



17 January 2023

LSE: PDL

Petra Diamonds Limited
(“Petra”) or the (“Company”)

Update regarding Tailings Storage Facility (TSF) wall breach at Williamson in Tanzania

In follow up to its announcement of 30 November 2022, Petra provides a further update regarding the TSF wall breach at the Williamson mine on 7 November 2022.

Impact on the environment and local community

Precautionary measures, detailed in the announcement of 30 November 2022, to contain the tailings material and strengthen the New Alamasí water dam were completed in early January 2023. The creation of a safety bund, mitigating risk in affected areas, has also been completed.

Environmental assessments, with the assistance of independent experts, continue to be carried out by Williamson Diamonds Limited (**WDL**) to determine how best to clean-up or remediate affected areas. Trials are also in place to identify the best land use options post remediation of affected areas. To date, these studies indicate that areas lying within the Mining Lease Area (**MLA**) are best suited to be returned to wilderness, either as forest or wetlands, through amelioration of the soil and revegetation. Areas outside of the MLA are treated according to the depth of tailings material, where thinner layers of tailings can be mixed into the surrounding soil and thicker layers can be used for agricultural purposes following trials which demonstrate that enrichment with compost will enable cash crops to be farmed on a viable basis.

Since initial estimates announced on 10 November 2022, it has been confirmed that a total of 286 individuals from 50 houses were relocated as a result of the breach. Of these, 130 individuals from 22 houses returned back to their former homes which have been deemed safe. 145 individuals from 23 houses are currently accommodated in houses rented by WDL and 11 individuals from five rental houses have secured alternative rental accommodation. All affected households have been provided with accommodation and humanitarian relief within the village they were displaced from.

In addition, the vulnerability of affected people is an important consideration and a key component of WDL’s work. Psychosocial support is being provided and once any issues are identified, a mitigation process is implemented.

The evaluation of impacted livelihoods, undertaken by WDL and independent experts, to ensure that affected individuals are appropriately compensated is nearing completion. Once finalised, a report will be submitted to government authorities for approval. Once approval is received, WDL will commence with initial restoration measures (including monetary and in-kind compensation measures).

Alternative agricultural land is being identified to enable farming activities for those affected to recommence as soon as possible and this work is ongoing in keeping with Tanzanian law and international standards for resettlement.

WDL, along with local, regional and national authorities, continues its extensive engagements with local communities to ensure that key stakeholders are kept informed of WDL’s response, including planned remediation activities.

Technical and Production

As announced on 30 November 2022, the root cause of the subsidence that led to the breach has not yet been determined and requires a forensic geotechnical investigation including detailed InSAR analysis to be completed. This work has been initiated and is being undertaken by an independent company that specializes in tailings dam design and management. Estimates for completion of these studies remain between 6 and 12 months. Petra continues to work constructively with the Tanzanian Mining Commission and key findings will be published once complete.

A comprehensive risk assessment is underway at all of the mine's tailings facilities. Work to identify the best interim tailings storage facility is continuing with external experts from Tanzania and South Africa. Once completed a detailed report will be forwarded to the Government of Tanzania for approval. This will allow startup of production to commence while work is being conducted on the longer-term tailings storage solution. The current estimate of production resuming at the beginning of FY 2024 remains.

Financial

WDL is considering additional financing options to provide support during this period and is engaging with the Government of Tanzania regarding the sale of the previously blocked and confiscated diamond parcel, the proceeds of which the Government of Tanzania has agreed to allocate to WDL under the Framework Agreement entered into at the end of December 2021.

WDL and Petra remain appreciative of the continued cooperation and assistance provided by Government, local authorities, community leadership and affected parties.

Further updates will be provided in due course.

~ Ends ~

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About Petra Diamonds Limited

Petra Diamonds is a leading independent diamond mining group and a supplier of gem quality rough diamonds to the international market. The Group's portfolio incorporates interests in three underground mines in South Africa (Finsch, Cullinan Mine and Koffiefontein) and one open pit mine in Tanzania (Williamson).

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 which supports the potential for long-life operations.

Petra strives to conduct all operations according to the highest ethical standards and only operates in countries which are members of the Kimberley Process. The Group 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'. The Group's loan notes due in 2026 are listed on the Irish Stock Exchange and admitted to trading on the Global Exchange Market. For more information, visit www.petradiamonds.com.