

Operational reviews

ARM Platinum

Thando Mkatshana
Chief executive – ARM Platinum



KEY FEATURES FOR F2023

Tonnes milled at Two Rivers Mine were 3% higher compared to F2022

Production and sales volumes at Two Rivers **impacted** by the **fatality** and **grade challenges**

Modikwa Mine **production volumes decreased by 3%**

Decline in average realised US dollar **PGM prices**

52% decrease in headline earnings

ARM Platinum **acquired Bokoni Mine** on 1 September 2022

ARM Mining Consortium declared a **R102 million dividend to communities**

Material matters



- Two Rivers tonnes milled were up 3% year on year
- Sharp decline in platinum, palladium and rhodium prices in second half of F2023
- Above-inflation cost increases.



- Regrettably, Two Rivers Mine had one fatality
- Committed to maintaining a safe and healthy work environment for all employees and contractors.

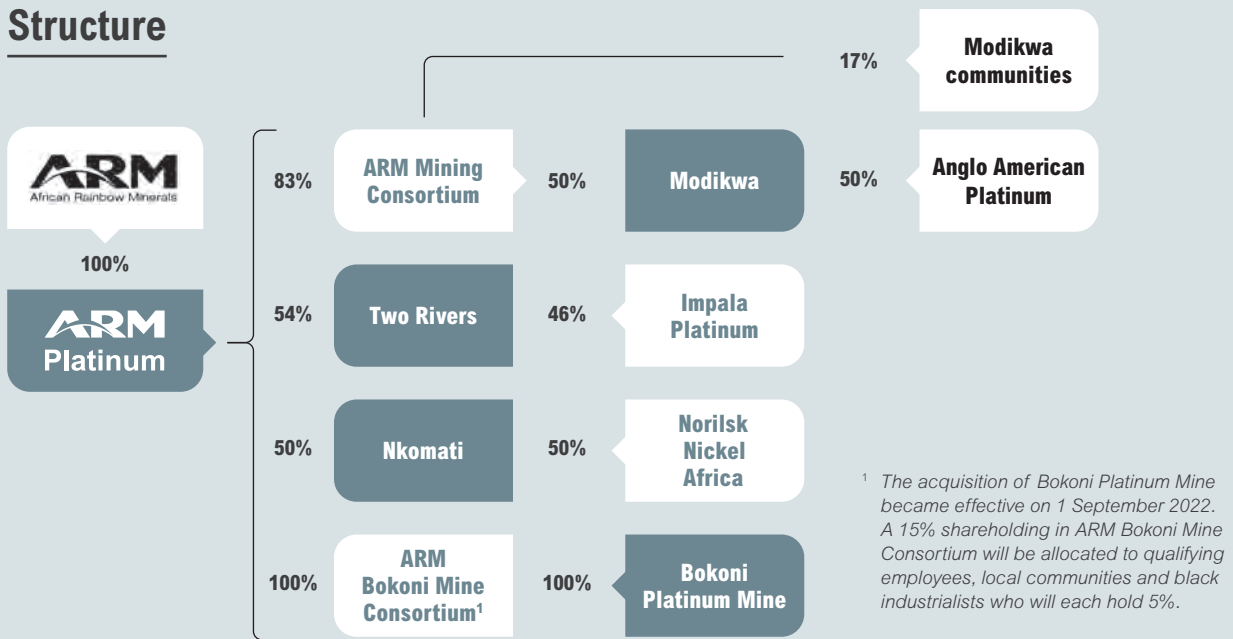


- Continuous engagement with communities
- Continued engagement with stakeholders impacted by Nkomati Mine being on care and maintenance.

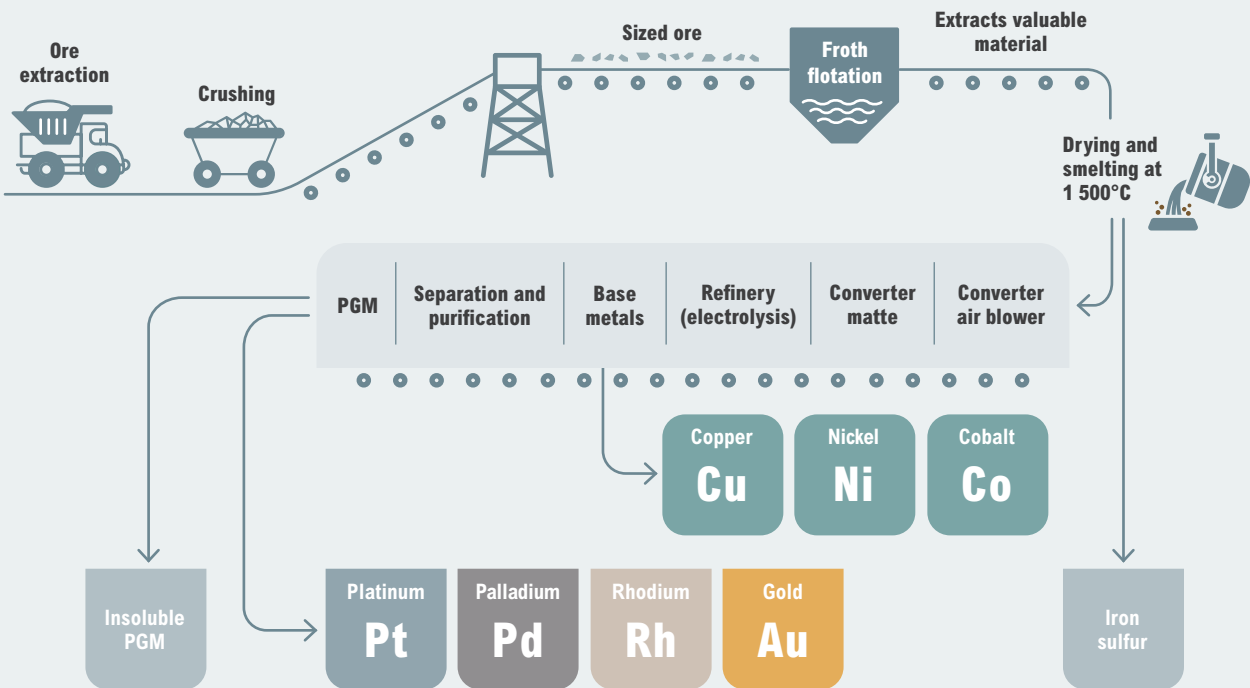


¹ ARM Platinum acquired Bokoni Mine on 1 September 2022.

Structure



PGM production process



Operational reviews continued

ARM Platinum continued

Scorecard

Modikwa Mine		
F2023 objectives	Achieved/Not achieved	F2024 objectives
Produce 305 000 6E PGM ounces with a continued focus on further improving the mine's position on global PGM cost curve.	Not achieved Production volumes were 285 910 6E PGM ounces and Modikwa was positioned on the 75th percentile of the platinum industry all-in sustaining cost curve.	Produce 304 000 6E PGM ounces with a continued focus on costs to improve the mine's position on the platinum industry all-in sustaining cost curve.
Construct and commission the underground-to-surface conveyor system at South 2. Ramp-up volumes to an average of 70 000 tonnes per month.	Not achieved Construction of the underground-to-surface conveyor system commenced during the year, commissioning is planned for the end of the fourth quarter of F2024. The South 2 shaft system produced an average of 61 000 tonnes per month.	Commission the underground-to-surface conveyor system at South 2. Ramp up volumes to an average of 70 000 tonnes per month.
Produce 125 000 tonnes of chrome concentrate.	Achieved Chrome concentrate production volumes were 138 576 tonnes.	Produce 150 000 tonnes of chrome concentrate.
Start Merensky trial mining with average of 30 000 tonnes per month.	Achieved Merensky trial mining commenced at an average of 30 000 tonnes per month.	Ramp-up production to 50 000 tonnes per month.

Two Rivers Mine		
F2023 objectives	Achieved/Not achieved	F2024 objectives
Produce 315 000 6E PGM ounces. Focus on improving the mine's position on global PGM cost curve.	Not achieved Production volumes were 295 441 6E PGM ounces and the mine was positioned on the 75th percentile of the platinum industry all-in sustaining cost curve because of the significant capex spend.	Produce 313 000 6E PGM ounces with a continued focus on all-in sustaining costs to improve the mine's position on the platinum industry all-in sustaining cost curve.
Sales volumes of 221 000 tonnes of chrome concentrate.	Not achieved Chrome sales volumes were 190 165 tonnes.	Sales volumes of 208 000 tonnes of chrome concentrate.
Ramp-up Merensky mining production to 45 000 tonnes per month. Complete surface earthworks and commence plant construction.	Achieved Merensky produced at an average of 47 700 tonnes per month. Plant construction has commenced.	Ramp-up Merensky mining production to 90 000 tonnes per month. Commission the plant.

Scorecard continued

Bokoni Mine		
F2023 objectives	Achieved/Not achieved	F2024 objectives
Complete the bankable feasibility study during F2023 for consideration and board approval in Q1 F2024.	Not achieved Good progress has been made in advancing the DFS. The DFS will now advance to bankable feasibility and then be presented to the board for approval.	Secure the board approval and commence with the phased execution of the project.
Evaluate value-accretive early-ounce production opportunities.	Achieved Evaluation completed, and the business plan was approved. Monitoring is in place.	Ramp-up the mining and milling volumes to 60 000 tonnes per month as per the approved early-ounce project.
Placement of orders for long-lead delivery items to de-risk the project execution schedule.	Not achieved Orders for critical long-lead items for mining placed, with deliveries underway.	

Commodity prices

US dollar PGM prices were lower compared to prices achieved in F2022, particularly palladium (20% lower) and rhodium (30% lower). The average rand per 6E kilogram basket price for Modikwa and Two Rivers declined by 10% and 8% to R1 183 603 per kilogram (F2022: R1 319 104 per kilogram) and R1 136 405 per kilogram (F2022: R1 240 977 per kilogram), respectively.

Average US dollar metal prices

	Unit	F2023	F2022	% change
Platinum	US\$/oz	970	1 003	(3)
Palladium	US\$/oz	1 758	2 206	(20)
Rhodium	US\$/oz	10 811	15 543	(30)
Nickel	US\$/t	23 957	23 514	2
Copper	US\$/t	8 289	9 644	(14)
Cobalt	US\$/lb	20	32	(38)
UG2 chrome concentrate – Two Rivers (CIF*)	US\$/t	236	184	28
UG2 chrome concentrate – Modikwa (CIF*)	US\$/t	260	222	17

* CIF – cost, insurance and freight.

Average rand metal prices

	Unit	F2023	F2022	% change
Average exchange rate	ZAR/US\$	17.76	15.21	17
Platinum	ZAR/oz	17 230	15 247	13
Palladium	ZAR/oz	31 227	33 543	(7)
Rhodium	ZAR/oz	192 050	236 373	(19)
Nickel	ZAR/t	425 570	357 606	19
Copper	ZAR/t	147 247	146 672	–
Cobalt	ZAR/lb	350	483	(28)
UG2 chrome concentrate – Two Rivers (CIF*)	ZAR/t	4 185	2 791	50
UG2 chrome concentrate – Modikwa (CIF*)	ZAR/t	4 619	3 371	37

* CIF – cost, insurance and freight.

ARM Platinum revenue per commodity

F2022 is represented in the inner circle

