This announcement contains inside information

22 July 2019 **LSE: PDL**

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

FY 2019 Trading Update and FY 2020 Guidance Update

Petra Diamonds Limited announces its Trading Update (unaudited) for the year ended 30 June 2019 (the "Year" or "FY 2019"), ahead of its preliminary results for the Year ("Prelim Results"), which will be released on 16 September 2019.

The Company also announces updated analyst guidance for the year to 30 June 2020 ("FY 2020").

FY 2019

HIGHLIGHTS

- Lost Time Injury Frequency Rate ("LTIFR") improved to 0.21 (FY 2018: 0.23).
- Full Year production of 3.87 Mcts (FY 2018: 3.84 Mcts), in line with guidance.
- ROM production increased to 3.76 Mcts (FY 2018: 3.65 Mcts) whilst surface tailings production decreased to 0.11 Mcts (FY 2018: 0.19 Mcts) in line with focus on value over volume.
- Cullinan Mine recovered four +100 carat gem quality stones during the year, including the 425.1 carat D colour Type II gem quality diamond that was sold for US$15 million.
- Post Period end a 132 carat D colour Type II gem quality stone was recovered from the Cullinan Mine.
- Full Year revenue decreased 6% to US$463.6 million (FY 2018: US$495.3 million) reflecting a weaker diamond market.
- Petra's realised diamond prices reduced by ca. 5% per carat in line with market movement during the period.
- Group FY 2019 total on mine cash costs expected to be largely in line with guidance; more detail on cost performance will be included in the Company's Prelim Results.
- Operational Capex (excluding capitalised borrowing costs) reduced to US$81.7 million (FY 2018: US$129.6 million), within budget and in line with the Company's reducing capital expenditure profile.
- The Company generated net free cash of $17 million in H2 FY 2019 adjusted for diamond debtors, after repaying US$20 million against BEE debt and US$23.6 million in bond coupon payments.

- Net debt as at 30 June 2019 of US$560.5 million (US$537.5 million adjusted for diamond debtors) as compared to US$559.3 million at 31 December 2018 (US$554.9 million adjusted for diamond debtors) and US$520.7 at 30 June 2018 (US$445.7 million adjusted for diamond debtors).
- The South African lenders to the Company's BEE partners, have agreed to an amended repayment profile of the ca. US$54.2 million BEE banking debt. The balance will now be spread over the period to November 2021 with ca. US$5.0 million payable in November 2019, followed by four equal bi-annual instalments of US$12.3 million each from May 2020.
- Project 2022 launched with project team established, led by senior project executive, to identify and drive efficiencies and improvement across all aspects of the business to enable the Company to deliver an initial target of $150-200 million free cashflow over a three year period, based on flat nominal pricing over the three years.

FY 2020 GUIDANCE HIGHLIGHTS

- FY 2020 production guidance of ca. 3.8 Mcts.
- ROM production is expected to remain largely flat at 3.75 Mcts (FY 2019: 3.76 Mcts) whilst tailings production will decrease to 0.05 Mcts (FY 2019: 0.11 Mcts).
- ROM production will come from the newly established underground block cave and sub-level caves at Cullinan, Finsch and Koffiefontein as well as surface ROM production from the Williamson open pit and the Finsch overburden ROM stockpiles.
- The relatively small contribution of surface tailings from Finsch and Cullinan is mainly due to the depletion of the pre-79 tailings at Finsch, whilst tailings production at Cullinan will be curtailed to ca. 0.1 Mcts for FY 2020 due to weak pricing especially evident in smaller size ranges. The economic evaluation of Cullinan's ca. 160 Mt tailings resource will be monitored continuously and could be included in future mine plans should the market conditions and pricing of smaller diamonds improve.
- The Company has assumed flat diamond prices and an exchange rate of ZAR14:USD1 in FY 2020.
- Group FY 2020 total on mine cash costs are expected to remain largely flat on FY 2019, with inflationary pressures partially offset by lower tailings production and group-wide focus on streamlining operations and re-setting the cost base across its portfolio.
- FY 2020 Capex is guided at ca. US$43 million, continuing the declining trend since peak Capex was reached in FY 2016. FY 2020 Capex is ca. US$29 million lower than previous guidance. Additional capital may be made available for near-term cash generative projects.

FY 2019 Production, Sales and Capex – Summary[1]

	Unit	FY 2019	FY 2018	Variance
Sales				
Diamonds sold	Carats	3,736,847	3,793,799	-2%
Revenue	**US$M**	**463.6**	**495.3**	-6%
Production				
ROM diamonds	Carats	3,763,622	3,649,704	3%
Tailings & other[1] diamonds	Carats	111,324	186,132	-40%
Total diamonds	**Carats**	**3,874,946**	**3,835,836**	1%
Tonnages				
ROM tonnes	Mt	13.3	12.1	10%
Tailings & other[1] tonnes	Mt	1.6	1.6	0%
Total tonnes	**Mt**	**14.9**	**13.7**	9%
Capex				
Expansion	US$M	56.0	110.7	-49%

Sustaining	US$M	27.4	19.6	40%
Borrowing Costs Capitalised	US$M	4.9	15.2	-68%
Total	**US$M**	**88.3**	**145.5**	-39%

Notes:

1. *'Other' represents alluvial diamond mining at Williamson.*

Richard Duffy, Chief Executive of Petra Diamonds, commented:
"Petra delivered solid results in both a difficult market and during its continued transition from a period of high capital investment to a steady state operational phase. The focus in the short term is on driving efficiencies across the business through Project 2022 to provide a stable, consistent operating platform off which to drive improvements, supported by an appropriate organisational structure and cost base to enhance our cash flow generation and significantly reduce our net debt."

CONFERENCE CALLS

Petra will hold two conference calls today hosted by Chief Executive Richard Duffy, Finance Director Jacques Breytenbach and Chief Operating Officer Luctor Roode to discuss the FY 2019 Trading Update and FY 2020 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: 0800 358 9473
From South Africa (toll free): 0800 111 446
From the rest of the world: +44 (0)333 300 0804
Participant passcode: 32076045#

A replay of the conference call will be available on the following numbers from 12:00pm BST on Monday 22 July:
From UK (toll free): 0800 358 2049
From South Africa: +27 (21) 672 4123
US (toll free): 1 844 307 9361
From the rest of the world: +44 (0)333 300 0819
Playback passcode: 301290083#

Second call - 4:00pm BST

Petra will host a second call to cater for international investors.

From the United States (toll free): 1 855 857 0686
From the rest of the world: +44 (0)333 300 0804
From the UK (toll free): 0800 358 9473
From South Africa (toll free): 0800 111 446
Participant passcode: 27988489#

HEALTH AND SAFETY

- The Group's LTIFR improved to 0.21 (FY 2018: 0.23) in FY 2019. Although the Company is very encouraged by this improving trend, it will continue to strive to reach its goal of a zero-harm workplace.

OPERATIONS

- Production was largely flat year on year with 3.87 Mcts produced during FY 2019 (FY 2018: 3.84 Mcts). Lower than expected production at Finsch was offset by Cullinan and Williamson exceeding guidance.

- ROM carats produced increased 3% to 3,763,622 carats (FY 2018: 3,649,704 carats), contributing ca. 97% of the Group's production profile (FY 2018: ca. 95%), in comparison to lower value carats from surface tailings operations.

Finsch

FY 2019 Results:

- Overall production decreased 15% to 1,755,768 carats (FY 2018: 2,073,477 carats) with ROM carat production decreasing 10% to 1,724,265 carats (FY 2018: 1,926,467 carats) and tailings production decreasing to 31,503 carats (FY 2018: 147,010 carats).
- The contribution from underground ROM production remained mostly flat at 1,504,722 carats (FY 2018: 1,507,561 carats) with ore from the newly established Block 5 sub level cave ('SLC') replacing ore mined from Block 4 which was depleted during FY 2018. The decrease in overall ROM production is mainly due to the depletion of surface overburden ROM stockpiles, decreasing to 219,544 carats (FY 2018: 418,905 carats).
- Overall Finsch managed to maintain a flat ROM tonnes treated profile at 3,073,479 tonnes treated (FY 2018: 3,084,395 tonnes). The tonnage contribution from the Block 5 SLC ramped up to 2.5 Mt (FY 2018: 1.6 Mt) with the remaining ROM ore supplemented from surface overburden ROM stockpiles which came at a much reduced grade as the stockpiles were depleted over the year.
- The Block 5 SLC production ramp up delivered 2.5 Mt, compared to a plan of 2.7 Mt for the year, impacted by delays during the planned schedule for the winder upgrade project in December, a 600 metre belt tear on one of the main underground conveyor belts in January and low availabilities of the crusher and ground handling system in May. The Block 5 SLC remains in a production build up phase and barring the months mentioned above, it is encouraging to see the nameplate capacity of the underground system being achieved and exceeded at more regular intervals during H2 FY 2019. The focus is on maintaining these production rates at a steady and consistent rate.
- The ROM grade of 56.1 cpht (FY 2018: 62.5 cpht) was towards the lower end of guidance (56 – 59 cpht) mainly due to lower grades of the ROM surface stockpiles (overburden dumps), which are nearing depletion.
- FY 2019 Expansion Capex of US$13.5 million was mainly spent on underground development and infrastructure relating to the Block 5 SLC.

Guidance:

- FY 2020 ROM throughput is planned at 2.9 – 3.0 Mt with tonnage from the Block 5 SLC planned at ca. 2.8 Mt (FY 2019: 2.5 Mt) with the remaining tonnes to be sourced from the remaining economically viable ROM surface overburden stockpiles. This is lower than previous guidance of 3.2 Mt due to a slower than planned ramp up of the SLC as well as the depletion of the surface ROM stockpiles.
- The Company will continue to assess options to accelerate the ramp up of production from the SLC to the name plate capacity of 3.2 Mtpa.
- Finsch's underground ROM grade is expected to remain within guidance of 56 - 59 cpht. If the lower grade surface overburden ROM stockpiles are included, the overall ROM grade will reduce to 54 - 57 cpht.
- Negligible tailings production is planned for FY 2020, with the pre-79 tailings resource coming to an end. Whilst tailings production post FY 2020 does not form part of the current mine plan, lower grade post-79 tailings material remains available to supplement the underground operations in the future.
- The total on mine cash cost is guided at ca. ZAR1,268 million. As the mine transitions from a capital-intensive expansion phase into a steady state production phase, the right sizing and streamlining of the cost structure at Finsch will remain a priority focus in FY 2020.

- Expansion Capex for FY 2020 is guided at ca. US$8.7 million, primarily relating to the completion of the blue (kimberlite) tunnel development in the Block 5 SLC and associated infrastructure.

Cullinan

FY 2019 Results:

- Production increased 21% to 1,655,929 carats (FY 2018: 1,368,720 carats) mainly due to underground throughput increasing from 3.7 Mt in FY 2018 to 4.1 Mt in FY 2019 and further supplemented by an increase in ROM grades from 35.9 cpht in FY 2018 to 38.6 cpht in FY 2019.
- FY2019 Production from the newly established C-Cut and CC1 East mining areas increased to ca. 3.6 Mt in FY 2019 (FY 2018: ca. 2.46 Mt) with the remaining tonnage being supplemented from older B-Block mining areas.
- A total of 0.9 Mt of tailings were treated with an average grade of 6.9 cpht.
- FY 2019 expansion Capex of US$37.2 million was mainly spent on the C-Cut Phase 1, plant related expenditure and CC1E projects. Based on the re-prioritisation of capital spend, the completion of the shaft plant interface project was deferred. The current system proved to be reliable and will be utilised in the interim.

Guidance:

- The Company is guiding 4.0 – 4.2 Mt of ROM material to be treated during FY 2020, higher than previous guidance of 4.0 Mtpa due to a further contribution of B-Block areas which remain available to be mined and treated. The ROM grade is guided at 38 - 42 cpht for FY 2020.
- The Company will investigate the optimal plan on an ongoing basis to utilise the full extent of the large Cullinan orebody (ca. 16 ha at current production depths). The C-Cut Phase 1 project is planned to contribute ca. 3.5 Mt for the year. A further 0.5 – 0.7 Mt will be sourced predominantly from the CC1E and remnant B-Block areas.
- Tailings production was curtailed for FY 2020 by ca. 0.1Mcts due to price pressure on smaller, lower quality diamonds. The economic evaluation of Cullinan’s ca. 160 Mt tailings resource will be monitored continuously and could be included in future mine plans should the market conditions and pricing of smaller diamonds improve.
- The total on mine cash cost is guided at ca. ZAR1,269 million.
- FY 2020 expansion Capex for Cullinan is guided at ca. US$10.3 million, primarily relating to the completion of the C-Cut Phase 1 drawpoint installations.

Koffiefontein

FY 2019 Results:

- ROM production increased 21% to 63,635 carats (FY 2018: 52,537 carats) further to the ramping up of the SLC to a planned 1.0 Mt, notwithstanding lower production during Q2 as a result of community unrest relating to municipal service delivery and operational challenges experienced relating to plant availability.
- A ROM grade of 6.4 cpht was achieved during the year, lower than expected due to the delayed ramp up of the higher grade ore facies on 60 Level (third level of the SLC) which is mainly due to better than expected tonnages extracted per ring blasted on the first two levels.

Guidance:

- The SLC is expected to deliver ROM throughput of ca. 1 Mtpa at an average grade of 8.0 – 8.5 cpht for FY 2020.
- The total on mine cash cost is guided at ca. ZAR433 million.
- FY 2020 expansion Capex is guided at ca. US$2.9 million, primarily relating to blue (kimberlite) tunnel development in the SLC.

Williamson

FY 2019 Results:

- The mine performed well operationally with production up 17% to 399,615 carats (FY 2018: 341,102 carats); the highest level of production achieved by the mine in over 40 years. This is despite operations being impacted by liquidity constraints due to the parcel of ca. 72,000 carats that remains blocked for export and the overdue VAT receivables of ca. US$34 million.
- FY 2019 Capex of US$8.6 million mainly related to in-pit waste stripping activities.

Guidance:

- ROM throughput is planned at ca. 5.0 Mt at a grade of ca. 6.5 – 7.0 cpht for FY 2020, supplemented by alluvial production of ca. 0.3 Mt at a grade of ca. 2.5 cpht.
- The total on mine cash cost is guided at ca. US$62 million.
- Total Capex is guided at US$7 million for FY 2020, primarily related to in-pit waste stripping and extending the tailings disposal facilities. This Capex will be funded from the mine's own cash flow.

REVENUE AND DIAMOND MARKET

Diamond Market

- The diamond market remains difficult with rough prices as measured by the Bloomberg Rough Diamond Index down 4% in the period January to June 2019. Polished diamond demand and prices were weaker as the market was challenged by higher than normal polished inventories and tightening cutting-centre bank credit. Trade tensions between the US and China were also headwinds in H2 FY2019. These conditions weighed on rough sales and pricing, with subdued pricing particularly in lower-value stones.
- The Company expects the diamond market to remain challenging in the near-term but with broadly stable prices in FY 2020.

Petra Sales and Prices

- FY 2019 revenue decreased 6% to US$463.6 million (FY 2018: US$495.3 million) due to the number of carats sold for the Year decreasing 2% to 3,736,847 carats (FY 2018: 3,793,799 carats) and a weaker diamond market.
- Petra's realised diamond prices reduced by ca. 5% in line with market movement in this period.
- The table below provides the actual prices achieved for FY 2019 and FY 2018.

Mine	FY 2019 Actual US$/ct	FY 2018 Actual US$/ct
Finsch	99	108
Cullinan	110	125
Koffiefontein	480	525
Williamson	231	270

- The average price achieved at Cullinan in H2 FY 2019 of US$ 120 per carat, compared to US$96 per carat in H1 FY 2019, was positively impacted by the sale of the 425 carat Type II gem quality diamond for US$15 million and a 9.4 carat Type II blue diamond which sold for US$5.4 million. The average price achieved at Finsch was negatively impacted by weaker prices in the market for smaller goods as well as a product mix containing a lower than expected incidence of gem quality coarse diamonds. The variation should reduce with the SLC progressing across the orebody on the various levels, with more broken ore reporting to the lower levels.

CORPORATE AND FINANCIAL

Launch of Project 2022

- The Company has launched Project 2022 and has established an internal Project Team to identify and drive efficiencies to enable the Company to deliver an initial target of $150-200 million of free cashflow over a three year period from FY 2019 to FY 2022, with delivery weighted towards FY 2021 and FY 2022. Juan Kemp (previously General Manager at Cullinan Diamond Mine) was appointed Projects Executive and will work closely with the Company's Executive Committee to drive the delivery of these projects across the group. A central Project 2022 team has been established, together with Project leads at each of the Company's operations to ensure that opportunities are captured and delivered to the business. The Company has appointed Partners in Performance, a global management consulting firm, to support Juan and the Project Team.

Appointment of Cullinan General Manager

- Post Period end, Jaison Rajan was appointed as General Manager of the Cullinan Diamond Mine, effective 10 July 2019, to replace Juan Kemp. Jaison has almost twenty years' experience in a variety of operational and project leadership roles across a number of commodities including coal, manganese and diamonds; his most recent position was that of General Manager at Khutala Colliery. He has extensive experience in various mining methods including block caving and has led a number of significant projects and change management initiatives which is particularly relevant to Petra at this current stage.

Balance Sheet

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

	Unit	**30 Jun 2019**	**31 Mar 2019**	**31 Dec 2018**	**30 Jun 2018**
Exchange rate used for conversion		*R14.07:US$1*	*R14.48:US$1*	*R14.35:US$1*	*R13.73:US$1*
Cash at bank	US$M	89.5	96.9	90.7	236.0
Diamond inventories	US$M Carats	62.0 666,201	64.9 674,632	76.3 811,718	54.0 529,054
Diamond debtors	US$M	23.0	46.4	4.4	75.0
US$650 million loan notes (issued April 2017)	US$M	650.0	650.0	650.0	650.0
Bank loans and borrowings	US$M	-	-	-	106.7
Net debt	US$M	560.5	553.1	559.3	520.7
South African bank facilities undrawn and available	US$M	106.6	103.6	104.5	2.6
Consolidated net debt for covenant measurement purposes[1]	US$M	591.7	580.8	627.4	531.6

Note:

1. *Consolidated Net Debt is bank loans and borrowings plus loan notes, less cash, less diamond debtors and includes the BEE guarantees of ca. US$54.2 million (ZAR762,5 million) as at 30 June 2019 (ca. US$85.9 million (ZAR1,175 million) as at 30 June 2018).*

- The Company's ZAR1.5 billion (US$106.6 million) South African banking facilities remain undrawn and available, with an unrestricted cash balance of US$76.0 million as at 30 June 2019.

- The South African lenders to the Company's BEE partners, Absa Bank, Rand Merchant Bank and Investec, have agreed to an amended repayment profile of the ca. US$54.2 million BEE banking debt. The balance, which was to be settled in two instalments, November 2019 and May 2020, will now be spread over the period to November 2021 with ca. US$5.0 million payable in November 2019, followed by four equal biannual instalments of US$12.3 million each from May 2020.

Notes

1. *The following exchange rates have been used for this announcement: average for the Year US$1:ZAR14.19 (FY 2018: US$1:ZAR12.86); closing rate as at 30 June 2019 US$1:ZAR14.07 (30 June 2018: US$1:ZAR13.73).*
2. *The following definitions have been used in this announcement:*
    a. *ct: carat*
    b. *cpht: carats per hundred tonnes*
    c. *Mctpa: million carats per annum*
    d. *Mcts: million carats*
    e. *Mt: million tonnes*
    f. *Mtpa: million tonnes per annum*
    g. *ROM: run-of-mine, i.e. relating to production from the primary orebody*
    h. *SLC: sub-level cave, a variation of block caving*

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

~ Ends ~

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About Petra Diamonds Limited

Petra Diamonds is a leading independent diamond mining group and a consistent supplier of gem quality rough diamonds to the international market. The Company has a diversified portfolio incorporating interests in three underground producing mines in South Africa (Finsch, Cullinan and Koffiefontein) and one open pit producing mine in Tanzania (Williamson). Petra also conducts a limited exploration programme in Botswana and South Africa, which is currently under review.

Petra's strategy is to focus on value rather than volume production by optimising recoveries from its high-quality asset base in order to maximise their efficiency and profitability. The Group has a significant resource base of ca. 290 million carats, which supports the potential for long-life operations.

Petra conducts all operations according to the highest ethical standards and will only operate in countries which are members of the Kimberley Process. The Company aims to generate tangible value for each of its stakeholders, thereby contributing to the socio-economic development of its host countries and supporting long-term sustainable operations to the benefit of its employees, partners and communities. 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 2019 MINE BY MINE PRODUCTION TABLES

Finsch – South Africa

	Unit	H2 FY 2019	H1 FY 2019	FY 2019	FY 2018	Variance
Sales						
Revenue	US$M	83.2	87.0	170.2	231.9	-27%
Diamonds sold	Carats	881,781	829,530	1,711,311	2,152,786	-21%
Average price per carat	US$	94	105	99	108	-8%
ROM Production						
Tonnes treated	Tonnes	1,570,144	1,503,335	3,073,479	3,084,395	0%
Diamonds produced	Carats	796,331	927,934	1,724,265	1,926,467	-10%
Grade[1]	Cpht	50.7	61.7	56.1	62.5	-10%
Tailings Production						
Tonnes treated	Tonnes	89,173	134,395	223,568	794,973	-72%
Diamonds produced	Carats	12,013	19,490	31,503	147,010	-79%
Grade[1]	Cpht	13.5	14.5	14.1	18.5	-24%
Total Production						
Tonnes treated	Tonnes	1,659,317	1,637,730	3,297,047	3,879,368	-15%
Diamonds produced	Carats	808,344	947,424	1,755,768	2,073,477	-15%
Capex						
Expansion Capex	US$M	5.2	8.3	13.5	42.3	-68%
Sustaining Capex	US$M	5.4	4.1	9.5	7.7	23%
Borrowing Costs Capitalised	US$M	0.4	1.4	1.8	4.0	-55%
Total Capex	US$M	11.0	13.8	24.8	54.0	-54%

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 2019	H1 FY 2019	FY 2019	FY 2018	Variance
Sales						
Revenue	US$M	105.2	66.2	171.4	167.0	3%
Diamonds sold	Carats	874,386	688,536	1,562,922	1,335,669	17%
Average price per carat	US$	120	96	110	125	-12%
ROM Production						
Tonnes treated	Tonnes	2,122,782	1,996,624	4,119,406	3,741,086	10%
Diamonds produced	Carats	804,263	785,444	1,589,707	1,342,020	18%
Grade[1]	Cpht	37.9	39.3	38.6	35.9	8%
Tailings Production						
Tonnes treated	Tonnes	259,681	696,354	956,035	412,749	132%
Diamonds produced	Carats	19,640	46,582	66,222	26,700	148%
Grade[1]	Cpht	7.6	6.7	6.9	6.5	7%
Total Production						
Tonnes treated	Tonnes	2,382,463	2,692,978	5,075,441	4,153,835	22%
Diamonds produced	Carats	823,903	832,026	1,655,929	1,368,720	21%

Capex						
Expansion Capex	US$M	19.9	17.3	37.2	56.2	-34%
Sustaining Capex	US$M	3.6	3.2	6.8	6.5	5%
Borrowing Costs Capitalised	US$M	0.9	2.3	3.2	11.2	-71%
Total Capex	US$M	24.4	22.8	47.2	73.9	-36%

Notes:

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.*

Koffiefontein – South Africa

	Unit	H2 FY 2019	H1 FY 2019	FY 2019	FY 2018	Variance
Sales						
Revenue	US$M	18.4	10.5	28.9	27.2	6%
Diamonds sold	Carats	36,885	23,406	60,291	51,936	16%
Average price per carat	US$	499	447	480	525	-9%
ROM Production						
Tonnes treated	Tonnes	623,335	377,391	1,000,726	649,259	54%
Diamonds produced	Carats	38,360	25,275	63,635	52,537	21%
Grade	Cpht	6.2	6.7	6.4	8.1	-21%
Total Production						
Tonnes treated	Tonnes	623,335	377,391	1,000,726	649,259	54%
Diamonds produced	Carats	38,360	25,275	63,635	52,537	21%
Capex						
Expansion Capex	US$M	2.2	3.0	5.2	9.6	-46%
Sustaining Capex	US$M	0.6	0.2	0.8	2.7	-70%
Total Capex	US$M	2.8	3.2	6.0	12.3	-51%

Williamson – Tanzania

	Unit	H2 FY 2019	H1 FY 2019	FY 2019	FY 2018	Variance
Sales						
Revenue	US$M	49.5	43.5	93.0	68.5	36%
Diamonds sold	Carats	207,416	194,913	402,329	253,524[1]	59%
Average price per carat	US$	239	223	231	270	-14%
ROM Production						
Tonnes treated	Tonnes	2,571,868	2,510,451	5,082,319	4,659,563	9%
Diamonds produced	Carats	177,952	208,064	386,016	328,681	17%
Grade	Cpht	6.9	8.3	7.6	7.0	9%
Alluvial Production						
Tonnes treated	Tonnes	217,594	195,557	413,151	385,721	7%
Diamonds produced	Carats	7,242	6,357	13,599	12,421	9%
Grade	Cpht	3.3	3.3	3.3	3.2	3%
Total Production						
Tonnes treated	Tonnes	2,789,462	2,706,008	5,495,470	5,045,284	9%

Diamonds produced	Carats	185,194	214,421	399,615	341,102	17%
Capex						
Expansion Capex	US$M	0.0	0.0	0.0	2.6	-100%
Sustaining Capex	US$M	5.4	3.2	8.6	2.0	328%
Total Capex	US$M	5.4	3.2	8.6	4.6	86%

Note:

1. *Negatively impacted by the 71,654 carat parcel blocked for export.*

KEY FY 2020 OPERATING AND CAPEX ASSUMPTIONS

The table below sets out management's guidance in respect of the key operating parameters for FY 2020.

	Unit	Finsch	Cullinan	Koffiefontein	Williamson
ROM tonnes					
Tonnes treated	Mt	2.9 – 3.0	4.0 – 4.2	1.0	5.0
Grade	Cpht	54 - 57	38 - 42	8.0 – 8.5	6.5 – 7
Tailings/other tonnes					
Tonnes treated	Mt	0.1	0.1	0.0	0.3
Grade	Cpht	14	25	n/a	2.5
Total production					
Tonnes treated	Mt	3.0 – 3.1	4.1 – 4.3	1.0	5.3
On mine cash cost	ZARm	R1,268m	R1,269m	R433m	$62m
Capex					
Expansion Capex	ZARm	R122m	R144m	R41m	$0m
Sustaining Capex	ZARm	R102m	R57m	R22m	$7m
Total Capex	ZARm	R224m	R201m	R63m	$7m

Notes:

1. 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**.**
2. Grades stated are recovered grades with appropriate dilution and plant modification factors already applied.
3. All Capex numbers in this announcement exclude capitalised borrowing costs, in line with previous guidance.
4. FY 2020 Capex guidance figures for the South African operations are converted at an exchange rate of ZAR14.0/US$1.

CAPEX RECONCILIATION

Capex	**Unit**	**FY 2019**	**FY 2018**
Finsch	US$M	24.8	54.0
Cullinan	US$M	47.2	73.9
Koffiefontein	US$M	6.0	12.3
Williamson	US$M	8.6	4.6
Subtotal – Capex incurred by operations	**US$M**	**86.6**	**144.8**
Corporate / exploration	US$M	1.7	0.7
Total Group Capex	**US$M**	**88.3**	**145.5**

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$4.9 million (FY 2018: US$15.2 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.*