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The Finsch mine
in South Africa

Discover Petra – A Leading Independent Diamond Producer

May 2014



PetraDiamonds

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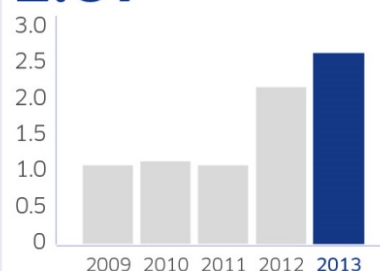
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LSE: PDL: Constituent of FTSE 250; market capitalisation of ca. £850m / US\$1.4bn (as at 30 April 2014)

1. *Pure play diamond exposure:* uniquely poised to benefit from late cycle credentials and growing middle classes
2. *Quality management and assets:* consistent strategy, performance and track record
3. *Strong growth profile:* on track for 5m carats pa / ca. US\$1bn¹ revenue by FY 2019 – all brownfields expansion
4. *Significant margin expansion:* operating margin of +30% rising to +50% by FY 2019
5. *Fully financed:* undrawn debt facilities and sufficient operating cashflow to cover capex; dividend from FY 2016

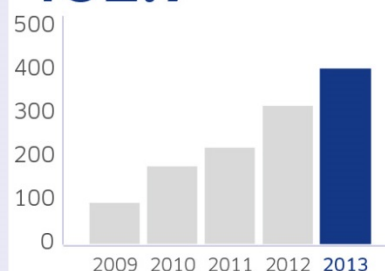
Rough diamond production
Million carats

2.67



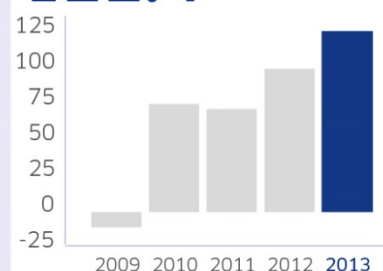
Revenue
US\$ million

402.7



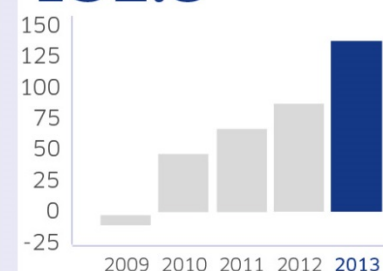
Adjusted EBITDA²
US\$ million

122.4



Adjusted operating cashflow²
US\$ million

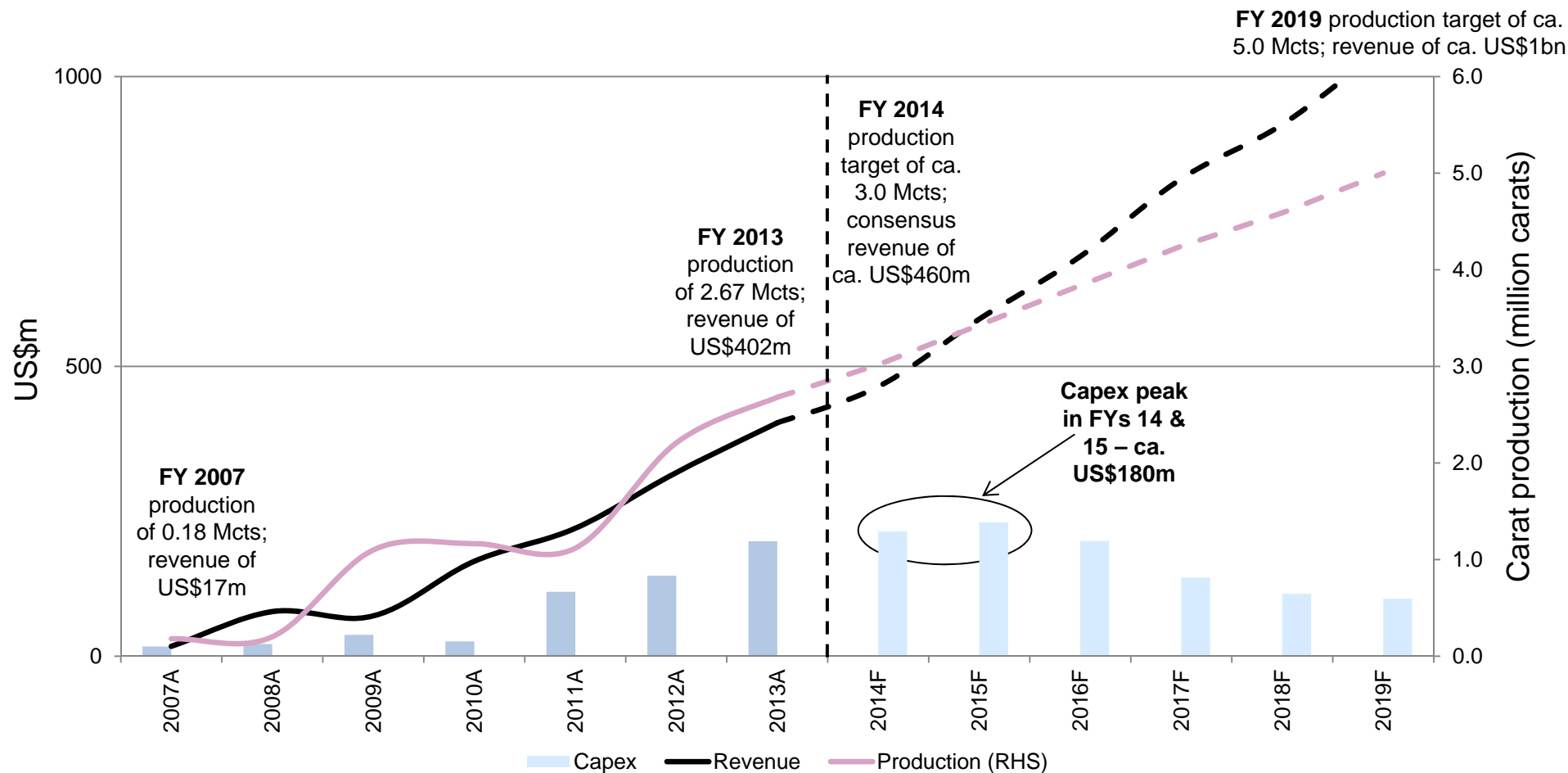
132.8



1. FY 2019 revenue forecast is a management estimate calculated using a 4% real price increase; 2. see slide 21 for disclosures re. adjusted figures

Organic Growth Path to 5 Million Carats pa

- FY 2014 onwards – *operating cashflow to cover capital programme*

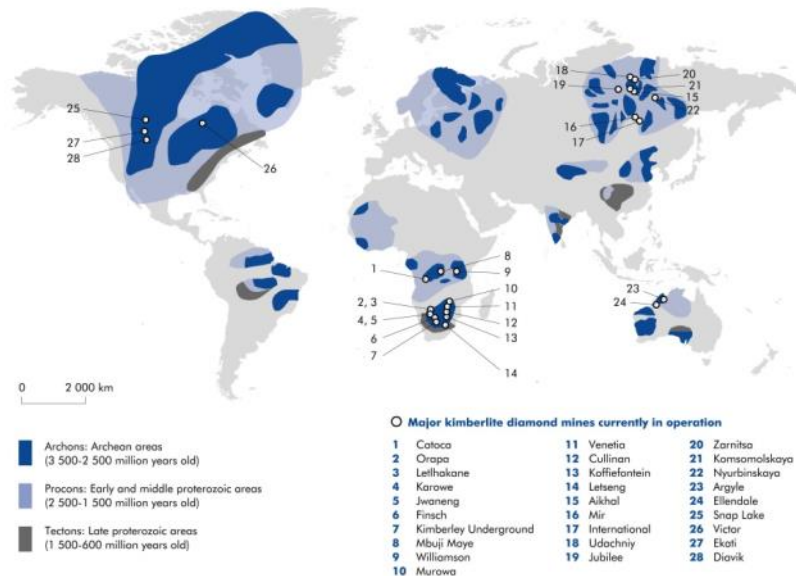


Note: All forecasts for Capex, revenue and production are management estimates. Capex is in nominal terms; diamond prices are calculated using a 4% real price increase.

1. Pure Play Diamond Exposure

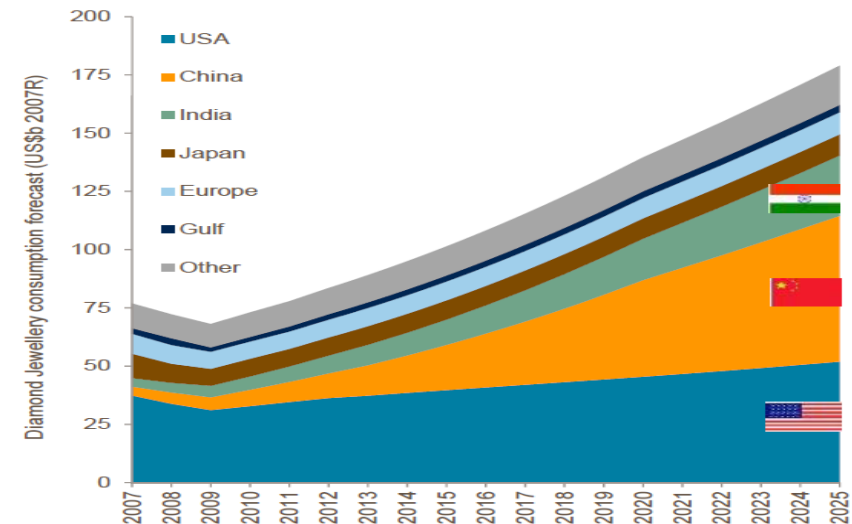
- *Limited supply:* only ~30 significant kimberlite mines in production; no major discoveries since 1990's
- *Major mines maturing:* past production peak; smaller footprints and some moving underground
- *Late cycle credentials:* demand driven by urbanisation, growing middle classes and continued recovery in US
- *Exciting demand growth:* consumption per capita in emerging regions still way below that of mature markets
- *Mass luxury:* China/India markets starting to follow US model of affordable diamond jewellery (\$200 to +\$2,000)

Limited Supply – less than 30 significant kimberlite mines



Source: Petra Diamonds

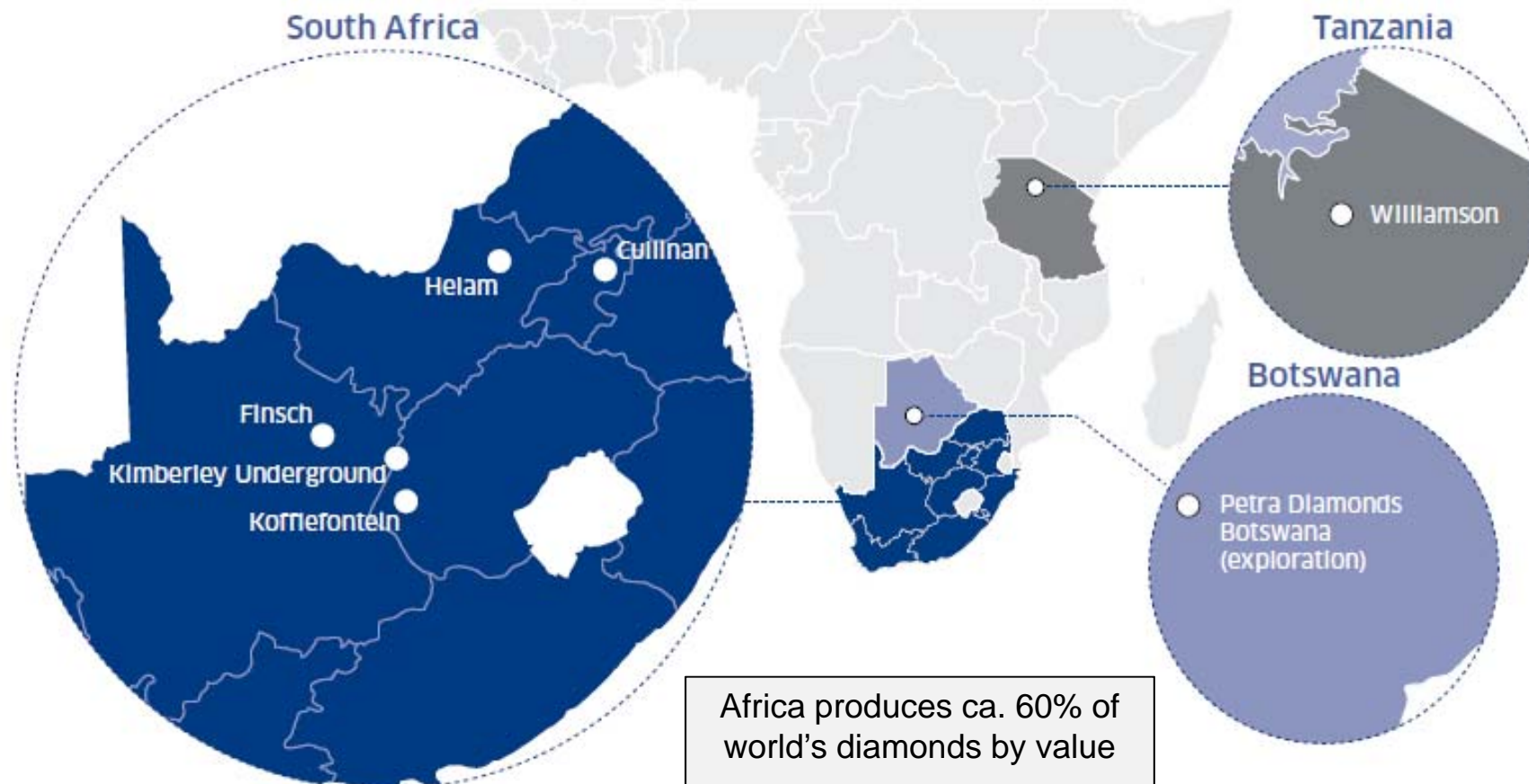
Growing Demand – China to surpass US marketshare by 2025



Source: Rio Tinto

2. Quality Management and Assets

- *Diversified portfolio*: five producing mines in South Africa, one in Tanzania and exploration in Botswana
- *World-class resource*: +300 million carats (largest outside the majors) worth ~US\$55.0 billion¹ (at 30 June 2013), incl. one Tier 1 asset (Cullinan)



1. FY 2013 average carat values used to calculate in situ values

2. Quality Management and Assets

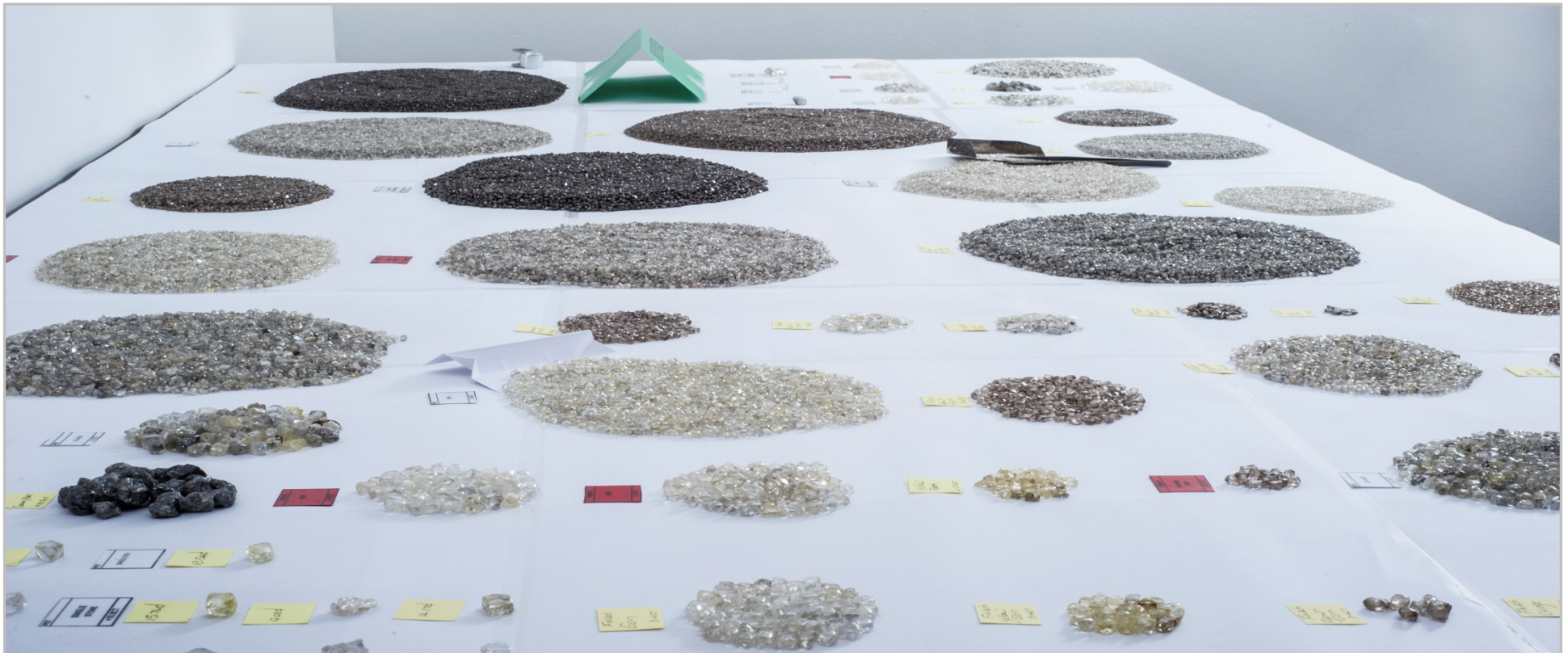
- Petra team is highly experienced in managing producing diamond mines in Africa
- Consistent delivery of growth – target of 5 Mctpa established in January 2011

Mine Management	Project Development
<ul style="list-style-type: none"> • <i>Focus on efficiencies</i> and simplification of management structures 	<ul style="list-style-type: none"> • <i>Utilise in-house expertise/knowledge</i> in design and execution of capital programmes
<ul style="list-style-type: none"> • <i>Disciplined cost control</i>; share services across mines; efficient central overhead 	<ul style="list-style-type: none"> • <i>Phased approach</i> to achieve low capital intensity
<ul style="list-style-type: none"> • <i>Focus on 'value'</i> as opposed to 'volume' production 	<ul style="list-style-type: none"> • <i>Make decisions</i>, get started



2. Quality Management and Assets

- Kimberlite production profile (diamond quality and size ranges) remains *highly constant* over time, resulting in *accuracy for diamond price forecasting*
- *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



2. Quality Management and Assets

- Historic, high value diamonds are a regular feature of Petra's production portfolio



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



The Star of Josephine
26.6ct rough,
7.0ct polished
Sold for US\$9.5m
Cullinan, 2009



Un-named Blue
29.6ct rough
Sold for US\$25.6m
Cullinan, 2014



The Cullinan Heritage
507.55 carats rough
Sold for US\$35.3m
Cullinan, 2009



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

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



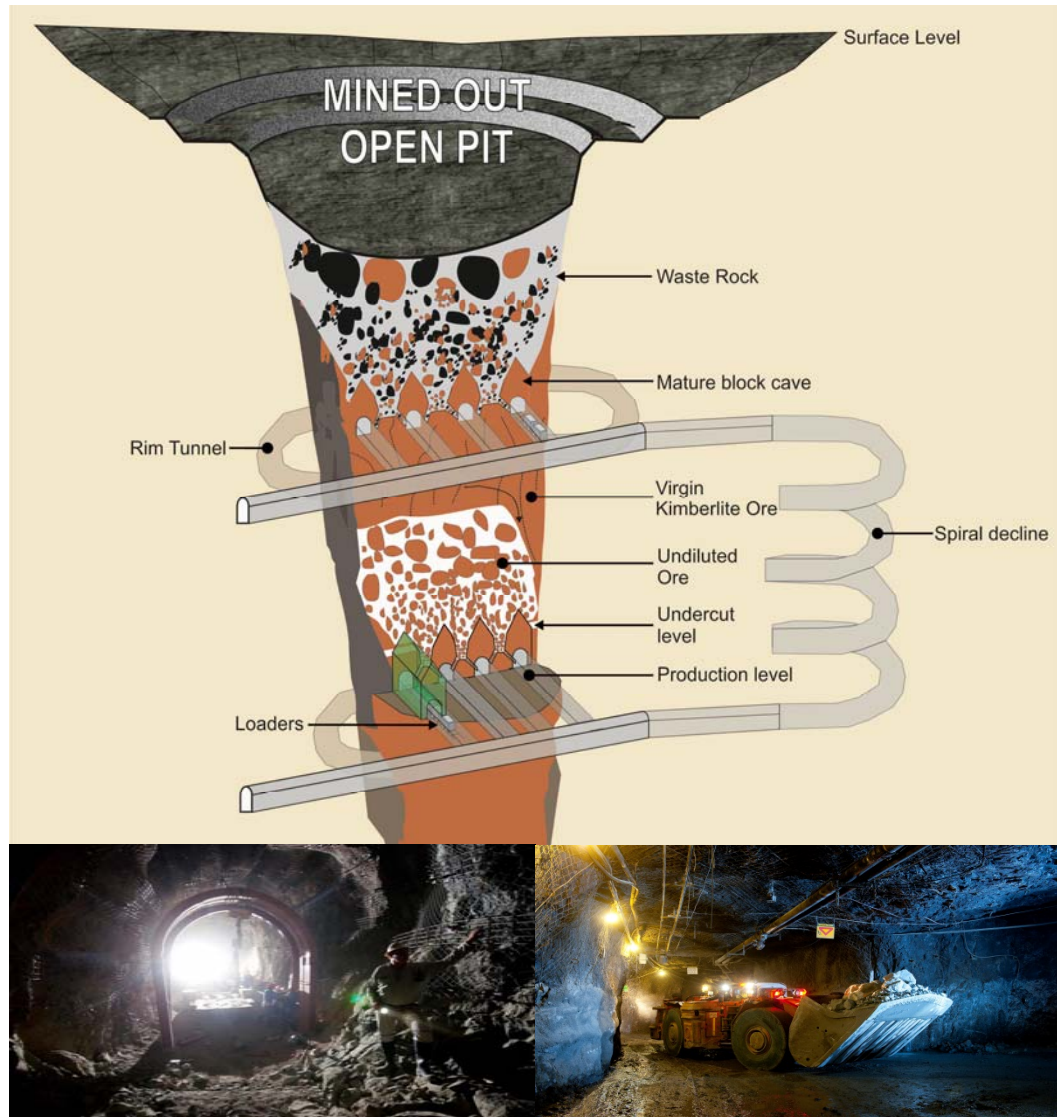
The Oppenheimer
253.7ct rough
Perfect yellow diamond
*Dutoitspan Mine,
Kimberley U/G, 1964*



The Taylor Burton
240.80ct rough,
69.42ct polished
Cullinan, 1966



3. Strong Growth Profile



- Caving is a safe and proven mechanised mining method
- Expansion programmes to establish new block/sub level caves in undiluted kimberlite
- Grades expected to rise significantly, increasing diamond content per tonne mined:
 - *Finsch* ca. 37 cpht to ca. 56 cpht¹
 - *Cullinan* ca. 30 cpht to ca. 50 cpht¹
- Will reduce wear and tear on processing systems (waste rock is harder and more abrasive than kimberlite)
- Capital intensive to develop but low operating cost over long mine life

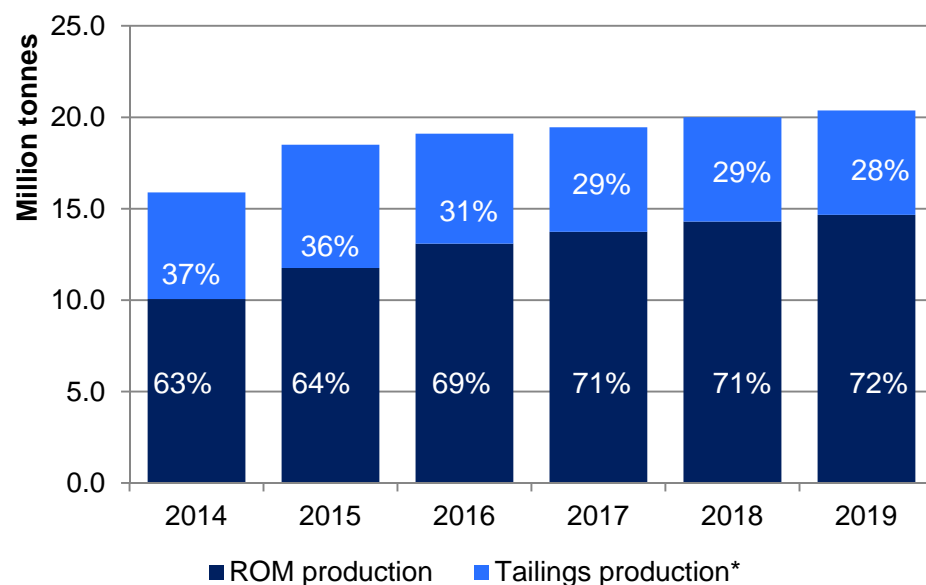
1. Management expectations

4. Significant Margin Expansion

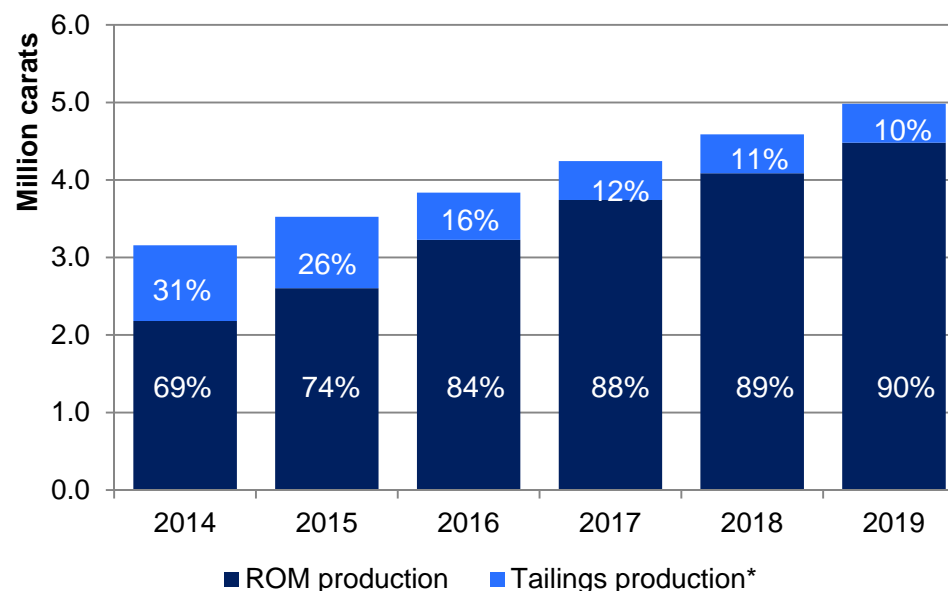
Operating margins to gradually rise from +30% to +50% by FY 2019

- ROM grades expected to increase ca. 50% once expansion programmes open up undiluted ore blocks
- Higher value ROM carats in production mix expected to increase to ca. 90%
- Unit costs to be well managed due to simplified orehandling systems and other efficiencies

Split of ROM (primary production) vs Tailings (re-processing old dumps) – tonnes processed



Split of ROM (primary production) vs Tailings (re-processing old dumps) – carats produced

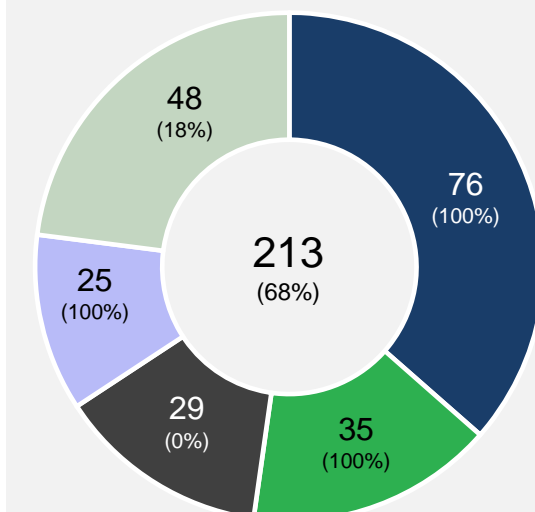


* Includes Ebenhaezer tonnes from Koffiefontein and alluvials from Williamson

5. Fully Financed

Debt Facilities¹

US\$ million
(Percentage utilised in brackets)



ABSA and FNB: Amortising term

IFC: Amortising term

ABSA and FNB: Revolving credit

IFC: Revolving credit

ABSA and FNB: Working capital and foreign exchange settlement facilities

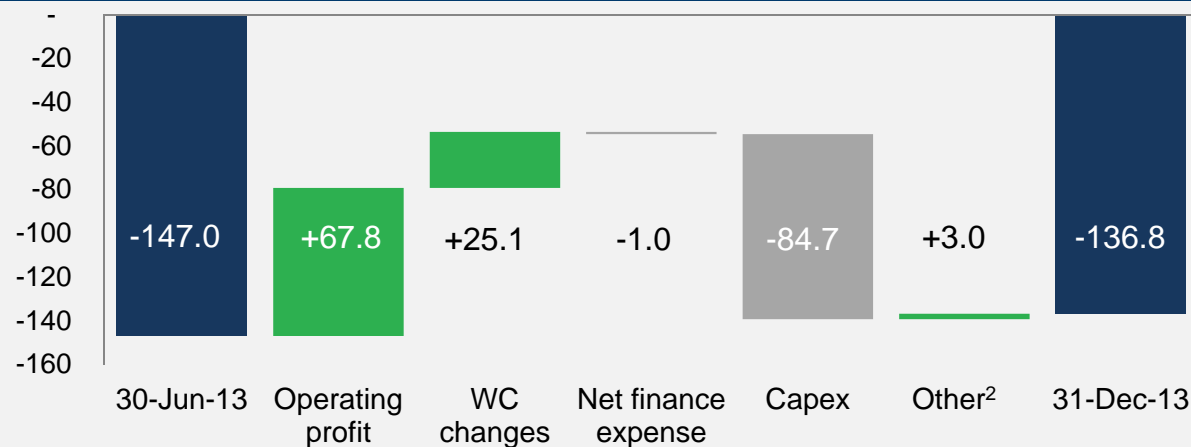
H1 FY 2014: operating cashflow covered capex

- Operating cashflow of US\$91.9 million
- Cash capex of US\$84.7 million

As at 31 December 2013:

- Cash: US\$28.0 million and diamond inventories of ca. US\$49.4 million
- Bank loans and borrowings: US\$136.8 million
- Net debt of US\$108.8 million
- Foreign exchange settlement liabilities: US\$8.8 million
- Facilities undrawn and available: US\$67.5 million

Loans and Borrowings Movement (US\$ million)



1. Utilising an exchange rate of US\$1:R10.445

2. 'Other' includes effect of exchange rate fluctuations on loans and borrowings and proceeds from issuance of share capital



Rising Production

- Organic growth profile to ca. 5 million carats
- Expansion on track and on budget



Rising Margins

- Group margins expected to go from +30% to +50% (FY 2019)
- Management of unit costs – higher tonnages and delivery of efficiencies



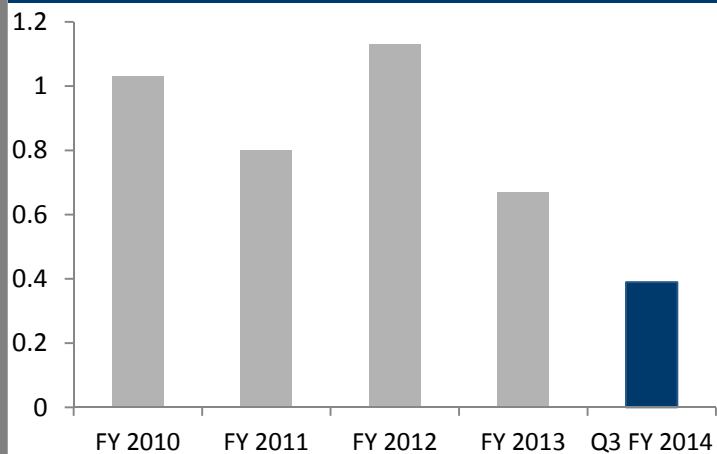
Rising Prices?

- Petra rough diamond prices up ca. 10% Jan to Apr 2014; firmer market conditions expected to end FY 2014
- Constrained supply
- Growing demand with 'mass luxury' driver

Instituting an appropriate dividend policy from FY 2016

Integrated Approach to Sustainability

Safety



Safety of employees is top priority for management

Petra striving for zero harm across its operations

Left: Petra's LTIFR Rate



Striving for the highest standards

Finsch wins best in class MineSAFE award



Employee and Community Health

The Mwadui hospital, established by Williamson, provides primary healthcare to between 600 and 800 patients per month in Tanzania



Life-long learning

Petra provides access to adult education facilities at all SA operations



Conserving protected habitats

Petra manages +7,000ha of protected land



PetraDiamonds

The Cullinan mine in South Africa



Appendix

Capital Structure

High Quality Share Register (as at 30 April 2014)	% ISC
Al Rajhi Holdings W.W.L.	13.0%
Saad Investments Company Ltd / AWAL Bank	11.9%
T. Rowe Price	10.2%
JP Morgan Asset Management Holdings Inc.	7.8%
BlackRock Investment (UK) Limited	7.3%
Prudential plc group of companies ¹	6.1%
Directors	2.5%

¹ of this holding, 30,929,516 shares are held by M&G Investment Funds 3

PDL Share Price (blue) vs FTSE 350 Mining (1 year)






Listing	LSE: PDL
Average daily trading volume (shares) – (last 12 mths)	0.6m
Shares in issue	512.1m
Free float	72.5%
Market cap @ 166p (30 April 2014)	£850m

Significant Diamond Producers

Majors:



Mid cap:

 PetraDiamonds LSE: PDL (FTSE 250) Market cap: US\$1,453m ¹ Assets: five producing mines; exploration	 DOMINION DIAMOND CORPORATION TSX: DDC Market cap: US\$1,061m ¹ Assets: two producing mines	 Lucara Diamond Corp. TSX: LUC Market cap: US\$645m ¹ Assets: one producing mine; one development project	 GEM DIAMONDS LSE: GEMD Market cap: US\$378m ¹ Assets: one producing mine; one development project
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1. As at 25 April 2014

The Petra Board



Adonis Pouroulis (43)
Non-Executive Chairman

Successful mining entrepreneur
Founded Petra Diamonds in 1997 and floated first diamond company on AIM
Along with fellow directors, built Petra into pan-African diamond group with over 5,000 employees (as at 30 June 2013)
Instrumental in raising funds to help finance and structure early stage mining companies in Africa



Johan Dippenaar (56)
CEO

One of South Africa's most successful diamond entrepreneurs with +20 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 diamond company



David Abery (51)
Finance Director

Extensive experience as Chief Financial Officer in South African and UK business environments
In-depth knowledge of London capital markets
Integral to structuring and deliverance of strategic group corporate development, including acquisitions and joint ventures



Jim Davidson (68)
Technical Director

Acknowledged world authority on kimberlite geology and exploration
+20 years' experience in diamond mine management
Formerly Head of Diamond Exploration for Rio Tinto across Southern Africa
As Technical Director of Crown Diamonds, managed specialist underground fissure mines over a decade



Tony Lowrie (71)
Senior Independent Non-Executive Director

Over 35 years' association with the equities business and an experienced NED
Formerly Chairman of ABN AMRO Asia Securities & MD of ABN AMRO Bank.
Has previously been a NED of Allied Gold Plc (prior to its merger with St Barbara Limited), Dragon Oil plc, J. D. Wetherspoon plc and several quoted Asian closed end funds
Currently NED of Kenmare Resources plc and a Director of the Edinburgh Dragon Fund



Dr Patrick Bartlett (68)
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 (68)
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

Petra's Growth Path

- Petra has acquired five non-core diamond mines from De Beers (four in South Africa, one in Tanzania)
- Group resource base of 309.6 million carats² worth ~US\$55.0 billion³ (at 30 June 2013)

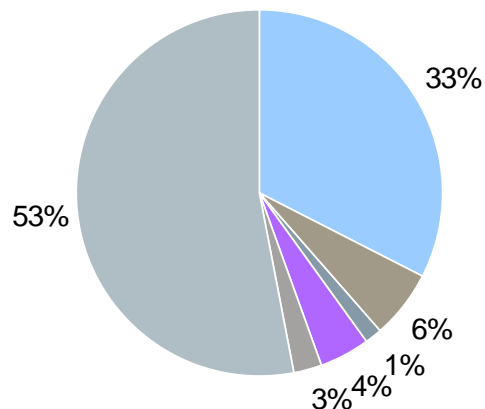
July 2007	July 2008	February 2009	May 2010	September 2011
Koffiefontein	Cullinan	Williamson	Kimberley UG	Finsch
				
74% Petra ¹ ; 26% BEE	74% ¹ Petra; 26% BEE	75% Petra ¹ ; 25% Government of Tanzania	74% Petra ¹ ; 26% BEE	74% Petra ¹ ; 26% BEE
Sub-level / Block Cave 12yr Mine Plan +20yr Potential Life	Block Cave 17yr Mine Plan +50yr Potential Life	Open Pit 20yr Mine Plan +50yr Potential Life	Block Cave 13yr Mine Plan +13yr Potential Life	Sub-level / Block Cave 17yr Mine Plan +25yr Potential Life
Resource²: 6.0 Mcts worth US\$3.0bn³	Resource²: 200.8 Mcts worth US\$31.6bn³	Resource²: 39.4 Mcts worth US\$10.1bn³	Resource²: 7.2 Mcts worth US\$2.0bn³	Resource²: 50.9 Mcts worth US\$6.9bn³
South Africa	South Africa	Tanzania	South Africa	South Africa

Notes: 1. See slide 24 for further disclosures re. Petra's effective interest in its mines; 2. Gross Resources as at 30 June 2013; 3. FY 2013 average carat values used to calculate in situ values.

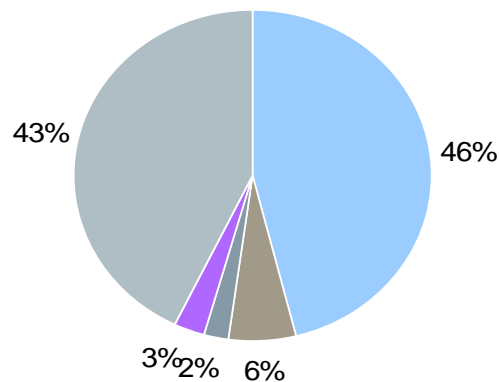
Production and Revenue – FY 2013 vs FY 2019

Gross Production

FY 2013 actual: 2.67 million carats

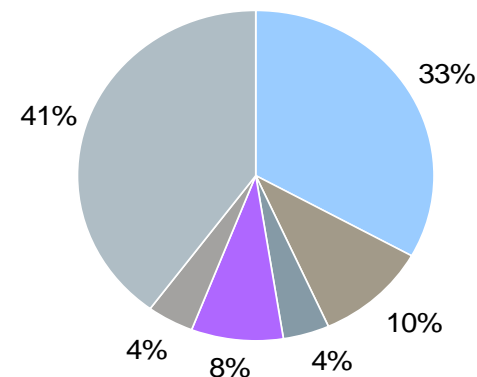


FY 2019: ca. 5 million carats¹

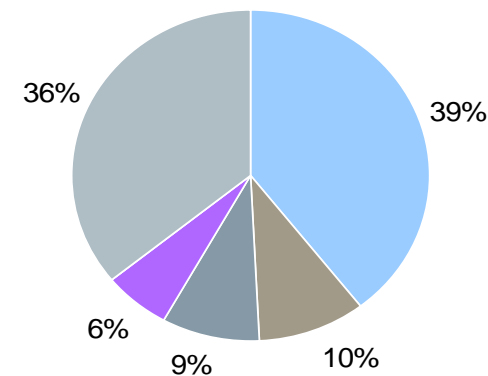


Gross Revenue

FY 2013 actual: US\$402.7 million

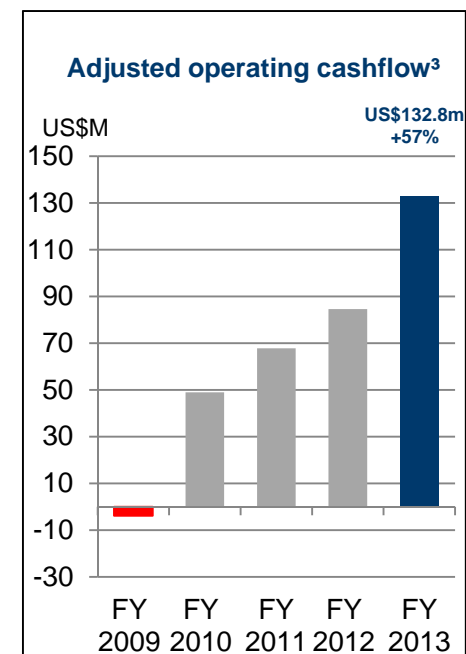
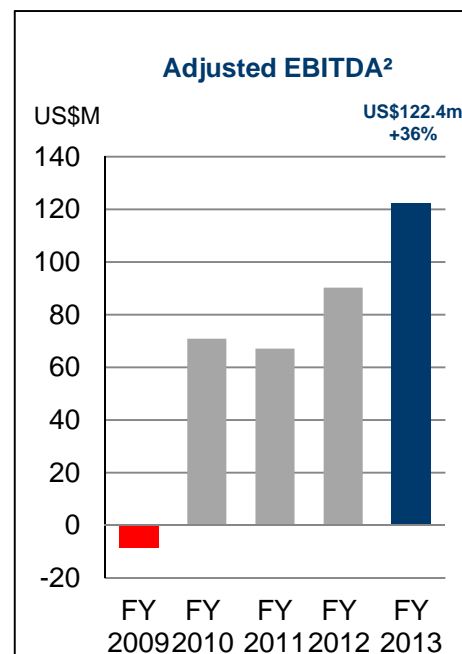
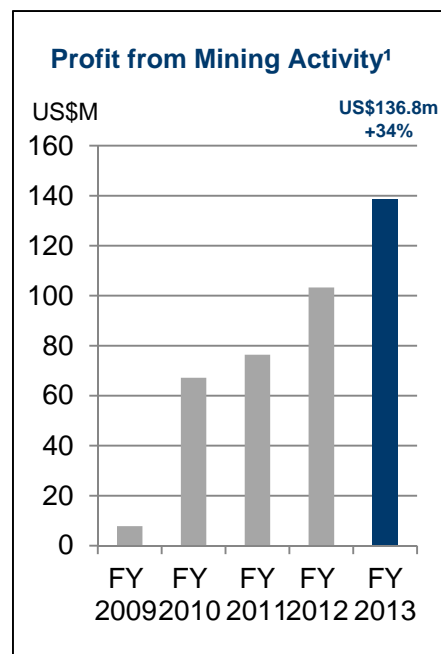
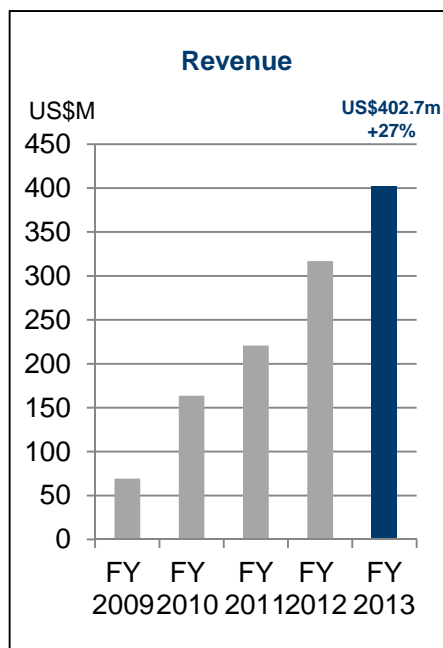


FY 2019: ca. US\$1 billion¹



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

FY 2013 – Key Performance Indicators



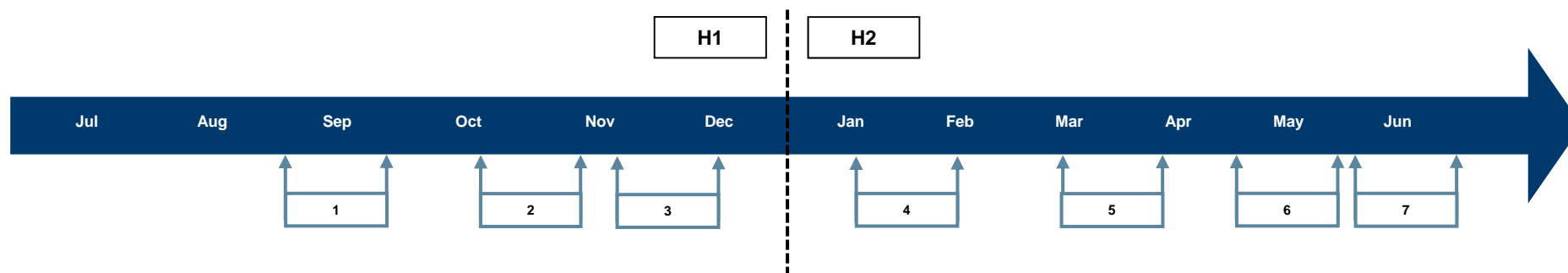
1. 'Profit from Mining Activity' is stated before retrenchment costs, depreciation and share-based expense.
2. 'Adjusted EBITDA' excludes share-based expense, net unrealised foreign exchange losses, retrenchment costs, non-recurring transaction costs and impairment charges.
3. 'Adjusted operating cashflow' is IFRS operating cashflow adjusted for the movement in FY 2013 versus FY 2012 diamond debtors of ca. US\$50 million. This was due to a large tender that closed shortly before the FY 2013 year end, resulting in higher than normal diamond debtors as at 30 June 2013. Diamond debtors were settled shortly after year end.

Q3 FY 2014

Production and Sales Summary

	Unit	Nine months to 31 March 2014	Nine months to 31 March 2013	Variance
<u>Production</u>				
ROM diamonds	Carats	1,623,304	1,466,769	+11%
Tailings and alluvial diamonds	Carats	755,836	427,998	+77%
Total diamonds	Carats	2,379,140	1,894,767	+26%
<u>Sales</u>				
Diamonds sold	Carats	2,323,475	1,734,855	+34%
Gross revenue	US\$M	349.4	262.0	+33%

Petra tender sales cycle – sales weighted to H2



Summary of Financial Results

	H1 FY 2014 (US\$m)	FY 2013 (US\$m)	FY 2012 (US\$m)
Revenue	185.5	402.7	316.9
Adjusted mining and processing costs ¹	(114.2)	(270.3)	(222.6)
Other direct income	2.1	6.2	9.0
Profit from mining activity¹	73.4	138.6	103.3
Exploration expense ¹	(1.4)	(4.8)	(3.0)
Corporate overhead ¹	(6.2)	(11.4)	(10.0)
Adjusted EBITDA¹	65.8	122.4	90.3
Depreciation	(21.1)	(42.8)	(41.0)
Share-based expense	(2.4)	(3.3)	(1.0)
Net finance (expense)/income ¹	(1.0)	(3.4)	1.8
Tax expense	(13.8)	(24.6)	(10.5)
Adjusted net profit after tax¹	27.5	48.3	39.6
Retrenchment costs ¹	-	(2.6)	-
Impairment charges ¹	-	(12.6)	-
Transaction costs	-	(0.5)	(3.1)
Net unrealised foreign exchange gain / (loss)	0.9	(4.7)	(38.6)
Net profit / (loss) after tax – Group	28.4	27.9	(2.1)
Basic earnings / (loss) per share – US\$ cents	4.70	6.30	(0.48)
Diluted earnings / (loss) per share – US\$ cents	4.56	6.13	(0.48)
Adjusted basic earnings per share – US\$ cents¹	4.52	10.31	7.82
Adjusted diluted earnings per share – US\$ cents ¹	4.40	10.03	7.61

1. Refer to the full results announcements for the respective financial periods for detailed notes

FY 2013 – Operations Results

Operation	Finsch (74% ¹ Petra; 26% BEE)		Cullinan (74% ¹ Petra; 26% BEE)		Koffiefontein (74% ¹ & ² Petra; 26% BEE)		Kimberley UG (74% ¹ Petra; 26% BEE)		Williamson (75% Petra; 25% Government of Tanzania)	
	FY 2013	FY 2012	FY 2013	FY 2012	FY 2013	FY 2012	FY 2013	FY 2012	FY 2013	FY 2012
<u>Total Production</u>										
Tonnes treated (Mt)	5,210,546	3,861,012	4,080,893	3,172,671	1,481,521	1,465,950	804,725	587,065	3,115,319	1,105,027
Diamonds recovered (carats)	1,412,465	1,104,618	868,975	867,780	34,800	40,117	115,400	68,422	164,376	57,050
<u>Sales</u>										
Diamonds sold (carats)	1,336,418	989,101	816,611	876,384	35,168	38,798	113,383	61,895	165,324	49,153
Average price per carat (US\$)	120	138	163	128	471	487	295	320	254	236
Revenue (US\$M)	160.6	136.9	133.0	112.0	16.6	18.9	33.4	19.8	41.9	11.6
<u>Costs</u>										
On-mine cash cost per tonne treated	R139	R134	R158	R177	R136	R125	R265	R295	12	18
<u>Capex</u>										
Expansion Capex	33.5	8.7	64.0	42.4	10.9	6.1	17.6	15.4	8.4	18.8
Sustaining Capex	10.6	3.3	17.2	7.5	9.5	5.4	4.0	5.6	3.3	1.6
Borrowing Costs Capitalised	4.5	-	7.8	4.5	-	-	-	-	-	1.8
Total Capex	48.6	12.0	89.0	54.4	20.4	11.5	21.6	21.0	11.7	22.2

¹ Other than the percentage interests above, Petra has an interest in Sedibeng Mining, one of its BEE partners – refer document 'Effective Interest in Mines': <http://www.petradiamonds.com/investors/analysts/analyst-guidance>; ² Petra has an interest in Re Teng Diamonds (Pty) Ltd, the BEE partner for the Koffiefontein mine

Falling Supply

- Production fell 28% from 2005 (177 Mcts; Zimbabwe 0.2 Mcts) to 2012 (128 Mcts; Zimbabwe: 12.1 Mcts)
- Success rate for finding an economic diamondiferous kimberlite is estimated to be <1% (De Beers)
- No Tier 1 discoveries for 20 years, despite US\$ billions spent on exploration in 1990s
- Long lead times from discovery to production (7 – 14 years) and development can be costly

Global diamond supply: historical and forecast production

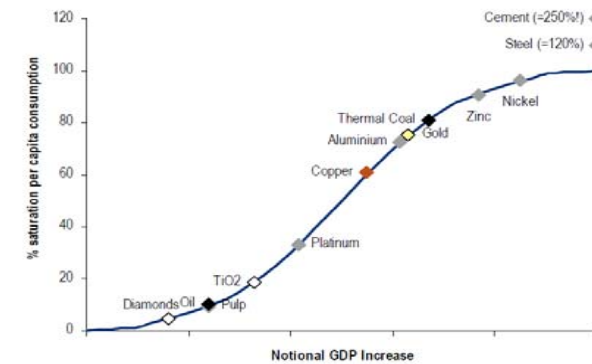


Source: RBC Capital Markets

Growing Demand

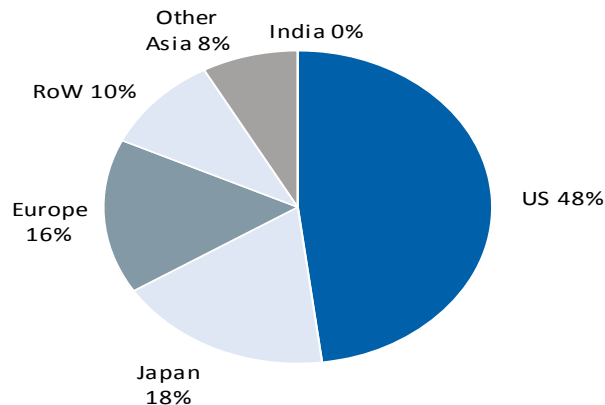
- Demand growth driven by urbanisation and growing middle classes in emerging markets, as well as continued economic recovery in major US market
- Additional 1.3bn people to attain middle income status by 2030; 2.6bn by 2050 (HSBC 'Consumer in 2050' report)
- China starting to follow US trend – mass market with emphasis on lower quality goods
- 'Mass luxury' – affordable diamond jewellery (\$200 to +\$2,000) to drive market

Per capita consumption of key commodities: China relative to the US “steady state”

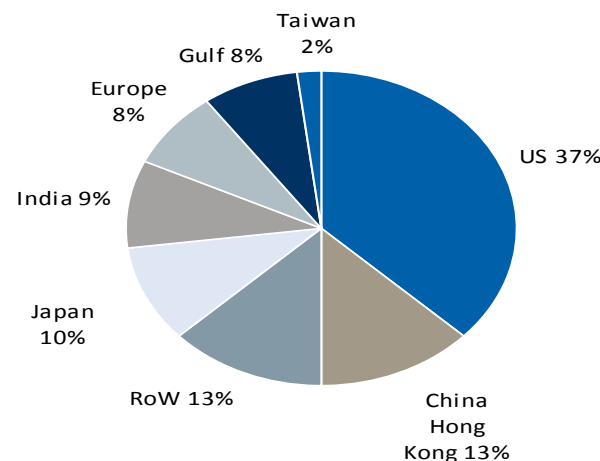


Source: BofA Merrill Lynch Global Metals and Mining Research

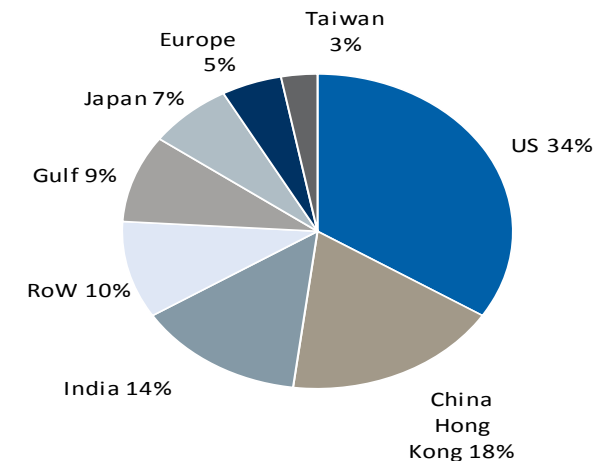
World diamond jewellery sales 2000



World diamond jewellery sales 2012



World diamond jewellery sales 2017E

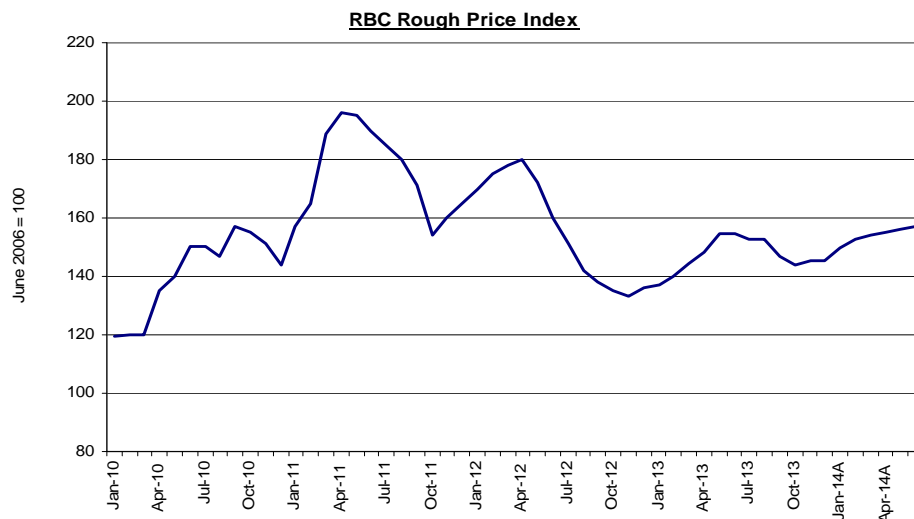


Source: De Beers / RBC Capital Markets

Current Rough Diamond Market

- Rough diamond market had strong start to calendar 2014 – prices achieved by Petra up ca. 10%
- Firm market conditions in H2 further to solid seasonal sales, indicators of increasing global economic confidence, restocking of inventories and cautious optimism from Petra client base
- YTD FY 2014 prices in line with or above guidance

RBC Capital Markets Rough Diamond Index (June 2006 = 100)

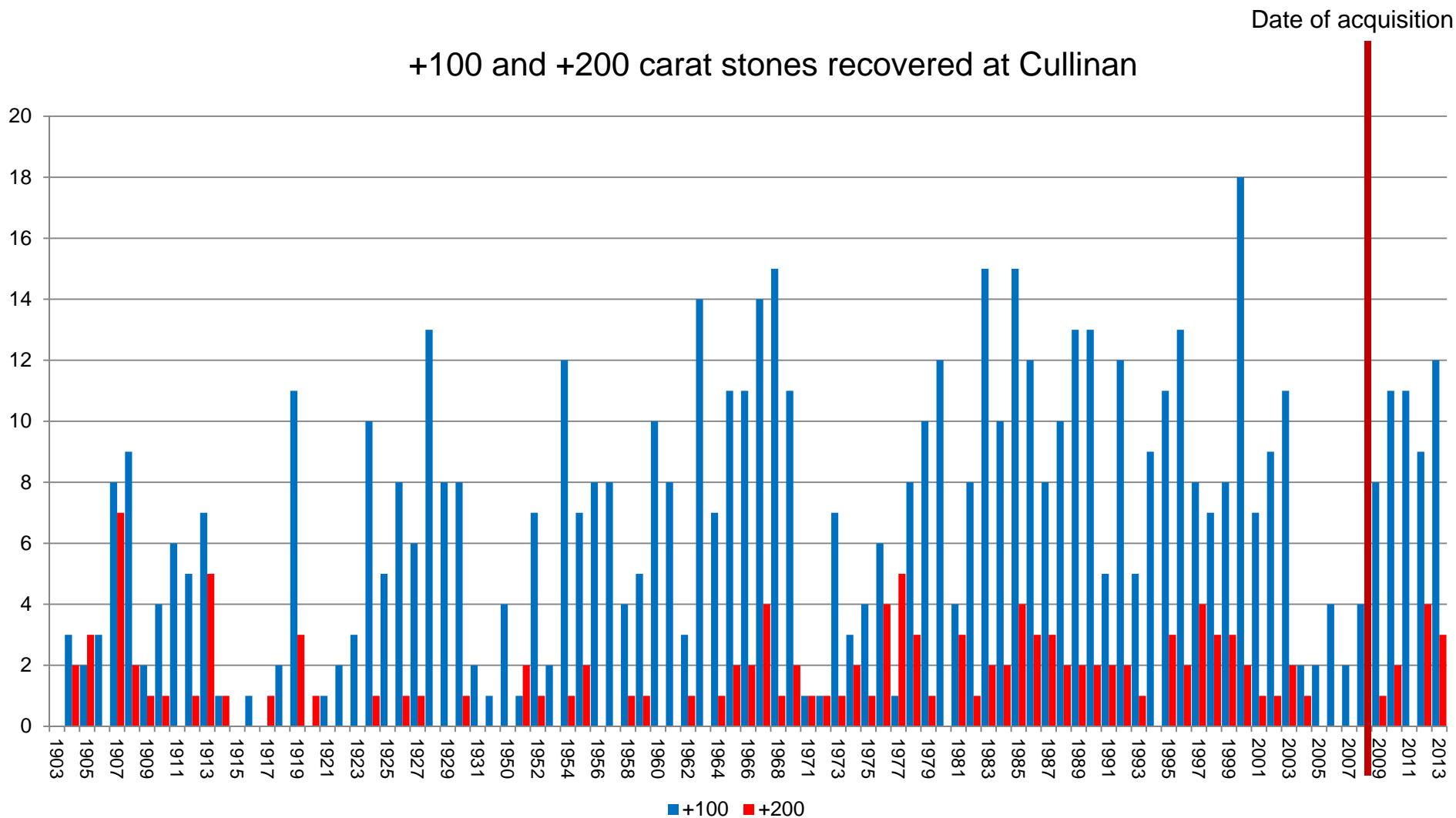


Petra – Rough Diamond Prices (US\$/ct)

Mine	Average ¹ (US\$/ct) Nine months to 31 March 2014	Management guidance (US\$/ct) FY 2014
Finsch	99	100 ²
Cullinan	193 ³	139
Koffiefontein	522	518
Kimberley Underground	313	301
Helam	153	145
Williamson ⁴	283	254

1. Unless stated, average values include all sales; i.e. ROM, tailings, other (e.g. Ebenhaezar satellite pipe) and special stones
2. Guidance for Finsch adjusted from US\$113/ct to US\$100/ct due to plant cut-off changes
3. Excluding 'exceptional' diamond sales (i.e. the two stones which sold for +US\$5m each), average value was US\$143
4. Williamson ROM sales only

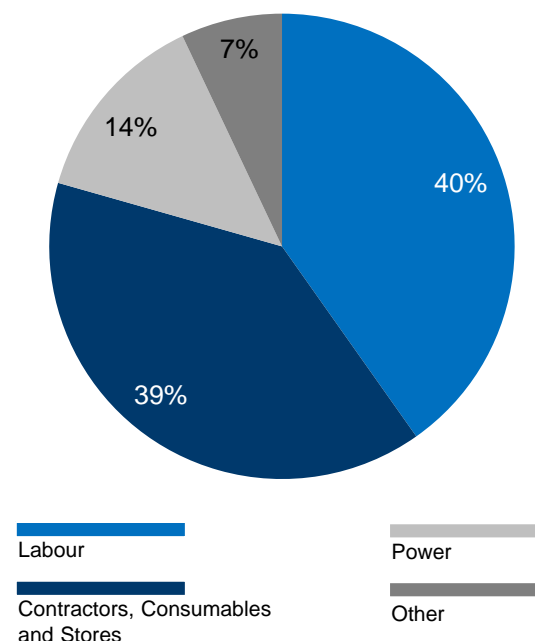
Consistent Production of Specials



H1 FY 2014 Operating Costs

- On-mine cash costs decreased by 8% in US\$ terms:
 - SA operations costs increased in ZAR terms by ca. 11%, mainly due to increased production and inflationary pressures
 - Offset by weakening ZAR vs USD (R10.07 average for H1 FY 2014 vs R8.46 for H1 FY 2013)
- Petra's cost focus and higher tonnage throughput helped mitigate inflationary cost pressures

On-mine cash cost make-up



Cost per tonne treated performance at Finsch/Cullinan (ZAR)

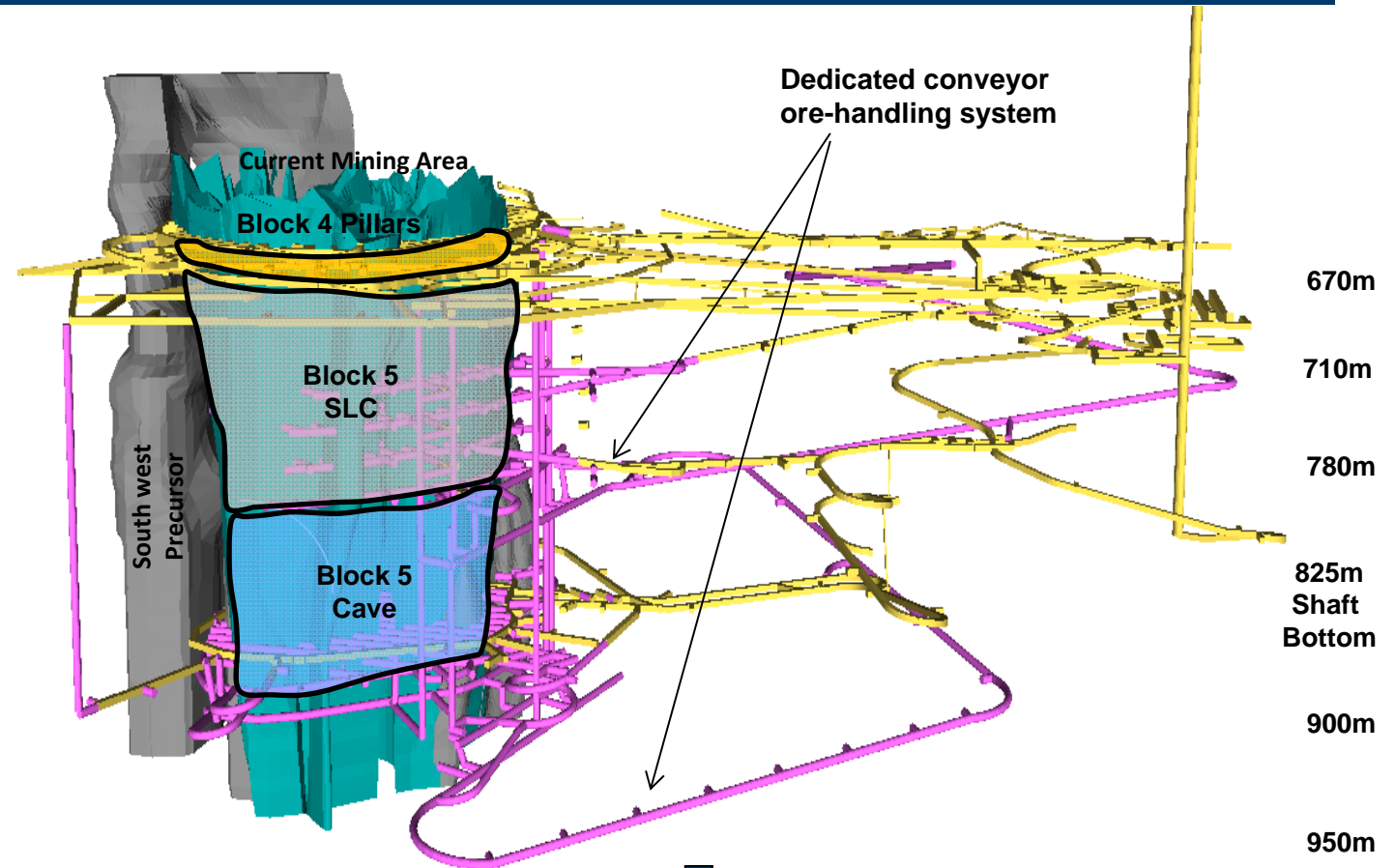
	H1 FY 2014	FY 2013	FY 2012
Finsch	143	139	134
Cullinan	147	158	177

Finsch – Development Programme

Expansion Plan – to take production to c.1.8 Mtpa by FY 2016 and c.2.0 Mtpa from FY 2017

- Mining currently taking place in Block 4 at 630m – **FY 2014**
- Development of SLC over 4 levels from 710m to 780m – **FY 2014**
- Dedicated conveyor ore-handling infrastructure (to transfer SLC ore to existing infrastructure at 650m) – from **FY 2016**
- Decommissioning of Block 4 automated ore-handling system **FY 2017**
- First production from Block 5 SLC – **FY 2015**, ramping up to 3.2 Mtpa – **FY 2017**
- Pre 79 Tailings treated to **FY 2016**, then Post 79 Tailings treated to **FY 2020**
- Steady state production of 3.5 Mtpa from Block 5 Cave at 900m – **FY 2021**

2,953 metres of SLC tunnels developed to date (out of 10,072 metres in total)



Kimberlite footprint @880m Level:

Main pipe: 3.7ha

Precursor: 1.5ha

(Precursor not in current mine plan)

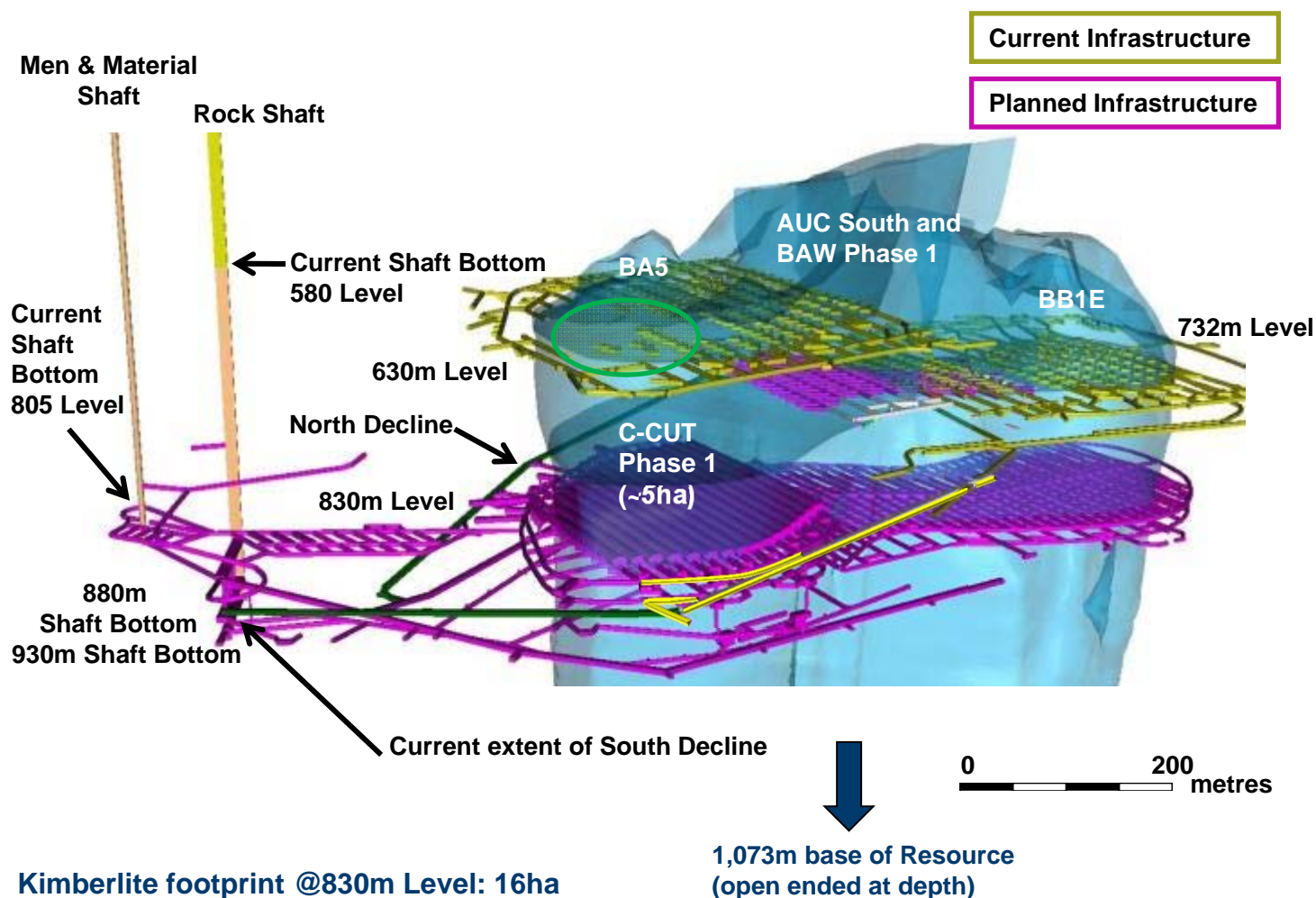
1,000m base of Resource
(open ended at depth)

Cullinan – Development Programme

Expansion Plan – to take production to c. 2.2 Mctpa by FY 2019 (2.0 Mctpa ROM & 0.2 Mctpa tailings)

- Commenced rehabilitation of BA5 areas at 645m to create access to undiluted ore – **FY 2013**
- Development of declines, access tunnels and shaft deepening on track – **FY 2013**
- Tailings ramp up to steady state 2.7 Mtpa – **FY 2015**
- New production levels to be established at 839m and shaft to 930m to be commissioned – end **FY 2016**
- 880m ore-handling system, allowing for future ramp-ups to utilise full C-Cut footprint (16ha vs current 5ha) – end **FY 2016**
- Initial production from new C-Cut cave – **FY 2016**
- Upgrading and streamlining of plant facilities in order to handle increased tonnes – from **FY 2015** to **FY 2019**

7,068 metres of tunnels developed to date (out of 24,575 metres in total)

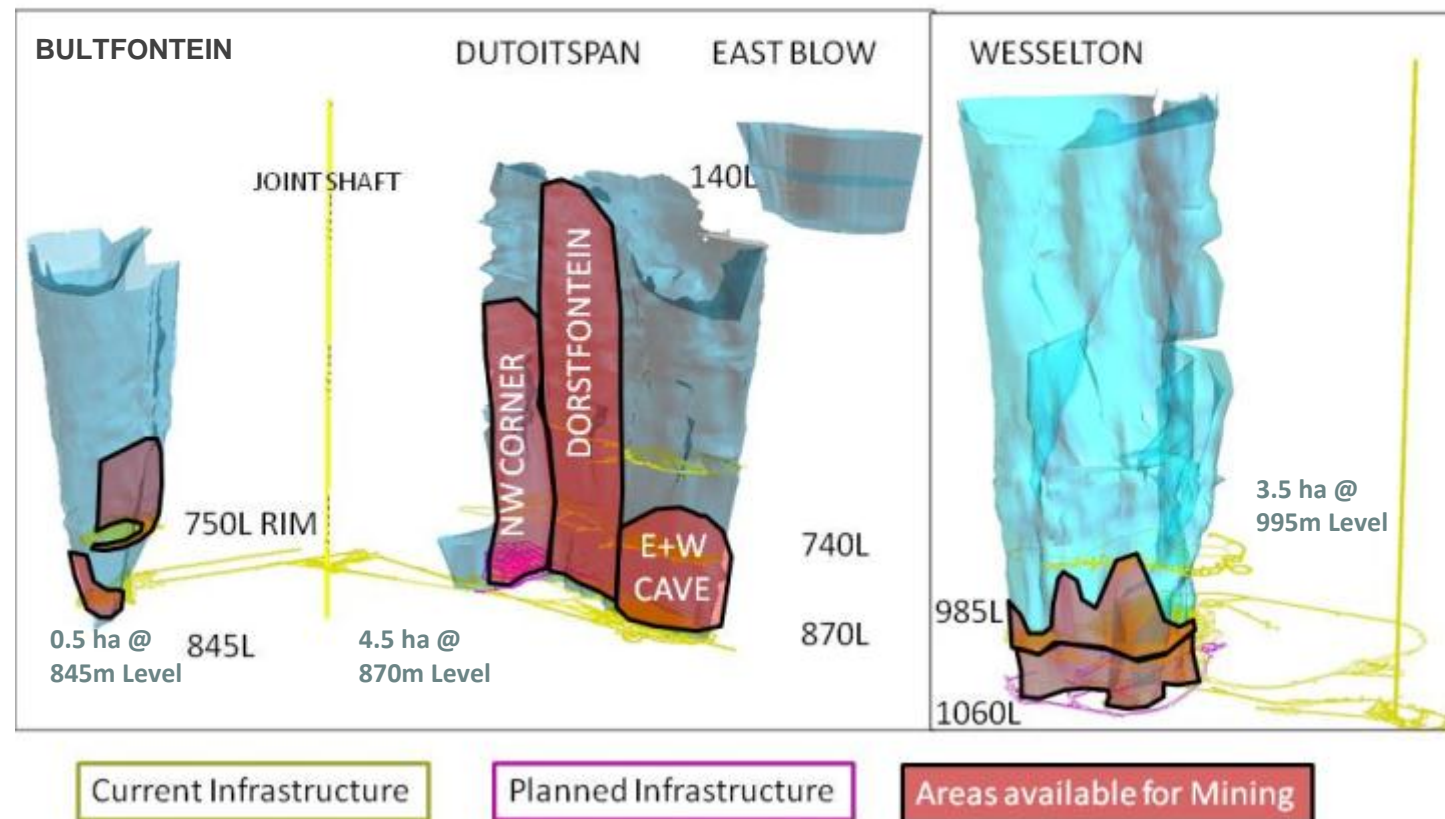


Kimberley Underground – Development Programme

Expansion Plan – to maintain annual production of c. 130,000 ctpa

- Construction and commissioning of plants at both Joint Shaft and Wesselton Shaft – completed in **FY 2013**
- Substantial stockpile of ore built up at each plant (~0.5 Mt combined)
- Planned ROM tonnes of 800 Kt (**FY 2014**) and 900 Kt (**FY 2015**); plant throughput of 1.1 Mt (**FY 2014/15**) due to stockpile
- ROM tonnes of +1 Mtpa – by **FY 2016**
- Sampling programme to extend mine life – underway

Kimberley Underground Kimberlite Pipes Schematic

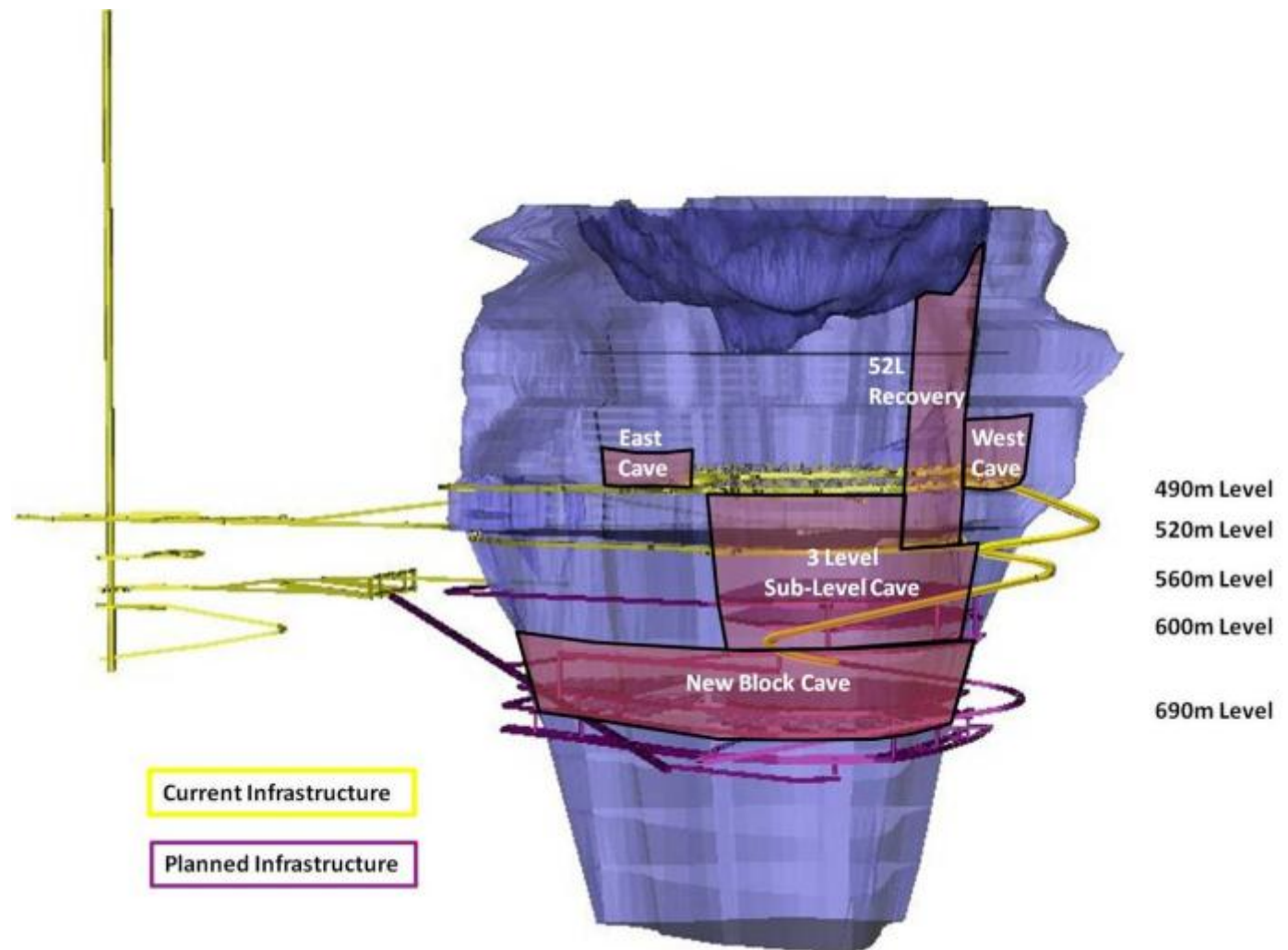


Koffiefontein – Development Programme

Expansion Plan – to take production to c. 105,000 ctpa by FY 2017

- ROM production supplemented by ore from Ebenhaezer open pit (~5ha) – **FY 2014 to FY 2016**
- Installation of SLC from 560m to 580m – **FY 2014 to FY 2015**
- SLC tunnel infrastructure underway and ore-handling conveyor installation in final commissioning – **FY 2014**
- Ramp up ROM production to 1.0 Mt by **FY 2016** and 1.1 Mt by **FY 2017**

Koffiefontein Kimberlite Pipe Schematic

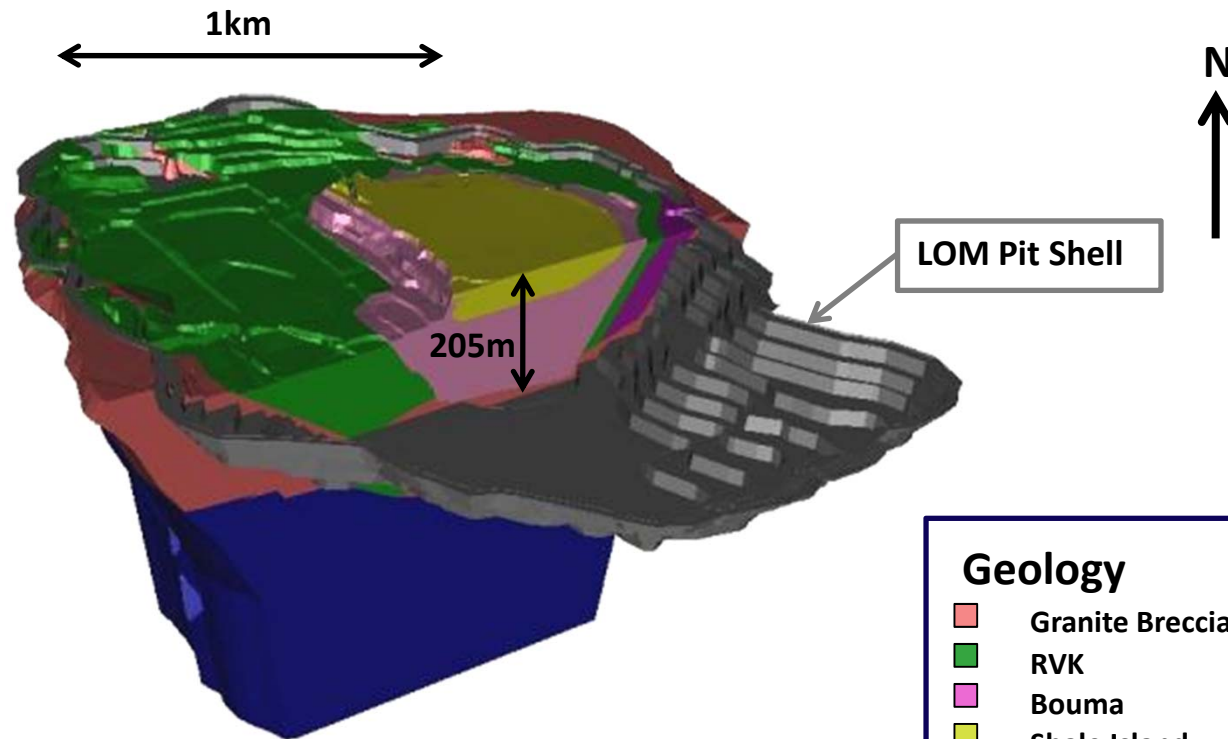


Williamson – Development Programme

Expansion Plan – to take production to c. 300,000 ctpa by FY 2017







- Production resumed further to the enhanced rebuild of plant – **Q4 FY 2012**
- Successful ramp-up of production to 2.7 Mt – **FY 2013**
- Re-crush circuit in plant, plus other plant design efficiencies, allowing for increased throughput – from **FY 2014**
- ROM stockpile (~550,000t containing +30,000 carats), established due to the pit-shaping operations to be treated – up to **FY 2016**
- Ramp up of ROM production to c. 5 Mtpa (300,000 cts) by **FY 2017**
- Phase 2 longer term expansion plan to raise production above 5 Mtpa – under review

Williamson Kimberlite Pipe Schematic



Schematic showing cut-away geology and planned open pit

Geology

- | | |
|---|-----------------|
|  | Granite Breccia |
|  | RVK |
|  | Bouma |
|  | Shale Island |
|  | BVK |
|  | PK |

Debt Facilities

- Nov 2012: new debt facilities put in place of ca. US\$213 million¹ with Absa, RMB (FNB) and IFC
- An increase and optimisation of Petra's prior debt structures (previously ca. US\$138 million)

Lender	Type	Size	Interest Rate	Repayment
Absa & RMB (FNB)	Amortising term facility	US\$76.0	JIBAR + 4.0%	5 semi-annual payments from Mar 16
IFC	Amortising term facility	US\$35.0	LIBOR + 4.0%	5 semi-annual payments from Mar 16
Absa & RMB (FNB)	Revolving credit facility	US\$29.0	JIBAR + 5.5%	Repayable Sep 18
IFC	Revolving credit facility	US\$25.0	LIBOR + 5.5%	Repayable Sep 18
Absa & RMB (FNB)	Working capital facility and foreign exchange settlement lines	US\$48.0	SA Prime – 0.5%	Subject to annual renewal

IFC's involvement highlights the positive socio-economic impact Petra can have on its local communities

1. Utilising an exchange rate of US\$1:R10.445

Capex Profile

Financial Year		2013A	2014F	2015F	2016F	2017F	2018F	2019F
Operation								
Finsch	ROM tonnes treated (Mt)	2.6	2.8	2.9	3.2	3.2	3.2	3.2
	Tailings tonnes treated (Mt)	2.6	2.6	3.0	3.0	3.0	3.0	3.0
	Expansion Capex (ZARm)	296.1	512.3	422.2	346.9	467.9	403.0	354.3
	Sustaining Capex (ZARm)	93.7	132.7	115.3	76.7	74.3	73.1	71.8
Cullinan	ROM tonnes treated (Mt)	2.6	2.8	2.8	3.0	3.1	3.6	4.0
	Tailings tonnes treated (Mt)	1.5	2.7	2.7	2.7	2.7	2.7	2.7
	Expansion Capex (ZARm)	565.7	765.3	842.7	755.7	219.4	100.2	76.8
	Sustaining Capex (ZARm)	152.0	81.3	74.9	52.3	49.3	50.1	50.3
Koffiefontein	ROM tonnes treated (Mt)	0.2	0.3	0.7	1.0	1.1	1.1	1.1
	Surface tonnes treated (Mt)	1.2	1.2	0.7	0.3	-	-	-
	Expansion Capex (ZARm)	96.4	171.0	103.6	57.9	31.6	-	-
	Sustaining Capex (ZARm)	84.0	25.1	32.8	34.7	28.7	28.2	27.8
Kimberley	ROM tonnes treated (Mt)	0.8	1.1	1.1	1.1	1.2	1.3	1.3
	Expansion Capex (ZARm)	155.6	96.1	111.0	37.3	-	-	-
	Sustaining Capex (ZARm)	35.4	28.2	28.8	28.7	28.5	28.1	27.6
Helam	ROM tonnes treated (Mt)	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	Expansion Capex (ZARm)	-	-	-	-	-	-	-
	Sustaining Capex (ZARm)	15.2	9.8	10.1	10.0	10.0	9.9	9.8
PETRA (SA Operations)	Expansion Capex (ZARm)	1 113.8	1 544.6	1 479.4	1 197.8	718.9	503.2	431.1
	Sustaining Capex (ZARm)	380.3	277.0	261.9	202.5	190.9	189.4	187.3
Williamson (Tanzania)	ROM tonnes treated (Mt)	2.7	3.6	4.0	4.5	5.0	5.0	5.0
	Alluvial tonnes treated (Mt)	0.4	0.3	-	-	-	-	-
	Expansion Capex (USDm)	8.4	8.2	6.8	6.8	-	-	-
	Sustaining Capex (USDm)	3.3	5.9	5.8	6.0	6.2	5.0	4.9
PETRA (All Operations)	Total ROM tonnes treated (Mt)	9.1	10.7	11.6	13.0	13.7	14.3	14.7
	Total tailings/other tonnes treated (Mt)	5.7	6.8	6.4	6.0	5.7	5.7	5.7
	Total tonnes treated (Mt)	14.8	17.5	18.0	19.0	19.4	20.0	20.4

1. All Capex numbers are stated in FY 2014 money terms (except for FY 2013 actuals)
2. Depreciation on mining assets for FY 2014 guided at c. US\$45 million
3. As in prior guidance, capital estimates above do not include any capitalised borrowing costs; guidance is to assume 95% of borrowing costs are to be capitalised

South Africa and Tanzania

	South Africa	Tanzania
Corporate tax	28%	30%
Diamond royalty	Formula based on profitability of mining operation; 0.5% up to 7% of turnover	5% of turnover
Rough diamond export levy	5%, certain exemptions apply; Petra sells all SA goods in Joburg	n/a
State Diamond Trader	Petra offers 10% of SA production to the SDT; Petra values the goods internally and then agrees market price with Government Diamond Valuator	n/a
Black economic empowerment	Petra's SA operations are all fully compliant with BEE legislation (26% ownership)	n/a
New Order Mining Rights	Petra holds new order mining rights for all its operations, excluding in relation to the Fissure Mines, where old order mining rights are held	n/a



PetraDiamonds

The Cullinan mine in South Africa



Further enquiries:

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