



PLATINUM

## SENS Announcement

Anglo American Platinum Limited  
 (Incorporated in the Republic of South Africa)  
 (Registration number: 1946/022452/06)  
 Share Code: AMS  
 ISIN: ZAE000013181  
 ("The Company" or "Anglo American Platinum")  
 31 January 2022

### **Anglo American Platinum agrees to dispose of its interest in the Kroondal and Marikana pool-and-share agreements**

Anglo American Platinum has agreed to dispose of its 50% interest in the Kroondal pool-and-share agreement ("Kroondal PSA") and the Marikana pool-and-share agreement ("Marikana PSA"), (collectively the "PSAs") to Sibanye-Stillwater Limited ("Sibanye-Stillwater"), the other 50% owner of the PSAs.

CEO of Anglo American Platinum, Natascha Viljoen said:

*"We are pleased to have agreed to sell our 50% interest in the PSAs to Sibanye-Stillwater. Whilst the Marikana operation is on care and maintenance, the Kroondal operation has a short mine life under the current PSA terms. By enabling Kroondal to mine through the boundary at Sibanye-Stillwater's Rustenburg operations, we will extract our attributable share of the Kroondal reserves more quickly and efficiently than under the previous mine plan, unlocking greater value for Anglo American Platinum and Sibanye-Stillwater. This transaction will also allow for the Kroondal life-of-mine to be extended under Sibanye-Stillwater's ownership, sustaining employment at the operation for longer."*

### **Background**

In 2003, Anglo American Platinum entered into the Kroondal PSA with Aquarius Platinum ("Aquarius") in which both companies agreed to pool their assets for mutual benefit, whilst retaining individual ownership. Since then, there have been several transactions that contributed further ground to the PSA to maintain production levels. The companies entered into a subsequent agreement for the Marikana PSA in 2005.

A life-of-mine purchase-of-concentrate (POC) agreement was entered into when the PSAs were formed, in which our partner's share of concentrate produced is sold to Anglo American Platinum. Sibanye-Stillwater became Anglo American Platinum's partner in the PSAs following its acquisition of the entire issued share capital of Aquarius, in 2016.

Following the restructuring and repositioning of Anglo American Platinum's portfolio, Kroondal is not considered a strategic asset in the portfolio due to its short remaining life. The two companies have worked together to optimise the Kroondal mine plan, which has delivered over R8 billion in EBITDA between 2017 and 2020 for Anglo American Platinum. The next step for value creation was to optimise the mine plan to include resource from Sibanye-Stillwater's adjacent operations to mitigate the impact of declining production as the mine approached its end of life, and for the Company to exit its interest in Kroondal.

### **Overview of the transaction**

As at 31 December 2020, Kroondal had Mineral Reserves of 0.7 million 4E ounces (and an inclusive Mineral Resource of 1.30 million 4E ounces). The Mineral Reserve could be economically extracted, under the existing Kroondal PSA arrangement, over the remaining life of mine to 2025.



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Under the terms of the new agreements, Kroondal's infrastructure will be used to mine into Sibanye-Stillwater's adjacent Rustenburg resource. As a result, Anglo American Platinum will generate cash flows from its 50% share of the 1.35 million 4E ounces earlier (by the end of 2023), at a lower cost of production (after optimising the mine plan to extract the resource from both the Kroondal and Rustenburg mining right areas) and under the pre-existing Kroondal purchase of concentrate terms.

Thereafter, Anglo American Platinum will exit its interest in the PSAs, transferring all assets and liabilities to Sibanye-Stillwater, with no outstanding economic interest in the Kroondal mining operation. The Company will continue to process the concentrate produced from the Kroondal concentrators until 2026 under the toll-and-purchase agreement with Sibanye-Stillwater which was concluded as part of the Rustenburg disposal transaction (refer to Anglo American Platinum announcements dated 9 September 2015 and 1 November 2016).

The Marikana PSA has an inclusive Mineral Resource of 4.7 million 4E ounces attributable to Anglo American Platinum. The Mineral Resource in Anglo American Platinum's view cannot be economically extracted, and therefore the Marikana operation was placed on care and maintenance in 2012.

### **Economic consideration**

Under the terms of the transaction, Sibanye-Stillwater will acquire Anglo American Platinum's interest in both the Kroondal PSA and Marikana PSA for a purchase price of R1. In exchange, Sibanye-Stillwater will take over all closure costs and rehabilitation liabilities. In addition, should the remaining unmined Merensky mineralisation (which is not declared as a Mineral Resource) be mined in future, the Company will earn a deferred compensation on a Rand per tonne mined (the rate is dependent on metal prices at that time).

### **Conditions precedent**

The terms of the transaction are conditional on mandatory regulatory approvals including Competition Commission approval and Section 11 ministerial consent to transfer the mining right, as well as the delivery of 1.35 million 4E ounces of metal in concentrate by the Kroondal PSA (on a 100% basis).

### **Sponsor:**

Merrill Lynch South Africa (Pty) Ltd t/a BofA Securities

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### **Notes to editors:**

Anglo American Platinum Limited is a member of the Anglo American plc Group and is a leading primary producer of platinum group metals. The company is listed on the Johannesburg Securities Exchange (JSE). Its mining, smelting, and refining operations are based in South Africa. Elsewhere in the world, the Group owns Unki Platinum Mine and smelter in Zimbabwe. Anglo American Platinum has two joint operations with several historically disadvantaged South African consortia as part of its commitment to the transformation of the mining industry. Anglo American Platinum is committed to the highest standards of safety and continues to make a meaningful and sustainable difference in the development of the communities around its operations.

[www.angloamericanplatinum.com](http://www.angloamericanplatinum.com)

Anglo American is a leading global mining company, and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world-class competitive operations, with a broad range of future development options, provides many of the future-enabling metals and minerals for a cleaner, greener, more sustainable world and that meet the fast growing every day demands of billions of consumers. With our people at the heart of our business, we use innovative practices and the latest technologies to discover new resources and to mine, process, move and market our products to our customers – safely and sustainably.

As a responsible producer of diamonds (through De Beers), copper, platinum group metals, premium quality iron ore and metallurgical coal for steelmaking, and nickel – with crop nutrients in development – we are committed to being carbon neutral across our operations by 2040. More broadly, our Sustainable Mining Plan commits us to a series of stretching goals to ensure we work towards a healthy environment, creating thriving communities and building trust as a corporate leader. We work together with our business partners and diverse stakeholders to unlock enduring value from precious natural resources for the benefit of the communities and countries in which we operate, for society as a whole, and for our shareholders. Anglo American is re-imagining mining to improve people's lives.

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