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No statement in this presentation is intended as a profit forecast or profit estimate and no statement in the presentation should be interpreted to mean that earnings per share for the current or future financial years would necessarily match or exceed the historical published earnings. The presentation also contains certain non-IFRS financial information. The Group’s management believes these measures provide valuable additional information in understanding the performance of the Group or the Group’s businesses because they provide measures used by the Group to assess performance. However, this additional information presented is not uniformly defined by all companies, including those in the Group’s industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, although these measures are important in the management of the business, they should not be viewed in isolation or as replacements for or alternatives to, but rather as complementary to, the comparable IFRS measures such as revenue and other items reported in the consolidated financial statements. The distribution of this presentation or any information contained in it may be restricted by law in certain jurisdictions, and any person into whose possession any document containing this presentation or any part of it should inform themselves about, and observe such restrictions on information in this presentation.

The information contained herein is correct as at 31 May 2018.
Agenda

- Background
- Market overview
- Letšeng and performance
- Innovative technology
- Business transformation
- Financials
- Sales and marketing overview
- Q&A
Gem Diamonds

- Producer of large, high quality, exceptional Type II diamonds
- Clear focus on continued creation of value through optimising the Letšeng mine production
- Seeking to maximise revenue through its sales, marketing and manufacturing operations in Belgium
- Innovation projects focussed on increasing revenue and reducing diamond breakage
- Formal sale process underway for the Ghaghoo mine (Botswana), currently on care and maintenance

Letšeng Diamonds

- Located in the Maluti Mountains of Lesotho
- Highest achieving average $ per carat kimberlite mine in the world
- Three treatment plants with 6.4 – 6.6 million tonnes annual throughput
- Two kimberlite pipes: Main pipe 17.0ha; and Satellite pipe 5.2ha
## Market overview

### Global economic backdrop

- **Continued growth** of the Chinese and US economy
- **Increase** in retail demand in India
- **Continued improvement** in commodities markets
- **Improved** macro-economic outlook

### Diamond market

- **Continued strong** demand for large high quality diamonds
- **Continued** US led demand and strong diamond retail sales (e.g. Tiffany)
- **Low end** small commercial goods **under pressure**

### Market position

- **Continued high quality** in the size and grade of Letšeng’s production
- Prices **remain robust** for Letšeng diamonds as demand for these goods increases
- Remained **highest $ per carat** kimberlite mine

  Q1 2018 achieved average price of **US$ 3 276 per carat**, up 48% from US$ 2 217 per carat in Q4 2017
Significant improvement in large diamond recoveries in 2017 and 2018
Business transformation programme underway
Continued optimisation of LoM plan
XRT installed in H2 2017 to retreat recovery tailings
New scrubber installed in H1 2018 on time and budget
Continued focus on reducing diamond damage
Mining lease extension process underway with Government of Lesotho
Letšeng resource performance

**Large diamond recoveries (2018 YTD – 10 diamonds greater than 100 carats)**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>&gt;100 carats</td>
<td>7</td>
<td>6</td>
<td>7</td>
<td>6</td>
<td>3</td>
<td>6</td>
<td>9</td>
<td>11</td>
<td>5</td>
<td>8</td>
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<tr>
<td>60-100 carats</td>
<td>18</td>
<td>11</td>
<td>11</td>
<td>22</td>
<td>17</td>
<td>17</td>
<td>21</td>
<td>15</td>
<td>21</td>
<td>19</td>
</tr>
<tr>
<td>30-60 carats</td>
<td>96</td>
<td>79</td>
<td>66</td>
<td>66</td>
<td>77</td>
<td>60</td>
<td>74</td>
<td>65</td>
<td>70</td>
<td>74</td>
</tr>
<tr>
<td>20-30 carats</td>
<td>108</td>
<td>111</td>
<td>101</td>
<td>121</td>
<td>121</td>
<td>82</td>
<td>123</td>
<td>126</td>
<td>83</td>
<td>113</td>
</tr>
<tr>
<td>Total diamonds &gt;20 carats</td>
<td>229</td>
<td>207</td>
<td>185</td>
<td>215</td>
<td>218</td>
<td>165</td>
<td>227</td>
<td>217</td>
<td>179</td>
<td>214</td>
</tr>
</tbody>
</table>

115 carat type IIa white diamond recovered May 2018

910.98 carat type IIa white diamond recovered January 2018
Letšeng’s remarkable 2018 recoveries

- 2018 recoveries include:
  - The Lesotho Legend
    - exceptional quality 910 carat, D-colour Type IIa diamond
    - second largest gem quality diamond recovered in the past century
    - sold for $40 million on 12 March 2018
  - Ten diamonds of over 100 carats recovered so far in 2018
    - Including, 149, 117, 110, 115, 116, 152 and 169 carat diamonds
  - 8.53 carat flawless pink diamond
Reducing diamond damage remains a key value creation opportunity

Innovative technologies designed to
- Identify diamonds within kimberlite prior to crushing process
- Liberate these diamonds through electric pulse technologies
  (in Collaboration with University of Johannesburg)

Due diligence performed on positron emission tomography (PET)

Prototype of electric pulse technology currently on site at Letšeng

Aim to reduce mining and associated costs
Initiated business transformation process in 2017

On track to deliver US$100m of cumulative cash cost saving and productivity improvement over the next four years to the end of 2021

Ongoing identification of opportunities to increase this target

Includes initiatives to:
- Renegotiate major contracts and explore in-sourcing opportunities
- Improve plant availability
- Reduce waste stripping through steepening slope angles
- Improve mining efficiencies
- Optimise mine planning and scheduling
- Reduce corporate office footprint
- Sell assets – formal sale process for Ghaghoo is underway
Cumulative target of $100 million over 4 years

Sustainable annual saving of $30 million by 2022

Implemented initiatives contributing $27 million of the $100 million (Sept 2017 – April 2018)
  ✤ Once-off $4m
  ✤ Recurring $23m

Achieved $3.5 million cash saving (Sept 2017 – April 2018) mainly once-off
Mining targeting $42 million

- Contract renegotiation – reduces unit cost rates
- Pit slopes – reduces waste tonnes
- Improved blasting practices – reduces costs
Increase treated tonnes and carats recovered through:

- Increasing plant uptime (full impact from 2021)
- Extending Alluvial Ventures contract & deploying mobile XRT sorting machine
Working capital & overheads targeting $4 million

- Once-off saving from working capital management
- Strict spend control procedures and reducing administration and support costs at Letšeng
Corporate activities targeting $20 million

- Reducing or eliminating care & maintenance costs at Ghaghoo – formal sale process initiated
- Selling non-core assets – redundant stock & equipment, aircrafts, investment property
- Strict spend control procedures and reducing corporate footprint and costs

**Timing of impact**

<table>
<thead>
<tr>
<th>Year</th>
<th>Recurring</th>
<th>Once-off</th>
<th>Cumulative</th>
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<tbody>
<tr>
<td>2017</td>
<td>1</td>
<td></td>
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</tr>
<tr>
<td>2018</td>
<td>6</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>2019</td>
<td>6</td>
<td>1</td>
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<tr>
<td>2020</td>
<td>4</td>
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<td>10</td>
</tr>
<tr>
<td>2021</td>
<td>4</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>2022 onwards</td>
<td>4</td>
<td>4</td>
<td>20</td>
</tr>
</tbody>
</table>

**Recurring & once-off initiatives**

- Corporate costs
- Non-core assets
Full year 2017 financials – key performance indicators

Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (in $ millions)</td>
<td>213</td>
<td>271</td>
<td>249</td>
<td>190</td>
<td>214</td>
</tr>
</tbody>
</table>

EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (in $ millions)</td>
<td>79</td>
<td>106</td>
<td>104</td>
<td>63</td>
<td>48.6</td>
</tr>
</tbody>
</table>

Basic EPS (pre exceptional items)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic EPS (in $ millions)</td>
<td>17</td>
<td>26</td>
<td>30</td>
<td>13</td>
<td>7</td>
</tr>
</tbody>
</table>

Cashflow from operating activities

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cashflow from operating activities (in $ millions)</td>
<td>88</td>
<td>134</td>
<td>119</td>
<td>71</td>
<td>97</td>
</tr>
</tbody>
</table>
Group cash balance and funding as at 31 March 2018

- Net cash position of US$48.1m, a US$46.7m, improvement from the Q4 2017 net cash position of US$1.4m
- US$91.3m cash on hand of which US$66.7m is attributable to Gem Diamonds
- US$43.2m of available facilities have been drawn down with US$41.1m worth of undrawn and available facilities
Prices remain robust for Letšeng goods
Average price of US$3 276 per carat achieved during Q1 2018 (up 48% from US$2 217 per carat in Q4 2017)
Letšeng Q1 sales highlights
- Seven gem quality diamonds greater than 100 carats recovered (ten including post period end)
- The Lesotho Legend, sold on 12 March for US$40m
- 16 diamonds sold for more than US$1.0m each, generating revenue of US$70.7m
- Two tenders held in Q1 2018, a total of 32 412 carats sold for US$106.2m
- 66.27 carat Type IIa, white diamond achieved the highest price per carat of US$56 028 per carat for the period
Thank You

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