

# FY 2022/23-25 Analyst Guidance - Group



\$m	FY22E	FY23E	FY24E	FY25E
Total carats recovered, mcts	3.3 – 3.6	3.3 – 3.6	3.3 – 3.6	3.6 – 3.9
Cash on-mine costs and G&A, \$	300 - 310	300 – 320	300 – 320	300 – 320
Expansion capex, \$	34 – 36	115 – 125	125 – 135	115 – 120
Sustaining capex, \$	17 –19	33 – 36	30 – 32	26 – 28

Note: Opex and Capex guidance is stated in FY 2022 real terms and based on an average rate of ZAR15 / USD1.

# FY 2022/23-25 Detailed Analyst Guidance - Cullinan



Description	Unit	FY 2022E	FY 2023E	FY 2024E	FY 2025E
ROM tonnes Treated	(Mt)	4.3 - 4.4	4.1 - 4.3	4.3 - 4.5	4.3 - 4.5
ROM Grade	(cpht)	36.1 - 36.9	36.5 - 38.5	36.7 - 38.8	40.4 - 42.7
ROM Carats	(Kcts)	1 543 - 1 618	1 485 - 1 650	1 565 - 1 740	1 720 - 1 915
Tailings tonnes Treated	(Mt)	0.4 - 0.5	0.56 - 0.59	0.68 - 0.72	0
Tailings Grade	(cpht)	47.4 - 48.5	22.3 - 22.9	14.0 - 14.6	0
Tailings Carats	(Kcts)	212 - 222	125 - 135	95 - 105	0
Total Carats Recovered	(Kcts)	1 756 - 1 841	1 610 - 1 785	1 660 - 1 845	1 720 - 1 915
Cash on-mine cost (REAL)	(ZARm)	1 508 - 1 547	1 413 - 1 486	1 433 - 1 506	1 555 - 1 633
	(US\$m)	100.5 - 103.0	94.2 - 99.1	95.5 - 100.4	103.7 - 108.9
Depreciation	(ZARm)	R729 - R739	R810 - R830	R845 - R870	R845 - R870
	(US\$m)	48.6 - 49.2	54.0 - 55.4	56.3 - 58.0	56.3 - 58
Expansion Capital (REAL)	(ZARm)	411 - 431	899 - 977	988 - 1 072	760 - 807
	(US\$m)	27.4 - 28.7	60.0 - 65.2	65.9 - 71.5	50.7 - 53.8
Sustaining Capital (REAL)	(ZARm)	110 - 120	185 - 206	188 - 194	165 - 177
	(US\$m)	7.3 - 8.0	12.3 - 13.7	12.5 - 12.9	11.0 - 11.8
Total Capital (REAL)	(ZARm)	521 - 551	1 084 - 1 183	1 176 - 1 266	925 - 984
	(US\$m)	34.7 - 36.7	72.3 - 78.9	78.4 - 84.4	61.7 - 65.6

## Guidance notes

1. Real amounts stated in FY 2022 money terms
2. US\$ amounts converted at exchange rate of USD1:ZAR15
3. Remaining tax shield @ 31 Dec 2021 = ZAR 5.6 billion
4. Environmental closure liability = ZAR 268 million

# FY 2022/23-25 Detailed Analyst Guidance - Finsch



Description	Unit	FY 2022E	FY 2023E	FY 2024E	FY 2025E
ROM tonnes Treated	(Mt)	2.75 - 2.80	2.9 - 3.0	2.9 - 3.0	3.0 - 3.1
ROM Grade	(cpht)	47.3 - 48.2	43.6 - 46.0	43.4 - 45.6	43.0 - 45.2
ROM Carats	(Kcts)	1301 - 1352	1 265 - 1 380	1 260 - 1 368	1 290 - 1 400
Tailings tonnes Treated	(Mt)	0.04 - 0.04	0.06 - 0.06	0	0
Tailings Grade	(cpht)	12.5 - 13.3	17.4 - 24.5	0	0
Tailings Carats	(Kcts)	5 - 6	10 - 15	0	0
Total Carats Recovered	(Kcts)	1 306 - 1 358	1 276 - 1 395	1 260 - 1 368	1 290 - 1 400
<b>Cash on-mine cost (REAL)</b>					
	(Rm)	1 354 - 1 387	1 293 - 1 359	1 250 - 1 314	1 308 - 1 374
	(US\$m)	90.2 - 92.4	86.2 - 90.6	83.3 - 87.6	87.2 - 91.6
<b>Depreciation</b>					
	(Rm)	391 - 396	450 - 460	475 - 485	550 - 565
	(US\$m)	26.0 - 26.4	30.0 - 30.7	31.7 - 32.3	36.7 - 37.7
<b>Expansion Capital (REAL)</b>					
	(Rm)	96 - 111	828 - 898	880 - 950	966 - 1 003
	(US\$m)	6.4 - 7.4	55.2 - 59.9	58.7 - 63.3	64.5 - 66.9
<b>Sustaining Capital (REAL)</b>					
	(Rm)	72 - 82	152 - 165	124 - 130	106 - 117
	(US\$m)	4.8 - 5.4	10.1 - 11.0	8.3 - 8.7	7.0 - 7.8
<b>Total Capital (REAL)</b>					
	(Rm)	168 - 193	980 - 1 063	1 004 - 1 080	1 072 - 1 120
	(US\$m)	11.2 - 12.8	65.3 - 70.9	67.0 - 72.0	71.5 - 74.7

## Guidance notes

1. Real amounts stated in FY 2022 money terms
2. US\$ amounts converted at exchange rate of USD1=ZAR15
3. Tax shield @ 31 Dec 2021 = ZAR300 million
4. Environmental closure liability = ZAR312 million

# FY 2022/23-25 Detailed Analyst Guidance - Williamson



Description	Unit	FY 2022E	FY 2023E	FY 2024E	FY 2025E
ROM tonnes Treated	(Mt)	3.6 - 3.8	5.2 - 5.5	5.2 - 5.5	5.2 - 5.5
ROM Grade	(cpht)	6.0 - 6.2	6.1 - 6.5	5.9 - 6.3	7.0 - 7.5
ROM Carats	(Kcts)	220 - 235	319 - 358	306 - 344	363 - 410
Cash on-mine cost (REAL)	(US\$m)	46 - 48	66 - 69	66 - 69	67 - 70
Depreciation	(US\$m)	5.1	8.4	8.5	8.6
Expansion Capital (REAL)	(US\$m)	0	0	0	0
Sustaining Capital (REAL)	(US\$m)	3 - 4	9	9	8
Total Capital (REAL)	(US\$m)	3 - 4	9	9	8

## Guidance notes

1. Real amounts stated in FY 2022 money terms
2. Tax shield @ 31 Dec 2021 = USD 100 million
3. Environmental closure liability = USD 5.7 million
4. 71,654 carat blocked diamond parcel expected to be sold in FY2023

# FY 2022/23-25 Detailed Analyst Guidance - Koffiefontein



Description	Unit	FY 2022E	FY 2023E	FY 2024E	FY 2025E
ROM tonnes Treated	(Mt)	0.64 - 0.66	0.60 - 0.63	0.58 - 0.62	0.44 - 0.46
ROM Grade	(cpht)	7.5 - 7.7	7.9 - 8.3	7.7 - 8.0	6.6 - 6.9
ROM Carats	(Kcts)	48 - 51	47 - 52	45 - 49	29 - 32
	(Rm)	513 - 526	415 - 437	362 - 381	308 - 324
Cash on-mine cost (REAL)	(US\$m)	34.2 - 35.1	27.7 - 29.1	24.1 - 25.4	20.5 - 21.6
	(Rm)	20.9 - 21.9	29.1 - 30.1	27.4 - 28.3	6.0 - 6.0
Depreciation	(US\$m)	1.4 - 1.5	1.9 - 2.0	1.8 - 1.9	0.4 - 0.4
	(Rm)	3 - 4	0	0	0
Expansion Capital (REAL)	(US\$m)	0.2-0.3	0	0	0
	(Rm)	3 - 4	21 - 24	21 - 22	0
Sustaining Capital (REAL)	(US\$m)	0.2 - 0.3	1.4 - 1.6	1.4 - 1.5	0
	(Rm)	6 - 8	21 - 24	21 - 22	0
Total Capital (REAL)	(US\$m)	0.4 - 0.6	1.4 - 1.6	1.4 - 1.5	0

## Guidance notes

1. Real amounts stated in FY 2022 money terms
2. US\$ amounts converted at exchange rate of USD1:ZAR15
3. Tax shield @ 31 Dec 2021 = ZAR2 billion
4. Environmental closure liability = ZAR104.4 million

# FY 2022/23-25 Analyst Guidance Explanatory Notes

## Cost of Sales



G2.1

### G 2.1 Cost of Sales breakdown

	(A)	(B)	(C)	(D)	(E)	(E)	
	Total on-mine cash cost (million) (previous pages)	Total on-mine cash cost (\$m)	Diamond royalties (Refer G2.3)	Diamond sorting fee	Diamond inventory and stockpile movements	Subtotal	Total Mining and processing costs (\$m)
Cullinan	R xxx	\$ xxx	R xxx	R xxx	R xxx	R xxx	\$ xxx
Finsch	R xxx	\$ xxx	R xxx	R xxx	R xxx	R xxx	\$ xxx
Koffiefontein	R xxx	\$ xxx	R xxx	R xxx	R xxx	R xxx	\$ xxx
Williamson	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Centralised Cost of Sales							\$ xxm
<b>Mining and Processing Costs (EBITDA purposes)</b>							<b>\$ xxx</b>
Corporate overheads							\$ xxm
Total Cost of Sales (EBITDA purposes)							<b>\$ xxx</b>

=(A)+(B)+(C)+(D)

=(E)/Average R/\$ exchange rate  
 =(E)/Average R/\$ exchange rate  
 =(E)/Average R/\$ exchange rate

# FY 2022/23-25 Analyst Guidance Explanatory Notes

## Income Tax Calculation



G2.2

### 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):

(A) Profit before tax (PBT)

Add back: (B) Depreciation

Less: (C) Capital expenditure - current year

(D) Taxable income for the year

Less: (E) Capital allowances/assessed losses brought forward

**(F) Assessed Total**

Thus: - If "Assessed Total (F)" >0; income tax due and payable at applicable tax rate

- If "Assessed Total (F)" <0; income tax capital allowances/assessed losses carried forward for set-off against future profits

**Taxation payable**

	FY2021	FY2022	FY2023
	ZARm	ZARm	ZARm
A	2000	2500	3000
B	500	500	500
C	-500	-600	-300
A + B - C = D	2000	2400	3200
E	-3000	-1000	0
D - E = F	-1000	1400	3200
	0	392	896

Note:

<sup>1</sup> Each mine's capital allowance / assessed loss is ring fenced to that specific mine.

Refer to guidance doc: G1 for mine-by-mine capital allowances / assessed losses (tax shields).

<sup>2</sup> For Williamson, maximum of 70% of a year's profits will be offset by losses brought forward, with 30% taxable income in the year; if losses are incurred, a 0.3 % tax on revenue should be catered for.

# FY 2022/23-25 Analyst Guidance Explanatory Notes

## Diamond Royalties



G2.3

### 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/forward	ZARm	(1 000)
Capex this year	ZARm	(500)
Adjusted EBIT (as defined in Royalty Act)	ZARm	500
Royalty rate = 0.5% + EBIT / (gross sales x 9)		2.4%
Royalty payable = royalty rate x revenue	ZARm	71

### Diamond royalties in Tanzania (Williamson)

6% of Gross Revenue