

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

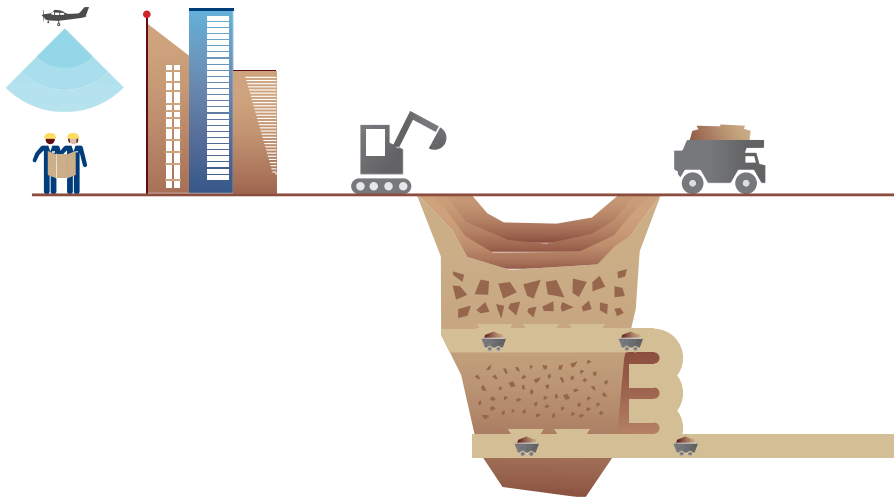
Energy and water

- ▶ 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.



Mining and development

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

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.

HOW WE DIFFERENTIATE

- ▶ 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.
- ▶ Safety is our number one priority and ingrained in everything we do.

STRATEGIC OBJECTIVES TO SUPPORT OUR BUSINESS • Our Strategy Page 22



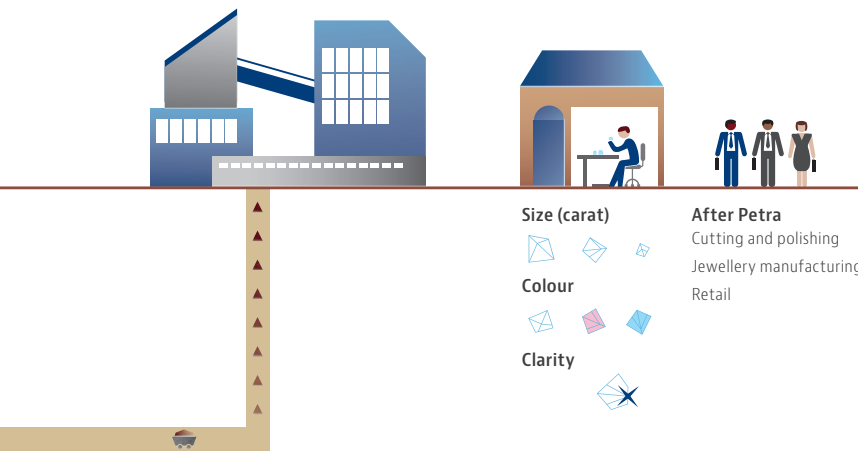
Increase output

Targeting circa 5.3 million carats by FY 2019



Optimise recoveries

Improving operating margins at each mine



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.
- ▶ 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 the competitive tender process for its sales, thereby ensuring maximum competition for its goods.
- ▶ Petra’s sales are predominantly held in Johannesburg, which encourages local participation and beneficiation, as well as positioning South Africa as a key diamond hub globally.

After Petra
Cutting and polishing
Jewellery manufacturing
Retail

STAKEHOLDER VALUE CREATION

Employees

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

Customers

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

Shareholders

- ▶ Growth profile
- ▶ Future returns to shareholders

Local stakeholders

- ▶ Socio-economic upliftment
- ▶ Taxes and royalty payments
- ▶ Community health initiatives

Environment

- ▶ Efficient and responsible use of natural resources
- ▶ Promoting environmental awareness

Suppliers

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



Drive efficiencies

Maintaining a culture of effective cost control



Work responsibly

Committed to responsible development