

MANTENGU MINING LIMITED
Incorporated in the Republic of South Africa
(Registration number: 1987/004821/06)
Share code: MTU ISIN: ZAE000320347
("Mantengu" or "the Company" or "the Group")

**AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
29 FEBRUARY 2024**

HIGHLIGHTS FOR THE PERIOD

- Revenue increased to R109.9 million (FY23: R4.5 million)
- Gross profit increased to R52.6 million (FY23: R1.0 million loss)
- Operating profit increased to R24.9 million (FY23: R15.8 million loss)
- Earnings per share improved to 1 cent per share (FY23: 12 cents loss per share)
- Headline earnings per share improved to 1 cent per share (FY23: 12 cents loss per share)
- No dividend declared for the period (FY23: nil cents per share)

COMMENTARY

The release of the audited Group results for the year ended 29 February 2024 marks a watershed moment for Mantengu, namely its first year-end in production and remarkably positive earnings.

The most pleasing aspect is the fact that these results were achieved with the Langpan LG plant only operating at a steady state level from January 2024, and for the last two months of the financial year. Approximately R60.1 million of revenue was generated during these two months. The Board made sweeping changes to the Langpan executive late in the 2023 calendar year, which yielded the necessary step change in operational performance of the mine. The Langpan LG plant is well poised to continue delivering strong production performance into the 2025 financial year.

The completion of the capex build of the Langpan MG plant has been challenging. The cost of the capex build has increased due to rising material prices from suppliers, necessitated by negative market conditions. The build completion has been continuously drawn out by ever increasing lead times in respect of material and parts availability. During the year, the Board deployed R57.3 million into capex at Langpan. The Langpan MG plant is expected to be commissioned later in the 2024 calendar year and will add approximately 18 000 tonnes of monthly production capacity to Langpan.

Mantengu continues to address operational production costs to ensure that the Group operates at the lower end of the cost curve. Operating expenditure was negatively impacted by continued inflationary pressures stemming from high interest rates in the macroeconomic environment and higher energy costs. Langpan does not have access to any power allocation from the state energy producer, Eskom. Eskom is unable to meet Langpan's energy needs due to insufficient generation capacity in the region. Reducing the overall cost of energy for the Group will be a high priority during the 2025 financial year.

Post year end on 10 May 2024, Mantengu acquired 100% of Birca Copper and Metals Proprietary Limited (“**BCM**”) for a consideration of R29.9 million. BCM mines and processes high grade chrome ore. The acquisition secures a strategic resource for Mantengu that complements its existing chrome ore mining and processing operation. The addition of this resource approximately doubles Mantengu’s chrome ore supply, provides long term cost stability, and supply chain resilience as well as unlocks significant economic and technical synergies within the Group. The addition of BCM to Mantengu will enable it to operationally streamline its mining operations, thereby increasing overall efficiency and profitability. The BCM management team is highly skilled and experienced and will bolster the Group’s management structures.

Mantengu’s results should be viewed considering only two months at steady state production at Langpan. Langpan is well positioned to deliver performance that is representative of a full production period over the 2025 financial year. Overall, the Group is well poised to strategically add assets to its portfolio that enhance long term shareholder returns. Mantengu will continue to canvass the mining, mining services and energy sectors for opportunities that will bolster or de-risk the Group’s operations.

This results announcement is the responsibility of the directors of Mantengu, and the content was approved by the Board on 27 May 2024. This results announcement does not include full or complete details of the audited consolidated and separate financial statements for the year ended 29 February 2024 (“**2024 AFS**”) released on SENS on 27 May 2024. Any investment decision should be based on the 2024 AFS as a whole. None of the information in this announcement has been reviewed or reported on by the Company’s auditors.

The 2024 AFS have been audited by the Company’s auditor, HLB CMA (South Africa) Inc., who expressed an unmodified opinion thereon. The audit opinion, which is included in the 2024 AFS, is available on the Company’s website at: <https://www.mantengu.com/investor-relations> and on the JSE’s cloudlink at: <https://senspdf.jse.co.za/documents/2024/jse/isse/mtue/YE24.pdf>

CORPORATE INFORMATION

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Board of Directors: MJ Miller, M Naidoo, A Collins# (Chairman),
V Madlela*, J Tshikundamalema*
(#Non-Executive, *Independent Non-Executive)

Company Secretary: Neil Esterhuysen & Associates Inc

Transfer Secretaries: Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
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Auditor: HLB CMA South Africa Inc.

Johannesburg
27 May 2024

Designated Adviser
Merchantec Capital

