

Petra Sales Falter Amid Mine Shutdown



Petra Diamonds' revenue fell in the third fiscal quarter as the Williamson mine remained offline and the company held fewer tenders.

Sales slumped 52% year on year to \$67.8 million for the three months ending March 31, the miner said Tuesday. Although prices for the company's [rough diamonds increased](#), that boost was more than canceled out by a lack of contribution from the shut Tanzanian deposit, it explained. An unfavorable [comparison with the previous year](#), when Petra held two tenders during the period, as opposed to one in the third quarter this year, also led to the drop. Sales volume declined 37% to 465,138 carats.

Output for the January-to-March period slipped 21% to 653,700 carats, primarily due to [Williamson's temporary closure](#) and the placing of the Koffiefontein mine in South Africa on care and maintenance. However, the miner believes it will still hit its guidance of 2.75 million to 2.85 million carats for the full fiscal year, thanks to improved grades at its [Cullinan deposit](#) and increased ore processing at Finsch, it noted.

During the period, Petra's debt increased to \$124.7 million as of the end of March, from \$90.8 million on December 31.

For the first nine months of the fiscal year, Petra's revenue fell 31% to \$278.5 million, while sales volume decreased 24% to 1.8 million carats. Production slid 21% to 2.1 million carats.

Petra believes the resumption of operations at Williamson in the first quarter of fiscal 2024 will allow the company to raise production by 1 million carats in fiscal 2025, leading to overall output of between 3.6 million and 3.9 million carats for the year, it said. It also expects the market to continue to improve.

"[We have seen] recently improved diamond pricing, which we largely attribute to a post-Covid-19 recovery in demand from China," noted Petra CEO Richard Duffy. "We continue to expect a supportive diamond market in the medium to longer term as a result of the structural supply deficit, while noting potential volatility in the near term owing to recent geopolitical and macroeconomic uncertainty."

Image: The new processing plant at the Cullinan mine. (Petra Diamonds)