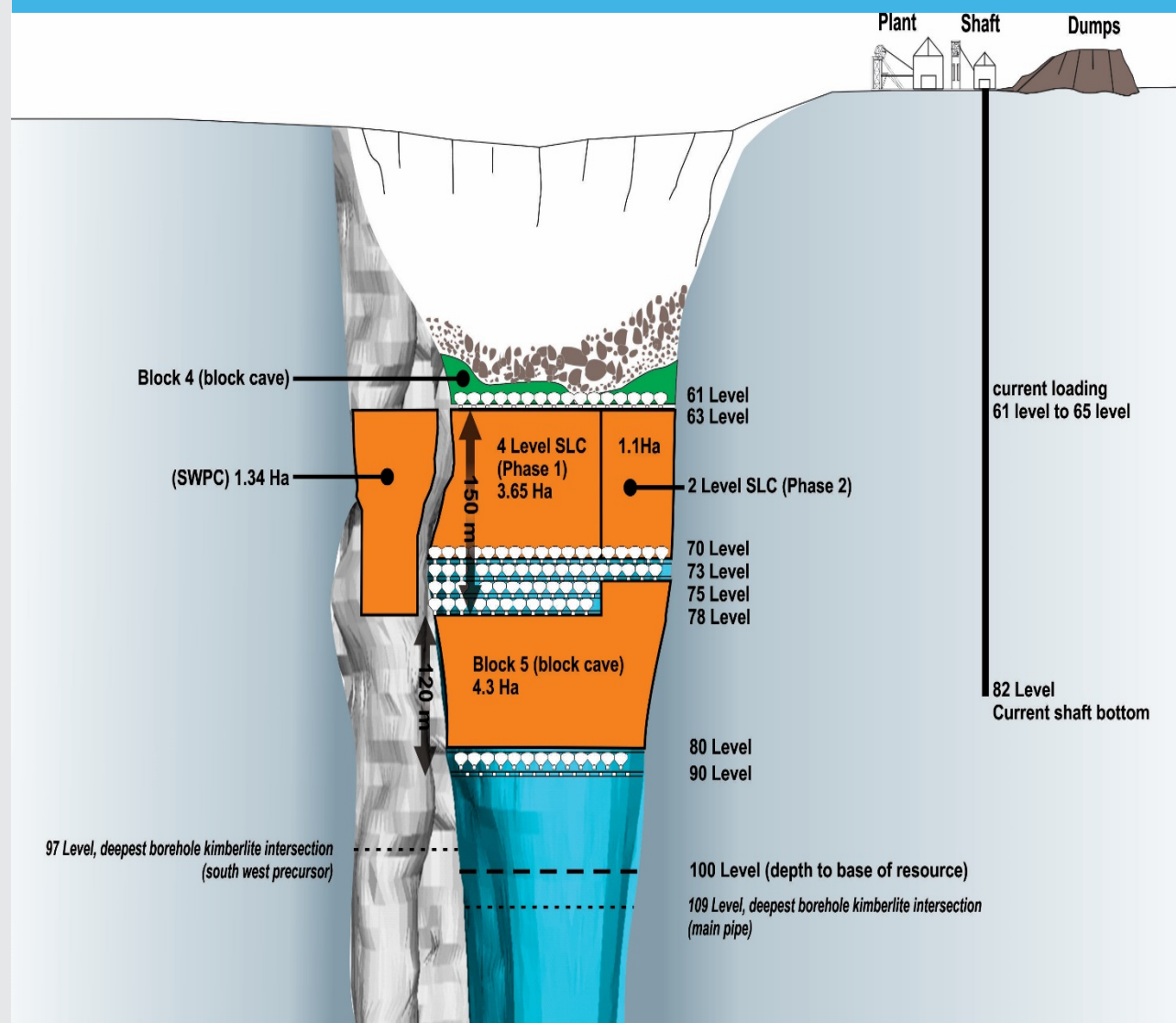
Expansion Plan

- **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 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



Cullinan – Development Programme

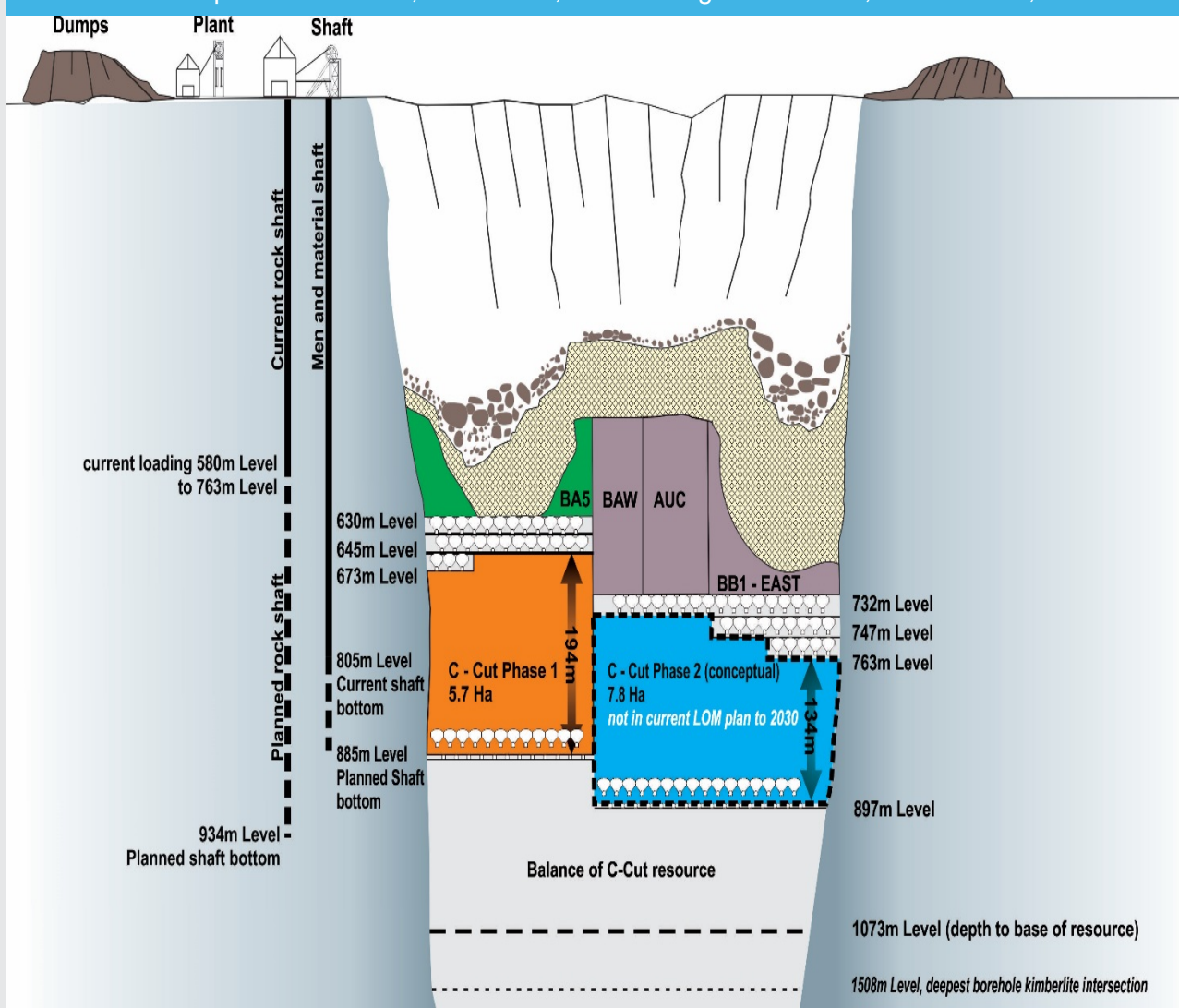
Expansion Plan

- **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



Diamond Market – Overview

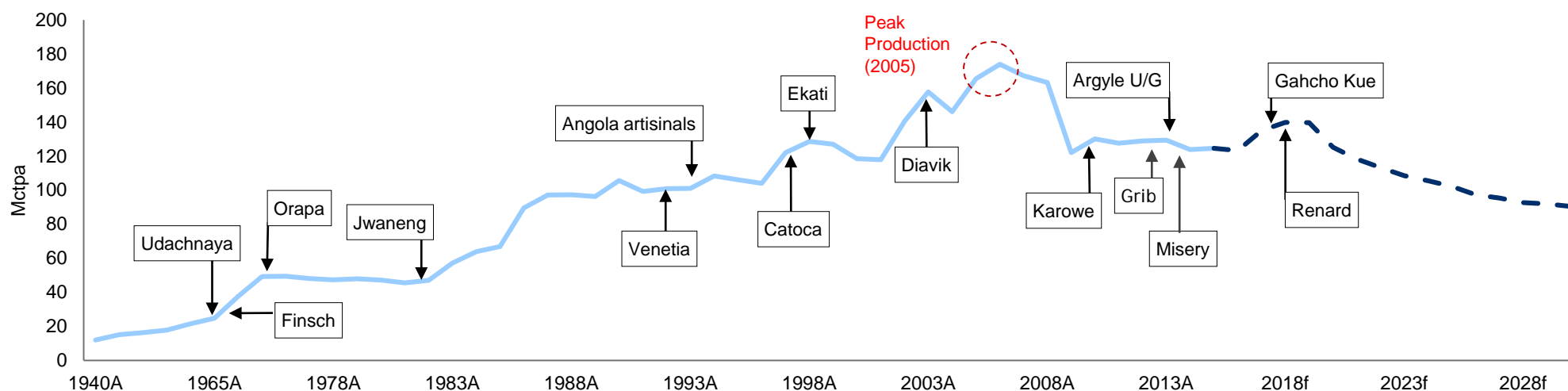
Supply

- **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

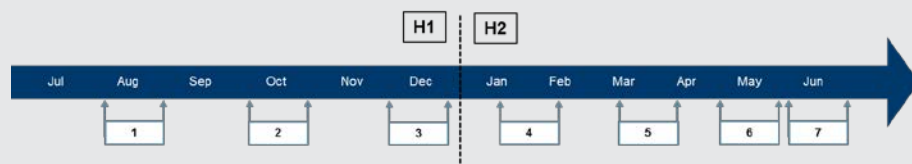


Diamond Market – Overview

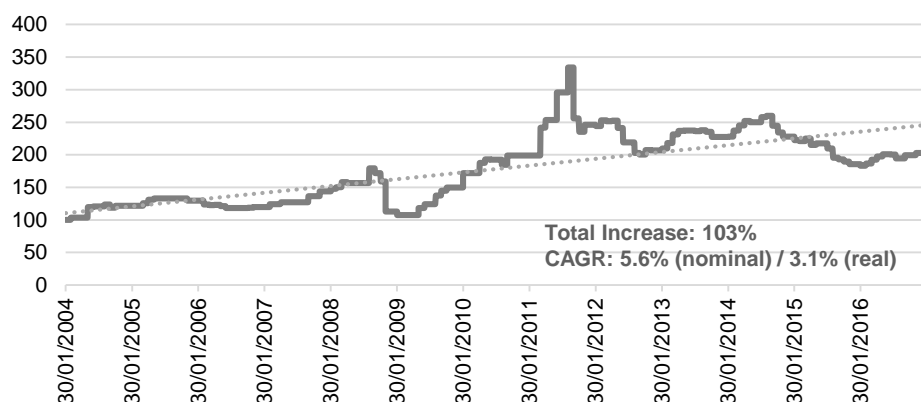
H1 FY 2017 Market Conditions

- H1 FY 2017 saw steady market conditions, with pricing on a like for like basis generally on par with H2 FY 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)

Petra Sales Timing – FY 2017



Rough Diamond Index (Jan 2004 to Dec 2016)



Outlook

- Signs of stabilisation in rough diamond market evident with steady demand across majority of size ranges, except in the smaller, lower value categories which experienced some pressure in December 2016 tender due to the Indian government's demonetisation policy
- Firm prices achieved during February 2017 tender – prices of smaller, lower value goods, which came under pressure in December tender, have shown an encouraging recovery
- DPA commenced first marketing campaign in US in October – “Real is Rare – Real is a Diamond”

Petra – Rough Diamond Prices (US\$/ct)

	Actual ¹ Weighted Average US\$/ct H1 FY 2017	Guidance ² Weighted Average US\$/ct FY 2017	Actual Weighted Average US\$/ct FY 2016
Finsch	98	100-105	89
Cullinan	127 ³	105-115	126 ³
Koffiefontein	495	520-550	462
Kimberley Ekapa Mining	93 ⁴	125-130	132
Williamson	305 ³	220-230	384 ³

- Includes sales to Petra's in-house cutting and polishing subsidiary Tarorite (Pty) Ltd, totalling 206.3 carats, valued at US\$0.3 million across the operations; excludes sales by Tarorite totalling 25.0 carats, US\$0.1m.
- Excludes guidance for exceptional diamonds (stones above \$5 million in value)
- Average values excluding exceptional stones: Cullinan H1 FY17: \$111/ct; Cullinan FY16: \$109/ct; Williamson H1 FY17: \$253/ct; Williamson FY16: \$238/ct
- H1 FY 2017 below full year guidance due to parcel make-up weighted towards tailings carats

Sustainability



Health and Safety

- Achievements: Improving LTIFR (0.25 for H1 FY 2017); Finsch won two MineSAFE Awards
- Challenges: Petra's mining method and operations are inherently safe but there is an ever present risk of accidents
- Intensification of safety initiatives and new control procedures put in place as a result of the fatalities experienced in H1 FY 2017; renewed focus on safety; Petra striving for zero harm

Stable Employee Labour Relations

- 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'



Cullinan hosts a careers day for local students



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

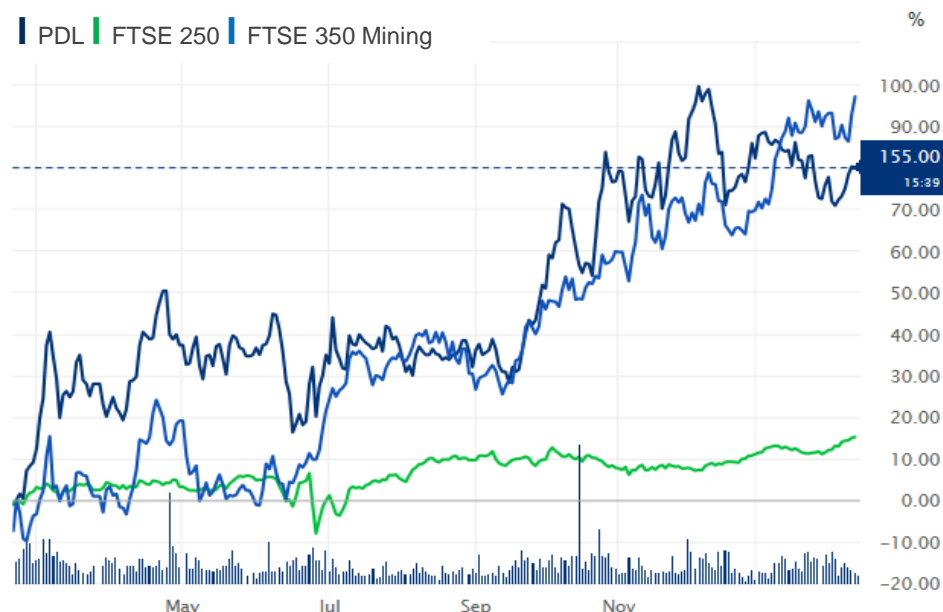


Appendix



Capital Structure

Share Price (1 year to 14 Feb 2017) vs FTSE 250 & FTSE 350 Mining



As at 14 February 2017

	Number of voting rights	% ISC
BlackRock, Inc.	85,628,014	16.2%
T. Rowe Price	57,956,911	10.9%
Standard Life Investments	39,638,469	7.5%
Templeton Global Advisors	15,920,470	3.0%
Directors	21,062,590	4.0%

Listing

Average daily trading volume (shares) – (LTM)
Shares in issue
Free float
Market cap @ 155p (14 Feb 2017)

LSE: PDL

2.8m
530.1m
88.61%
£820m / US\$1,020m

The Petra Board & Senior Management



PetraDiamonds



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

Jacques Breytenbach
Chief Financial Officer

Assumed role in June 2016, having held position of Finance Manager – Operations at Petra since 2006
Leads financial management of Petra and is responsible for financing, treasury, financial controls, reporting, legal, investor relations, compliance and corporate governance

Koos Visser
Chief Operating Officer

Assumed role in June 2016, having been Group Operations Manager at Petra since 2005
Previous broad industry experience includes Utilities and Technical Services Manager at Impala Platinum



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



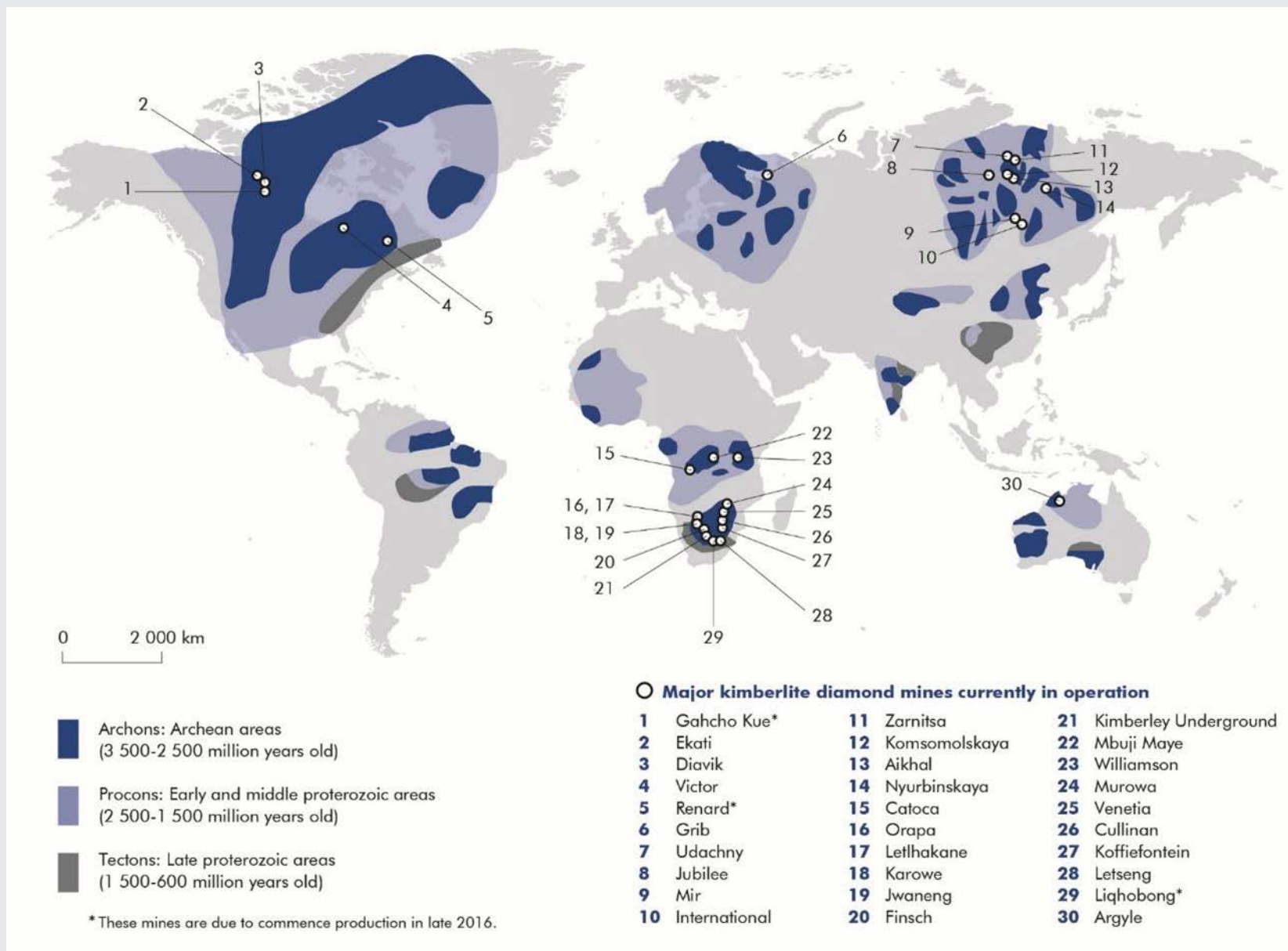
Octavia Matloa
Independent Non-Executive Director

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

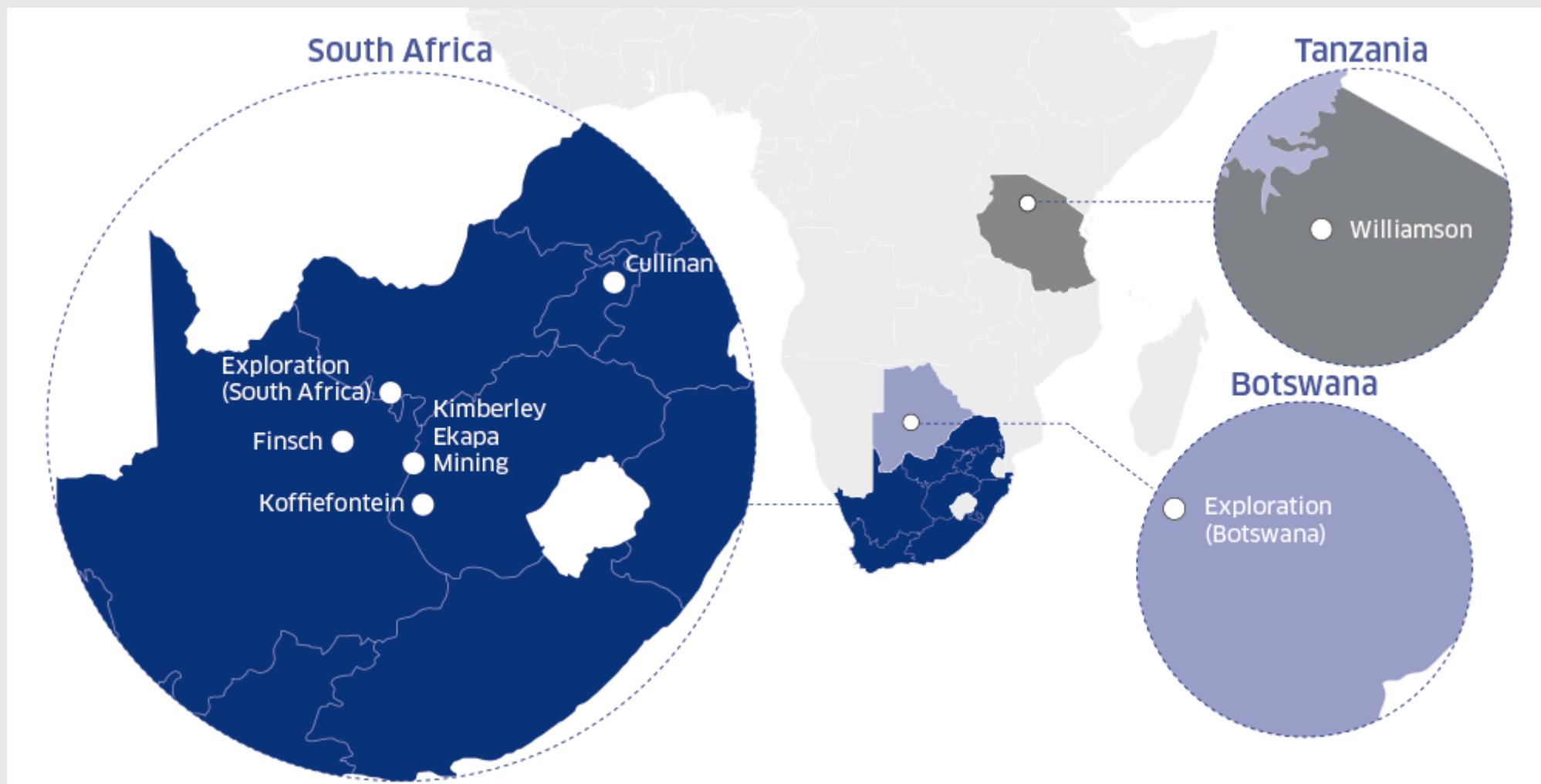
World Diamond Mines



PetraDiamonds



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

July 2007

Koffiefontein



70% Petra¹; 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% Petra¹; 25%
Government of Tanzania

Open Pit
Mine Plan to 2033
+50yr 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

May 2010

Kimberley UG



74% Petra¹; 26% BEE

Block Cave
Mine Plan to 2026
+13yr Potential Life

September 2011

Finsch



74% Petra¹; 26% BEE

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

January 2016

Kimberley Mines



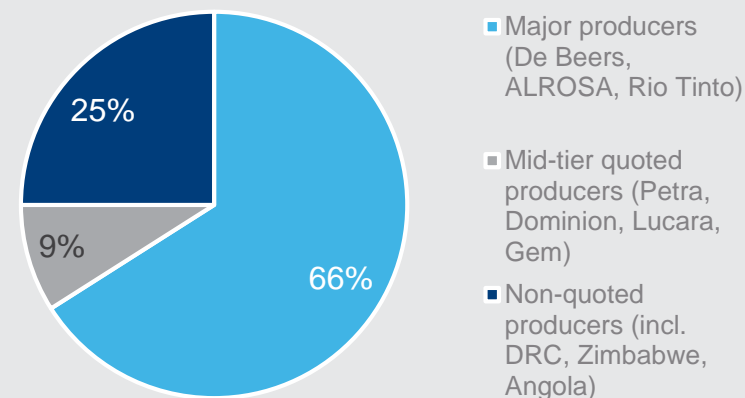
49.9% Petra; 50.1%
Ekapa

Tailings Operations
Mine Plan to 2019
+20yr Potential Life

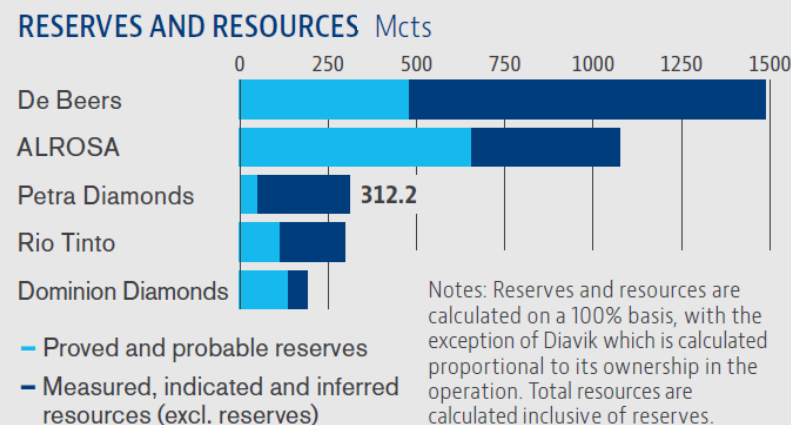
1. Refer to 'FY 2017 Analyst Guidance – Explanatory Notes', section 'Effective Interest in Mines' at <https://www.petradiamonds.com/investors/analysts/analyst-guidance> for further disclosures re. Petra's effective interest in its mines

Petra's Place in the Market: One of the World's Largest Diamond Resources

- Based on FY 2016 production, Petra accounted for:
 - 2.9% of world supply by volume
 - 3.1% by value
- World-class resource of **312.2 Mcts**, ranking 3rd by size
- Long potential mine lives, in particular Cullinan and Williamson: potential for 50+ yrs
- Major diamond producers:
 - De Beers (Anglo American)
 - Alrosa
 - Rio Tinto
- Mid-tier peer group:
 - Petra Diamonds
 - Dominion Diamond
 - Lucara Diamond
 - Gem Diamonds



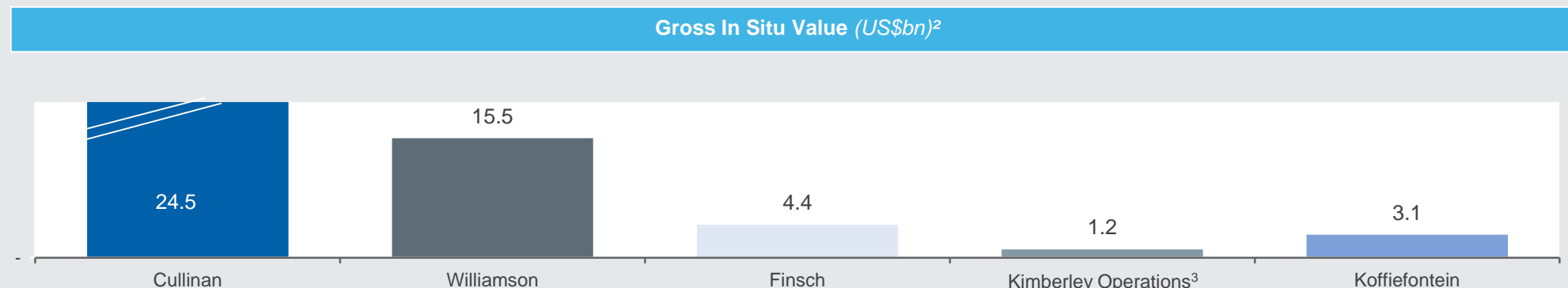
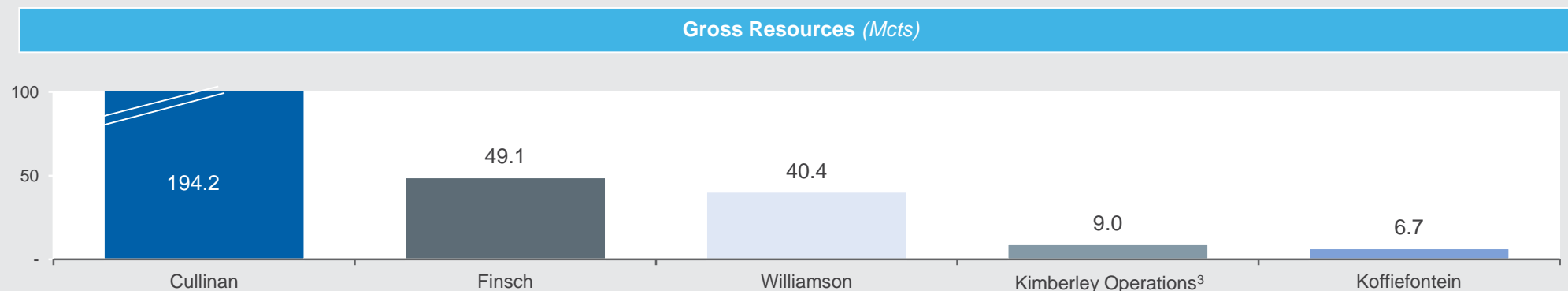
World Diamond Production by Value



Reserves and Resources (Mcts)

2016 Resource Statement (30 June 2016)

World-class Resource base of 312.2 million carats¹ worth ca. US\$48.6 billion²



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

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



Exceptional Diamonds

- Petra classifies 'exceptional diamonds' as stones that sell for +US\$5 million each
- Exceptional diamonds contributed on average US\$23 million pa from FY 2009 to FY 2016
- Average increased to ca. US\$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 US\$10 million in December 2015



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



Cullinan

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



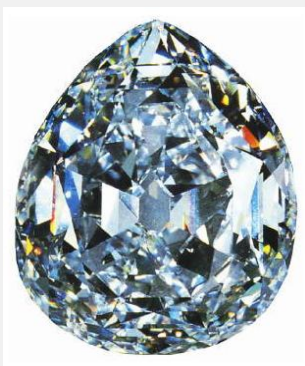
121 carat Cullinan white sold for US\$6 million in June 2016



Iconic Diamonds From Iconic Mines



PetraDiamonds



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 US\$57.7m
US\$3.9m per carat,
18 May 2016



**The 12.03ct Blue
Moon of
Josephine
diamond**

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



**The 24.18ct
Cullinan Dream
diamond**

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



**The 15.38ct
Unique Pink
diamond**

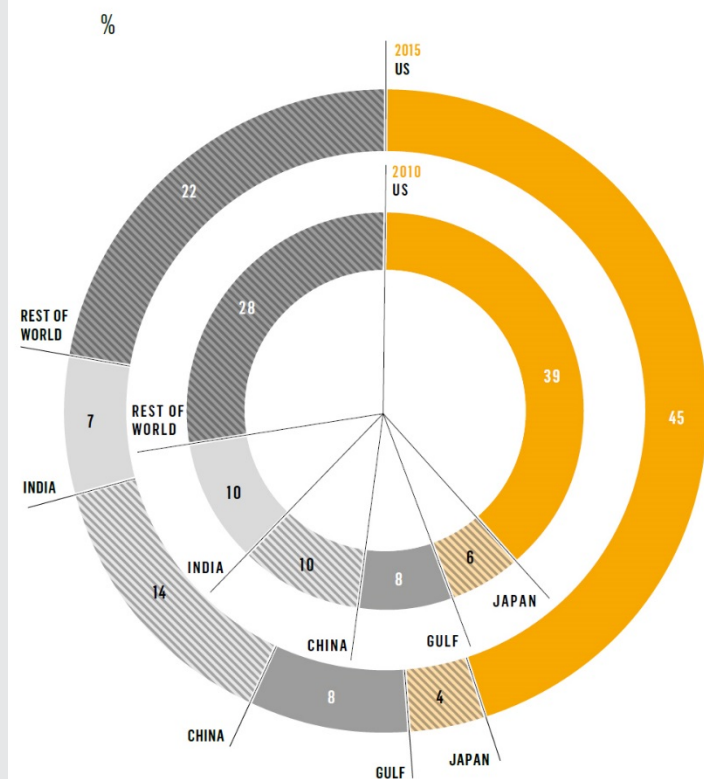
Sold for US\$31.6m
US\$2.1 per carat,
17 May 2016

The Diamond Market in 2015

- Global diamond jewellery sales +2% in local currency but -2% in US\$: ca. US\$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

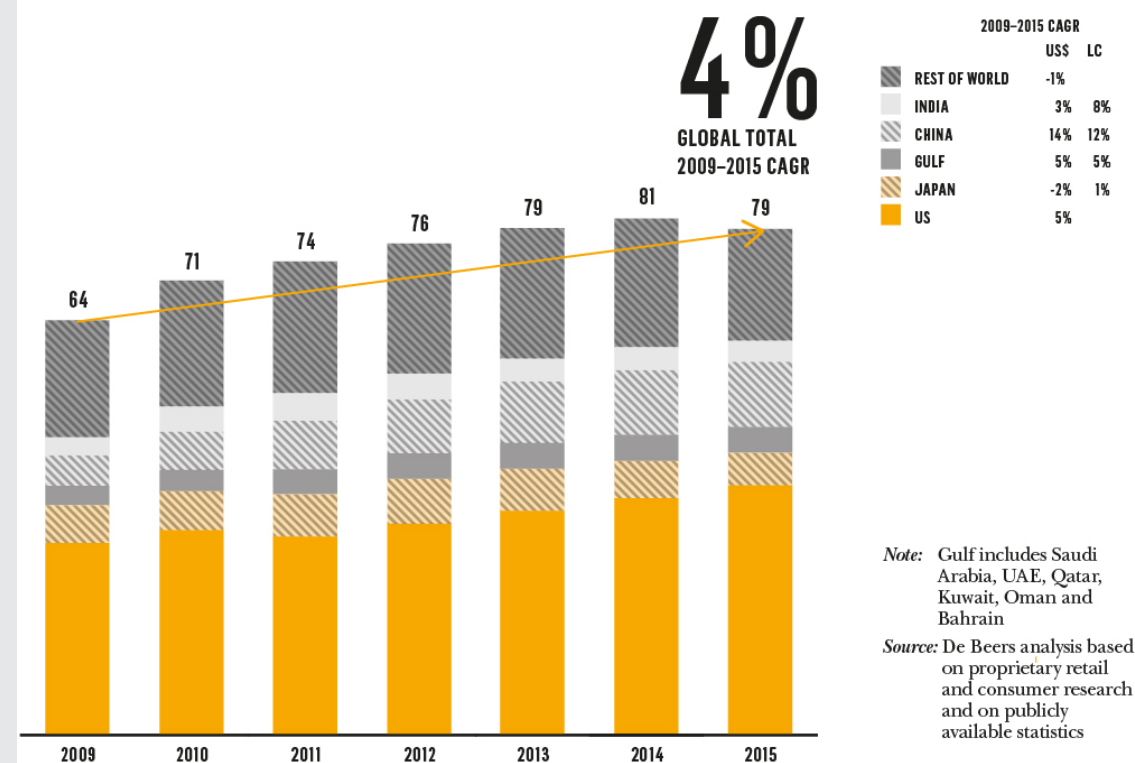


Note: Gulf includes Saudi Arabia, UAE, Qatar, Kuwait, Oman and Bahrain

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

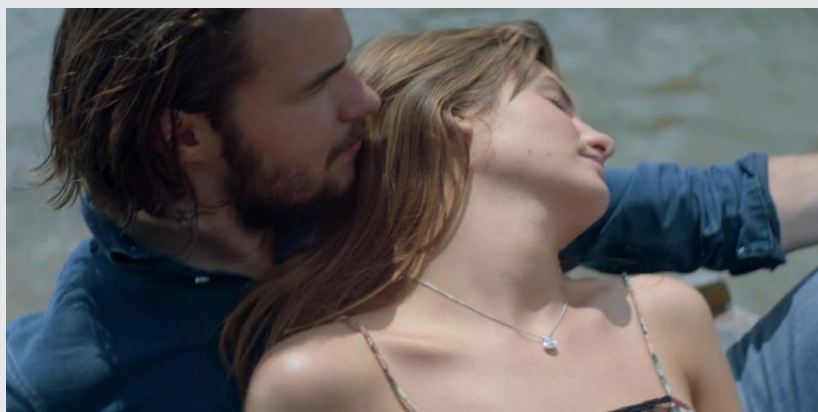
Diamond Jewellery Value, Growth by Geography (US\$bn)

FIG. 4: DIAMOND JEWELLERY VALUE: GLOBAL GROWTH BY MAIN GEOGRAPHY
US\$ BILLION (NOMINAL) AND GROWTH IN %



DPA Advertising Campaign: Wild and Kind

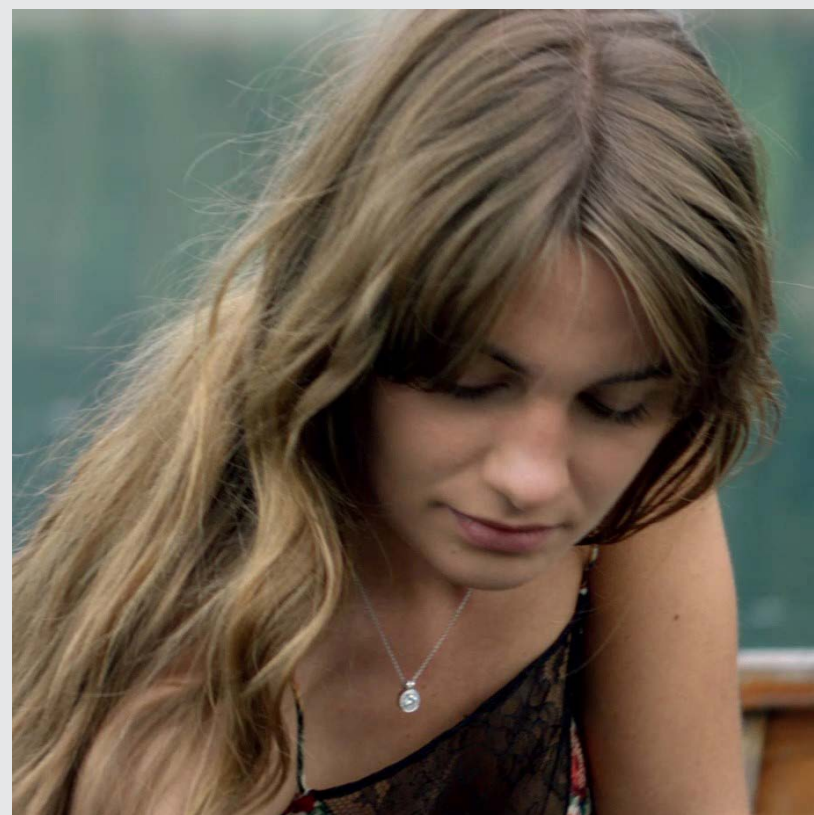
- **Diamond Producers Association** aims to encourage best practice and sustainability across the industry and to protect the integrity of the diamond
- ‘**Real is Rare. Real is a diamond**’ communication platform based on research into US millennial generation mind set and speaks to desire for authentic emotional connections
- **First campaign** launched in October 2016; future campaigns planned to target important new markets such as China and India
- **Petra taking active role** in sustaining consumer demand over the long term as a founder member of DPA



Campaign launched in October 2016

“The opportunity exists for diamonds to represent the rare, precious and real connections that Millennials crave.”

Jean-Marc Lieberherr, DPA CEO



DPA's new generic marketing campaign for diamonds

H1 FY 2017 Operational Results



PetraDiamonds

	Finsch		Cullinan		Koffiefontein		Kimberley Ekapa Mining ²		Williamson	
	H1 FY 2017	H1 FY 2016	H1 FY 2017	H1 FY 2016	H1 FY 2017	H1 FY 2016	H1 FY 2017	H1 FY 2016	H1 FY 2017	H1 FY 2016
ROM PRODUCTION										
Tonnes Treated (t)	1,498,449	1,656,256	1,039,417	1,180,399	359,044	289,217	209,297	483,110	2,014,099	1,824,915
Grade (cpht)	54.5	45.3	34.5¹	25.7 ¹	6.9	8.6	14.5	15.8	5.0	4.9
Diamonds recovered (carats)	816,001	749,954	358,821	303,400	24,770	24,840	30,347	76,240	101,676	89,272
TOTAL PRODUCTION										
Tonnes treated (t)	2,540,207	2,892,584	1,299,248	1,577,557	359,044	551,759	3,529,673	681,313	2,205,461	2,032,136
Diamonds recovered (carats)	1,031,560	1,095,078	419,754	322,366	24,770	31,760	432,174	84,358	106,831	95,841
SALES										
Diamonds sold (carats)	1,010,015	912,069	363,113	227,759	29,788	21,568	406,667	61,113	100,712	80,359
Average price per carat (US\$)	98	82	127	110	495	457	93	253	305	366
Revenue (US\$M)	99.3	75.2	46.0	25.0	14.8	9.9	38.0	15.5	31.0	29.5
ON-MINE CASH COST PER TONNE TREATED	ZAR229	ZAR182	ZAR319	ZAR254	ZAR534	ZAR317	ZAR115	ZAR253	US\$11	US\$11
TOTAL CAPEX	38.9	32.6	80.2	84.5	8.2	15.3	15.6	7.8	12.6	9.7

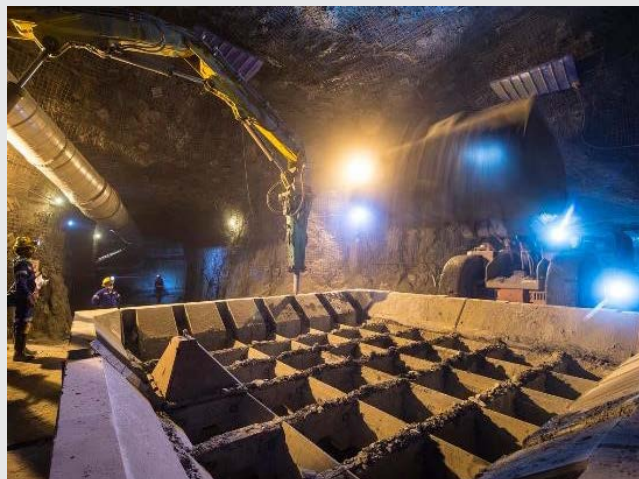
1. Excluding Exceptional Diamonds, the average value for H1 FY 2017 was US\$111 per carat; H1 FY 2016 US\$110 per carat

2. Data for H1 FY 2017 represent Petra's 75.9% attributable share (including both ROM production from Kimberley Underground and Tailings production), data for H1 FY 2016 represent Kimberley Underground ROM and Tailings production (pre the Kimberley Mines transaction).

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

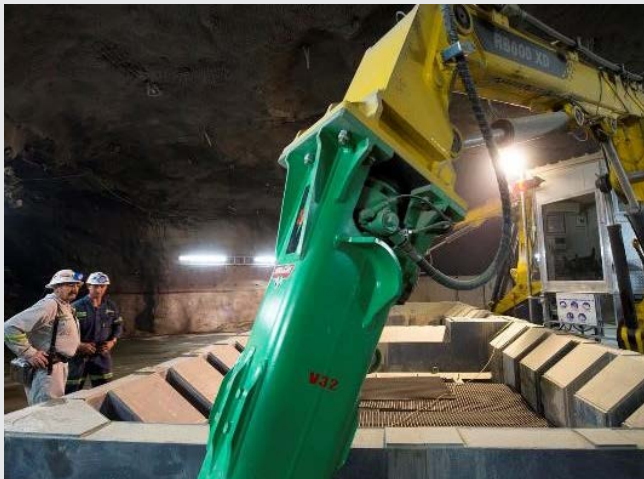


Installation of the Apron Feeder Bulkhead



The new bulk sample plant

Cullinan Development Snapshot



Rock breaker south extraction



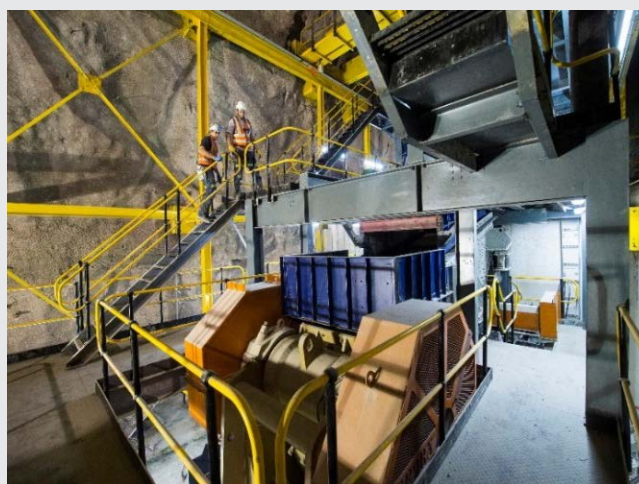
Long hole drilling draw point



North production conveyor 2



Conveyor Planning



Crusher installation



Silo loading Box

Cullinan Mill Plant Project



Run of Mine Silo & Recycle Silo



Main Sub Station



Recovery & HPGR & XRL Buildings



Mill plant, mill basis and DMS feed area



Jaw Crusher installation

- 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%
- New plant expected to be fully operational by end FY 2017

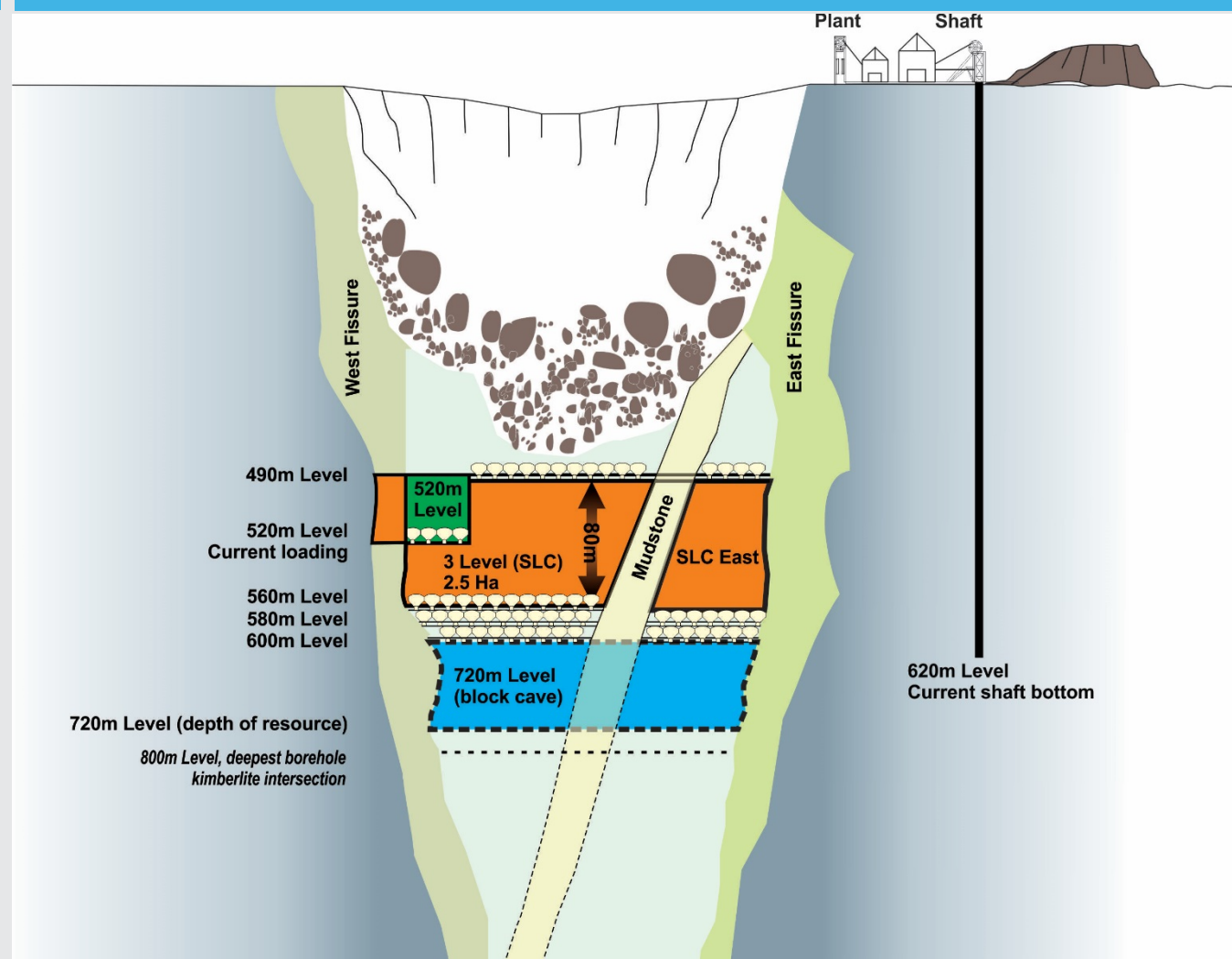
Koffiefontein – Development Programme

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



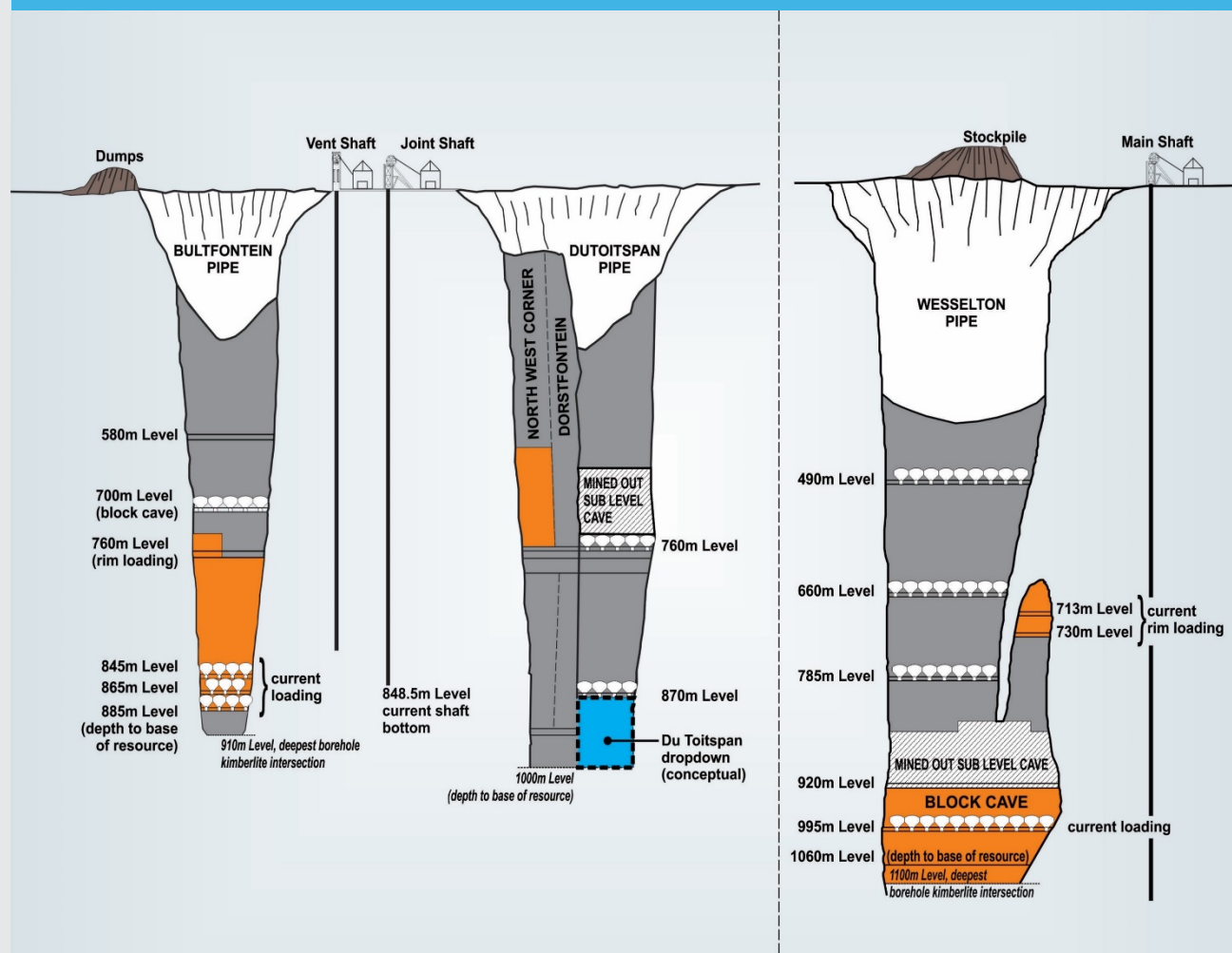
Kimberley Underground – Development Programme

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



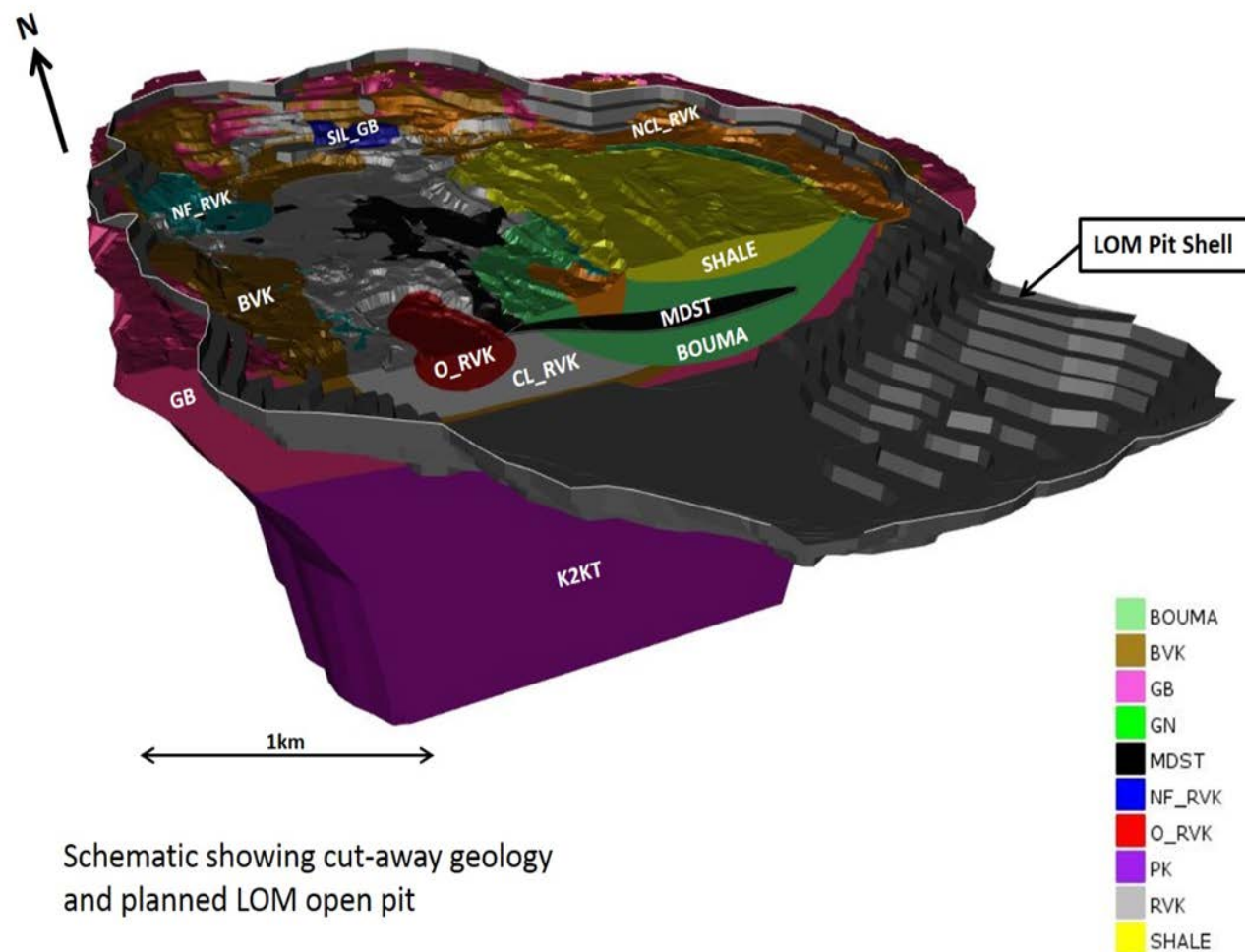
Williamson – Development Programme

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 31 Dec 2016: ca. US\$268 million
- Bank debt facilities undrawn and available to the Group as at 31 Dec 2016: US\$57 million
- US\$300 million senior secured second lien notes issued May 2015

Lender	Type	Size ZARM	Size US\$M ¹	Utilised at 31 Dec 2016 ZARM/US\$M	Interest Rate	Repayment
Absa & Nedbank	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	ZAR Revolving credit facility	1,250	91	ZAR1,250M	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	nil	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:ZAR13.73

Bank Debt Facilities – Covenants

	Maintenance Covenants				Distribution Covenants
Covenant	12 months to 31 Dec 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
Net Debt ¹ to EBITDA	2.7x	≤2.8x (Revised from ≤2.5x)	≤2.5x	≤2.5x	≤2.0x
EBITDA to net finance charges	4.1x	≥3.85x (Revised from ≥4.0x)	≥4.0x	≥4.0x	≥6.0x
Net Debt ¹ to Book Equity	0.6x	≤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 ZAR1,381 million as at 31 December 2016 (30 June 2016: ZAR1,303 million)

Capex Profile – FY 2017 to FY 2019



PetraDiamonds

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 (100% terms)	ROM tonnes treated (Mt)	1.2	1.4	1.6
	Tailings tonnes treated (Mt)	8.6	8.4	7.2
	Expansion Capex (ZARm)	419	493	381
	Sustaining Capex (ZARm)	76	84	77
PETRA (SA Operations)	Expansion Capex (ZARm)	2629	1386	774
	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 (All Operations)	ROM tonnes treated (Mt)	13.3	14.9	15.5
	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. US\$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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