



31 May 2023

LSE: PDL

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

**Class 2 Announcement**

**Entry into definitive transaction agreements pursuant to MOU for the sale of 50% of Petra's holding in Williamson Diamonds Limited**

Further to the announcement made on 15 December 2021 in relation to the entry by Petra into a non-binding Memorandum of Understanding (the **MOU**) with Caspian Limited (a company now known as Taifa Mining and Civils Limited, **Taifa**), Petra announces it has entered into definitive transaction documents which give effect to the MOU and involve the sale by Petra of 50% less one share of the entity which holds Petra's shareholding in Williamson Diamonds Limited (**WDL**) and a prorated portion of shareholder loans owed by WDL<sup>[1]</sup> for a total consideration of US\$15m (the **Transaction**).

Under the UK's Listing Rules, the Transaction is Class 2 and as such this announcement is made in accordance with Petra's disclosure obligations pursuant to Chapter 10 of the Listing Rules.

Petra has entered into these transaction documents with Pink Diamonds Investments Limited (**Pink Diamonds**), a company nominated by and affiliated with Taifa. Taifa remains the long-term technical services contractor at the Williamson Mine.

Pink Diamonds' payment of the US\$15m purchase price will be satisfied through payments owed by WDL to Taifa for past technical services, dependent on WDL's ability to meet these obligations. It is expected that these payments will be received by Petra in instalments over the next five years.

WDL is the operator of the Williamson Mine, and is currently 25% owned by the Government of Tanzania and 75% owned by Petra, with Petra having acquired its majority interest in WDL in 2009. Petra entered into a Framework Agreement with the Government of Tanzania in December 2021, in which it was agreed that Petra's effective interest in WDL will decrease to 63%, with the Government of Tanzania's interest increasing to 37%.

Upon completion of the Transaction and the Framework Agreement, Petra and Pink Diamonds will each indirectly hold an effective 31.5% interest in WDL, with Petra retaining a controlling interest.

Completion of the Transaction is subject to the parties obtaining necessary regulatory approvals, including approvals from the Tanzanian Mining Commission and the Tanzanian Fair Competition Commission. The parties are targeting to complete the Transaction by the end of CY 2023.

Petra intends using the US\$15m proceeds from the Transaction to continue strengthening its balance sheet.

As noted in the Company's FY 2022 Annual Report, the book value of WDL's gross assets as at 30 June 2022 was US\$140.5m, with WDL recognising a profit before tax of US\$41.1m in FY 2022.

Richard Duffy, Chief Executive of Petra, commented:

*"Our partnership with Taifa places Williamson on a stronger basis for the future. This new structure will reduce our equity interest in WDL, limiting our exposure in line with our stated*

*objectives whilst retaining control and maintaining a share of the upside. Williamson holds a unique place in the sector with its significant resource base and ability to produce high quality pink diamonds. In a supply constrained sector, this asset has the potential to become increasingly valuable.*

*Taifa brings considerable local and mining experience to the partnership. This will help us to optimise the orebody to the benefit of all Williamson's stakeholders, both in the short term with the restart of operations and going forward as we look to fully realise the mine's potential in a more favourable economic environment."*

Rostam Azizi, Chairman of Taifa and a director nominated by Pink Diamonds, commented:

*"Taifa Mining 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.*

*We have been contracting at the Williamson Mine for over 20 years and as such we are particularly pleased to enter into this next phase of our involvement at the mine as co-owners. The mine has the largest kimberlite deposit in the world by surface area - with Reserves and Resources of 37.7mcts as at 30 June 2022. We recognise the mine's viability in providing sustainable employment and a significant contribution to the Tanzanian economy."*

**~ Ends ~**

**For further information, please contact:**

**Petra Diamonds, London**

Patrick Pittaway

Telephone: +44 20 7494 8203

**Julia Stone**

[investorrelations@petradiamonds.com](mailto:investorrelations@petradiamonds.com)

**Camarco (Financial PR)**

Gordon Poole

Telephone: +44 20 3757 4980

Owen Roberts

[petradiamonds@camarco.co.uk](mailto:petradiamonds@camarco.co.uk)

Elfie Kent

**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 (Cullinan Mine, Finsch 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](http://www.petradiamonds.com).

---

<sup>[1]</sup> Upon the Framework Agreement becoming effective and as previously announced in December 2021, Petra is also required under Tanzanian law to contribute to the Government of Tanzania 16% of the value of the shareholder loans owed by WDL. Therefore, upon completion of both the Framework Agreement and the Transaction, Petra will retain approximately 42% of the shareholder loans owed by WDL.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [rns@lseg.com](mailto:rns@lseg.com) or visit [www.rns.com](http://www.rns.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCWPUBWAUPWGMU