

22 January 2025

Petra Diamonds Limited
("Petra" or the "Company")

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Entry into agreement with Pink Diamonds for the sale of Petra's entire interest in Williamson Diamonds Limited

Petra (LSE: PDL) is pleased to announce that it has entered into an agreement to sell its entire shareholding in the entity that holds Petra's interest in Williamson Diamonds Limited ("WDL"), together with all the shareholder loans such entity owes Petra, to Pink Diamonds Investments Limited ("Pink Diamonds") for a headline consideration of up to US 16 million (the "Transaction").

Transaction Highlights

- Sale of Petra's entire shareholding in the entity that holds its interest in WDL to Pink Diamonds for a headline consideration of US 16 million
- The US 16 million consideration for the Transaction shall be payable by Pink Diamonds out of WDL's distributable cash, with 20% of any distributable cash generated annually payable to Petra until this consideration is fully paid. There can be no certainty that any or all of this deferred consideration will be paid to Petra
- Completion of the Transaction ("**Completion**") is subject to the parties obtaining all necessary regulatory and lender approvals, including approvals from the Tanzanian Mining Commission and the Tanzanian Fair Competition Commission
- Completion is expected to occur during the first quarter of CY 2025, subject to receipt of customary regulatory and lender approvals
- The Company intends to use any net proceeds from the Transaction for general corporate purposes
- Petra has concluded that it is preferable for WDL to come under consolidated ownership and that the Transaction is in the best interests of Petra, as well as WDL and its stakeholders

This summary should be read in conjunction with the whole of this announcement, including its Appendices. Certain capitalised terms in this announcement bear the meanings set out in Appendix 4.

Richard Duffy, Chief Executive of Petra, commented:

"Since we entered into the previous transaction with Pink Diamonds, it has become increasingly clear to both Petra and Pink Diamonds that it would be preferable for WDL to come under consolidated ownership. We believe that Pink Diamonds, who are affiliated to Taifa, the long-term technical services contractor at the Williamson Mine, will have the technical and financial capability to conduct operations in a responsible manner for all stakeholders. We look forward to working closely with the Mining Commission, the Fair Competition Commission, employees, community representatives and other key stakeholders in completing the sale as soon as possible."

Rostam Azizi, Chairman of Pink Diamonds, commented:

"Taifa is a wholly Tanzanian owned company. It is also Tanzania's largest mining contractor with over 30 years mining related experience. We have been the contractor of choice to most mines in Tanzania and have maintained long and successful relationships with companies such as Petra, De Beers, Barrick and AngloGold Ashanti. In addition, we also own the largest fleet of mining equipment in Tanzania. As a company, we are committed to adopting and adhering to the latest internationally recognised standards throughout all aspects of our business."

This is a particularly proud moment for me personally considering my family hail from the area around Mwadui. Taifa have been contracting at the Williamson Mine for over 25 years and as such we are particularly pleased to enter into this next phase of our involvement now also as the mine owners. It is the end of an era whereby the mine will revert to exclusively Tanzanian ownership. We have had a very constructive partnership with Petra at Williamson Mine since it was acquired by them in 2009 and we look forward to now taking the mine forward on our own. Taifa will place its extensive experience and resources and it will also exercise best endeavours to continuously improve the mine. We recognise the mine's viability in providing sustainable employment and a significant contribution to the greater Tanzanian economy. The mine has the largest kimberlite deposit in the world by surface area - with Reserves and Resources of 37.17mcts as at 30 June 2024."

Strategic Rationale

WDL continues to encounter short-term liquidity challenges and going forward, the Williamson Mine will continue to require further capital investment.À Following Petra's strategic review of its cost structure and the Group's Life of Mine plans and faced with the prevailing market weakness, Petra determined that the Disposal Business would be unable to compete with the Continuing Group for further capital investment, especially given the existing capital requirements of the Continuing Group. As a result, Petra concluded that it is preferable for the Disposal Business to come under consolidated ownership and that the Transaction is in the best interests of Petra, as well as WDL and its stakeholders.

Use of Proceeds

It is the Board's intention to use any net proceeds from the Transaction for general corporate purposes.

Next steps and timetable

Completion is, as noted above, conditional on the receipt of customary regulatory and lender approvals.

Completion is expected to take place in the first quarter of CY 2025.

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Enquiries

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About Petra Diamonds Limited:

Petra Diamonds is a leading independent diamond mining group and a consistent supplier of gem quality rough diamonds to the international market. The Company's portfolio incorporates interests in two underground mines in South Africa (Cullinan Mine and Finsch) 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 Company 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 Company's loan notes, due in 2026, are listed on EuroNext Dublin (Irish Stock Exchange). For more information, visit www.petradiamonds.com.

About Pink Diamonds:

Pink Diamonds is an affiliate of Taifa Mining and Civils Limited ("**Taifa**"), the long-term technical services contractor at the Williamson Mine. Taifa is a wholly Tanzanian owned company and is Tanzania's largest mining contractor with over 30 years mining related experience, with companies such as Petra, De Beers, Barrick and AngloGold Ashanti. In addition, Taifa also own the largest fleet of mining equipment in Tanzania.

FURTHER INFORMATION***Background to and rationale for the Transaction***

Pink Diamonds is an affiliate of Taifa, the long-term technical services contractor at the Williamson Mine.

WDL is the operator of the Williamson Mine and is currently 25% owned by the Government of Tanzania (the "**GoT**") and 75% owned by Petra, with Petra having acquired its majority interest in WDL in 2009. Petra entered into a Framework Agreement with the GoT in December 2021 in which it was agreed that Petra's effective interest in WDL will decrease to 63%, with the GoT's interest increasing to 37%. This Framework Agreement is yet to become effective. Further details of the Framework Agreement are set out in Appendix 3 of this announcement.

In May 2023, Petra announced that it had entered into definitive transaction documents for the sale by Petra to Pink Diamonds of 50% less one share of the entity which holds Petra's shareholding in WDL and a pro-rated portion of shareholder loans owed by such entity (the "**Initial Transaction**"). This Initial Transaction has been terminated and replaced by the Transaction.

WDL continues to encounter short-term liquidity challenges and going forward, the Williamson Mine will continue to require further capital investment.Â Following Petra's strategic review of its cost structure and the Group's Life of Mine plans and faced with the prevailing market weakness, Petra determined that the Disposal Business would be unable to compete with the Continuing Group for further capital investment, especially given the existing capital requirements of the Continuing Group. As a result, Petra concluded that it is preferable for the Disposal Business to come under consolidated ownership and that the Transaction is in the best interests of Petra, as well as WDL and its stakeholders.

About the Disposal Business

Petra's shareholding in WDL is held through Mwadui Mine Holdings Limited ("**MMHL**"), an English incorporated entity. Petra has agreed to sell its entire shareholding in MMHL, together with all the shareholder loans MMHL owes Petra, to Pink Diamonds.

WDL is the operator of the Williamson Mine and is currently 25% owned by the GoT and 75% owned by Petra, with Petra having acquired its majority interest in WDL in 2009.

The key individuals to the Disposal Business are employed by WDL and will remain with WDL following Completion.

In the year ended 30 June 2024, the Disposal Business contributed losses of approximately US 25 million to the Group. The gross assets of the Disposal Business as at 30 June 2024 were approximately US 87 million. Appendix 2 includes key unaudited historic financial information on the Disposal Business.

Effect of Transaction on the Group

WDL continues to encounter short-term liquidity challenges and after Completion, the Williamson Mine will continue to require further capital investment.Â Following Petra's strategic review of its cost structure and the Group's Life of Mine plans and in the current continuing market downturn, Petra has determined that the Disposal Business would be unable to compete with the Continuing Group for further capital investment.Â The Transaction will enable Petra to focus its capital allocation on the Continuing Group which provides opportunities for higher returns.

Whilst the Disposal Group's financial results have been consolidated with the Group's, the Disposal Business has historically made no contribution to the Continuing Group's cash generation.Â Completion of the Transaction is not expected to impact the Continuing Group's cash generation potential.

The Group's going concern assessment is performed excluding the Disposal Business's operating results, as WDL is considered a ring-fenced operation for these purposes, as per the definitions and requirements set forth in the Group's financing agreements. The Disposal Business also does not form part of the RCF's security package.

Leigh Day settlement

Petra has already made the necessary provisions or provided all the funds needed to meet its financial obligations under the settlement it reached with Leigh Day in May 2021. This includes funding of the Independent Grievance Mechanism ("**IGM**") and resolving historic complaints, as well as various restorative justice projects ("**RJPs**") that provide sustainable benefits to the communities located close to the mine and Petra will continue to meet its ongoing commitments in relation to the IGM and such projects following Completion.

Further details of the Transaction

Further details of the principal terms of the Transaction are set out in Appendix 1 to this announcement.

The Transaction, because of its size in relation to Petra, constitutes a 'Significant Transaction' for the purposes of the UK Listing Rules made by the Financial Conduct Authority (the "**FCA**") for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended), which came into

effect on 29 July 2024 (the "UKLRs") and is therefore notifiable in accordance with UKLR 7.3.1R and 7.3.2R. In accordance with the UKLRs, the Transaction is not subject to shareholder approval.

Board's views on the Transaction

As noted above, the Board of Petra has concluded that it is preferable for WDL to come under consolidated ownership and that the Transaction is in the best interests of Petra, as well as WDL and its stakeholders. Therefore, the Board believes that the Transaction is in the best interests of Petra's shareholders as a whole.

IMPORTANT NOTICES

This announcement has been issued by, and is the sole responsibility of, Petra.

No offer or solicitation

This announcement is not a prospectus and does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to purchase, acquire, subscribe for, sell, dispose of or issue, any security.

Overseas jurisdictions

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable restrictions or requirements. Any failure to comply with these restrictions may constitute a violation of securities laws of any such jurisdictions. To the fullest extent permitted by law, Petra disclaims all and any responsibility or liability for the violation of such restrictions by such person.

Forward-looking statements

This announcement includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'plans', 'anticipates', 'targets', 'aims', 'continues', 'expects', 'intends', 'hopes', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include matters that are not facts. They appear in a number of places throughout this announcement and include statements regarding the Directors' intentions, beliefs or current expectations concerning, amongst other things, the Group's and, following Completion, the Continuing Group's results of operations, financial condition, prospects, growth, strategies and the industries in which the Group and, following Completion, the Continuing Group operate. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances.

A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation: conditions in the markets; the market position of each of the Group and, following Completion, the Continuing Group; earnings, financial position, cash flows, return on capital and operating margins of the Group and, following Completion, the Continuing Group; anticipated investments and capital expenditures of the Group and, following Completion, the Continuing Group; changing business or other market conditions; and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this announcement based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the UKLRs, the FCA's Disclosure Guidance and Transparency Rules or any other applicable law or regulation, neither the Company nor any other adviser of the Company undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on forward looking statements, which speak only as of the date of this announcement.

Shareholders should carefully review the risk factors which are set out in Appendix 3 (*Additional Information*) of this announcement for a discussion of factors that could cause the Company's actual results to differ materially from those expected before making a decision. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this announcement may not occur.

No profit forecast

Nothing in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share or dividend per share for the Company for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for the Company.

Rounding

Certain figures included in this announcement have been rounded. Accordingly, figures shown for the same category may vary slightly and figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

Appendix 1 - Principal terms of the Transaction

Parties and structure

The Transaction is governed by a sale of shares and claims agreement entered into between the Company, Pink Diamonds, Taifa and MMHL on 21 January 2025 (the "**Share Purchase Agreement**"). Pursuant to the Share Purchase Agreement and subject to the Conditions (as defined below), the Company has agreed to sell and Pink Diamonds has agreed to purchase the Disposal Business.

Conditions

Completion is subject to the fulfilment of each of the conditions set out in the Share Purchase Agreement, which includes approvals from the Tanzanian Mining Commission (if needed), the Tanzanian Fair Competition Commission and Absa Corporate and Investment Banking ("**Absa**"), the Company's lender under the Company's revolving credit facility (the "**RCF**") (together, the "**Conditions**").

If all of the Conditions have not been satisfied or (where applicable) waived within 120 days of the Share Purchase Agreement being signed (or such later date as the parties may agree), each party will have the right (but not the obligation) to issue a termination notice which will result in the Share Purchase Agreement terminating 45 days after the termination notice has been sent and Completion will not occur.

In the period prior to Completion, Petra is required to procure that the Disposal Business is carried on in the ordinary course and subject to certain other customary restrictions, in each case subject to such restrictions complying with applicable law.

Consideration

The US 16 million consideration for the Transaction shall be payable by Pink Diamonds out of WDL's distributable cash, with 20% of any distributable cash generated annually payable to Petra until this consideration is fully paid. There can be no certainty that any or all of this deferred consideration will be paid to Petra.

Warranties and indemnities

The Company has given certain customary warranties to Pink Diamonds pursuant to the Share Purchase Agreement relating to matters such as its title to the share capital in MMHL and MMHL's title to its shares in WDL, WDL's assets and liabilities, legal proceedings relating to WDL, WDL's mining licence, WDL's insurance, WDL's recent accounts and certain WDL tax matters.

The Company has also given an indemnity in respect of matters relating to security operations at the Williamson Mine for the period prior to Completion. Pink Diamonds has given a reciprocal indemnity in respect of matters relating to security operations at the Williamson Mine for the period after Completion.

Other matters

If a 'Material Adverse Change' occurs prior to Completion, Pink Diamonds is entitled to terminate the Share Purchase Agreement with immediate effect. A Material Adverse Change is limited to the termination of the Williamson Mine's mining licence (or the threat to do so where such threat is reasonably likely to result in such termination), an insolvency event affecting MMHL or the suspension or termination of a material portion of the operations at the Williamson Mine for a period exceeding twelve months (where such suspension or termination is not caused by Taifa breaching its mining services agreement with WDL).

Pink Diamonds has provided various warranties and undertakings that support Petra meeting its ongoing commitments in relation to the IGM and RJP's.

An affiliate of Petra currently provides technical, diamond marketing and sales services to WDL in respect of the diamonds sold by WDL from time to time. This agreement will remain in effect after Completion and, if it is terminated, Pink Diamonds and WDL may seek to negotiate the terms of a new agreement for Petra to provide such services to WDL on a 'cost plus' basis.

Taifa has provided a guarantee to the Seller in relation to the performance by Pink Diamonds and WDL of their obligations under the Share Purchase Agreement and ancillary Transaction documents.

Governing law and jurisdiction

The Share Purchase Agreement is governed by English law and the parties have agreed that any dispute in connection with the Share Purchase Agreement shall be determined by arbitration in accordance with the London Court of International Arbitration Rules.

Cession Agreement

In connection with the Transaction, the Company and Pink Diamonds have entered into a cession agreement dated 21 January 2025, pursuant to which Pink Diamonds has agreed to pledge to the Company the MMHL shares and shareholder loans it acquires from the Company in the Transaction as security for the performance by Pink Diamonds of its obligations under the Share Purchase Agreement, in particular the obligation to pay the Company the deferred consideration. In the event that an enforcement event under such cession agreement is triggered, the Company has the right (but not the obligation) to exercise such security.

Appendix 2 - Historical financial information relating to the Disposal Business

CONSOLIDATED INCOME STATEMENT FOR THE DISPOSAL BUSINESS FOR THE YEARS ENDED 30 JUNE 2023 AND 30 JUNE 2024

US m	30-Jun-24	30-Jun-23
Turnover - diamond sales	56.8	49.1
Other allocated income / expenses	0.5	(0.6)
Total Income	57.3	48.4
Net Mining Expenditure	(82.3)	(78.3)
Cost of Sales (Mining and processing costs)	(61.4)	(65.1)
Depreciation	(13.9)	(8.2)
Amortisation of Right-of-use-asset	(4.5)	(2.6)
Corporate Expenditure	(2.5)	(2.4)
Operating profit / (loss) for the period	(24.9)	(29.8)
Impairment of intercompany loans and PPE	6.5	(35.1)
Profit / (loss) for the period before finance costs	(18.4)	(64.9)

Profit/(Loss) on realignment of currencies	Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â (1.9)	Â 3.1
Finance Expense	Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â (3.8)	Â (0.6)
Operating profit / (loss) before tax	Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â (24.1)	Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â (62.5)
Tax	Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â (0.5)	Â -Â Â
Net profit/(loss) for the period	Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â (24.6)	Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â (62.5)

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CONSOLIDATED BALANCE SHEET FOR THE DISPOSAL BUSINESS AT 30 JUNE 2024

US m	30-Jun-24
Assets	Â
Non-current assets	52.8
Property, plant and equipment	28.0
Long term receivables	5.1
Right-of-use asset	19.7
Current assets	33.9
Trade and other receivables	22.8
Inventories	9.3
Cash and cash equivalents	1.8
Disposal Business Total Assets	86.7
Non-current liabilities	50.4
Interest-bearing loans and borrowings	18.9
Provisions	31.1
Deferred Tax liabilities	0.4
Current liabilities	65.6
Interest-bearing loans and borrowings	11.9
Trade and other payables	45.7
Accruals (l/pay, tax etc)	7.6
Short term provisions	0.4
Disposal Business Total Liabilities	116.0
Disposal Business Net Asset	(29.3)

Note: Basis of preparation

The unaudited historical financial information relating to the Disposal Business has been extracted without material adjustment from the schedules that support the audited consolidated financial information of Petra Diamonds Limited as at and for the two financial years ended 30 June 2024. The segment results for the Disposal Business are shown prior to the elimination of intra group assets, liabilities and transactions. Net profit from the Disposal Business includes allocated corporate expenses.

The unaudited historical financial information as presented has been prepared using the accounting policies of Petra Diamonds Limited, as adopted in the published consolidated financial statements for each of the financial years presented. These accounting policies comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) that are endorsed for use in the UK. The Directors consider that this approach provides a reasonable basis for the presentation of the unaudited historical financial information for the Disposal Business.

Appendix 3 - Additional Information

1. Risk Factors

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The risks disclosed below are those which the Company considers are material to the proposed Transaction, will be material to the Continuing Group as a result of the proposed Transaction, or are existing material risk factors to the Group which will be impacted by the proposed Transaction.

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i. RISKS RELATING TO THE TRANSACTION

Â Â Â Â Â The Transaction may be delayed or fail to proceed to Completion

Completion is subject to and can only occur upon the satisfaction of the Conditions, including approvals from the Tanzanian Mining Commission (if needed), the Tanzanian Fair Competition Commission and Absa, the Company's lender under the Company's RCF.

There can be no assurance that each of the Conditions described above will be satisfied (or waived, if applicable) and therefore, the Transaction may not proceed to Completion.

Completion is also subject to the Company and Pink Diamonds having delivered certain deliverables prior to or on the date of Completion. Any failure on the part of the Company and/or Pink Diamonds to comply with any of the aforementioned obligations could result in the Transaction being delayed or not completing at all.

If a Material Adverse Change (as defined in Appendix 1 above) occurs prior to Completion, Pink Diamonds is entitled to terminate the Share Purchase Agreement with immediate effect.

If the Transaction does not proceed to Completion, the Group will not receive the consideration from, and may not receive any other potential benefits of, the Transaction. This may erode confidence among shareholders and other relevant stakeholders which could, in turn, have a material adverse effect on the business, financial condition, operating results or prospects of the Group.

In addition, there can be no guarantee that the Company will be able to agree another transaction involving the Disposal Business on terms which are equivalent to, or more favourable than, the terms of the Transaction.

ÄÄb)ÄÄIf the Transaction does not complete, the Group would lose the benefits of the sale proceeds and incur transaction costs

If the Transaction does not complete, the Group will not receive the cash proceeds from, nor realise any of the potential benefits of, the Transaction. In such circumstances, the Transaction and other costs incurred by the Group in connection with the Transaction (including the costs of negotiating the Share Purchase Agreement) would not be offset by such cash proceeds.

Furthermore, the Company's ability to deliver shareholder value may be prejudiced such that the Company will not be able to deploy the proceeds from the Transaction and it may impact the perceived value of the Disposal Business to investors. Either or both of these could have a material adverse effect on the business, financial condition, operating results or prospects of the Group.

ÄÄc)ÄÄThe Company may incur liability under the Share Purchase Agreement

The Share Purchase Agreement contains customary warranties, indemnities, covenants and other contractual protections given by the Company in favour of Pink Diamonds. Pink Diamonds has undertaken a customary due diligence exercise to minimise the risk of liability under these provisions.

Although the Share Purchase Agreement contains customary limitations relating to the liability of the Company, any liability to make a payment arising from a successful claim by Pink Diamonds under any of the relevant provisions of the Share Purchase Agreement would reduce the consideration and could have an adverse effect on the business, financial condition, cash flow or prospects of the Group.

ÄÄd)ÄÄPre-closing changes in the Disposal Business

During the period from the signing of the Share Purchase Agreement to Completion, unforeseen events or developments may occur, including trading, operations or outlook of the Continuing Group or the Disposal Business, or external market factors, which could make the terms of the Share Purchase Agreement less attractive for the Group. Subject to the terms of the Share Purchase Agreement, the Company may be required to complete the Transaction, notwithstanding such events or developments. This may have an adverse effect on the business, financial condition, operating results or prospects of the Group.

ii. NEW MATERIAL RISKS RELATING TO THE CONTINUING GROUP

ÄÄa)ÄÄThe Company will be less diversified and its revenue stream will be reduced, which may be less attractive to investors following Completion

The Transaction involves a change to the Group's business and the Continuing Group will be smaller as a result. Following Completion, the Continuing Group will be less diversified and will be more susceptible to adverse developments in the businesses the Group continues to operate. A material change in the trading, operations or outlook of these continuing businesses may have an adverse effect on the business, financial condition, operating results or prospects of the Continuing Group.

This could have a significant impact on the Company's share price and may mean that the Company is less attractive to investors. This could also result in the Company being more susceptible to adverse economic changes than would have been the case prior to the Transaction and the Company could be more vulnerable to a takeover approach, which may have adverse consequences for shareholders (whether by reason of resulting share price fluctuation or a change in ownership of the Company on terms unfavourable or potentially unfavourable to existing shareholders).

ÄÄb)ÄÄThe Transaction may have a disruptive effect on the Group

The Transaction has required, and will continue to require, substantial amounts of time and focus from the management team and employees of the Company and the central functions of the Group which could otherwise be spent operating the Group's business in the ordinary course. Key managers and employees may become distracted by the Transaction and, accordingly, decision-making by the Company may be delayed, deferred or otherwise impacted. This disruption could be prolonged if the Transaction does not proceed to Completion. The circumstances described above may have an adverse effect on the business, financial condition, operating results or prospects of the Group.

ÄÄc)ÄÄThere may be an adverse impact on the Group's reputation

If the Transaction does not proceed, there may be an adverse impact on the reputation of the Group due to amplified investor, customer, supplier, employee and media scrutiny arising in connection with the proposed Transaction. Any such reputational risk could adversely affect the business, financial condition, operating results or prospects of the Group.

iii. EXISTING MATERIAL RISKS TO THE GROUP THAT WILL BE IMPACTED BY THE TRANSACTION

ÄÄa)ÄÄThe Continuing Group may not be able to realise its strategy

There is no certainty and no representation or warranty is given by any person that the Continuing Group will be able to achieve any of its strategic aims or returns referred to in this announcement. The financial operations of the Continuing Group may be adversely affected by general economic conditions, by conditions within the global financial and diamond markets generally or by the particular financial condition of other parties doing business with the Continuing Group.

ÄÄb)ÄÄThe market price of Ordinary Shares may fluctuate on the basis of market sentiment surrounding the Transaction

The value of an investment in the Ordinary Shares may go down as well as up and can be highly volatile. The price at which the Ordinary Shares may be quoted, the price which investors may realise for their Ordinary Shares and general liquidity in the market for the Ordinary Shares will be influenced by a large number of factors, some specific to the Continuing Group and its operations and some which may affect the industry, markets and segments in which the Group operates as a whole, other comparable companies or publicly traded companies as a whole. The sentiment of the stock market (both over the long and short-term) regarding the Transaction is one such factor which could lead to the market price of the Ordinary Shares going up or down as well as impacting liquidity in the Ordinary Shares. The other factors that may affect the Company's share price include, but are not limited to, (a) actual or anticipated fluctuations in the financial performance of the Continuing Group

or its competitors, (b) market fluctuations, (c) legislative or regulatory changes in the markets and segments in which the Continuing Group operates, and (d) the fluctuation in national and global political, economic and financial conditions.

2. Material Contracts

i. Continuing Group

The following is a summary of each contract (not being a contract entered into in the ordinary course of business) to which the Company or any other member of the Continuing Group is or has been a party: (i) within the two years immediately preceding the date of this announcement which is, or may be, material to the Continuing Group; or (ii) at any time, which contains provisions under which the Company or any other member of the Continuing Group has any obligation or entitlement which is, or may be, material to the Continuing Group:

(a) Share Purchase Agreement

A summary of the Share Purchase Agreement is set out in Appendix 1 of this announcement.

(b) Cession Agreement

A summary of the Cession Agreement is set out in Appendix 1 of this announcement.

(c) Framework Agreement

The Company, along with its subsidiary undertakings Willcroft Company Limited ("**WCL**") and WDL, entered into a framework agreement in December 2021 with the GoT relating to the operations of the Williamson Mine (the "**Framework Agreement**").

The Framework Agreement provides for a capital restructuring of WDL, which has the effect of reducing the Company's indirect shareholding from 75% to 63% and consequently increasing the GoT's shareholding from 25% to 37%. In connection with the reorganisation of the parties' legal interests in WDL, the Framework Agreement also provides for an overall 55:45 economic benefit-sharing ratio between the GoT and the Company in relation to future economic benefits from WDL.

The Framework Agreement is governed by Tanzanian law and the parties have agreed that any dispute in connection with the Framework Agreement shall be determined by arbitration in accordance with the UNCITRAL Arbitration Rules.

The Framework Agreement is subject to a number of conditions, including Tanzanian regulatory approvals and is therefore not yet effective. Certain conditions precedent remain outstanding, awaiting resolution from the GoT. The Framework Agreement constituted a related party transaction for purposes of the UK Â Listing Rules and in order for it to become unconditionally effective and legally binding on Petra, Petra was required, amongst other things, to obtain the approval of its shareholders at a Special General Meeting. Such shareholder approval was obtained by Petra in February 2022.

(d) Notes and Notes Indenture

On 9 March 2021, the Company's wholly owned subsidiary (Petra Diamonds US Treasury Plc) amended and restated its Notes Indenture governing its senior secured second lien loan notes due 2026 (the "**Notes**").

The final maturity date of the Notes is 8 March 2026 and the current aggregate principal amount of Notes Debt owing to the Noteholders is US 186 million plus US 42 million of accrued interest.

The Notes currently bear interest at a rate of 9.75 per cent. and are payable semi-annually in arrears on 30 June and 31 December of each year prior to their maturity. The Notes Indenture provides for a 30-day grace period following an interest payment date before the failure to pay becomes an event of default thereunder.

The Notes are guaranteed by the Guarantors, who are all members of the Group and which include the members of the Group which own and have the entitlements to the material assets and revenue streams of the Group.

The Notes are secured on a second-priority basis to the first lien debt liabilities of the Company.

The second priority security granted in favour of the Notes includes, but is not limited to:

- i. cession, pledges and charges of all claims and shareholdings by the Company, the Notes Issuer and certain of the Guarantors against debtors and other third parties;
 - ii. cession of all bank accounts, insurances and company receivables of the Company and certain of the Guarantors;
 - iii. liens over the moveable assets of the Company and certain of the Guarantors; and
 - iv. liens over the mining rights and immovable assets held and owned by certain of the Guarantors,
- (together, the "**Transaction Security**").

The Notes Indenture is governed by the laws of the state of New York and all parties thereto (including the Company, Petra Diamonds US Treasury Plc and the Guarantors) have submitted to the non-exclusive jurisdictions of the courts of the state of New York.

The Notes are listed on EuroNext Dublin (Irish Stock Exchange).

Pursuant to the terms of the Notes Indenture, Petra previously implemented the 'Williamson Reorganization' (as such term is defined in the Notes Indenture). As a result, the sale of WDL pursuant to the Transaction is not an 'Asset Sale' (as such term is defined in the Notes Indenture) nor is WDL a Guarantor or pledged.

(e) Leigh Day Settlement Agreement

On 12 May 2021, the Company announced that it reached a settlement, on a no admission of liability basis, in relation to claims brought in London by Leigh Day, a UK based law firm, on behalf of 71 anonymous claimants, in relation to alleged breaches of human rights, associated with third-party security operations, at the Williamson Mine in Tanzania.

The agreed total settlement figure was Â£4.3 million, which included the sum to be distributed to the claimants by Leigh Day, a contribution to the claimants' legal expenses, and significant funds that Petra committed to invest in programmes dedicated to providing long-term sustainable

support to the communities living around the Williamson Mine.

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The agreement also included a framework pursuant to which an additional payment was made by Petra in respect of 25 additional claimants who came forward during the final stages of the settlement negotiations.

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The agreement also required Petra to establish a new Independent Grievance Mechanism to investigate and resolve historic complaints alleging severe human rights impacts in connection with security operations at the Williamson Mine. The agreement also required several Restorative Justice Projects to be put in place to provide long-term sustainable benefits to local communities through income generating projects, including: a feasibility study into a formalised artisanal mining project at the Williamson Mine; an agri-business project; a programme which provides medical support to the community; and arrangements pursuant to which local residents will be permitted to access certain parts of the mine to collect firewood and/or graze animals. Many of these projects have been completed or are near completion.

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As stated above, Petra has already made the necessary provisions or provided all the funds needed to meet its financial obligations under the settlement it reached with Leigh Day in May 2021. This includes funding of the Independent Grievance Mechanism and resolving historic complaints, as well as the various Restorative Justice Projects and Petra will continue to meet its ongoing commitments in relation to the IGM and such projects following Completion.

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Further details on the IGM and RJPs can be found on Petra's website here: <https://www.petradiamonds.com/our-business/our-operations/williamson/>.

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AAARCF

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In June 2022, the Group restructured its existing RCF providing more favourable terms and resulting in a new ZAR1 billion senior RCF with Absa. This new facility expires on 7 January 2026.

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In February 2024 and following the execution of an amendment agreement, Absa approved an increase in the commitments under the RCF from ZAR1 billion (c. US 54 million) to ZAR1.75 billion (c. US 96 million), providing an additional c. US 41 million of liquidity headroom. Such additional commitments are currently available to the Group.

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Interest on the outstanding capital accrues at an interest rate equal to SA JIBAR + 4.15% per annum, payable monthly (with the margin to be reassessed annually based on Petra's credit metrics)..

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The Group (excluding the Disposal Business) may use the RCF for general working capital purposes.

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The RCF is governed by the laws of South Africa.

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ii. Disposal Business

No contracts have been entered into (other than contracts entered into in the ordinary course of business) to which the Disposal Business is or has been a party: (i) within the period of two years immediately preceding the date of this announcement, which is or may be material to the Disposal Business; or (ii) at any time, which contains provisions under which the Disposal Business has any obligation or entitlement which is, or may be, material to the Disposal Business.

3. Legal or Arbitration Proceedings

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i. Continuing Group

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during a period covering at least the previous 12 months preceding the date of this announcement which may have, or have had in the recent past, a significant effect on the Company's and/or the Continuing Group's financial position or profitability.

ii. Disposal Business

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during a period covering at least the previous 12 months preceding the date of this announcement which may have, or have had in the recent past, a significant effect on the Disposal Business' financial position or profitability.

4. Significant Change

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i. Continuing Group

There has been no significant change in the financial position or financial performance of the Continuing Group since 30 June 2024, being the end of the last financial period for which audited financial statements have been published.

ii. Disposal Business

There has been no significant change in the financial position or financial performance of the Disposal Business since 30 June 2024, being the end of the last financial period for which the historical financial information relating to the Disposal Business in Appendix 2 of this announcement was prepared.

5. Related Party Transactions

Save as disclosed in the Company's previously published annual reports and financial statements, the Company has not, during the period since 1 July 2024, entered into any related party transactions which are relevant to the Transaction.

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Appendix 4 - Definitions

The following definitions apply in this document unless the context otherwise requires:

"Absa"	Absa Corporate and Investment Banking
"Board"	the board of directors of the Company

"Cession Agreement"	the cession agreement between the Company and Pink Diamonds dated 21 January 2025
"Completion"	the completion of the Transaction in accordance with the terms of the Share Purchase Agreement
"Conditions"	the conditions precedent as set out in the Share Purchase Agreement and as further described in Appendix 1 of this announcement
"Continuing Group"	the Group excluding the Disposal Business
"CREST"	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK & International is the operator
"Depository Interests"	independent securities constituted under English law and issued, or to be issued, by Link Market Services Trustees Limited (as depository) in respect of, and representing on a one-for-one basis, underlying Ordinary Shares which may be held or transferred through the CREST system
"Directors"	the directors of the Company and "Director" means any one of them
"Disposal Business"	MMHL and WDL
"FCA"	the Financial Conduct Authority
"Framework Agreement"	the framework agreement between the Company, WCL, WDL and the GoT as more fully described in paragraph 2 of Appendix 3 of this announcement
"GoT"	the Government of Tanzania
"Government Imposed Charges"	has the meaning given to such term in paragraph 2 of Appendix 3 of this announcement
"Group"	the Company and its subsidiary undertakings from time to time
"Guarantors"	Petra Diamonds Limited; Willcroft Company Limited; Petra Diamonds UK Treasury Limited; Petra Diamonds Jersey Treasury Limited; Petra Diamonds US Treasury Limited; Petra Diamonds Netherlands Treasury B.V.; Ealing Management Services (Pty) Ltd; Petra Diamonds Holdings SA (Pty) Ltd; Petra Diamonds Southern Africa (Pty) Ltd; Tarorite (Pty) Ltd; Cullinan Diamond Mine (Pty) Ltd; Finsch Diamond Mine (Pty) Ltd; Blue Diamond Mines (Pty) Ltd; Premier (Transvaal) Diamond Mining Company (Pty) Ltd; and Petra Diamonds Belgium B.V.
"IGM"	Independent Grievance Mechanism
"Initial Transaction"	the proposed sale by Petra to Pink Diamonds in May 2023 of 50% less one share of the Disposal Business and a pro-rated portion of shareholder loans owed by MMHL to Petra
"Material Adverse Change"	has the meaning given to such term in Appendix 1 of this announcement
"MMHL"	Mwadui Mine Holdings Limited
"Notes"	the senior secured second lien loan notes due 9 March 2026
"Notes Debt"	in relation to the Notes, all present and future monies debts and liabilities owed or incurred from time to time, including the outstanding principal amount of such Notes and any accrued but unpaid interest, by Petra Diamonds US Treasury Plc or any Guarantor
"Notes Indenture"	the amended and restated indenture dated 9 March 2021 between, <i>inter alios</i> , the Company, Petra Diamonds US Treasury Plc and the Guarantors governing the terms of the issue of the Notes, as further amended
"Ordinary Shares"	ordinary shares of 10 pence each in the capital of the Company, including the Depository Interests in respect of such shares
"Petra" or "Company"	Petra Diamonds Limited

"Pink Diamonds"	Pink Diamonds Investments Limited
"RCF"	the Company's revolving credit facility as more fully described in paragraph 2 of Appendix 3 of this announcement
"RJPs" or "Restorative Justice Projects"	restorative justice projects as more fully described in the 'Further Information' section of this announcement
"Share Purchase Agreement"	the share purchase agreement between the Company and Pink Diamonds dated 21 January 2025
"Taifa"	Taifa Mining and Civils Limited
"Transaction"	the proposed disposal of the Disposal Business to Pink Diamonds
"Transaction Security"	has the meaning given to that term in paragraph 2 of Appendix 3 of this announcement
"UKLRs"	the UK Listing Rules made by the FCA for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended), which came into effect on 29 July 2024
"WCL"	Willcroft Company Limited
"WDL"	Williamson Diamonds Limited
"Williamson Mine"	the Williamson Diamond Mine, situated at Mwadui, in Tanzania

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