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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")

Anglo American Platinum delivers value through cost and capital discipline

Anglo American Platinum is today providing an update on its performance during 2023 and setting out guidance for the next three financial years.

- Metal-in-concentrate (M&C), refined production, and costs within guidance for 2023, with capital expenditure ~R1.5 billion below guidance
- Action plan in progress to adapt to the external environment to deliver an enhanced cost position and value focused capital allocation, whilst preserving the Company's long-term growth optionality

Anglo American Platinum CEO, Craig Miller, said: *"We expect to meet 2023 production and cost guidance, despite a broad set of external pressures, and to do so with a strong safety performance. In responding to the prevailing weakness of the PGM basket price environment and persistent cost inflation, we are deploying a series of measures to improve our competitive position while preserving our long-term optionality. This action plan includes initiatives to reduce both annual costs by ~R5 billion and stay in business capital by ~R5 billion in 2024. We are also resequencing growth investments and prioritising higher margin production from our own operations through our processing facilities. These measures will allow us to capitalise on our industry leading portfolio for the long-term benefit of our stakeholders."*

2023 guidance

We have maintained a safe and stable operating performance through the year. M&C and refined production are expected to be within guidance at ~3.8 million PGM ounces (Moz).

Cash operating unit costs are anticipated to be within the upper end of guidance at ~R17 800 per PGM ounce.

Total capital expenditure for 2023 is anticipated to be ~R20.5 billion. This is R1.5 billion lower than previous guidance, primarily due to delays in spend for the Mototolo-Der Brochen life extension and optimisation of cashflows. Stay-in-business capital is anticipated to be ~R11.1 billion, with life extension capital lower at ~R2.4 billion. Mogalakwena Underground capital is expected to be ~R1.0 billion and Breakthrough capital ~R1.8 billion. Capitalised waste stripping cost at Mogalakwena is expected to be ~R4.2 billion.

Action plan to adapt to the external environment

We will continue to demonstrate value-based capital allocation discipline. We are implementing a variety of actions as we reprioritise capital expenditure and deploy measures to reduce costs in response to the current low PGM basket price environment. These measures will ensure that we improve our competitive position and protect returns, while preserving our long term optionality.

- 1) **M&C production:** 2024-2026 M&C production from own operations including our 50% share of Modikwa will remain around current production levels of between 2.1 and 2.3Moz.
- 2) **Refined production:** Refined production is expected to be between 3.3Moz and 3.7Moz in 2024, while 2025 and 2026 production decreases to between ~3.0Moz and ~3.4Moz as various third-party processing arrangements transition to toll arrangements and lower anticipated volumes.
- 3) **Cost optimisation initiatives:** Operational cost efficiencies, overhead reductions, supplier/service provider contract renegotiations, and work prioritisation programmes are anticipated to realise annual savings of ~R5.0 billion. This is expected to result in cash operating unit costs of between R16,500 – R17,500 per PGM ounce in 2024, more than offsetting expected average input cost inflation of ~6.0%. We are targeting an all-in sustaining cost (AISC) of below ~\$1,050 per 3E ounce in 2024. A review is under way to identify other opportunities to further enhance the company's cost position.
- 4) **Sustaining capital:** Lower sustaining capital of between R16.2 – R16.7 billion for 2024 will be focused on ensuring the integrity and reliability of our assets across the value chain, investing in heavy mining equipment (HME) to support the increase in waste mining and tailings infrastructure at Mogalakwena, and progressing the Mototolo-Der Brochen life extension which is expected to be completed by the first half of 2027.
- 5) **Other capital projects:** In light of the current PGM price environment, several growth options are being re-phased. This will improve near-term cash flows but preserve long-term optionality. Specific actions in relation to near term growth include:
 - We are progressing the drilling as well as the twin exploration declines and associated studies supporting possible future underground operations at Mogalakwena. The underground operations could secure access to higher grade ore and supplement open pit ore.
 - Study work on the Mogalakwena third concentrator and associated debottlenecking of downstream processing capacity has been completed. The project is expected to be value accretive but further work has been postponed, with the study work on the underground development prioritised.
 - The study programme to debottleneck the concentrators at Amandelbult complex has been stopped. This allows the operation to focus on improving safety, productivity and cost efficiencies at current production levels. This change allows the rephasing and postponement of the capital investment in the new mining areas to replace depleting production from Tumela upper.
- 6) **Processing third party material:** We will focus on higher margin processing of own material and expect a reduction in third party volumes over the next few years as a result of transition to toll arrangements and other contractual provisions in respective agreements. Volumes purchased are also subject to production plans by third parties.
- 7) **Processing:** As a result of the volume changes in concentrate flows, a review of our downstream processing footprint is under way. We will not proceed with the Anglo Converter Plant (ACP) debottlenecking project.



Outlook 2024 - 2026

Own mine production: own mine production will be sustained for the next three years at 2.1-2.3Moz per annum. Mogalakwena M&C is forecast at ~1.0Moz per annum.

Purchase of Concentrate (POC) from third parties: Kroondal will transition to a toll arrangement (for the 4E metals) upon the delivery of an agreed amount of volume which is currently estimated to be at the end of Q2 2024. Remaining toll and POC processing agreements with Sibanye Stillwater for its Rustenburg operations, and Kroondal reach their contractual conclusion at the end of 2026. Material purchased from Siyanda Resources will transition to a toll arrangement (for the 4E metals) in 2025. As a result, POC will decline from a current level of ~1.3moz to ~1.0moz by 2025.

Assumed production is subject to the impact of Eskom load curtailment

	Units	2023 Outlook	2024 Forecast	2025 Estimate	2026 Estimate
Own mines PGMs M&C (metal-in-concentrate)	million ounces	~2.5*	2.1 - 2.3	2.1 - 2.3	2.1 - 2.3
POC PGMs M&C (metal-in-concentrate)	million ounces	~1.3	1.2 - 1.4	0.9 - 1.1	0.9 - 1.1
Total M&C	million ounces	~3.8	3.3 - 3.7	3.0 - 3.4	3.0 - 3.4
		<i>Previous guidance 3.6 - 4.0</i>	<i>Previous guidance 3.6 - 4.0</i>	<i>Previous guidance 3.5 - 3.9</i>	
Refined PGM production	million ounces	~3.8	3.3 - 3.7	3.0 - 3.4	3.0 - 3.4
		<i>Previous guidance 3.6 - 4.0</i>	<i>Previous guidance 3.6 - 4.0</i>	<i>Previous guidance 3.3 - 3.7</i>	
Total Capex	R Billion	~20.5	19.0 - 19.5	18.5 - 19.0	18.0 - 18.5
		<i>Previous guidance ~22.0</i>	<i>Previous guidance ~22.5</i>	<i>Previous guidance ~17.5</i>	
SIB	R Billion	~11.1	6.1 - 6.4	7.4 - 7.7	7.6 - 7.9
		<i>Previous guidance ~11.0</i>	<i>Previous guidance ~11.0</i>	<i>Previous guidance ~9.0</i>	
Waste capital	R Billion	~4.2	~5.2	~4.5	~5.0
		<i>Previous guidance ~4.1</i>	<i>Previous guidance ~5.0</i>	<i>Previous guidance ~4.5</i>	
Lifex	R Billion	~2.4	4.9 - 5.1	4.1 - 4.3	2.9 - 3.1
		<i>Previous guidance ~3.5</i>	<i>Previous guidance ~4.0</i>	<i>Previous guidance ~2.5</i>	
Total (sustaining capex)	R Billion	~17.7	16.2 - 16.7	16.0 - 16.5	15.5 - 16.0
		<i>Previous guidance ~18.6</i>	<i>Previous guidance ~20.0</i>	<i>Previous guidance ~16.0</i>	
Mog Underground	R Billion	~1.0	~1.3	~1.0	~1.0
Breakthrough	R Billion	~1.8	~1.5	~1.5	~1.5
		<i>Previous guidance ~3.4</i>	<i>Previous guidance ~2.5</i>	<i>Previous guidance ~1.5</i>	
Cash operating unit cost	ZAR/PGM oz	~17,800	16 500 - 17,500		
All-in-sustaining costs-AISC	USD/ 3E/oz	~1,100	~1,050		

*Noting that up to the effective date of the Kroondal disposal sale transaction, on 1 November 2023, the 2023 M&C from own mines production included 50% attributable from Kroondal.

Please note that PGMs stands for: platinum, palladium, rhodium, iridium, ruthenium, and gold. Average proportion M&C and refined production has on average ~45% Platinum, ~35% palladium and 20% other metals over the three-year guidance period. AISC (all-in-sustaining costs) - includes cash operating costs, overhead costs, marketing and market development costs, metal inventory movement, SIB capital, and waste stripping capital. It excludes project capital.

Conclusion

Anglo American Platinum CEO, Craig Miller, said: "We remain committed to operating safely and sustainably at all times. We have delivered a record safety performance so far this year and remain on track to meet 2023 guidance on production and costs with lower capital expenditure. We are adapting to the current environment by deploying a wide range of value-based measures. This includes embedding efficiencies, stepping up cost saving initiatives and re-



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prioritising our capital allocation. We believe that the actions we are taking are critical to improve our competitive position and protect long term returns from our PGMs that are integral to the major demand trends of improving living standards for a growing global population and the need for cleaner transport and energy”.

Anglo American Platinum update call

Craig Miller, CEO, and Sayurie Naidoo, Acting Finance Director, will host an update call at 14:30 (SAST). The conference call pre-registration details are as below and, on our website, and a replay will be available.

To pre-register for the conference call, please click [here](#).

To access the conference replay, please dial:

South Africa: 010 500 4108
UK: 0 203 608 8021
Australia: 073 911 1378
USA: 1 412 317 0088
International: +27 10 500 4108
Replay access code: 45626#

Anglo American Platinum media call

Craig Miller and Sayurie Naidoo will also host a media call at 13:00 (SAST).

To pre-register for the media call, please click [here](#).

To access the media call replay, please dial:

South Africa: 010 500 4108
UK: 0 203 608 8021
Australia: 073 911 1378
USA: 1 412 317 0088
International: +27 10 500 4108
Replay access code: 45627#

Anglo American plc investor update

The Anglo American plc investor update presentation is available [here](#) on the Anglo American website.

This announcement contains forward-looking statements which are based on the Company's current beliefs and expectations about future events. The operational and financial forecasts provided in this announcement are estimates and have not been reviewed and reported on by the Company's external auditors.

Johannesburg

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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

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 copper, nickel, platinum group metals, diamonds (through De Beers), and premium quality iron ore and steelmaking coal – 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, and for our shareholders. Anglo American is re-imagining mining to improve people's lives.

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