



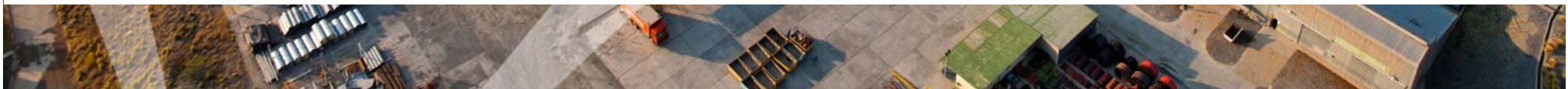
 London
Stock Exchange
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PREMIUM

Finsch Diamond Mine

Investor & Analyst Visit – 28 January 2014



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Finsch Site Visit Itinerary



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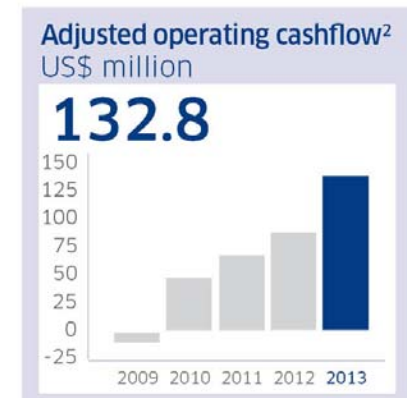
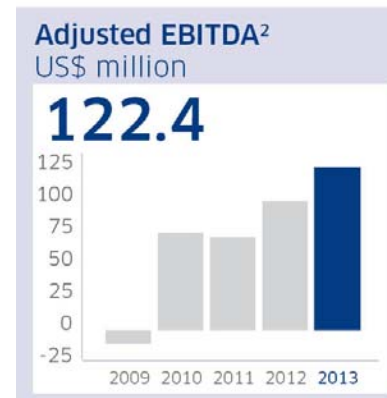
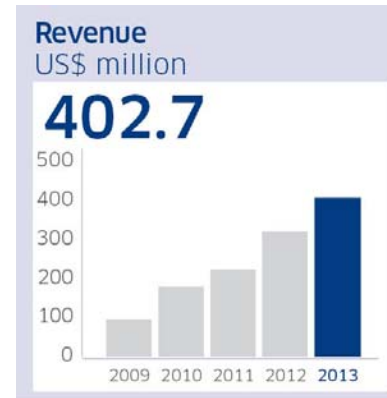
- 08:00 Finsch mine overview
- 10:00 Underground visit
- 12:00 Surface and overview of Central Control Room
- 12:30 Plant and open pit visit and diamond display in recovery
- 14:00 Lunch
- 15:00 Group departs Finsch mine
- 17:00 Group arrives Kimberley airport
- 18:00 Group departs Kimberley – SA 8428
- 19:10 Group arrives OR Tambo

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- **Mid-tier diamond producer** (LSE:PDL; FTSE 250)
- **Quality management team** delivering strong growth
- **World-class resource base** of +300m carats
- **Diversified portfolio** of producing mines and exploration
- **On track** for 5 Mctpa / ca. US\$1bn¹ revenue by FY 2019
- **Sustainability** at heart of Petra
- **Pure play** exposure to late cycle diamonds








Building a world-class diamond group

1. FY 2019 revenue forecast is a management estimate calculated using a 4% real price increase

An Exceptional Growth Path

Petra has acquired five non-core diamond mines from De Beers:

July 2007	July 2008	November 2008	May 2010	September 2011
Koffiefontein	Cullinan	Williamson	Kimberley UG	Finsch
				
74% Petra; 26% BEE	74% Petra; 26% BEE	75% Petra; 25% Government of Tanzania	74% Petra; 26% BEE	74% Petra; 26% BEE
Front Cave	Block Cave	Open Pit	Block Cave	Block Cave
12yr Mine Plan +20yr Potential Life	17yr Mine Plan +50yr Potential Life	20yr Mine Plan +50yr Potential Life	13yr Mine Plan +13yr Potential Life	17yr Mine Plan +25yr Potential Life

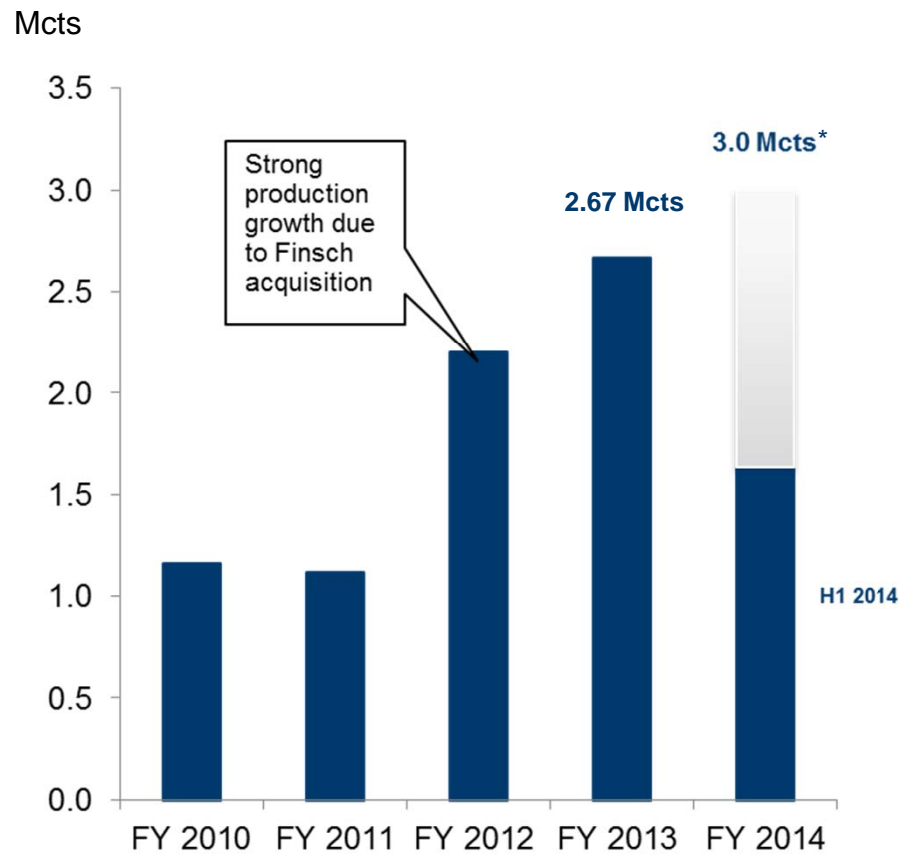
The Petra approach:

- Focus on efficiencies and simplification
- Utilise in-house capabilities and share services across mines
- Focus on 'value' as opposed to 'volume' production
- Maximise rough diamond prices through competitive tender sales system

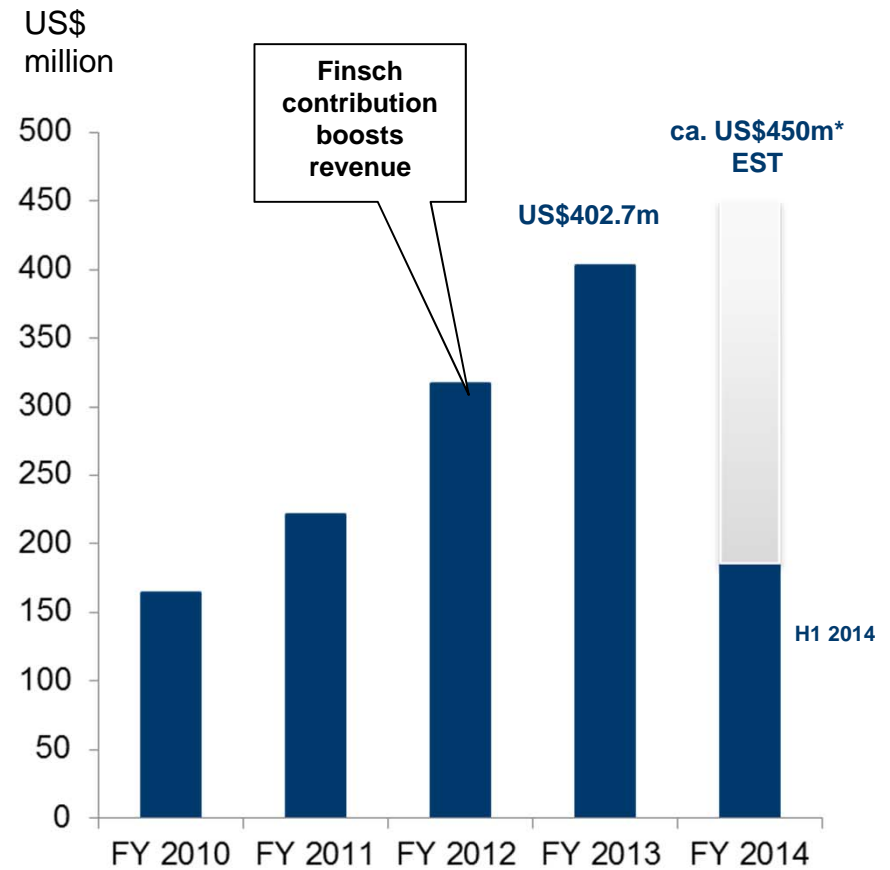


Proven Track Record – Continuous Growth

Gross Production Profile - CAGR of 44%



Gross Revenue Profile – CAGR of 46%

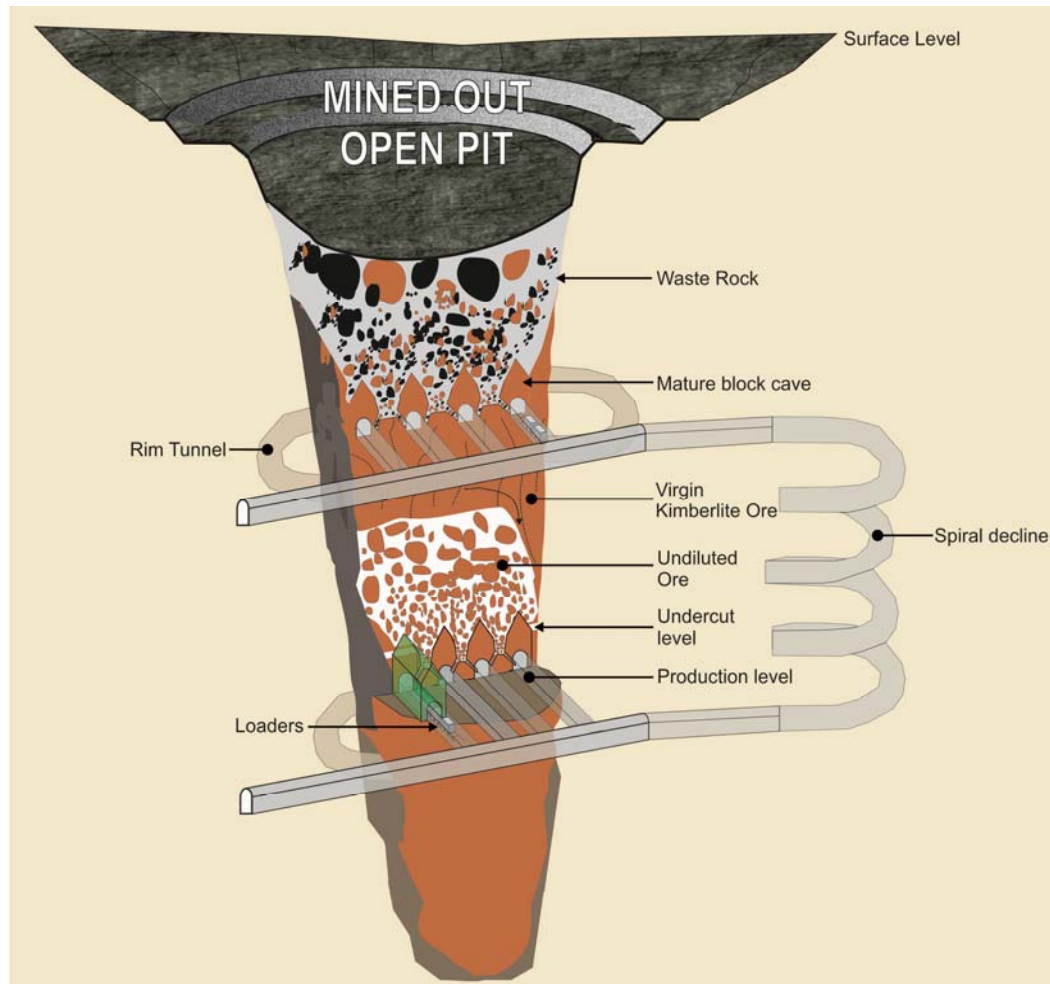


* FY 2014 production and revenue are management estimates only

Moving into Undiluted Ore



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- Caving is a safe and proven mechanised mining method; provides access to higher volumes of ore than other methods
- Current underground mining taking place in diluted, mature caves nearing end of lives
- Expansion programmes to take next 'cut' by deepening and establishing new block/sub level caves in undiluted kimberlite
- Grades expected to rise significantly, increasing margin per tonne mined:
 - *Finsch* c. 37 cpht to c. 56 cpht¹
 - *Cullinan* c. 31 cpht to c. 50 cpht¹
- Will reduce wear and tear on processing systems (waste rock is harder and more abrasive than kimberlite)

1. Management expectations



FINSCH OVERVIEW

Finsch At A Glance



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1961	1963	1978	1980	1990	2002	2008	2011
							
Established Finsch Diamonds	Full mining rights	First stage underground mining	Upgrade of treatment plant	Open pit operation ceased	Development of Block 4 started	Second upgrade of treatment plant	14 Sep 2011  PetraDiamonds Change of ownership & start of Block 5 development

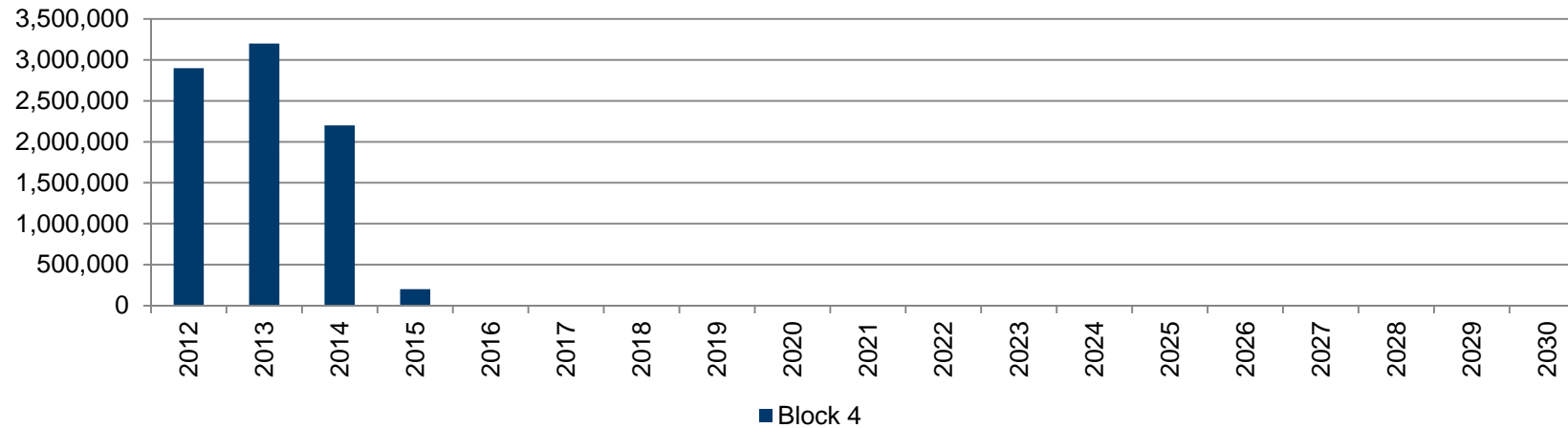
- South Africa's second largest diamond mine by production
- Major Resource of 50.9 Mcts, incl. 24.6 Mcts Reserves and 2.2 Mcts tailings
- World class operation with state-of-the-art infrastructure and modern plant
- Block cave mining (high volume, low cost)
- Highly skilled management team
- Excellent safety and environmental performance
- Production rising from ca. 1.4 Mctpa in FY 2013 to ca. 1.8 Mctpa by FY 2016 and ca. 2.0 Mctpa from FY 2017

A Sustainable Future

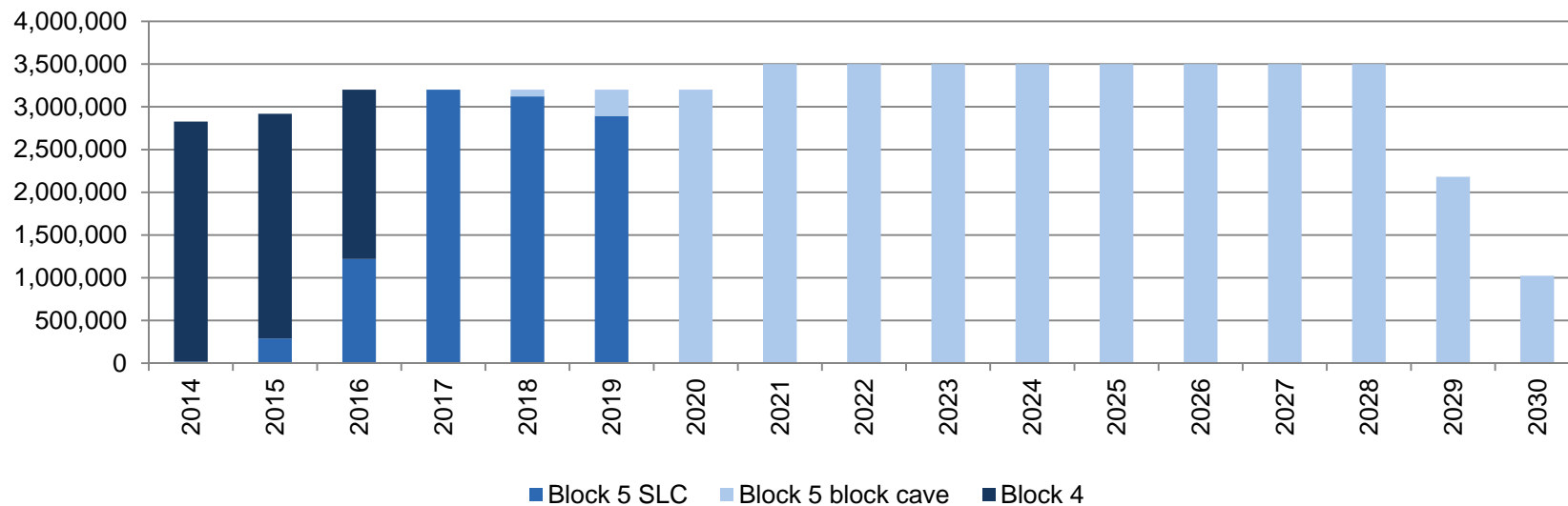


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Before – facing closure:



After – Petra mine plan of +17 years:



Residual resources (Block 6) provide basis for continued life post 2030



Mine Site Layout



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- 1 Underground
- 2 Pre-79 TMR
- 3 Post-79 TD
- 4 Overburden Deposit
- 5 Waste rock dump
- 6 Britz FRD
- 7 FRD's 1,2 and 3 and Infill Dam
- 8 Old Paddocks
- 9



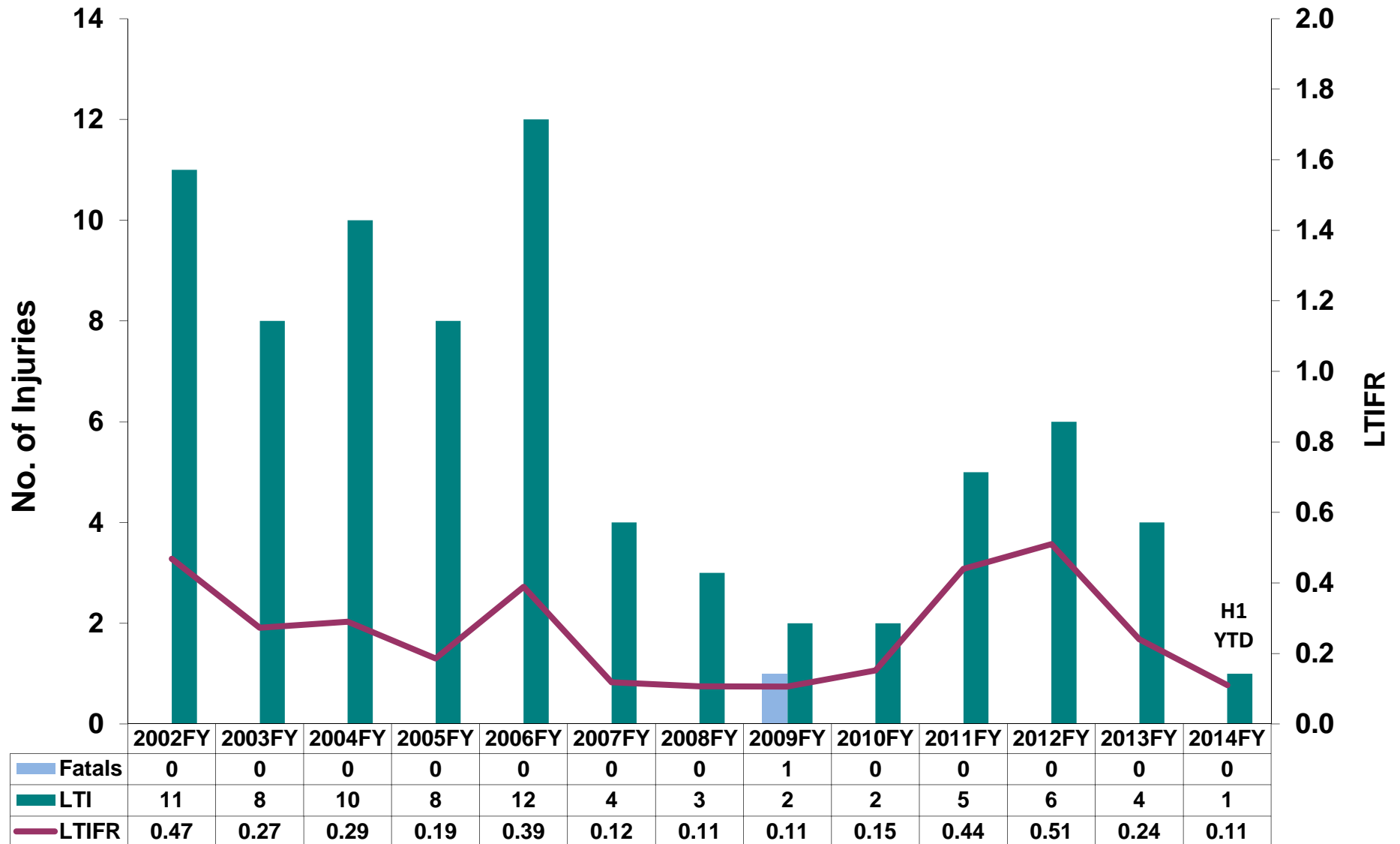
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SAFETY, HEALTH AND ENVIRONMENTAL

Long Term Safety Statistics



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SHE Achievements



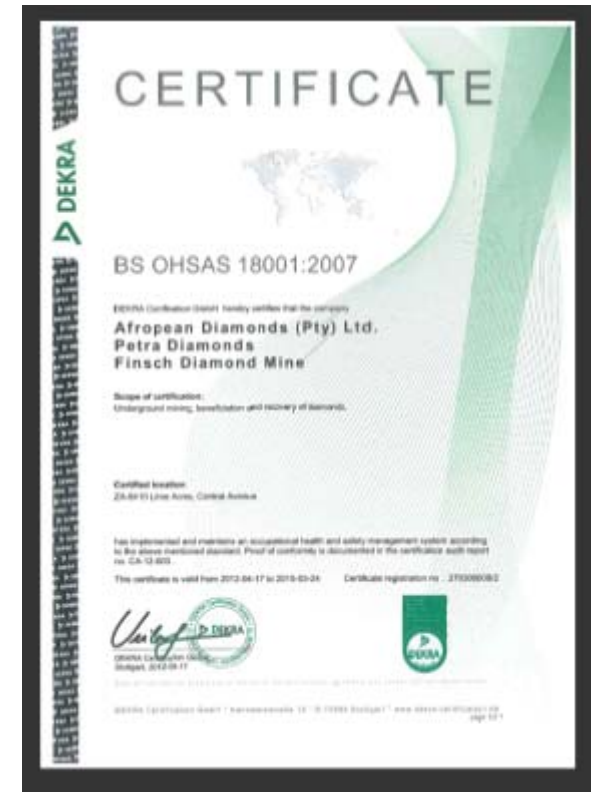
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Achieved 1,000,000 Fatality Free Shifts
(25 June 2012)



ISO14001:2004
re-certification



OHSAS18001:2007
re-certification

MINESAFE
2013

Finsch was awarded “Best in Class” Award, for category
“Base Metals / Diamond Mining Industry on 24 Oct 2013



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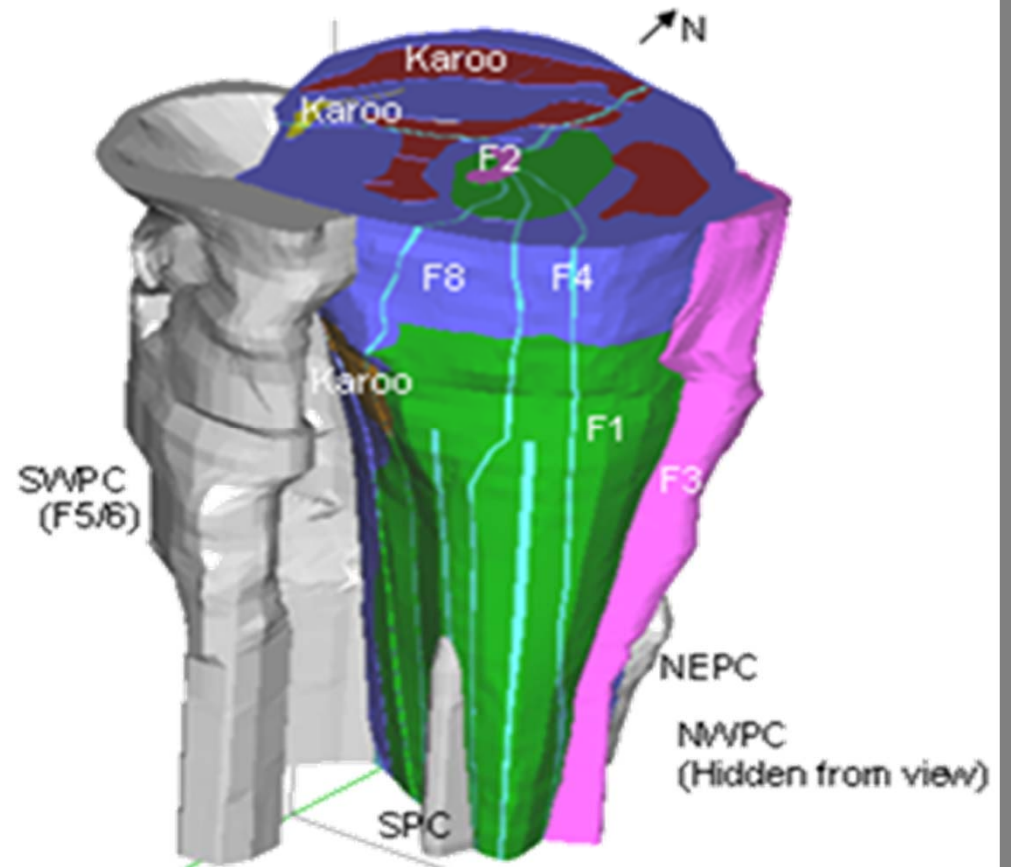
MINING OVERVIEW

Geology



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- The Main Pipe is roughly circular and intrudes into Karoo and Griqualand West Group Rocks
 - A Group II kimberlite pipe with an age of 118Ma
 - 17.9ha on surface
 - Tapers to 3ha at 1,000m
 - Truncates earlier Precursors
- Total of 8 different kimberlite facies each with unique characteristics and different grades
- 2 facies (F1 and F8) make up majority of the main pipe
- Grade increases with depth (decrease in waste dilution)



Block 4 Block Cave

Develop tunnels

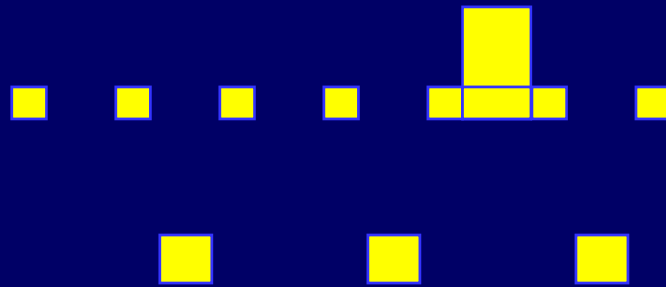
Create Undercut slot

61L

61L

63L

63L



Block 4 Block Cave

Develop tunnels

Create Undercut slot

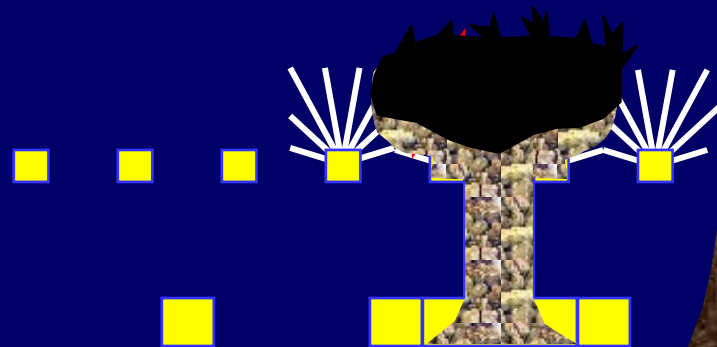
Drill Undercut rings

Blast Undercut rings

Create Troughs

61L

63L



61L

63L

Block 4 Block Cave

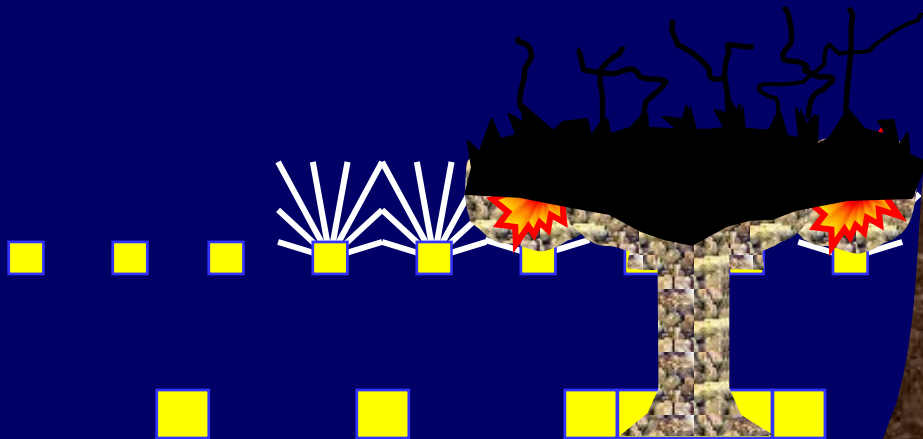
Reach hydraulic radius

61L

63L

61L

63L



Block 4 Block Cave

Reach hydraulic radius

Development complete

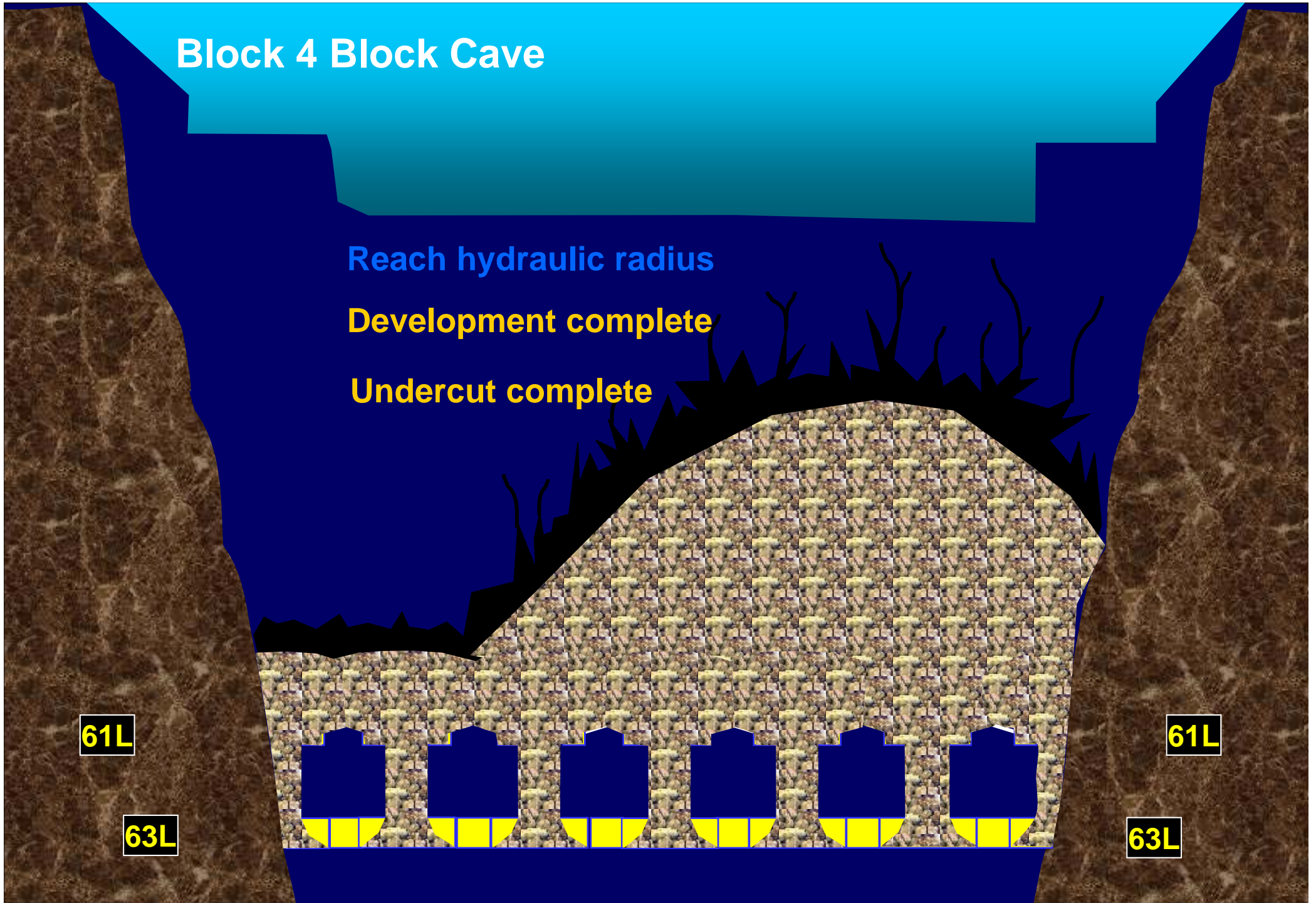
Undercut complete

61L

61L

63L

63L



Block 4 Block Cave

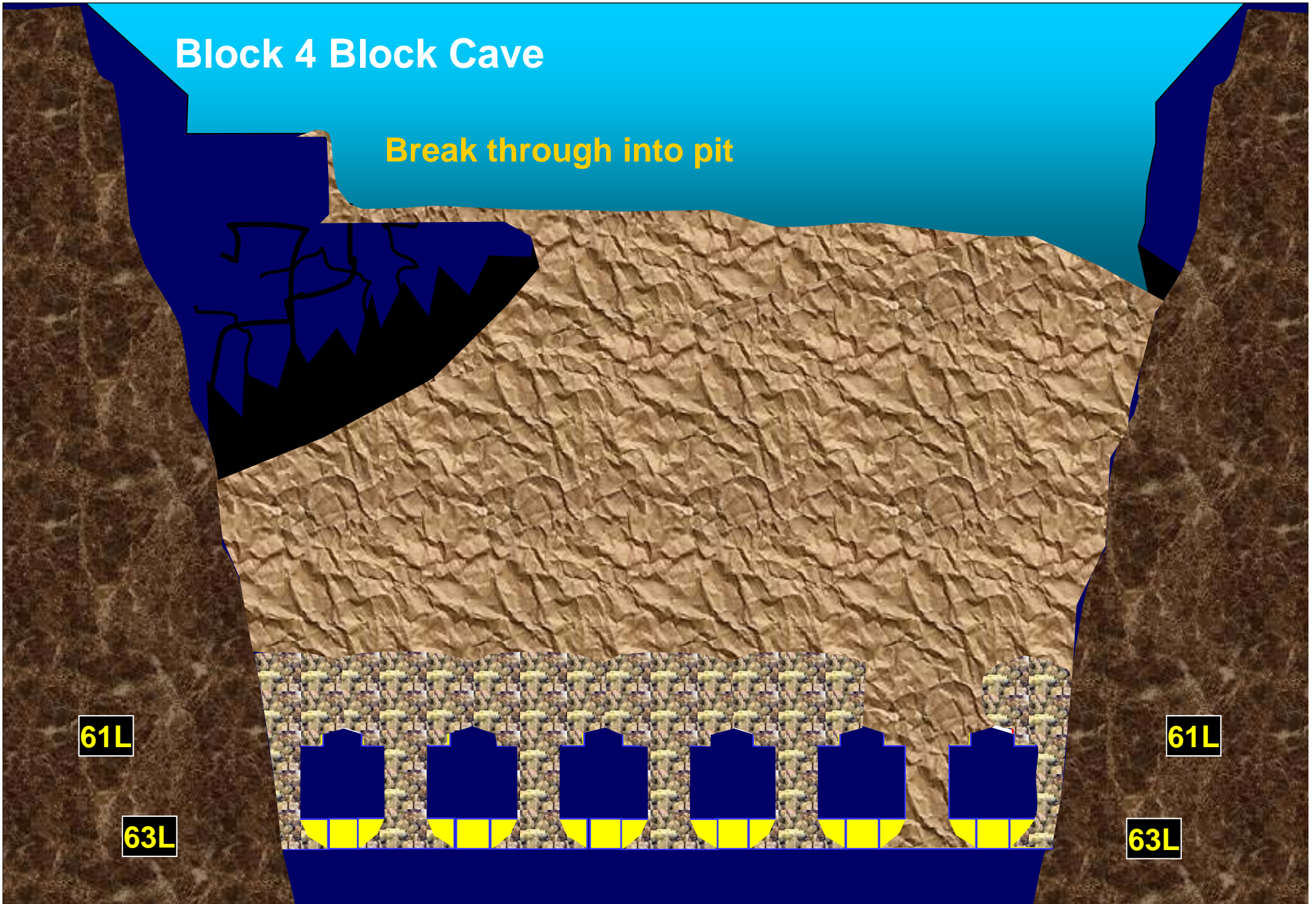
Break through into pit

61L

63L

61L

63L



Block 4 Block Cave

51L

51L

53L

53L

Sidewall collapse

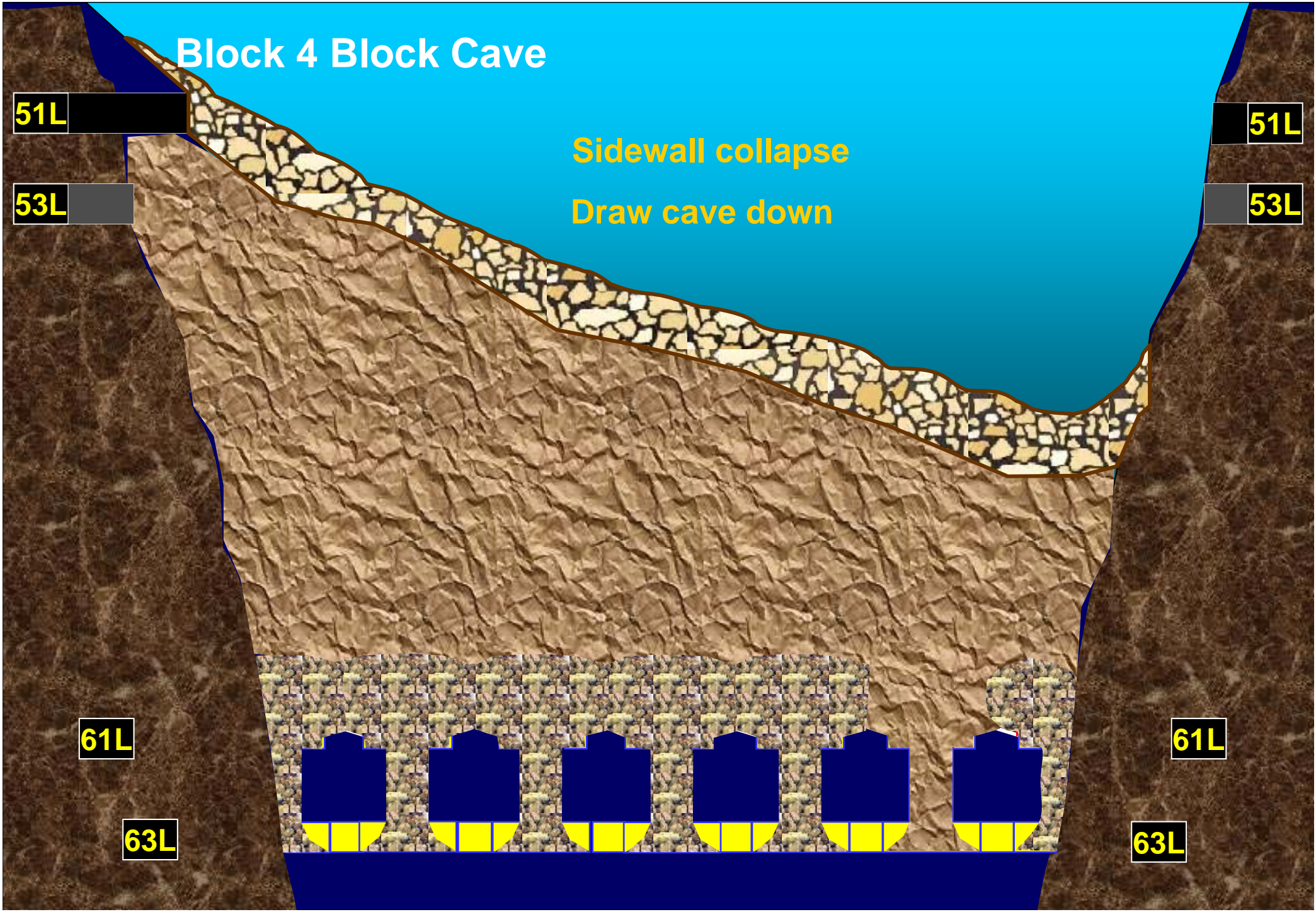
Draw cave down

61L

61L

63L

63L



Block 4 Block Cave

Draw Control

51L

51L

53L

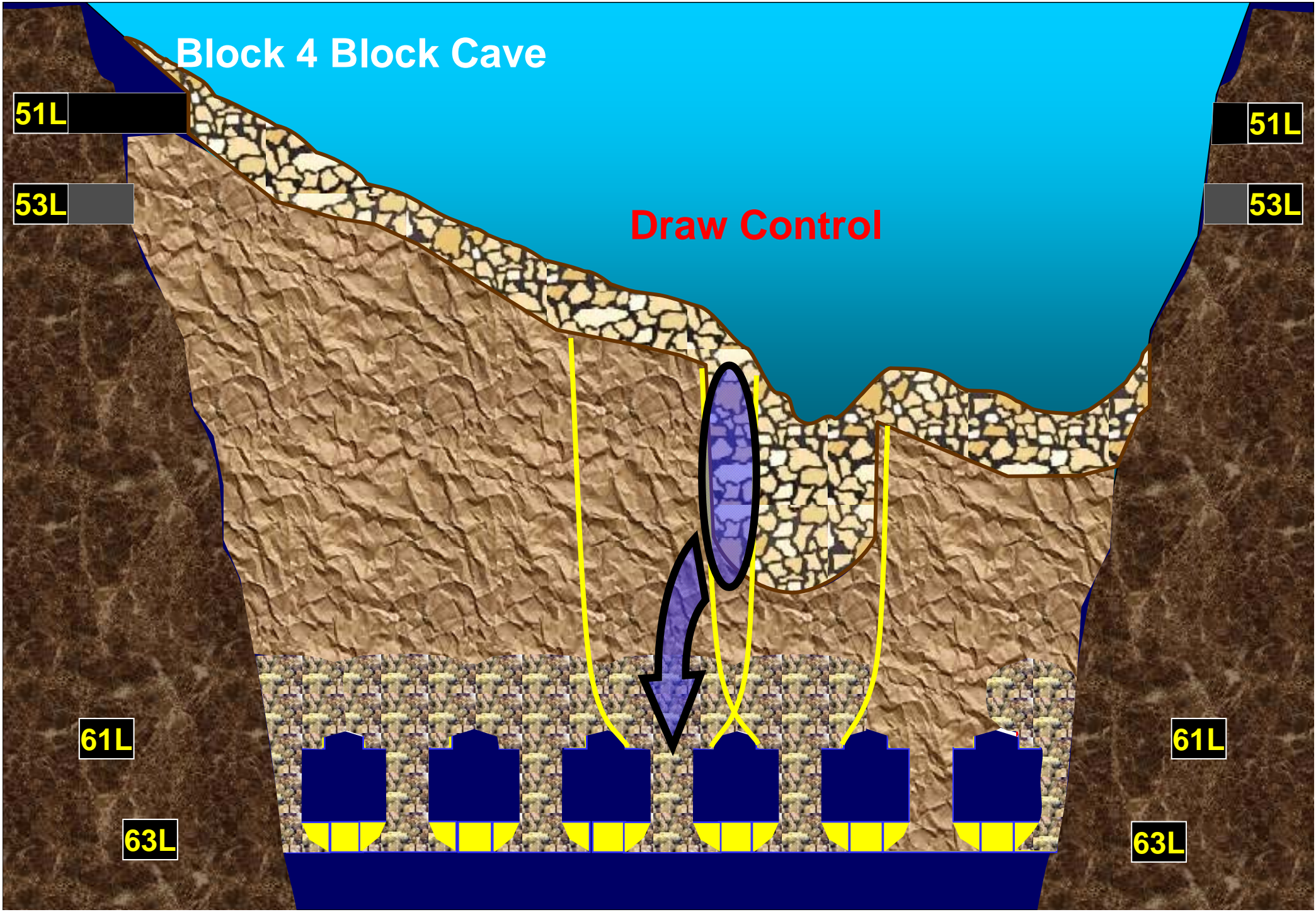
53L

61L

61L

63L

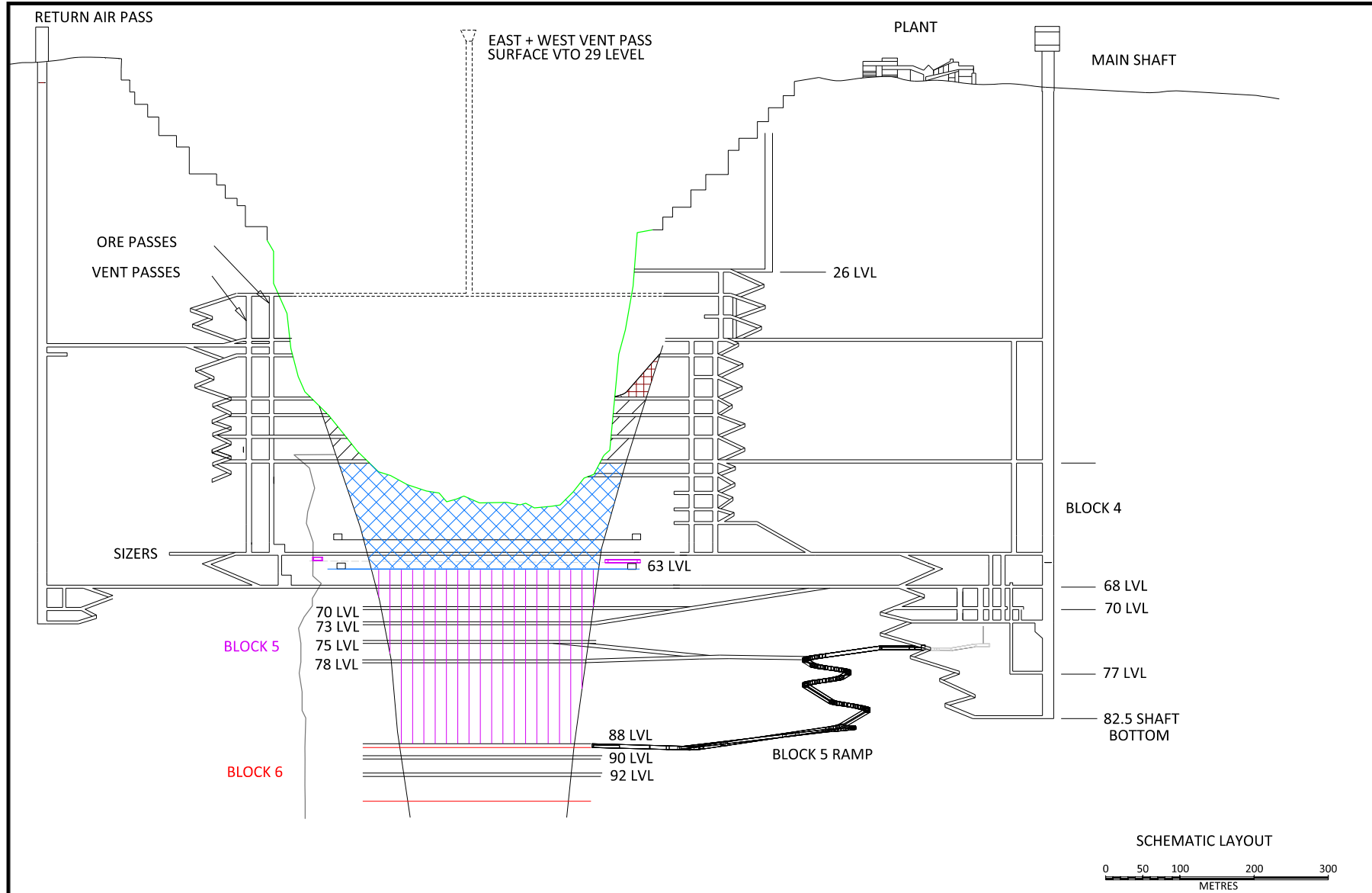
63L



Mining Overview



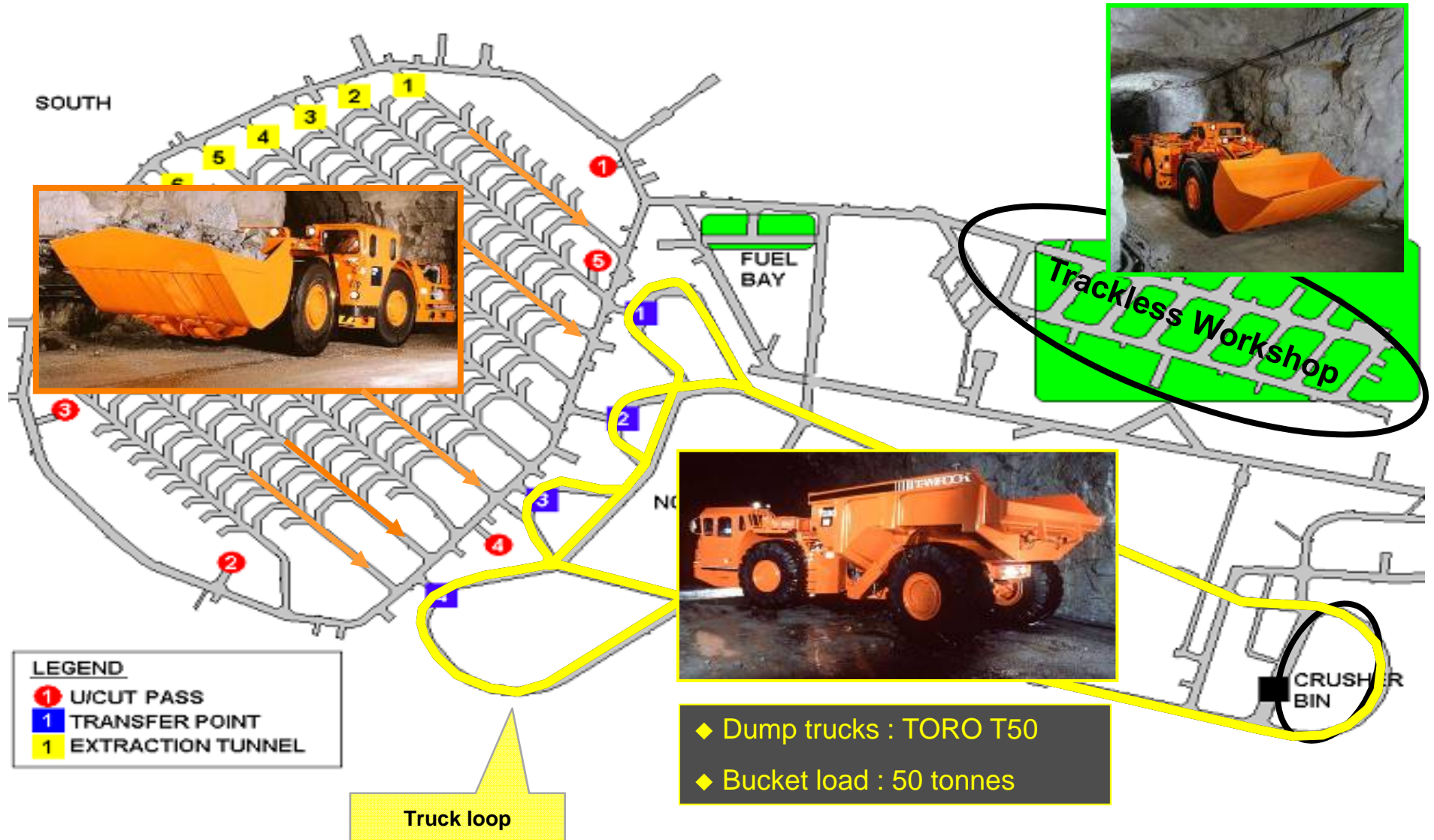
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Block 4 – 63 Level Layout



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PLANT OVERVIEW

Plant Infrastructure

- Original plant built – 1964
- First upgrade completed – 1980
- Underground operation commence – 1990
- Introduce Pre-79 dump retreatment – 2003
- Full contops since 2005 @ capacity of 5.7 Mtpa
- Finsch Mine Treatment Plant Upgrade – predominantly the Fines Section – Mar 2003 to August 2008
- Total project cost: R630 million (~US\$100 million)
- Nameplate capacity: 7.2 Mtpa (3.8 Mtpa ROM; 3.4 Mtpa tailings)



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Pre upgrade:



Post upgrade:



Plant Overview



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Ore Reception

Ore Preparation

Concentration

Mine Residue Disposal

Recovery

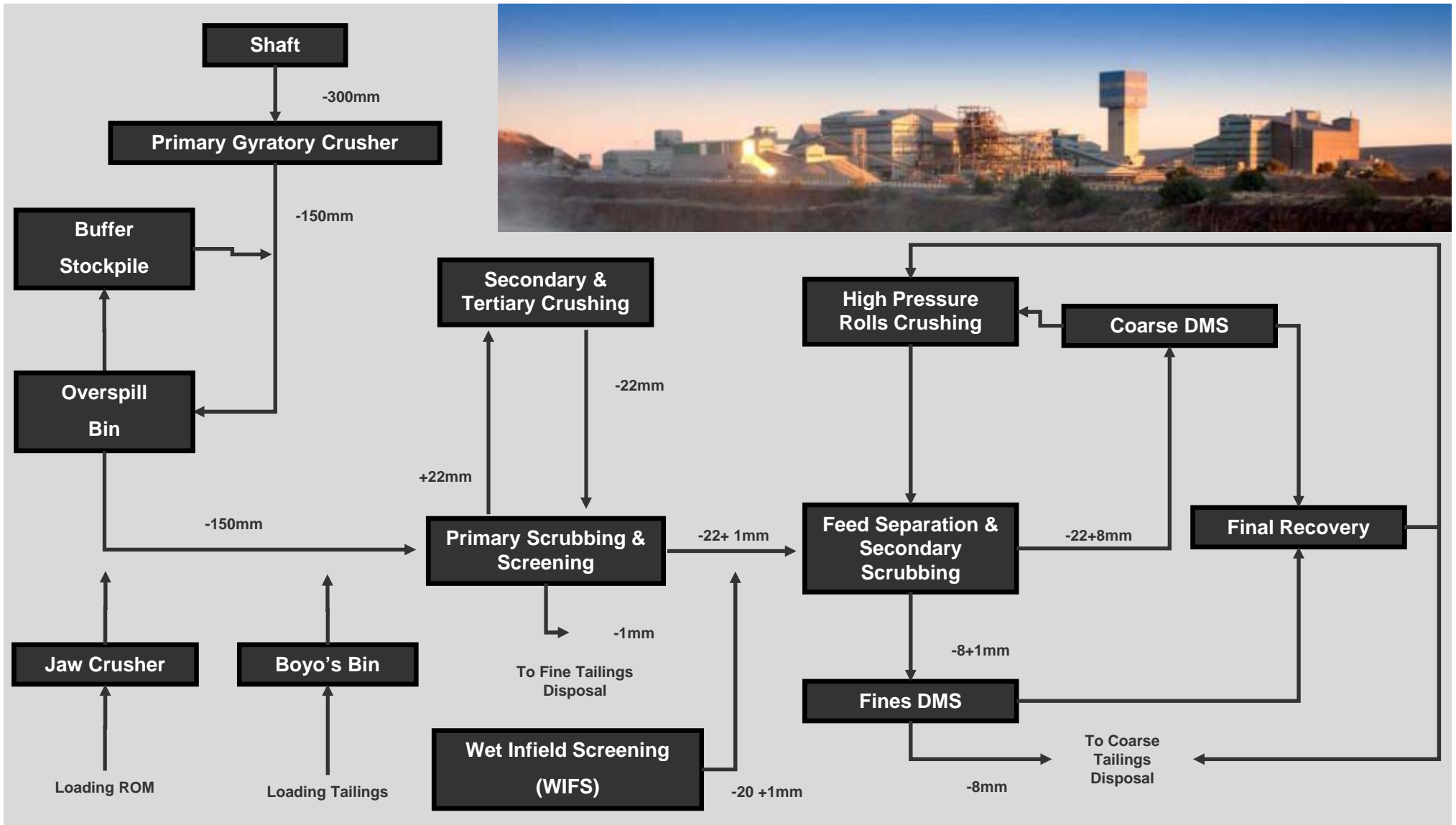
WIFS



Simplified Process Flow

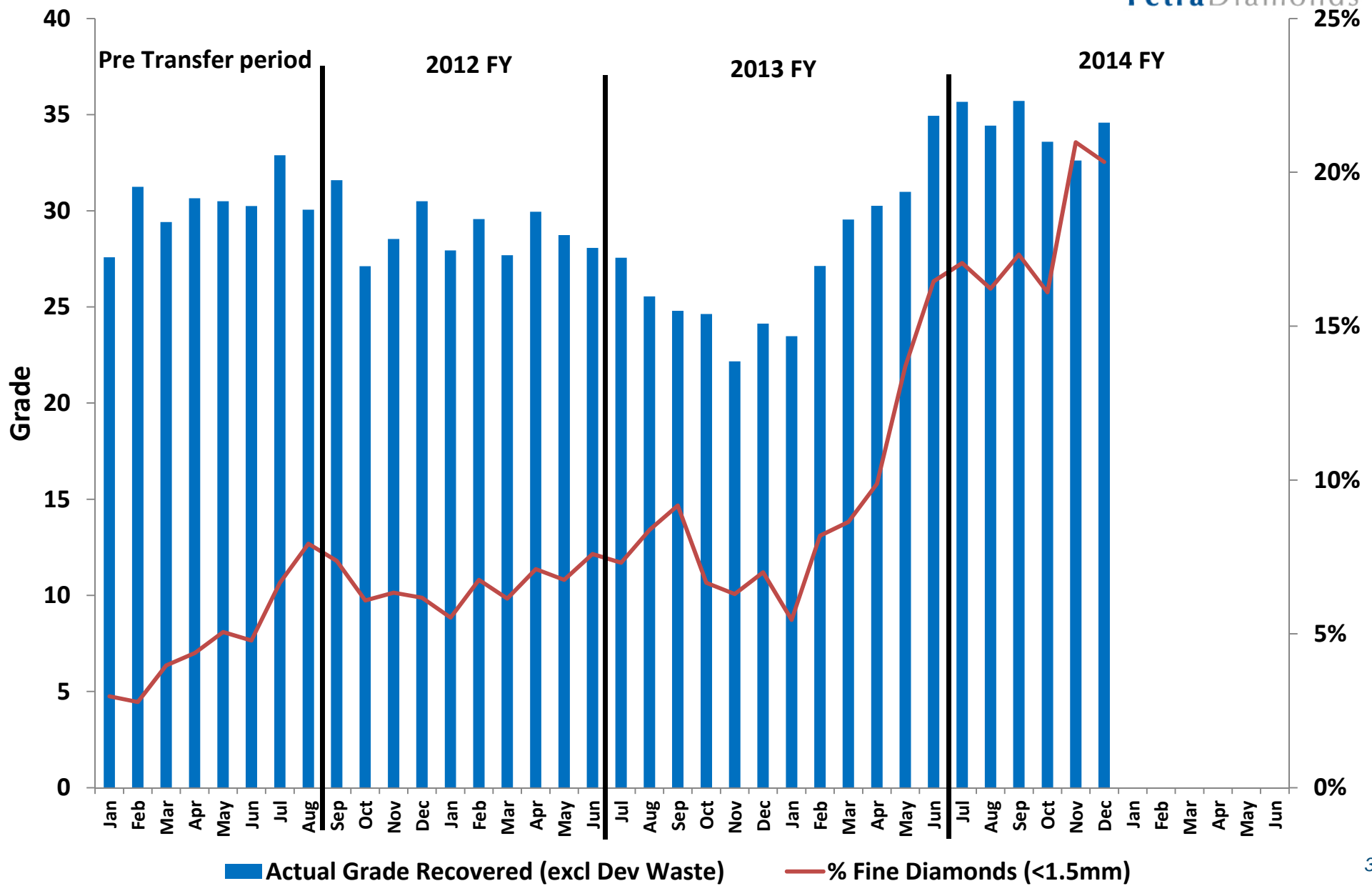


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Increase in Fine Diamond Production

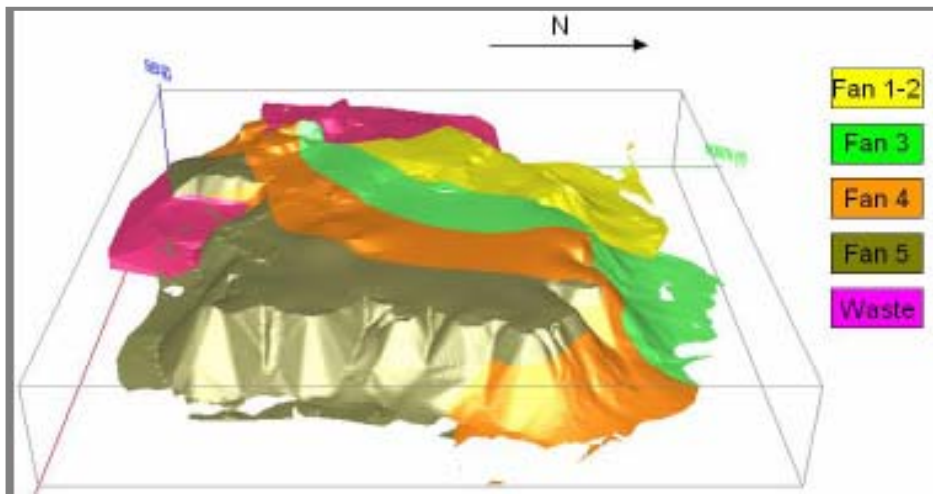




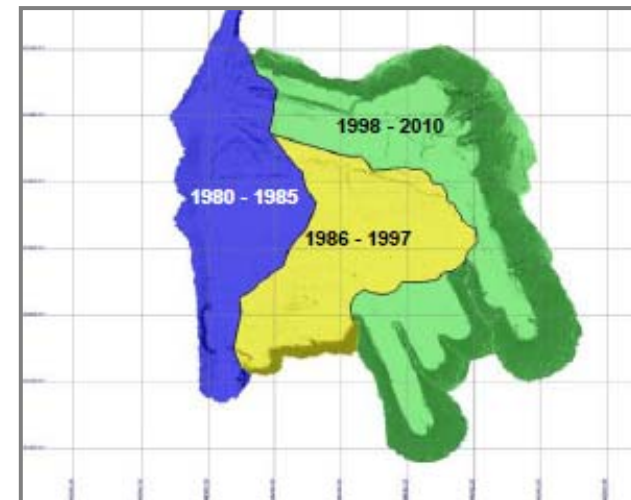
Tailings

- Throughput of ca. 2.8 Mtpa in FY 2014, ramping up to 3.0 Mtpa from FY 2015 onwards
- Phase 1: Treat Pre-1979 Tailings (ca. 22 cpht) until depleted in FY 2015
- Phase 2: Treat Post-1979 Tailings (ca. 10 cpht)
- Tailings production expected to cease in FY 2020

Pre-1979 Tailings



Post-1979 Tailings



Finsch – Special Recoveries

- Regular production of large, special diamonds & fancy colours
- Selection of specials recovered by Petra



2 classic models of 6-7.5cts (2012)



88cts (Oct 2011)



52cts (Dec 2011)



57cts (Jan 2012)



32cts (Feb 2012)



52cts (May 2012)



2.9cts (Jun 2012)



94cts (Jun 2012)



103cts (Aug 2012)



51cts (Aug 2012)



70cts (Oct 2012)



61cts (Jul 2013)



53cts (Aug 2013)



43cts (Oct 2013) ³²



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DEVELOPMENT PROGRAMME

Expansion Plan – Key Deliverables

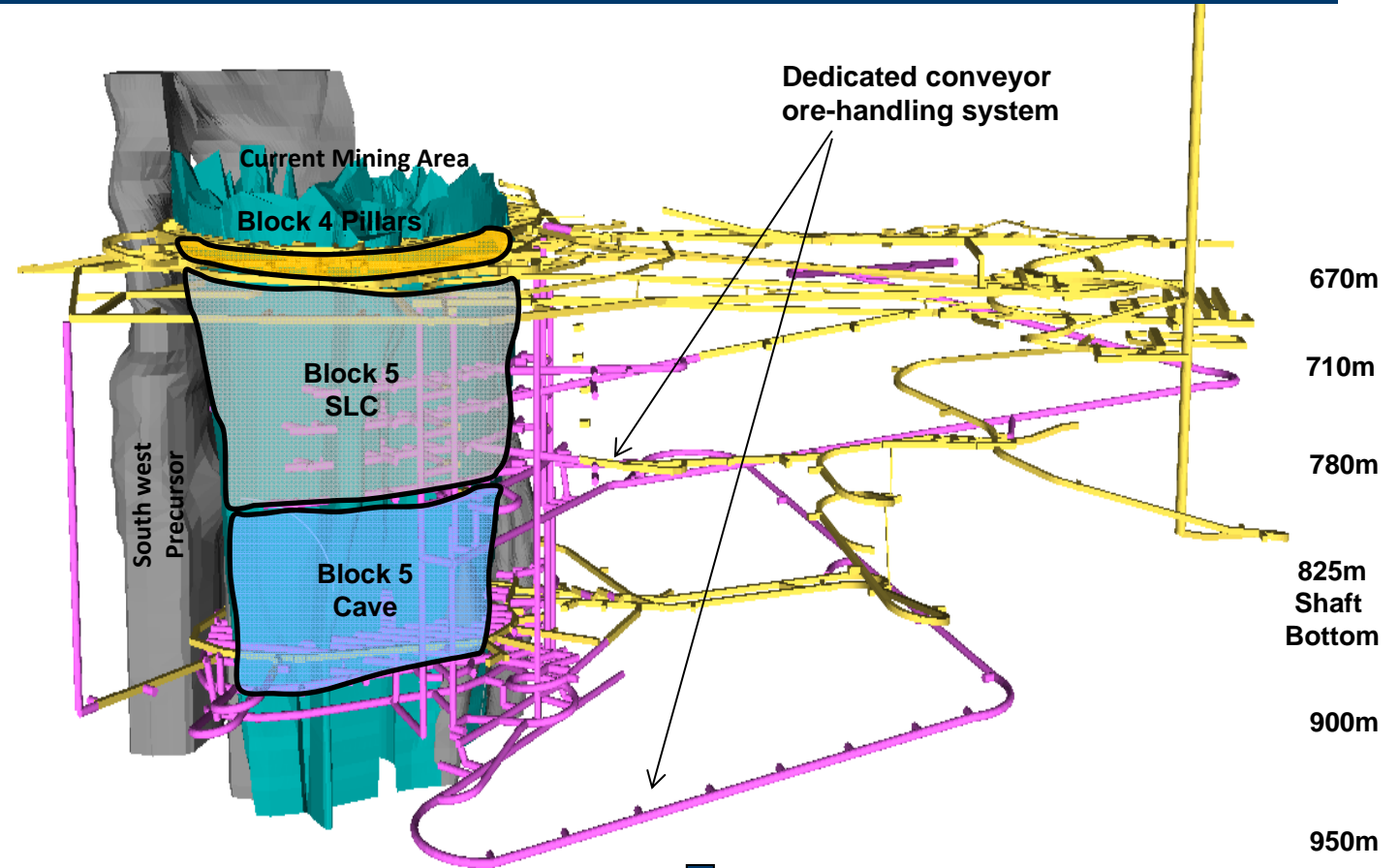


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Expansion Plan – to take production to c.1.8 Mctpa by FY 2016 and c.2.0 Mctpa from FY 2017

- 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**

2,311 development metres and 165 raiseboring metres in FY 2013



Kimberlite footprint @880m Level:
Main pipe: 3.7ha
Precursor: 1.5ha
 (Precursor not in current mine plan)

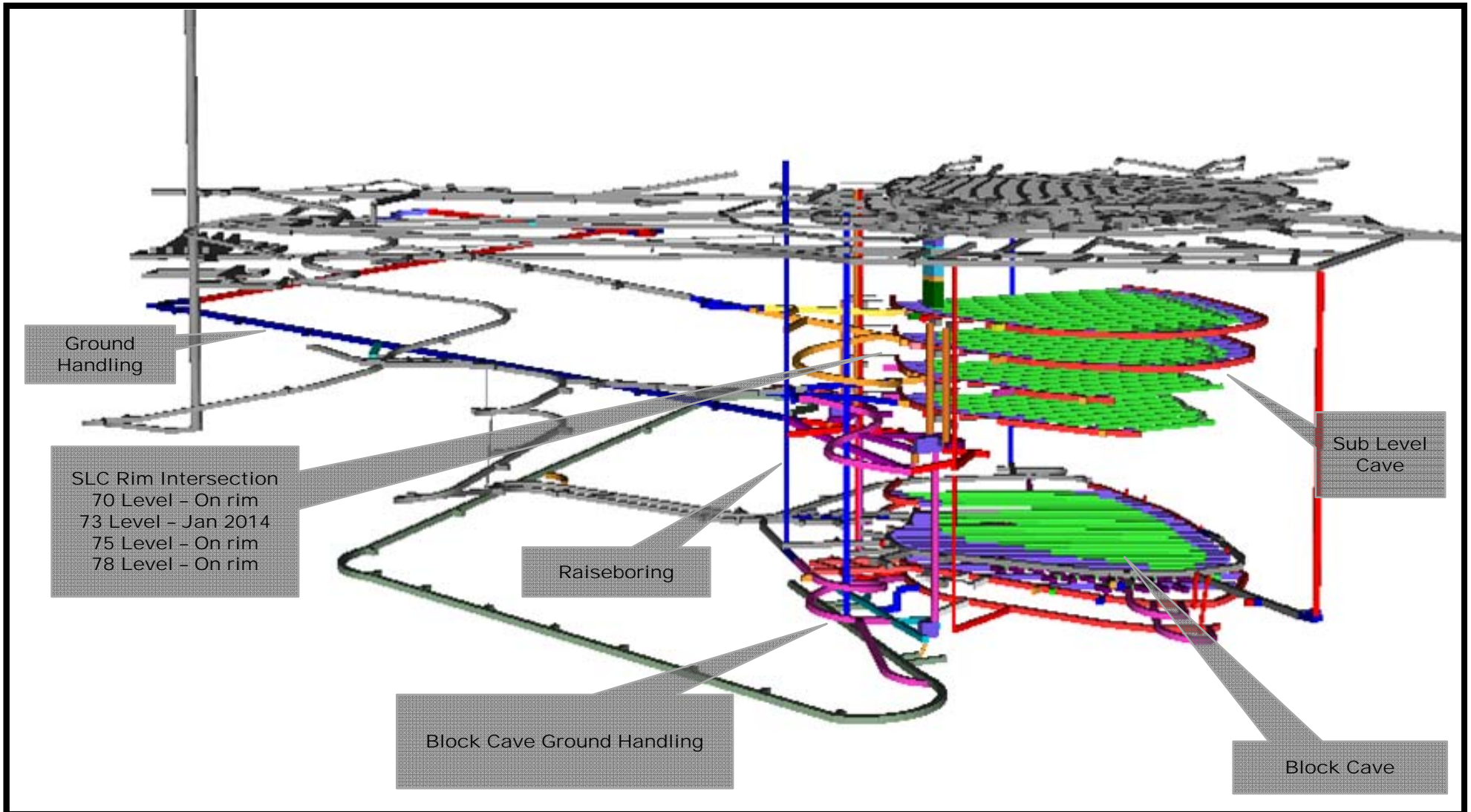
1,000m base of Resource
 (open ended at depth)

Current Infrastructure
Planned Infrastructure

Expansion Plan – Underground Overview

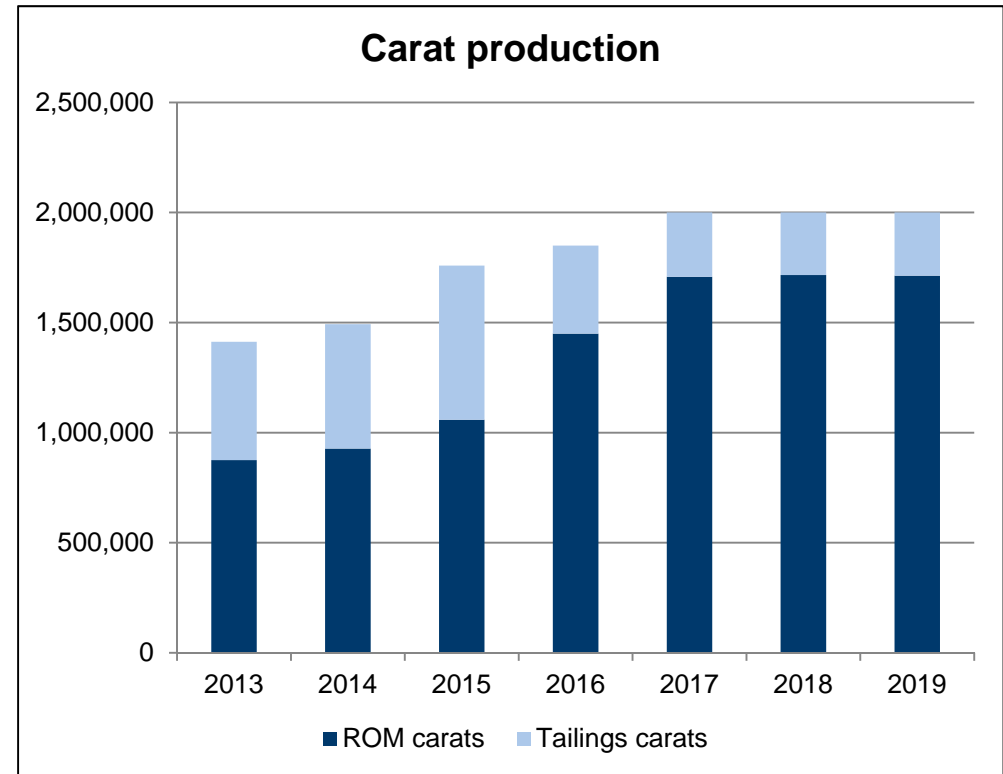
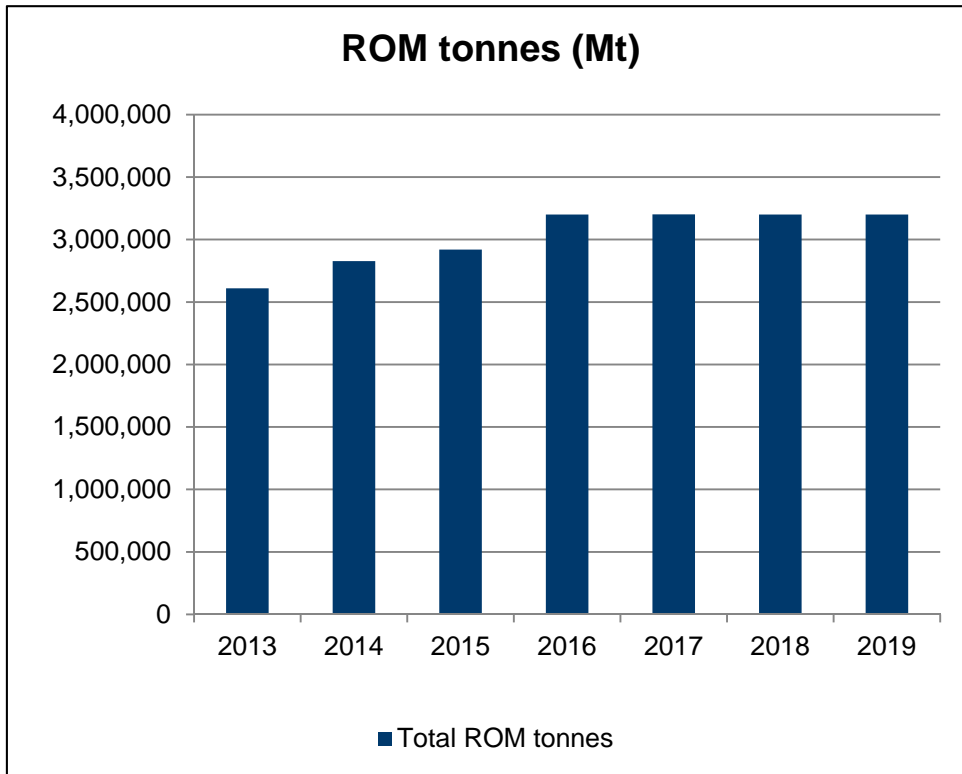


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Production Plan

Taking production to ca. 1.8 million carats by FY 2016 and ca. 2.0 million carats from FY 2017





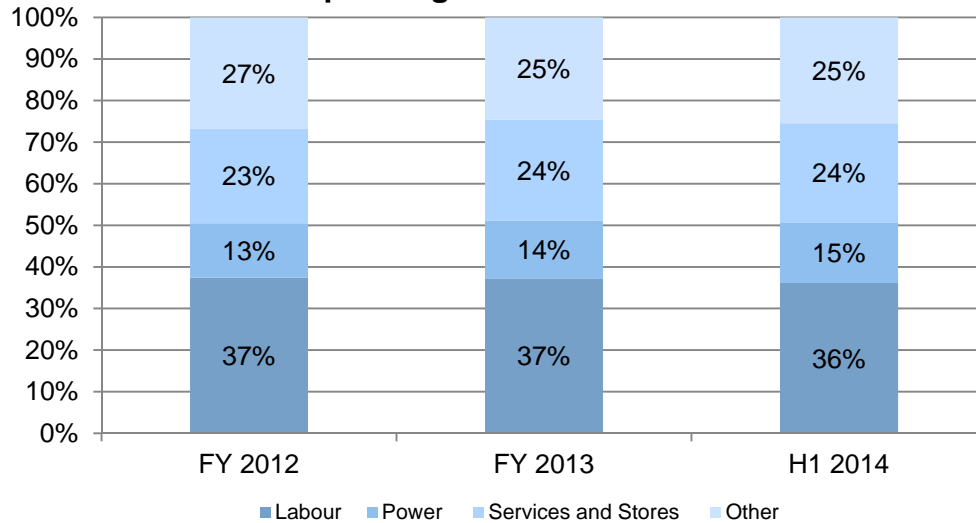
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FINANCIAL

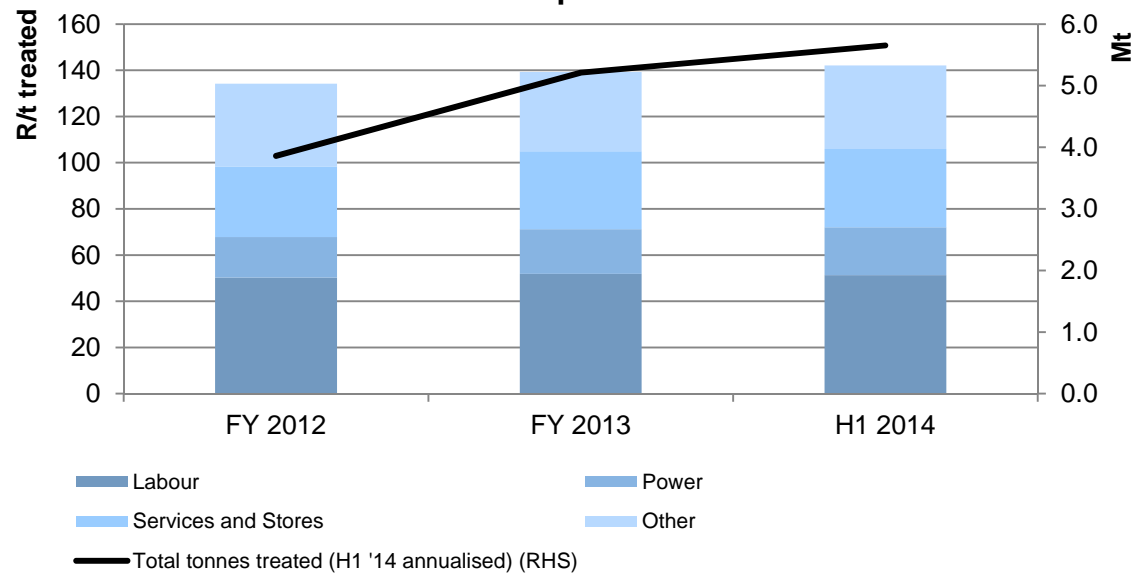


Cost of Production

Operating cost break down



On-mine cash cost per tonne treated



- Manage rising energy costs through effective design, maintenance and management of new and old infrastructure
- Designs to cater for appropriate levels of automation
- Advancement of Group procurement strategy to yield benefits related to economies of scale

H1 FY 2014 Trading Update Results



	Unit	H1 FY 2014	H1 FY 2013	Variance	FY 2013
<u>Sales</u>					
Revenue	US\$M	83.2	65.9	+26%	160.6
Diamonds sold	Carats	863,319	540,728	+60%	1,336,418
Average price per carat	US\$	96	122	-21%	120
<u>ROM Production</u>					
Tonnes treated	Tonnes	1,505,356	1,387,067	+9%	2,609,935
Diamonds produced	Carats	565,334	434,726	+30%	890,360
Grade	Cpht	37.6	31.3	+20%	34.1
<u>Tailings Production</u>					
Tonnes treated	Tonnes	1,320,796	1,247,190	+6%	2,600,611
Diamonds produced	Carats	409,097	207,928	+97%	522,106
Grade	Cpht	31.0	16.7	+86%	20.1
<u>Total Production</u>					
Tonnes treated	Tonnes	2,826,152	2,634,257	+7%	5,210,546
Diamonds produced	Carats	974,431	642,654	+52%	1,412,465
<u>Capex</u>					
Expansion Capex	US\$M	19.9	12.5	n/a	33.5
Sustaining Capex	US\$M	2.5	6.0	n/a	10.6
Borrowing costs capitalised	US\$M	2.3	2.3	n/a	4.5
Total Capex	US\$M	24.7	20.8	n/a	48.6

- Finsch was unaffected by industrial action in H1
- Plant changes (lowering the cut-off) have led to finer overall diamond size frequency and reduction in average value per carat, but more than offset by higher recovered grades – has led to increased contained revenue per tonne of ca. 10%
- Guided average value per carat for FY 2014 has been adjusted from US\$113/ct to US\$100/ct further to plant changes



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SOCIAL RESPONSIBILITY



Corporate Social Investment (CSI)

- Finsch Diamond Mine plays an active and supportive role in the local community
- The mine contributes to a wide number of community projects – below are just a few examples:
 1. Social labour plan projects
 - Replacement of water supply pipes
 - Upgrade of electrical infrastructure
 2. Danielskuil Field Band
 3. Local area committee projects
 - Disability centers
 - Early childhood development
 - Local sports tournaments
 4. Education
 - Transport assistance
 - Rally to Read
 - Teaching assistance for local schools
 5. Kgatelopele Small Business Hub
 6. Human Resource Development



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SLP LED Projects



Learnerships



Electricity Upgrades



Sanitation



Small Business Hub



Water Reticulation Replacement / Upgrades

School Support



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Opening day of the Maths, Science and Technology Centre at Danielskuil and Kuilsville High School



Scholar orientation work experience

Rally to Read



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Conclusion

- A major producer with a sustainable future
 - Initial mine plan of 17 years, but orebody is open ended
- State-of-the-art, modern mining infrastructure
 - Shaft capacity 4.6 mtpa
 - Plant capacity 7.2 mtpa
- Margins to increase significantly once expansion plan accesses undiluted ore
 - Grade to rise ca. 50% to ca. 56 cpht once all ore drawn from Block 5
- Capex of ca. R3.0 billion (ca. US\$300 million) fully financed
 - Combination of treasury, operational cashflow and debt facilities

Ensuring a long-term future for Finsch



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Thank You