

Our Business Model

Delivering long-term value to our stakeholders

By unearthing the world's most beautiful product as responsibly and efficiently as possible, we will contribute to the sustainability of our industry and deliver long-term value to each of our stakeholders.

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.
- The Company is able to produce the full range of diamonds from its diversified portfolio.
- 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.
- Strong operations team, with significant experience in the management, mining and development of diamond orebodies.
- Adaptable culture with team able to meet and overcome challenges as they arise, as evidenced by the fast response to operating under COVID-19 restrictions.

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's orebody, by focusing on where the value lies within its diamond population.
- We embrace innovation and continually stay abreast of the latest diamond mining and processing technologies.
- Security is enhanced through maintaining automated, 'hands-off' processes.

Sorting and sales

Rough diamonds are sorted into parcels and then sold through a competitive tender process.

How we differentiate

- Petra has always run its own diamond sales in a cost effective manner, having developed marketing and sales expertise in house, and therefore does not pay any sales commission to a third party.
- Petra utilises the competitive tender process for its sales, thereby providing a competitive pricing environment.
- Petra's South African production is normally sold in Johannesburg, thereby encouraging local participation and beneficiation, and its Tanzanian production is sold in Antwerp; however, the Company had to maintain a flexible approach to sales in FY 2020, and in FY 2021 thus far, as a result of COVID-19, with more sales than usual taking place in Antwerp due to travel restrictions limiting access to South Africa.

Our Business Model continued

Inputs and their benefits to Petra

Responsible leadership

- Sustainable operations
- Uphold the high value placed on diamonds

People and skills

- Company culture
- Project 2022
- Productive workforce
- Specialist skills

High quality assets

- Significant resources
- Diverse product range

Financial capital

- Responsible capital allocation
- Access to diversified sources of capital

Relationships

- Mutually beneficial partnerships
- Effective internal and external stakeholder engagement
- Licence to operate

Energy and water

- Sustainable access to energy and water

Technology and equipment

- Extension of mine lives
- Optimisation of operations

Stakeholder value creation

Employees

- Focus on safety
- Sustainable employment
- Culture of empowerment
- Skills development
- Itumeleng Petra Diamonds Employee Trust
- Employee wellbeing initiatives

Pages 49 – 52

Customers

- Quality and consistent product offering
- Confirmed provenance and heritage

Page 48

Host Governments/regulators

- Taxes and royalty payments
- Positive impacts on our countries of operation

Page 55 – 56

Shareholders/noteholders/lenders

- Free cashflow generation
- Future returns to investors

Page 16

Local communities

- Job opportunities and socio-economic upliftment
- Efficient and responsible use of natural resources
- Promoting environmental awareness
- Community health initiatives

Pages 52 – 57

Suppliers

- Benefits to local businesses and suppliers
- Policy of sustainable local procurement and supplier development

Pages 55 – 56