



PetraDiamonds

Interim Results Presentation

Petra Diamonds Limited

17 February 2020

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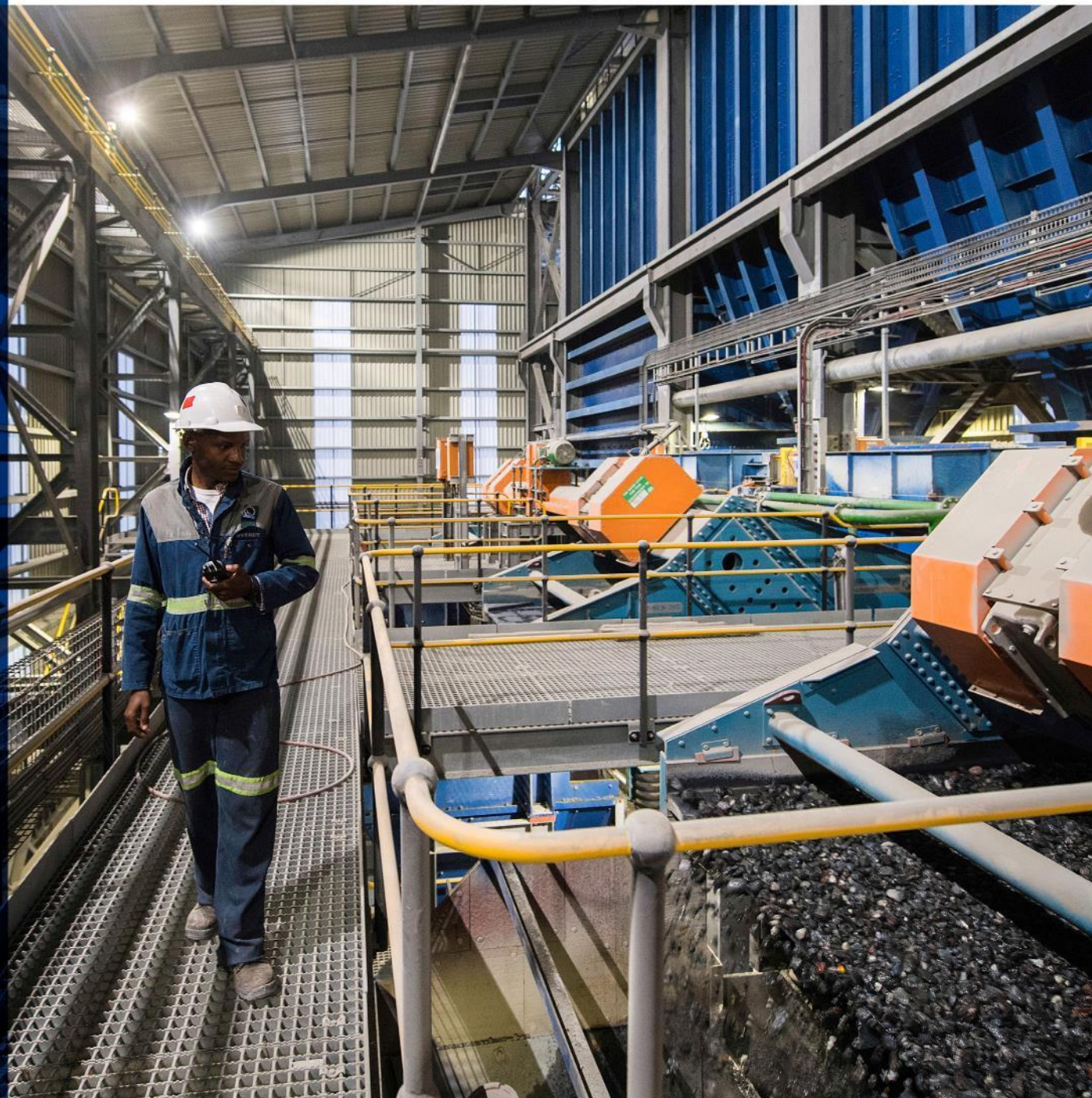




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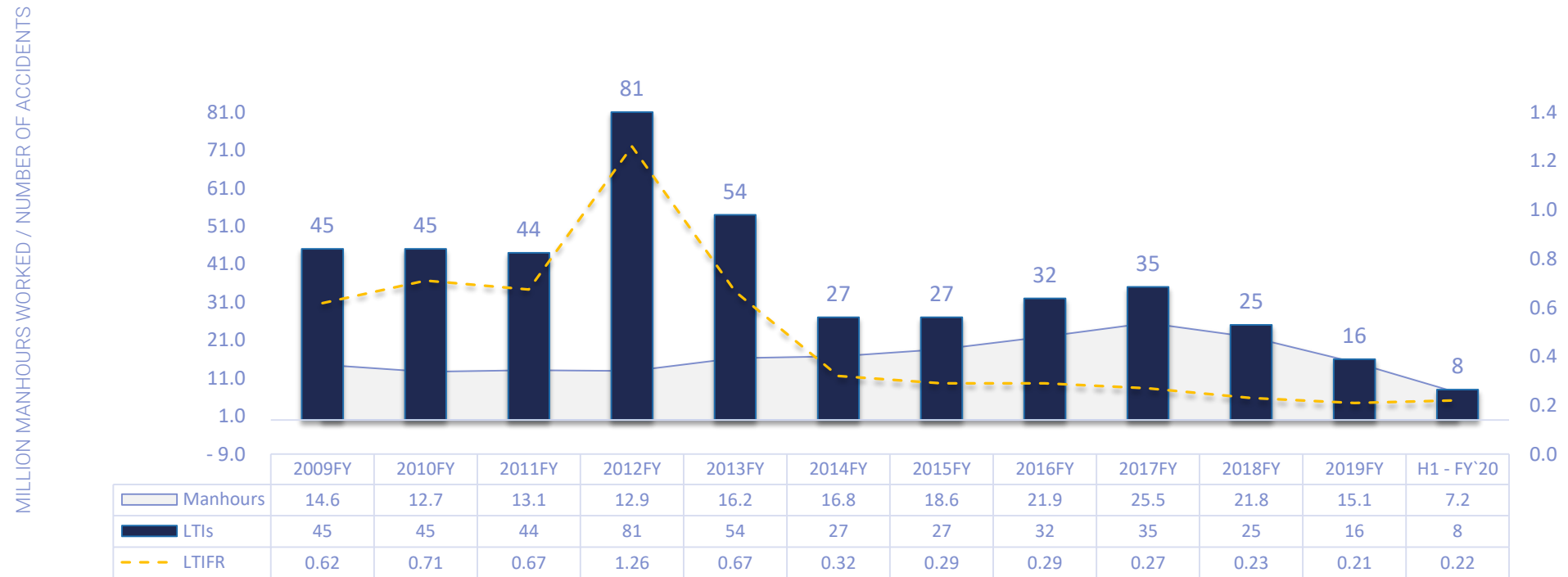
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CEO Overview



Improving trend in safety performance over +10 year period

- Safety is our most important personal and organisational value
- From FY 2009 to H1 FY 2020: LTIFR -65% and LTIs -82%



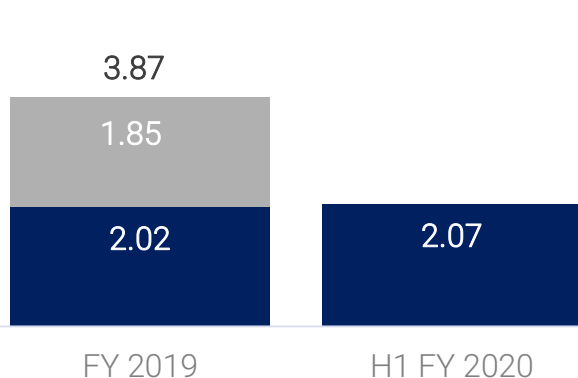
The Lost Time Injury Frequency Rate expressed per 200,000 hours worked

Delivery of solid operational results in challenging market

PRODUCTION

Million carats

2.07 +3%

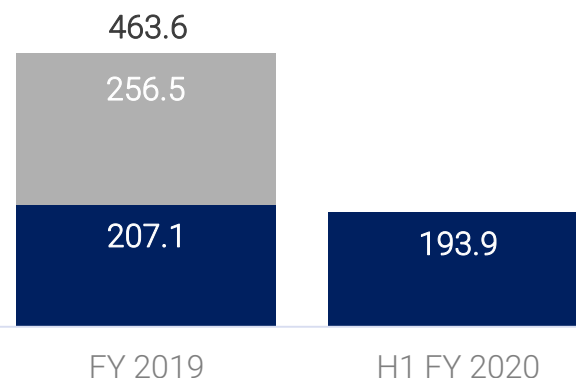


- All mines ran ahead of plan in H1
- H2 production has had a slower start and production will be weighted towards Q4
- Further load shedding in South Africa also remains a risk

REVENUE

US\$ million

193.9 -6%

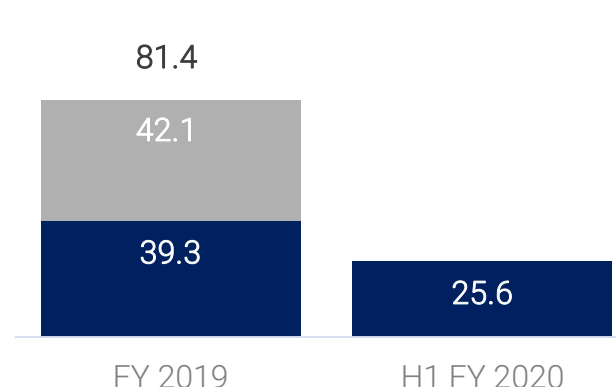


- Revenue impacted by lower diamond prices due to weaker market (-10%), adverse product mix at Finsch and Williamson (-3%), offset by the sale of the exceptional 20.08ct blue diamond from the Cullinan mine (+7%) for \$14.9 million

CAPEX¹

US\$ million

25.6 -35%



- Significant reduction of Capex as major capital expansion programmes have been materially completed
- Capex for FY 2020 weighted to H1

¹ Capex is Operational Capex, excluding capitalised borrowing costs



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

Strong operational performance supported by Project 2022 across all sites

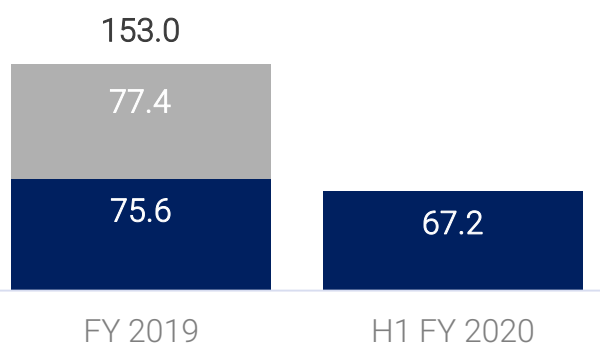


Profitability impacted by weaker diamond prices

ADJUSTED EBITDA¹

US\$ million

67.2 -11%



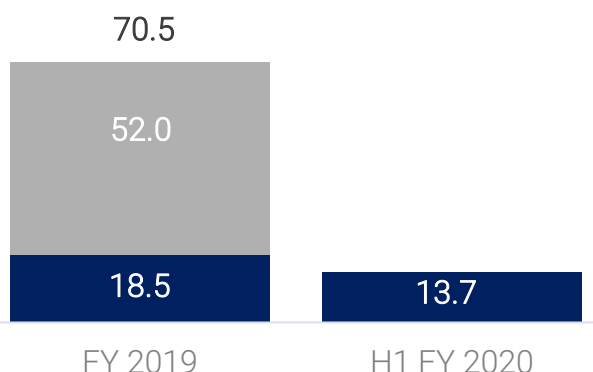
- Lower EBITDA driven by diamond prices
- Adjusted EBITDA margin of 35% (H1 FY 2019: 36%)

¹ Refer to interim results announcement dated 17 February 2020 for detailed notes regarding non-IFRS adjusted disclosures

OPERATIONAL FREE CASH FLOW

US\$ million

13.7 -26%



- Generation of positive Op FCF despite weak pricing environment reflects positive impact of Project 2022 initiatives to optimise production and control costs

ADJUSTED NET LOSS AFTER TAX¹

US\$ million

11.1 H1 FY 2019: (4.5)

NET LOSS AFTER TAX

US\$ million

10.0 H1 FY 2019: (57.9)

BASIC LOSS PER SHARE

US\$ cents

1.01 H1 FY 2019: (6.57)



Responsible Mining in H1 FY 2020 – Playing a Positive Role within our Communities



Cullinan celebrated the accomplishments of the top achievers at the 2020 Matric Awards Gauteng North District, including two scholarship pupils who walked away with top honours



Launch of the artisanal mining initiative at Koffiefontein, allowing for legal and properly regulated artisanal mining to take place on certain tailings mineral resources, for the benefit of the local community



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



Petra's Women in Leadership programme to empower female leaders in the workplace is now in its second year, with a number of WIL participants attending a 3 day workshop in Kimberley



Petra supported the '16 Days of Activism for No Violence against Women and Children' campaign, with Finsch employees taking part in a walk to raise awareness around gender-based violence



Spreading Christmas cheer by distributing gift packs to children in Refilwe, local to the Cullinan mine





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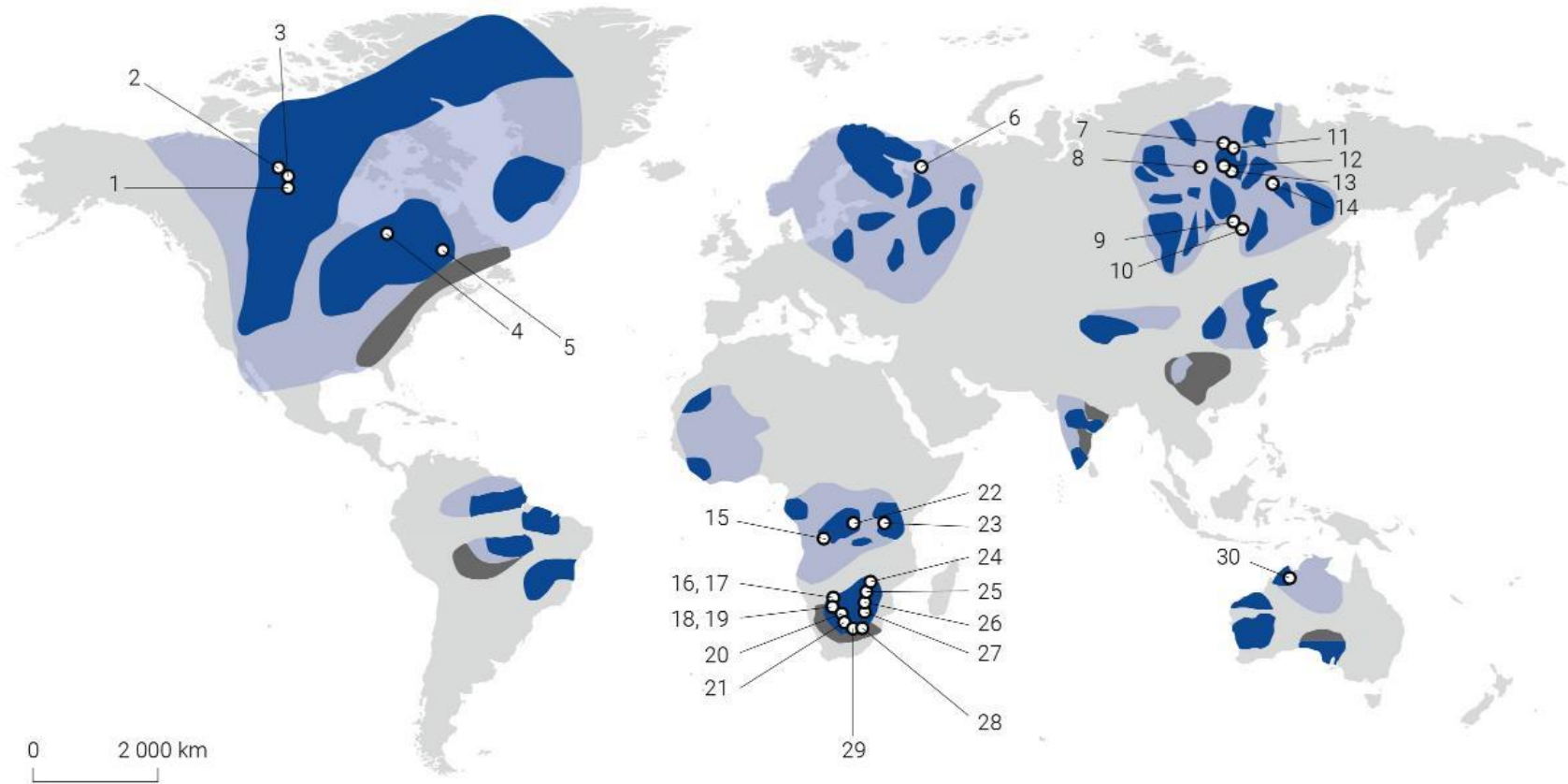
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Diamond Market Overview



Global Production

Only 30 significant kimberlite mines in production today



- Archons: Archean areas
(3 500-2 500 million years old)
- Protons: Early and middle proterozoic areas
(2 500-1 500 million years old)
- Tectons: Late proterozoic areas
(1 500-600 million years old)

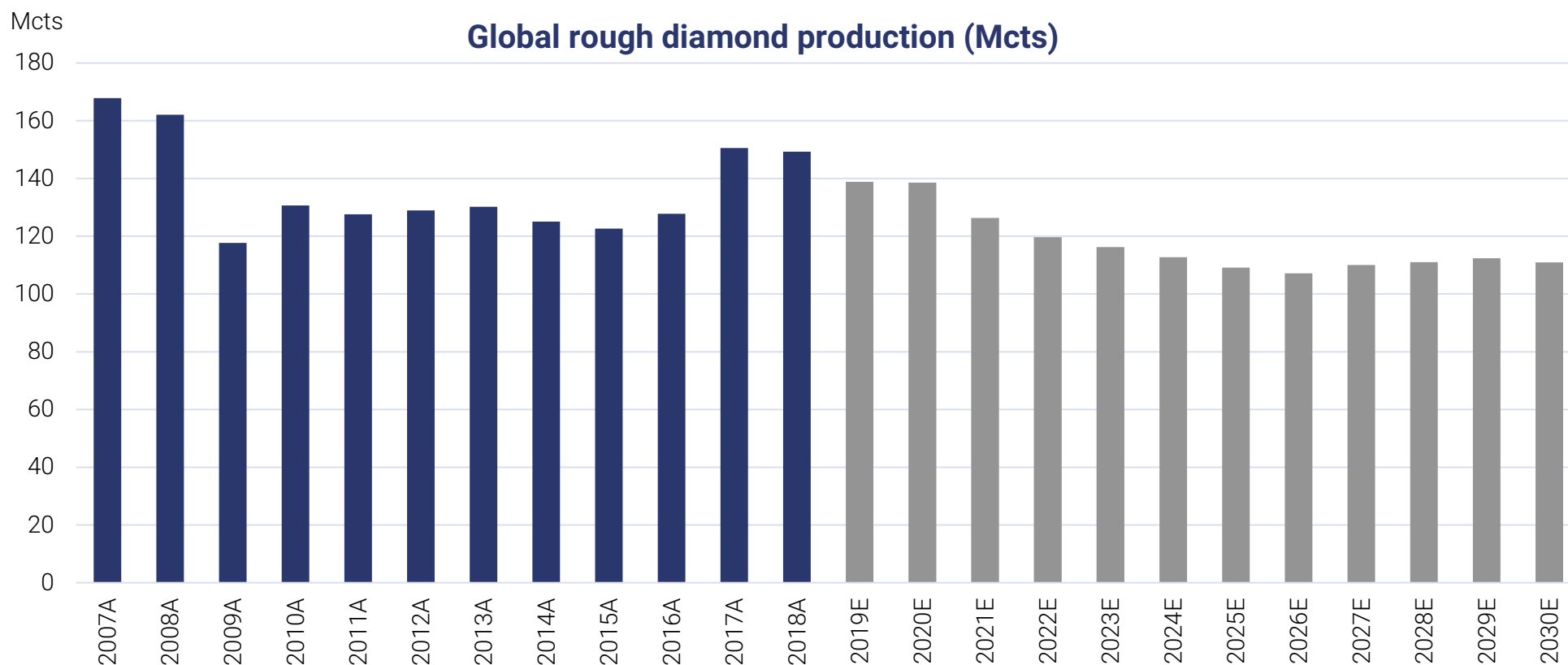
○ Major kimberlite diamond mines currently in operation

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



The supply side outlook continues to contract

- Rough diamond production fell 2% to 148.4 Mcts in 2018 with a value of \$14.5bn (2017: \$14.1bn)
- Argyle mine to close in 2020; produced around 10% of world supply by volume 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



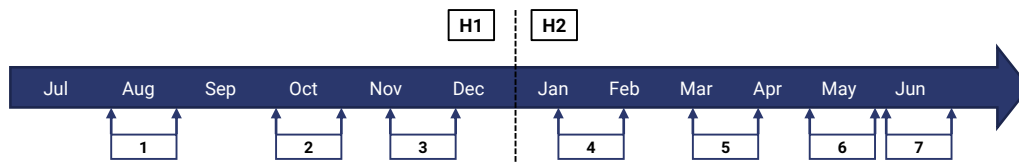
Rough Diamond Prices

Short term headwinds affecting pricing

Rough diamond market performance

- The first tender in H1 FY 2020 saw like-for-like prices down ca. 4% over Q4 FY 2019, with October seeing some stabilisation and a modest improvement in the December 2019 tender – result was prices were ca. -3% in H1 FY 2020
- First tender of H2 FY 2020 in February indicates that prices increased marginally on a like-for-like basis in comparison to H1 FY 2020
- Optimism towards improved market conditions has been eroded by outbreak of coronavirus in China – negative impact on consumer spending around Chinese New Year and reduced impact across the full diamond pipeline
- Continued supply discipline by the leading diamond mining companies will remain a key factor in the health of the rough market in 2020

Petra sales calendar



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

¹ Includes revenue from Exceptional Diamonds in H1 FY 2020 and H2 FY 2019

Bloomberg Rough Diamond Index





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Financial Results



H1 FY 2020 Summary of Results

	H1 FY 2020 (US\$m)	H1 FY 2019 (US\$m)	FY 2019 (US\$m)
Revenue	193.9	207.1	463.6
Adjusted mining and processing costs ¹	(123.6)	(127.2)	(301.7)
Other direct income / (expense)	0.3	0.2	(0.8)
Profit from mining activity¹	70.6	80.1	161.1
Exploration expense	(0.2)	(0.2)	(0.4)
Corporate overhead	(3.2)	(4.3)	(7.7)
Adjusted EBITDA¹	67.2	75.6	153.0
Depreciation	(47.0)	(50.8)	(106.7)
Share-based expense	(0.4)	(0.1)	(0.2)
Net finance expense	(34.1)	(31.7)	(57.5)
Tax credit (expense) (excluding taxation credit on impairment charge)	3.2	2.5	(1.8)
Adjusted net loss after tax¹	(11.1)	(4.5)	(13.2)
Impairment charge – operations ¹	—	—	(223.7)
Impairment charge – other receivables ¹	(1.6)	—	(22.9)
Net unrealised foreign exchange gain / (loss)	2.7	(13.7)	4.0
Taxation credit on impairment charge	—	—	47.6
Loss from continuing operations	(10.0)	(18.2)	(208.2)
Loss on discontinued operations, net of tax ¹	—	(39.7)	(49.9)
Net loss after tax	(10.0)	(57.9)	(258.1)
Earnings per share attributable to equity holders of the Company:			
Basic loss per share from continuing and discontinued operations – US\$ cents	(1.01)	(6.57)	(26.19)
Basic loss per share from continuing operations – US\$ cents	(1.01)	(1.74)	(20.18)
Adjusted loss per share from continuing operations – US\$ cents ¹	(1.17)	(0.16)	(2.63)

¹ Refer to interim results announcement dated 17 February 2020 for detailed notes and explanations regarding non-IFRS adjusted disclosures



Balance Sheet Snapshot

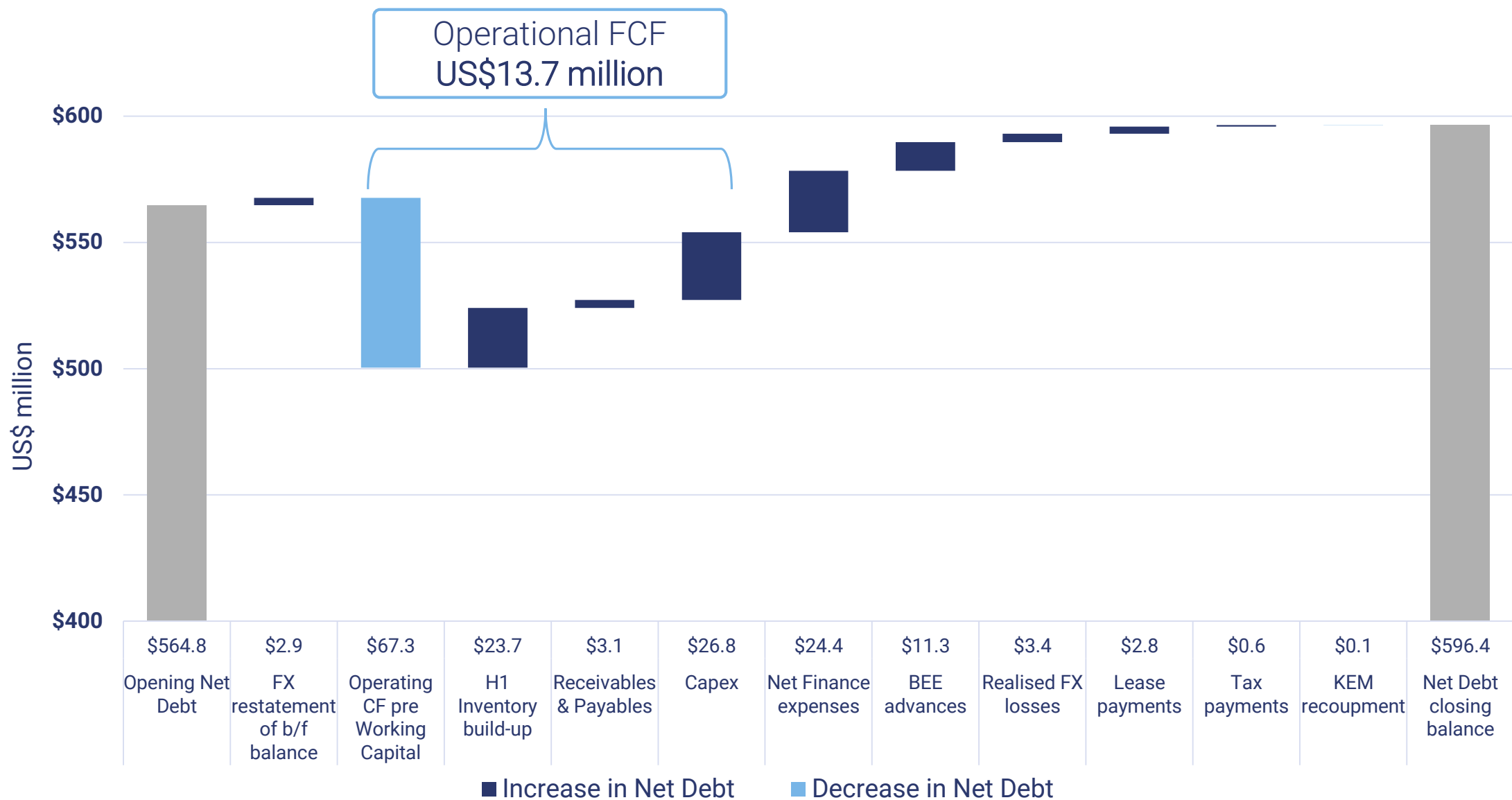
- Bank facilities of R1.5 billion undrawn and available (FX movement causes USD value to fluctuate)
- South African Lender Group consented to a waiver of the EBITDA related covenant ratios associated with Petra's banking facilities for the December 2019 measurement period

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



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

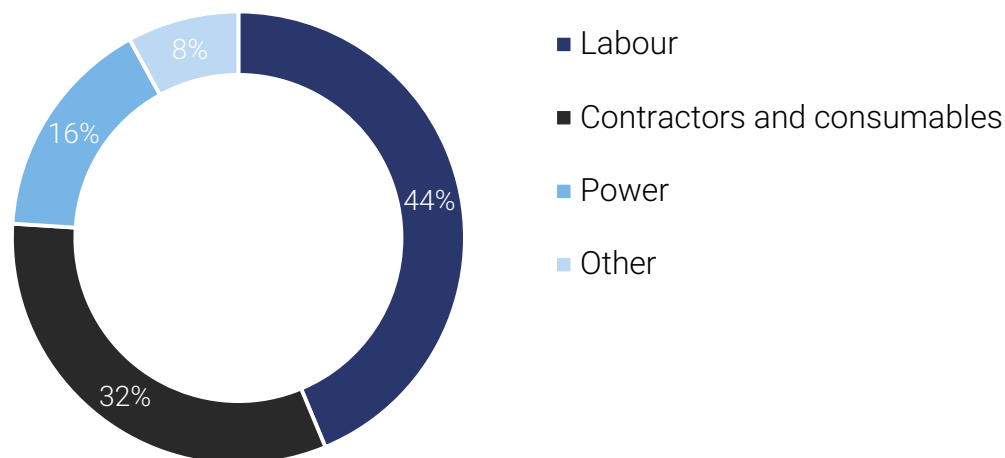
Net Debt Movement in H1 FY 2020



Operating Costs

Costs in line with expectations

H1 FY 2020 On-mine cash cost breakdown (South Africa operations)



Focus on costs

- Absolute on-mine cash costs in H1 FY 2020 largely flat vs. H1 FY 2019 despite ongoing inflationary pressures, due to:
 - inflationary increases, including the impact of electricity and labour costs (ca. 5% increase)
- offset by:
 - the effect of translating ZAR denominated costs at SA operations at a weaker ZAR/USD exchange rate (ca. 4% decrease)
 - Reduction in the treatment of Finsch overburden dumps lowering operating costs (ca. 1% decrease)

All in US\$m	On-mine cash costs ¹	Diamond Royalties	Diamond inventory and stockpile movement	Group technical, support and marketing costs ²	Adjusted mining and processing costs	Depreciation ³	Total mining and processing costs (IFRS)
H1 FY 2020	135.1	4.8	(25.6)	9.3	123.6	46.7	170.2
H1 FY 2019	135.5	7.3	(27.1)	11.4	127.2	50.4	177.7
FY 2019	266.9	13.2	(2.9)	24.5	301.7	105.9	407.6

¹ Includes all direct cash operating expenditure at operational level, i.e. labour, contractors, consumables, utilities and on-mine overheads

² Certain technical, support and marketing activities are conducted on a centralised basis

³ Excludes exploration and corporate / administration



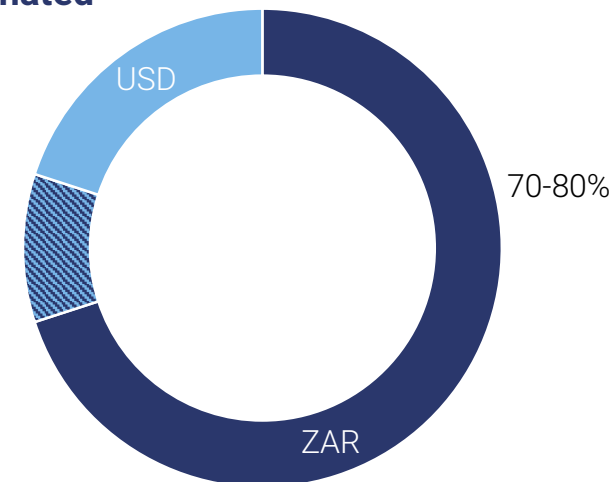
Impact of ZAR/USD Movement on Petra

- US\$1:ZAR14.86 on 11 February 2020
- Increase / decrease of ZAR1 equates to:
 - ca. \$15 – 18 million on EBITDA
 - ca. \$25 million on operational FCF
- Short term hedging strategy to manage volatility
- Collar style hedge on USD revenue converted to ZAR covering up to 50% of next 12 months' sales

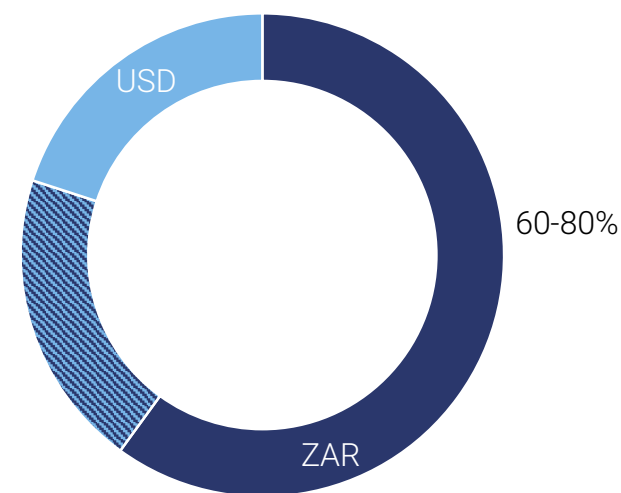
USD:ZAR exchange rate – 1 July 2017 to 11 February 2020



70 – 80% of operating costs are ZAR denominated



60 – 80% of Capex is ZAR denominated





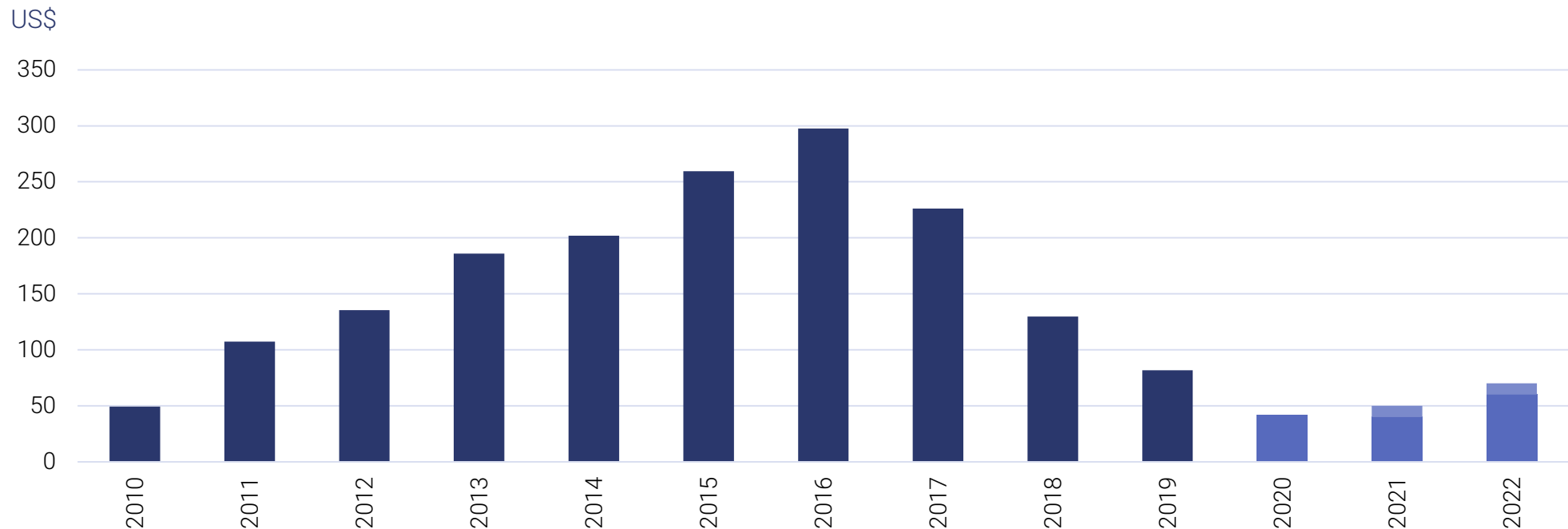
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Operations Update



Completion of heavy capital intensive phase

10 year capital investment programme and 3 year outlook

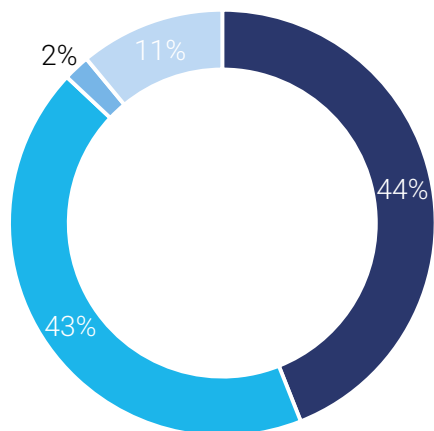


- Petra has completed major capital expansion programmes across each of its assets and is now bedding down steady state production

Mine Contribution Split

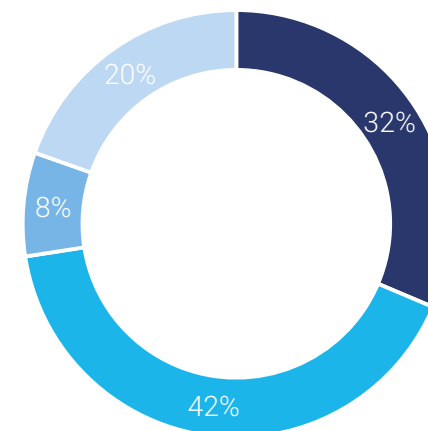
Cullinan became key revenue contributor to Group in H1 FY 2020

Production by mine



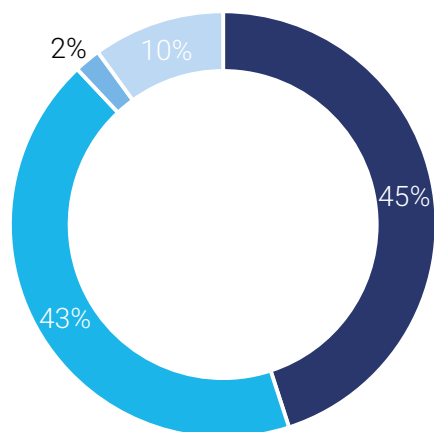
H1 FY 2020
2.1 million carats

Revenue by mine

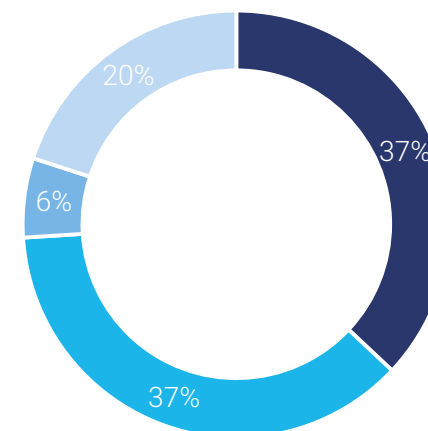


H1 FY 2020¹
\$193.9 million

- Finsch
- Cullinan
- Koffiefontein
- Williamson



FY 2019
3.9 million carats



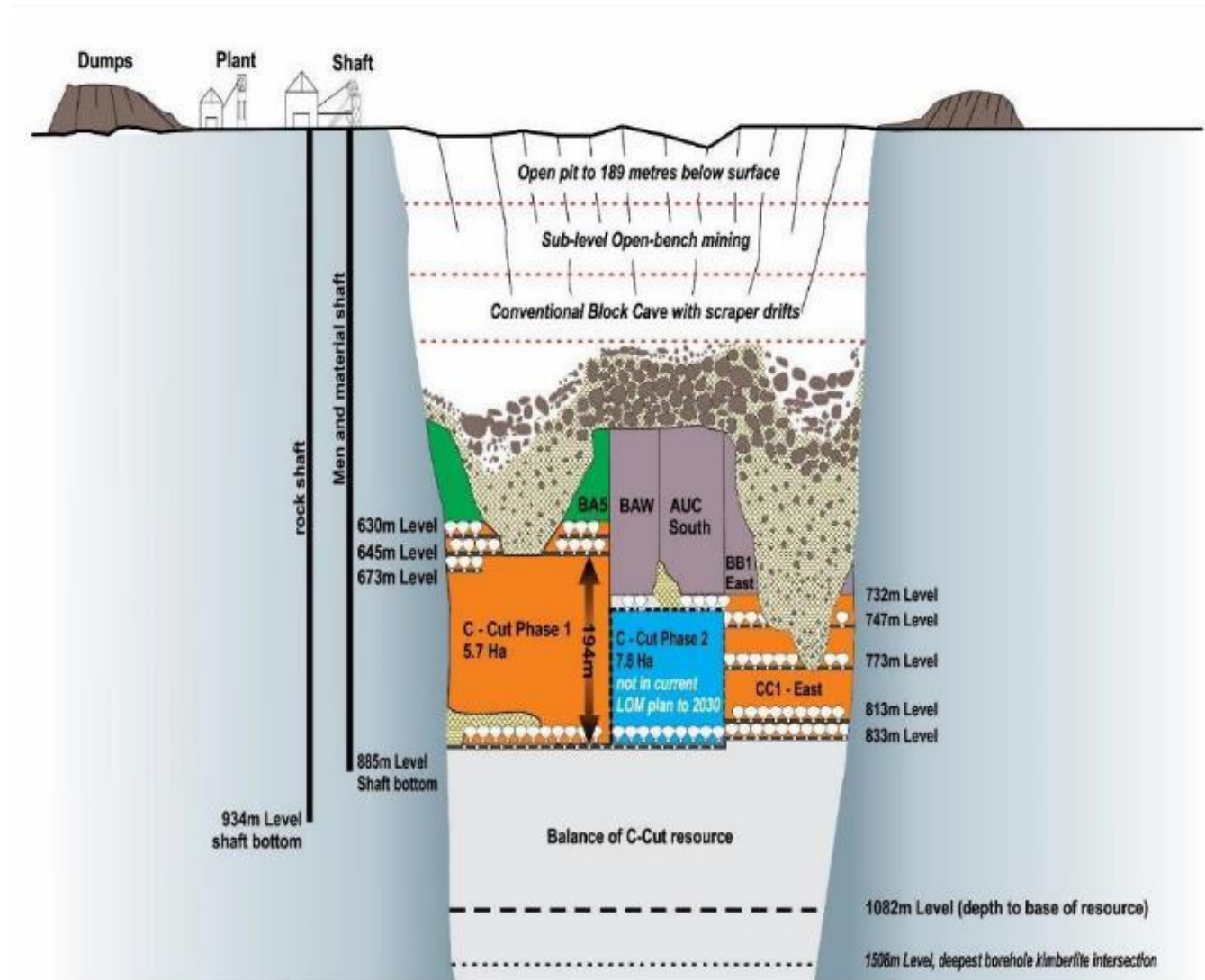
FY 2019
\$463.6 million



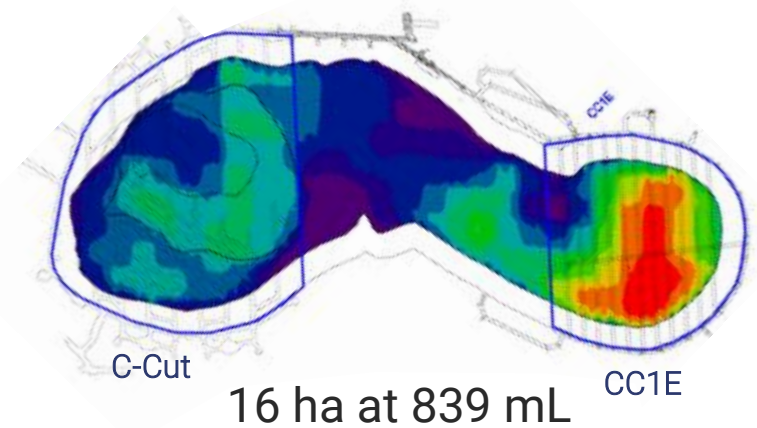
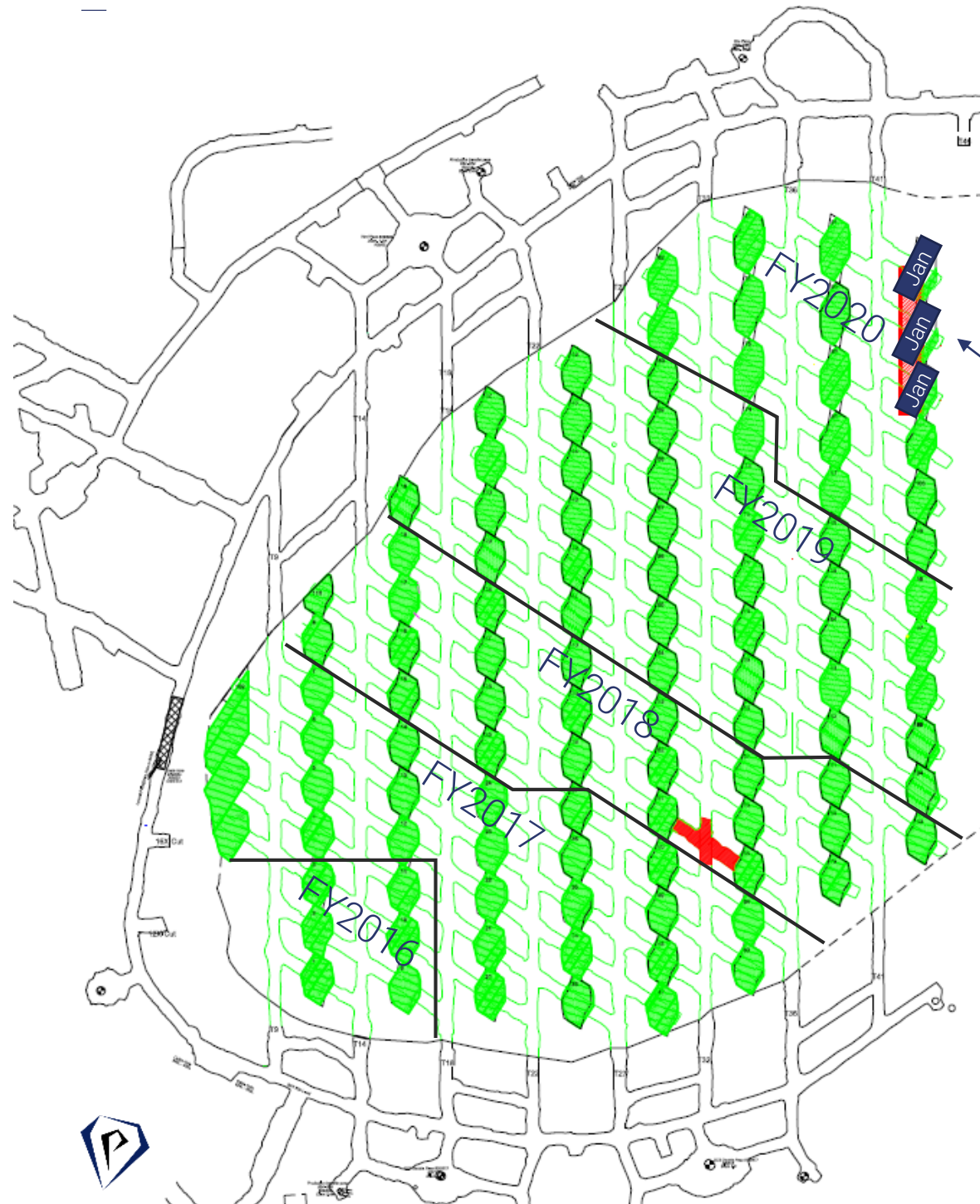
1. Petra sales are weighted to H2 due to holding 4 tenders vs 3 tenders in H1

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

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



Cullinan – C-Cut Progression

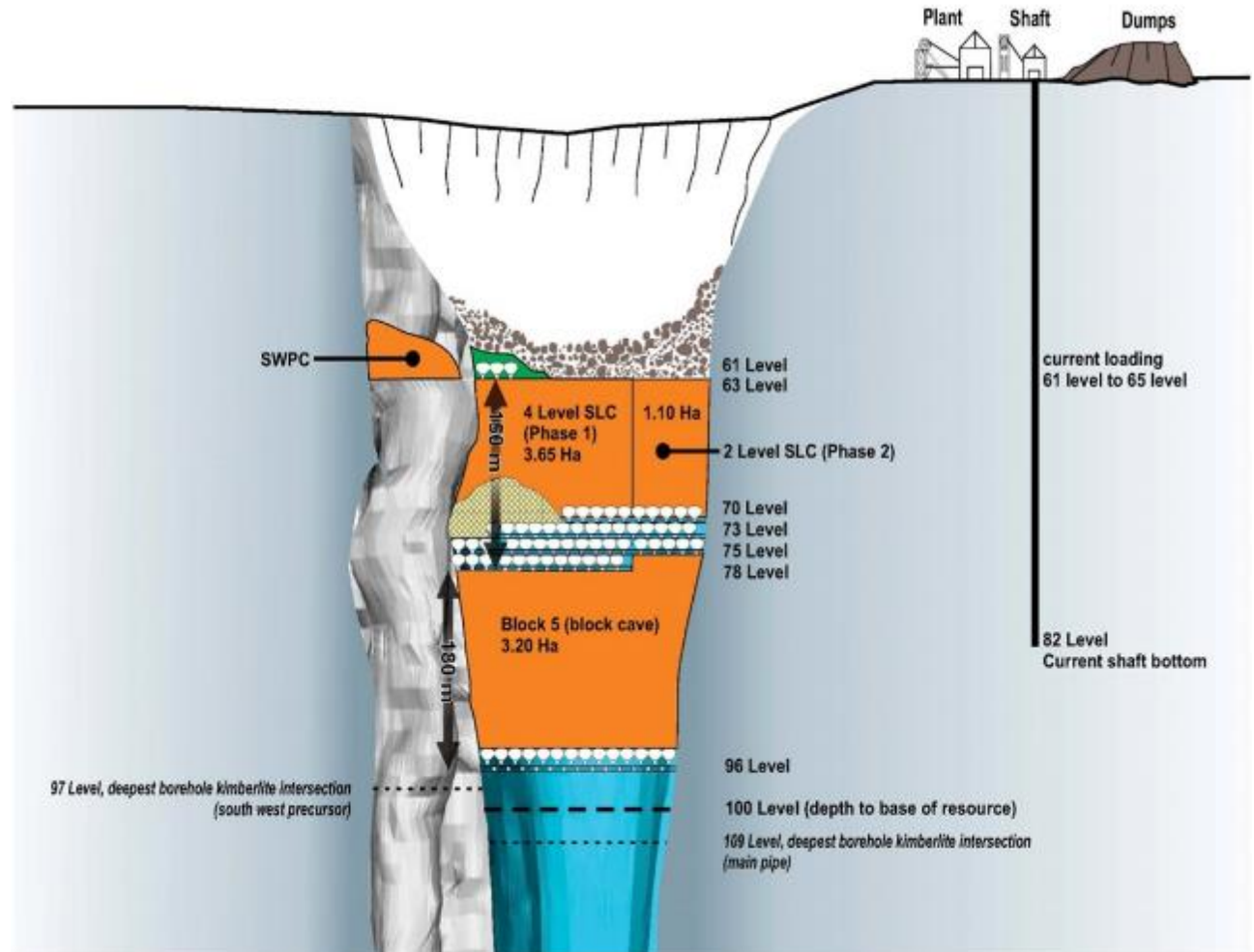


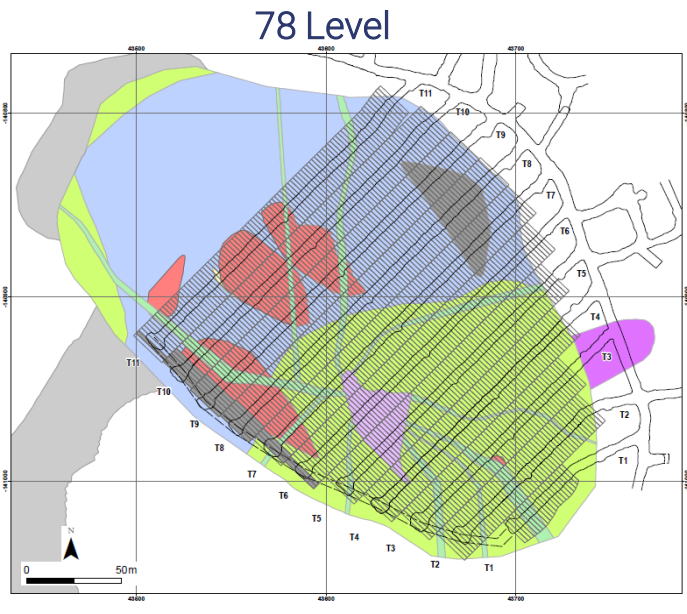
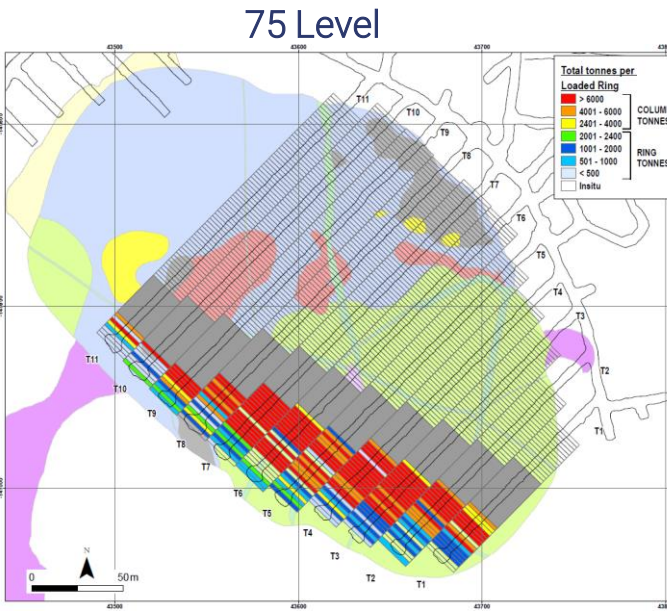
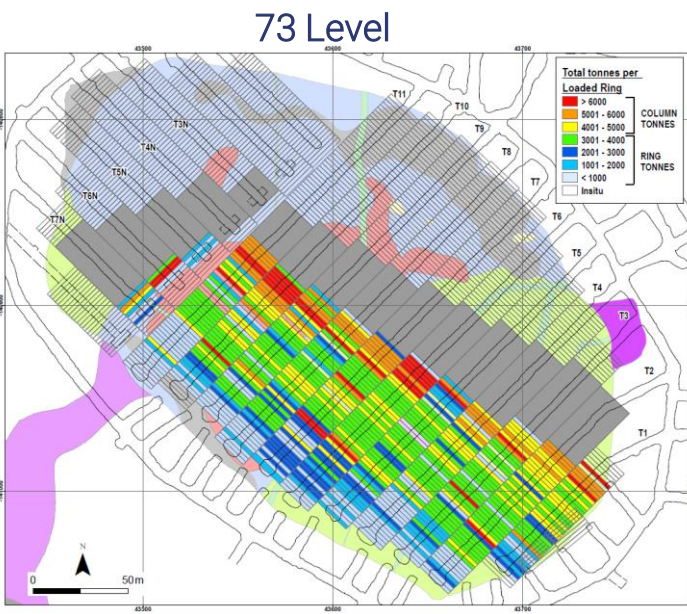
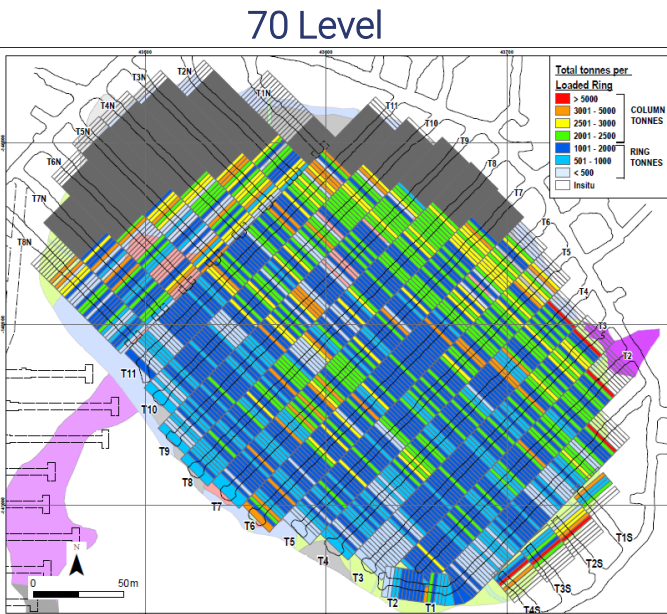
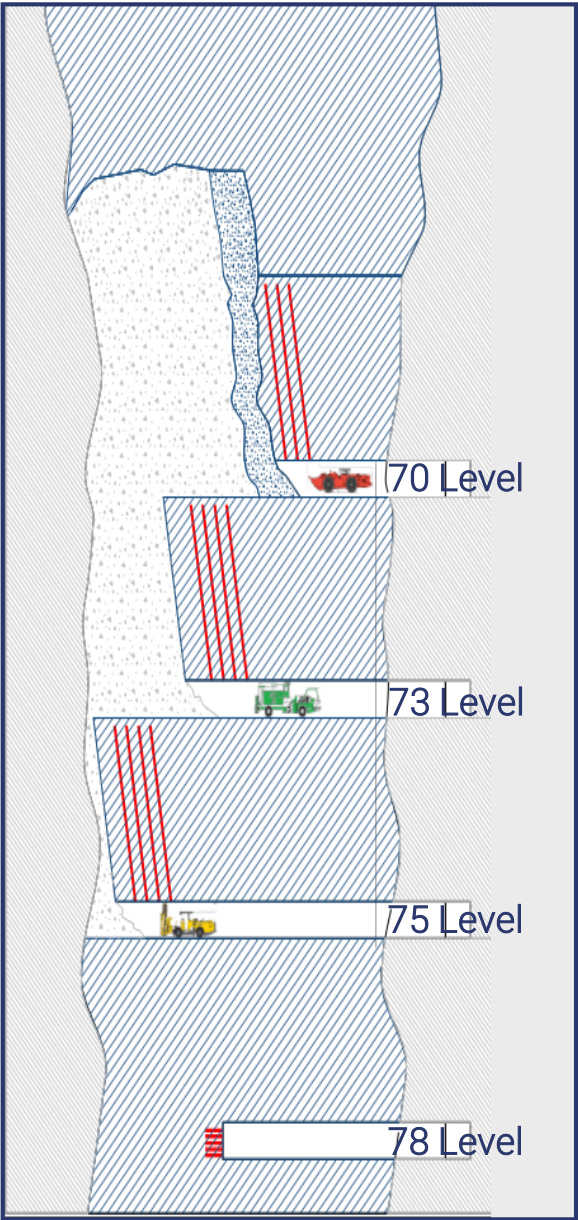
The last 3 draw-bells of 107 were slotted in December 2019

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

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

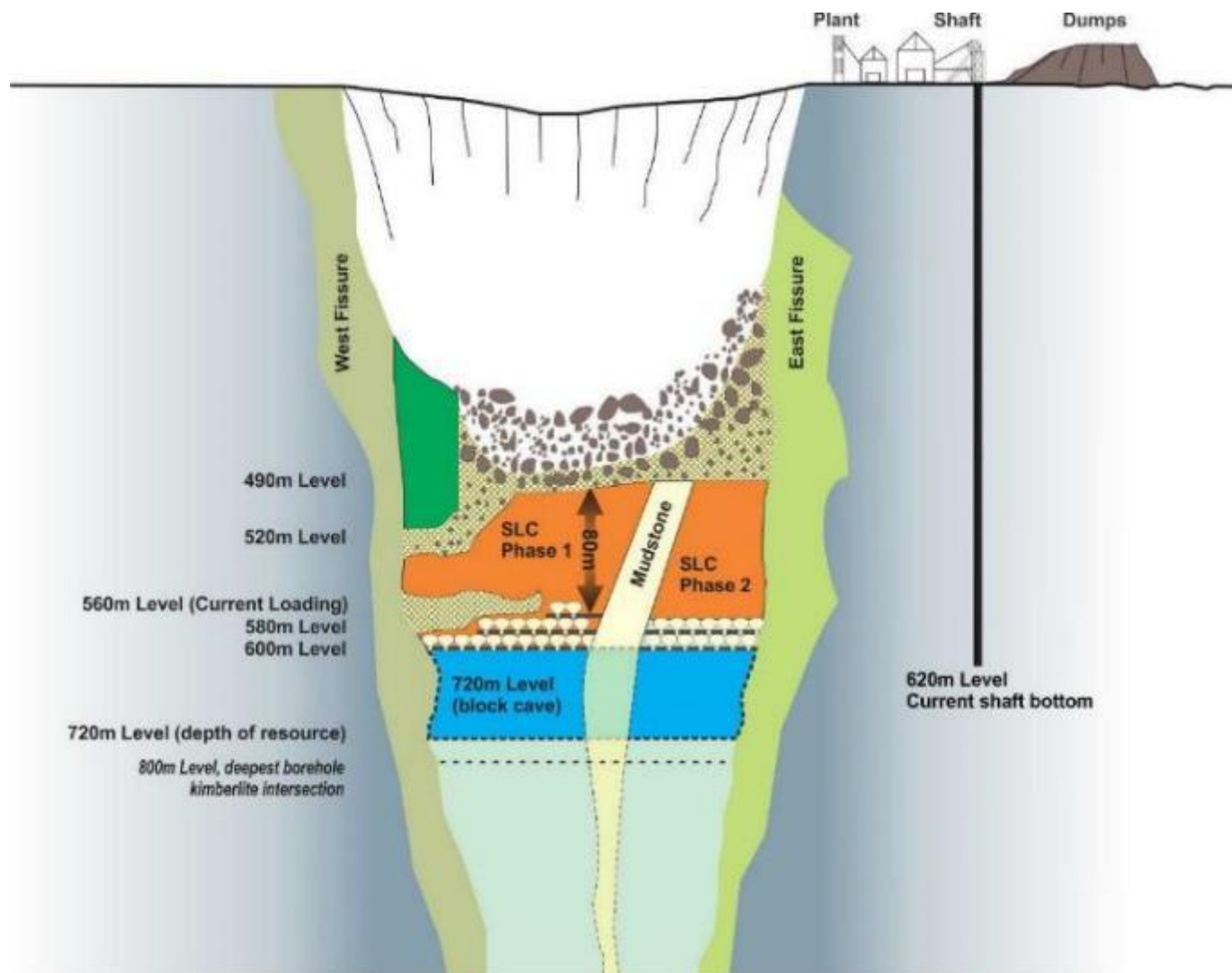
- Block 5 SLC production commenced from first tunnels on 70L – FY 2016
- Production on 75L commenced in Q3 FY 2018; all tunnels in production - Q3 FY 2019
- Construction of ground handling infrastructure completed – Q1 FY 2019
- Block 5 SLC ramp up:
 - FY 2017 – 0.8 Mt
 - FY 2018 – 1.7 Mt
 - FY 2019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





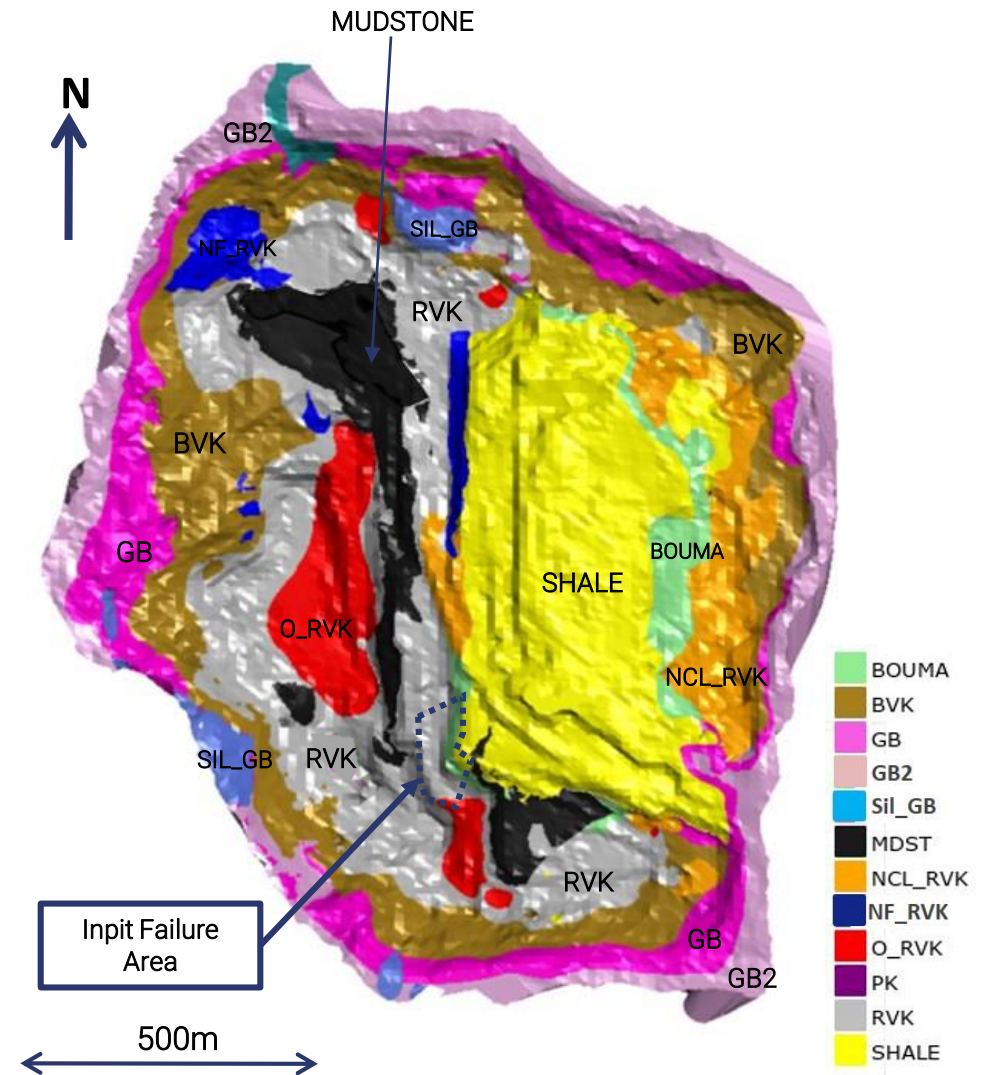
Steady state production from SLC was reached in FY 2019

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



Steady state production achieved in FY 2018

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





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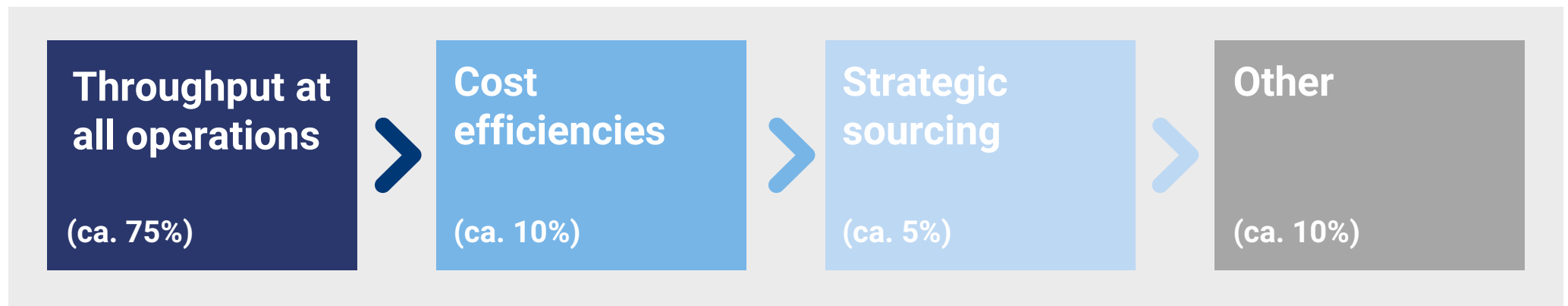
Project 2022



Generation of Free Cash Flow to reduce Leverage

Project 2022 to maximise cash flow against a challenging diamond market

- Project 2022 remains on track to deliver significant cash flow generation, reaching an annualised rate of US\$50 – 80 million
- However, the operational cash flow benefits are being eroded by the weaker diamond market, coupled with the impact of adverse product mix, leading to a delay in delivery of the cumulative cash flow target of US\$150 – 200 million; target of US\$100 – 150 million expected by June 2022
- Implementation underway at all mines and at Group level; the majority of the value driver ideas generated are expected to move into full implementation, with cash flow benefits materially contributing from FY 2021
- Throughput comprises the major project component and key notable early successes include record half yearly ROM production of 7.0 Mt treated and 2.07 Mcts recovered



¹ Cashflow target based on the following assumptions:

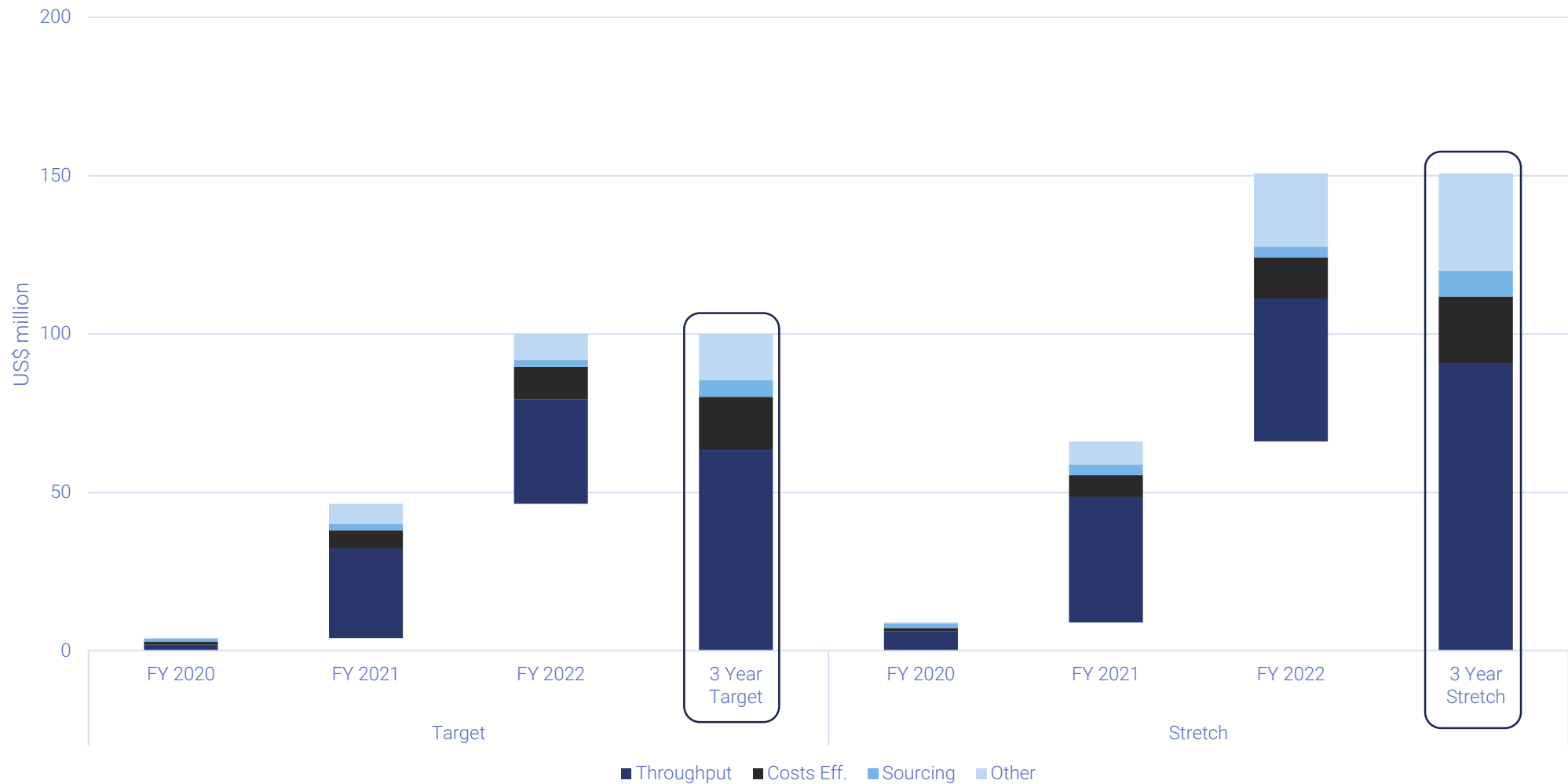
- Flat prices over the three year period (with reference to pricing achieved in Q2 FY 2020, excluding exceptional stones sold for US\$5 million or greater)
- Exchange rate of ZAR14.35:US\$1 from the period FY 2020 to FY 2022

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



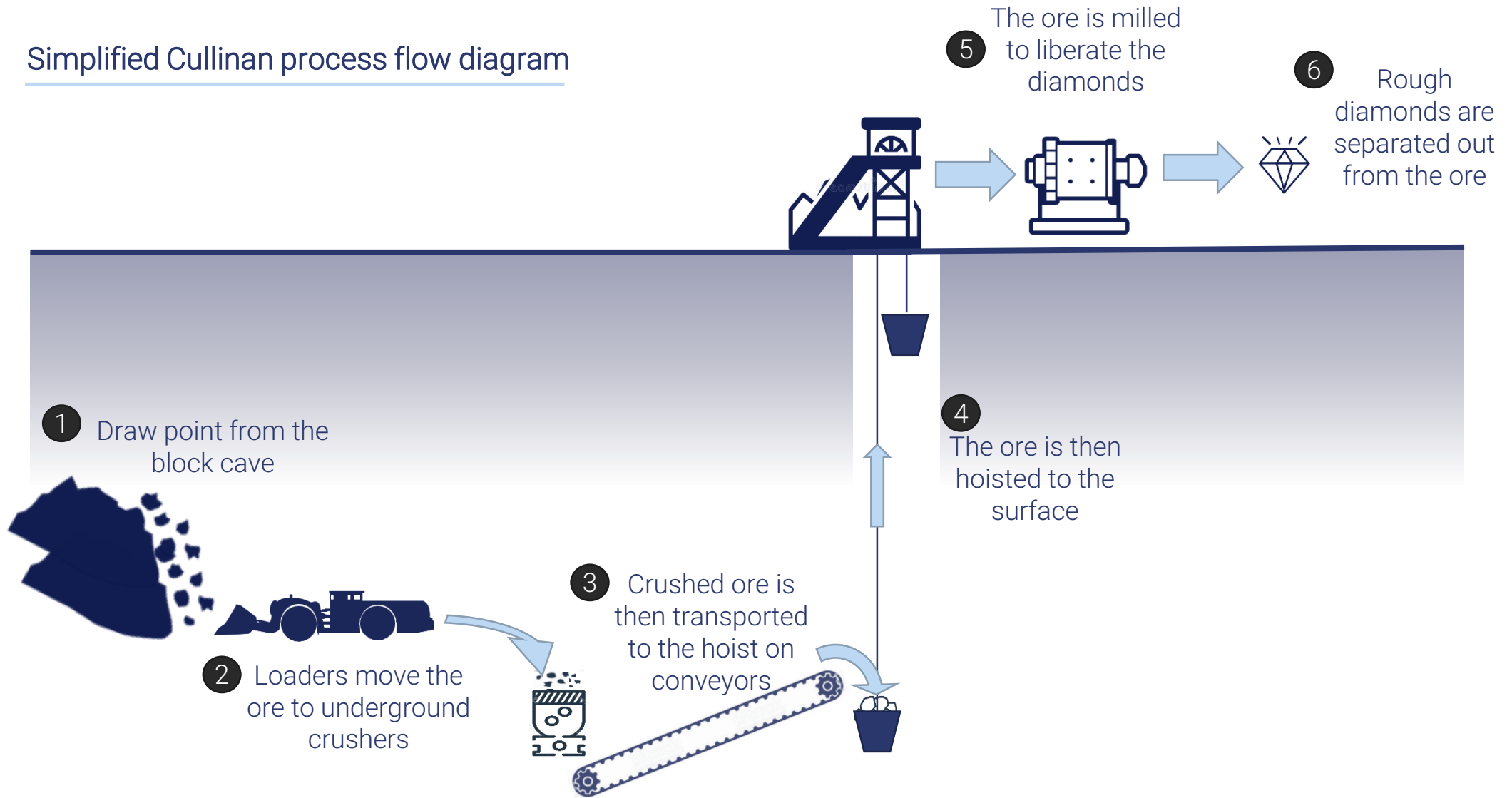
Project 2022 – Updated Projections

Net cash flow evolution to achieve annualised cash flow generation of US\$50 – 80 million



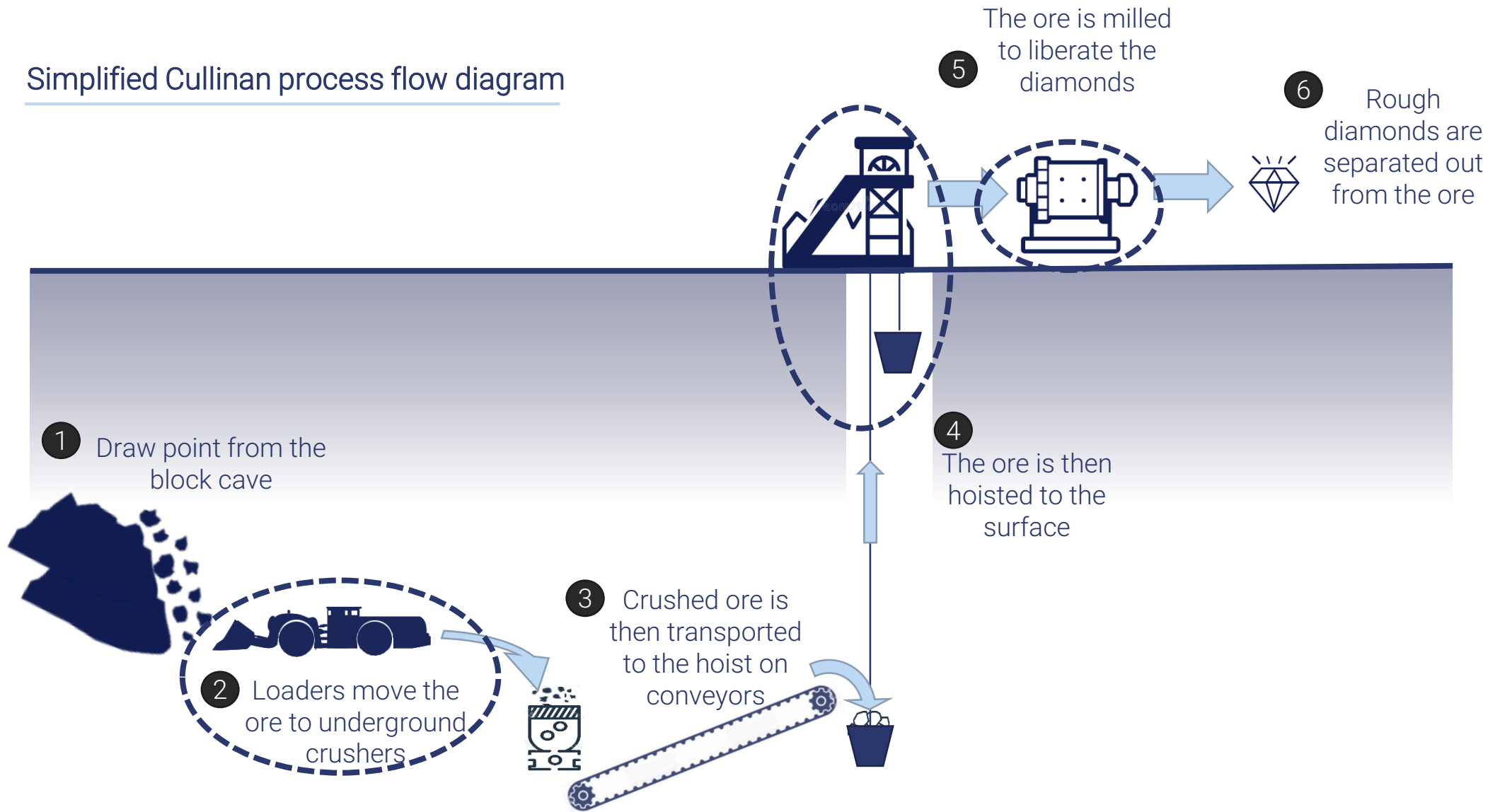
Project 2022 Initiatives Delivering at Cullinan aim at increasing production

Simplified Cullinan process flow diagram

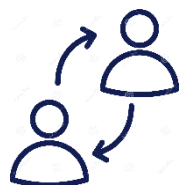


Improvements are mainly focused on addressing the bottlenecks on site

Simplified Cullinan process flow diagram



Specific ideas within mining are being implemented



Area

Idea

Loading

Shrink shift change: Increase the number of productive hours on the loaders by changing the blasting time and ensuring that shift handovers happen efficiently



Loading

Weekend loading: Appoint a contractor to load over the weekends, thereby increasing the number of utilised days per year and reducing overtime costs on the mine



Loading


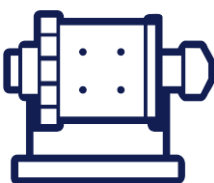

Start your engine: Improve LHD Cycle time by reducing delays from refueling, operational delays (e.g. large boulders) and unplanned maintenance.



Hoisting

Wind, don't stop: Implement a new shaft shift structure to increase the winders operating time and reduce the amount of time that the loaders have to stop loading due to full underground silos

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

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

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

From good, to **GREAT**

Our November average
50 loads/shift per LHD
per weekday

Our best day average
63 loads/shift per LHD

We are well on our
way to the target for
a **GREAT** day
66 loads/shift
per LHD

**Good
JOB!**

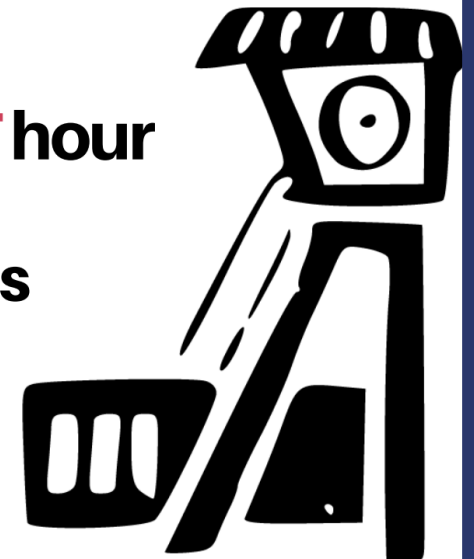


Fill, Pull & Hoist, that's the **right Choice!**

a **GOOD** hour
is hoisting
28 skips

but

a **GREAT** hour
is hoisting
32 skips





PetraDiamonds

—

Outlook



Outlook

- **Production on track to meet guidance of ca. 3.8 Mcts**
 - Despite tracking to exceed guidance in H1, Petra has had a slower start to the calendar year, particularly at Cullinan and on the back of the recent pit slump at Williamson
 - H2 production is therefore weighted towards Q4
 - The extent of further load shedding in South Africa and its resultant impact on production remains a risk
- **The market remains challenging**
 - Optimism at the start of the calendar year has been eroded by the outbreak of the coronavirus and the corresponding weakening of sentiment and reduction in activity across the pipeline
- **Focus on Project 2022 in order to optimise production and maximise cash flow**
 - Project 2022 remains on track to deliver significant cash flow generation, reaching an annualised rate of US\$50 – 80 million
 - Cumulative cash flow generation target expected to be delayed, resulting in the US\$150 – 200 million being revised to US\$100 – 150 million by June 2022, further to weak market and adverse product mix
 - The delivery of Project 2022 benefits are expected to materially contribute from FY 2021 and therefore the Company does not expect a significant change in net debt in FY 2020
- **Proactive cash management and preservation in light of challenging pricing environment**
 - Petra will continue closely monitoring and managing its liquidity risk, maintaining tight control over costs and overheads
 - Discussions will continue with the South African banking facilities Lender Group regarding further covenant resets and/or waivers, which are likely to be required for the June and December 2020 measurement periods
 - Petra continues to assess its strategic options in relation to the maturity of its US\$650 million loan notes in May 2022





PetraDiamonds

Appendix



Capital Structure

Share Price (1 year to 11 February 2020)



Listing

LSE: PDL

Average daily trading volume across all platforms (shares) – (LTM)	7.7m
Shares in issue	865.4m
Free float	94.7%
Market cap @ 8.5p (11 February 2020)	£74m / \$96m

Major Shareholders as at 11 February 2020

% Voting rights

Standard Life Aberdeen plc	15.2%
M&G Plc	10.2%
Cobas Asset Management	5.0%
Lazard Asset Management	4.9%
Directors	2.0%

Petra Diamonds Corporate Bond

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



Board of Directors



Adonis Pouroulis
Non-Executive Chairman

Nomination Committee



Richard Duffy
Chief Executive
Appointed April 2019

*Executive Committee
HSE Committee
SED Committee*



Jacques Breytenbach
Finance Director

Executive Committee



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*



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

*Peter will assume the role of
Chairman from 31 March
2020*



Gordon Hamilton
Independent Non-Executive
Director

*Audit & Risk Committee
Nomination Committee
Remuneration Committee*



Octavia Matloa
Independent Non-Executive
Director

*Audit & Risk Committee
SED Committee*



Varda Shine
Independent Non-Executive
Director
Appointed January 2019

*Remuneration Committee
SED Committee*



Bernard Pryor
Independent Non-Executive
Director
Appointed January 2019

*HSE Committee
Audit & Risk Committee*



Our Assets

The heritage of our assets imbues our diamonds with unique character

Koffiefontein



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

Cullinan



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

Williamson



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

Finsch



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

- Achieving steady state production as Petra nears the end of heavy capital investment phase
- Petra's mines produce the full spectrum of diamonds from small stones to the very large, highest quality gemstones across the colour range, from Type II white to yellow, champagne, pink and blue



Consistent producers of world-class diamonds with exceptional heritage



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



The Cullinan Heritage
507.5ct rough, 104ct polished
[sold for \\$35.3m](#)
Cullinan, 2009



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



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



The Cullinan Dream
122.5ct rough, 24.1ct polished
Rough [sold for \\$27.6m](#)
Cullinan, 2014



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



The Legacy of the Cullinan
Diamond Mine
424.8ct rough [sold for \\$15.0m](#)
Cullinan, 2019



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



The heritage of our assets imbues our diamonds with character

- Petra's mines have a long and envied history in the market and are a continued source of some of the world's most celebrated gems
- Their rich history imbues each diamond with a unique story and character
- Focus on provenance and ethical origin of growing importance to retailers and consumers
- New partnership with Boodles on diamonds from the Cullinan mine, allowing consumers to trace every step of the diamond's journey from mine to market
- Boodles' Gemstones Director Jody Wainwright: "I am looking for character stones...a stone that I can talk from the heart about"



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.

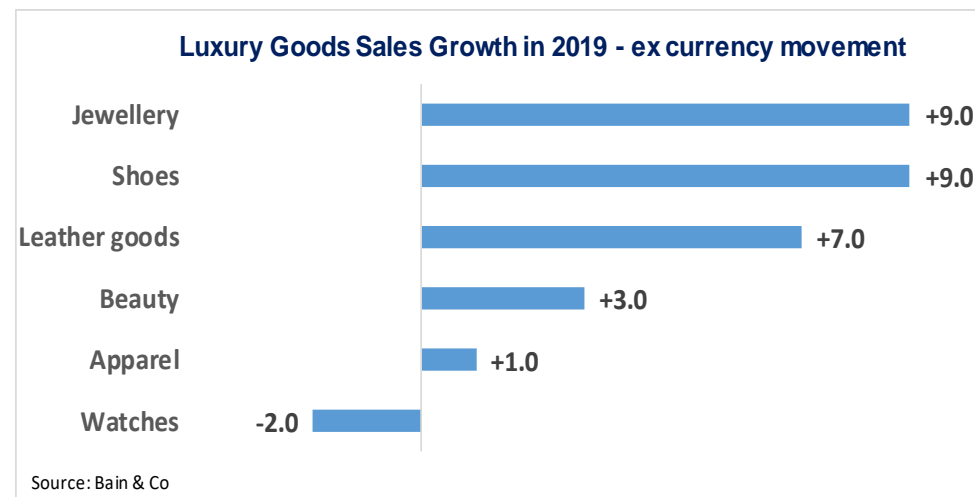


Source: DPA Analysis, Environmental Protection Agency

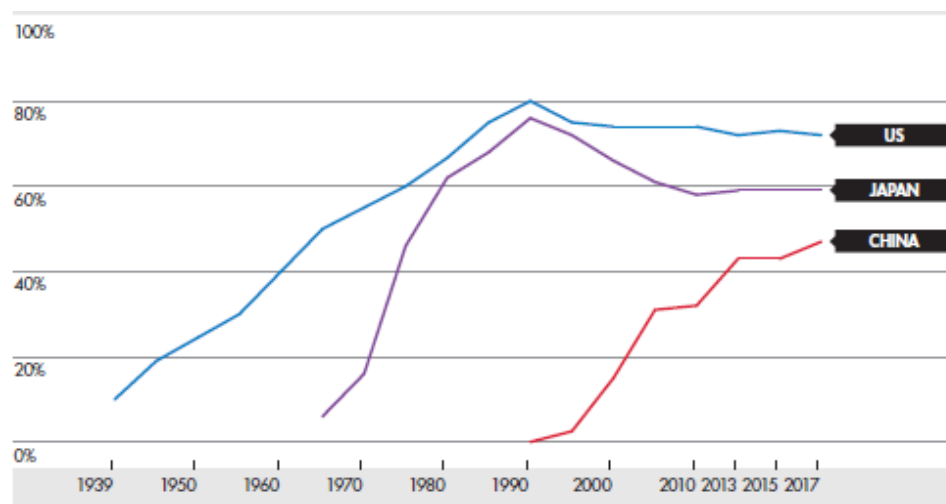
Positive Outlook for Luxury Jewellery Branded Market

LVMH acquisition of Tiffany signals confidence in jewellery sales potential

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

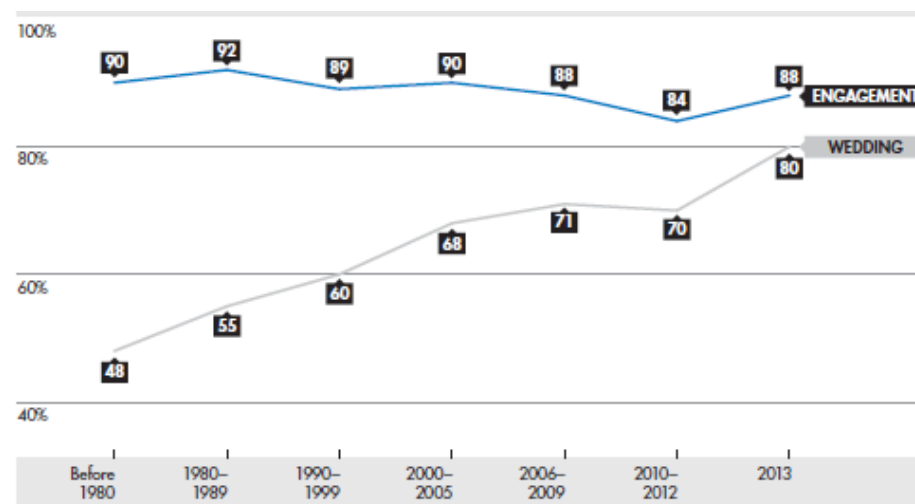


The enduring diamond engagement ring tradition (% of brides receiving a diamond)



Source: De Beers Insight Report 2019

Percentage of diamonds in US engagement and wedding rings



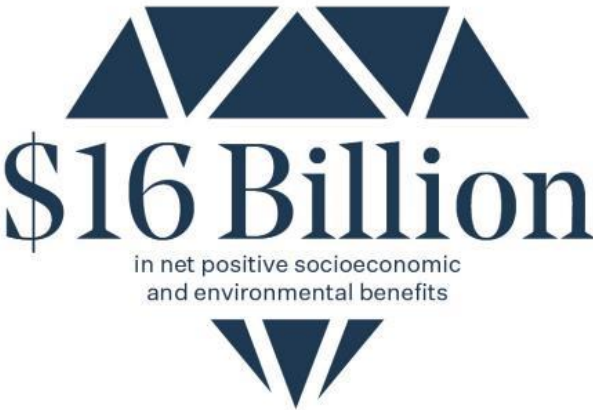
Source: De Beers Insight Report 2019



Diamond Producer's Association – Total Clarity Report



TOTAL CLARITY AT A GLANCE



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.

H1 FY 2020 vs. H1 FY 2019 Operational Results

		Cullinan		Finsch		Koffiefontein		Williamson	
	Unit	H1 FY 2020	H1 FY 2019	H1 FY 2020	H1 FY 2019	H1 FY 2020	H1 FY 2019	H1 FY 2020	H1 FY 2019
ROM PRODUCTION									
Tonnes treated	Tonnes	2,295,197	1,996,624	1,534,256	1,503,335	561,296	377,391	2,654,906	2,510,451
Grade	cpht	37.3	39.3	57.4	61.7	7.9	6.7	8.1	8.3
Diamonds recovered	Carats	855,371	785,444	880,707	927,934	44,545	25,275	214,888	208,064
TOTAL PRODUCTION									
Tonnes treated	Tonnes	2,412,309	2,692,978	1,708,423	1,637,730	561,296	377,391	2,853,604	2,706,008
Diamonds recovered	Carats	889,787	832,026	913,557	947,424	44,545	25,275	222,351	214,421
SALES									
Diamonds sold	Carats	730,847	688,536	783,962	829,530	34,163	23,406	194,835	194,913
Average price per carat	US\$	112	96	79	105	431	447	184	223
Revenue	US\$M	81.7	66.2	61.7	87.0	14.7	10.5	35.9	43.5
On-mine cash cost per tonne treated	ZAR	262	224	405	400	419	585	10.2	11.6
Capex ¹	US\$M	12.0	22.8	5.6	13.8	2.3	3.2	5.7	3.2

¹ Excludes capitalised borrowing costs



Bank Debt Facilities – Covenants

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

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

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

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

³ Book Equity is Equity excluding accounting reserves

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



Debt Facilities

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

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

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

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



Analyst Guidance FY 2020 – Group Capex Profile

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



¹ All Capex numbers stated in FY 2020 money terms (ZAR14.0/US\$1 where applicable)

² Depreciation on mining assets for FY 2020 guided at ca. US\$85-90 million at R14.0/US\$1

Tailings Residue Deposit Management in line with Best Practice

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

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





PetraDiamonds

Thank you

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