

8 July 2016

LSE: PDL

**Petra Diamonds Limited**  
("Petra Diamonds", "Petra", the "Company" or the "Group")

**Kimberley Ekapa Mining Joint Venture Formation**

Petra Diamonds today announces that Petra and Ekapa Mining (Pty) Ltd ("Ekapa Mining") have entered into a joint venture agreement, which combines the respective operations, owned and operated by the joint venture partners in the Kimberley area, into an unincorporated joint venture named the Kimberley Ekapa Mining Joint Venture ("KEM JV").

The respective operations comprise:

1. Petra's Kimberley Underground mines (via its subsidiary Crown Resources (Pty) Ltd);
2. Ekapa Mining's tailings operations (via its subsidiaries Super Stone Mining (Pty) Ltd ("Super Stone Mining"), and Kimberley Miners Forum (Pty) Ltd); and
3. Kimberley Mines tailings operations (via Ekapa Minerals (Pty) Ltd owned 50.1% Ekapa Mining and 49.9% Petra).

As previously reported, Ekapa Minerals acquired Kimberley Mines from De Beers Consolidated Mines (Pty) Limited, which came into effect on 18 January 2016. This transaction introduced a number of producing tailing deposits in the Kimberley area, as well as a 6 Mtpa 'state-of-the-art' Combined Treatment Plant ("CTP"), which will be capable of processing ore from both ROM and tailings sources. Processing of tonnes through the plants at Kimberley Underground mines have ceased and future processing of both underground and surface resources will be done utilising the CTP.

The effective date of the joint venture agreement is 1 July 2016 and will lead to the following effective interests in the combined operations:

- Petra Diamonds and its BEE partners - 75.9%
- Ekapa Mining - 24.1%

A diagram showing the KEM JV structure is available on the Company's website at <https://www.petradiamonds.com/our-operations/our-mines/kimberley-underground/>.

**Johan Dippenaar, Chief Executive Officer, commented:**

"These assets fit well with the Group portfolio, given Petra's existing Kimberley Underground operations in the area. Importantly, the transaction demonstrates our commitment to ensuring a sustainable future for the diamond mining industry in Kimberley, which will benefit the Kimberley Mines workforce and local community.

"The KEM JV is expected to bring significant synergies to the operations at Kimberley, including the ability to increase throughput and reduce operating costs, thereby extending the operation's mine life. Further production guidance will be included in the Company's FY 2016 Trading Update and FY 2017 Market Guidance announcement, to be released on 25 July 2016."

~ Ends ~

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#### **About Petra Diamonds Limited**

Petra Diamonds is a leading independent diamond mining group and an increasingly important supplier of rough diamonds to the international market. The Company has interests in six producing operations: four underground mines in South Africa (Finsch, Cullinan, Koffiefontein and Kimberley Underground), extensive tailings operations in Kimberley (via its interest in the Kimberley Mines) and one open pit mine in Tanzania (Williamson). It also maintains an exploration programme in Botswana.

Petra has a core objective to steadily increase annual production to ca. 5 million carats by FY 2019. The Group has a significant resource base of ca. 300 million carats.

Petra conducts all operations according to the highest ethical standards and will only operate in countries which are members of the Kimberley Process. Petra is quoted with a premium listing on the Main Market of the London Stock Exchange under the ticker 'PDL' and is a constituent of the FTSE4Good Index. For more information, visit the Company's website at [www.petradiamonds.com/](http://www.petradiamonds.com/).

#### **About Ekapa Mining (Pty) Ltd**

Ekapa Mining is a medium sized TMR processing business, which has been operating in Kimberley, South Africa, for over 25 years. Ekapa Mining owns a 60.6% share in 40 Mt of TMRs in Kimberley sourced from the famous five cluster of old Kimberley mines. The company, which has experience in a comprehensive range of the most modern and advanced mining, processing and recovery technologies, operates a highly efficient processing plant, with an effective throughput of 3 Mtpa.

#### **About Kimberley Mines**

Kimberley Mines comprise a number of producing tailings dumps (Tailings Mineral Resources "TMR") in the Kimberley area, as well as a 6 Mtpa 'state-of-the-art' processing plant (CTP) capable of processing ore from both ROM and tailings sources. The Kimberley Mines TMRs have resources of 2.8 Mcts, as well as further potential for the treatment of other TMR deposits, containing an estimated 4.4 Mcts (as at 31 December 2014); grade of the TMRs is expected to be circa 11 cphr for the first three years of operation by Ekapa Minerals, reducing to circa 6 cphr thereafter, when the higher grade tailings have been treated.

#### **About Kimberley Underground Mines**

The Kimberley Underground operation comprises three kimberlite pipe mines: Bultfontein and Dutoitspan (serviced by the Joint Shaft) and Wesselton. These mines were at the heart of South Africa's early diamond rush in Kimberley, where the world's first hard rock diamond deposits were discovered, hence the name 'kimberlite'. The Kimberley mines were integral to the economic development of South Africa as their output effectively financed development of the nascent gold industry. They are currently mining at depths of between 845 and 995 metres below surface.

This information is provided by RNS  
The company news service from the London Stock Exchange

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