This announcement contains inside information

24 July 2017 **LSE: PDL**

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

FY 2017 Trading Update and FY 2018 Guidance Update

Petra Diamonds Limited announces its Trading Update (unaudited) for the year ended 30 June 2017 (the “Year” or “FY 2017”), ahead of its preliminary results for the Year (“Prelim Results”), which will be released on 18 September 2017.

The Company also announces updated analyst guidance for the year to 30 June 2018 (“FY 2018”).

FY 2017 HIGHLIGHTS

- FY 2017 production up 8% to 4.0 Mcts (FY 2016: 3.7 Mcts) and revenue up 11% to US$477.0 million (FY 2016: US$430.9 million), both representing record levels for the Group.
- The diamond market remained stable throughout FY 2017, with rough diamond prices on a like for like basis up ca. 2% for the Year, compared to FY 2016.
- Total FY 2017 absolute operating costs remained in-line with expectations despite inflationary pressures; unit cost per tonne has been adversely affected by the high fixed cost base and below plan throughput. The strengthening in the Rand for the Year had a negative impact on Dollar reported operating costs; further detail will be given in the Preliminary Results announcement.
- FY 2017 Operational Capex (excluding capitalised borrowing costs) of US$255.1 million (FY 2016: US$295.8 million).
- Cash at bank at Year end of US$205.0 million (30 June 2016: US$46.1 million) and debtors from the June diamond tenders received shortly after Year end of US$41.5 million (30 June 2016: US$60.2 million).
- Net debt at 30 June 2017 of US$554.4 million (30 June 2016: US$382.8 million). With Capex now on a declining trend, debt levels will start to fall in FY 2018 and the Company expects to become free cashflow positive during FY 2018.

FY 2018 GUIDANCE HIGHLIGHTS

- FY 2018 production expected to rise ca. 23% to 4.8 – 5.0 Mcts; guidance of 5.0 – 5.3 Mcts for FY 2019.
- The mine planning process is focused on maximising overall value, as opposed to maximising production volumes.

- FY 2018 production expected to have a marked increase in the proportion of higher value ROM carat production (ca. 85%) (FY 2017: 71%), as opposed to lower value tailings carat production. This is expected to lead to an improved product mix resulting in a higher average value per carat.
- Total FY 2018 on-mine cash costs expected to increase by ca. 12% compared with FY 2017 for the South African operations (in ZAR terms) and ca. 18% for Williamson in Tanzania due to:
  - increased overall tonnage throughput to ca. 21.7 Mt (FY 2017: 18.8 Mt);
  - increased proportion of more costly, but higher value, ROM tonnes to ca. 13.7 Mt (FY 2017: 10.1 Mt);
  - increased costs associated with transitioning phase whilst moving from old production areas to newly established mining areas; and
  - inflationary increases (ca. 6 - 7%).
- FY 2018 Capex (excluding capitalised borrowing costs) of ca. US$164 million, continuing the declining trend since peak Capex reached in FY 2016, as detailed in the mine-by-mine sections below.
- Total Capex post FY 2018 required to optimise current mine plans and to continue development beyond current mine plans across the Group is expected to be within the range of US$100 million – US$120 million per annum, mostly relating to Cullinan and Finsch.
- Due to tender cycles impacting working capital requirements (three tenders in H1 and four in H2), net debt is expected to remain broadly in line with current levels during H1 and is expected to reduce thereafter.

FY 2017 Production, Sales and Capex – Summary[1]

	Unit	Year ended 30 June 2017	Year ended 30 June 2016[2]	Variance
Production				
ROM diamonds	Carats	2,849,247	2,582,135	+10%
Tailings & other[3] diamonds	Carats	1,163,966	1,119,270	+4%
Total diamonds	**Carats**	**4,013,213**	**3,701,405**	**+8%**
Tonnages				
ROM tonnes	Mt	10.1	11.3	-11%
Tailings & other tonnes	Mt	8.7	7.7	+13%
Total tonnes	**Mt**	**18.8**	**19.0**	**-1%**
Sales				
Diamonds sold	Carats	4,006,856	3,448,084	+16%
Revenue	**US$M**	**477.0**	**430.9**	**+11%**
Capex				
Expansion	US$M	230.8	275.2	-16%
Sustaining	US$M	24.3	20.6	+18%
Borrowing Costs Capitalised	US$M	45.5	26.5	+72%
Total	**US$M**	**300.6**	**322.3**	**-7%**

Note:
1. *Detailed mine by mine information is included in the Appendix to this announcement.*
2. *FY 2016 production, sales and Capex stated on an attributable basis, including 75.9% of the KEM JV operation from 18 January 2016 to 30 June 2016.*
3. *'Other' includes alluvial diamond mining at Williamson.*

Johan Dippenaar, CEO of Petra Diamonds, commented:
"Record levels of production and revenue have been reached in FY 2017 and, whilst certain expansion programmes have taken longer than expected to ramp up, we have now attained the required production levels which will see production rise again substantially in FY 2018.

"The improvement in ROM grades across our operations demonstrates the increasing contribution of undiluted ore from the new production areas. FY 2018 will mark the first year where Petra will source the majority of its underground tonnages from undiluted ore, leading to a further improvement in grades, product mix and consequent higher average value per carat, without the need for improved market conditions.

"The Company has a strong balance sheet in place to deliver on the final stages of its expansion programmes. Petra's investment case therefore remains the same, as the forthcoming step-change in production and revenue is expected to see debt levels start to fall in FY 2018 and the Company become free cashflow positive during the year."

CONFERENCE CALLS

Petra will host two conference calls today to discuss the FY 2017 Trading Update and FY 2018 Guidance with investors and analysts.

Detailed guidance documents can be downloaded from the 'Analyst Guidance' page of Petra's website at: www.petradiamonds.com/investors/analysts/analyst-guidance. Participants on the calls are recommended to have these documents to hand.

First Call - 9:30am BST

UK Toll-Free Number: 0808 237 0040
From South Africa (toll free): 0800 222 290
From the rest of the world: 020 3428 1542
Participant passcode: 64276584#

A replay of the conference call will be available on the following numbers:
From UK (toll free): 0808 237 0026
From South Africa (toll free): 0800 002 877
From the rest of the world: +44 20 3426 2807
Playback passcode: 688803#

Second call - 4:00pm BST

This will be a shorter 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 full management commentary will not be repeated.

From the United States (toll free): 1866 928 7517
From the rest of the world: 020 3428 1542
From the UK (toll free): 0808 237 0040
From South Africa (toll free): 0800 222 290
Participant passcode: 64276584#

OPERATIONS

- Production rose 8% to 4.0 Mcts for FY 2017 (FY 2016: 3.7 Mcts) due to increased contribution from undiluted ROM ore and the inclusion of Kimberley Ekapa Mining JV for the full Year.
- Production was below guidance of ca. 4.4 Mcts mainly due to the delay bringing the new plant at Cullinan into full operation and the slower than expected ramp-up of the SLC at Finsch.
- FY 2017 Operational Capex of ca. US$255.1 million (excluding borrowing costs) was 17% higher than original guidance of US$218 million, mainly due to the impact of strengthening of ZAR/$ exchange rate on Dollar reported costs and some additional spend associated with the slower than expected ramp up in some of the expansion programmes.

- Total Group and Operations Capex for the Year, including capitalised borrowing costs, is set out in the tables in the Appendix.
- FY 2018 production is expected to rise ca. 23% to 4.8 – 5.0 Mcts, due to the continued roll-out of the Group's expansion programmes, split as to 2.2 – 2.3 Mcts in H1 and 2.6 – 2.7 Mcts in H2.

Finsch

FY 2017 Results:

- ROM production increased 16% to 1,818,454 carats further to initial production from the new Block 5 SLC, which delivered ca. 750 Kt of undiluted ore yielding a grade of 56.6 cpht (FY 2016: 44.3 cpht).
- Whilst the ramp-up in production from the SLC has taken longer than expected, it is now operating at the required levels to produce in line with FY 2018 guidance.
- Tailings production decreased as planned to 331,442 carats (FY 2016: 641,339 carats).
- FY 2017 Capex exceeded previous guidance by ca. US$8 million, mainly due to additional equipment purchased to address constraints experienced during the transitioning period as the old Block 4 is decommissioned and the Block 5 SLC ramps up.

Guidance:

- FY 2018 expected ROM production of ca. 3.5 Mtpa at an average grade of ca. 58 cpht.
- Expected ROM production of 3.5 – 3.8 Mtpa at an average grade of 55 – 58 cpht for FY 2019, and steady state of 3.5 Mtpa thereafter.
- Treatment of the Pre 79 Tailings is planned at ca. 0.4 Mt at a grade of ca. 14 cpht for FY 2018, treating the last remaining Pre 79 reserves.
- FY 2018 unit cost is guided at ZAR345 per tonne treated. This increase in unit costs is due to the mining of predominantly ROM tonnes, an increase in drilling and blasting activities associated with SLC mining, as well as the duplication of certain activities whilst still operating in both Block 4 and Block 5.
- Expansion Capex for FY 2018 guided at ca. US$46 million, ca. US$13 million higher than previous guidance mostly relating to the Block 5 SLC Phase 2 project – refer to the updated schematic showing the Finsch mine plan on the Company's Analyst Guidance webpage.
- Expansion Capex for the period FY 2019 to FY 2025 is guided at ca. US$30 million per annum (in FY 2018 money terms, converted at an exchange rate of ZAR13:US$1) related to final development of Block 5 SLC and continued access to future production areas below the current SLC footprint to maintain ROM production at ca. 3.5 Mtpa for the duration of the Finsch mine plan to FY 2030.

Cullinan

FY 2017 Results:

- Although production increased 16% to 786,509 carats (FY 2016: 680,813 carats) the delay in the commissioning of the new Cullinan plant, as reported in the Market Update released on 28 June 2017, resulted in a shortfall against planned production. As a result of this delay, ca. 400 Kt of ROM stockpile is available for treatment during H1 FY 2018.
- ROM production from the new C-Cut Block Cave reached 940 Kt for the Year, in line with guidance, driving the improvement in the ROM grade for H2 FY 2017 to 38.0 cpht (FY 2016: 28.0 cpht). This H2 grade was lower than planned, due to the late start of the new Cullinan plant and the associated benefits of improved diamond liberation.
- The plant was commissioned during Q4 FY 2017 except for the large diamond recovery section, which is scheduled for August 2017.

- Capex overspend of ca. US$14 million at Cullinan was due to the direct and indirect impacts of the delays in the new Cullinan Plant and US$3 million additional spend associated with the C-Cut Phase 1 project.

Guidance:

- The C-Cut Phase 1 project is progressing well and in line with expectations. The ramp up of production will continue during FY 2018 and is expected to contribute in excess of 2.2 Mt for the year.
- The new plant is planned to treat 3.4 – 3.6 Mt during FY 2018 of which 1.5 – 1.7 Mt will be processed during H1 FY 2018, thereby depleting the available ROM stockpile by the end of FY 2018.
- The increased contribution from undiluted ore is expected to increase the ROM grade to ca. 43 cpht in H1 FY 2018 and ca. 50 cpht in H2 FY 2018, resulting in a planned average ROM grade of ca. 47 cpht in FY 2018.
- ROM grade is expected to remain at ca. 50 cpht from FY 2019 onwards, when Cullinan's C-Cut Phase 1 Block Cave (extraction level at 839 mL) reaches steady state production.
- Whilst the plant continues to ramp up during H1 FY 2018, the treatment of higher value ROM tonnes will take preference, resulting in only ca. 0.4 Mt of tailings expected to be treated at a grade of ca. 7 cpht. From FY 2019 onwards, ongoing tailings treatment is planned at ca. 2.4 Mtpa at a grade of 7 – 8 cpht.
- FY 2018 unit cost is guided at ZAR250 per total tonne treated.
- FY 2018 expansion Capex for Cullinan is guided at ca. US$65 million (in FY 2018 money terms, converted at an exchange rate of ZAR13:US$1), relating to the C-Cut Phase 1 project (US$36 million), Cullinan Plant (US$10 million) and an additional US$17 million for the development towards the eastern side of the orebody (CC1E) – refer to the updated schematic showing the Cullinan mine plan on the Company's Analyst Guidance webpage.
- Following the completion of the current expansion programme in FY 2019, capital amounting to US$30 – 35 million per annum (in FY 2018 money terms, converted at an exchange rate of ZAR13:US$1) will be allocated towards accessing the substantial residual resources (extending to 1,073 mL).

Koffiefontein

FY 2017 Results:

- ROM production increased 1% to 51,173 carats (FY 2016: 50,825 carats). Production from Ebenhaezer ceased in FY 2016, as planned.
- Production was lower than planned due to previously reported challenges encountered with the SLC ore handling infrastructure. This work was hampered by challenging ground conditions in both the second crusher chamber and decline ramp, restricting the ability to transport material and equipment to the working levels.

Guidance:

- The second crusher will help to alleviate ground handling constraints and is planned to be operational by September 2017. The SLC is expected to ramp up during FY 2018, with ROM throughput planned at ca. 1.0 Mtpa at an average grade of ca. 8.5 cpht for FY 2018.
- FY 2018 ROM unit cost is guided at ZAR360 per tonne.
- FY 2018 expansion Capex is guided at ca. US$19 million, US$10 million higher than previously guided, mainly relating to over-runs and delays as described above.

Kimberley Ekapa Mining Joint Venture ("KEM JV")

FY 2017 Results (stated in 75.9% attributable terms):

- Petra's attributable production increased 51% to 800,434 carats for the Year (FY 2016: 531,469 carats).
- As previously announced, Petra has built up a ROM stockpile at KEM JV of ca. 75 Kt (attributable to Petra), which will be processed during H1 FY 2018.

Guidance (stated in 75.9% attributable terms):

- Petra expects to complete modifications to the Central Treatment Plant ("CTP") (new pan plant and permanent ROM crusher) to enable it to process ROM ore by the end of July 2017.
- FY 2018 ROM production is planned at ca. 1.1 Mt ROM at a grade of ca. 15 cpht and tailings treatment is planned at ca. 6.5 Mt at an average grade of 9.5 cpht, whilst the SuperStone plant is still in operation during FY 2018.
- The KEM JV business plan envisages a combined steady state throughput of ca. 6.7 Mtpa (ca. 1.2 Mtpa ROM and ca. 5.5 Mtpa tailings) and to only utilise the CTP plant for both tailings and ROM processing from FY 2019 onwards.
- FY 2018 expansion Capex is guided at ca. US$12 million, associated with underground development and shaft upgrades at both Joint Shaft and Wesselton (ca. US$10 million) to increase ROM throughput to ca. 1.2 Mtpa.

Williamson

FY 2017 Results:

- Production increased 6% to 225,202 carats (FY 2016: 212,869 carats), mainly due to a 16% increase in ROM grades (as result of improved liberation associated with the new mill plant), partially offset by throughput constraints experienced during the commissioning of the new mill plant during H2 FY 2017.
- A production rate of ca. 1,000 carats per day was reached for June 2017 which is in line with FY 2018 guidance.
- Capex overspend of US$6 million relating to the water recovery thickener and mill plant project.

Guidance:

- ROM throughput is planned at ca. 4.6 Mt at a grade of ca. 6.75 cpht during FY 2018.
- Throughput is expected to increase to ca. 5 Mtpa from FY 2019 onwards at a grade of 6.5 – 7 cpht.
- FY 2018 unit cost is guided at US$11 per tonne treated.
- Total Capex is guided at US$6.4 million for FY 2018.

REVENUE AND DIAMOND MARKET

Diamond Market

- Continued stabilisation in the rough diamond market with steady demand across all size ranges.
- While results from retailers in the US (which accounts for ca. 47% of global demand) have been mixed, the market is still assessed by those in the industry to remain stable as a whole. Continued evidence of an improving retail market in China and a recovering market in India.
- Consumer demand will be supported by advertising campaigns from the Diamond Producers Association ("DPA"), which recently announced that it had quadrupled its budget to US$57 million for 2017. The majority of this budget (ca. US$50 million) is assigned to US marketing

and will be spent in the second calendar half of 2017. The DPA will be launching its first marketing campaigns in India in September 2017 and in China in April 2018.

Petra Sales

- Gross Group revenue for FY 2017 increased 11% to US$477.0 million (FY 2016: US$430.9 million) due to increased production and increased volumes sold, partially offset by a reduction in revenue from Exceptional Diamonds which yielded US$10.9 million during FY 2017 (FY 2016: US$36.3 million).
- Carats sold for the Year increased 16% to 4,006,856 carats (FY 2016: 3,448,084 carats).

FY 2017 Diamond Prices

- The stabilisation of the diamond market, as noted above, resulted in rough prices increasing ca. 2% for the Year on a like for like basis.

Mine	Actual US$/ct[1] H2 FY 2017	Actual US$/ct[1] H1 FY 2017	Actual US$/ct[1] FY 2017	Guidance US$/ct[2] FY 2017	Actual US$/ct[1] FY 2016
Finsch	104	98	101	100 – 105	89
Cullinan[3]	114	127	120	105 – 115	126
Koffiefontein	518	495	506	520 – 550	462
KEM JV	107	93[4]	100	125 – 130	132
Williamson[5]	221	305	258	220 – 230	384

Notes:

1. *All sales (both ROM and tailings) including 'Exceptional Diamonds' (stones above US$5 million in value) were used to calculate the above average values.*
2. *Excluding Exceptional Diamonds.*
3. *Excluding Exceptional Diamonds, the average value per carat for H1 FY 2017 was US$111; FY 2017 was US$113; and FY 2016 was 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.*
5. *Excluding Exceptional Diamonds, the average value per carat for H1 FY 2017 was US$253, and for FY 2017 was US$235.*

FY 2018 Diamond Price Guidance:

- The Company is guiding flat pricing on a like for like basis for FY 2018. However, FY 2018 will mark the first year where Petra will source the majority of its underground tonnages from the new, undiluted mining areas and this, combined with the decreased contribution of lower-value tailings carats to the Group's overall production mix, is expected to lead to an improved product mix at Finsch, Cullinan and KEM JV, leading to a higher average value per carat.
- The price guidance below is provided to assist analysts with modelling the Company, given the considerable variability between the average values of ROM and tailings carats across Petra's operations. It should be noted that price variability is often witnessed from tender to tender due to specific parcel make-up, and uncertain market conditions could result in deviations from the guided prices below.

Mine	Guidance ROM FY 2018 (US$/ct)	Guidance Tailings FY 2018 (US$/ct)	Guidance Weighted Average[1&2] FY 2018 (US$/ct)
Finsch	105 – 110	55 – 60	101 – 106
Cullinan	115 – 120	60 – 65	113 – 119
Koffiefontein	525 – 550	n/a	525 – 550
KEM JV	260 – 275	85 – 90	120 – 125
Williamson	215 – 225	170 – 180	214 – 224

Notes:

1. *Guidance above is based on expected weighted average prices for FY 2018, incorporating all sales of ROM and tailings carats, but not including Exceptional Diamonds.*
2. *Exceptional Diamonds added an average of ca. US$21.7 million per annum to revenues over the last nine years (FY 2009 being the year during which Petra took over the Cullinan mine).*

HEALTH AND SAFETY

- Group LTIFR for the Year was 0.27, demonstrating an improvement on the 0.29 achieved in FY 2016.
- As previously reported, the Company has tragically experienced five employee and one contractor fatalities during the Year and has therefore renewed its focus on safety as its top priority.
- The Company is highly committed to achieving a zero harm work environment.

FINANCIAL

- A summary of the Group's current cash, diamond inventories, debtors, borrowings and net debt is set out below.

	Unit	30 June 2017	30 June 2016
Exchange rate used for conversion		*R13.05:US$1*	*R14.68:US$1*
Cash at bank	US$m	205.0	48.7
Diamond inventories	US$m Carats	50.8 570,290	43.6 549,620
Diamond debtors	US$m	41.5	63.4
US$650 million loan notes (issued April 2017)	US$m	650.0	0.0
US$300 million loan notes (issued May 2015)	US$m	0.0	300.0
Bank loans and borrowings	US$m	109.4	131.5
Net debt	US$m	554.4	382.8

CORPORATE

- As previously reported, with respect to the covenants relating to its banking facilities, the Company has had initial constructive discussions with its lender group and is confident that the likely shortfall in the upcoming ratio measurement, arising from the lower production levels during FY 2017, will not present an issue and expects an outcome before the end of Q1.
- In recognition of the Company's continued transition from a capital intensive / expansion phase to a production focus, the current senior management team sitting directly below the Board has been strengthened by the internal promotion of Luctor Roode, previously the General Manager at the Finsch mine, as Executive Operations, with responsibility for operational production matters. The Chief Operating Officer role held by Koos Visser has been revised to Chief Technical Officer, with responsibility for operational technical support and projects. Jacques Breytenbach remains the third member of this team as Chief Financial Officer.

- Petra notes the speculation with regards to mining legislation in South Africa, further to the publication of proposed changes to the country's Mining Charter. The Chamber of Mines, which represents the South African mining industry and of which Petra is a member, has launched a court application to interdict the Charter and at the present time the revised Mining Charter is not expected to be implemented by the mining industry. More information about the Chamber of Mines' position can be found at the following website: http://miningcharter.chamberofmines.org.za/index.php.
- In Tanzania, changes to the legislative framework governing the natural resources sector have recently been passed by the Government. Sales at the Williamson mine, which is owned 75% Petra and 25% by the Government of the United Republic of Tanzania, are now subject to an additional 1% royalty and a 1% export clearing fee. These charges have been included in Petra's forward guidance for the mine are therefore reflected in the detailed operations guidance sheet which can be downloaded on the Company's Analyst Guidance webpage.
- In advance of the AGM in November 2017, Petra would like to inform shareholders that the Company has decided to move to a more digital approach to voting and therefore requests that all shareholders vote electronically. The Company will not be sending paper proxy forms and instead, shareholders can vote either via the shareholder portal or, for CREST holders, via the CREST Network. Voting in this way is cost effective, efficient and mitigates the risk of lost items via postal systems thus ensuring your vote is received and recorded. Shareholders who still wish to receive a hard copy proxy card should contact Capita to obtain this.

Notes

1. *The following exchange rates have been used for this announcement: average for the Year US$1:R13.59; closing rate as at 30 June 2016 US$1:ZAR13.05.*
2. *The following definitions have been used in this announcement:*
    a. *ct: carat*
    b. *cpht: carats per hundred tonnes*
    c. *Exceptional Diamonds: classified by Petra as diamonds that sell for +US$5 million each*
    d. *Mctpa: million carats per annum*
    e. *Mcts: million carats*
    f. *mL: metre level*
    g. *Mt: million tonnes*
    h. *Mtpa: million tonnes per annum*
    i. *ROM: run-of-mine, i.e. relating to production from the primary orebody*
    j. *SLC: sub-level cave, a variation of block caving*

~ Ends ~

For further information, please contact:

Petra Diamonds, London	Telephone: +44 20 7494 8203
Cathy Malins	cathy.malins@petradiamonds.com
Cornelia Grant	cornelia.grant@petradiamonds.com
Buchanan	Telephone: +44 20 7466 5000
(PR Adviser)	
Bobby Morse	bobbym@buchanan.uk.com
Anna Michniewicz	annam@buchanan.uk.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 5.0 – 5.3 million from FY 2019 onwards. 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

FY 2017 MINE BY MINE PRODUCTION TABLES

Finsch – South Africa

	Unit	H2 FY 2017	H1 FY 2017	FY 2017	FY 2016	Variance
Sales						
Revenue	US$M	117.4	99.3	216.7	186.4	+16%
Diamonds sold	Carats	1,131,870	1,010,015	2,141,885	2,085,123	+3%
Average price per carat	US$	104	98	101	89	+14%
ROM Production						
Tonnes treated	Tonnes	1,713,720	1,498,449	3,212,169	3,547,798	-10%
Diamonds produced	Carats	1,002,453	816,001	1,818,454	1,572,725	+16%
Grade[1]	Cpht	58.5	54.5	56.6	44.3	+28%
Tailings Production						
Tonnes treated	Tonnes	609,331	1,041,758	1,651,089	2,295,918	-28%
Diamonds produced	Carats	115,883	215,559	331,442	641,339	-48%
Grade[1]	Cpht	19.0	20.7	20.1	27.9	-28%
Total Production						
Tonnes treated	Tonnes	2,323,051	2,540,207	4,863,258	5,843,716	-17%
Diamonds produced	Carats	1,118,336	1,031,560	2,149,896	2,214,064	-3%
Capex						
Expansion Capex	US$M	30.5	27.9	58.4	56.5	+3%
Sustaining Capex	US$M	6.8	2.3	9.1	6.7	+36%
Borrowing Costs Capitalised	US$M	10.2	8.7	18.9	10.6	+78%
Total Capex	US$M	47.5	38.9	86.4	73.8	+17%

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	H2 FY 2017	H1 FY 2017	FY 2017	FY 2016	Variance
Sales						
Revenue	US$M	45.3	46.0	91.3	83.3	+10%
Diamonds sold	Carats	397,844	363,113	760,957	663,175	+15%
Average price per carat	US$	114	127	120[1]	126[1]	-5%

ROM Production						
Tonnes treated	Tonnes	843,494	1,039,417	1,882,911	2,302,892	-18%
Diamonds produced	Carats	320,801	358,821	679,622	643,724	+6%
Grade	Cpht	38.0	34.5	36.1	28.0	+29%
Tailings Production						
Tonnes treated	Tonnes	246,345	259,831	506,176	886,289	-43%
Diamonds produced	Carats	45,955	60,932	106,887	37,089	+188%
Grade	Cpht	18.7	23.5	21.1	4.2	+402%
Total Production						
Tonnes treated	Tonnes	1,089,839	1,299,248	2,389,087	3,189,181	-25%
Diamonds produced	Carats	366,756	419,753	786,509	680,813	+16%
Capex						
Expansion Capex	US$M	56.1	64.8	120.9	156.2	-23%
Sustaining Capex	US$M	1.7	2.6	4.3	7.3	-41%
Borrowing Costs Capitalised	US$M	13.8	12.8	26.6	15.9	+67%
Total Capex	US$M	71.6	80.2	151.8	179.4	-15%

Notes:

1. *Excluding exceptional diamonds, the average value for FY 2017 was US$113 (FY 2016: US$109) per carat.*

Koffiefontein – South Africa

	Unit	H2 FY 2017	H1 FY 2017	FY 2017	FY 2016	Variance
Sales						
Revenue	US$M	13.6	14.8	28.4	25.7	+11%
Diamonds sold	Carats	26,280	29,788	56,068	55,500	+1%
Average price per carat	US$	518	495	506	462	+10%
ROM Production						
Tonnes treated	Tonnes	308,777	359,044	667,821	681,344	-2%
Diamonds produced	Carats	26,403	24,770	51,173	50,825	+1%
Grade	Cpht	8.6	6.9	7.7	7.5	+3%
Tailings / Ebenhaezer Production						
Tonnes treated	Tonnes	-	-	-	446,854	-
Diamonds produced	Carats	-	-	-	11,365	-
Grade	Cpht	-	-	-	2.5	-
Total Production						
Tonnes treated	Tonnes	308,777	359,044	667,821	1,128,198	-41%
Diamonds produced	Carats	26,403	24,770	51,173	62,190	-18%
Capex						
Expansion Capex	US$M	7.5	6.3	13.8	24.6	-44%
Sustaining Capex	US$M	3.6	1.9	5.5	2.9	+90%
Total Capex	US$M	11.1	8.2	19.3	27.5	-30%

Kimberley Ekapa Mining – South Africa

	Unit	H2 FY 2017[1]	H1 FY 2017[1]	FY 2017[1]	FY 2016[2]	Variance
Sales						
Revenue	US$M	44.3	38.0	82.3	57.7	+43%
Diamonds sold	Carats	415,296	406,667	821,963	438,680	+87%
Average price per carat	US$	107	93	100	132	-24%
ROM Production						
Tonnes treated	Tonnes	387,728	209,297	597,025	721,513	-17%
Diamonds produced	Carats	57,436	30,347	87,783	88,572	-1%
Grade	Cpht	14.8	14.5	14.7	12.3	+20%
Tailings Production						
Tonnes treated	Tonnes	2,833,281	3,320,376	6,153,657	3,583,758	+72%
Diamonds produced	Carats	310,824	401,827	712,651	442,897	+61%
Grade	Cpht	11.0	12.1	11.6	12.4	-7%
Total Production						
Tonnes treated	Tonnes	3,221,009	3,529,673	6,750,682	4,305,271	+57%
Diamonds produced	Carats	368,260	432,174	800,434	531,469	+51%
Capex						
Expansion Capex	US$M	10.1	13.8	23.9	14.7	+63%
Sustaining Capex	US$M	2.7	1.8	4.5	2.1	+114%
Total Capex	US$M	12.8	15.6	28.4	16.8	+69%

Notes:

1. *Data represent Petra's 75.9% attributable share (including both ROM production from Kimberley Underground and Tailings production).*
2. *Data for FY 2016 in the table above represent production from Kimberley Underground ROM and Tailings production for the period 1 July 2015 to 17 January 2016 and Petra’s 75.9% attributable production from the Combined Kimberley Operations for the period 18 January 2016 to 30 June 2016.*

Williamson – Tanzania

	Unit	H2 FY 2017	H1 FY 2017	FY 2017	FY 2016	Variance
Sales						
Revenue	US$M	27.7	30.7	58.4	78.9	-26%
Diamonds sold	Carats	125,398	100,712	226,110	205,548	+10%
Average price per carat	US$	221	305	258	384	-33%
ROM Production						
Tonnes treated	Tonnes	1,653,682	2,014,099	3,667,781	4,003,180	-8%
Diamonds produced	Carats	110,538	101,677	212,215	199,796	+6%
Grade	Cpht	6.7	5.0	5.8	5.0	+16%
Alluvial Production						
Tonnes treated	Tonnes	212,449	191,362	403,811	417,452	-3%
Diamonds produced	Carats	7,833	5,154	12,987	13,073	-1%
Grade	Cpht	3.7	2.7	3.2	3.1	+3%

Total Production						
Tonnes treated	Tonnes	1,866,131	2,205,461	4,071,592	4,420,632	-8%
Diamonds produced	Carats	118,371	106,831	225,202	212,869	+6%
Capex						
Expansion Capex	US$M	2.0	12.1	14.1	23.0	-39%
Sustaining Capex	US$M	0.4	0.5	0.9	1.4	-36%
Total Capex	US$M	2.4	12.6	15.0	24.4	-39%

KEY FY 2018 OPERATING AND CAPEX ASSUMPTIONS

The table below sets out management's guidance in respect of the key operating parameters for FY 2018. It is important to note that, while Petra is in this transitionary period (as it gradually migrates from the mature, diluted production areas at Finsch, Cullinan and Koffiefontein to fresh undiluted ore), these numbers should be taken as a guide, with the likelihood of some variability during FY 2018. This is specifically the case with regards to ROM grade variability in the short term (especially at Cullinan), until the transition to undiluted ore has been completed.

	Unit	Finsch	Cullinan	Koffiefontein	KEM JV	Williamson
ROM tonnes						
Tonnes treated	Mt	3.5	3.4 – 3.6	1.1	1.1	4.6
Grade	Cpht	58.0	47.0	8.5	15.0	6.75
Tailings/other tonnes						
Tonnes treated	Mt	0.35	0.7	n/a	6.5	0.4
Grade	Cpht	14.0	7.0	n/a	9.5	2.5
Total production						
Tonnes treated	Mt	3.85	4.3	1.1	7.6	5.0
Operating cost	cost/t	ZAR345/t	ZAR250/t	ZAR360/t	ZAR110/t	$11.4/t
Capex						
Expansion Capex	ZARm	600	690[1]	225	155	US$3.5m
Sustaining Capex	ZARm	150	100	50	80	US$2.8m
Total Capex	ZARm	750	790	274	235	US$6.3m

Notes:
1. Net of ZAR150 million expected cash inflow from the reclamation of the old Cullinan plant.
2. For detail on the figures above, please download the document 'Analyst Guidance – Detailed' available from the Company's website at: http://www.petradiamonds.com/investors/analysts/analyst-guidance.
3. Grades stated are recovered grades with appropriate dilution and plant modification factors already applied.
4. All Capex numbers in this announcement exclude capitalised borrowing costs, in line with previous guidance.
5. An inflation increase of 8% in ZAR terms has been applied to update all Capex from FY 2017 money terms to FY 2018 money terms. All Capex changes are therefore given in inflation adjusted comparable FY 2018 money terms. FY 2018 Capex guidance figures for the South African operations are converted at an exchange rate of ZAR13/US$1.

CAPEX RECONCILIATION

Capex	**Unit**	FY 2017	FY 2016
Finsch	US$M	86.4	73.8
Cullinan	US$M	151.8	179.4
Koffiefontein	US$M	19.3	27.5
KEM JV	US$M	28.4	16.8
Williamson	US$M	15.0	24.4
Helam	US$M	0.0	0.1
Subtotal – Capex incurred by operations	US$M	300.9	322.0

Petra internal projects division – Capex under construction / invoiced to operations	US$M	(0.3)	0.3
Corporate / exploration	US$M	1.4	1.8
Total Group Capex	US$M	**302.0**	**324.1**

Notes:

1. *Petra operates an internal projects / construction division and, although this division's 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.*
2. *Capex for the Year includes US$45.5 million (FY 2016: US$26.5 million) of capitalised borrowing costs, which is also included in the applicable mine-by-mine tables above.*
3. *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 phases and not expensed through the income statement.*