910 carat diamond recovered at Letšeng mine in January 2018
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The information contained herein is correct as at 30 January 2018.
Gem Diamonds

- Producer of large, high quality, exceptional Type II diamonds
- Clear focus on creating value through optimising the Letšeng mine
- Seeks to maximise revenue through its sales, marketing and manufacturing operation in Belgium
- Innovation projects focussed on reducing diamond breakage
- Ghaghoo mine in Botswana 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
Letšeng mine

- Improvement in large diamond recoveries in 2017 and 2018
- Business efficiency opportunities identified
- Continued optimisation of LoM plan
- Mining lease extension
- Operational results

<table>
<thead>
<tr>
<th></th>
<th>Waste tonnes mined (millions)</th>
<th>Ore tonnes treated (millions)</th>
<th>Carats recovered (thousands)</th>
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<tr>
<td></td>
<td>19.1</td>
<td>19.9</td>
<td>24.0</td>
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### Large diamond recoveries

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<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>
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<td>8</td>
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<tr>
<td>60-100 carats</td>
<td>18</td>
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<td>22</td>
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<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>
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<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>
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<td>179</td>
<td>214</td>
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- 125.45 carat white, 7.87 carat pink and 8.58 carat yellow diamonds recovered in 2017
- 80.55 carat white diamond recovered in 2017
Letšeng’s recoveries in 2017

- 202.16 carats
- 53.29 carats
- 98.26 carats
- 126.45 carats
- 69.57 carats
- 71.17 carats
- 114.38 carats
- 104.54 carats
Letšeng’s remarkable 2018 recoveries

- 2018 recoveries include:
  - high quality 910.98 carat D-colour Type IIa diamond, fifth largest diamond ever recovered globally
  - 149.43, 117.67 and 110.63 carat diamonds
  - 8.53 carat flawless pink diamond
Prices remain robust for Letšeng goods
Average price of US$1 930 per carat achieved during 2017 (US$1 695 achieved in 2016)
Letšeng 2017 sales highlights
- Seven gem quality diamonds greater than 100 carats recovered
- 38 diamonds sold for more than US$1.0m each, generating revenue of US$94.8m
- 7.87 carat pink diamond achieved US$202 222 per carat - second highest US$ per carat for any Letšeng rough diamond sold to date
- 8.65 carat pink diamond achieved US$164 855 per carat - seventh highest US$ per carat for any Letšeng rough diamond sold to date
Initiated a business transformation process
On track to deliver annualised and once-off benefits of US$20.0m
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
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)

Prototype of electric pulse technology currently on site at Letšeng

Aim to reduce mining and associated costs
Group cash balance and funding as at 31 December 2017

- Net cash position of US$1.4m, a US$13.2m improvement from the Q3 2017 net debt position of US$11.8m
- US$47.7m cash on hand of which US$35.2m is attributable to Gem Diamonds
- US$46.3m of available facilities have been drawn down with US$36.2m worth of undrawn and available facilities
Thank you

www.gemdiamonds.com