



Implats – Impala Rustenburg operations

South Africa's Business-Government Partnership

Africa Down Under, 4 September 2024

Mzila Mthenjane: CEO, Minerals Council South Africa

The storyline



- A brief on South Africa's mining industry
- Partnership for inclusive economic growth
- A favourable future is unfolding

About the Minerals Council South Africa | Overview

- The primary advocate and representative of the South African mining industry.
- **Our Purpose:** to co-create and enabling environment for mining to thrive
- Guided by our organizational **values**
- **Diversified** across race, gender, commodity, geography and size of business
- **Strong governance** through Board and subcommittees
 - Audit & Risk
 - Nominations
 - Remuneration

About / Leadership / Our context / Our strategy / Addendum

Key features: the Minerals Council in 2023



Who our members are

14	Platinum group metal (PGMs) Anglo American Platinum, Barplats Mines, Bauba Platinum, Impala Platinum, Ivanhoe Mines, Miracle Upon Miracle Investments, Nkwe Platinum, Northam Platinum, Platinum Group Metals, Sedibelo Resources, Sibanye-Stillwater, Siyanda Resources, Tharisa Minerals, Wesizwe Platinum
13	Coal African Rainbow Minerals, Coastal Fuels, Exxaro Resources, Glencore Coal, HCL Coal, Ilima Coal Company, Mbuyelo Group, MC Mining, Msobo Coal, Sasol Mining, Seriti Resources, Thungela Resources, Vaalburg Mining Company
13	Chrome African Rainbow Minerals, Anglo American Platinum, Assore, Barplats Mines, Chrometco, Glencore Ferroalloys, Limberg Mining Company, New Venture Mining Investment Holdings, Northam Platinum, Samancor Chrome, Sibanye-Stillwater, Siyanda Resources, Tharisa Minerals

MINERALS COUNCIL SOUTH AFRICA INTEGRATED ANNUAL REVIEW 2023



13	Other commodities African Rainbow Minerals, Afrimat Demaneng, Corobrik, Kolobe Nala Investments, Imerys SA, Kropz Elandsfontein, M-Resources, PPC Cement, Richards Bay Minerals, Sibanye-Stillwater, South32, Tronox Mineral Sands, Vedanta Zinc International
9	Manganese African Rainbow Minerals, Afrimat Demaneng, AGA Capital, Artika Resources, Assore, Kudumane Manganese Resources, South32, Tshipi é Ntle Manganese Mining, United Manganese of Kalahari
8	Gold AGA Capital, DRDGOLD, Gold Fields, Harmony Gold, Pan African Resources, Sibanye-Stillwater, Theta Gold, West Wits Mining
5	Iron ore African Rainbow Minerals, Afrimat Demaneng, AGA Capital, Assore, Kumba Iron Ore
4	Mining contractors Fraser Alexander, Moolmans, Murray and Roberts Cementation, Redpath Mining Africa
4	Diamond De Beers Consolidated Mines, Ekapa Mining, Petra Diamonds, South African Diamond Producers' Association
3	Copper Orion Minerals, Palabora Mining Company, Vedanta Zinc International
3	Associations ASPASA, Clay Brick Association, South African Diamond Producers' Association
2	Vanadium Bushveld Minerals, Vanadium Resources
2	Exploration AGA Capital, Lethabo Exploration
2	Corporate Anglo American South Africa, AngloGold Ashanti
2	Zinc Orion Minerals, Vedanta Zinc International
1	Investment companies Kolobe Nala Investments

Our mining industry in perspective | #MiningMatters

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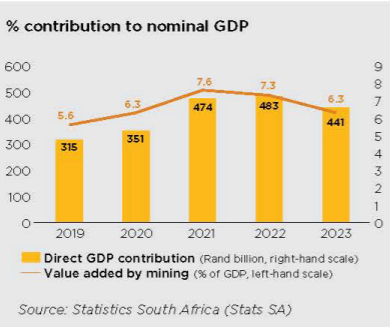
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Key features: the South African mining industry in 2023



Our numbers show and tell the story:
mining matters for South Africa:

% contribution to nominal
gross domestic product (GDP)
6.3% ↓
(2022: 7.3%)



Total primary sales (current prices)
R792.3 billion ↓
(2022: R883.5 billion)

Employee earnings
R178.8 billion ↑
(2022: R163.9 billion)

Pay as you earn (PAYE)
by mining employees*
R31.3 billion ↑
(2022: R27.1 billion)

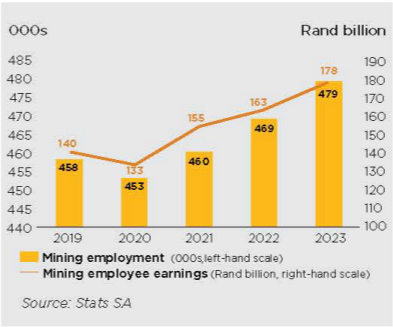
Mineral exports
R781.6 billion ↓
(2022: R882.8 billion)

Value added tax (VAT) (net outflows)*
R37.2 billion ↑
(2022: R28.9 billion)

Direct GDP contribution (current prices)
R440.8 billion ↓
(2022: R483.3 billion)

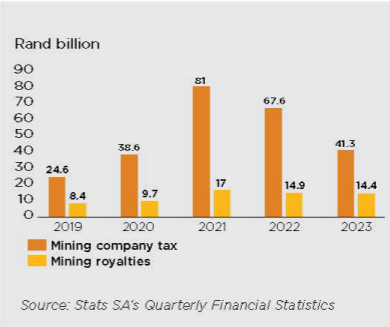


Employment
479,111 ↑
(2022: 469,353)



Company tax paid*
R89.9 billion ↑
(2022: R73.6 billion)

Royalties paid**
R14.1 billion ↓
(2022: 25.3 billion)



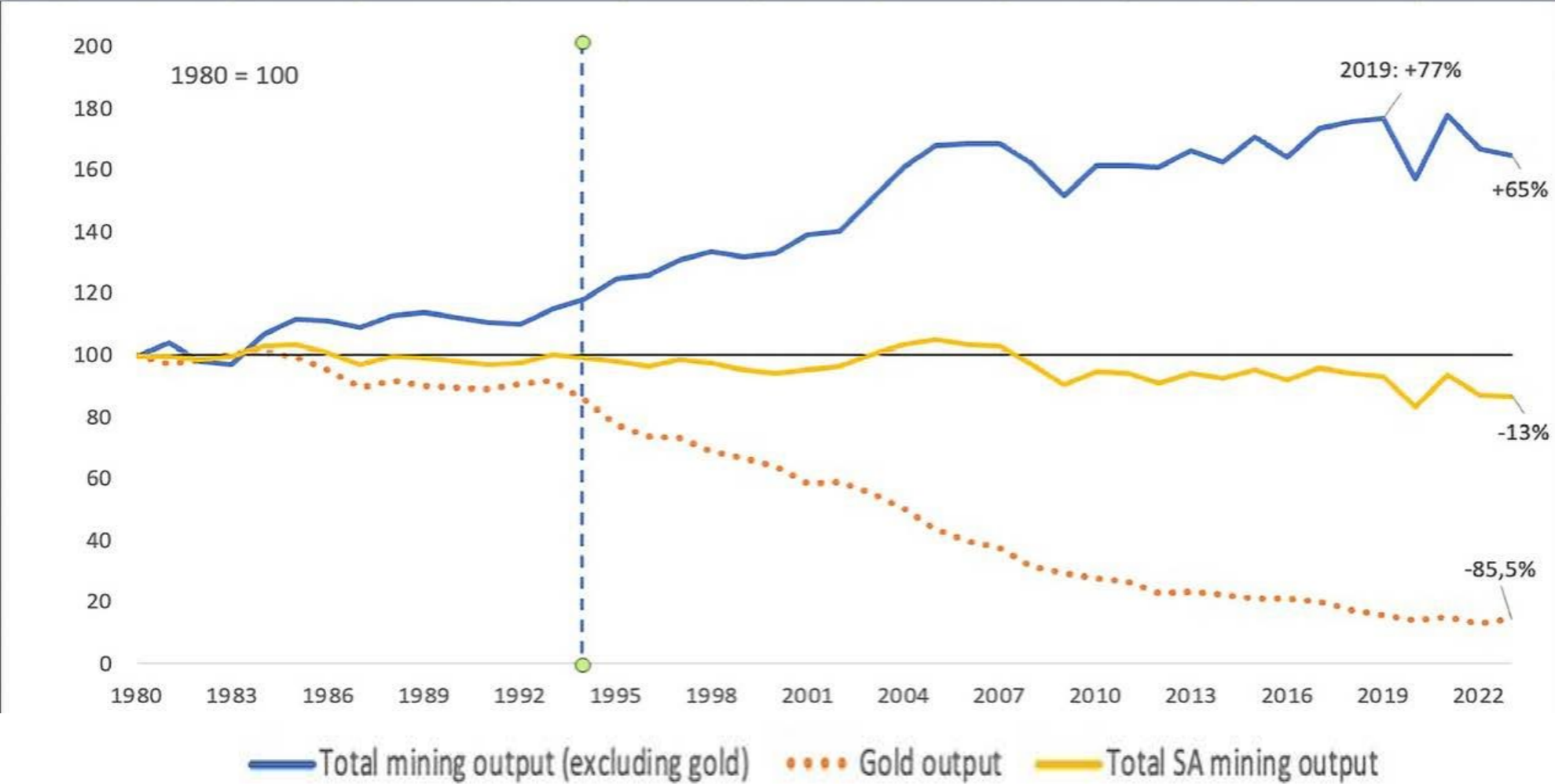
* 2023 refers to the 2022/23 financial year, 2022 to the 2021/22 financial year.

** Based on National Treasury's estimates as in the Statement of National Revenue, Expenditure and Borrowing from April 2023 to October 2023.

*** The figures for 2022 are not strictly comparable to what was used in the 2022 Integrated Annual Report due to data revisions since the publication of the report and/or because the final data for 2022 was not yet available at the time.

A diverse mining industry, with more to come

	Total mining	Total mining (excl gold)	GDP (excl mining)	Gold	PGMs	Coal	Iron-ore	Chrome	Manganese	Diamonds
Ave real annual % change since 1994	-0.4	1.3	2,6	-5.8	1.9	0.8	3.4	8.2	8.4	-0.1



- South Africa's **diverse mineral bounty** has offset a natural decline in gold output.
- **Exploration is essential** to find critical minerals, launching SA into its next phase of mineral production.
- A functional, transparent, **modern cadastre** is urgently needed.
- Efficient administration, consistent, **investment-friendly laws**.

We faced a burning platform to address critical obstacles to economic growth in South Africa

Starting point in 2023

Energy



~15pp
of GDP growth

Cumulatively lost
from 2020 - 2023¹

Transport & Logistics



~5%
of GDP

Lost economic
growth from 2023
logistics crisis²

Crime & Corruption



~10%
of GDP

Lost annually from
impact of crime³



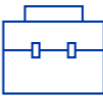
Ambition⁴ toward 2030



3 – 5%
GDP growth



Reliable power, growing
logistics, and reduced
crime



2.5m
Jobs created



Increased economic
activity



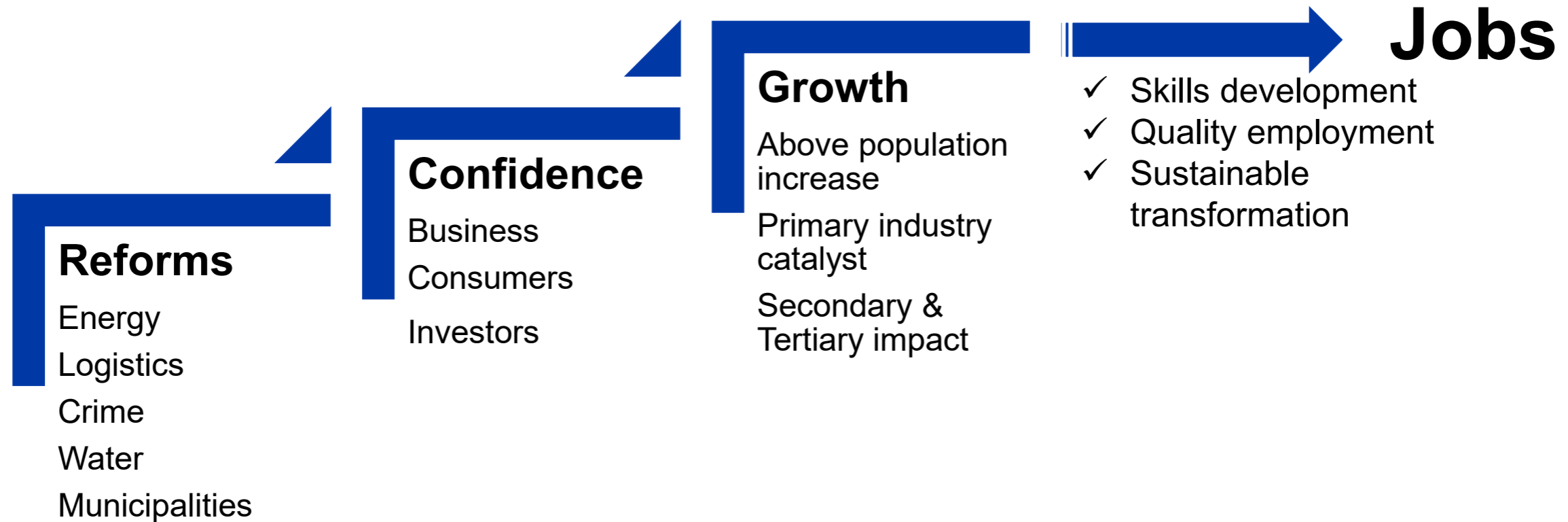
Improve
societal &
investor
confidence



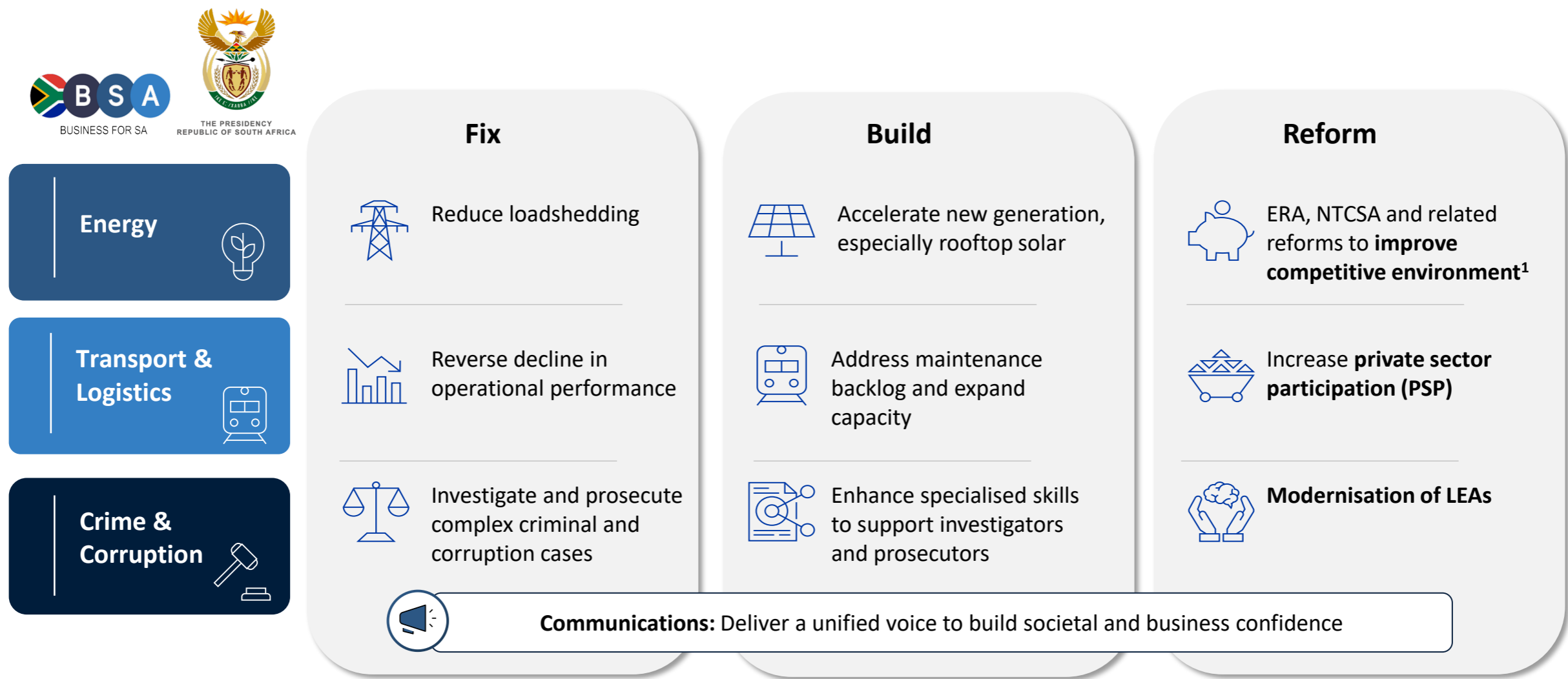
More attractive
investment destination

1. Nova Economics, Nov. 2023 (or R223.94bn in GVA (2022 prices)); 2. GAIN Group, Sept. 2023; 3. World Bank Report, Nov. 2023; 4. PwC scenario assuming 5% GDP growth, reducing unemployment from 32.9% to 28%

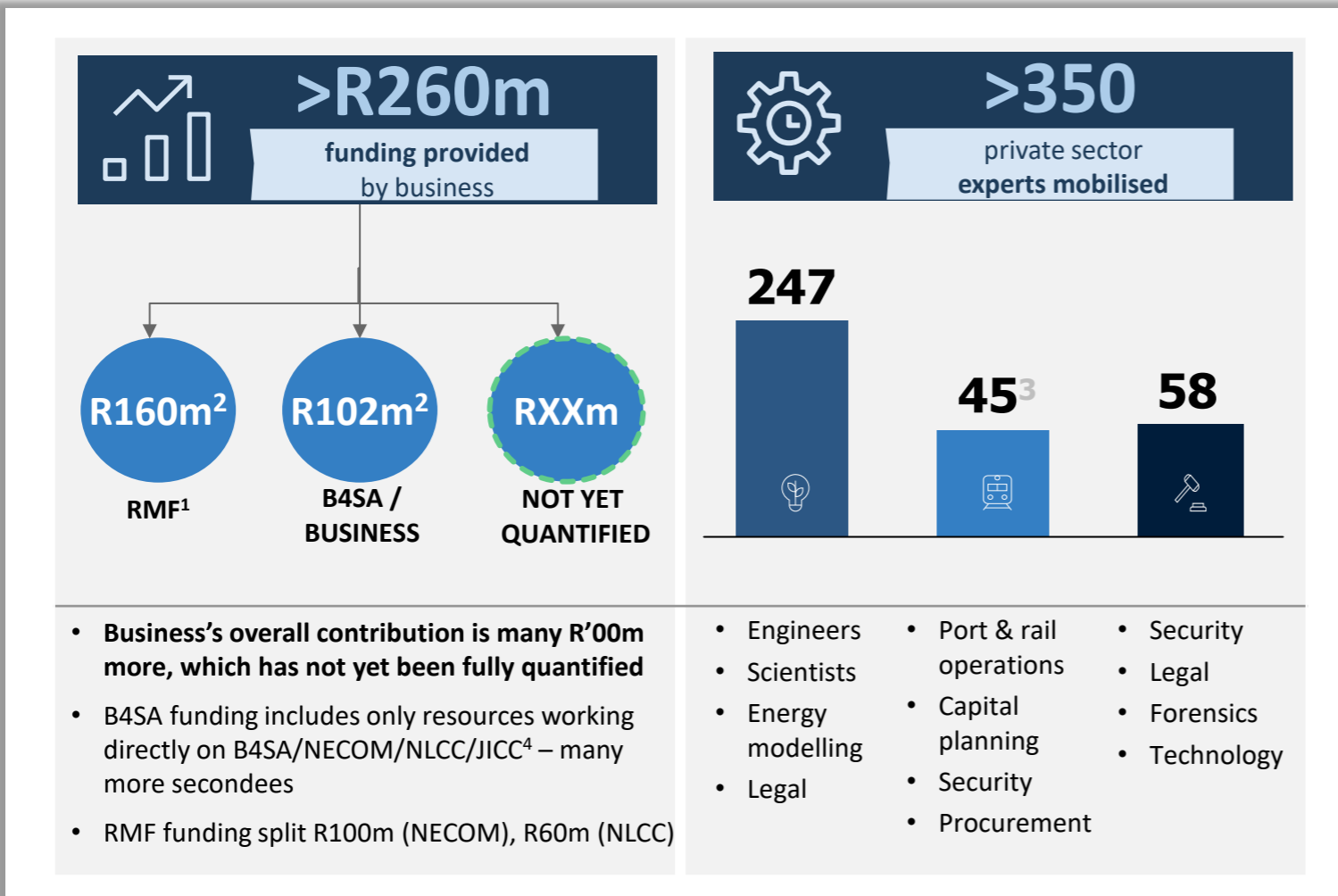
Logic and sequence towards desired outcome



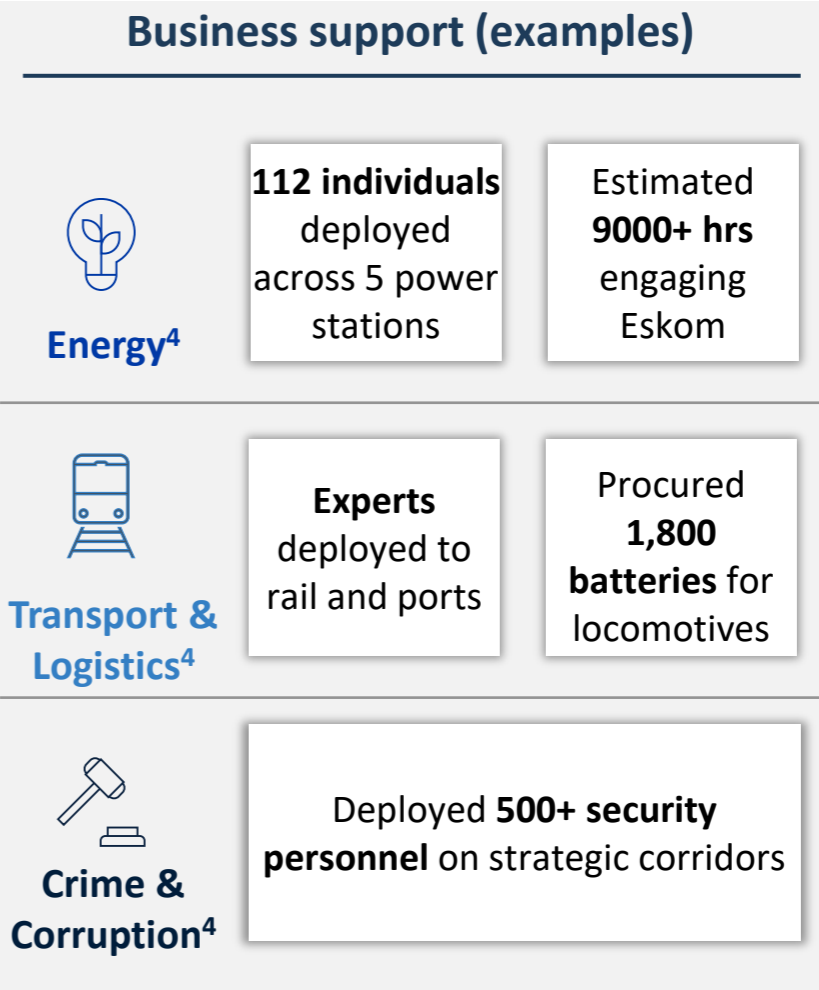
Three focus areas were mobilised to tackle priorities through the Business-Government Partnership



Significant funding and resources have been deployed by business to date



1. Resource Mobilisation Fund established as a mechanism for business to support the Presidency by donating technical resources to crisis platforms housed within the Presidency (NECOM for energy, NLCC for transport & logistics)
2. Funding includes R60m (RMF) & R60.7m (B4SA) commitments, documentation in process
3. Excludes >500 security personnel deployed on the North Corridor
4. Business is involved in 5/10 NECOM workstreams, 5/8 NLCC workstreams and 5/5 JICC workstreams.



Mining is playing a major role in the structural reform process

Energy



- Reliable supplier of **coal** to Eskom power stations
- Large **investment** pipeline of **renewable energy**, tracking R275 bn
- Renewables will **reduce electricity cost** & aid SA's **decarbonisation**

Logistics (rail & port)



- Mining mobilised most of funding for **national logistics crisis committee** to assist Transnet's turnaround
- Enabled deployment of 500+ **security personnel** on strategic commodity corridors
- Procured **1 800 batteries** for Transnet locomotives

Crime & corruption



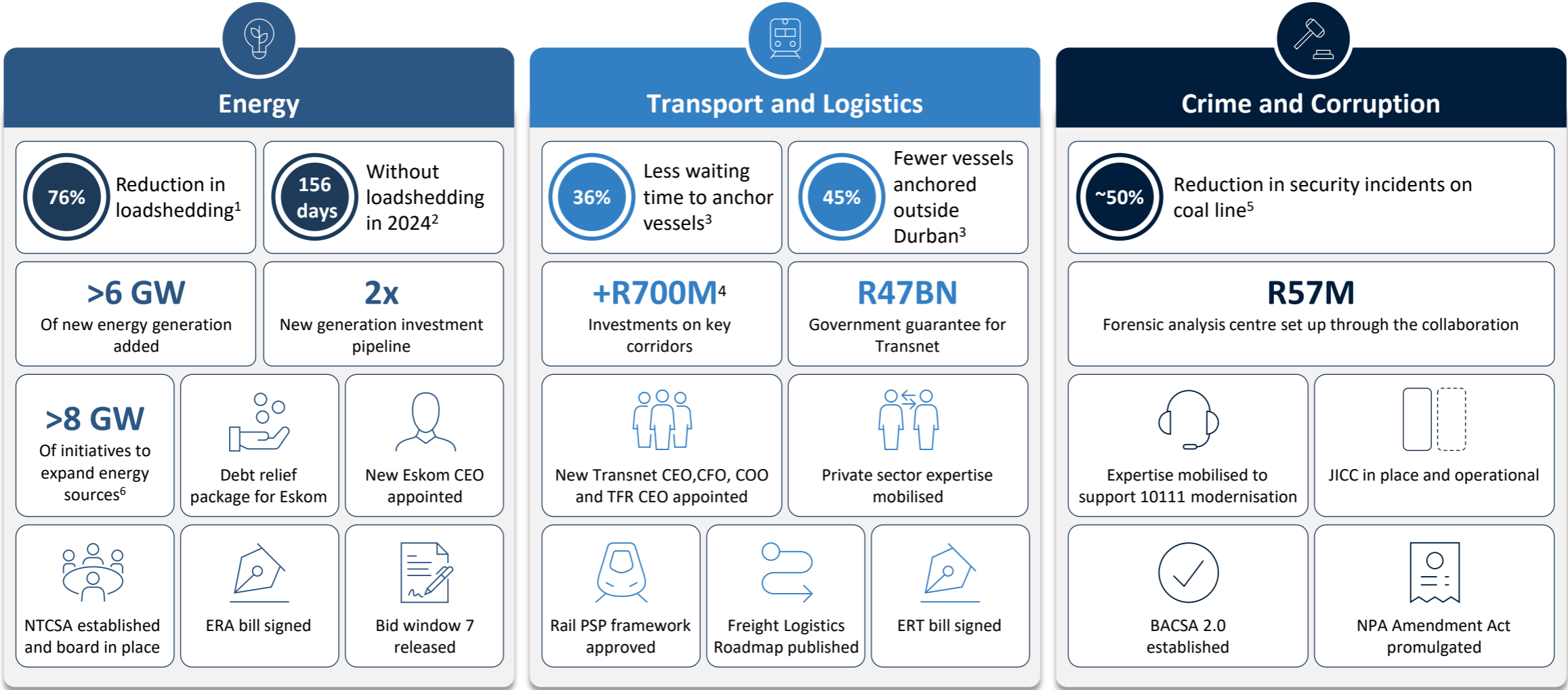
Involved in key workstreams & working closely to law enforcement agencies

Water



Working with government to ensure water for mines, farms and communities in **Lebalelo** Water User Association in Limpopo and **Vaal Gamagara** Water Scheme in the Northern Cape

Significant progress made since inception in 2023



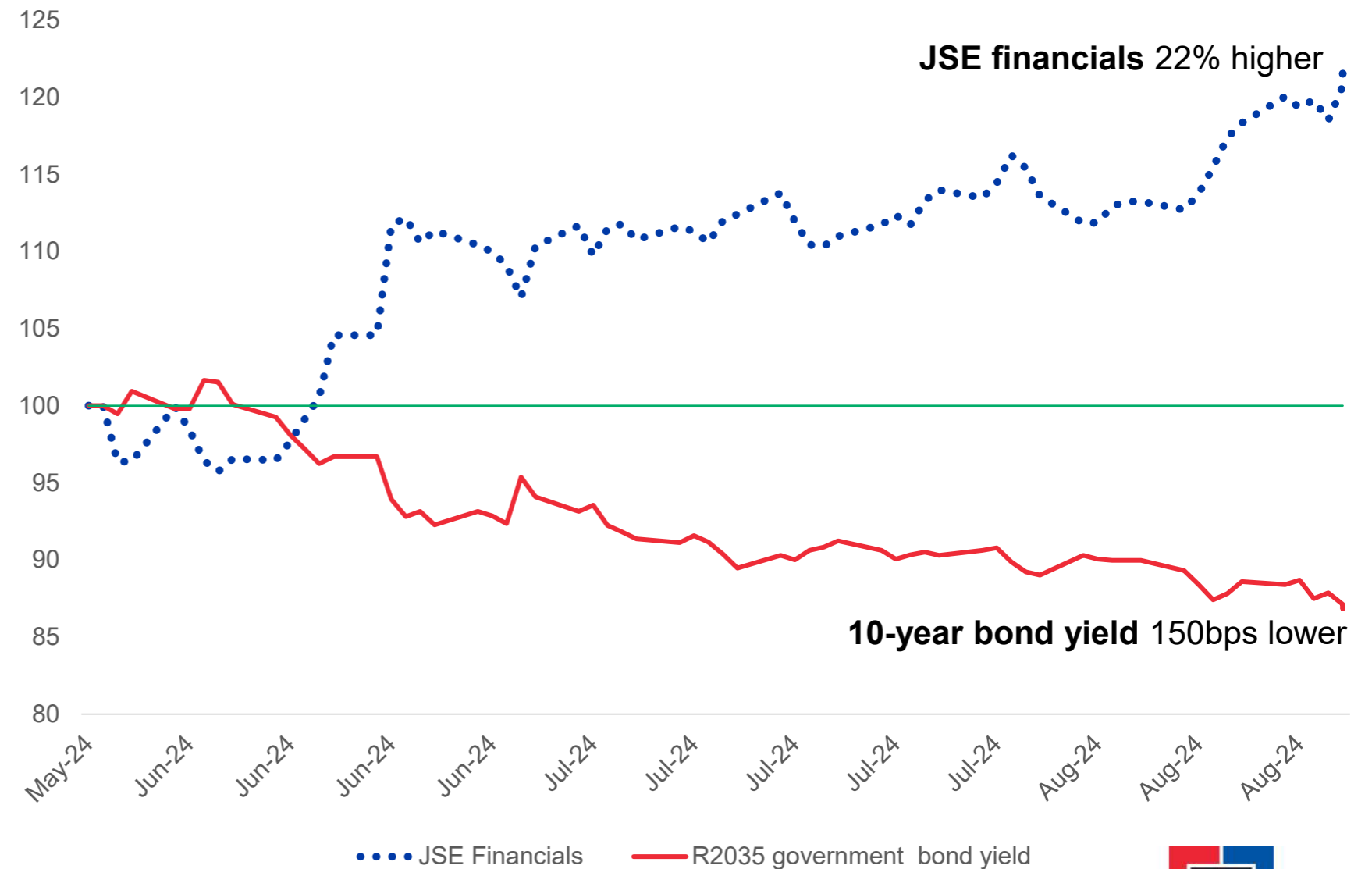
1. Reduction in cumulative load shedding hours realised year to date; 2. As of 1 September 2024; 3. As of March 2024; 4. Total investment including Business, Government and donors; 5. As of 17 July 2024, 6. Including 5.8 GW in rooftop solar

Investor sentiment towards SA boosted by GNU priorities



- *Firstly*, to drive **inclusive growth** and **job creation**.
- *Secondly*, to **reduce poverty** and tackle the **high cost of living**.
- *Thirdly*, to build a capable, ethical and **developmental state**.
- **Reform momentum** to strengthen

28 May 2024 = 100



In dollar terms, SA stock market has outpaced EM peers
























- Over last six months, **MSCI \$ SA stock market index** ↑ 23%
- **Brazil** ↓ 10%
- **Mexico** ↓ 19%
- Mexico and Brazil now governed by leftist governments
- In SA, a more business friendly, centrist government in place

A favourable context is unfolding | global inflation turned the corner

- Central bank interest rate expectations continue to shift
- **Fed** now expected to start cutting cycle in September
- **ECB & BoE** have already cut
- All else equal, lower inflation & interest rates should extend support to gold
- **US Election** outcome?



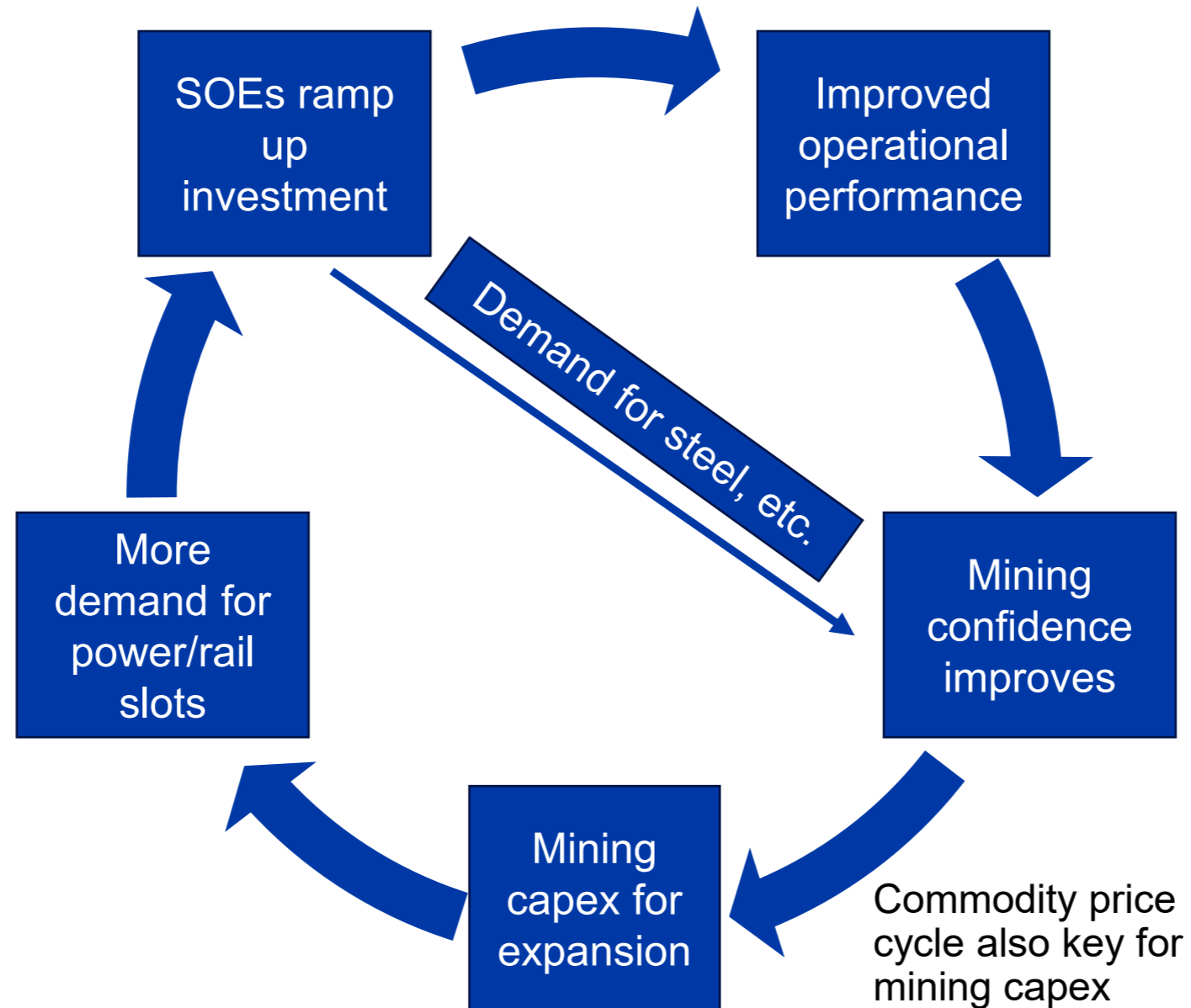
South Africa’s well-positioned in critical minerals/energy metals supply chain

Li Lithium	Ni Nickel	Co Cobalt	Cu Copper	PGM Platinum Group	REE Rare Earth Elements
					
					
					
					

Opportunities in South African mining industry

- ✓ (Re)Building the **growth agenda**: healthy financial status enabling
 - Grass-roots exploration
 - Increasing M&A activity
 - *Growth in recycling*
- ✓ Innovating for **productivity and decarbonization** of operations
 - Digitilization of operations
 - 75% of National renewable investments in mining
- ✓ Embedding in minerals supply chain: value-in-use
- ✓ **Magnificent 7Seven**[#]
- ✓ Reduce concentration risk for international partners – position for alternative supply
- ✓ Leverage extensive mining experience and metal endowment
- ✓ Unlock beneficiation value
- ✓ Consider global partnerships through strategic use of resources to develop specialized capabilities across the full energy metal value chain (time, skills and capital)

A virtuous mining fixed investment cycle



In summary...more upside than downside

Global outlook

- **Lower global inflation & interest rates** bodes well for precious metals/diamonds
- **Industrialisation** in other EMs (incl **India**) picking up (some) of slack
- Scramble for African **critical minerals**
- Opportunities & risks from **green transition** (rebirth of **NC copper mining**)
- Uncertainty on EV/ICE **vehicle demand**
- **Chinese demand** a concern
- **Geopolitics & protectionist** trade policies

South Africa outlook

- Capitalise on post-election/**GNU** investor goodwill - **accelerate reform momentum**
- Mooted **investment drive** unlocks constraints & creates demand for mining & minerals
- Reduced **load-shedding, transmission** remains crucial
- Private sector **rail access (PSP)**
- **Water** and **local government capacity and skills**
- Investment conducive **mining legislation** and **cadastre system**
- Additional economic development through **mineral beneficiation**



Gold Fields – South Deep

Thank you

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