



PetraDiamonds

Foundations for the future

Petra Diamonds Limited

Annual General Meeting – 29 November 2019

Important Notice

These Presentation Materials are being supplied to you by Petra Diamonds Limited (the “Company”) solely for your information and use at this presentation.

These Presentation Materials may contain information that is confidential, legally privileged or otherwise protected by law. These Presentation Materials may not be reproduced in any form, redistributed or passed on, directly or indirectly, to any person or published, in whole or in part, by any medium or for any purpose. Failure to comply with this restriction may constitute a violation of applicable securities law.

These Presentation Materials are exclusively for the purposes of raising awareness about the Company. These Presentation Materials are not intended to solicit the dealing in securities or securities financing nor do they form part of any invitation, offer for sale or subscription or any solicitation for any offer to buy or subscribe for any securities in the Company (“Company Securities”) nor shall they or any part of them form the basis of, or be relied upon in connection therewith or act as any inducement to enter into, any contract or commitment with respect to Company Securities.

These Presentation Materials must not be used or relied upon for the purpose of making any investment decision or engaging in an investment activity. Accordingly, neither the Company nor any of its subsidiary undertakings (as defined in the Bermuda Companies Act 2006) (together, the “Group”), nor any of their respective directors, employees, agents or advisors makes any representation or warranty in respect of the contents of the Presentation Materials or otherwise in relation to the Group or any of its businesses.

The information contained in the Presentation Materials is subject to amendment, revision and updating, and such information may change materially. No person is under any obligation to update, or keep current, the information contained in these Presentation Materials, and any opinions expressed in relation thereto are subject to change without notice. The Presentation Materials contain forward-looking statements which involve risk and uncertainties and actual results and developments may differ materially from those expressed or implied by these statements depending on a variety of factors. The Presentation Materials have not been independently verified and no representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information or opinions contained herein. The forward-looking information contained in these Presentation Materials is expressly qualified by this cautionary statement.

The delivery of these Presentation Materials shall not at any time or in any circumstance create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Company or any other member of the Group since the date of these Presentation Materials.

Any securities mentioned herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold or delivered, directly or indirectly, in or into the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable states securities laws. The distribution of these Presentation Materials in other jurisdictions may also be restricted by law, and persons into whose possession these materials come should inform themselves about, and observe, any such restrictions. No public offering of securities is being made in the United States or any other jurisdiction.

By attending this presentation or by accepting a copy of the Presentation Materials, you agree to be bound by the foregoing limitations and conditions.



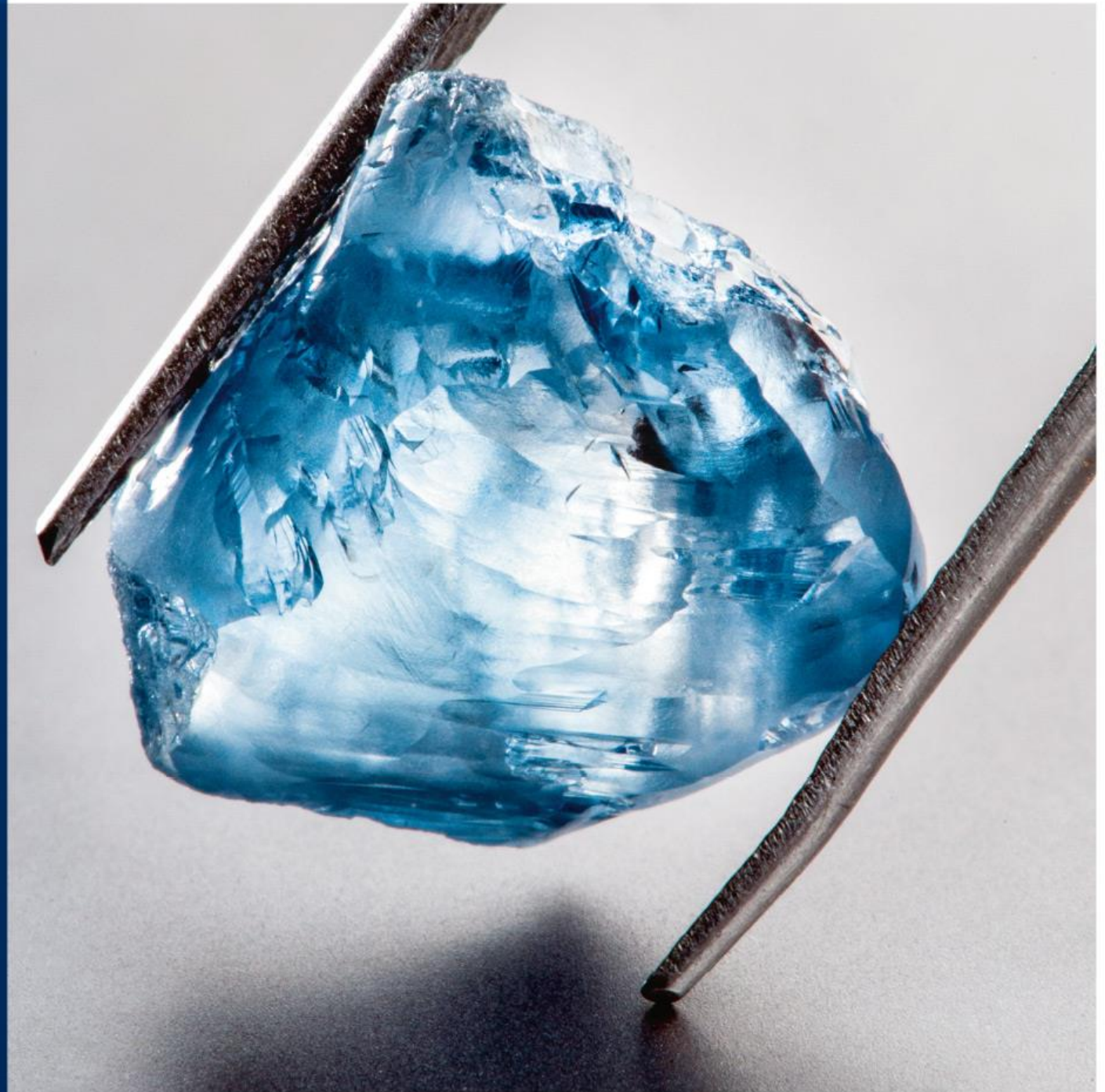


PetraDiamonds

—

Chief Executive Review

Richard Duffy



Board of Directors



Adonis Pouroulis
Non-Executive Chairman

Nomination Committee



New Developments:

- 3 new Directors in FY 2019
- Social, Ethics and Diversity ("SED") Committee formed in FY 2019
- New Chair to be announced by the end of calendar 2019



Richard Duffy
Chief Executive
Appointed 1 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*



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*



One of the world's top 5 independent diamond producers

Cullinan	Finsch	Williamson	Koffiefontein
			
74% Petra; 26% BEE Block cave / Sub-level cave Mine Plan to 2029	74% Petra; 26% BEE Sub-level cave / Block cave Mine Plan to 2030	75% Petra; 25% Gov of Tanzania Open Pit Mine Plan to 2032	74% Petra; 26% BEE Sub-level cave Mine Plan to 2024

- 1997: Petra became the first diamond company to list on London's AiM market
- 2005: Merged with Crown Diamonds
- 2007: Acquired interest in the Koffiefontein mine
- 2008: Acquired interest in the Cullinan mine
- 2009: Acquired interest in the Williamson mine
- 2011: Acquired interest in the Finsch mine

FY 2006		FY 2019
0.175 Mcts	Production	3.9 Mcts
\$21 million	Revenue	\$463.6 million
(\$4.5 million)	Adj. EBITDA ¹	\$153.0 million
(\$12.2 million)	Op. FCF	\$70.5 million



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

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, 2009



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



Positioned to make a Difference

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)
US\$78.3 million
US\$8.6 million

+



Employee wages
US\$105.4 million
US\$37.8 million

+



Social investment
US\$0.7 million
US\$0.3 million

+



Taxes and royalties
US\$42.2 million
US\$7.1 million

+



Supplier expenditure
US\$199.4 million
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

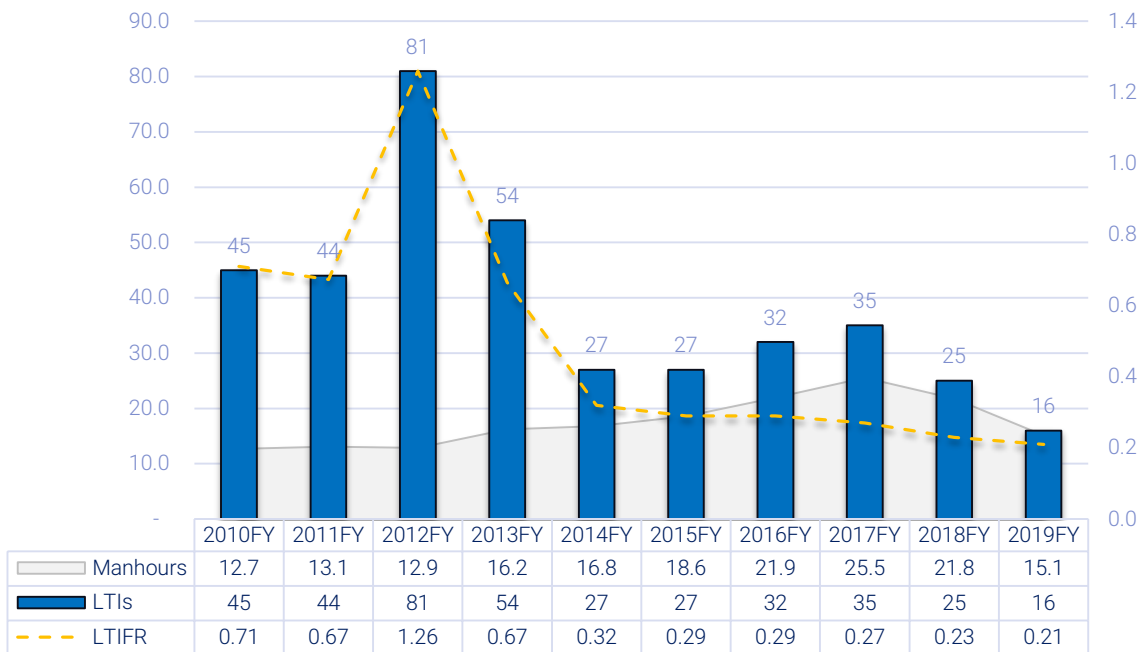


Relentless Focus on Zero Harm



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
- LTIFR reduced by 70% and LTIs by 64% over last 10 years, despite a 19% increase in man-hours



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

HEALTH & SAFETY PLEDGE



EACH FINGER SYMBOLISES THE PLEDGE YOU ARE MAKING
TOWARDS YOUR COMMITMENT TO THE TARGET OF **ZERO HARM!**



PLEASE COMMIT WITH YOUR SIGNATURE:



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



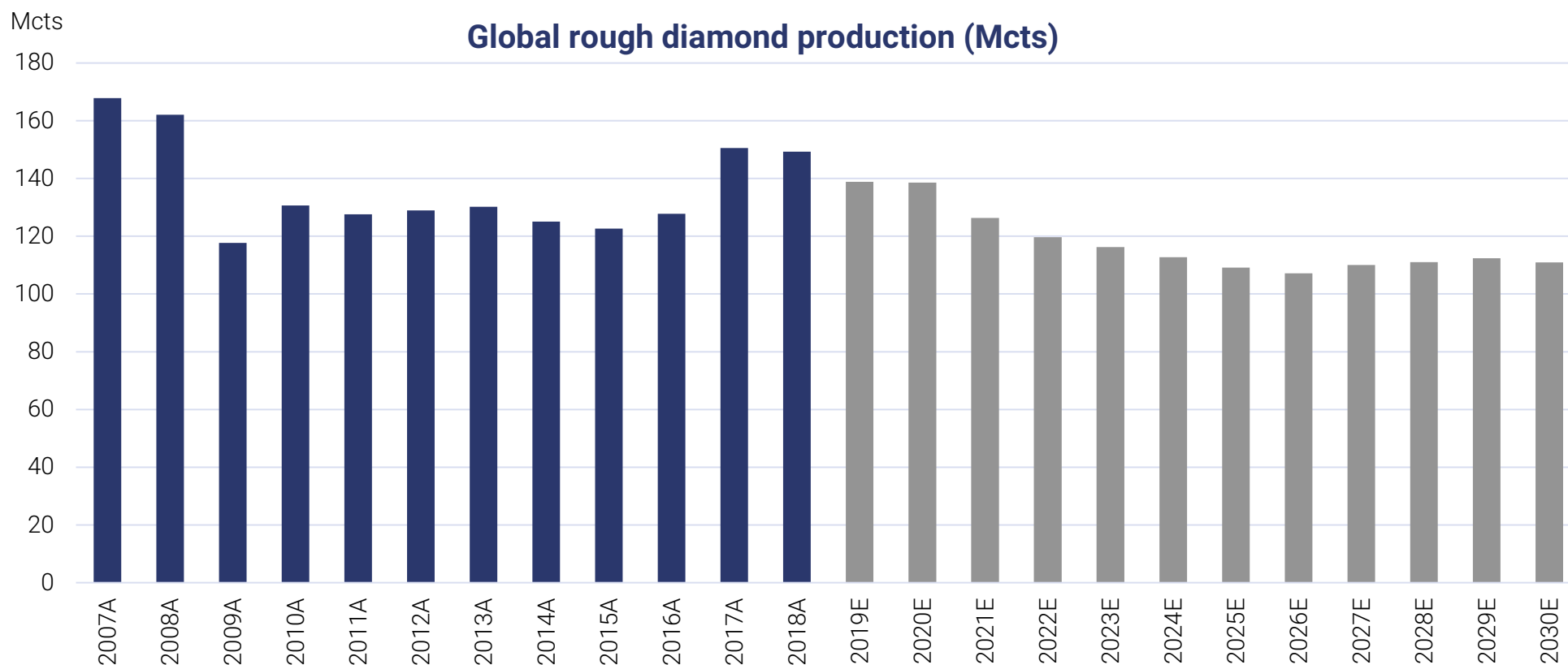
8% decrease in
carbon emitted
per carat



¹ Petra currently employs 6,788 employees and contractors, but give the generally accepted 'multiplier effect' in South Africa and Tanzania, ca. 68,000 people are dependent on our operations

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

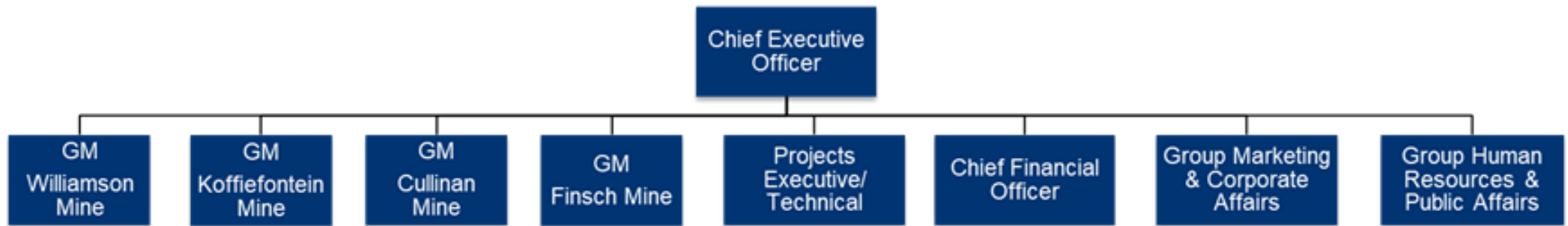


Source: Company reports, Kimberley Process and Petra Diamonds

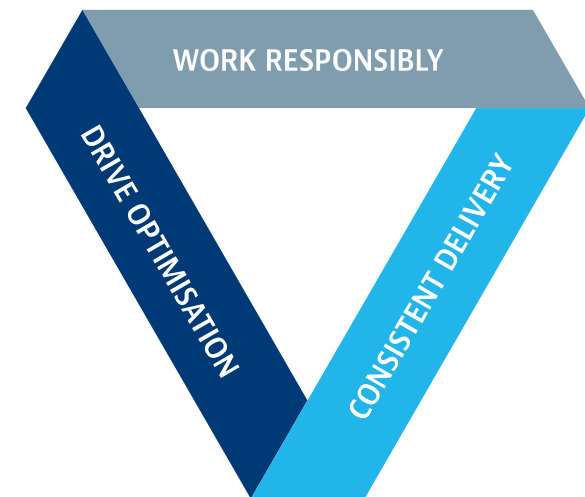


Evolution of Management Structures

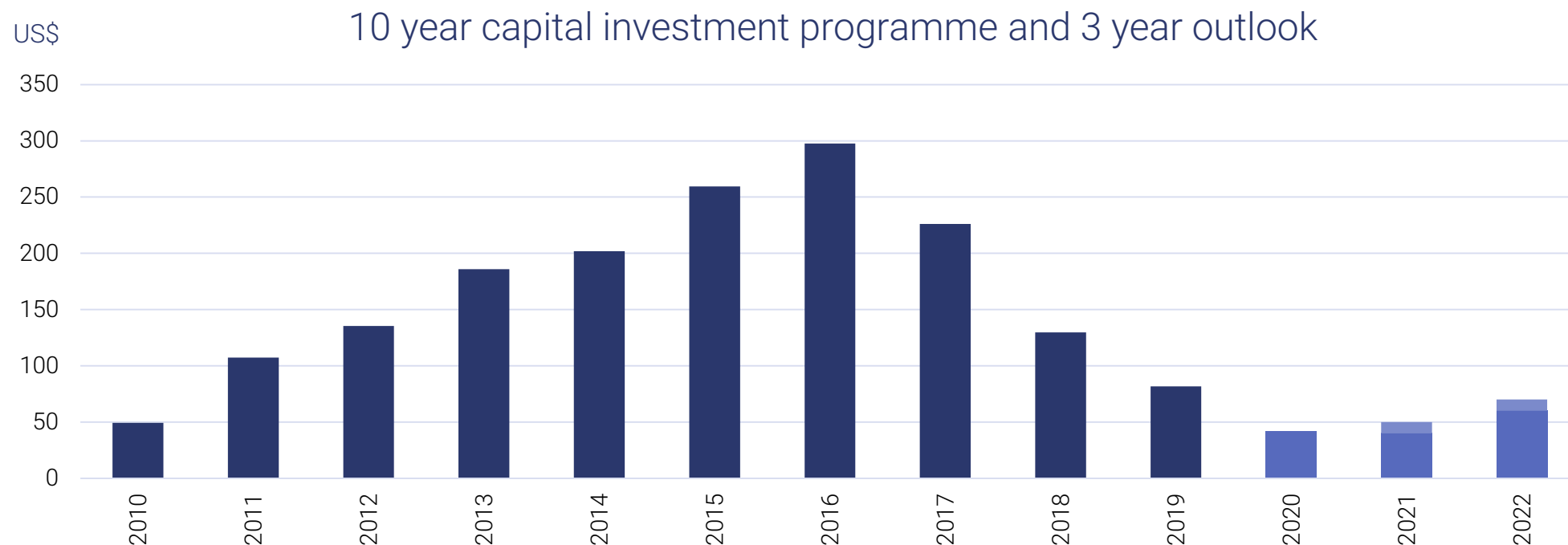
Flatter management structure sees operations report directly to the CEO



- 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 execution 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



Completion of heavy capital intensive phase



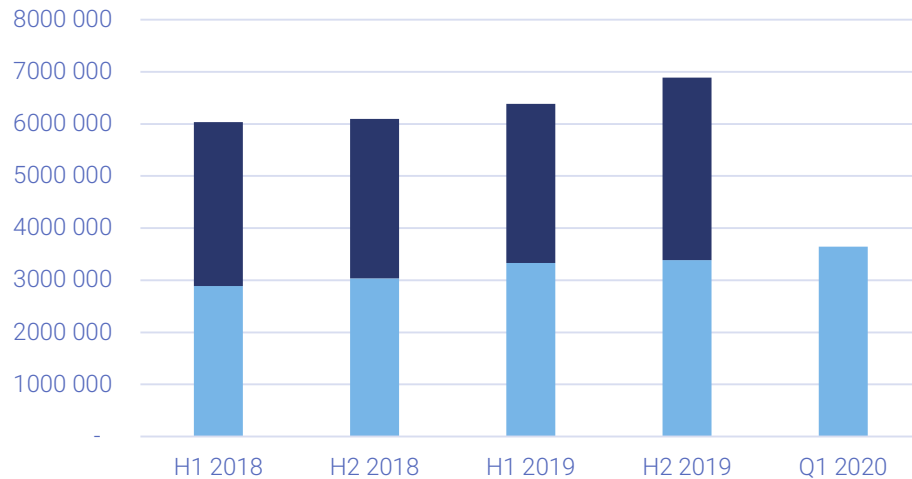
- Petra has completed major capital expansion programmes across each of its assets and is now bedding down steady state production
- Addressing Petra's high leverage level is single most important business imperative in order to achieve a re-rating of the stock



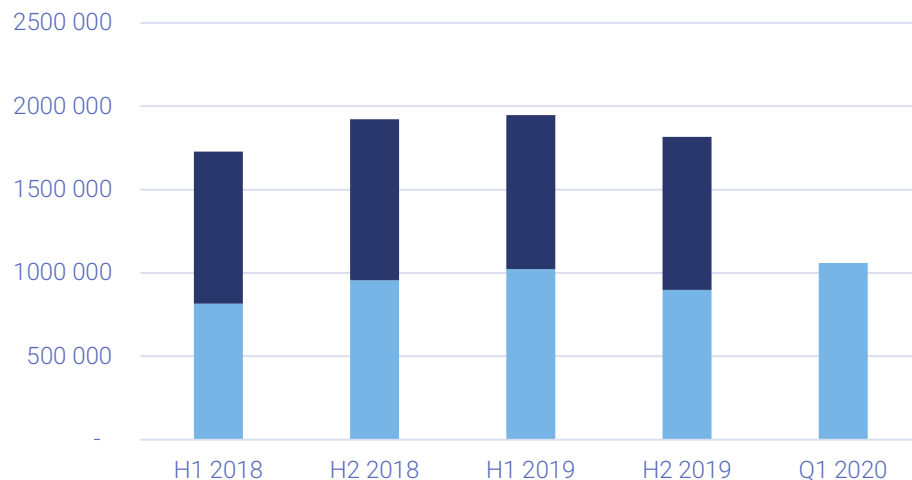
Consistent Operational Delivery against Market Expectations

Q1 FY 2020 saw the highest ROM tonnes and carats in Petra's history

ROM tonnes treated



ROM carats recovered



Q1 FY 2020

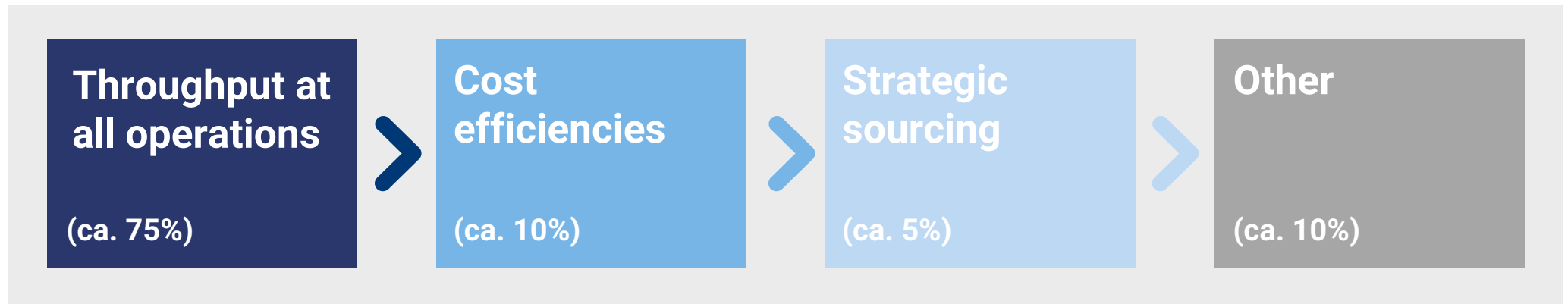
- Production +1% to 1.08 Mcts
- On track to deliver 3.8 Mcts for FY 2020; each operation is running in line with expectations
- Revenue -23% to \$61.6 million from 603,626 carats sold due to lower prices and volumes and poorer product mix
- Diamond prices down ca. 4% in comparison to Q4 FY 2019
- Diamond prices post Q1 indicate some stabilisation with early signs of modest improvement towards year end
- Recovery of 20.08 carat Type 11 exceptional blue diamond at Cullinan – sold on 15 November for \$14.9 million (\$741k million per carat)



Generation of Free Cash Flow to reduce Leverage

Project 2022 expected to start delivering benefits from H2 FY 2020

- Initial target of \$150-200 million¹ free cash flow over three year period²
- Change management exercise – important cultural shift reinforced by continuous employee engagement and CEO tour of operations
- Implementation underway at Finsch and Cullinan; diagnostics being completed at Koffiefontein, Williamson and at Group level
- Sourcing and overhead support workstreams commenced; Programme Management Office established



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 FY2020, 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



The DPA aims to actively influence consumer demand for diamonds

Global consumer demand grew 2% in 2018 to \$76bn¹

- 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

Estimated carbon emissions of laboratory-grown diamonds is 3 times more than natural diamonds.



Source: DPA Analysis, Environmental Protection Agency

New hero campaign “The Diamond Journey” follows the 3 billion year odyssey of a diamond from genesis to jewellery

- Cinematic short film captures the transformation of a beautiful rough diamond into the ultimate representation of love, commitment and meaningful moments
- Available to view at <https://realisadiamond.com/> - fully integrated multi-media campaign toolkit available for trade use

THREE
BILLION YEARS
in the
MAKING.



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 according to 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





PetraDiamonds

—

Appendix



Capital Structure

Share Price (1 year to 26 November 2019)



Major Shareholders as at 26 November 2019

% 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)	5.6m
Shares in issue	865.4m
Free float	94.7%
Market cap @ 8.9p (26 November 2019)	£78m / \$100m

Petra Diamonds Corporate Bond

Issue date:	May 2017
Issue size:	US\$650 million
Coupon:	7.25%
Maturity:	May 2022



Balance Sheet Snapshot

- Increase in net debt at 30 Sep 2019 is due to only one tender in Q1
- Bank facilities of R1.5 billion fully undrawn and available (FX movement causes USD value to fluctuate)

	Unit	30 Sep 2019	30 Jun 2019
Closing exchange rate used for conversion		R15.16:US\$1	R14.07:US\$1
Cash at bank (incl. restricted amounts)	US\$m	57.2	85.2
Diamond inventories	US\$m	92.4	57.5
	Carats	1,145,274	666,201
Diamond debtors	US\$m	7.2	23.8
US\$650 million loan notes (issued April 2017)	US\$m	650.0	650.0
Bank loans and borrowings	US\$m	—	—
Net debt	US\$m	592.8	564.8
Bank facilities undrawn and available	US\$m	98.9	106.6
Consolidated net debt for covenant measurement purposes ¹	US\$m	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\$52.1 million (ZAR790.4 million) as at 30 September 2019 (ca. US\$54.2 million (ZAR762.5 million) as at 30 June 2019)



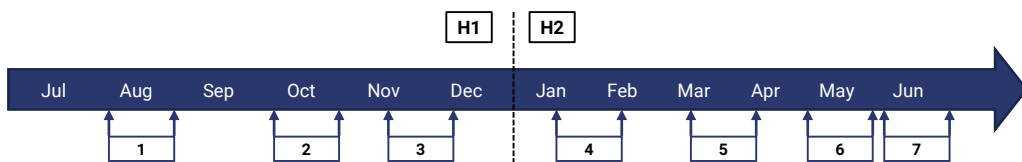
Diamond Market Performance

Short term headwinds affecting pricing

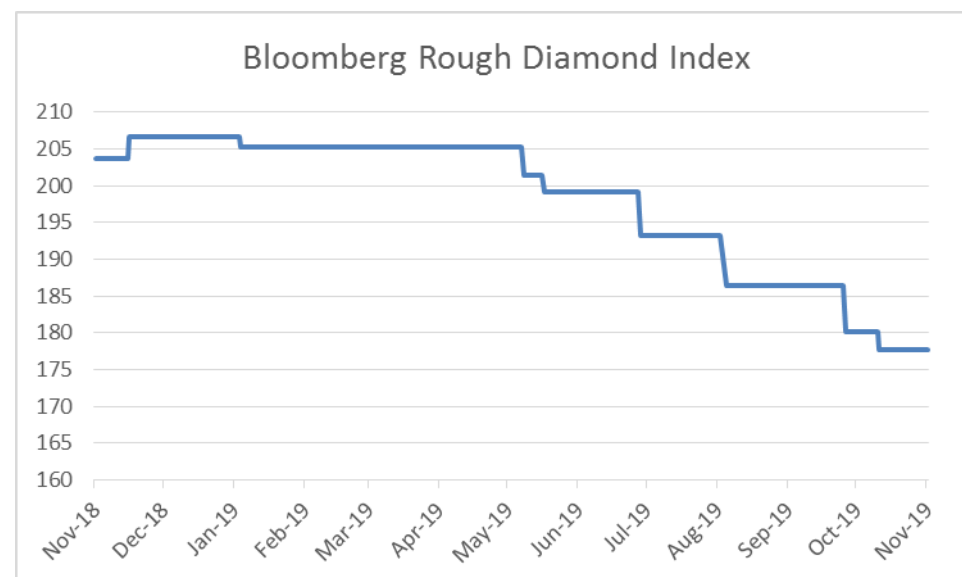
Diamond Market Performance

- Challenging conditions in FY 2019 driven by a weakening in global markets, trade tensions between the US and China, higher than normal polished inventories and the sustained tightening of liquidity in the midstream
- Supply discipline by the major diamond producers, combined with increased advertising spend targeting the festive retail season, expected to help establish supply/demand balance in midstream
- Prices at Tender 2 of H1 FY 2020 indicated some stabilisation with early signs of modest improvements
- Retail sales in major markets remain stable, with the exception of Hong Kong

Petra sales calendar

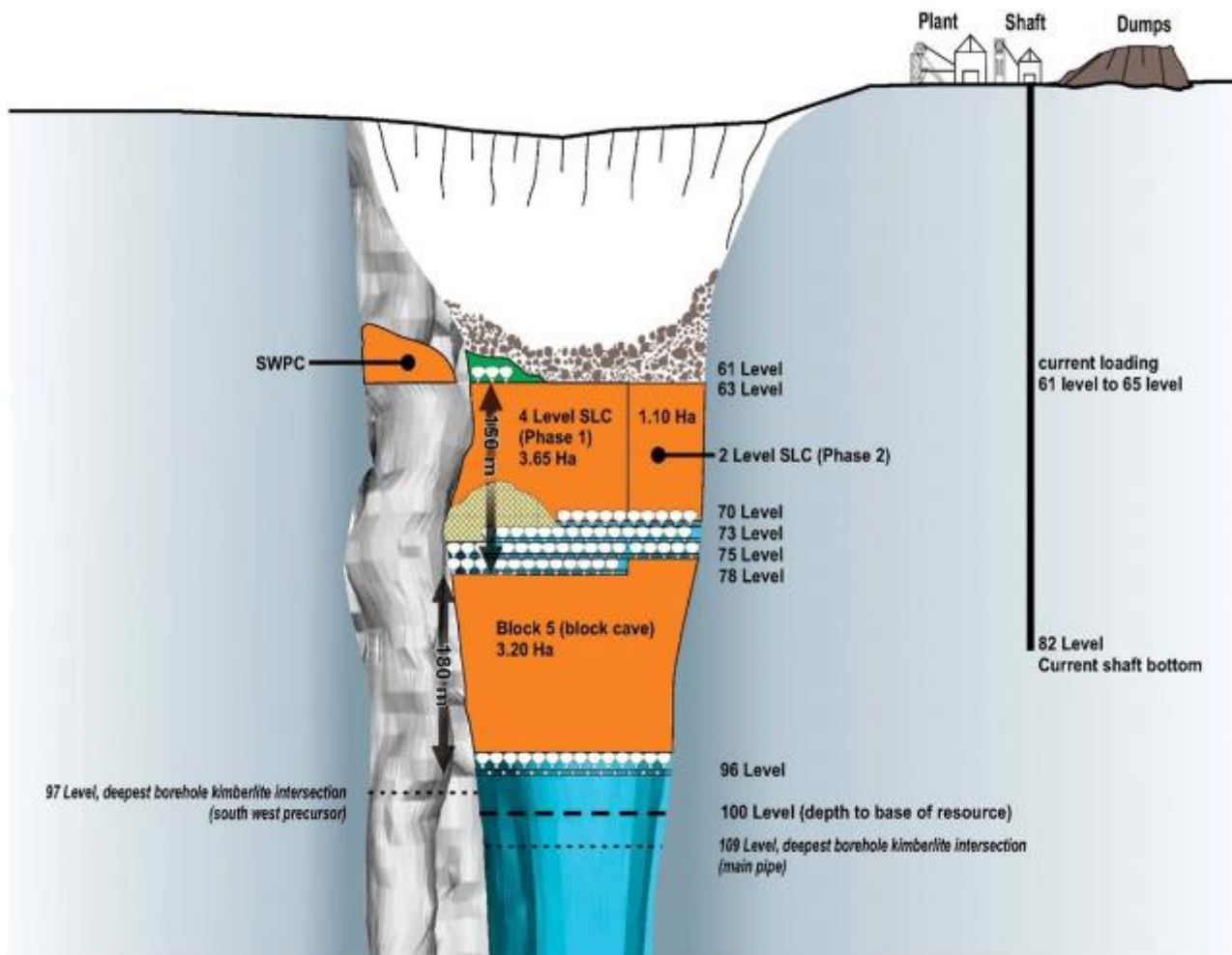


Rough Diamond Prices	Q1 FY 2020 US\$/ct	FY 2019 US\$/ct
Finsch	81	99
Cullinan	89	110
Koffiefontein	415	480
Williamson	176	231
Group average	102	124

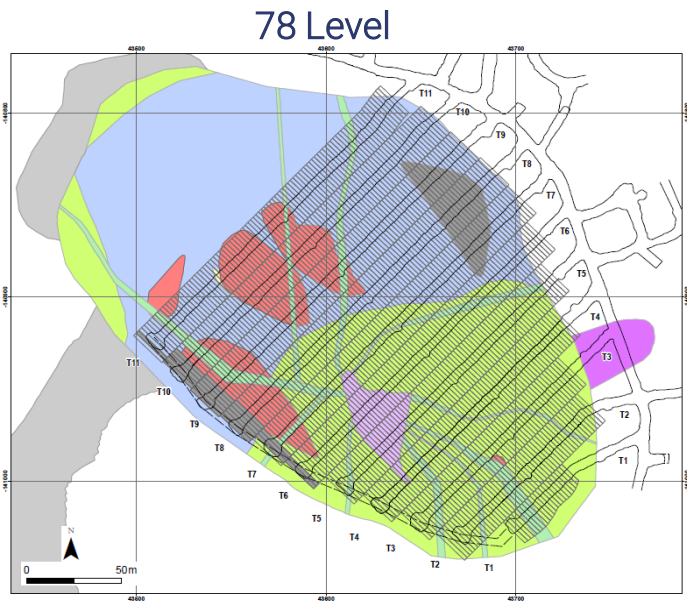
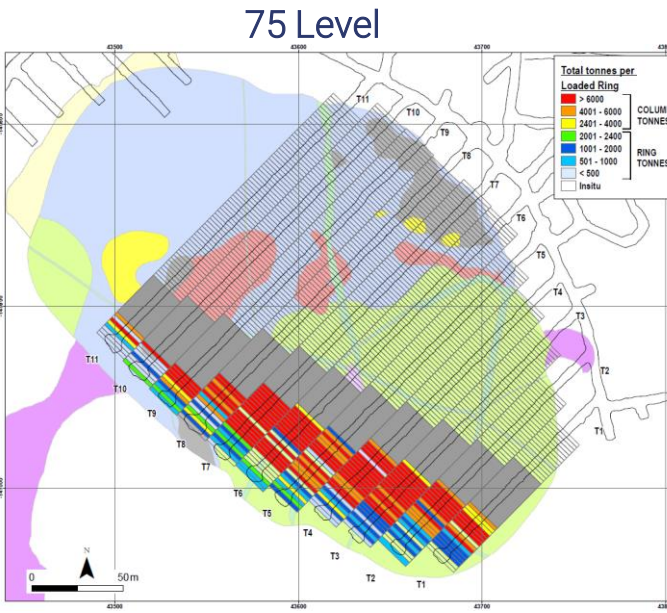
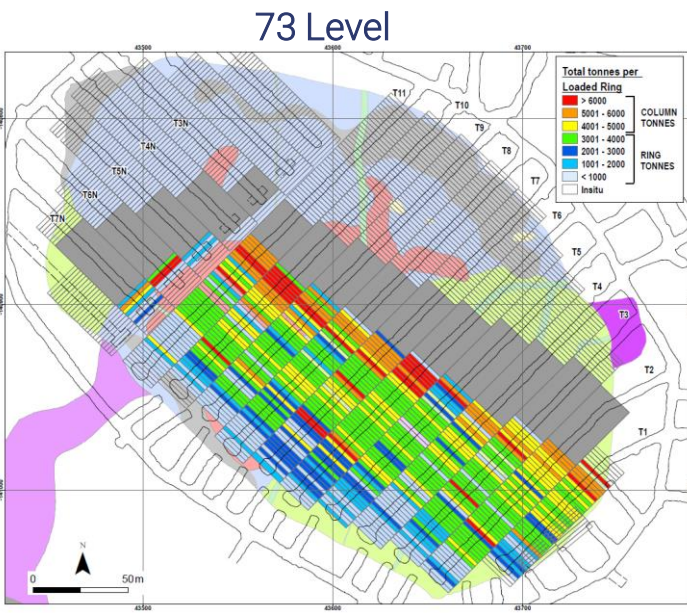
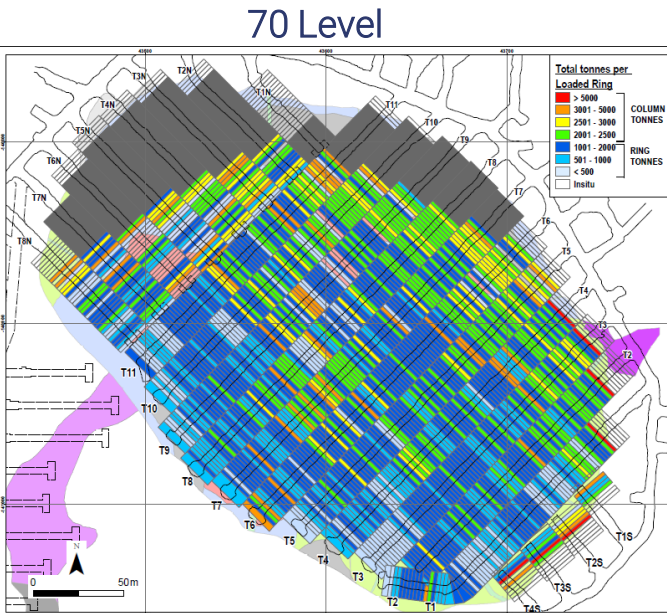
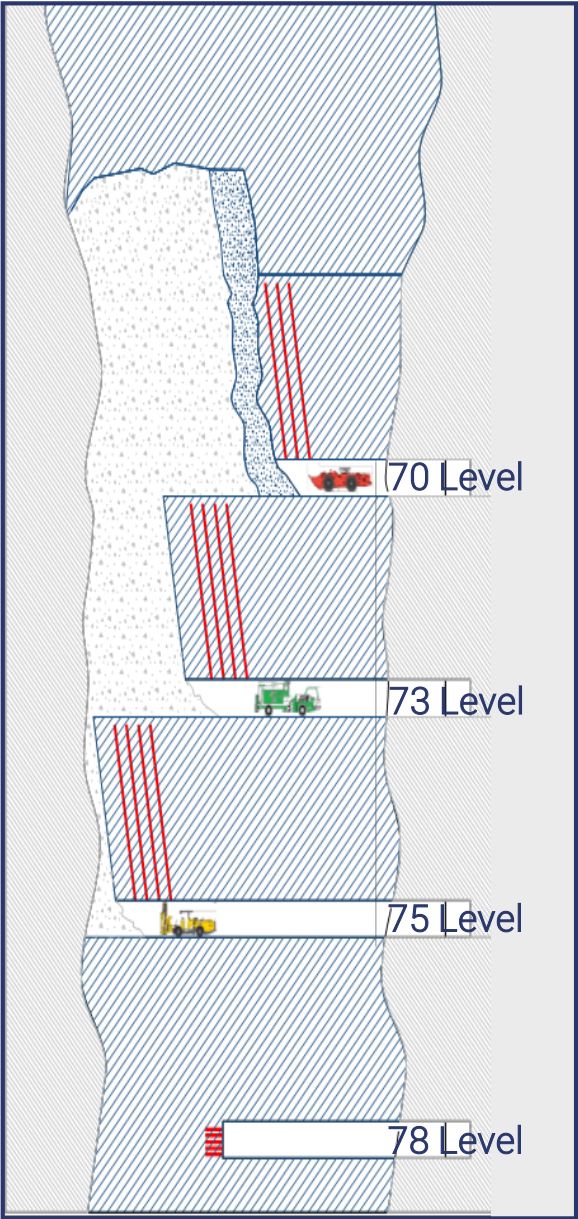


Steady state production from Block 5 SLC to be reached in H2 FY 2020

- 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
- Pre 79 Tailings treated – end FY 2019

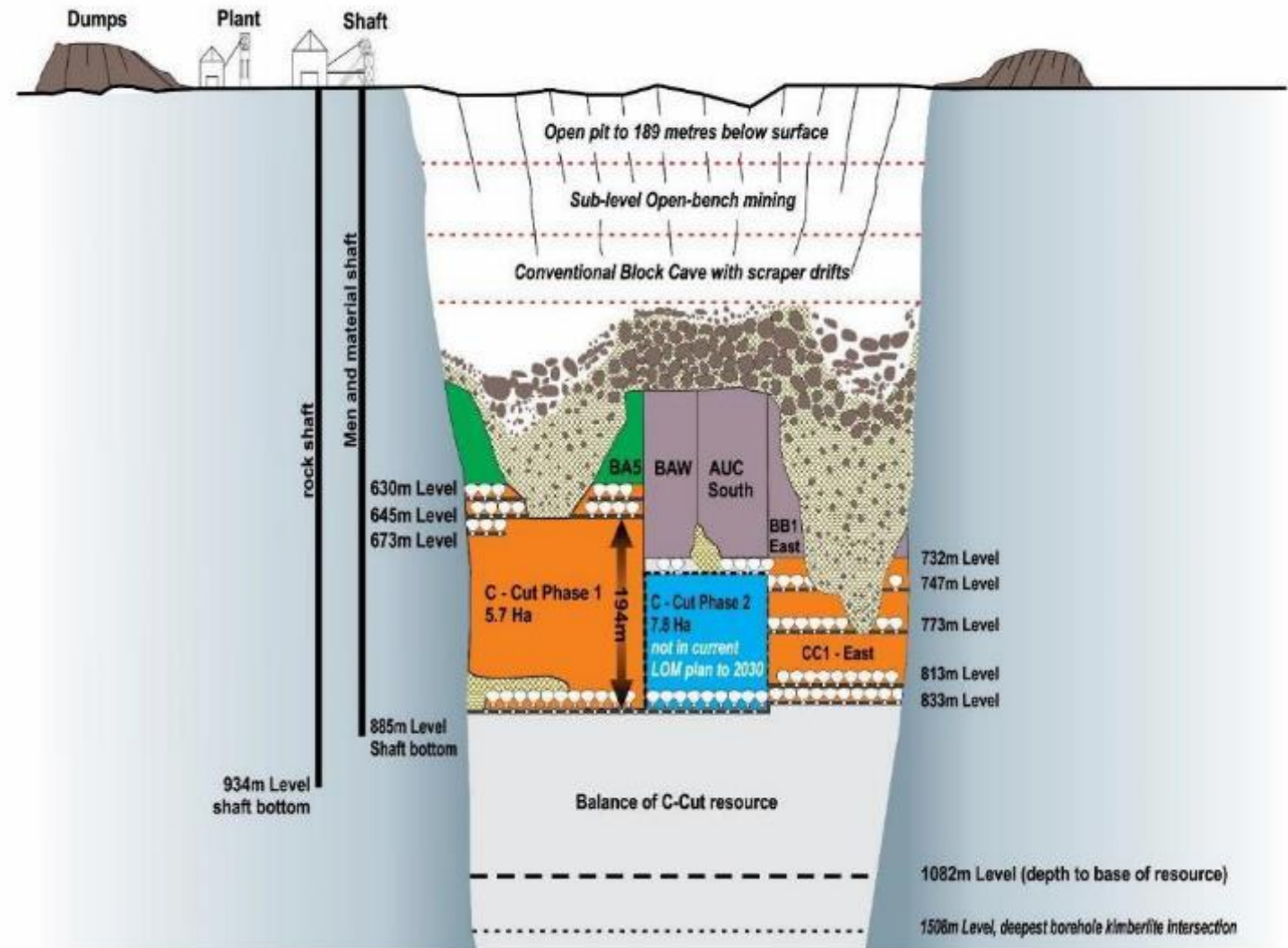


Block 5 SLC Progression

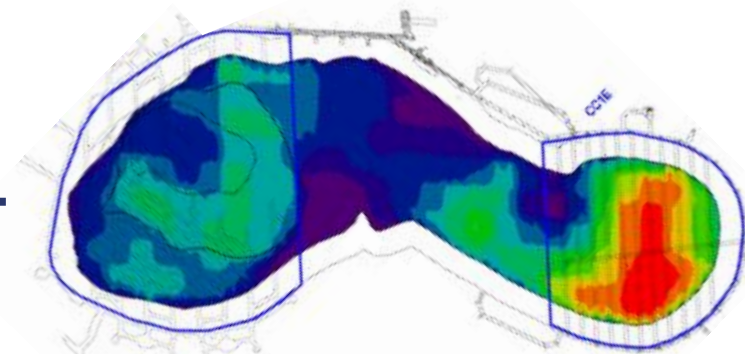
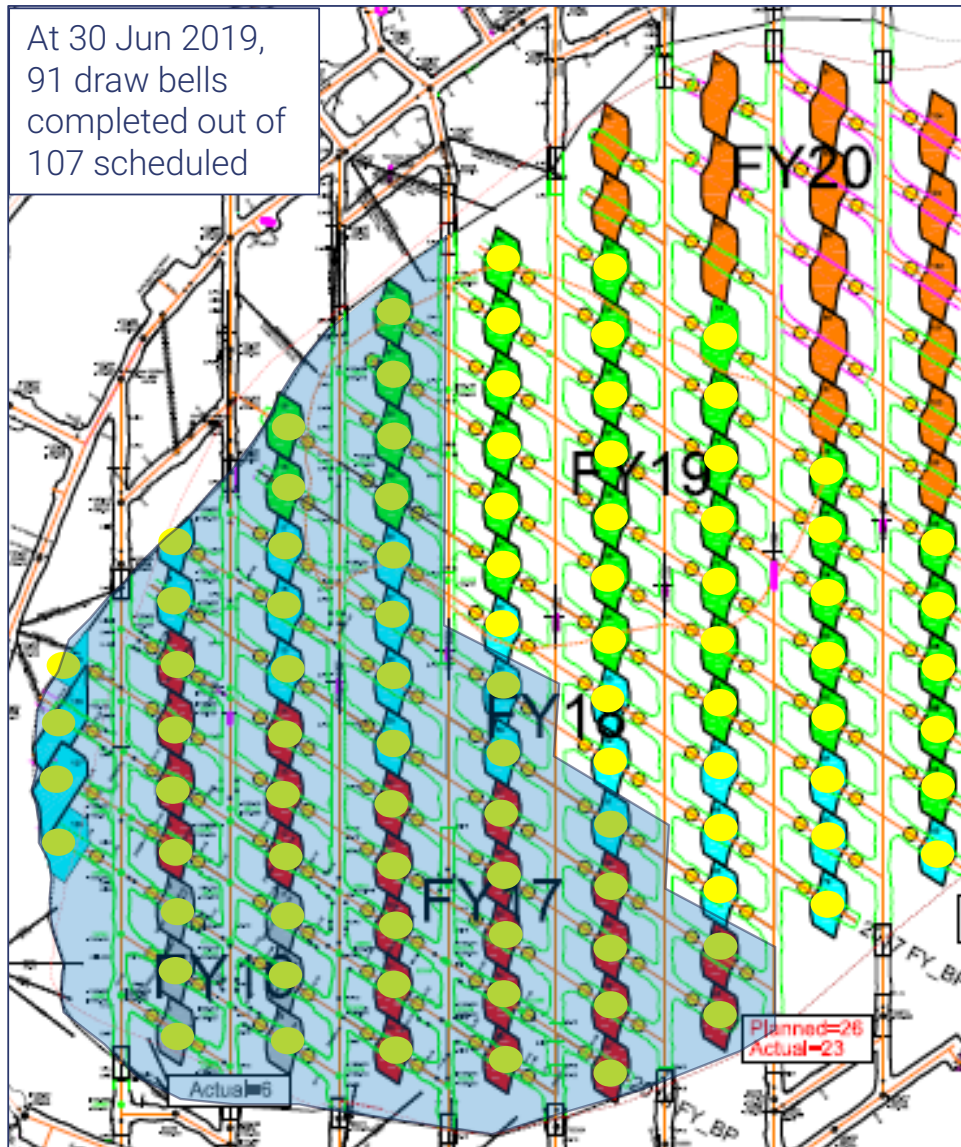


Steady state production from C-Cut Phase 1 and CC1E to be reached in FY 2020

- 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 in 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



C-Cut Progression

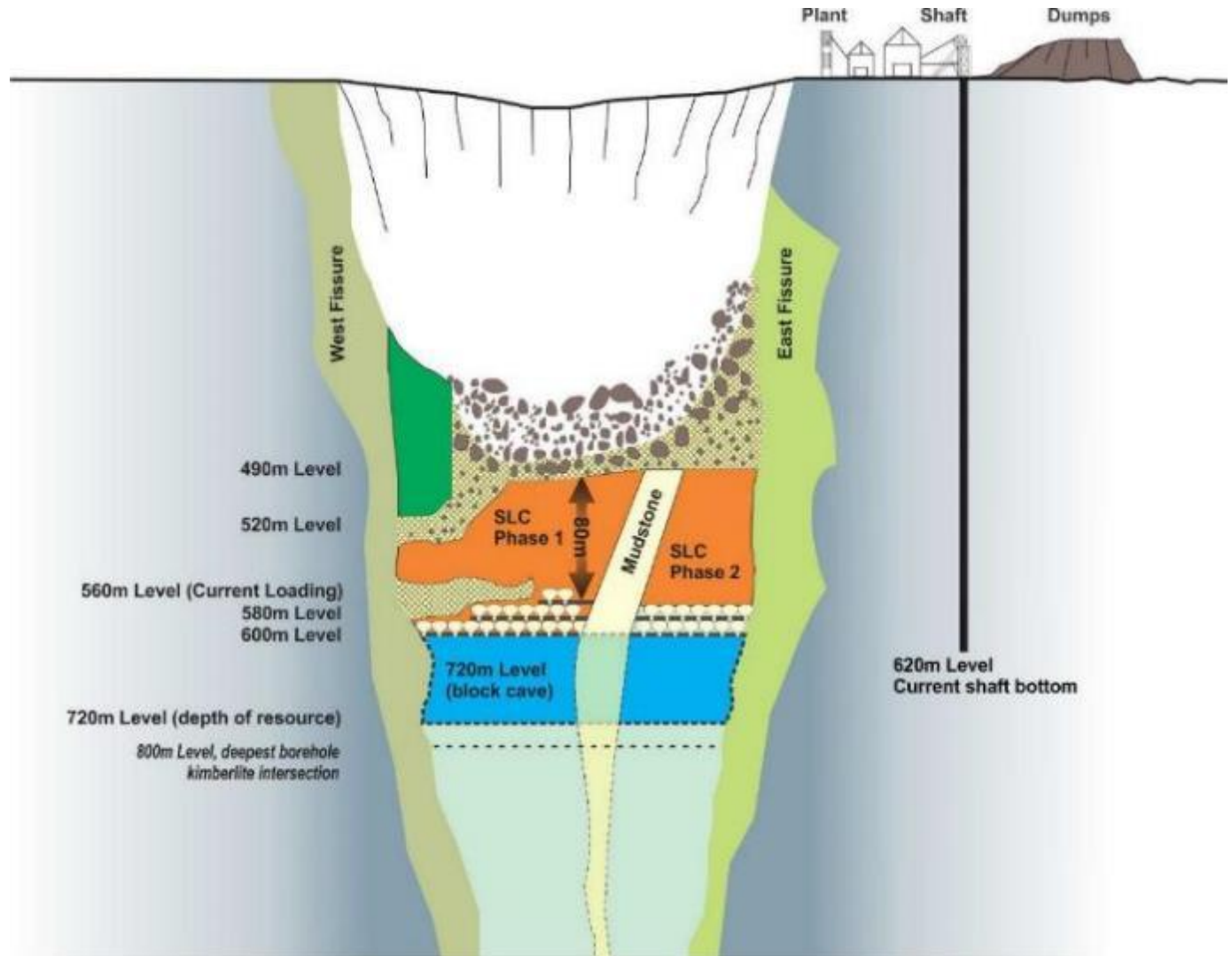


16 ha at 830 mL

- Draw-bell installations planned to be completed in H1 FY 2020; draw points will be maturing over a 12 month period
- Cave was started in SW area due to geotechnical considerations to ensure the integrity of the cave
- The SW area, covering ca. 25% of the C-Cut footprint, has produced 75% of the ore to date
- Production across the full footprint should result in reduced grade and value variability, although volatility may still be observed

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



Steady state production achieved in FY 2018

- New mill plant commissioned H2 FY 2017
- FY 2018 production – 341 Kcts
- FY 2019 production of 399 Kcts (best production since 1977) and sales revenue of \$93.0m
- FY 2019 ROM throughput of ca. 5.0 Mt supplemented by alluvial production of ca. 0.4 Mt
- Recovery of high value pink stones
- Discussions ongoing with Government of Tanzania and local advisers in relation to the overdue VAT receivables and the blocked parcel



FY 2019 vs. FY 2018 Operational Results

		Finsch		Cullinan		Koffiefontein		Williamson	
	Unit	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	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 – Covenants

Bank debt facilities undrawn and available to the Group as at 30 June 2019 of R1.5 billion (ca. \$106.6 million), in addition to cash at bank of \$85.2 million

Covenant	Maintenance Covenants					Distribution Covenants
	12 months to 30 Jun 2019	12 months to 31 Dec 2019	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	Required ratio
Consolidated Net Debt ¹ to Consolidated EBITDA	≤4.5x	≤4.25x	≤3.5x	≤3.25x	≤3.0x	≤2.0x
Consolidated EBITDA to Consolidated Net Finance Charges	≥2.5x	≥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	≤0.4x	≤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\$54.2 million (ZAR762.5 million) as at 30 June 2019 (ca. US\$85.9 million (ZAR1,218 million) as at 30 June 2018)

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



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 ZAR14.07/USD1

² The ZAR Revolving Credit Facility will be subject to new margin and commitment fee ratchet mechanisms contingent on the Consolidated Net Debt: Consolidated EBITDA covenant levels at each measurement date



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





PetraDiamonds

Thank you

Further enquiries:

investorrelations@petradiamonds.com

+44 20 74948203

www.petradiamonds.com