

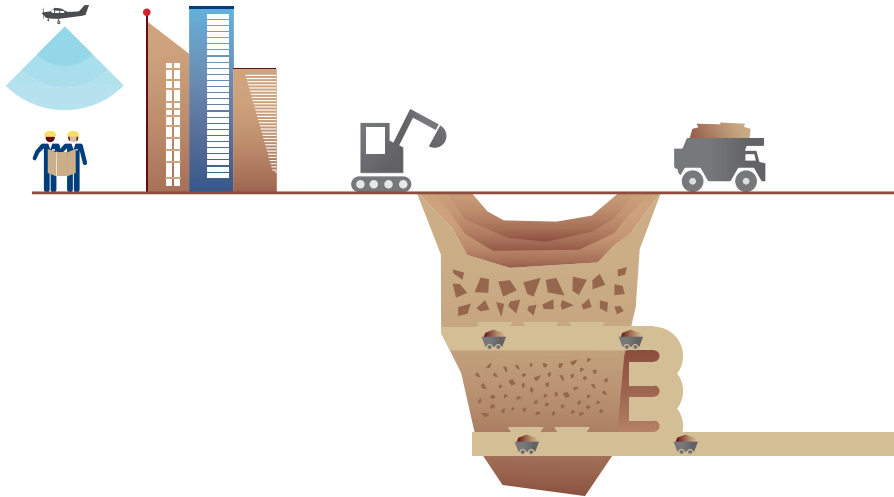
Our Business Model

Petra is focused on the highest margin segment of the diamond pipeline – the upstream, involving the mining, processing, sorting and sale of rough diamonds.

INPUTS AND THEIR BENEFITS TO PETRA

- Responsible leadership**
 - ▶ Sustainable operations
 - ▶ Uphold the high value placed on diamonds
- People and skills**
 - ▶ Company culture
 - ▶ Productive workforce
 - ▶ Specialist skills
- High-quality assets**
 - ▶ Major resources
 - ▶ Long-term mine lives
 - ▶ Diverse product range
- Financial capital**
 - ▶ Robust balance sheet
 - ▶ Access to diversified sources of capital
- Relationships**
 (including Governments, trade union partners, local communities and BEE Partners)
 - ▶ Licence to operate
- Energy and water**
 - ▶ Sustainable access to energy and water
- Technology and equipment**
 - ▶ Extension of mine lives
 - ▶ Optimisation of operations

WHAT WE DO



Project appraisal

Central to our approach is the identification of the right assets, where we can add value.

HOW WE DIFFERENTIATE

- ▶ Petra’s Technical team has decades of specialist experience in the appraisal and valuation of diamond orebodies.
- ▶ Every kimberlite is unique and must be assessed according to its physical size, its grade (the volume of diamonds held), its diamond population (the size and quality ranges of diamonds recovered) and its cost base under Petra Management.
- ▶ Petra focuses on long-life assets with the potential to generate significant cashflow and structures its operations with the long-term viability of the project in mind.


Mining and development

Petra’s operations are focused on ‘hard rock’ kimberlite pipe orebodies.

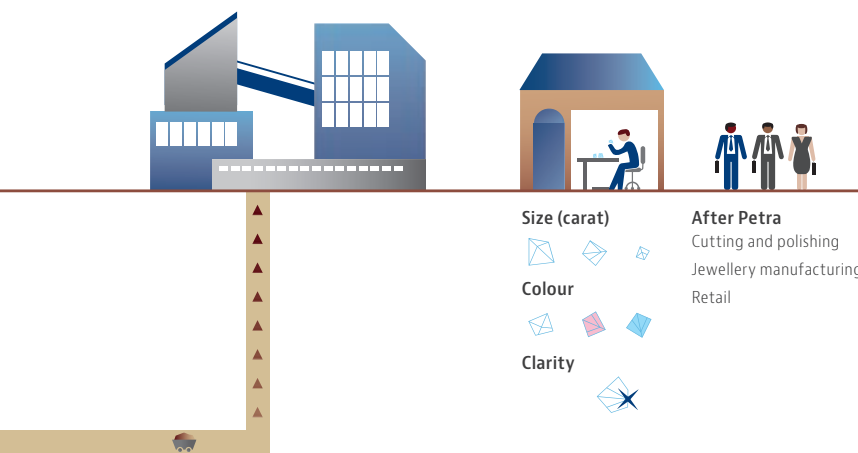
HOW WE DIFFERENTIATE

- ▶ Safety is our number one priority and ingrained in everything we do.
- ▶ Hard rock orebodies can generally provide for much better predictability and long-term planning than alluvial deposits.
- ▶ Petra’s Operations team has decades of specialist experience in the management, mining and development of diamond orebodies.
- ▶ Petra’s approach is to make decisions and get going with a development project, but with the flexibility to continually optimise a mine plan as a project progresses.

STRATEGIC OBJECTIVES TO SUPPORT OUR BUSINESS ▶ Our Strategy Pages 22 to 25

 **Work responsibly**
Committed to responsible development

 **Business rationalisation**
Positioning Petra for a sustainable future



Processing

Ore is passed through the processing plant to extract the diamonds from the rock.

HOW WE DIFFERENTIATE

- ▶ Petra is focused on value production, rather than volume.
- ▶ Plant processes are set to optimise revenue generation from each individual mine orebody, by focusing on where the value lies within its diamond population.
- ▶ Petra’s team embraces innovation and continually stays abreast of the latest diamond processing technologies.
- ▶ Product security is managed through maintaining automated, ‘hands-off’ processes.

Sorting and sales

Rough diamonds are sorted into ‘lots’ and then sold through a competitive tender process.

HOW WE DIFFERENTIATE

- ▶ Petra has always run its own diamond sales, having developed marketing and sales expertise in-house, and therefore does not pay any sales commission to a third party.
- ▶ Petra utilises a competitive tender process for its sales, thereby ensuring maximum competition for its goods.
- ▶ Petra’s tenders are predominantly held in Johannesburg, which encourages local participation and beneficiation, as well as positioning South Africa as a key diamond hub globally. Sales from Williamson are held in Antwerp.

STAKEHOLDER VALUE CREATION

Employees

- ▶ Focus on occupational health and safety
- ▶ Sustainable employment
- ▶ Culture of empowerment
- ▶ Skills development
- ▶ Itumeleng Petra Diamonds Employee Trust
- ▶ Employee occupational health initiatives

▶ Pages 14, 50 and 51

Customers

- ▶ Quality and consistent product offering
- ▶ Confirmed provenance and heritage

▶ Pages 14 and 48

Shareholders/bondholders

- ▶ Free cash flow generation
- ▶ Future returns to shareholders

▶ Page 15

Local communities

- ▶ Socio-economic upliftment
- ▶ Efficient and responsible use of natural resources
- ▶ Promoting environmental awareness
- ▶ Community health initiatives

▶ Pages 15 and 54

Host governments/regulators

- ▶ Taxes and royalty payments
- ▶ Positive impacts on our host countries

▶ Pages 16 and 54

Suppliers

- ▶ Benefits to local businesses and suppliers
- ▶ Policy of local procurement where possible

▶ Page 16 and 54



Optimise recoveries

Improving operating margins at each mine



Drive efficiencies

Maintaining a culture of effective cost control