South African Metals & Mining

South Africa conference feedback: China reopening = South Africa rerating

Industry Overview

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Metals & Mining

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Sun City: China reopening = S. Africa rerating

We hosted our 24th South Africa conference this week. This year's conference theme was 'China reopening = South Africa re-rating.' 41 companies in attendance, mostly represented by CEOs and CFOs. Since China has softened its stance on domestic COVID policy, most mined commodities have run hard – iron ore up >US$120/t. In our view, strong commodity prices put South Africa "in focus" – mining is c. 8% of South Africa's GDP and as such, benefits (to some extent) from China reopening. **Mining participants:** Anglo Platinum (AMS), Sibanye Stillwater (SSW), AngloGold Ashanti (ANG), Gold Fields (GFI), Harmony (HAR) and more.

Key takeaways from Miners

Anglo Platinum: Eskom issues = volume pressure. Search for new CEO underway.
Sibanye Stillwater: "Pivot" to battery metals. Lithium, copper & nickel in focus.
AngloGold Ashanti: Turnaround in progress. Back to basics approach fruitful.
Gold Fields: Salares Norte delayed to 4Q23. CEO search ongoing.
Harmony: "Pivot" to copper, inorganic growth. Gold (still) mainstay in portfolio.
African Rainbow Minerals (not covered): PGMs = key "from here".

Key topics: Energy. Macro. M&A. Projects.

Key topics in discussions: 1) **Energy:** State-owned energy operator, Eskom, has struggled to meet domestic energy demand. Power outages have become something of a regular occurrence, some miners running operations through the night when power demand is typically at its lowest point. SSW highlighted production could fall up to 25% if power load-shedding persists. COP26 US$8.5bn pledge = renewables, but impact unlikely to be immediate. Several miners starting own energy projects (solar, wind) as a result. 2) **Macro:** Uncertainty reigns supreme. Real rates remain key driver of gold price. USD strength holding up. **Secular:** Consumer continues to transition to EVs – what does this mean for PGMs longer-term? 3) **M&A:** Gold M&A highly topical. Many miners virtually debt free. AngloGold = back to basics, big M&A not part of strategy. Gold Fields looking to do smaller bolt-on acquisitions to grow reserves. Harmony inorganic growth = copper projects. SSW: Copper (now) in focus. 4) **Projects:** Key challenges for several miners on project execution = labour, weather & COVID (lagged effect). Salares Norte (Gold Fields) taking longer, costing more. Harmony: Papua New Guinea discussions (still) ongoing. Sibanye Stillwater lithium project in Finland under construction.

PGM: platinum group metals

EV: electric vehicle

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China reopening = South Africa re-rating

Welcome to our 24th Annual South Africa Conference

This year, we offer you a digital version of the tome you would usually be handed when walking into our Sun City reception area. It holds the golden nuggets of the BofA covered companies attending. Our analysts have pulled together more than 80 questions on pertinent issues. You will find the company essentials ahead of your meetings with management, so that you can make the most of your time with us. The majority of the 42 companies attending are represented by CEOs and CFOs.

This year's conference theme is 'China reopening = South Africa re-rating.' South Africa and China names are well-placed. Decarbonization, increased metal intensity and higher commodities are the glue for S. Africa domestic asset returns. Big setbacks are inevitable mid-year (DM risk-off), but the path for the All-Share index is likely up into 2024 (89k vs. 79k now). Meanwhile, management will be given a platform to discuss how they are operating in a post-COVID recovery amid continued macro and structural headwinds, particularly record loadshedding and logistics.

South Africa management is resilient and tackling these challenges head-on. We will also explore how companies can navigate a delayed recession in the US, a China recovery, a soft Europe and a domestic-induced technical recession in S. Africa amid war in Europe, sticky inflation and tighter global financial conditions.

We have once again assembled a strong line-up of companies that will showcase their strategic plans. As usual, we will conduct simple corporate and investor polls, which will give us insight into the mindsets of corporates, as well as foreign and local investors.

Thankfully, this year is an in-person conference. We are excited to be able to meet and greet in person after four years, to catch up on past and current events. Our excellent conference organisers are on hand, should you need any assistance.

One of our conference's strengths is you. Please feel at home and help us to make this year's event as interactive as possible. Most investors have been coming to Sun City for many years. Thank you for your valuable time and participation. For some, the journey is long. We are here to make your trip memorable, successful and enjoyable.

Please click here to view Attending Management

Attending management

Exhibit 1: Attending Companies

Tuesday, 14 – Wednesday, 15 March 2023

Tuesday, 14 March	Wednesday, 15 March
ADvTech – *CEO*	Aspen Pharmacare Holdings – *CEO, CFO, IR*
African Rainbow Minerals - *CEO, FD, COO, IR*	Astral Foods – *CEO, CFO, COO, MD – Commercial Division*
Afrimat – *CEO, CFO, Executive Head: HR & Sustainability*	Bid Corporation – *CFO*
Anglo American Platinum - *CFO*	Bidvest Group – *CEO, CFO, Corporate Affairs Executive*
AngloGold Ashanti - *Chief Sustainability and Corporate Affairs*	Cashbuild – *CEO, CFO*
Aspen Pharmacare Holdings – *CEO, CFO, IR*	Clicks Group – *CEO, CFO, IR*
Astral Foods – *CEO, CFO, COO, MD – Commercial Division*	Discovery Group – *Group Financial Director, IR*
Barloworld – *Group FD, COO, IR*	Gold Fields – *IR*
Bid Corporation – *CFO*	Harmony Gold – *Finance Director, IR*
Bidvest Group – *CEO, CFO, Corporate Affairs Executive*	JSE – *CEO, CFO, IR, Director: Capital Markets*
Cashbuild – *CEO, CFO*	KAP Industrial Holdings – *CEO, CFO, IR*
Clicks Group – *CEO, CFO, IR*	MTN Group – *CEO, CFO, IR*
Curro Holdings - *CEO*	Multichoice – *CFO, IR*
Discovery Group – *Group Financial Director, IR*	Naspers/Prosus - *IR* Nedbank Group – *CFO, IR*
Gold Fields – *IR*	Netcare – *CEO, CFO, MD Hospital Division, Head of Policy & Strategy, IR*
KAROOOOO Ltd / Cartrack – *CEO, COO*	Oceana Group – *CEO, CFO, Business Development*
Kumba Iron Ore – *CFO, IR*	Old Mutual – *CEO, CFO, Group Actuary, IR, MD Mass Foundation Cluster, MD Personal Finance*
Momentum Metropolitan Holdings – *CEO, Finance Director, IR*	Omnia Holdings – *CEO, FD, COO, IR*
MTN Group – *CEO, CFO, IR*	Quilter – *CEO, CFO, IR*
Multichoice – *CFO, IR*	Reunert – *CEO, CFO, IR, Sustainability & Transformation* Sanlam – *CEO, FD, IR, Chief Actuary & Chief Risk Officer* Sappi - *IR*
Naspers/Prosus – *IR*	Sasol – *IR*
Netcare – *CEO, CFO, MD Hospital Division, Head of Policy & Strategy, IR*	Shoprite – *CEO, CFO, Chief Strategy & Innovation, IR*
Oceana Group – *CEO, CFO, Business Development*	Sibanye Stillwater - *CFO, IR*
Quilter – *CEO, CFO, IR*	TFG (The Foschini Group) – *CEO, CFO*
Sanlam – *FD, IR, Chief Actuary & Chief Risk Officer*	Tiger Brands – *Chief Customs Officer, Chief Growth Officer: Consumer Brands, Chief Growth Officer: Gains, IR*
Sappi - *IR*	Transaction Capital – *CEO, IR* Vodacom Group – *CFO, IR* Zeda – *CEO, FD, IR*
Sasol – *IR*	
Sibanye Stillwater - *CFO, IR*	
TFG (The Foschini Group) – *CEO, CFO*	
Tiger Brands – *Chief Customs Officer, Chief Growth Officer: Consumer Brands, Chief Growth Officer: Gains, IR*	
Transaction Capital – *CEO, IR*	
Truworths International – *Joint Deputy CEO & CFOs', Director: Finance*	
Vodacom Group – *CFO, IR*	

Source: BofA Global Research

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Covered Companies

Exhibit 2: Attending companies in 2023 – most demanded meetings versus 2022
Top contenders this year: consumer, TMT, health care; resources slip down the ranks

Rank	2023	2022
1	Shoprite	Bidvest
2	Foschini	Naspers/Prosus
3	Bidcorp	Shoprite
4	Bidvest	Sibanye Stillwater
5	Naspers/Prosus	Foschini
6	Clicks	Sasol
7	MTN	Clicks
8	Truworths	Aspen
9	Aspen	Nedbank
10	Netcare	Sanlam
11	Tiger Brands	Truworths
12	Discovery	Bidcorp
13	Sasol	AngloGold
14	Transaction Capital	Tiger Brands
15	MultiChoice	MuliChoice

Source: BofA Global Research. Only companies that attended in 2022 and those attending in 2023 are included in the table above, for a better like for like comparison. MTN is the exception. The company did not attend 'Virtual 2022'.

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Sun City conference: Company one pagers

Anglo Platinum: Lowest-leverage PGM exposure. Longer term question on Pd, Rh demand

A leading producer of PGMs

Anglo American Platinum (AMS), or Amplats, is a leading primary producer of platinum group metals (PGMs) at c.3.6-4.0Moz pa (including 1.6-1.8Moz platinum and c.1.2-1.3Moz of palladium). Including ounces tolled for third parties, Amplats' processing facilities supply c.40% of global primary platinum and over 20% of global primary palladium. Its wholly owned mining operations include Mogalakwena (Mog), Amandelbult, Unki (in Zimbabwe) and Mototolo. Joint venture mines include Modikwa. A key asset is Mogalakwena, a high-margin, large, long-life, expandable, open-pit mine. The company's low-cost open-pit operation (Mog) and sizeable processing business give it less operating leverage to PGM prices (but hence lower risk too).

Key Issues

- Natascha Viljoen, CEO since 2020, has resigned to take up the role of COO at Newmont. She will serve as Amplats CEO for a notice period of up to 12 months. What is the succession plan, and could it have any implications for strategy?

- How is South Africa's energy shortage impacting Amplats? How significantly could renewable projects underway alleviate some of the constraint and cost pressure?

- Mogalakwena is arguably Amplats' "flagship" asset. Expansion options are being looked at in the "Future of Mogalakwena" project. What are the possible options and scenarios for production, costs and cash flow/earnings from Mogalakwena? What downstream constraints are there to maximising its value - particularly considering Mogalakwena's high base metal content?

- What is Amplats' view on PGM markets? What is Amplats' view on the long-term outlook for PGM demand given the increasing penetration of electric vehicles? What about the outlook for supply, given that South Africa (energy-shortage) is the single largest source of platinum and rhodium; and Russia (sanctions) the biggest source of palladium?

- The dividend payout declined in 2022 to 62% (40% in H2). How does Amplats think about capital allocation and weigh up dividends vs. reinvesting in the business?

Sibanye Stillwater: A decade later, a transformed group. What is next?

Success in PGMs, now building a "green metal" portfolio

Sibanye-Stillwater (SSW) listed in February 2013 as Sibanye Gold with an asset base of three mature South African gold mines. The company today is (almost) unrecognisable having undergone a marked transformation through acquisitions, including Stillwater (US palladium-platinum mine) in 2017. It also bought up platinum group metal (PGM) assets in South Africa, including Rustenburg Platinum Mines and Lonmin. More recently, SSW has made acquisitions in lithium (Keliber, Rhyolite-Ridge/ioneer), nickel processing (Sandouville) and zinc tailings retreatment (New Century) as it looks to build a geographically diverse green metals company.

Key issues

- What is SSW's "ideal" portfolio mix between gold, PGMs and green metals? How much more M&A (quantity of production or value) would SSW need to execute on to get to the portfolio mix it wants? Should we anticipate more M&A in the near term?

- Can SSW outline its capital allocation framework? What is the relative preference between dividends, M&A and organic growth?

- SSW has recently started construction of its Keliber Lithium Project in Finland – could SSW talk about the potential of this project and key metrics & milestones?

- Stillwater (US PGM operations) had a difficult 2022 with regional flooding impacting the operations. A new long-term plan was launched at a lower level of production. How is the recovery going and how confident is management in the planned build up to >700kozpa by 2027?

- How is SSW impacted by, and how does it manage the effect of, loadshedding / electricity shortages at its South African operations?

AngloGold Ashanti: Turnaround gaining traction

Large, geographically diversified gold producer

AngloGold Ashanti (ANG) is a large global gold producer with operations and projects across the world. It also has a pipeline of advanced green and brownfield projects. While the head office remains in Johannesburg, it has no South African operations, having sold the last of these in 2020. Geographic regions are Continental Africa, the Americas and Australasia. ANG has guided to FY23 production of 2.45-2.61 million ounces (Moz) at an all-in sustaining cost (AISC) of US$1,405-1,450/oz.

Key issues

- ANG's cash conversion has improved significantly in the recent past with improved cash flow repatriation from Kibali in the Democratic Republic of Congo (DRC) and lower working capital drag from VAT & indirect tax balances. Is there scope for higher shareholder returns / dividend payments in future?

- ANG has had significant success in the past few years at adding reserve ounces through exploration. This is arguably in contrast to the rest of the gold mining industry - which has pursued M&A to replace reserves. How has AngloGold managed to add reserves in excess of depletion and can it continue to do so? Does ANG prefer this approach to M&A/inorganic additions?

- ANG has rapidly built a sizeable position in Nevada – what is the potential of this region and what should we look for in the coming year(s)?

- The company seems to be making good progress on a "back to basics approach". How much more relative cost position improvement does AngloGold expect is possible and by when? How does the Full Asset Potential Review / Programme fit in?

- AngloGold previously secured permission to list offshore (back in 2014) and the idea came back to the fore more recently in 2018-19. What is the current thinking of the Board and Management around this? AngloGold has no operations in South Africa since 2020.

Gold Fields: Salares Norte: Taking longer, costing more. Where to "from here"?

Salares Norte now aiming for first production in 4Q23

Gold Fields (GFI) expects to produce above 2.0 million ounces (Moz) per annum (pa) past 2025, but it has a "peak" production expectation of up to c.2.82Moz in 2025. For 2023, it is guiding to attributable gold production (excluding JV Asanko) of c.2.25-2.3Moz at an all-in sustaining cost of US$1,300-1,340/oz. Gold Fields produces from nine mines, situated in Australia (St Ives, Granny Smith, Agnew and Gruyere), Ghana (Tarkwa, Damang and Asanko), Peru (Cerro Corona) and South Africa (South Deep). GFI is also constructing the US$1,020m Salares Norte project (Chile), with 2023E non-sustaining capex at US$227mn. The target date for first production is now 4Q23 following delays caused by labour, weather and COVID issues in Chile. Following Chris Griffith's resignation in 2022, the company is undertaking a search for a new "permanent" CEO.

Key issues

- What are the key milestones to ensure that first production at Salares Norte is achieved in 4Q23? What is GFI's view on Chile as a jurisdiction? What does this mine do for group metrics as it ramps up?

- Production peaks in 2025 at c.2.79-2.82Moz (excl. Asanko) and Gold Fields has stated that "smaller" M&A remains an important part of company strategy. What should we expect to see in terms of M&A, and what timeframe does the company have in mind?

- Following the resignation of Chris Griffith in 2022, what is the expected timeline around finding a new "permanent" CEO?

- Ghana looks like it has become something of a trickier jurisdiction for miners, with Gold Fields stating, "the process of claiming certain rebates relating to Development Agreements has become more onerous". What is the likely path "from here" to resolving disputed tax bills? What is GFI's view on Ghana as a jurisdiction?

- What is GFI's capital allocation framework between project capex, balance sheet and dividends? As major capex at Salares Norte comes to an end and production increases, could we see a higher proportion allocated to shareholder returns?

Harmony: S. African gold mine consolidator. "Pivoting" to copper

Should a gold miner "pivot" to copper?

Harmony (HAR) has eight underground operations in South Africa, one open-pit mine and assorted surface treatment operations. In Papua New Guinea (PNG), HAR owns 100% of Hidden Valley, an open-pit operation and 50% of the greenfield Wafi-Golpu copper-gold project. Harmony also acquired the Eva copper project in Australia in 2022. Harmony's guidance for FY23 (June year-end) is for c.1.4-1.5 million ounces (Moz) at an all-in sustaining cost of less than ZAR900k per kilogram (at ZAR17/USD, this is c. US$1,500/oz).

Key issues

- What is Harmony's "ideal" portfolio mix between gold and copper? How much more M&A does Harmony need to execute on to get the portfolio mix it wants, and what is the value proposition for a gold company pivoting into copper?

- The company decided not to pay an interim dividend, instead allocating capital to projects. What is Harmony's capital allocation policy, and how does the company think about balancing M&A, dividends and growth capex?

- The company is looking to develop the Eva copper project in Australia. What are the key milestones "from here", and could labour challenges in Australia impact the anticipated timeline?

- What is Harmony's hedging policy? What are current hedge positions and are hedges currently being added to/rolled?

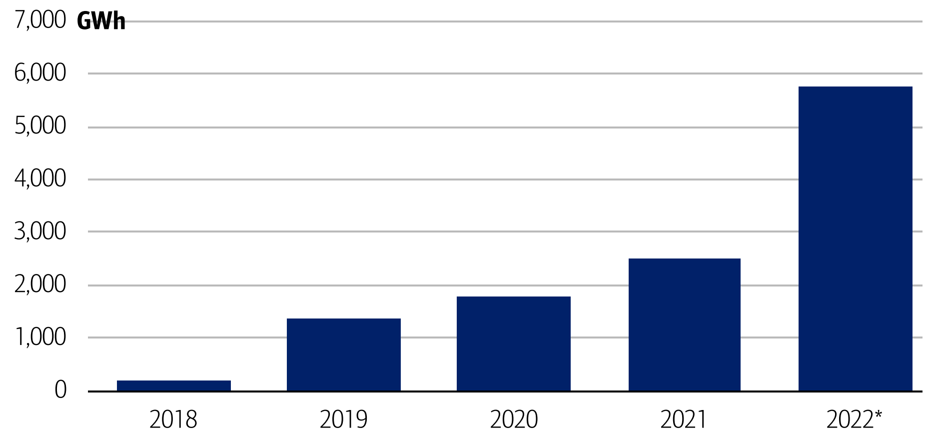
- What is the latest on Wafi-Golpu permitting and discussions with the government of PNG? With several projects in the pipeline, what is the optimal leverage for Harmony?

Key topics: Energy. Costs. M&A. Macro.

Key topic #1: Energy

State-owned energy operator, Eskom, has struggled to meet domestic energy demand. Power outages have become something of a regular occurrence, some miners running operations through the night when power demand is typically at its lowest point. SSW highlighted production could fall up to 25% if power load-shedding persists. COP26 US$8.5bn pledge = renewables, but impact not immediate. Energy availability key to PGM refined volumes – for AMS, key to working capital unwind. SSW foresee 20-25% impact to SA PGM industry if load shedding continues at current levels.

Exhibit 3: South Africa's power cuts
Power outages in South Africa have got worse over the years, with loadshedding peaking in 2022



Source: Council for Scientific and Industrial Research, BofA Global Research
Notes: * Jan-Sept

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Key topic #2: Cost inflation

Cost inflation is still very much a reality for most Metals & Mining companies – often double-digit unit cost increases which (generally) feed through to financials with a lag. Key cost inputs: Local labour + energy. Some FX tailwinds for SA miners. Capex inflation also in focus – higher oil prices and challenges with labour availability driving project costs up.

Exhibit 4: ZAR bulks producer cost index, 1990 = 100
Cost index is c. 1.6x the levels seen mid-2020

Source: BofA Global Research estimates

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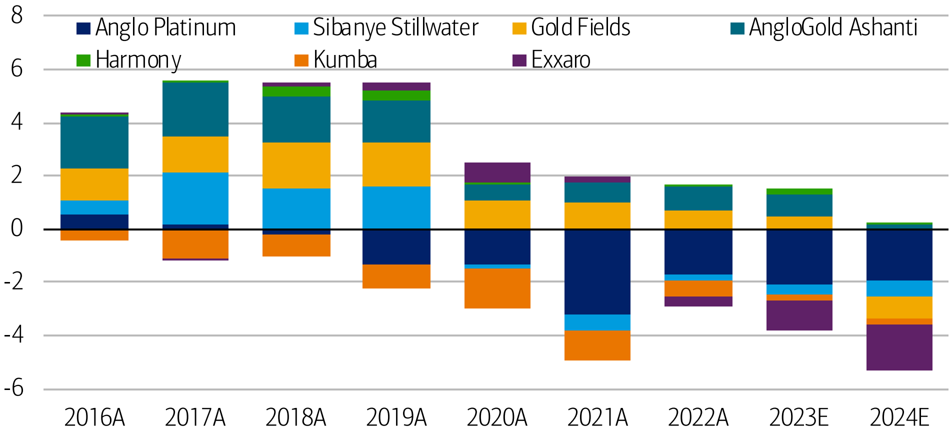
Key topic #3: M&A

Gold M&A highly topical. Many miners virtually debt free. **AngloGold** = back to basics, M&A not part of strategy for now. Focus on exploration and asset turnaround. **Gold Fields** looking to do smaller bolt-on acquisitions to grow reserves following termination of Yamana takeover. **Harmony** growth = copper projects. Eva copper project in Australia is key focus. (Still) in discussions with Papua New Guinea government, path "from here" on Wafi-Golpu is uncertain but feel resolution with government may be close. No dividend paid at interim, allocating capital to projects instead. **Sibanye Stillwater** pivoting to future facing commodities (FFCs) through Keliber (lithium) and Sandouville (nickel). Now for copper?

Exhibit 5: Net debt (US$bn), SA miners
Balance sheets are generally much stronger across the S. African miners this cycle



Source: BofA Global Research estimates. Based on FY data.

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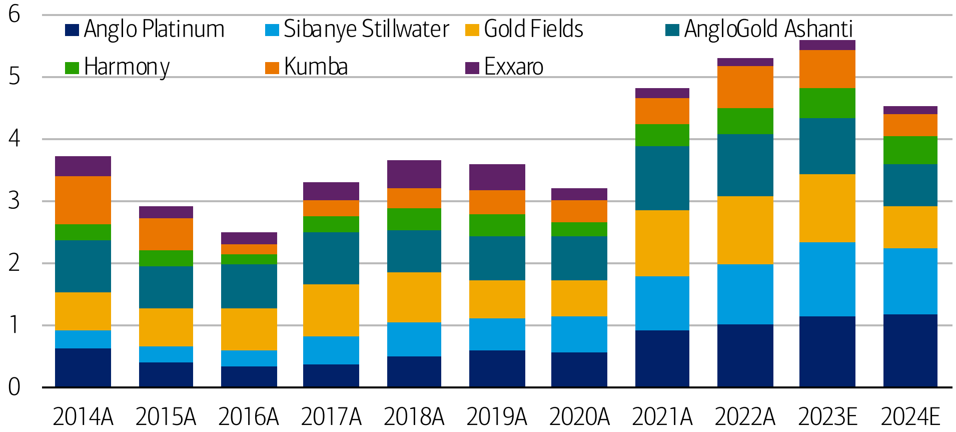
Key topic #4: Projects

Salares Norte (**Gold Fields**) taking longer, costing more. Project capex now US$1020mn. Delays mostly due to COVID, weather and labour situation in Chile. **Harmony** = copper projects. Eva copper project would produce c. 45ktpa copper, construction due to begin in 2025. Short construction process. **Sibanye Stillwater** lithium project in Finland under construction. **Decarbonization:** A lot of miners focusing on solar projects. Best use of mining capital? Eskom issues = key driver. GFI commissioned Gruyere and South Deep solar plants in 2022. ANG, AMS and SSW solar in focus too. **Execution:** Key challenges for (some) miners on project execution = labour availability (Chile and Australia), weather impacts, COVID (lagged effect).

Exhibit 6: S. African miners capex (US$bn)

After troughing around 2020, we expect capex to peak in 2023



Source: BofA Global Research estimates

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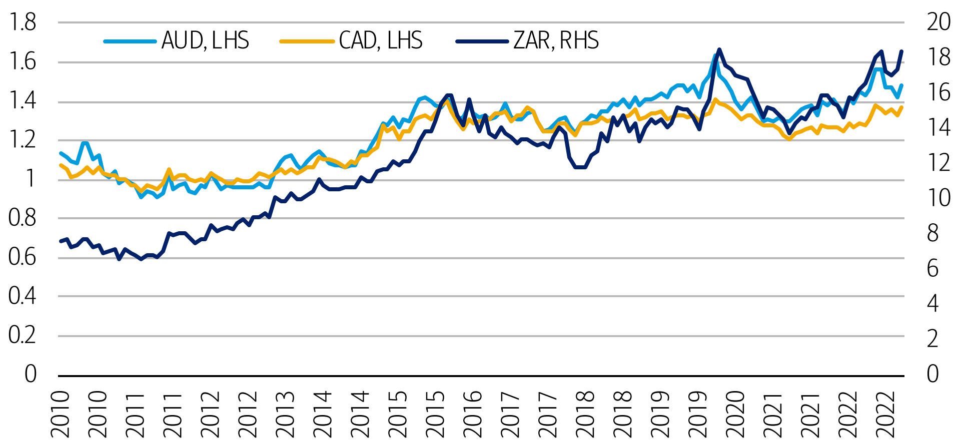
Key topic #5: Macro uncertain. Secular trend to EVs.

Macro: Uncertainty reigns supreme. Real rates remain key driver of gold price. USD strength holding up. PGM prices settled after peaking at the start of Russia-Ukraine conflict. China reopening = S. Africa re-rating? Uncertainty means gold miners have performed well in recent weeks. **Secular:** Consumer continues to transition to EVs = unsupportive for palladium, matters (but to a lesser extent) for platinum, could hydrogen economy substitute? Decarbonization means increased metal intensity – several miners (SSW, HAR) pivoting to get exposure to future facing commodities.

Exhibit 7: Key mining currencies vs. USD

USD strength has continued into the early stages of 2023



Source: BofA Global Research, Bloomberg

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Anglo Platinum: S. African energy in focus

Company attendees: Craig Miller, CFO. Franscelene Moodley, Investor Relations. Matthew Turner, Market Intelligence.

Q: Smelter update? A: Smelter is running now. Will see Q1 production lower than historically seen.

Q: Peers seen 20-25% increase in capital cost. Something you are at risk with? A: Seen an escalation in capital. 10-11% increase in inflation in capital coming through vs. originally envisaged. Challenges in construction industry are known. Didn't proceed with Mogalakwena on sorting costing, execution.

Q: PGM markets – what is outlook? A: Long-term outlook for palladium everyone knows. Consensus is pretty accurate here. Taken some of the edge off palladium and rhodium demand. Palladium – seen automakers increasing stocks after Russian invasion of Ukraine. Outlook is uncertain, interest rates big driver of car demand. Cautious purchasing from autos industry. Short-term weakness and outlook have emboldened short positions. Short positions never been as large as it is today (on company estimates). Can debate how fast and how far it goes. Doesn't mean there is no short-term trend. Expect China stimulus this month or next. Going to have short-term cycles in long-term trend. Platinum substitution taken edge off palladium pricing.

Q: Why would PGM fund initiatives that "lower revenue"? A: Question if it is "industry" as a whole. Substitution taking place. Was a view that if you can keep metals in balance, can thrift metals entirely. Seen some thrifting of rhodium, not so much with palladium.

Q: What deficits expecting in short-term? A: Previously anticipating surplus in palladium, balance for rhodium. Seen reduction in supply coming through in S. Africa and Russia. Palladium probably been in surplus this year slightly. Rhodium deficits and surpluses a bit more complex – to have a deficit you need reduction in stocks. Rhodium – less easy vs. platinum or palladium to add to stocks. Price come down as demand has come off.

Q: China reopening impact on PGMs? A: China reopening is positive, but do not think it will be "very" positive. China big consumer of PGMs, do expect growth to pick up. Opening up = people buy travel, experiences etc. People could have bought cars last year. Do expect stimuli to help. 10% cut in purchasing tax first year, usually half again in the next year. Chinese auto demand lower than it could be. Reopening is positive, but not really what will drive the market.

Q: Customer discussions? A: Customers very focussed on S. African situation. S. African companies coped quite well with power on the whole.

Q: To what extent are ICEs losing market share? A: Battery Electric Vehicles (BEVs) about 14% of market this year is expectation. Chinese order stimulus last year was on purchasing tax. Do see increase in Internal Combustion Engine (ICE) production this year. Longer-term, expect BEV share to keep rising. Sceptical on higher forecasts coming in, sceptical there is enough material to produce those BEVs 2030-2035 and beyond.

Q: Is rhodium outlook as tough as other PGMs? A: Secondary supply coming through. Large increase in recycling, rhodium recycling took off in c. 2018. Will grow on 5-year view.

Q: Iridium, ruthenium. What has happened here? A: Come off highs in price terms. Outlook is positive for these. Allocating demand for different uses. Copper foil in BEVs needs iridium to manufacture. Forecast for green hydrogen – if you believe independent forecasts, that will grow. Heavily focussed on industrial uses. Expect prices to remain higher than historic averages.

Q: Community unrest. Seen anything at start of the year? A: Not seen anything material.

Q: Production update? A: Refined production lower than historically due to work-in-progress and where this is in the system. At Mogalakwena, revised down on 3-year forecast as a result of lower grades. Will see this impact coming through 1Q.

Q: At what point do you look to reduce headcount, and would government allow you to do it? A: Historically, been able to restructure. Company did it with Rustenburg operations. Not necessarily in that position as of yet. Broadly speaking, relationships with employees and unions is positive.

Q: Production outlook. Grade issues at Mogalakwena. Challenges at Amandelbult. Outlook and context of unit costs. How do you think about unit cost? A: Expect flat YoY production at Amandelbult. Inflation – all experienced it, about 11%. Driven by consumables, diesel. Also 18.5% increase from Eskom = about 1/3rd of unit cost increases. Renewable perspective, looking at putting in own renewables. Material portion from renewables by 2025. Will help offset cost pressure. Entered into 5-year wage agreement last year.

Q: Power. Impala put out increase in net power tariff. Changed royalty payment rate. Impact? A: Increased royalty rate there. Tariff in Zimbabwe is in US$.

Q: Capital allocation? A: Trying to be disciplined in capital allocation. Investing in asset integrity. ZAR10-11bn in sustaining capex. Continuing to invest in life extension. Do have high capital profile. Continuing to invest in future of Mogalakwena, continuing with underground decline work. Ramping up material moved at Mogalakwena. Will see new equipment coming through. Returns to shareholders is 40% dividend, that is commitment. Any extra cash generated = continuing to proceed with Mogalakwena, then extra returned to shareholders.

Q: Mogalakwena. Going to spend more, dig more. Always the plan, or more recent change in identity? A: Still a tier 1 asset in terms of life, optionality etc. Think about impact on communities and associated work, points to exploring underground opportunity. As the pit is getting larger and deeper, going to have to move more material. Optionality there. Invest money there rather than M&A.

Q: Market. Ratio sold spot vs. contract. View on this? A: Volumes come down on spot market, but don't see this as pricing issue. Not always physically backed. Don't think it will be pricing issue. Japanese autos tend to have higher stocks vs. China. Russia stopped producing export data, so look at import data from elsewhere. After Russia-Ukraine war, metal stopped going to London. Less Western demand met by Russian metal in short. Seen volatile prices. Demand and supply and balance between two is what matters but could lead to more volatile prices.

Q: PGM prices? A: Platinum in line with range over last few years. Imagine it strengthens. Palladium bit more tricky – structurally, moving to surplus pricing, some substitution effect, not in surplus this year but year after should be. Rhodium bit less pronounced – structural trend, scarcity pricing. Relatively weak autos purchasing. In China, auto production been lower than expected. Robust ex-China but concerns on outlook – rates could keep lid on purchasing. Palladium net short. Platinum gone from net long to roughly balanced.

Q: China EVs. Numbers look strong. Any view? A: This year accepted growth will slow as subsidies have been cut or removed. Industry forecasts a bit too pessimistic this year – an area China needs the world to some extent. Europe – growth stalled this year. Different markets moving at different speeds. China had stimulus package – cutting purchase tax, BEVs don't have purchase tax so benefited ICEs – this ended in December but AMS think they will renew this.

Q: Long term outlook? A: BEVs rising to 30-40% share of vehicle sales by c. 2030, not a forecast, more a scenario. High forecasts hard to meet, resource constraints on lithium and graphite. Graphite constraints could be 22-23% share maximum possible share by 2030. Flaw in forecasts – takes into account government targets, not more granular detail.

Q: Expectation/impact of interest rates? A: Do not model forecasts with interest rates in them. Lower rates tend to mean higher PGM prices. Palladium reacted violently to interest rate change. Market very short palladium, so any interest rate expectation as seen last few weeks means reacts with volatility.

Q: China. Seeing demand from there, or are they buying Russian metal? A: China demand weaker this year. Partly due to weakness in car market. Indian car market doing very well, overtaking Japan this year on market size. Remains so much smaller than China, c. 1/8th the size.

Q: Load shedding. Impact? A: Curtailment for Amplats. Intensive energy user. Told how much to curtail and timeframe, notice varies, could be a matter of hours, could be longer. Scenario: If experience loadshedding stage 6 (load curtailment stage 4 = 2 stage lag as rule of thumb), that translates to 100MW reduction, experience that for 1 day a week, cumulative impact is about 200koz or 5%. Curtailment is not always the same for intensive users vs. load shedding for general population – sometimes a disconnect. When get load curtailment, try to take that at the smelters. To date, not had to shut a shift down due to curtailment. Stage 10 would be at reducing concentrator production.

Q: How do you know Eskom requests are "fair" vs. competitors? A: Do have line of sight. Depends on where they need stability in the grid, so that impacts who is asked to curtail. Instructible load shedding.

Q: Renewables. To try to rely on Eskom looks challenging. What is thinking in years to come? A: With Anglo American group, pursuing renewables and energy. Solar and wind would be supplied into grid and then get the equivalent energy for own operations. Longer-term project, decarbonize operations, Anglo American and EDFR looking to use combination of wind, solar and hydro. Being explored but will take longer to implement. Need to come up with alternative sources. First 100MW is by end of 2024, to get to 30% of utilisation will get from renewables by 2025 (about 550MW).

Q: Costs. Inflationary environment. Expect you to get you back to first quartile? A: Biggest inflation was linked to consumables, linked to commodity prices, price of oil. Other aspect is around electricity prices in S. Africa. 10-15% increase in cost anticipated this year. 1/3rd is due to higher prices from Eskom. Renewables supports from operating environment perspective. Wages – entered into 5-year wage agreement last year. Increase is c. 6.6% per annum. Do not see volume growth in next few years – will change as migrate out of current environment.

Q: Mogalakwena grade? A: Anticipated 1.2Moz, revised down to 1Moz. Strip ratio comes up next few years, then comes down longer term to long term strip ratio.

Q: Long-term plan for Mogalakwena? A: 1) Third concentrator. Replacement of south concentrator. Feasibility study more or less completed, but cost environment/capital efficiency to be looked at. Need this in place 2028. Another two years finalising work. Net impact is 300-600koz. 2) Open-pit continues. Constraints on communities of about 3,500 people, do not think will move community. Community to east, do think that one will move – began discussions/engagement. 3) Underground. Going underground is a reasonable option. Grade of about 30% better than seen in open pit. Target AISC to be the same or better than open pit. 4) Debottlenecking downstream capacity. Need to debottleneck ACP. RBP material also takes up a lot of ACP capacity – lower grade, takes up capacity. Mogalakwena material can move through facilities = higher margin. 5) Market development. Creation of demand for PGMs for future. 6) Technology and innovation.

Q: Acquisition opportunities? A: No. Spent years divesting assets others bought. Portfolio is world class, deploy the capital sensibly. No requirements around M&A.

Q: If prices weaken, what cost cutting measures can you take? A: Several levers looking at pulling if weaker price environment materialises.

Sibanye Stillwater: FFCs in focus

Company attendees: Charl Keyter, CFO. James Wellsted, Investor Relations.

Q: What's the update on the last year? A: Following successful entry into PGMs, commodity price prediction materialized. Seen benefits in 2021. 2022 was a challenging year. Had strike at gold assets for 3 months. Rule of thumb is c. double that in terms of impact. 2022 was write-off for gold. Biggest cashflows from PGMs. Wages: Wanted to give inflationary increase. Evident with settlement achieved, inflationary increase, c. 6-6.5% at PGMs. Period of stability at gold. Flood at US PGM operations at back end of June, 7-week impact, infrastructure not compromised. Tailings pipelines buried in road. Had to put temporary pipeline in place. Took a step back – thought about outlook for global vehicles. Mid-last year, revised plan and build up.

Q: What are you seeing in EV space? A: Internal combustion engines – still a solid story out there. More moderated shift than what is forecasted. Believe EV penetration will be less than forecasted. Permitting is taking a lot longer. Africa = higher risk for expansions. COVID shifted – supply chain impacts.

Q: Lithium execution. Is it challenging? A: Hard rock, got some in house experience of open pit mining. A lot of technical people have had experience. Challenge is not on mining side, on metallurgy side. Keliber has existing team. Also augmented that with own skills internally.

Q: What are you seeing in price environment for PGMs? A: Depressed prices. Believe that Russian supply is being offloaded. Through substitution, will have impact on PGM market. From platinum perspective, oversupply will come closer to equilibrium. Rhodium is an outlier. In S. Africa – impacts from electricity will impact supply side. Central banks getting inflation numbers in check slowly. Better outlook in terms of global economy.

Q: China. A lot of new demand? A: Not a lot of new demand. As it reopens, demand will start ticking up. Russian metals finding a home in China. Other holes to fill then. Problems in Russia going forward – replacement parts. Pushing projects out a couple of years. Vehicle sales down in China. Should see better balance this year. Surprised by weakness in PGM prices. Prices should be well supported. Seeing softer global macroeconomic landing, China opening, chip shortages alleviating so should mean higher demand all else equal. Very hard to think Rhodium will continue to decline.

Q: Electricity situation. How does load shedding impact you? A: Effectively have two stages – load shedding stages 1-3, need to cut back c. 10%. Stages 4-6 is about 20%. Get advanced warning. SSW regulate this. Managed through 2022, spare capacity at smelters. Assets were built for much higher outputs. Could prioritise underground mining. Risk mitigation – all of Rustenburg is third party processed through Anglo Platinum, comes to an end in 2026. They suffer from load shedding, but contract they have to prioritise SSW material or declare force majeure. Had it during COVID – processed own material. Currently, unpredictability has continued from the end of last year. 20-25% impact on industry at continuing at same rates as we have seen – SSW slightly lower than this due to better capacity (c. 15%) and Amplats agreement. If it does continue, do have to look at what levers can pull to improve cost. Renewable power – solar and wind. 18-month to 2-year lead time. Looking at gas opportunities from Mozambique. Hopeful on energy, but wheels of government turn slowly.

Q: How are you buying your power? A: Straight through Eskom. In the US, on short-term contracts, opportunity to source from anywhere.

Q: Net cash on balance sheet. What are the plans debt wise? A: Issued bonds in November 2022. Saw increase in interest rates globally. Happy with what has been raised. Got no immediate plans to access debt market other than revolving credit facility. Desire to grow through company. Business development team that looks at targets. Finding value is hard but continue to look. M&A – would be a debt component.

Q: Sandouville. Value proposition? A: Has been capital starved. Got a capital plan to get efficiencies up, to get up to standard acceptable to SSW. Got a new commercial employee there, getting more out of contracts. Improving time lag between when material comes into facility to when it leaves. About regional supply chain into Europe. Ideally, would like to establish PGM and battery recycling on that site. Longer-term, may upgrade nickel refinery to what is more attractive. Trying to align with strategic partners, e.g. Finnish Minerals group in Keliber. Want to leverage relationship with them for future opportunities.

AngloGold: Turnaround in progress

Company attendees: Stewart Bailey, Chief Sustainability Officer. Yatish Chowthee, Investor Relations.

Summary: Safety – no fatalities since May of 2021. Good year last year. Top end on guidance. Good production growth. Inflation about 12% for basket. Higher grades partly. FCF – big jump up. A lot of this was cash flow from Kibali. ESG – 30% reduction to 1Mt GHG emissions by 2030. US$1bn programme, US$350mn from ANG, rest from third party. Reserve and resources, peers struggling to replace net of depletion. Signal achievement Obuasi – hit marks at 250koz. Phase 3 will get from 4,000 to 5,000t/d. Tonne and grade effect takes to 400-450koz, up to rate end of 2024.

Q: Obuasi. Biggest risk to ramp up? A: Obuasi was tricky, struggled with skills and equipment availability. Plant working as it should. Often on ramp up have the glitch. Lucky most of those things working for us. Remains on track.

Q: Obuasi gives ounces. Rule out M&A? A: Yes, rules it out. Not that alone, but it is a factor. A lot of work that needs to be done to address portfolio. Can't see anything out there that gives better return than Obuasi. Doing the basics, getting the most out of the portfolio. Do not need to look outside. Nevada territory south is not virgin territory, reasonably close to Las Vegas which is good for access to labour. Local area supportive of having mining "back". Had 20% stake in company adjacent to ANG, 10Moz looks conservative. Do not have view on when it will get into production. Well worn path to get permitting in Nevada, do not see any impediment, iterative process. Aiming at production in 2025. Initial estimate is 300koz by turn of decade.

Q: Life of mine of each project? A: 30+ year life of district. North bullfrog, easy, gets us in, gets cashflow, then start to bring bigger ones in. One to look at is Silicon Merlin.

Q: Guidance? A: Busy with buttressing project. Ring fenced from guidance. See step up in costs, anticipating inflation of c. 6% this year in portfolio. Think this is realistic look. Capex remains in elevated capex situation. Still stripping. Increase development at some operations. Nothing to add on Brazil at this stage. Business is in good shape, leadership team is established. Individual from mining super majors come in as head of projects.

Q: Full asset potential review programme? A: US$40/oz in this year. Hope to have another US$60/oz cash costs next year. Some of it is being studied at the moment. Company is in good shape.

Q: Peers sat where on cash cost? A: Barrick and Newmont about US$850/oz. Want to get within US$100/oz of those peers, so targeting US$950/oz cash cost on today's money. AISC shouldn't be wildly different, should taper off from these levels from programmes completing. Hoping to narrow AISC vs. peers too. Reduction is mainly full asset review and Obuasi.

Q: Full asset potential – how do we know it is working? A: Sunrise dam, every tonne can displace from surface stockpile is ultimately a benefit to cost. A lot of asset review is better traffic management underground, better equipment availability. Looking at e.g. equipment availability, working well. Not finished article at Sunrise Dam, but one to watch. No full asset potential that has been "delivered" as of yet.

Q: Why not start programme earlier? A: A lot of change at top level. Site management motivated to narrow cost/performance gap.

Q: Cash repatriation. What is the plan? A: No improvement in Argentina, got some money out in Q4 at the unofficial exchange rate. Spread is big for official vs. unofficial rate. Cash sits in inflation hedged products. Have to wait it out. VAT remittances in Tanzania – can offset tax. US$120mn that sits in period where there was ambiguity in the law. That balance is "sticky". DRC is "done" in terms of lock ups.

Q: Capex. C. US$1bn. What is this? A: Obuasi. Nevada too. Growth capex – starts to taper off. Spending growth capital.

Q: How do you "fix" Brazil? A: Go back to first principles. Management to development. Brazil is tricky environment. Because of stripping in Tropicana, big chunk of cost increase comes from capital stripping is expensed this year.

Q: Offshore listing? A: No change. Remains an option. Will use it if we feel necessary.

Q: Brazil situation? A: Post liquefaction factor. In Cuiaba it is >1. If dam fails, the dam remains in place. Independent geotechnical experts doing study around buttressing. Update in May what this will look like. Will decide what to do with product, i.e. if process through plant or pay third party. Would need to do it, get new permit. Would hope it would not take longer than this year. No risk tolerance on tailings in Brazil – ANG not concerned on safety of dam.

Q: How close are consultants "to the ground" for full asset potential review? A: Remit for consultants is narrow. Just some capabilities in terms of data modelling that ANG do not have. Not going to see a big fee. Also support on benchmarking. Outcome is because of achievement of physical goals at site.

Q: Merger with Gold Fields. Is it possible/likely? A: Focus on going back to operational strength before would contemplate any deal. Focus is internal – sorting margin, pulling levers to improve rating. Same with general M&A.

Q: Other gold producers feeling inflation in Australia. Are you feeling the same? A: Very challenging environment. Small differences in pay are causing work force to move. Base metal companies can typically pay more than ANG can – have to think of other strategies to retain. Big push on creating employee value proposition. Diverse workforce at Sunrise Dam, good place to work.

Q: Sunrise Dam costs up. Is this mostly inflationary pressure? A: Working to bring it down. Inflation is an element. Low grade underground mine. Won't be low cost, but it is reliable, good for credit metrics, can get all cash out.

Q: Australian labour. Can you bring in labour from overseas? A: Hard to bring in labour from overseas. Higher wages, mobile work force. Business wants it fixed, but labour doesn't necessarily.

Q: Tropicana being c. half of cost inflation. What is plan this year? A: When stripping programme is done (about 18 months to run), will spend less cash there.

Q: Nevada. Production outlook? A: 2025 to bring production in, 2030 to ramp up. Going through land management. Old mining district. Broadly supportive population. North Bullfrog will start and ramp up slowly over the first year or two – feasibility study should be out this year. Consolidated unit – costs will be sub-US$1000/oz.

Q: Risks to Nevada delay? A: None that are foreseen. Labour availability should not be an issue. Supportive region.

Gold Fields: Eyes on Salares Norte

Company attendees: Avishkar Nagaser, Investor Relations. Thomas Mengel, Investor Relations.

Summary: Martin appointed as interim CEO. Came to GFI 6 years ago from De Beers as COO. Strong operational person. Instrumental in turnaround of South Deep. Need stability in business, CEO is safe pair of hands. Board has received initial long list of candidates. Timeframe is 6-12 months. Mid-year is reasonable.

Q: Technical metrics for next person for CEO job? A: No real information on this – board decision. Not that specific. One benefit to technical background is asset optimisation, can progress that part of strategy well. Global search – role must be based in S. Africa.

Q: Impact on strategy? A: Big M&A was not "the" strategy of the company. Last element of strategy was growing value of portfolio. Having learnt lessons from Yamana, go forward logic is going to be much smaller using balance sheet (not shares). Going to see more on bottom end of spectrum, e.g. greenfield and development project. Smaller transactions over number of years is expectation. One or two opportunities at present – Martin can/has mandate to make decisions.

Q: Jurisdiction of opportunities? A: Preference for countries we are already operating in. Ghana becoming more challenging. Australia still interesting. Peru and Chile comfortable there, but politics becoming riskier. Not in Canada, but actively looking.

Q: Reserve depletion, 3% decline YoY. What is approach? A: Did increase reserve price late in year. Part of portfolio couldn't use new price. Reserve price now US$1400/oz (was US$1300/oz).

Q: Resources? A: US$1500/oz to US$1600/oz.

Q: Damang – outlook? Cerro Corona too? A: Damang doing pre-feasibility study on life extension. Smaller company, would make sense perhaps in terms of capital allocation. Liability for closure would be about US$20mn. Cerro Corona a bit different. Plan changed a few years ago – constraint is mostly tailings. Dam only has a certain amount of capacity. Cerro Corona have sulphide plant, neighbours have oxide plant with sulphide deposit. Opportunity to "tie up" or sell Cerro Corona to them. Not decided on whether to exit entirely or be involved in some capacity as of yet. Have to make call whether to exit Peru entirely.

Q: Salares Norte delays. Confident these are the last of the delays? A: First couple of years delays were due to COVID and weather. Construction phase. Weather put a halt to things. A lot of it is undercover. On mining side, ahead of schedule. Stockpiled. Next year's production sitting on stockpile. Got high proportion of mining team on site already. Started handing over some parts of plant to operational team to start cold commissioning. Should get some gold fourth quarter. Ramp up is fast – 12-month ramp up.

Q: Confident on volumes due to stockpile? How much can you stockpile? A: Yes – small(er) plant. Benefits of operating there is no people, so plenty of space.

Q: Costs at Salares Norte? Inflation? A: Normalize Salares Norte, cost guidance between US$1160-1180/oz at group. Salares Norte costs are high this year due to lower ounces. Next year, much lower. Inflation at 7.5%.

Q: Load shedding at South Deep? Solar plant project – what does it do for you? A: Solar plant, 20-25% of needs. Would put more, but storage is expensive. Can't feed excess back to grid. Looking at other options on renewables. Wind too. Study will last 1-1.5 years, good potential for wind. Blows stronger in evening from initial studies. Eskom – still going to be reliant. Been lucky in that regard. Load shedding is quite different for mine, it is curtailment.

Q: Prepared for worst case scenarios/blackout? A: Yes. Need to ensure workforce is safe. Probably would stop mining, but would use solar project for pumping water most likely.

Q: Curtailment – how does it work? A: Eskom telephone and say "you will need to curtail from e.g. Monday to Thursday". Keep ventilating and keep pumping.

Q: How much of plant can you run on renewables? A: Only part of the day. Can't use this all the time. In Australia, on a good day, can run 90% off renewables, average through the year is c. 50%.

Q: Stay-in-business capex increase. Is it a step change? What is driver? A: Inflation. 11% inflation last year. Some structural increase in Australia, St Ives is now majority underground. Growth capex – should only really be stay-in-business capex from 2024. In St Ives, microgrid project too = US$250mn over 2-3 year project.

Q: ESG targets. Do you need to deploy renewable strategy globally? A: It does. Number to market is US$1.2bn to meet 2030 targets. Which is 30% net reduction.

Q: What initiatives can you put in place to offset inflation? A: Australia turnover rate 20% last year, 12% in January so coming down a bit. Asset optimisation programme. Diagnostics – St Ives is first one, then South Deep, then Tarkwa. Will come with more detail after initial diagnostics.

Q: Solar. How quickly can you bring more MWs on? A: Depends how quickly you can source solar panels. 50MW solar farm, 5km, took 6-7 months to build. If can get the panels, takes 24 months.

Q: Asanko. Story? A: Either buy or sell. Working through this now. Only two options in reality. Study put out, new mine plan, 8-year life of mine plan, 200koz. Breakdown in relationship. Junior and major together does not work. If buy option, shut down completely and come back with a better plan in a couple of years.

Q: What other limits on balance sheets for new opportunities? A: CFO is conservative in terms of managing balance sheet. ND/EBITDA is 0.29x. Kind of capital near-term is US$300-500mn range. Buys you a project in reality.

Q: Why go Greenfields route? A: If looking at a 200koz producer in Canada, looking at US$1bn. Costs a lot!

Q: Australian life of mine? A: This last year replaced depletion. Will continue that approach. Expensive to drill from surface. Drill as you go. Requires continued investment. Looking on east coast.

Q: Overhead cost in Australia. Good value? A: Too high. Now bigger than corporate cost.

Q: Where to "from here"? A: Yamana was only one element of the strategy review following Chris Griffith's appointment in 2021. Now about embedding and reinforcing strategy have in place as a business. Renewed focussed on asset optimisation. ESG big part of business – put out targets in 2021, decarbonization is one of the big ones. Divestments to consider – also need to look at exiting assets.

Q: How easy is it to divest these assets? A: Juniors looking for assets. Damang has sizeable resource in place. To extend mine life, need to spend US$500mn. GFI could spend this on another Salares Norte – capital allocation is different for a junior. South Deep is a core asset. Divestments – Damang, Asanko and Cerro Corona.

Q: Listed vs non-listed pricing? A: Listed = premium. Asset level rather than corporate level is preference.

Q: Ghana. What are you seeing? A: Operating day to day hasn't changed much. Mining point of view, things stable. Fiscal impulse putting on business is biggest challenge. COVID levy in place (still), was meant to be temporary. Tax issue is topical in Ghana. Contested this, saw MTN have big impact. GFI impact is around US$60mn. Will take them to arbitration. Will happen through courts in London. Would be hard to invest in Damang in current climate.

Q: Operating South Deep with load shedding? A: Not that big an issue, still operate at c. 30-40% of installed capacity. 50MW solar plant in October last year. Contributes to 25% of consumption, has been helpful. During load curtailment, mining is focus, then hoist when back up to power. Stage 6 would of course impact if prolonged.

Q: Supply chain issues. All sorted? A: Supply is fine, cost is challenge. Long lead times for some items, but not really suffered. Salares – everything is there.

Q: Which operations do you worry most about? Where are risks to not meeting guidance? A: Australia, 1Moz a year for next 8-10 years, relies on exploration success. Spend US$80-100mn on exploration in Australia, track record of replacing reserves there. Tarkwa 500koz, stable, increase in cost profile, work done to optimise that, biggest asset in portfolio, will be there for many years to come. South Deep – making material free cashflow, sustainability of that need to demonstrate. Salares – over the worst of skills shortages, handle on timing, believe first production in 4Q23, but still big deliverable for the company. Cerro Corona fine for next 3-4 years, after that, need to think about exit from Peru.

Q: Acquisition target? A: Significant tax leakages that buyer would need to pay = unlikely/not easy.

Q: Shareholder base? A: Used to be c. 20% locals, now closer to 30%. Foreign owners been static.

Harmony Gold: "Pivot" to copper

Company attendees: Boipelo Lekubo, Financial Director. Jared Coetzer, Investor Relations.

Q: Electricity impact? A: Not let supply of electricity impact production. Scale of operations (built in 70s-90s), a lot of excess capacity in e.g. refrigeration plants.

Q: What sort of warning for curtailment do you get? A: Get good advanced warning. Never had mines turned off. Will look at previous peak demand and ask to cut a certain percentage. If there was a grid failure, HAR have back up power to get employees out the mines and can evacuate.

Q: Worst case scenario. How long could ore be kept underground without hoisting? A: Depends on size of mine. Depends on flexibility of mine. One area at Moab (Khotsong) had substantial capacity to hoist. Scenario unlikely as would not have people underground so would not be mining.

Q: Q3. How is it going production wise? Anything putting guidance at risk? A: Comfortable with what is out there. Guidance unchanged. Managing with curtailment. Q3 not at risk with load shedding. 1H production, just over 50% of annual guidance. Got a bit of headroom. From cost perspective, AISC below guided level.

Q: Hidden Valley status? A: Problem with getting skills between PNG and Australia with quarantine requirements. Lost a lot of people who found COVID quarantine situation challenging with travel. Failure of conveyer belt was due to human error. Challenge now is getting to high grade – currently at low grade area, but progressing into higher grade area.

Q: Skills shortage. What can you do to address issue? A: Isolated incident around COVID mostly. Stabilised now, have a good mining manager onboard in Australia. Turnover was high, but has stabilised. Cost of living difference versus S. African operations so clear differential there. Eva copper project – have to be competitive on global scale in terms of attracting staff. Eva is not too far from towns, makes it more attractive for labour.

Q: What is the investment case? A: Transformation journey. De-risked the portfolio. Transitioning – always had some copper in portfolio, unlocking this with Eva. Counter cyclical copper vs. gold. Excited with Eva – 2-year build. Wafi-Golpu negotiations, comfortable something will come up soon. Transforms what the company looks like today. 35% of reserves now sitting in copper. Resources still gold (SA underground). Margin expansion – in time, will increase. Eva too small for big miners to look at, but fits into HAR portfolio. May find some assets are non-core.

Q: Shareholder register since move into copper? A: Tends to be stable. Buy into story and understand what HAR is trying to do.

Q: Looking for further copper opportunities? A: Looking. Would not want another early stage project. Metrics IRR 15%+, AISC attractive, safety potential – all important metrics. Also how to structure deal, i.e. debt, debt & equity. Equity issuance if massive transaction, hard to get a "big", good opportunity through an all cash offer. If gold price stays where it does, paints different picture in terms of bringing projects online. Issuing equity is last resort.

Q: Partner for some projects? A: Wafi-Golpu makes sense. Have to consider it. Would need to look at Wafi – may need to look at some options e.g. selling stake, perhaps even streaming. 2018 feasibility was 2.8bn for project. With inflation etc, likely higher. Years where project could have very large free cashflow.

Q: What is plan to control costs on big projects outside S. Africa? A: Hard to answer at this stage. Important to control capex. Year 3-4 is where big capex happens with cave itself. Newcrest well versed with method of mining.

Q: Projects update? A: Tailings project coming to an end. Franco Nevada streaming also comes to an end, can then sell that gold at spot. Two older mines will reach end of their life. Eva project starts likely FY25, two-year build – low strip ratio, fully permitted.

Q: Cost base. Diesel stands out. What are you experiencing? A: Diesel – drought in PNG, utilised hydro power there. Hard to secure energy capacity. Brought in own diesel due to drought, expensive to bring over, 200% increase in diesel costs at Hidden Valley. Consumables went up by 27%. Overall cost mix change wasn't particularly big though.

Q: Access to water? A: Net positive in terms of water. Substantial amount of water being pumped. Targets – put treatment plant underground to purify water and use in systems. Opportunities around irrigation, putting back into communities if needs be.

Q: Terms of green bond/loan vs. normal terms? A: Green loan is ring fenced, can only be used for solar. Got KPIs for sustainability for other funding, e.g. emissions. Green loan separate to sustainability KPIs. When you meet metrics, get a certain margin – it is a more "after cost saving". Measured over several years – if meet metrics, get a cut in rate.

Q: Safety. What is update on investigations? A: No update as of yet on investigation. Initiatives put in place are yielding results. Cultural transformation underway. Behavioural transformation is important.

African Rainbow Minerals (not covered)

Company attendees: Tsundzukani Mhlanga, Finance Director. Jacques van der Bijl, Executive: Growth.

Q: What message do you have for investors? A: ARM has some exciting growth initiatives that will be released next couple of years. PGM space. Had time to spend time on site and understand asset better. Quality of the asset – second largest PGM resource in South Africa. 7.1g/t grade. Grade very consistent. Very little geological anomalies. Can come in with clean sheet of paper. R&D work – smelter – acquired, work on technology, pleased with results there, technology has potential to produce ferrochrome and ferromanganese and well as pig iron. About ¼ the power vs. submerged arc furnaces. Completed demonstration furnace last month. Exceeded quality standards. Busy with feasibility study, due November this year. Regional consolidation opportunities in eastern limb.

Q: What sort of consolidation on above answer? A: Joint venture discussions. Nothing concrete.

Q: PGM outlook? A: Short-term, slight recovery this year and next in light vehicle sales of 3-5%. Increase in demand for PGM loadings, vehicles moving to hybrids. EV penetration is a threat. Glass sector – underpins support for platinum. Substitution effect too. Build up of inventory at Polokwane – should see this come down, depending on Eskom. Palladium seeing small deficit, shrinking, moving into surplus next year. Rhodium – more or less the same. Realize PGMs play important role in the world due to properties, will always be some kind of demand. Need to focus on operations and ensure in H1 of cost curve.

Q: Capex profile and more broadly capital allocation? A: Provided capex guidance to 2025, have DFS due in June. Looking to bring in leverage into balance sheet. Project level of maximum of 15% of capital. Bring down cost of capital.

Q: Palladium. If prices lower over next 5 years, still lower than where we are now. How should we think about scenario going forward? A: Acquisition, motivated to the board. Compared to spot, consensus prices c. 70% lower. Since then, prices have come off by c. 35%. Still think in models long term prices will come down another 35%. Even at those metal prices, with low cost curve position, still making c. 40% margins. Long-term metal prices, overlay cost increases, the brokers probably haven't factored in S. African suppliers will be under water.

Q: Is 15% debt maximum for project capital? A: A number of factors. Would like to gear at project level. Depends how much bank willing to put in. "Peak" negative cashflow is 2025, just before new concentrator plant.

Q: Transnet. Confidence in meeting full year guidance on iron ore line? A: Latest is that things are encouraging on feedback from Transnet. Identifying bottlenecks on channels and any low hanging fruit. Portion of rail where cannot really fill them up. Potentially some uplift in 12-24 months. Run rate is c. 86% of contract on manganese, 85% on iron ore. Contractually on manganese at 3.4Mt. Iron ore contract not up for renewal, contract runs to end of 2027.

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