G 2.1 Cost of Sales breakdown

<table>
<thead>
<tr>
<th>Mine</th>
<th>Weighted average cost / total tonne treated</th>
<th>Total on - mine cost (million)</th>
<th>Diamond royalties (Refer G2.3)</th>
<th>Diamond inventory and stockpile movement</th>
<th>Subtotal</th>
<th>Mining and processing costs (ZARm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finsch</td>
<td>3.9</td>
<td>R 1 340</td>
<td>R xx</td>
<td>R xx</td>
<td>R xx</td>
<td>$ xx</td>
</tr>
<tr>
<td>Cullinan</td>
<td>4.2</td>
<td>R 1 050</td>
<td>R xx</td>
<td>R xx</td>
<td>R xx</td>
<td>$ xx</td>
</tr>
<tr>
<td>Koffiefontein</td>
<td>1.0</td>
<td>R 360</td>
<td>R xx</td>
<td>R xx</td>
<td>R xx</td>
<td>$ xx</td>
</tr>
<tr>
<td>KEM JV</td>
<td>7.6</td>
<td>R 840</td>
<td>R xx</td>
<td>R xx</td>
<td>R xx</td>
<td>$ xx</td>
</tr>
<tr>
<td>Williamson</td>
<td>5.0</td>
<td>R 57</td>
<td>$ xx</td>
<td>$ xx</td>
<td>$ xx</td>
<td>$ xx</td>
</tr>
</tbody>
</table>

Centralised Cost of Sales (ca. R300m) $23

Mining and Processing Costs (EBITDA purposes) $ xx

G 2.2 Break-down of high-level income tax calculation for PDL Group Operations:

Indicative example on treatment of capital allowances/tax losses (using Cullinan as an example):

\[
\begin{align*}
(A) & \text{Profit before tax (PBT)} \\
\text{Add back:} & (B) \text{Depreciation} \\
\text{Less:} & (C) \text{Capital expenditure - current year} \\
\text{Less:} & (D) \text{Taxable income for the year} \\
\text{Less:} & (E) \text{Capital allowances/assessed losses brought forward} \\
\text{Thus:} & (F) \text{Assessed Total} \\
\end{align*}
\]

\[
\begin{align*}
\text{Note:} & \\
1 & \text{In South Africa, the acquisition cost of mining assets is included in capital allowances which is why Cullinan and Finsch have such high brought forward capital allowances.} \\
2 & \text{Each mine’s capital allowance / assessed loss is ring fenced to that specific mine.} \\
3 & \text{For Williamson, a 0.3 % tax on revenue should be catered for until the tax losses have been utilised.}
\end{align*}
\]

G 2.3 Royalty Guidance

Diamond royalties in South Africa

- The royalty payable is derived from a formula based on the profitability of an operation, as follows:
  - Royalty payable = gross sales x royalty rate
  - Royalty rate = 0.5% + EBIT / (gross sales x 9)
  - Minimum royalty payable = 0.5% / Maximum royalty payable = 7% of gross sales
  - Unredeemed capex may be off-set against a positive EBIT balance and any unused balances can be carried forward for future calculations
  - Tailings production (and all associated cost and revenue) are exempt from royalty

Example:

- Revenue: ZARm 3 000
- Operating costs: ZARm (1 000)
- Operating profit: ZARm 2 000
- Unredeemed Capex b/f: ZARm (1 500)
- Capex this year: ZARm (550)
- Adjusted EBIT (as defined in Royalty Act): ZARm (500)
- Royalty rate = 0.5% + EBIT / (gross sales x 9) = 0.5%
- Royalty payable = royalty rate x revenue = ZARm 15

Diamond royalties in Tanzania (Williamson)

6% of Gross Revenue

G 2.4 Effective Interest in South African Mines

<table>
<thead>
<tr>
<th>Mine</th>
<th>Kago Diamonds interest in mines (%)</th>
<th>Increase in Petra’s effective interest (via Kago holding) (%)</th>
<th>Petra’s total effective interest (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cullinan</td>
<td>14.0</td>
<td>4.4</td>
<td>78.4</td>
</tr>
<tr>
<td>Finsch</td>
<td>14.0</td>
<td>4.4</td>
<td>78.4</td>
</tr>
<tr>
<td>Koffiefontein</td>
<td>14.0</td>
<td>4.4</td>
<td>78.4</td>
</tr>
<tr>
<td>KEM JV</td>
<td>8.4</td>
<td>2.6</td>
<td>58.1</td>
</tr>
</tbody>
</table>

Petra’s interest in Kago Diamonds = 31.46%