



PetraDiamonds

FY 2017

Preliminary Results
12 months to 30 June 2017

18 September 2017

Driving Forward



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FY 2017 – Driving Forward

Continued production growth to 4 Mcts

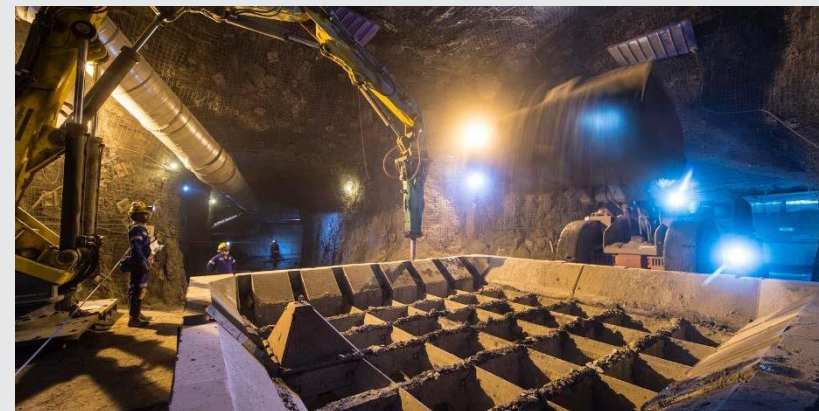
- Disappointing not to achieve guidance but Petra ended the Year at run rates to support guided FY 2018 production levels

Major development work achieved in FY 2017

- Completion of 11.4 km development (out of a total 63.3 km to date) and start of significant build up of tonnes from new underground caves
- Plant modifications at Williamson and KEM JV
- Cullinan Plant commissioning started

Transformation in production profile underway in FY 2017

- Undiluted ore: 750,000 tonnes from Finsch
- Undiluted ore: 940,000 tonnes from Cullinan
- Finsch ROM grade +28% and Cullinan ROM grade +29%
- Finsch US\$/ct +14% and Cullinan US\$/ct +4% (excl. Exceptionals)



Extensive underground development at Finsch



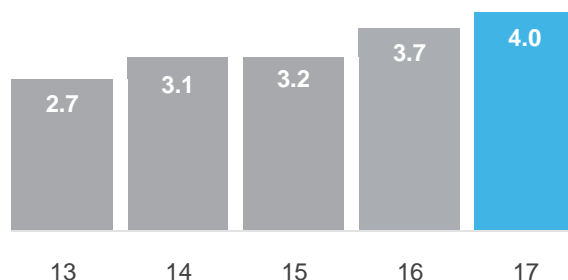
New Cullinan Plant – capable of 6 Mtpa

FY 2017 – Key Performance Indicators

ROUGH DIAMOND PRODUCTION

Million carats

4.0 +8%

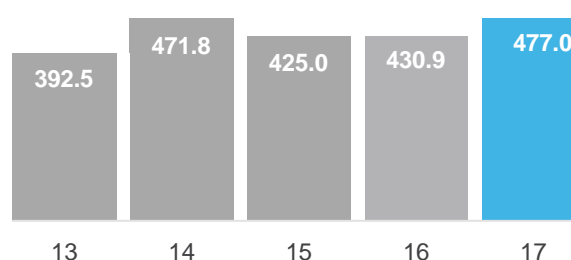


- Record production levels but below guidance of 4.4 – 4.6 Mcts
- Shortfall due to delay bringing new plant at Cullinan into full operation and the slower than anticipated ramp-up of new SLC at Finsch

REVENUE

US dollars (millions)

477.0 +11%

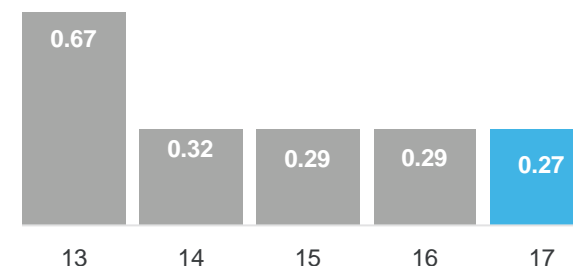


- Record revenue due to increased production and increased volumes
- Offset by reduction in revenue from Exceptional Diamonds (\$10.9 million in FY 2017 versus \$36.3 million in FY 2016)

SAFETY

LTIFR

0.27 -7%



- Leading indicator to manage safety improved
- However six fatalities tragically experienced

Safety is our Top Priority



Plan supported by two pillars of leadership and control



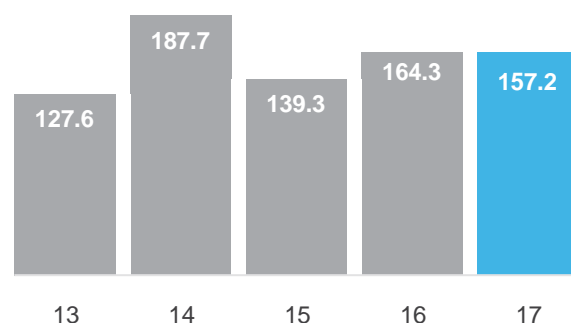
- Safety turn-around performance plan, based on 'back to basics' principles, implemented at all operations
- Emphasis on leading from the front to influence activities and conditions and to change behaviour
- Petra has also implemented the below specific health and safety initiatives and campaigns:
 - 'Stop and fix' initiative
 - Internal health and safety stop notices
 - Scheduled execution of Planned Task Observations (PTO) on all significant tasks and activities
 - Enforcement and quality control on front line risk assessment
 - Quarterly strategy review sessions
 - Scheduled management walkabouts and communication
 - Reviewed entry and making safe declarations
 - Increased front line and supervisory level safety training
 - Proactive assessment of existing safety controls
 - Festive seasonal campaigns

FY 2017 – Key Performance Indicators

Adjusted EBITDA¹

US dollars (millions)

157.2 -4%



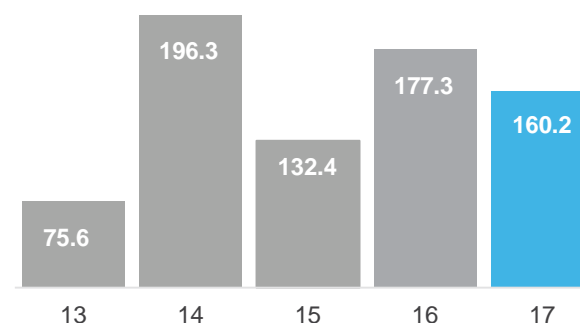
- Impacted by increase in mining and processing costs, further impacted by strengthening ZAR, partially offset by increased revenue

¹ Refer to preliminary results announcement dated 18 September 2017 for detailed notes regarding non IFRS adjusted disclosures

CASH GENERATED FROM OPERATIONS

US dollars (millions)

160.2 -10%

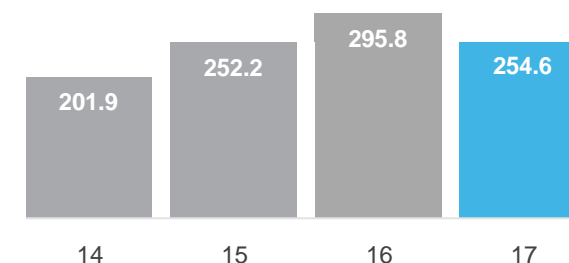


- In line with the decrease in Adjusted EBITDA and the inflow from net working capital changes of \$3.6 million

CAPEX²

US dollars (millions)

254.6 -14%



- Declining trend due to advanced stage of Group's expansion programmes

² Capex is Operational Capex, excluding capitalised borrowing costs

Financial Position

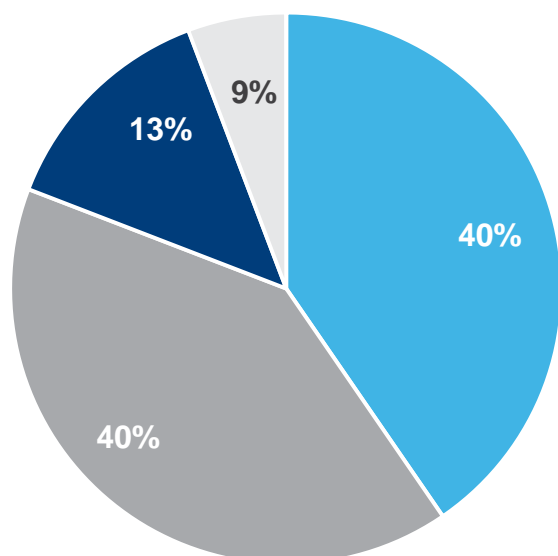
- The Group's forecasts show that Petra has sufficient liquidity to meet its working capital and capital development requirements
- The Company maintains headroom against its financial covenants going forward based on its forecasts
- Refer Slide 18 'Risks to Outlook and Guidance' for risk disclosure

	Unit	30 June 2017	30 June 2016
<i>Closing exchange rate used for conversion</i>		<i>R13.05:US\$1</i>	<i>R14.68:US\$1</i>
Cash at bank	US\$m	203.7	48.7
Diamond debtors	US\$m	41.5	63.4
Diamond inventories	Carats	570,264	549,620
	US\$m	50.2	43.6
US\$300 million loan notes (issued May 2015)	US\$m	-	300.0
US\$650 million loan notes (issued April 2017)	US\$m	650.0	-
Bank loans and borrowings	US\$m	109.0	131.5
Net debt ¹	US\$m	555.3	382.8
Bank facilities undrawn and available	US\$m	5.6	110.0

1. Net debt is the US\$ loan notes and bank loans and borrowings net of cash at bank, but does not include 'Diamond debtors' which relate to the June 2017 tenders and were settled shortly after Year end

Operating Costs

FY 2017 On-mine cash cost breakdown
(South Africa operations)



Group on-mine US\$ cash costs increased 17% due to:

- Inclusion of Kimberley Ekapa Mining JV for the full Year (4% increase)
- Inflationary increases, including the impact of electricity and labour costs (7% increase)
- The effect of translating South African operations' ZAR denominated costs at a stronger ZAR/USD exchange rate (6% increase)

■ Labour
■ Contractors, consumables and stores
■ Power
■ Other

	On-mine cash costs	Diamond royalties	Diamond inventory and stockpile movement	Group technical, support and marketing costs	Adjusted mining and processing costs	Depreciation	Share based expense	Total mining and processing costs (IFRS)
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
FY 2017	287.3	4.7	(2.6)	21.9	311.3	78.7	0.1	390.1
FY 2016	246.4	5.4	(14.1)	20.0	257.7	51.0	1.6	310.3

FY 2017 – Summary of Results

	FY 2017 (US\$m)	FY 2016 (US\$m)
Revenue	477.0	430.9
Adjusted mining and processing costs ¹	(311.3)	(257.7)
Other direct income	2.8	2.8
Profit from mining activities¹	168.5	176.0
Exploration expense	(0.6)	(2.7)
Corporate overhead	(10.7)	(9.0)
Adjusted EBITDA¹	157.2	164.3
Depreciation	(79.6)	(51.8)
Share-based expense	0.1	(4.1)
Net finance expense	(22.9)	(36.2)
Tax expense	(25.8)	(8.6)
Adjusted net profit after tax¹	29.0	63.6
KEM JV fair value adjustment ¹	4.1	-
Net unrealised foreign exchange gain	9.9	3.2
Bond redemption premium and unamortised costs ¹	(22.3)	-
Net profit after tax	20.7	66.8
Earnings per share attributable to equity holders of the Company:		
Basic EPS – US\$ cents	3.47	10.38
Adjusted EPS – US\$ cents¹	5.04	9.76

1. Refer to preliminary results announcement dated 18 September 2017 for detailed notes and explanations regarding non IFRS adjusted disclosures 9

Diamond Market – Overview

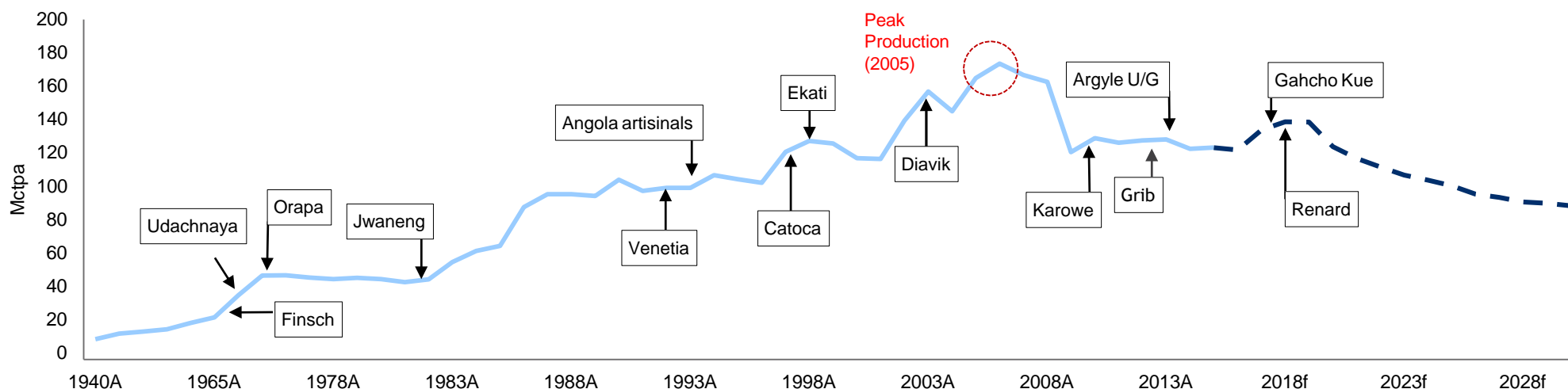
Supply

- **Supply constraints:** Global rough diamond production rose 6% to 134 Mcts worth \$12.4bn in 2015 (average \$92/ct)
- **No new finds:** success rate in diamond exploration estimated to be <1% - no significant finds this century
- **Overall declining trend:** 2005 expected to have been world peak diamond production
- 'New' mines that came on stream in 2016/2017 not large enough to counter declines from world's major producers
- Several mines/development projects recently closed
- World supply expected to decline slowly after 2020

Demand

- **Global market:** rose 0.3% to record high of \$80bn in 2016
- **US recovery:** economy continues to improve; very strong diamond buying culture (ca. 47% of world demand)
- **"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 (\$200 to + \$2,000)

Global Diamond Supply: Historical & Forecast Rough Production

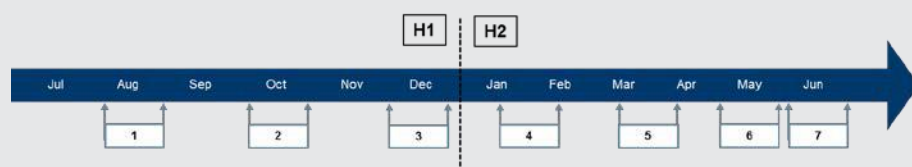


Diamond Prices

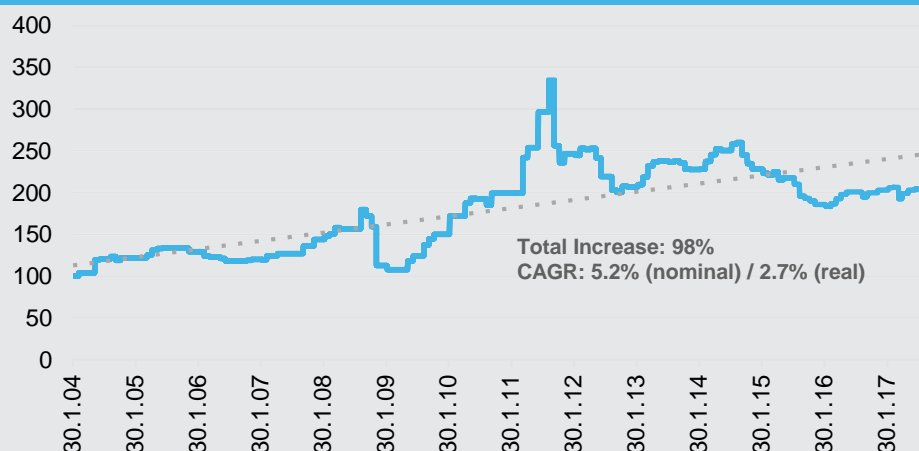
FY 2017 Market

- Stable rough market – Petra achieved flat pricing in H1 and pricing up ca. 2% in H2
- Steady demand experienced across all diamond size ranges, apart from the few months immediately following Indian demonetisation (impacted small, low value goods)
- Release of significant inventory of smaller goods by majors in H2 FY 2017

Petra Sales Timing – FY 2018



Rough Diamond Index (Jan 2004 to Sep 2017)



FY 2018 Outlook

- Market assessed to be stable; mixed results from US retailers, improving retail market in China and India; rebound in luxury goods including Swiss watches
- Petra guiding for flat diamond pricing for FY 2018, but improved product mix expected for Finsch, Cullinan and Koffiefontein (less tailings contribution and ever-increasing volumes of ore from undiluted areas)
- First tender of FY 2018 saw seasonal softness, with pricing on a like for like basis down ca. 3% in comparison with H2 FY 2017

Petra – Rough Diamond Prices

	Guidance Weighted Average US\$/ct ¹ FY 2018	Actual Weighted Average US\$/ct FY 2017	Actual Weighted Average US\$/ct FY 2016
Finsch	101 – 106	101	89
Cullinan	113 – 119	120 ²	126 ²
Koffiefontein	525 – 550	506	462
KEM JV	120 – 125	100 ³	132 ³
Williamson	214 – 224	258 ²	384 ²

- Excludes guidance for exceptional diamonds (stones above \$5 million in value), which added ca. \$21.7 million per annum since FY 2009
- Average values excluding exceptional stones: Cullinan FY17: \$113/ct; Cullinan FY16: \$109/ct; Williamson FY17: \$235/ct; Williamson FY16: \$238/ct
- KEM JV FY17 below expectations due to higher contribution of tailings than planned; KEM JV FY16 reflects dilutive impact of combining tailings and ROM sales from H2 FY 2016 onwards

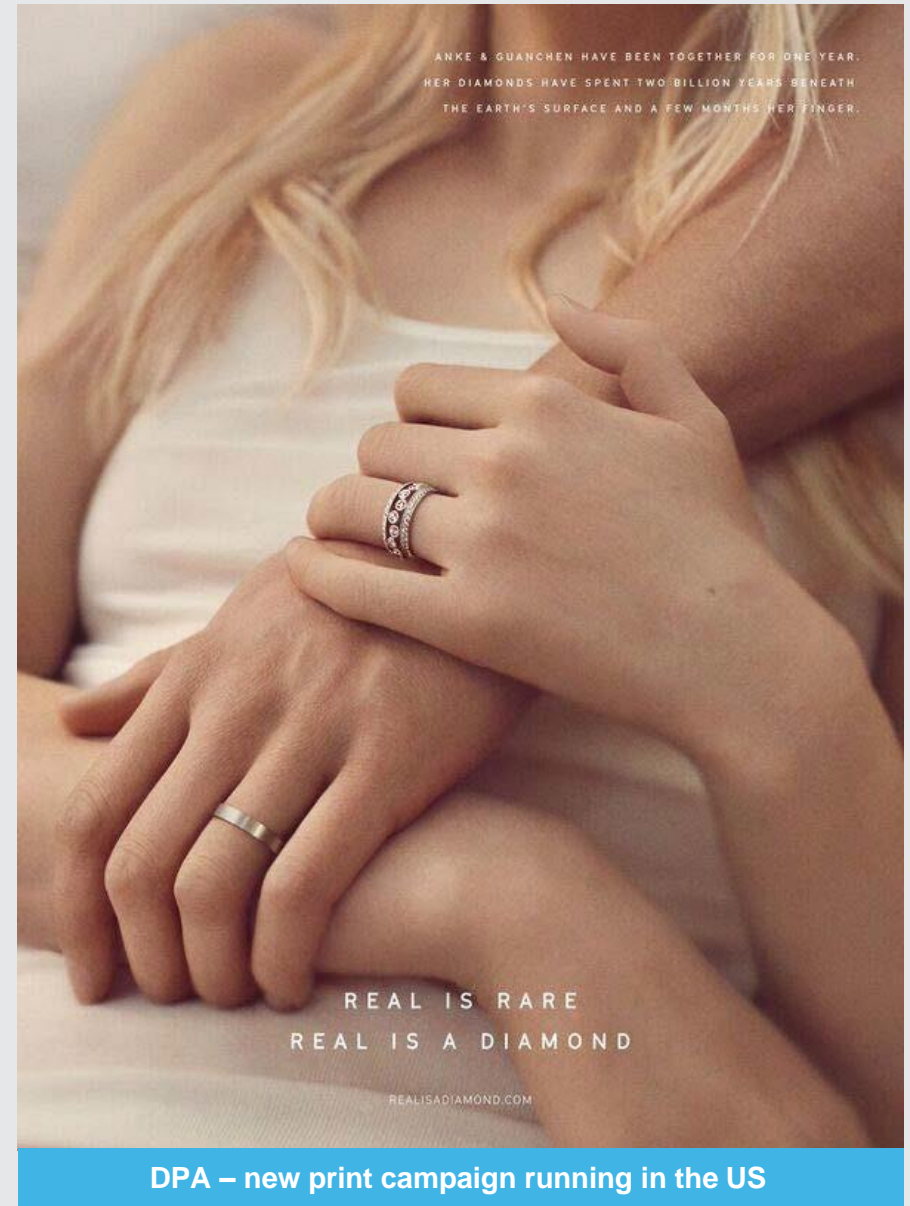
DPA ramps up Generic Marketing

Diamond Producers Association seeks to actively influence sustainable consumer demand by:

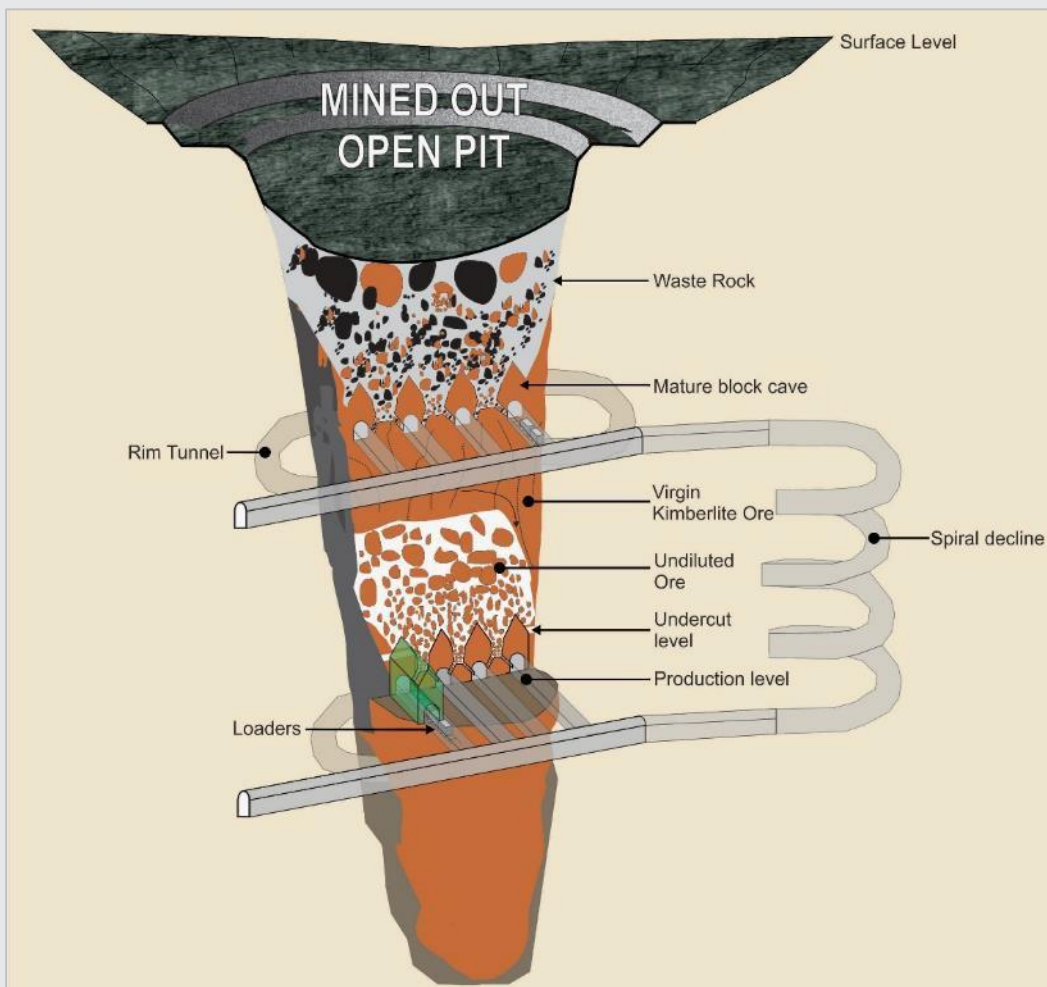
- Promoting the integrity of the diamond industry and maintaining consumer confidence
- Providing generic marketing support, ensuring diamonds remain relevant to the next generation of consumers

DPA budget increases x4 to \$57 million in 2017

- \$50 million assigned to major US market – mostly will be spent in H2 calendar 2017
- Comprises multi-channel advertising, innovative digital programmes, high-impact PR around the 'Real is Rare. Real is a Diamond' campaign
- Marketing launch in India in October 2017
- Marketing launch in China in April 2018
- Industry advocacy and trade programmes to support the pipeline, plus challenging misleading synthetics industry narrative and language



Ramp up of Undiluted Ore



- Caving is a safe and proven mechanised mining method; provides access to higher volumes of ore than other methods
- Transition from diluted, mature caves nearing end of lives to new block/sub level caves in undiluted kimberlite well underway
- ROM grades already increasing significantly further to rising input of undiluted ore:

Finsch ROM grade +54%:

- From 36.8 cpht in FY 2012 to 56.6 cpht in FY 2017

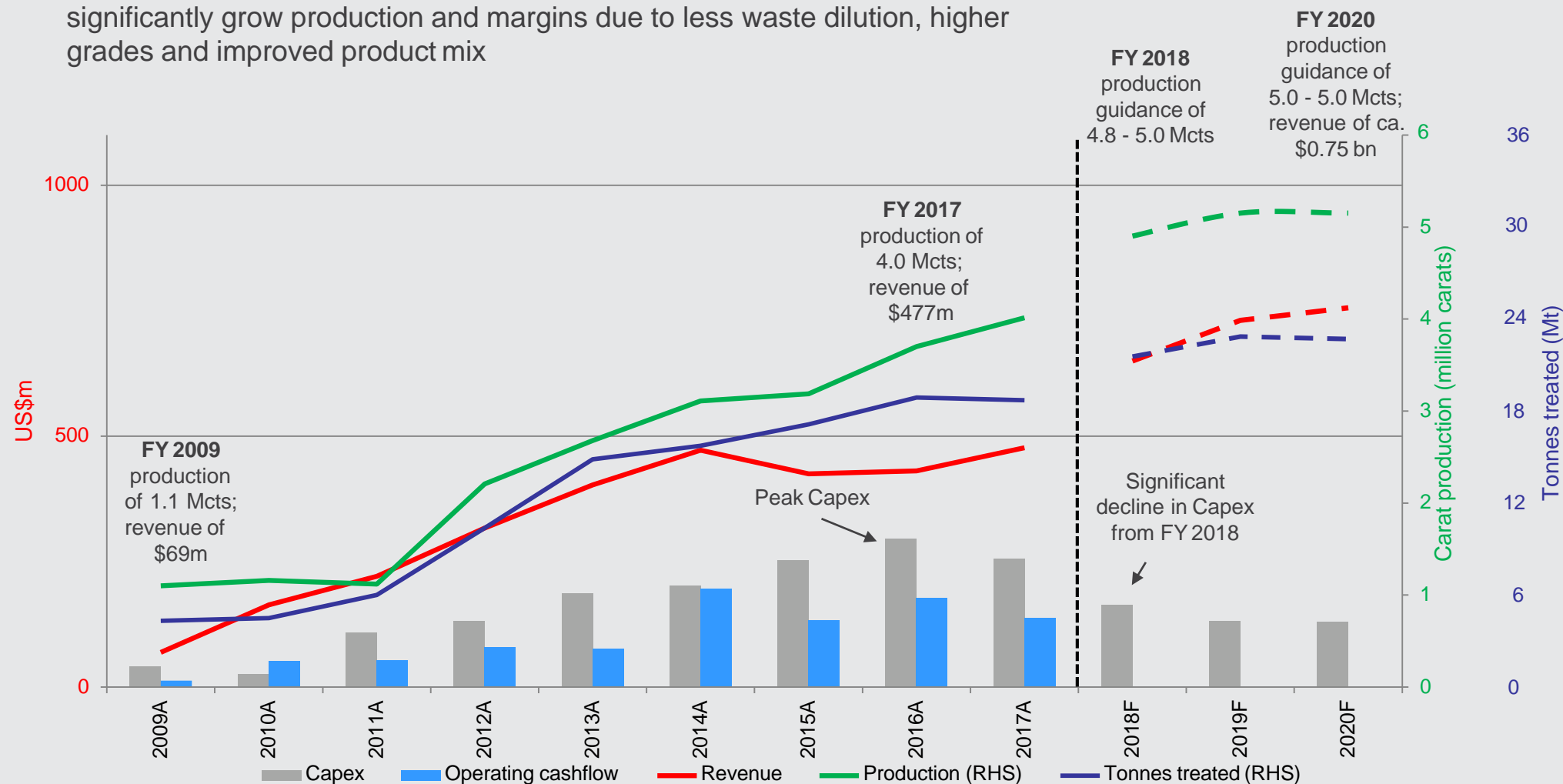
Cullinan ROM grade +48%:

- From 24.4 cpht in FY 2015 to 36.1 cpht in FY 2017
- Expected to increase further 38% to 49 – 51 cpht¹ by FY 2019

¹ Management expectations

Transformation Underway

- Replacement of poorer quality tonnes with better quality tonnes will significantly grow production and margins due to less waste dilution, higher grades and improved product mix



- 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 from FY 2019 onwards
- Capex, production, adj. operating cashflow and revenue relating to KEM JV stated at 75.9% Petra attributable terms; production forecasts include Williamson in normal operation

Finsch – Development Programme

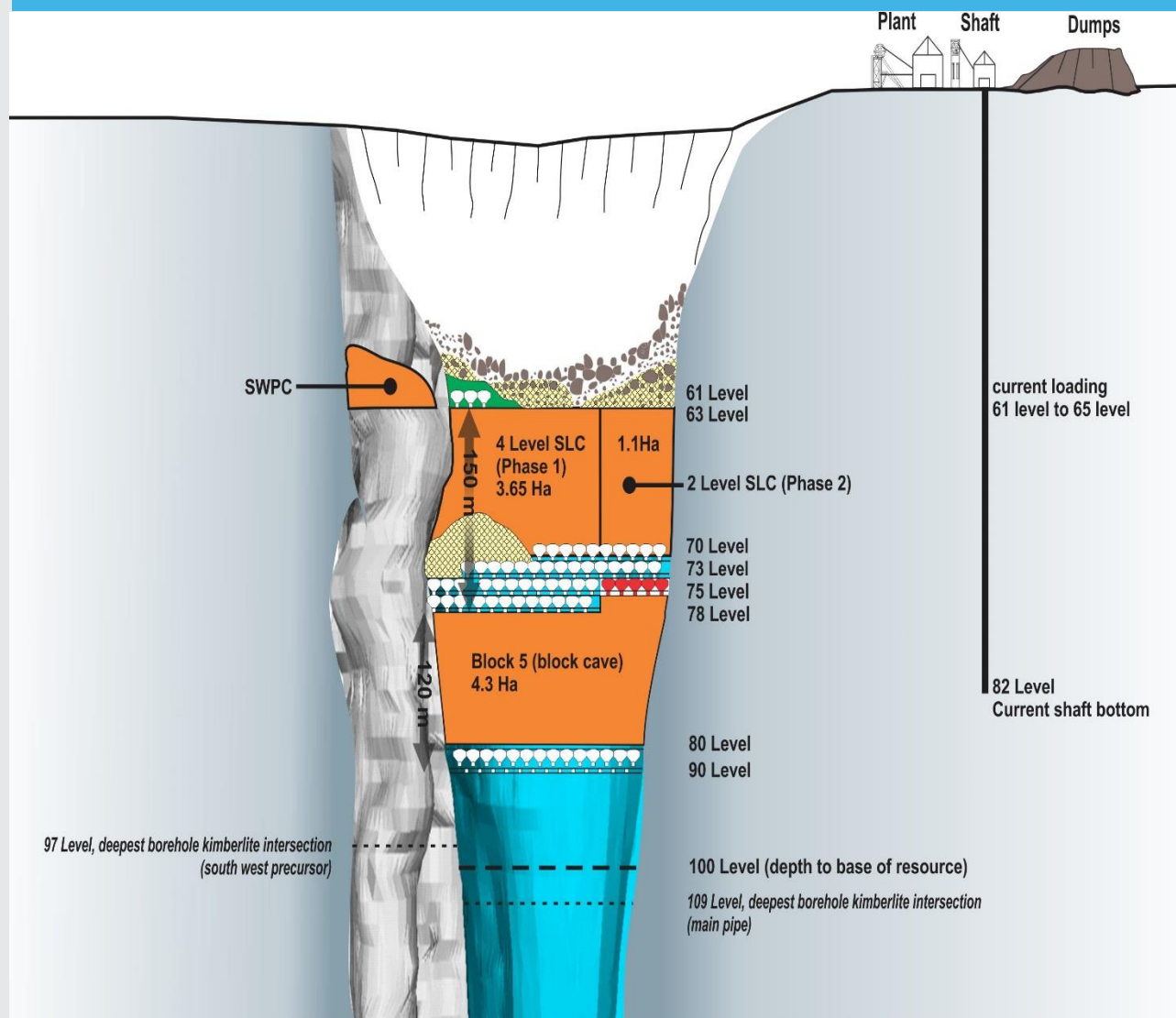
Expansion Plan

- **Expansion plan to take production to ca. 2.0 Mctpa (ROM) by FY 2018**
- Sub level cave
 - tunnelling in host rock complete
 - All 22 tunnels in production – first 2 levels
- New Block 5 Block Cave to be installed at 900m

Key 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 610m to 630m – **H1 FY 2017**
- 2nd crusher commissioned - **end H1 FY 2018**
- Decommissioning of Block 4 automated ore-handling system – **end H1 FY 2018**
- Pre 79 Tailings treated – **end FY 2018**
- Steady state ROM production – **FY 2018**
- Mining of overburden dumps – **continue to FY 2019 / FY 2020**
- Block 5 Block Cave at 900m – **from FY 2024 / FY 2025**

FY 2017 Development: Waste: 1,523 metres; Raiseboring: 427 metres; Kimberlite 3,733 metres



Cullinan – Development Programme

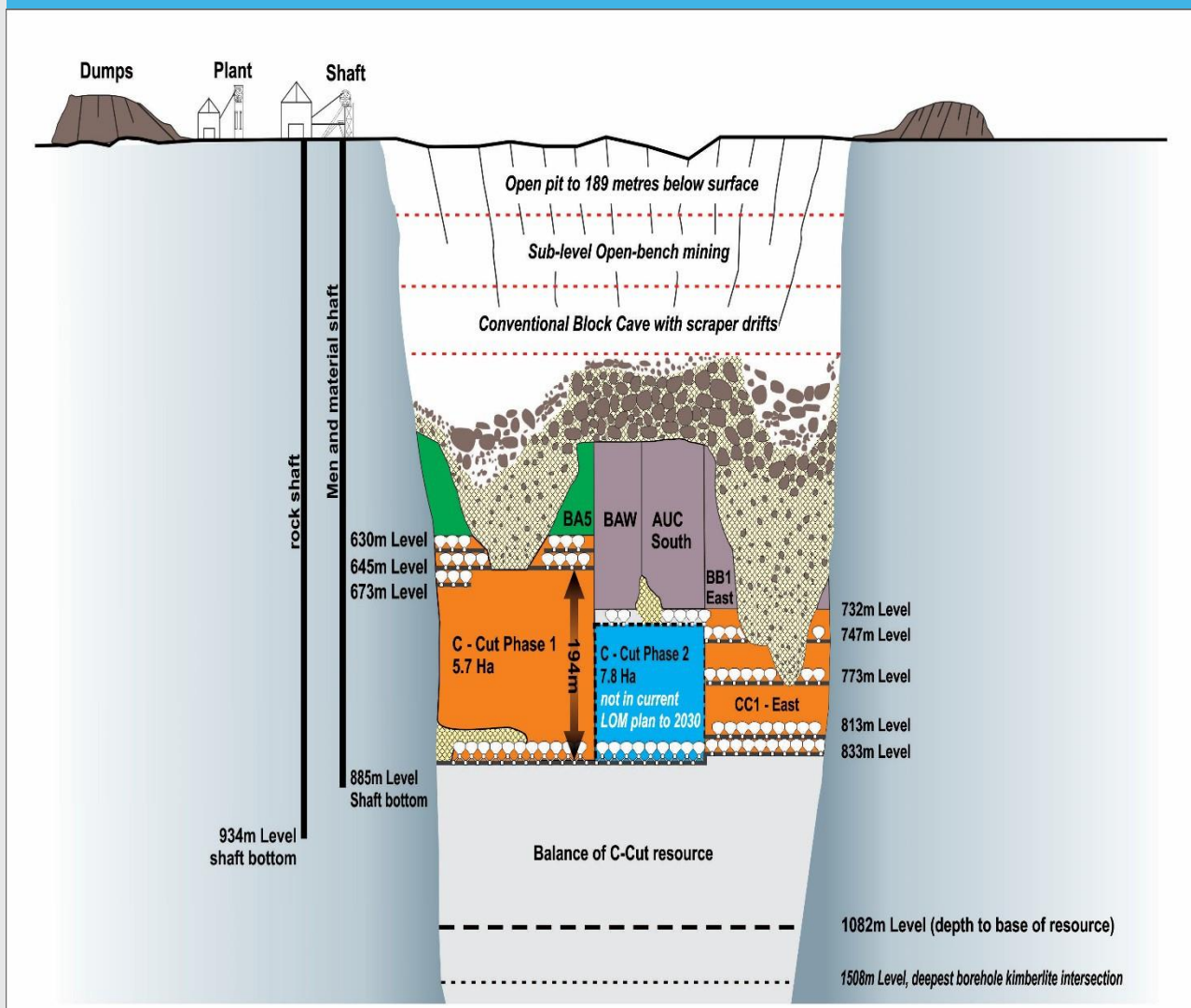
Expansion Plan

- **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 (FY'18 – expansion into Eastern side of orebody (CC1 East))
- Development work transitioning from waste tunnelling in host rock to kimberlite
- First rings in the undercut blasted – **June 2015**

Key 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**; ca. 1 Mt ROM from new block cave **during FY 2017**
- Ore shaft completed and commissioned – **H1 FY 2017**
- New Cullinan plant commissioning commences – **end FY 2017**
- Steady state ROM production (4 Mtpa) – **FY 2019**

FY 2017 Development: Waste: 1,049 metres; Raiseboring: 673 metres; Kimberlite: 2,530 metres



New Cullinan Plant

- Plant delay in FY 2017 due to contractor labour disruptions / commissioning issues
- Now fully operational except for Large Diamond Recovery section (all 4 modules to be operational by end September)
- Processing rates already at 60% of nameplate capacity (6 Mtpa); plant set to deliver Cullinan's production and treatment plan for FY 2018
- Grade performing in line with expectations given current commissioning phase; further optimisation to improve recovery efficiencies



New plant uses AG milling, HPGR, XRL



Autogenous milling – inter-particle crushing



BV X-Ray Machines



Sorthouse top floor – primary sort & re-sort

FY 2018 Outlook

Trading to date in FY 2018

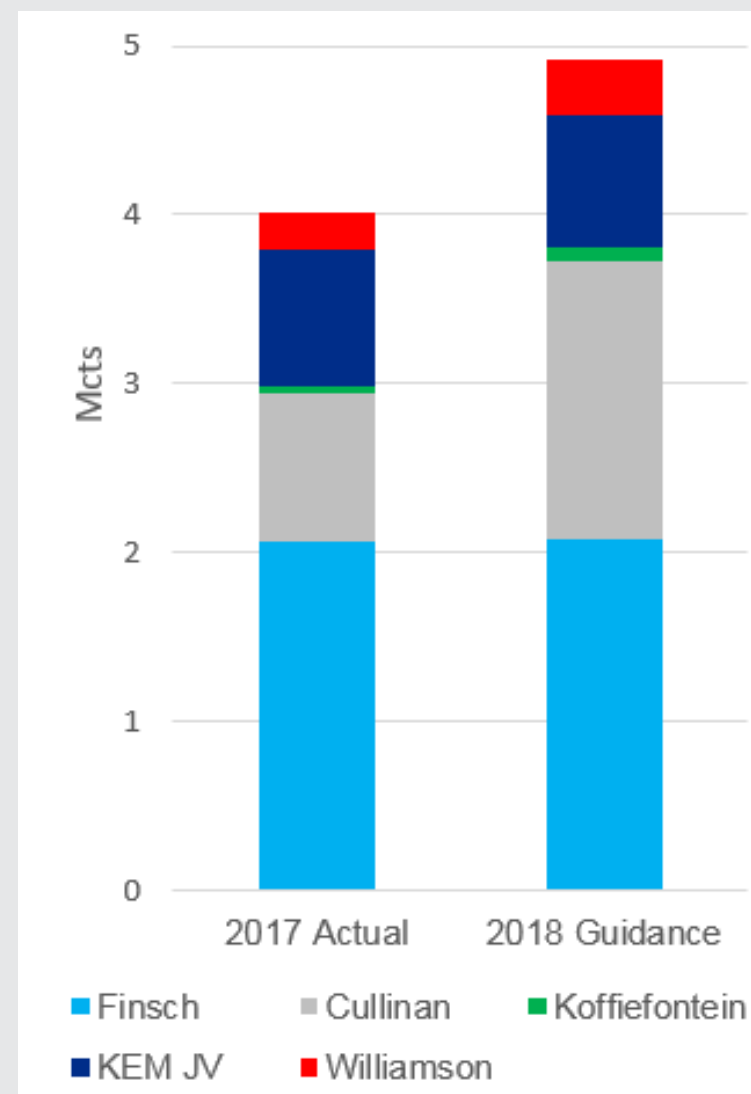
- Solid production start to FY 2018; Company on track to meet guidance of 4.8 – 5.0 Mcts in FY 2018; 5.0 – 5.3 Mcts in FY 2019
- First tender realised \$76 million (South Africa operations only)

Transformation continues

- Delivery of production rollout supported by:
 - Undiluted ore expected to double from two major projects
 - Increasing mining footprints
 - Addition of new ore handling systems
 - New Cullinan Plant
- Increasing volumes against Petra's fixed cost base (ca. 70%) to have positive impact on FY 2018 results
- Net debt to start falling from H2 FY 2018, and free cashflow to be generated from H2 FY 2018 onwards

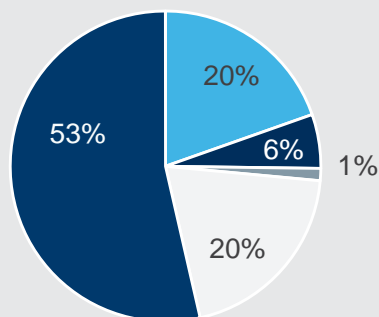
Risks to Outlook and Guidance

- Wage negotiations in South Africa yet to be finalised
- Discussions with GoT underway with regards to Williamson; parcel of 71,654 carats blocked from export in Tanzania



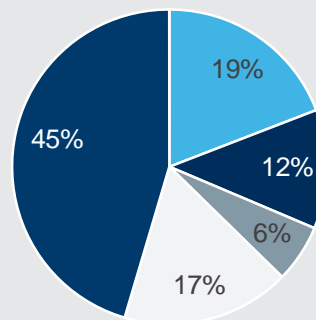
FY 2017A versus FY 2019F

Production by mine



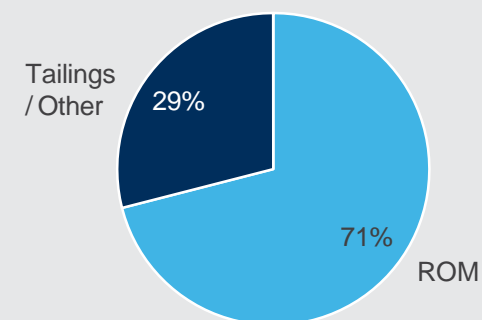
FY 2017 Actual

Revenue by mine

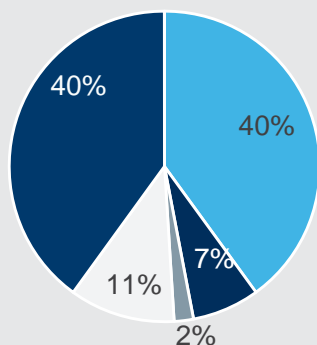


FY 2017 Actual

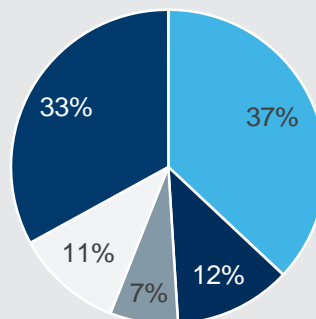
Production split - carats



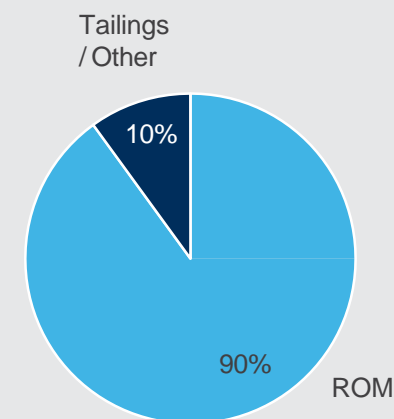
FY 2017 Actual



FY 2019 Guidance¹



FY 2019 Guidance¹



FY 2019 Guidance¹

1. All forecasts are management estimates; diamond prices are calculated using a 4% pa real price increase from FY 2019 onwards

Generating Value for all Stakeholders



Development of our People

Finsch employees who have graduated from one of Petra's many training programmes



Environmental Awareness

Tree planting at Williamson



Local Economic Development

Kimberley Enterprise Development Centre



Community Health

World HIV-AIDS campaign at Cullinan



Education

Supporting local education at Williamson



Community

Vision 4 Change – supported by Petra Foundation

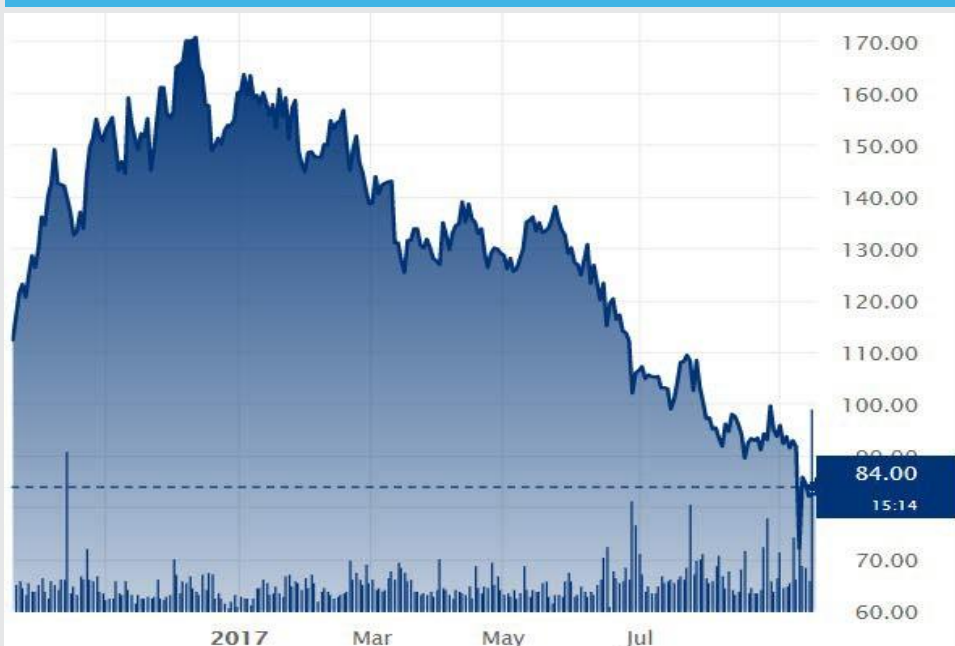


Appendix



Capital Structure

Share Price (1 year to 15 September 2017)



As at 13 September 2017

	Number of voting rights	% ISC
BlackRock Investment (UK) Limited	81,421,777	15.3%
T. Rowe Price	51,958,815	9.8%
Standard Life Aberdeen plc	32,834,250	6.2%
Directors	20,009,953	3.8%

Listing

Average daily trading volume (shares) – (LTM)

Shares in issue

Free float

Market cap @ 82.0p (13 September 2017)

LSE: PDL

3.1m

531.98m

93.73%

£436.5 / \$578.5m

The Petra Board



Adonis Pouroulis
Non-Executive Chairman

Successful mining entrepreneur
Founded Petra Diamonds in 1997 and floated first diamond company on AIM
Along with fellow directors, built Petra into pan-African diamond group with over 5,600 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 27 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
Multidisciplinary career spanning 45 years across the full spectrum of the diamond mining process
Formerly Head of Diamond Exploration for Rio Tinto across Southern Africa
As Technical Director of Crown Diamonds, managed specialist underground fissure mines over a decade



Tony Lowrie
Senior Independent Non-Executive Director

Over 45 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



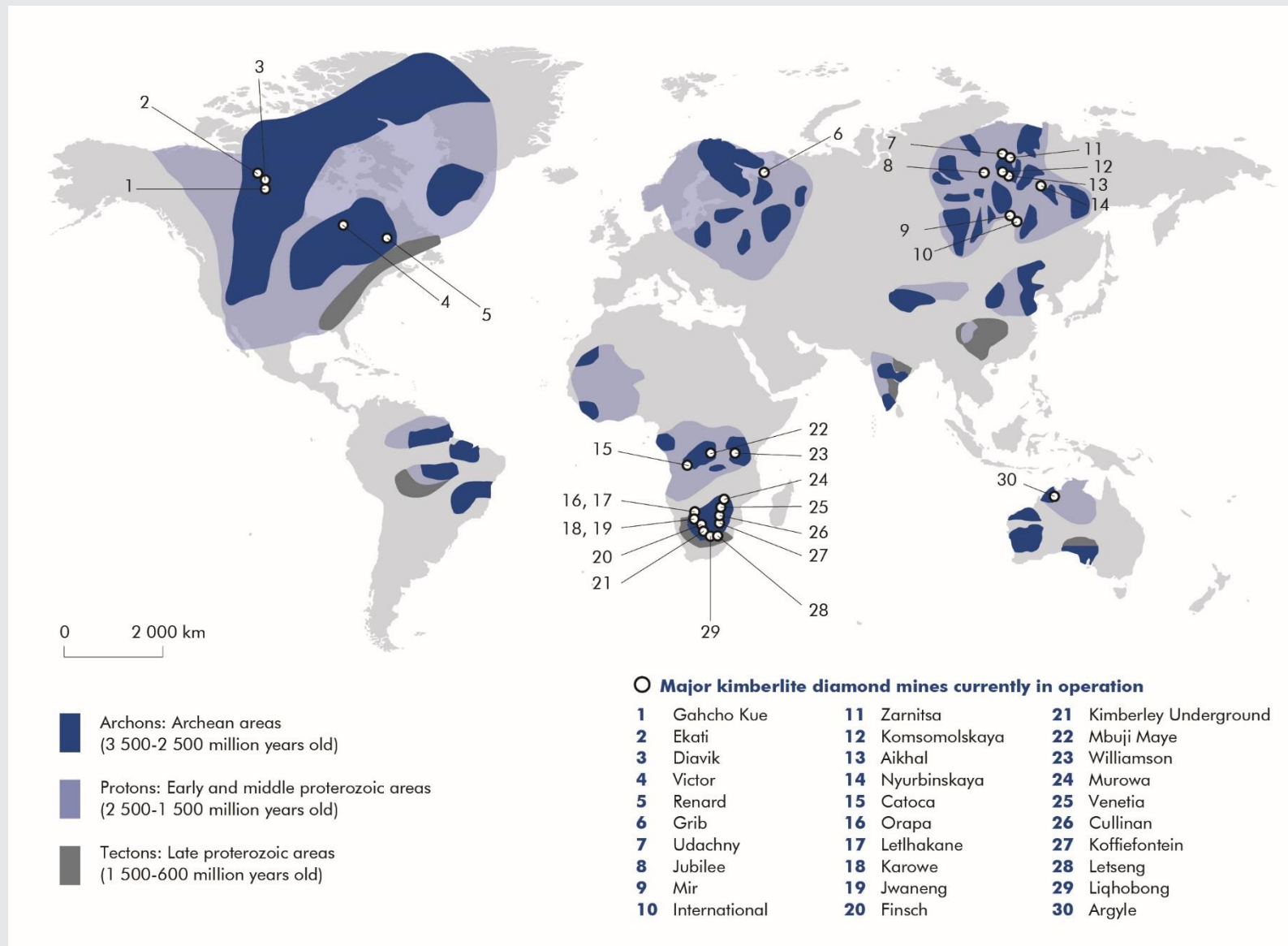
Octavia Matloa
Independent Non-Executive Director

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

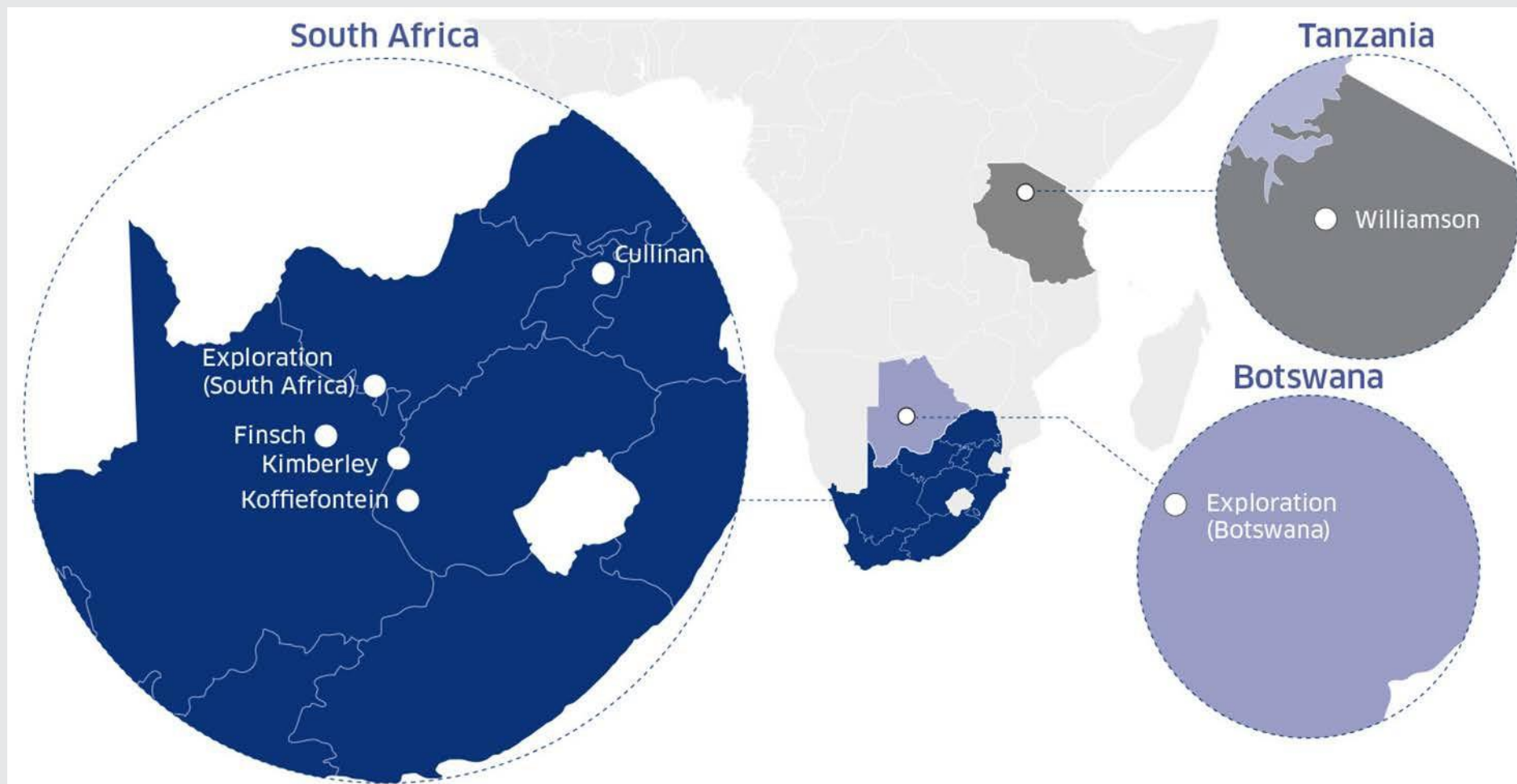
World Diamond Mines



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 2035

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

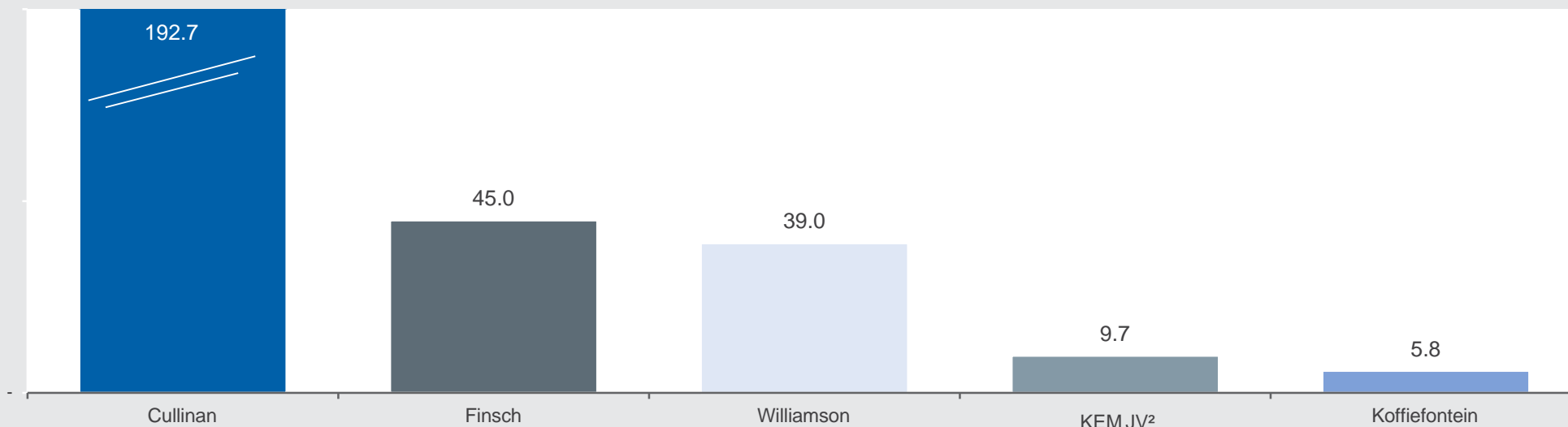
Tailings Operations
Mine Plan to 2035

1. Refer to 'FY 2018 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

2017 Resource Statement (30 June 2017)

World-class Resource base of 305.0 million carats¹

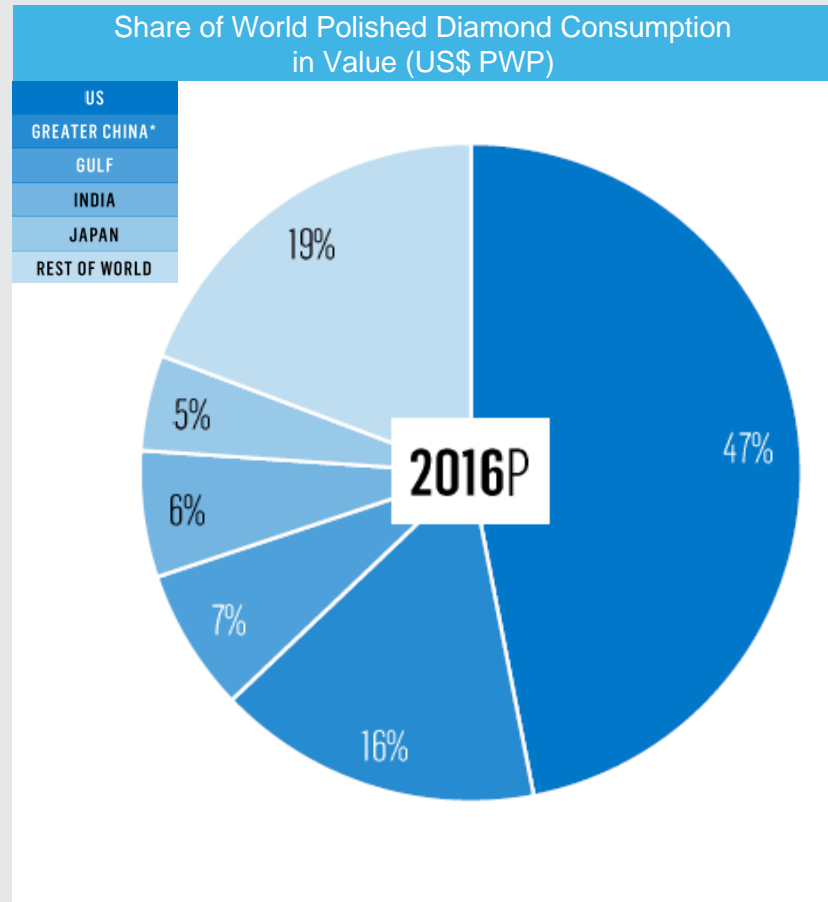
Gross Resources (Mcts)



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. All KEM JV Reserves and Resources changed to 75.9% attributable to Petra from 1 July 2016 due to the formation of the KEM JV on that date

The Diamond Market in 2016

- Global diamond jewellery sales +0.3%: ca. \$80 billion



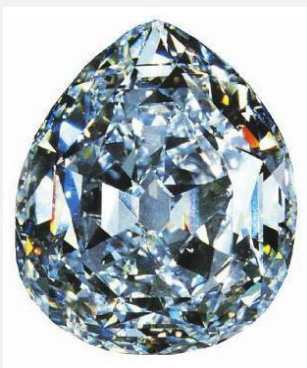
Source: De Beers Diamond Insight Report 2017

Petra Production Profile

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



Iconic Diamonds From Iconic Mines



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



The Cullinan Heritage
507.5 carats rough
Cullinan, 2009

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



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



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

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



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



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

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



The Most Highly Concentrated Form of Wealth

Examples of recent polished coloured diamond sales at auction



**The 14.62ct
Oppenheimer
Blue diamond**

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



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

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



**The 24.18ct
Cullinan Dream
diamond**

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



**The 59.60ct
Pink Star
diamond**

Sold for \$71.2m
\$1.2m per carat,
4 April 2017

FY 2017 Operational Results

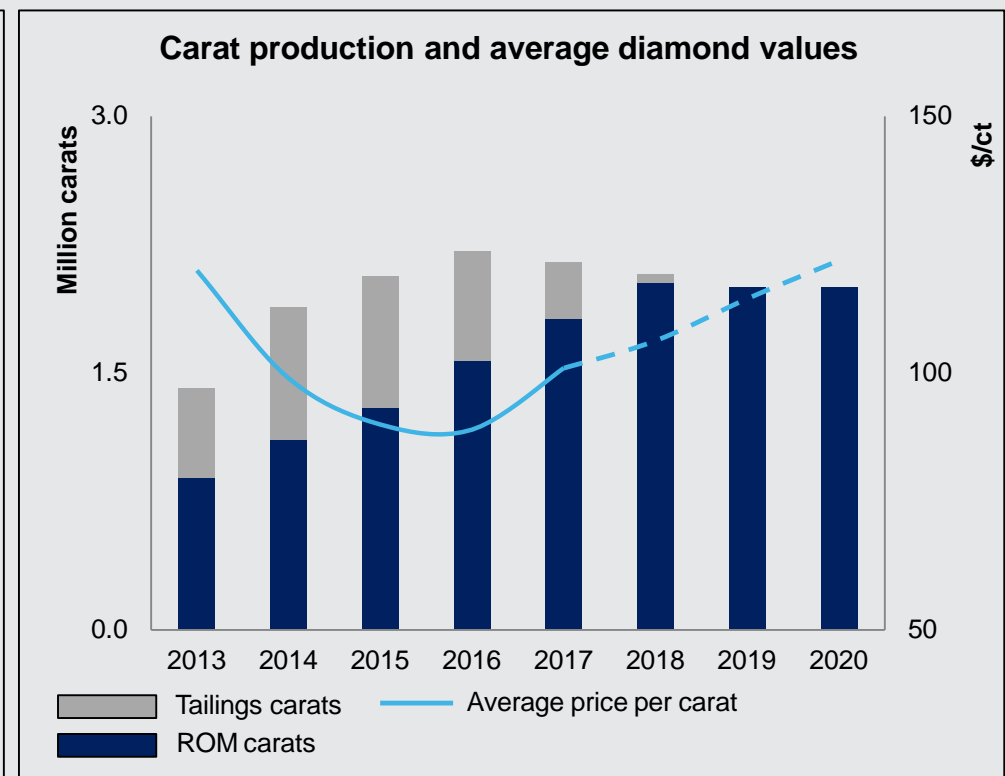
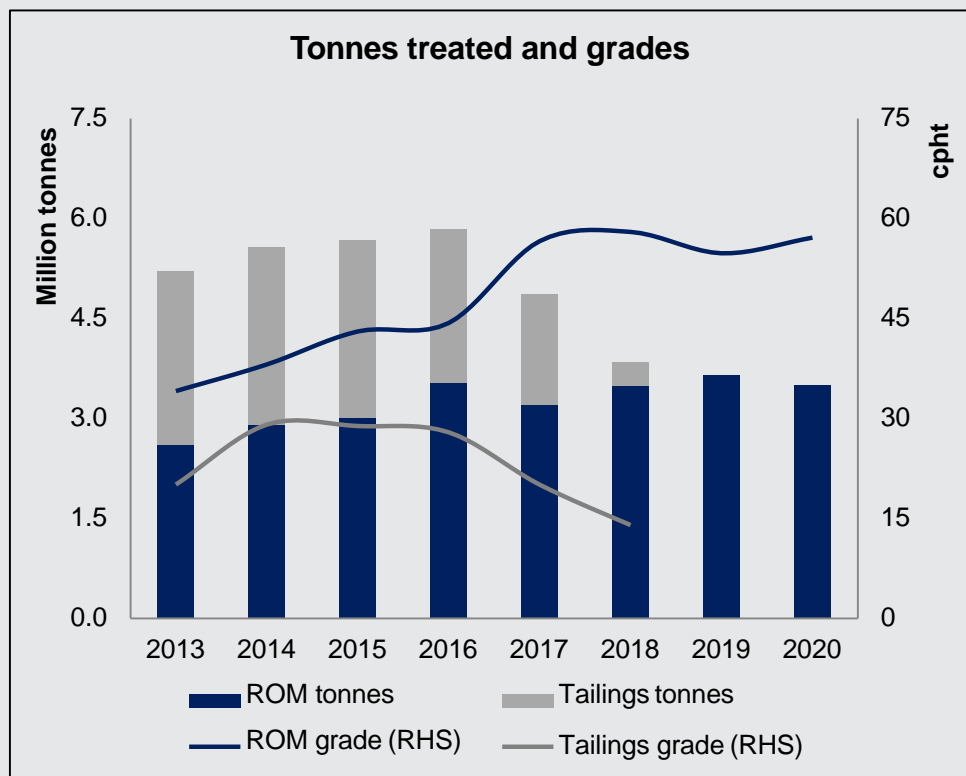
	Finsch		Cullinan		Koffiefontein		KEM JV		Williamson	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
ROM PRODUCTION										
Tonnes Treated (t)	3,212,169	3,547,798	1,882,911	2,302,892	667,821	681,344	597,025	721,513	3,667,781	4,003,180
Grade (cpht)	56.6	44.3	36.1	28.0	7.7	7.5	14.7	12.3	5.8	5.0
Diamonds recovered (carats)	1,818,454	1,572,725	679,622	643,724	51,173	50,825	87,783	88,572	212,215	199,796
TOTAL PRODUCTION										
Tonnes treated (t)	4,863,258	5,843,716	2,389,087	3,189,181	667,821	1,128,198	6,750,682	4,305,271	4,071,592	4,420,632
Diamonds recovered (carats)	2,149,896	2,214,064	786,509	680,813	51,173	62,190	800,434	531,469	225,202	212,869
SALES										
Diamonds sold (carats)	2,141,885	2,085,123	760,957	663,175	56,068	55,500	821,963	438,680	226,110	205,548
Average price per carat (US\$)	101	89	120 ¹	126 ¹	506	462	100	132	258	384
Revenue (US\$M)	216.7	186.4	91.3	83.3	28.4	25.7	82.3	57.7	58.4	78.9
ON-MINE CASH COST PER TONNE TREATED	R253	R183	R316	R257	R532	R317	R133	R140	US\$12	US\$11
TOTAL CAPEX	85.6	73.8	151.2	179.4	18.8	27.5	28.4	16.8	15	24.4

1. Excluding Exceptional Diamonds, the average value for FY 2016 was \$109 per carat

2. Excluding Exceptional Diamonds, the average value for FY 2015 was \$119 per carat

Finsch Production Profile

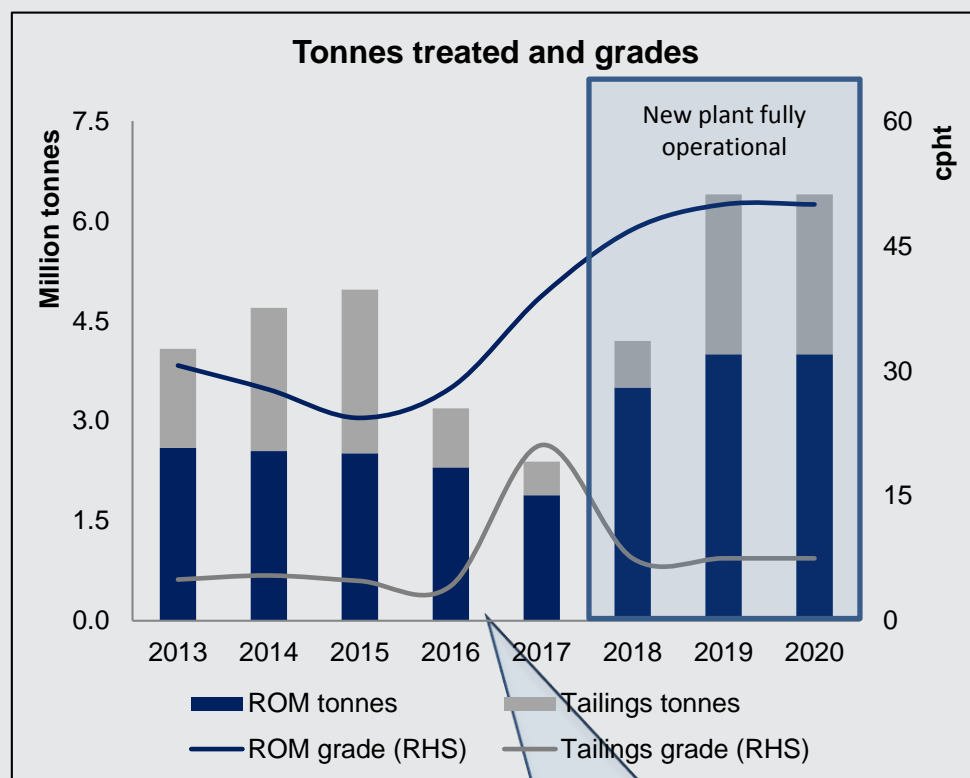
- ROM production to rise from 3.2 Mt in FY 2017 to ca. 3.5 Mt in FY 2018
- Tailings production to cease to reduce from 1.7 Mt in FY 2017 to ca. 0.35 Mt in FY 2018 and 0 Mt from FY 2019 onwards



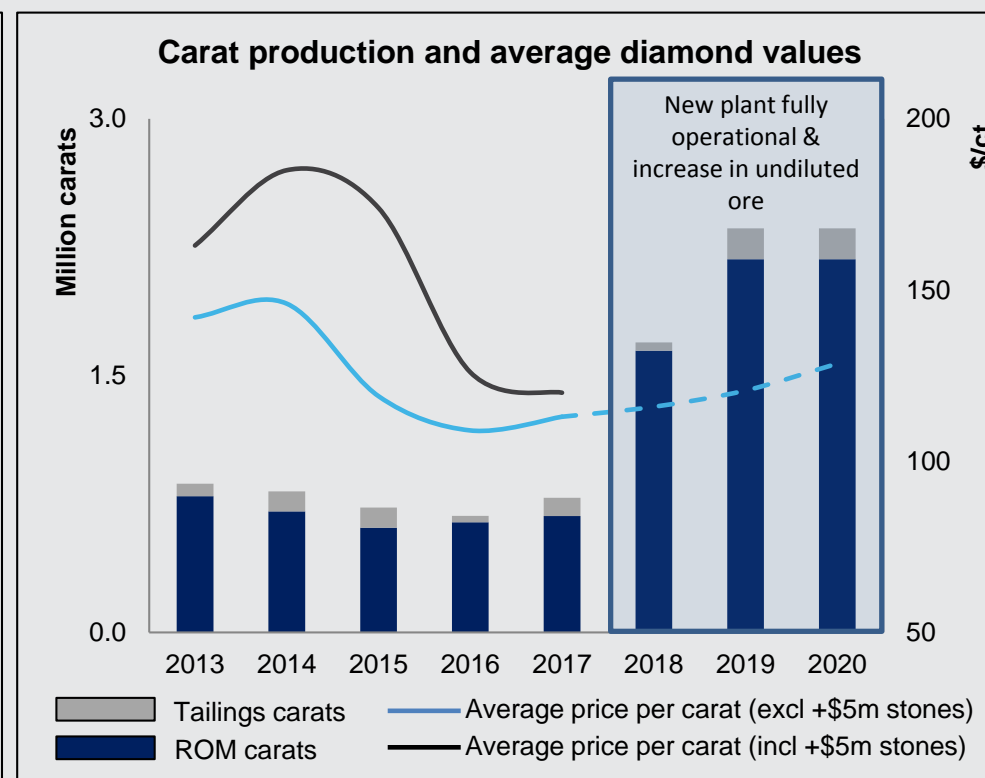
1. Forecasts for average value per carat calculated using FY 2017 guided prices, and 4% annual real price increase from FY 2019 onwards

Cullinan Production Profile

- ROM tonnages to rise 112%, but ROM carat production expected to rise +196%, due to increase in grade as result of mining undiluted C-Cut tonnes



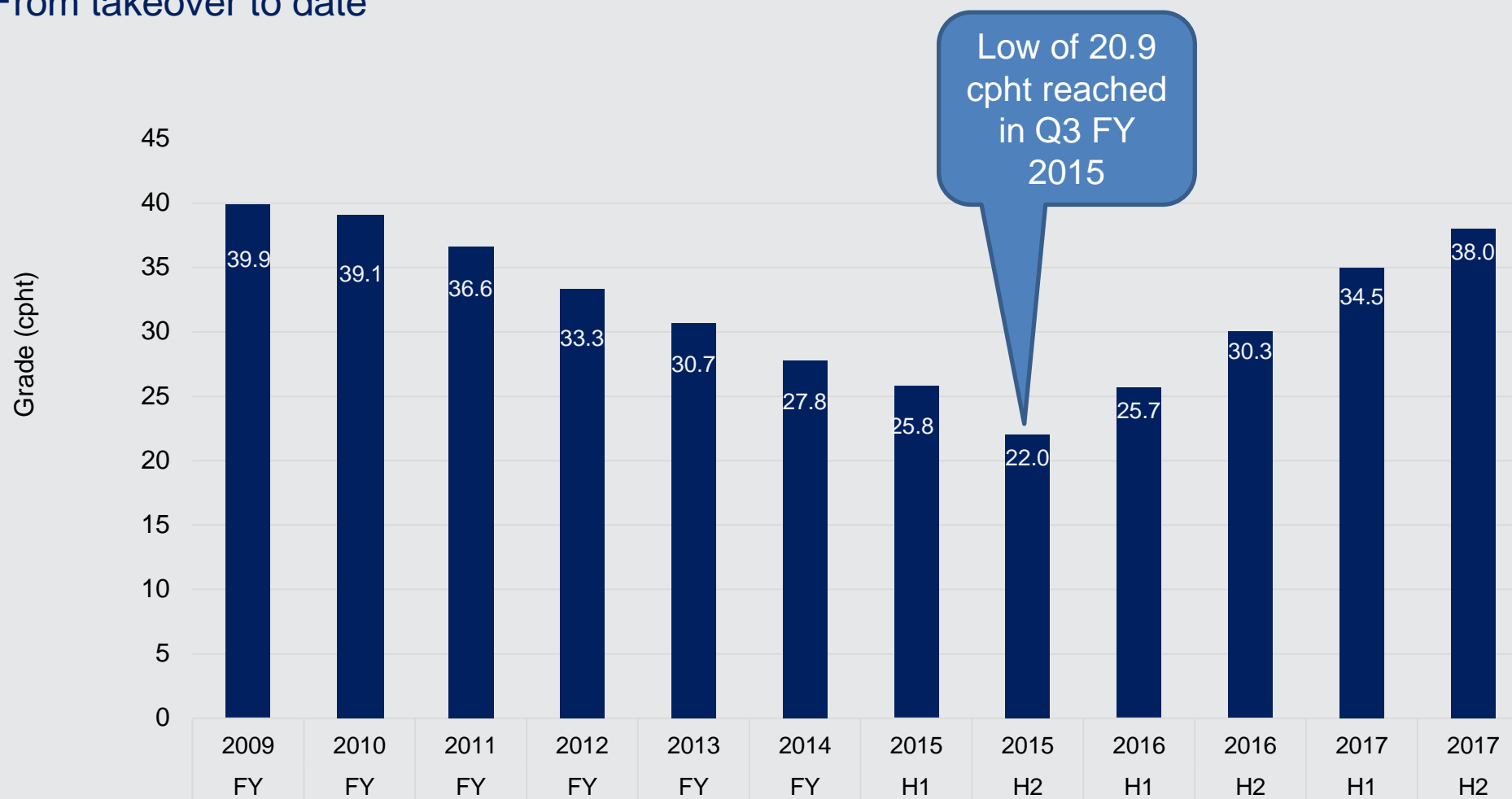
FY 2016 / 2017 are outside of steady state due to transitional period and tonnes being processed through old Cullinan plant



- Forecasts for average value per carat calculated using FY 2017 guided prices, and 4% annual real price increase from FY 2019 onwards

Cullinan Grade Progression

From takeover to date



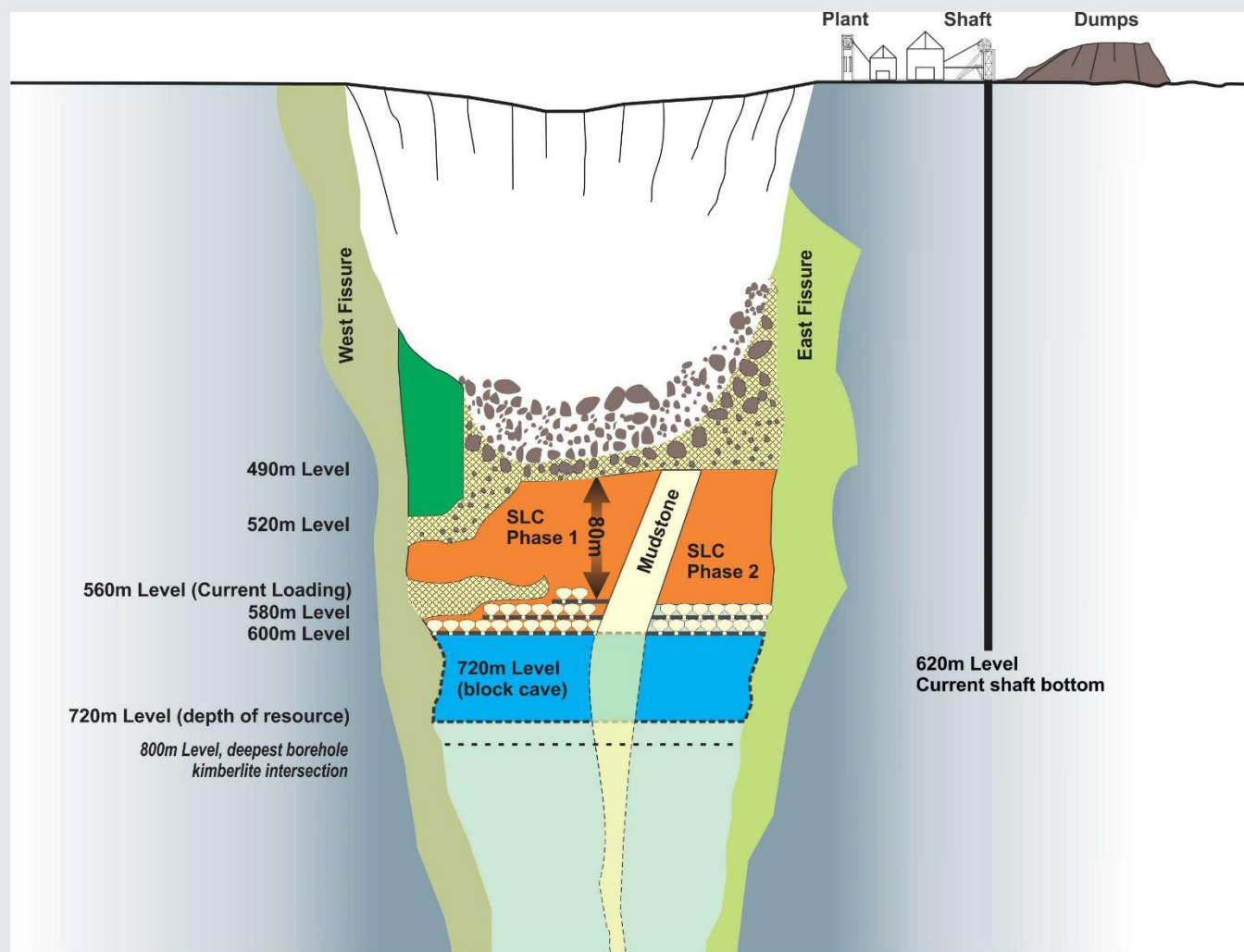
Koffiefontein – Development Programme

Expansion Plan

Expansion Plan – to take production to ca. 85,000 ctpa by FY 2018

- 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 2019**

Koffiefontein Kimberlite Pipe Schematic



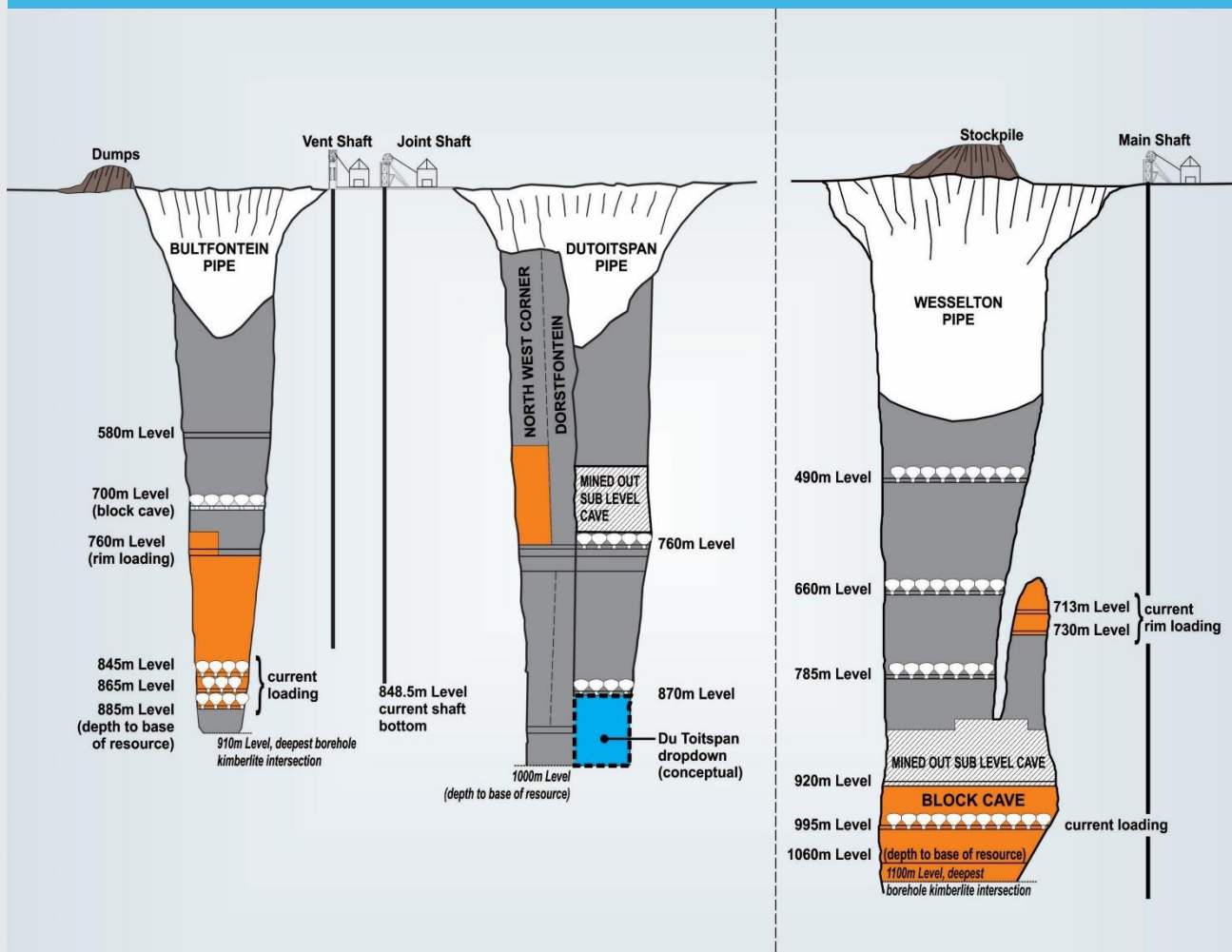
Kimberley Underground – Development Programme

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 15 cpht – **FY 2018**
- ROM tonnes ramping up from 1.1 Mt planned in FY 2018 to ca. 1.2 Mtpa – **from FY 2019**
- Underground development at Wesselton and Dutoitspan to extend mine life

Kimberley Underground Kimberlite Pipes Schematic



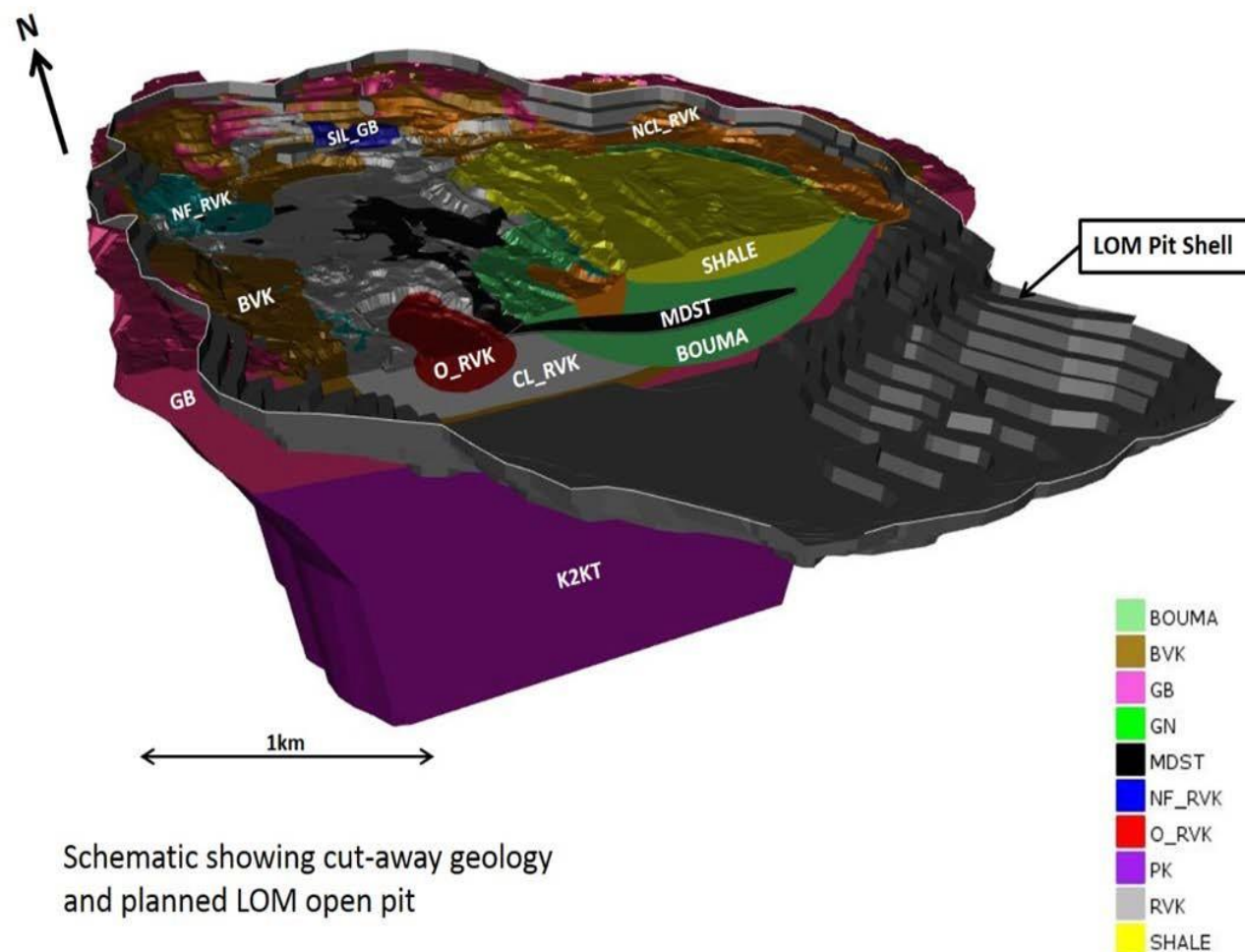
Williamson – Development Programme

Expansion Plan

Expansion Plan – to take production to ca. 337,500 ctpa by FY 2019

- Plant modifications (additional crusher circuit, 2 autogenous mills) completed – **FY 2017**
- ROM throughput planned at 4.6 Mt – **FY 2018**
- Ramp up of ROM throughput to ca. 5 Mtpa (at ca. 6.5 – 7 cpht) by **FY 2019**

Williamson Kimberlite Pipe Schematic



Debt Facilities

- Bank facilities (excl. FX lines) as at 30 June 2017: ca. \$115.0 million
- Bank debt facilities undrawn and available to the Group as at 30 June 2017: \$5.6 million, in addition to cash at bank of \$203.7 million

Lender	Type	Size ZARM	Size US\$M ¹	Utilised at 30 Jun 2017 ZARM/US\$M	Interest Rate	Repayment
Absa, Nedbank & RMB (FNB)	ZAR Revolving credit facility	1,000	77	ZAR1,000M	1M JIBAR + 5.0%	Repayable Dec 2019
Absa & RMB (FNB)	ZAR Working capital facility	500	38	ZAR422M	SA Prime – 1.0%	Subject to annual renewal

1. Converted to USD using exchange rate of ZAR13.05/USD1

Bank Debt Facilities – Covenants

Covenant	Maintenance Covenants			Distribution Covenants
	12 months to 30 June 2017	12 months to 31 Dec 2017	12 months to 30 June 2018	All periods
	Required ratio	Required ratio	Required ratio	Required ratio
Consolidated Net Debt ² to Consolidated EBITDA	n/a ¹	≤4.0x (Revised from ≤2.8x)	≤2.5x	≤2.0x
Consolidated EBITDA to Consolidated Net Finance Charges	n/a ¹	≥2.7x (Revised from ≥3.85x)	≥4.0x	≥6.0x
Consolidated Net Senior Debt ³ to Book Equity ⁴	≤0.4x	≤0.4x	≤0.4x	≤0.3x

1. Waiver obtained for 30 June 2017 measurement period
2. Consolidated net debt is loans and borrowings, less cash, less diamond debtors; consolidated net debt includes the BEE guarantees of ca. ZAR1.37 billion (\$105 million) as at 30 June 2017, issued by Petra to the lenders as part of the BEE financing concluded in December 2014
3. Consolidated Net Senior Debt means at any time the Consolidated Gross Debt (excluding any second lien and other subordinated debt)
4. Book Equity is Equity excluding accounting reserves

Leverage Ratios

		30 June 2017	30 June 2016
IFRS Net debt ¹	USDM	555.3	375.8
Consolidated net debt (for bank debt covenant measurement)	USDM	616.8	464.6
Gearing ²	%	86	69
Adjusted EBITDA ³	USDM	157.2	164.3
EBITDA margin ⁴	%	33	38
Consolidated net debt: EBITDA ⁵	x	3.9	2.8
EBITDA net interest cover ⁶	x	2.8	4.3

1. Net debt is the US\$ loan notes and bank loans and borrowings net of cash at bank

2. Gearing is calculated as IFRS net debt divided by total equity

3. Adjusted EBITDA, stated before depreciation, share-based expense, net finance expense, tax expense, impairment charges, net unrealised foreign exchange gains and losses and loss on discontinued operations

4. EBITDA margin is Adjusted EBITDA divided by revenue

5. Consolidated net debt: EBITDA is Consolidated net debt divided by Adjusted EBITDA

6. EBITDA: net interest cover is EBITDA divided by net finance costs, exchange gains or losses and unwinding of present value adjustment for rehabilitation costs

Capex Profile – FY 2018 to FY 2019

Financial Year		2018	2019	2020
Operation				
Finsch	ROM tonnes treated (Mt)	3.5	3.5 – 3.8	3.5
	Tailings tonnes treated (Mt)	0.35	0.0	0.0
	Expansion Capex (ZARm)	600	420	350
	Sustaining Capex (ZARm)	150	100	100
Cullinan	ROM tonnes treated (Mt)	3.4 – 3.6	4.0	4.0
	Tailings tonnes treated (Mt)	0.7	2.4	2.4
	Expansion Capex (ZARm)	690	450	450
	Sustaining Capex (ZARm)	100	100	100
Koffiefontein	ROM tonnes treated (Mt)	1.0	1.1	1.1
	Expansion Capex (ZARm)	225	80	80
	Sustaining Capex (ZARm)	50	50	50
KEM	ROM tonnes treated (Mt)	1.1	1.2	1.2
	Tailings tonnes treated (Mt)	6.5	5.5	5.5
	Expansion Capex (ZARm)	155	220	220
	Sustaining Capex (ZARm)	80	90	90
PETRA (SA Operations)	Expansion Capex (ZARm)	1 670	1 170	1 100
	Sustaining Capex (ZARm)	380	340	340
Williamson	ROM tonnes treated (Mt)	4.6	5.0	5.0
	Alluvial tonnes treated (Mt)	0.4	0.0	0.0
	Expansion Capex (USDm)	3.5	5	5
	Sustaining Capex (USDm)	2.8	4	4
PETRA (All Operations)	ROM tonnes treated (Mt)	13.7	15.0	14.8
	Tailings / other tonnes treated (Mt)	8.0	7.9	7.9
	Expansion Capex (USDm)	132	95	90
	Sustaining Capex (USDm)	32	30	30

1. All Capex numbers are stated in FY 2018 money terms (ZAR13:\$1 where applicable)
2. Depreciation on mining assets for FY 2018 guided at ca. US\$70 – 75 million at ZAR13:\$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. Total Capex post FY 2018 expected to be \$100 – 120 million per annum – required to optimise mine plans and continue development beyond current mine plans (mostly related to Finsch and Cullinan)



Thank You

Further enquiries:

Petra Diamonds

Cathy Malins

Corporate Communications Manager

cathy.malins@petradiamonds.com

+44 20 7494 8203

www.petradiamonds.com

