



Republic of Botswana

DE BEERS GROUP

MEDIA RELEASE

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GOVERNMENT OF THE REPUBLIC OF BOTSWANA AND DE BEERS GROUP CONFIRM DIAMOND PARTNERSHIP FOR THE NEXT GENERATION

Transformational agreements boost Botswana's economic development potential and secure De Beers' long-term share in world's greatest diamond resources

The Government of the Republic of Botswana (the "Government of Botswana") and De Beers Group ("De Beers") today announced that, following the conclusion of negotiations announced on 3 February 2025, the two partners have now signed the formal new agreements for a 10-year Sales Agreement (which may be extended by a further 5 years) and a 25-year extension of the Mining Licences (from 2029 through to 2054) for the 50:50 Debswana mining joint venture.

Honourable Bogolo Joy Kenewendo, Minister of Minerals and Energy for Botswana, said: "We are proud to announce the signing of this landmark new agreement, which will underpin the success of our diamond industry as we enter an exciting new phase of Botswana's sustainable economic development. We hope that these agreements will bring some level of stability and rebuild market confidence in the diamond industry. We are looking forward to our renewed partnership with De Beers; together we will drive development through diamonds and build a brighter future for Botswana."

Al Cook, Chief Executive Officer of De Beers Group, said: "These are groundbreaking agreements. The half-century partnership between the Government of Botswana and De Beers is considered the greatest public-private partnership in the world. Now we are both extending and improving it. For De Beers, it is a privilege to secure our ongoing participation in the world's greatest diamond resources for decades to come. I am also extremely proud that through the Diamonds for Development Fund, we can further transform opportunities for the people of the world's leading diamond country."

In summary, the formal agreements represent:

- A 25-year extension of the Debswana mining licences from August 2029 to July 2054. This will enable the Debswana joint venture to deliver long-term value from its existing mining assets and mine life extension projects beyond the current mining licence period. Mine life extension projects include Jwaneng Cut-9, Jwaneng Underground and Orapa Cut-3.
- A renewed 10-year Sales Agreement for Debswana's rough diamond production, with a further five-year extension period where certain criteria are met. Under the renewed Sales Agreement, the Government of Botswana's rough diamond sales company, Okavango Diamond Company ("ODC"), will sell 30% and De Beers will sell 70% of Debswana's production for the first five years; for the subsequent five

years ODC will sell 40% and De Beers will sell 60% of Debswana's production; and both parties will sell a 50% share for the five-year extension period. As part of this arrangement, De Beers and ODC have also both committed to supply diamonds for beneficiation in Botswana in line with their share of Debswana supply.

In addition, a transformational package of commitments focused on supporting Botswana's economic development objectives and advancement of the diamond industry has been agreed, including:

- The creation of the Diamonds for Development Fund to support economic growth, diversification and jobs in Botswana in line with Botswana's Vision 2036 and National Development Plan. De Beers has committed to an upfront investment of BWP 1 billion (c. \$75 million) and further annual contributions from its dividends from Debswana, based on Debswana's performance.
- A package of initiatives to be undertaken by De Beers designed to enhance local beneficiation of diamonds and increase participation of the people of Botswana in the diamond industry. These include investment in a diamond jewellery manufacturing facility, establishment of a De Beers Institute of Diamonds grading laboratory and starting up a diamond vocational training institute in collaboration with industry partners.
- Co-investment by the Government of Botswana and De Beers in marketing initiatives to boost diamond demand. The marketing investments will be for category and other marketing programmes, agreed annually, aimed at stimulating rough diamond sales, protecting the ethical integrity of diamonds, and to maintain and build consumer confidence in the product. De Beers and the Government of Botswana have committed to co-invest over the life of the Sales Agreement and in proportion to their relative shares of Debswana supply.

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About Botswana

Botswana, a thriving democracy, is located in Southern Africa. It is the topmost producer of diamonds by value. Botswana is renowned for the rule of law, including respect for property rights. Heralded for its ease of doing business in the mining sector, it is by no coincidence that it is a premier investment destination for mining.

The Botswana government has placed a strong emphasis on effective management of its diamond resources, recognizing their pivotal role in the nation's economic development. By exercising careful oversight and strategic partnerships, Botswana maximises revenue from diamond sales, strengthening its position as a key player in the global diamond market and ensuring that these valuable resources drive sustainable socio-economic growth. With a focus on sustainable practices, the government is dedicated to ensuring that the wealth generated from diamond mining contributes significantly to the welfare of its citizens. Revenue from these sales is strategically reinvested to foster growth, infrastructure development,

and social programmes, ultimately positioning Botswana as a stable and prosperous socio-economic hub in the region. This commitment underscores the government's vision of enhancing the livelihoods of its people while promoting overall national prosperity, thereby solidifying Botswana's reputation as a forward-thinking and resilient nation in the face of global economic challenges.

About De Beers Group

Established in 1888, De Beers Group is the world's leading diamond company with expertise in the exploration, mining, marketing and retailing of diamonds. Together with its joint venture partners, De Beers Group employs more than 20,000 people across the diamond pipeline and is the world's largest diamond producer by value, with diamond mining operations in Botswana, Canada, Namibia and South Africa. Innovation sits at the heart of De Beers Group's strategy as it develops a portfolio of offers that span the diamond value chain, including its jewellery houses, De Beers Jewellers and Forevermark, and other pioneering solutions such as diamond sourcing and traceability initiatives Tracr and GemFair. De Beers Group also provides leading services and technology to the diamond industry in the form of education and laboratory services and a wide range of diamond sorting, detection and classification technology services. De Beers Group is committed to 'Building Forever,' a holistic and integrated approach for creating a better future - where safety, human rights and ethical integrity continue to be paramount; where communities thrive and the environment is protected; and where there are equal opportunities for all. De Beers Group is a member of the Anglo American plc group. For further information, visit www.debeersgroup.com.