



PetraDiamonds

This announcement contains inside information

23 January 2017

LSE: PDL

Petra Diamonds Limited
("Petra" or the "Company" or the "Group")

Trading Update for the Six Months ended 31 December 2016

Petra Diamonds Limited announces the following trading update (unaudited) for the six months ended 31 December 2016 (the "Period", "H1 FY 2017" or "H1"), ahead of the publication of the Company's Interim Results for the Period on 20 February 2017.

SUMMARY

- Production up 24% to 2,015,087 carats (H1 FY 2016: 1,629,403 carats) due to increased contribution from undiluted ROM ore leading to improved ROM grades, and additional tailings production from Kimberley Ekapa Mining;
- The Group remains on track to deliver full year production of ca. 4.4 – 4.6 Mcts;
- Revenue increased 48% to US\$228.5 million (H1 FY 2016: US\$154.0 million), due to increased sales volumes;
- Diamonds sold rose 47% for the Period to 1,910,113 carats (H1 FY 2016: 1,303,051 carats). In line with past years, H2 is expected to be a stronger sales period, due to the timing of tenders being weighted towards the latter half of Petra's financial year;
- Rough diamond prices were flat during H1 FY 2017 on a like-for-like basis, in comparison to H2 FY 2016;
- Underground expansion projects remain on track with Finsch's Block 5 SLC and Cullinan's C-Cut Phase 1 delivering initial production during the Period as evidenced by the improving ROM grade profiles;
- Commissioning of the new Cullinan Plant to commence towards the end of Q3 FY 2017;
- Expansion and sustaining capital expenditure ("Capex") was US\$134.9 million (H1 FY 2016: US\$139.8 million), representing ca. 60% of total forecasted Capex for FY 2017, in line with guidance and demonstrating the continued decline in the Capex profile, with peak Capex spend having passed in H2 FY 2016;
- Net debt of US\$465.4 million in line with levels reported in Q1 FY 2017;
- Petra expects to be within the required covenant ratios for the measurement period as at 31 December 2016;

- It is with deep regret that the Group experienced one further fatality during H1 FY 2017, in addition to those reported in Q1 FY 2017, despite historically excellent safety records and a leading Lost Time Injury Frequency Rate (“LTIFR”) of 0.25 achieved during the Period (H1 FY 2016: 0.37).

H1 FY 2017 Sales, Production and Capex – Summary

	Unit	6 months to 31 Dec 2016 ("H1 FY 2017")	6 months to 31 Dec 2015 ("H1 FY 2016")	Variance	12 months to 30 Jun 2016 ("FY 2016")
Sales					
Revenue	US\$m	228.5	154.0	+48%	430.9
Diamonds sold	Carats	1,910,113	1,303,051	+47%	3,448,084
Production					
ROM tonnes	Mt	5.1	5.4	-6%	11.3
Tailings & other ¹ tonnes	Mt	4.8	2.3	+109%	7.7
Total tonnes treated	Mt	9.9	7.7	+29%	19.0
ROM diamonds	Carats	1,331,615	1,243,706	+7%	2,582,135
Tailings & other ¹ diamonds	Carats	683,472	385,697	+77%	1,119,270
Total diamonds	Carats	2,015,087	1,629,403	+24%	3,701,405
Capex					
Expansion	US\$m	124.7	127.0	-2%	275.2
Sustaining	US\$m	10.2	12.8	-20%	20.6
Subtotal	US\$m	134.9	139.8	-4%	295.8
Borrowing costs capitalised	US\$m	22.3	11.5	+94%	26.5
Total	US\$m	157.2	151.3	+4%	322.3

Note:

1. 'Other' includes mining of the Ebenhaezer satellite kimberlite pipe at Koffiefontein and alluvial diamond mining at Williamson.

Johan Dippenaar, Chief Executive Officer, commented:

“Due to the increased contribution in H1 FY 2017 from undiluted ore, we have delivered strong operational results, reporting significant increases in production and revenue. We continue to advance our expansion programmes and, from this point onwards, will see a meaningful reduction in Capex as the capital projects, which were first set out in 2009, come to fruition.

Safety remains our highest priority at Petra and we are placing renewed focus on this vital area and relentlessly striving for a zero harm workplace.”

CONFERENCE CALL

Petra’s Chief Executive Officer, Johan Dippenaar, and Chief Financial Officer, Jacques Breytenbach, will host two conference calls at 9.30am and 4.00pm GMT today to discuss the H1 FY 2017 Trading Update with investors and analysts. Participants may join the calls by dialling one of the following numbers shortly before the call:

First Call – 9.30am GMT

From the UK (toll free): 0800 358 6377
From South Africa (toll free): 0800 998 654
From South Africa (toll): + 27 11 844 6054
From the rest of the world: +44 330 336 9105
Participant passcode: 1883492#

A replay of the conference call is available from 12:00pm GMT on the same day by dialling:

From UK (toll free): 0808 101 1153
From South Africa and the rest of the world: +44 207 984 7568
Playback passcode: 1883492#

Second Call – 4.00pm GMT / 11.00am EST

This will be a Q&A call only to cater for international investors. Participants are therefore advised to listen to the replay of the earlier conference call in advance, as the main management commentary on the Trading Update will not be repeated.

From the United States (toll free): 888-349-9618
From the United States (toll): +1 719-325-2202
From South Africa (toll free): 0800 998 654
From South Africa (toll): +27 11 844 6054
From the rest of the world: +44 330 336 9105
From the UK (toll free): 0800 358 6377
Participant passcode: 2998667#

COMMENTARY

Production

- H1 production increased 24% to 2,015,087 carats (H1 FY 2016: 1,629,403 carats).
- Finsch's ROM carat production increased 9% to 816,001 carats (H1 FY 2016: 749,954 carats), driven by improved ROM grades of 54.5 cpht (H1 FY 2016 45.3 cpht) due to continued pillar mining in Block 4 and the increasing contribution from the newly established Block 5 SLC, partially offset by lower ROM tonnes. Overall production reduced by 6% to 1,031,560 carats (H1 FY 2016: 1,095,078 carats), due to the planned reduction in tailings production.
- Cullinan's diamond production increased 30% to 419,754 carats (H1 FY 2016: 322,366 carats), in line with the Company's guidance. Initial production from the C-Cut phase 1 Block Cave, coupled with continued pillar and reclamation mining, resulted in a ROM grade of 34.5 cpht for the Period, an increase of ca. 15% on ROM grades achieved in H2 FY 2016, and in line with Company guidance of 33 to 35 cpht for H1 FY 2017.
- As announced during the Q1 FY 2017 Trading Update, production at Koffiefontein was hampered by downtime required to resolve issues encountered in the SLC ore handling infrastructure. The mine is now set to deliver planned levels of production from H2 FY 2017 onwards.
- Kimberley Ekapa Mining's attributable production delivered 432,174 carats (H1 FY 2016: 84,358 carats, Kimberley Underground only) further to the acquisition of the Kimberley Mines and the associated tailings resources during January 2016. Underground mining production continued as expected and treatment of ROM tonnes was restricted due to the planned installation of a crushing circuit at the Central Treatment Plant to process fresh ROM ore. ROM stockpiles of ca. 200,000 tonnes were built up during the Period and these will be processed during H2 FY 2017. Tailings grades of 12.1 cpht were achieved, above the 9-10

cpht grades previously guided, due to increased recovery of diamonds in the smaller size categories.

- Williamson’s diamond production increased 12% to 106,831 carats (H1 FY 2016: 95,841 carats) with larger volumes of ROM tonnes treated. During the Period, commissioning of the newly installed mill section commenced and is expected to be completed during Q3 FY 2017. Once fully commissioned, both ROM grades and throughput will improve and therefore the Company maintains its full year production guidance.

Sales and Diamond Market

- Revenue increased 48% to US\$228.5 million in the Period (H1 FY 2016: US\$154.0 million); excluding Exceptional Diamonds, Petra reported revenue of US\$217.6 million, which represented a 51% increase (H1 FY 2016: US\$144.0 million). As usual, Petra held three tenders in H1 and will hold four tenders in H2.
- Diamond inventory as at 31 December 2016 was 673,031 carats valued at US\$50.8 million (31 December 2015: 666,357 carats valued at US\$57.4 million).

Diamond Market

- We are seeing some evidence of improving retail demand, with certain jewellery retailers reporting slight growth in sales for the 2016 festive period and at least narrowing declines being noted by others.
- Signs of stabilisation in the rough diamond market are evident with steady demand across the majority of size ranges, except in the smaller, lower value categories which have been experiencing some pressure due to the Indian government’s demonetisation of high value banknotes and the subsequent impact of smaller midstream players on liquidity in the Indian diamond market.
- Petra expects market conditions to remain stable in H2 FY 2017 (January to June 2017).

Diamond Prices

- Rough diamond prices remained flat during H1 FY 2017 on a like-for-like basis, in comparison to H2 FY 2016, although some weakness was observed in the smaller, lower value size categories during Petra’s December tender, following the Indian government’s actions, as mentioned above.
- The table below summarises diamond pricing achieved in H1 FY 2017 set against the Company’s guidance and the last financial year.

Mine	Actual¹ H1 FY 2017 US\$ per Carat	Guidance² FY 2017 US\$ per Carat	Actual FY 2016 US\$ per Carat
Finsch	98	100-105	89
Cullinan ³	127	105-115	126
Koffiefontein	495	520-550	462
Kimberley Ekapa Mining	93 ⁴	125-130	132
Williamson ⁵	305	220-230	384

Notes:

1. *Includes sales to Petra's in-house cutting and polishing subsidiary Tarorite (Pty) Ltd, totalling 206.3 carats, valued at US\$0.3 million across the operations; excludes sales by Tarorite totalling 25.0 carats, US\$0.1m.*
2. *Excluding Exceptional Diamonds*
3. *Excluding Exceptional Diamonds, the average value per carat for H1 FY 2017 was US\$111 (FY 2016: US\$109).*
4. *The average value per carat for H1 FY 2017 is below full year guidance due to the parcel make-up weighted towards tailings carats as explained in 'Production' commentary above.*
5. *Excluding Exceptional Diamonds, the average value per carat for H1 FY 2017 was US\$253 (FY 2016: US\$238).*

Expansion projects, Cullinan plant and Capex

- The execution of the Group's underground expansion projects at Finsch and Cullinan continues as expected; both Finsch's Block 5 SLC and Cullinan's C-Cut Phase 1 projects delivered initial production during the Period, in line with earlier guidance, and both projects remain on track to deliver ca. 1 Mt each in FY 2017.
- The commissioning of the new Cullinan plant is due to commence towards the end of the current quarter (Q3 FY 2017), with production from the old plant ceasing by the end of February, allowing for tie-ins between the new and existing infrastructure and the commencement of sectional commissioning of the new plant. Ramp up to full production is expected in Q4 FY 2017.

Recent unforeseen labour-related disruptions over the last six weeks involving only our contractors at Cullinan, which we are currently working hard to resolve, have put some pressure on the commissioning schedule. This is expected to result in ROM tonnages treated for H2 FY 2017 being between 1 Mt and 1.5 Mt (compared with the earlier plan ca. 1.6 Mt), which includes ca. 350,000 ROM tonnes through the old plant for the period up to February 2017. ROM tonnes mined remain in line with expectations and any untreated material would be stockpiled.

Due to the excess capacity of the new plant when fully commissioned, should any ROM material remain untreated in H2 FY 2017, these tonnes will be processed during H1 FY 2018, in addition to tonnages given for FY 2018 production guidance. This will ensure that any potential production shortfall for FY 2017 can be recouped during H1 FY 2018.

- The Group remains on track to deliver full year production of ca. 4.4 – 4.6 Mcts but is mindful of the potential to be towards the bottom end of this range, due to the above influencing factors associated with the new Cullinan plant, and will monitor this situation as commissioning progresses.
- Capex (excluding capitalised borrowing costs) for H1 FY 2017 was US\$134.9 million (H1 FY 2016: US\$139.8 million), with US\$124.7 million attributed to expansion Capex (H1 FY 2016: US\$127.0 million) and US\$10.2 million to sustaining Capex (H1 FY 2016: US\$12.8 million). Capex in H1 FY 2017 represented ca. 60% of expected full year 2017 Capex spend, confirming the declining trend of Capex for the Group.

Health and safety:

- Despite further improvements to the Group's lost time injury frequency rate ("LTIFR") for H1 FY 2017 of 0.25 (H1 FY 2016: 0.37), the Company had a tragic start to FY 2017, with a total of five fatalities in H1 FY 2017, including the four fatalities (three at Williamson and one at Cullinan) announced in the Q1 FY 2017 trading update. An incident at Finsch's Block 5 SLC production area in Q2 FY 2017 led to an employee being fatally injured.
- Throughout the Group, we have intensified our safety initiatives, which target all levels of the organisation, serving to reiterate our zero-tolerance approach to unsafe acts and working conditions and to reinforce safety as the single most important personal and organisational value. This will remain an area of focus for the Company and is our highest priority.

Corporate

- Debt facilities undrawn and available to the Group as at 31 December 2016 of US\$57.1 million (30 June 2016: US\$110.0 million), cash at bank of US\$47.2 million (30 June 2016: US\$48.7 million) and net debt of US\$465.4 million (30 June 2016: US\$384.8 million). Net debt has increased by US\$80.6 million during the Period largely due to Capex spend of US\$157.2 million (including capitalised borrowing cost), in line with expectations.
- The Company remains confident that the available facilities will be adequate to complete the capital programme.
- A summary of the Group's current cash, diamond inventories, debtors, borrowings and net debt is set out below.

	Unit	31 December 2016	30 June 2016	31 December 2015
<i>Closing exchange rate used for conversion</i>		<i>R13.73:US\$1</i>	<i>R14.68:US\$1</i>	<i>R15.46/US\$1</i>
Cash at bank	US\$m	47.2	48.7	42.1
Diamond inventories	US\$m	50.8	43.6	57.4
	Carats	673,031	549,620	666,357
Diamond debtors	US\$m	1.9	63.4	1.4
US\$ loan notes (including accrued interest)	US\$m	302.1	302.0	302.1
Bank loans and borrowings	US\$m	210.5	131.5	63.9
Net debt	US\$m	465.4	384.8	323.9
Bank facilities undrawn and available	US\$m	57.1	110.0	177.1

Notes:

- The following exchange rates have been used for this announcement:
 - closing rate as at 31 December 2016 US\$1:ZAR13.73 (31 December 2015 US\$1:ZAR15.46)
 - average rate H1 FY2017 US\$1:ZAR13.98 (H1 FY2016 US\$1:ZAR13.61)
- The following definitions have been used in this announcement:
 - ct: carat
 - cpht: carats per hundred tonnes
 - Exceptional Diamonds: stones that sell for more than US\$5 million each
 - LTIFR: lost time injury frequency rate
 - Mcts: million carats
 - mL: metre level
 - Mt: million tonnes
 - ROM: run-of-mine, i.e. relating to production from the primary orebody
 - SLC: sub-level cave, a variation of block caving
- Diamond inventory carrying values are stated at the lower of cost of production on the weighted average basis or estimated net realisable value.

~ Ends ~

For further information, please contact:

Petra Diamonds, London
Cornelia Grant

Telephone: +44 20 7494 8203
cornelia.grant@petradiamonds.com

Buchanan
(PR Adviser)
Bobby Morse
Anna Michniewicz

Telephone: +44 20 7466 5000
bobbym@buchanan.uk.com
annam@buchanan.uk.com

RBC Capital Markets
(Joint Broker)
Matthew Coakes
Jonathan Hardy

Telephone: +44 20 7653 4000
matthew.coakes@rbccm.com
jonathan.hardy@rbccm.com

Barclays
(Joint Broker)
Bertie Whitehead
Ed Hill

Telephone: +44 20 7623 2323
bertie.whitehead@barclays.com
edward.hill@barclays.com

BMO Capital Markets
(Joint Broker)
Jeffery Couch
Neil Haycock

Telephone: +44 20 7236 1010
jeffery.couch@bmo.com
neil.haycock@bmo.com

About Petra Diamonds Limited

Petra Diamonds is a leading independent diamond mining group and an increasingly important supplier of rough diamonds to the international market. The Company has interests in five producing operations: three underground mines in South Africa (Finsch, Cullinan and Koffiefontein), the Kimberley Ekapa Mining joint venture (including the Kimberley Underground mine and extensive tailings retreatment operations) and one open pit mine in Tanzania (Williamson). It also maintains an exploration programme in Botswana.

Petra has a core objective to steadily increase annual production to ca. 5.3 million carats by FY 2019. The Group has a significant resource base in excess of 300 million carats.

Petra conducts all operations according to the highest ethical standards and will only operate in countries which are members of the Kimberley Process. Petra is quoted with a premium listing on the Main Market of the London Stock Exchange under the ticker 'PDL' and is a constituent of the FTSE4Good Index. For more information, visit www.petradiamonds.com.

APPENDIX – MINE BY MINE PRODUCTION TABLES

Finsch – South Africa

	Unit	H1 FY 2017	H1 FY 2016	Variance	FY 2016
Sales					
Revenue	US\$m	99.3	75.2	+32%	186.4
Diamonds sold	Carats	1,010,015	912,069	+11%	2,085,123
Average price per carat	US\$	98	82	+20%	89
ROM Production					
Tonnes treated	Tonnes	1,498,449	1,656,256	-10%	3,547,798
Diamonds produced	Carats	816,001	749,954	+9%	1,572,725
Grade ¹	Cpht	54.5	45.3	+20%	44.3
Tailings Production					
Tonnes treated	Tonnes	1,041,758	1,236,328	-16%	2,295,918
Diamonds produced	Carats	215,559	345,124	-38%	641,339
Grade ¹	Cpht	20.7	27.9	-26%	27.9
Total Production					
Tonnes treated	Tonnes	2,540,207	2,892,584	-12%	5,843,716
Diamonds produced	Carats	1,031,560	1,095,078	-6%	2,214,064
Capex					
Expansion Capex	US\$m	27.9	25.4	+10%	56.5
Sustaining Capex	US\$m	2.3	2.6	-12%	6.7
Borrowing Costs Capitalised	US\$m	8.9	4.6	+93%	10.6
Total Capex	US\$m	39.1	32.6	+20%	73.8

Note:

1. The Company is not able to precisely measure the ROM / tailings grade split because ore from both sources is processed through the same plant; the Company therefore back-calculates the grade with reference to resource grades.

Cullinan – South Africa

	Unit	H1 FY 2017	H1 FY 2016	Variance	FY 2016
Sales					
Revenue	US\$m	46.0	25.0	+84%	83.8
Diamonds sold	Carats	363,113	227,759	+59%	663,175
Average price per carat ¹	US\$	127	110	+16%	126 ¹
ROM Production					
Tonnes treated	Tonnes	1,039,417	1,180,399	-12%	2,302,892
Diamonds produced	Carats	358,821	303,400	+18%	643,724
Grade	Cpht	34.5	25.7	+32%	28.0
Tailings Production					
Tonnes treated	Tonnes	259,831	397,158	-35%	886,289
Diamonds produced	Carats	60,932	18,966	+221%	37,089
Grade	Cpht	23.5	4.8	+390%	4.2

Total Production					
Tonnes treated	Tonnes	1,299,248	1,577,557	-18%	3,189,181
Diamonds produced	Carats	419,754	322,366	+30%	680,813
Capex					
Expansion Capex	US\$m	64.8	73.2	-12%	156.2
Sustaining Capex	US\$m	2.6	4.4	-41%	7.3
Borrowing Costs Capitalised	US\$m	13.4	6.9	+94%	15.9
Total Capex	US\$m	80.8	84.5	-4%	179.4

Note:

1. Excluding Exceptional Diamonds, the average value for H1 FY 2017 was US\$111 per carat; H1 FY2016 US\$110 per carat and FY 2016 US\$109 per carat.

Koffiefontein – South Africa

	Unit	H1 FY 2017	H1 FY 2016	Variance	FY 2016
Sales					
Revenue	US\$m	14.8	9.9	+50%	25.7
Diamonds sold	Carats	29,788	21,568	+38%	55,500
Average price per carat	US\$	495	457	+8%	462
ROM Production					
Tonnes treated	Tonnes	359,044	289,217	+24%	681,344
Diamonds produced	Carats	24,770	24,840	0%	50,825
Grade	Cpht	6.9	8.6	-20%	7.5
Tailings / Ebenhaezer Production					
Tonnes treated	Tonnes	-	262,542	-100%	446,854
Diamonds produced	Carats	-	6,920	-100%	11,365
Grade	Cpht	-	2.6	-100%	2.5
Total Production					
Tonnes treated	Tonnes	359,044	551,759	-35%	1,128,198
Diamonds produced	Carats	24,770	31,760	-22%	62,190
Capex					
Expansion Capex	US\$m	6.3	14.0	-55%	24.6
Sustaining Capex	US\$m	1.9	1.3	+46%	2.9
Total Capex	US\$m	8.2	15.3	-46%	27.5

Kimberley Ekapa Mining – South Africa

	Unit	H1 FY 2017	H1 FY 2016	Variance	FY 2016
Sales					
Revenue	US\$m	38.0	15.5	n/a	57.7
Diamonds sold	Carats	406,667	61,113	n/a	438,680
Average price per carat	US\$	93	253	n/a	132
ROM Production					
Tonnes treated	Tonnes	209,297	483,110	n/a	721,513
Diamonds produced	Carats	30,347	76,240	n/a	88,572
Grade	Cpht	14.5	15.8	n/a	12.3
Tailings Production					
Tonnes treated	Tonnes	3,320,376	198,203	n/a	3,583,758
Diamonds produced	Carats	401,827	8,118	n/a	442,897
Grade	Cpht	12.1	4.1	n/a	12.4
Total Production					
Tonnes treated	Tonnes	3,529,673	681,313	n/a	4,305,271
Diamonds produced	Carats	432,174	84,358	n/a	531,469
Capex					
Expansion Capex	US\$m	13.8	6.0	n/a	14.7
Sustaining Capex	US\$m	1.8	1.8	n/a	2.1
Total Capex	US\$m	15.6	7.8	n/a	16.8

Note:

1. Data for H1 FY 2017 and FY 2016 in the table above represent Petra's 75.9% attributable share (including both ROM production from Kimberley Underground and Tailings production), further to the acquisition of the Kimberley Mines assets in partnership with Ekapa Mining on 18 January 2016 and the associated tolling agreement; H1 FY 2016 represents Kimberley Underground production only.

Williamson – Tanzania

	Unit	H1 FY 2017	H1 FY 2016	Variance	FY 2016
Sales					
Revenue	US\$m	31.0	29.5	+5%	78.9
Diamonds sold	Carats	100,712	80,359	+25%	205,548
Average price per carat	US\$	305	366	-17%	384
ROM Production					
Tonnes treated	Tonnes	2,014,099	1,824,915	+10%	4,003,180
Diamonds produced	Carats	101,676	89,272	+14%	199,796
Grade	Cpht	5.0	4.9	+2%	5.0
Alluvial Production					
Tonnes treated	Tonnes	191,362	207,221	-8%	417,452
Diamonds produced	Carats	5,154	6,569	-22%	13,073
Grade	Cpht	2.7	3.2	-16%	3.1
Total Production					
Tonnes treated	Tonnes	2,205,461	2,032,136	+9%	4,420,632
Diamonds produced	Carats	106,831	95,841	+12%	212,869

Capex					
Expansion Capex	US\$m	12.1	8.7	+39%	23.0
Sustaining Capex	US\$m	0.5	1.0	-50%	1.4
Total Capex	US\$m	12.6	9.7	+30%	24.4

Capex reconciliation

Capex	Unit	H1 FY 2017	H1 FY 2016	Variance	FY 2016
Finsch	US\$m	39.1	32.6	+20%	73.8
Cullinan	US\$m	80.8	84.5	-4%	179.4
Koffiefontein	US\$m	8.2	15.3	-46%	27.5
Kimberley Ekapa Mining	US\$m	15.6	7.8	+100%	16.8
Williamson	US\$m	12.6	9.7	+30%	24.4
Helam	US\$m	0.0	0.0	0%	0.1
Subtotal – Capex incurred by operations	US\$m	156.3	149.9	+4%	322.0
Corporate / exploration	US\$m	1.3	2.2	-41%	1.8
Petra internal projects division – Capex under construction / invoiced to operations	US\$m	(0.2)	0.1	-300%	0.3
Other Corporate – Capex under construction / invoiced to operations	US\$m	(0.2)	(0.9)	-78%	-
Total Group Capex	US\$m	157.2	151.3	+4%	324.1

Notes:

1. Capex for the Period includes US\$22.3 million (H1 FY 2016: US\$11.5 million) of capitalised borrowing costs, which is also included in the applicable mine by mine tables above.
2. Petra's annual Capex guidance is cash based and excludes capitalised borrowing costs. Given that the majority of Petra's debt funding is in relation to its expansion and development programmes, Petra's guidance is to assume that the majority of interest and financing fees will be capitalised for the duration of the project phase and not expensed through the income statement.
3. The Group (Petra internal projects and Other Corporate) incurs capital spend on behalf of the operations and although this spend is reported in the Group's total Capex, it is policy not to account for it on a specific mine's Capex until the work completed is invoiced to the relevant operation. Group Capex includes US\$0.4 million for the Period (H1 FY 2016: US\$0.8 million), which was incurred and invoiced by the Group's internal projects facility and Corporate division. Therefore, the mine by mine tables plus the internal projects and other corporate Capex will add together to make the Capex total in the relevant sections above.