



**Investor  
presentation  
Bokoni Platinum  
Mine Acquisition**

*“We are pleased to have concluded the acquisition of BPM which includes a large, high-grade resource and existing infrastructure. The acquisition and development of BPM will enable us to scale our platinum group metals (PGM) portfolio, improve ARM’s global competitiveness and allow us to pursue further value accretive organic growth.*

*In addition to delivering competitive returns for shareholders, the development of BPM will allow ARM to create sustainable value for a broad range of stakeholders including local communities, employees and black industrialists who will together own 15% of the mine. As we build and operate BPM, we will create approximately 5 000 jobs of which 2 500 will be permanent.”*

**Executive Chairman of ARM, Dr Patrice Motsepe**

## **Disclaimer**

Throughout this presentation a range of financial and non-financial measures are used to assess the company's performance, including, but not limited to financial measures that are not defined under International Financial Reporting Standards (IFRS). These adjusted financial measures are included for illustrative purposes and are the responsibility of the Board of Directors. They should be considered in addition to, and not as a substitute for, or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS.

## **Forward looking statements**

Certain statements in this report constitute forward looking statements that are neither reported financial results nor other historical information. They include but are not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. Such forward looking statements may or may not take into account and may or may not be affected by known and/or unknown risks, unpredictables and other important factors that could cause the actual results, performance and/or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, unpredictables and other important factors include among others: economic, business and political conditions in South Africa; decreases in the market price of commodities; hazards associated with underground and surface mining; labour disruptions; changes in government regulations, including environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the health-related epidemics and pandemics, including Covid-19, HIV and Aids in South Africa. These forward looking statements speak only as of the date of publication of these pages. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of these pages or to reflect the occurrence of unpredictable events.

# Transaction overview



# Salient features of the Transaction

## Transaction description

- A new wholly owned subsidiary of African Rainbow Minerals Platinum Proprietary Limited (**ARM Platinum**) has been established to acquire 100% of the shares and claims in Bokoni Platinum Mines Proprietary Limited (**BPM**) from Anglo American Platinum Limited (**AAPL**) and Atlatsa Resources (**Atlatsa**).
- The new subsidiary will be renamed ARM Bokoni Mining Consortium Proprietary Limited (**ARM BMC**).
- ARM Platinum will ultimately own **85%** of ARM BMC.
- A Local Community Special Purpose Vehicle, an Employee Share Ownership Plan Special Purpose Vehicle and a Black Industrialists Special Purpose Vehicle will be established and will each acquire **5%** of the ordinary shares of ARM BMC for a nominal price.

## Transaction terms

- Purchase consideration of **R3.5 billion** settled in cash.
- A **23-year** sale of concentrate agreed between BPM and Rustenburg Platinum Mines Limited (**RPM**) on commercially agreed terms

# Salient features of the Transaction

## Financing

- ARM has **sufficient cash resources** to fully fund the purchase consideration and will fund it in the most efficient manner.
- A Definitive Feasibility Study (**DFS**) will be completed in approximately 12 months.
- Approximately **R5.3 billion** of development capital in real 2021 terms to be spent over **three years**.

## Timing

- Completion expected during 2022 after obtaining regulatory approvals including South African competition authorities approval and consent in terms of section 11 of the MPRDA\*

## DFS parameters

- **Mechanised on-reef** mining method utilising existing proven technology
- Targeted steady state operational cost of less than **R12 000 per 6E ounce** (in 2021 terms)
- Steady state production target date of **2028**
- Steady state production of approximately **300 000 ounces** of 6E PGM contained in concentrate per annum
- Steady state production of approximately **255 000 tonnes** of chromitite concentrate per annum

# About Bokoni Platinum Mine



# BPM is a large high-grade opportunity

## Overview of BPM

PGM mining operation located in Limpopo Province, South Africa and forms part of the North-Eastern Limb of the Bushveld Complex.

Formerly, 100% owned by Bokoni Platinum Holdings Proprietary Limited (BPH) which is owned 49% by AAPL, through its wholly owned subsidiary RPM and 51% owned by Atlatsa through its wholly owned subsidiary Plateau Resources Proprietary Limited (Plateau).

BPM's Mineral Resource is the second largest PGM resource in South Africa.



# BPM is a large high-grade opportunity

## Overview of BPM

As of 31 December 2020 it had measured, indicated and inferred mineral resources of 153 million ounces contained 4E PGMs with a grade of 5.87 g/t.

BPM's Mineral Resource comprises of approximately 64% UG2 and 36% Merensky.

The UG2 is of a much higher-grade than the Merensky (6.56 g/t 4E versus 4.94 g/t 4E) and has a favourable prill split for palladium (49%) and Rhodium (8%).

Established mining and processing plant infrastructure.

## Shafts

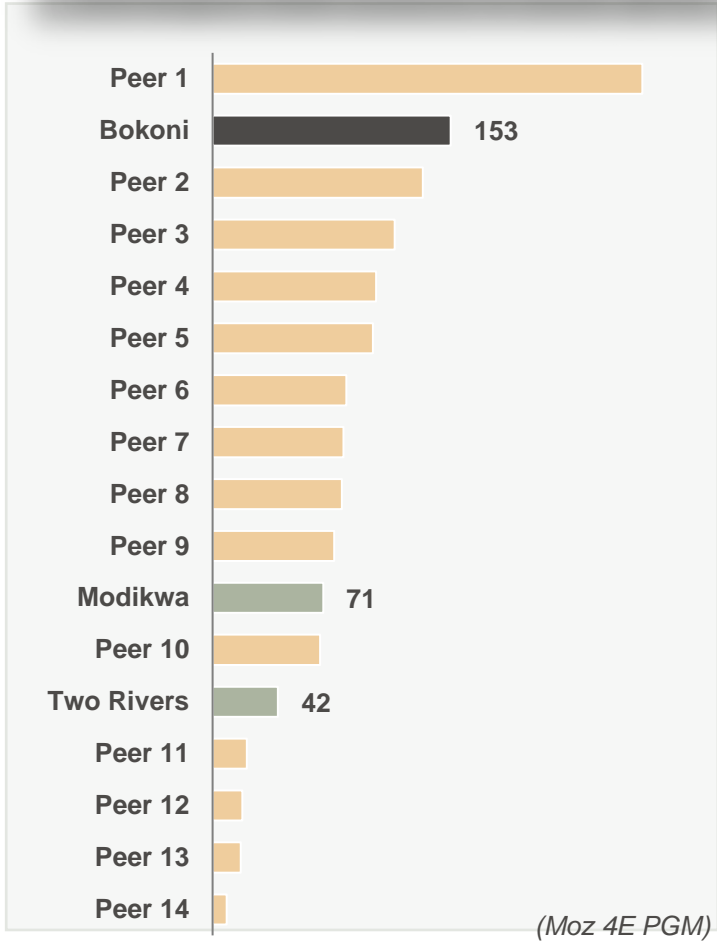
- Brakfontein Shaft which accesses the Merensky horizon was developed in **2007**.
- Middelpunt Hill was developed for extraction of the UG2 reef.
- Brakfontein and Middelpunt Hill shafts have relatively **new shaft infrastructure**.
- Together they have a combined **ore hoisting capacity of 160 000 tonnes per month (tpm)**.
- Other old non-producing shafts including vertical shaft, UM1 and UM2 to be used as ventilation and dewatering shafts.

## Processing

- Two existing processing facilities; namely the **Merensky concentrator and the UG2 concentrator**.
- UG2 concentrator has capacity of **60,000 tpm**.
- Merensky concentrator has capacity of **100,000 tpm**.
- Prior to care and maintenance, the UG2 and Merensky processing facilities at their respective peaks delivered combined recoveries of approximately **87%** for **4E PGM** and approximately **88%** for platinum delivered.
- Two tailings storage facilities designed with a combined capacity of **160,000 tpm with approximately 5 years of remaining capacity**.

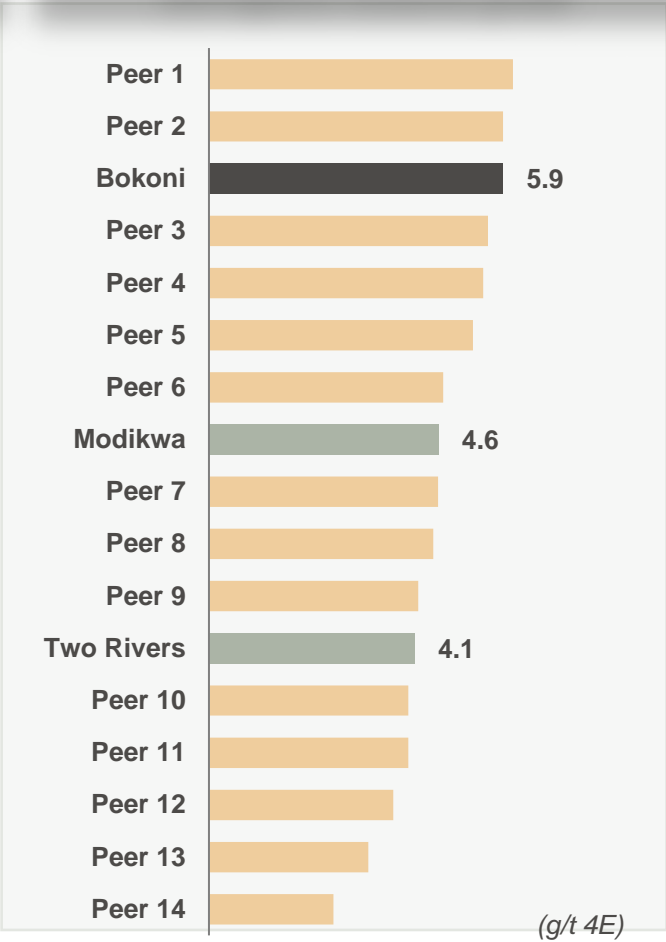
# BPM is an attractive mineral resource opportunity

## 2nd largest PGM resource in South Africa





(Moz 4E PGM)


## 3rd highest resource grade





(g/t 4E)


- 

**Second largest PGM resource** within the Bushveld Complex with **153 Moz 4E PGM** in total Mineral Resource of which **55 Moz 4E PGM** is in the Measured Resource category (36% in Measured category).
- 

**Total >23 year mine plan** is located in Measured Resource.
- 

Bokoni's **UG2 resource has a higher in situ grade** (of 6,6 4E g/t) than the Merensky reef.  
Bokoni has the **highest UG2 grade** reported in operating assets in the **Bushveld Complex**.
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**Attractive UG2 prill split** of 49% Palladium, 41% Platinum and 8% Rhodium.
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UG2 Resource has **high nickel grade of 0.17%**, providing potential exposure to increasing nickel prices.
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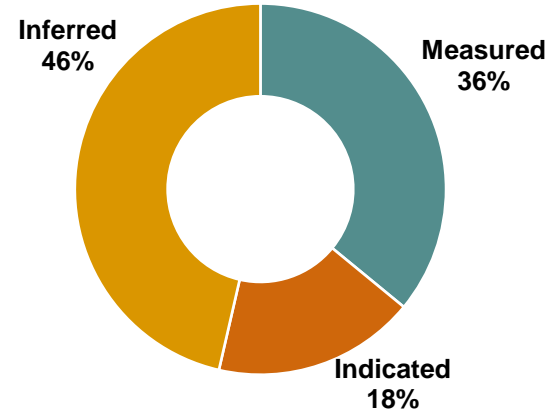
**High chrome grades** allows for further diversified revenue stream.

Source: 2020 Annual company Resource and Reserve Report

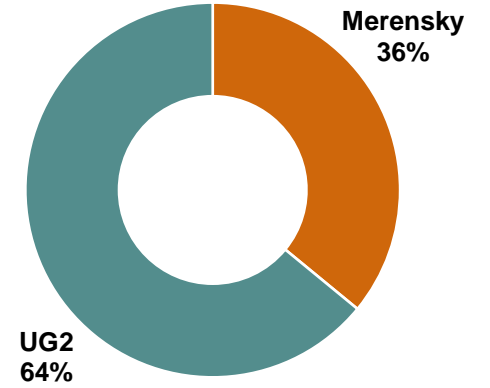
# BPM Mineral Resources Statement

	Tonnes (Mt)	4E grade g/t	4E Moz	Cu grade %	Ni grade %
<b>Merensky</b>					
Measured	92.8	4.82	14	0.08	0.21
Indicated	47.8	4.85	7	0.08	0.20
Inferred	205.8	5.02	33	0.08	0.20
<b>Total Merensky</b>	<b>346.4</b>	<b>4.94</b>	<b>55</b>	<b>0.08</b>	<b>0.20</b>
<b>UG2</b>					
Measured	198.6	6.43	41	0.05	0.17
Indicated	92.3	6.57	20	0.05	0.17
Inferred	174.6	6.71	38	0.06	0.18
<b>Total UG2</b>	<b>465.5</b>	<b>6.56</b>	<b>99</b>	<b>0.05</b>	<b>0.17</b>
<b>Total Resource</b>	<b>811.9</b>	<b>5.87</b>	<b>153</b>	<b>0.06</b>	<b>0.18</b>

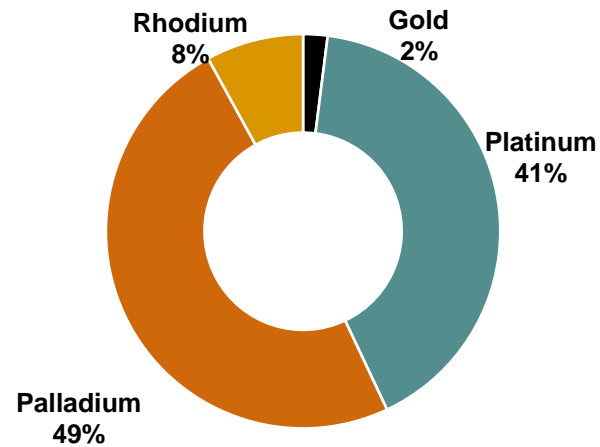
**Category Split**



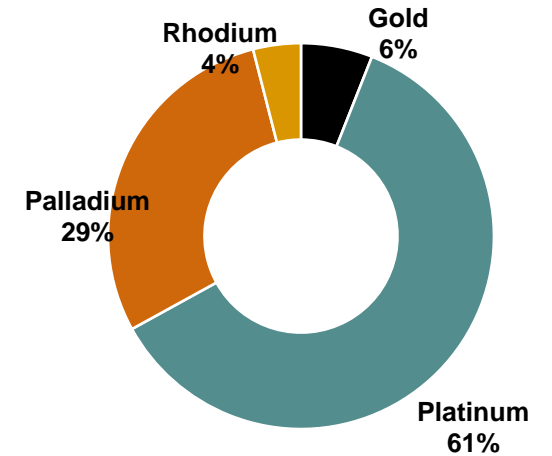
**Reef Split**



**UG2 – 4E Prill Split**



**Merensky – 4E Prill Split**



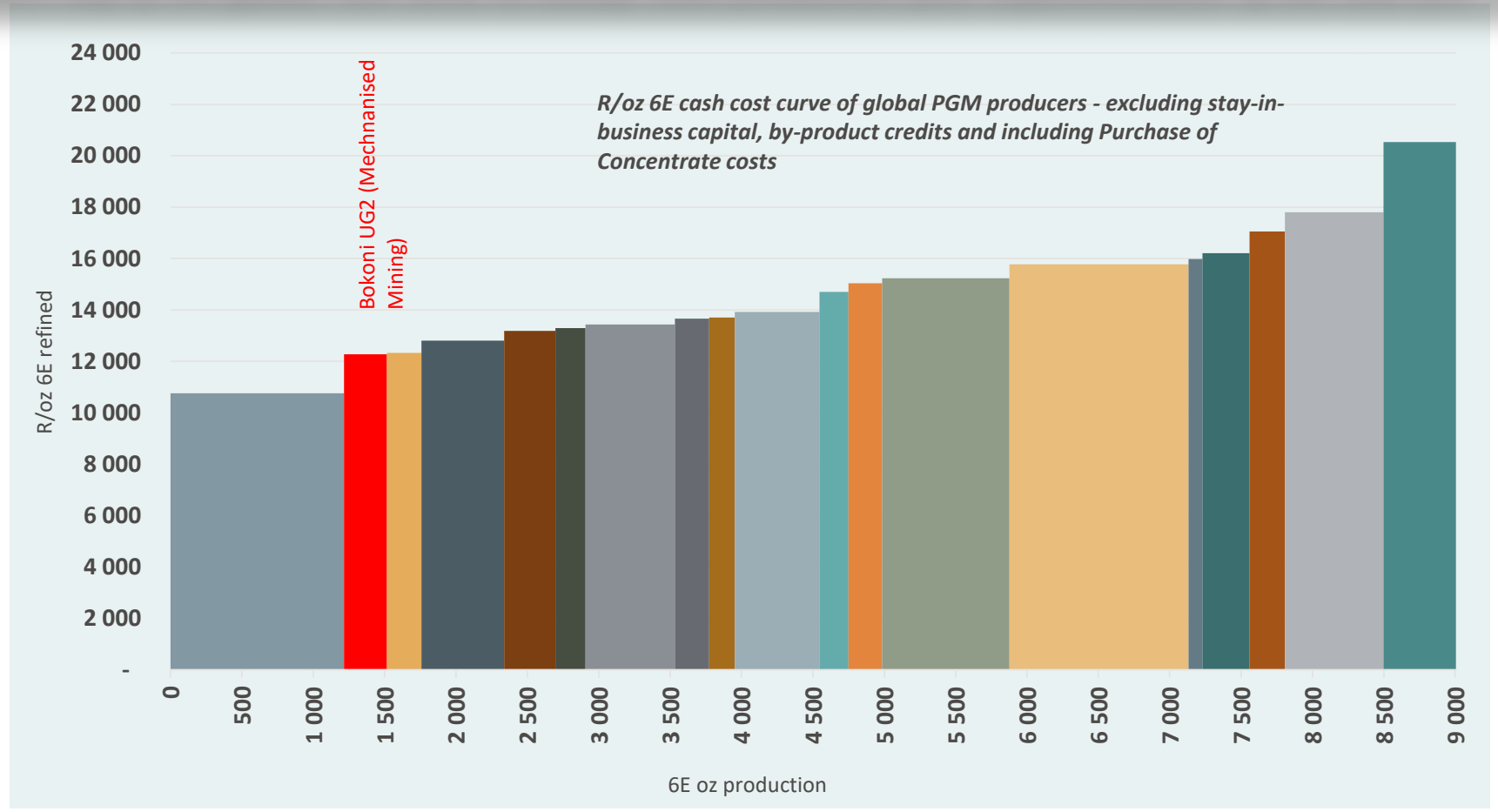
# BPM has potential for an attractive cost position based on a new DFS plan

*Expected to be in the bottom half of the global cost curve at steady state production post implementation of the new DFS*

✓ Eastern Limb asset with favourable geological conditions allowing for a **higher degree of mechanisation** and production efficiencies

✓ High PGM grades, high base metal content and **chrome recovery** allows Bokoni to operate at a competitive unit cash cost

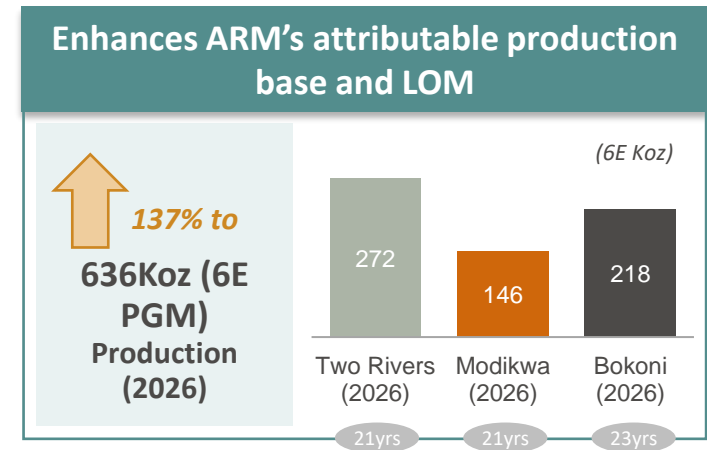
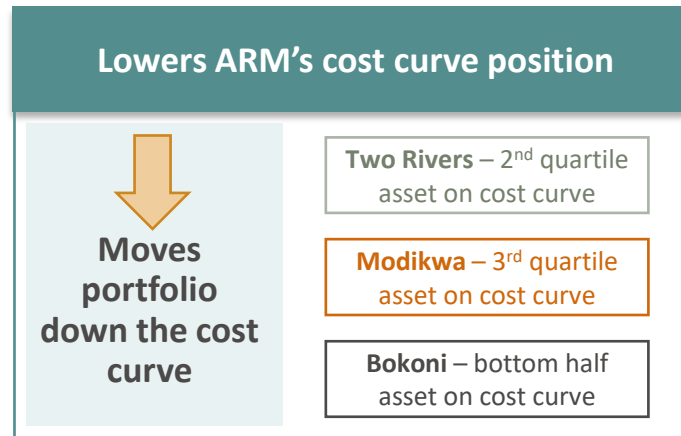
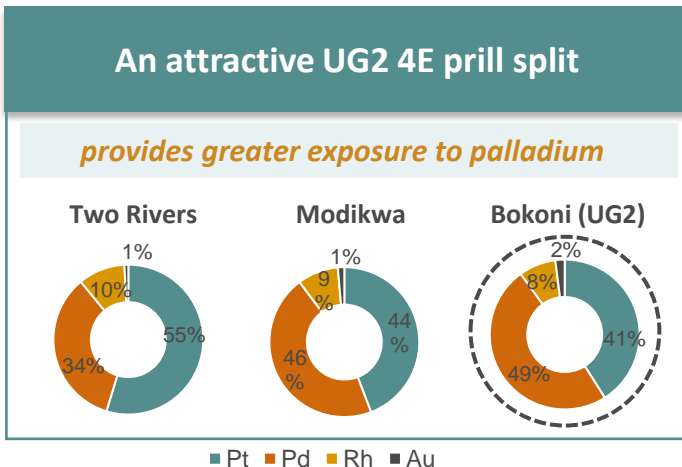
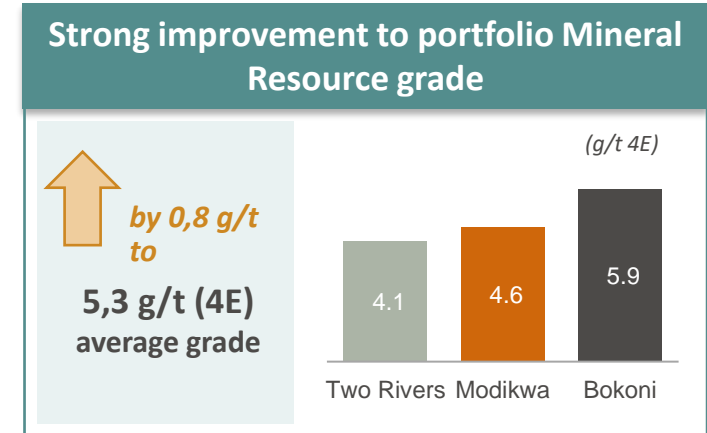
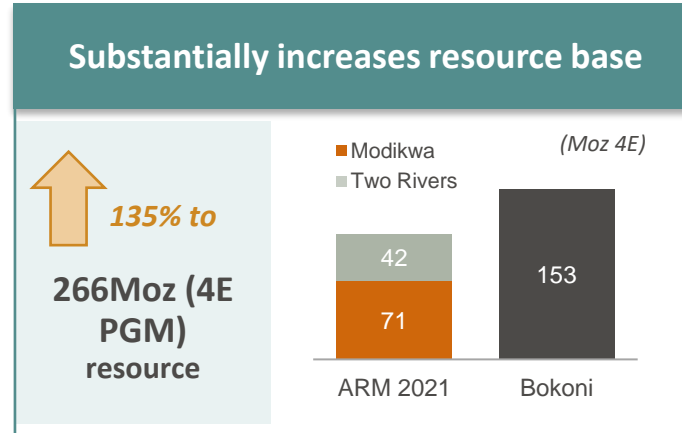
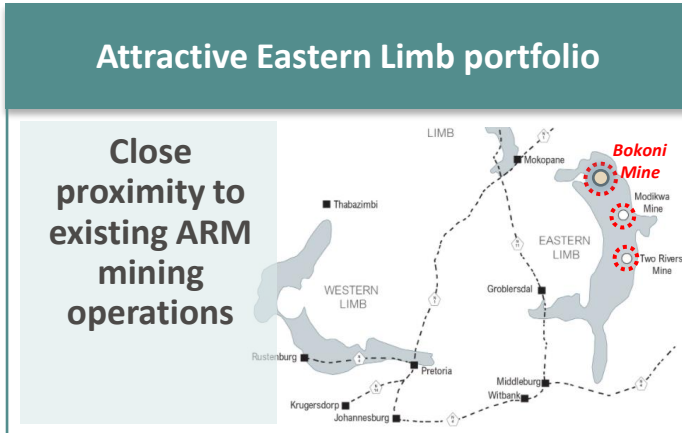
✓ Large cost reduction mainly due to increased labour productivity obtained with **full mechanisation**



# Transaction rationale



# BPM is a compelling fit and opportunity for ARM

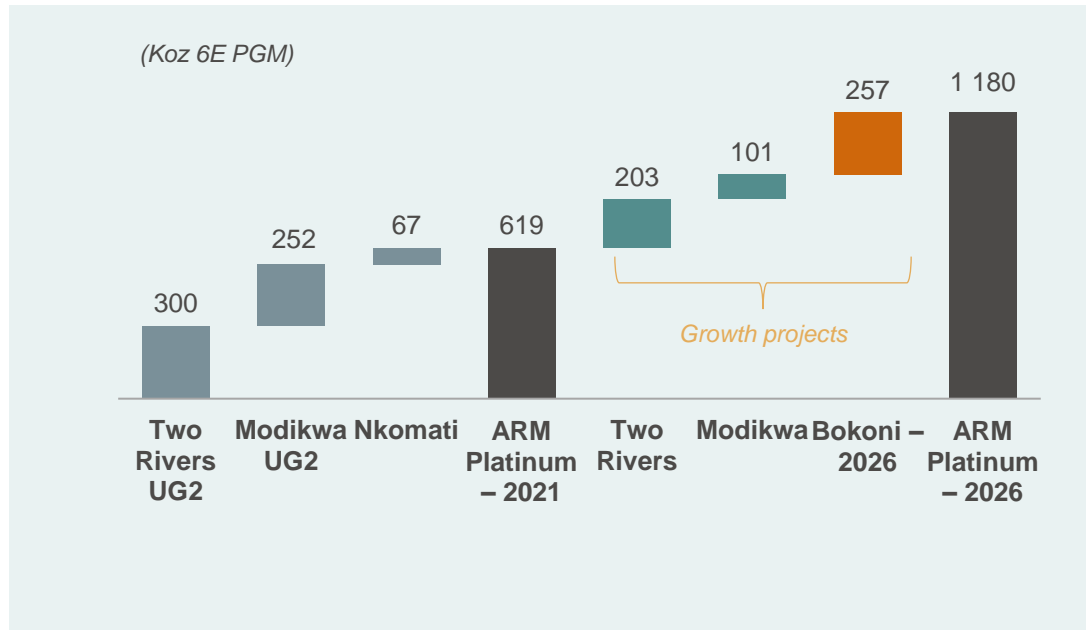


Expected attributable production in 2026 terms  
Includes additional production ounces anticipate from growth projects

# The transaction significantly repositions ARM Platinum's portfolio mix

## Grow total PGM production...

**Bokoni's steady state production (of c. 300koz pa 6E) is equivalent to ARM's 2021 total PGM production on an attributable basis. Bokoni together with ARM's current growth initiatives is likely to see ARM's total 6E PGM production almost **double** from approximately **619 000 6E PGM ounces to 1.2M 6E PGM ounces** over the next five years**

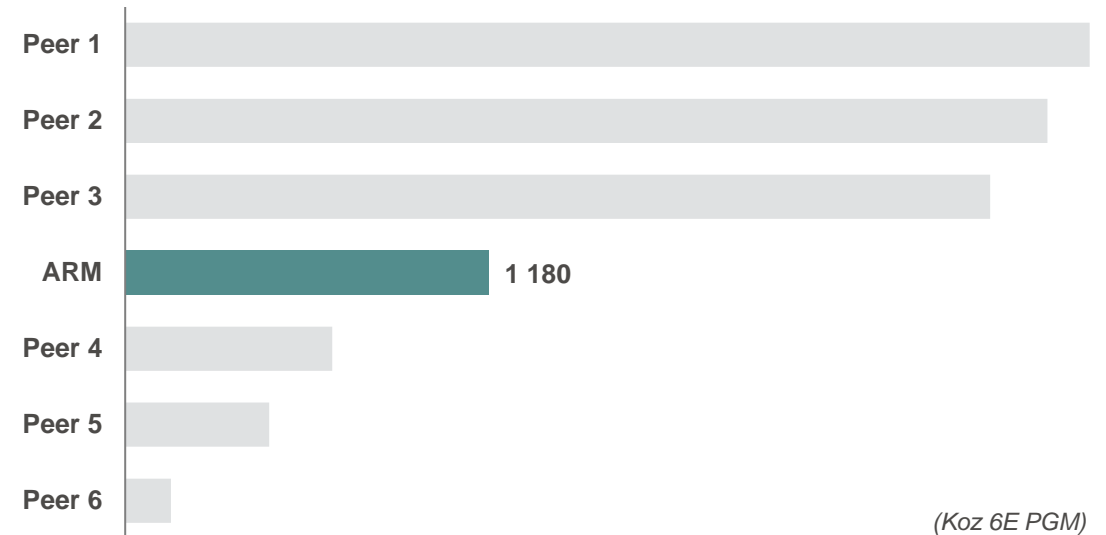


## ...to position ARM as a top producer

ARM Platinum could be positioned as one of the top 5 PGM producers by 2026

### Current Peer Group Annual production relative to ARM pro-forma (Koz 6E PGM)

Note: Current Peer group production as at 2020



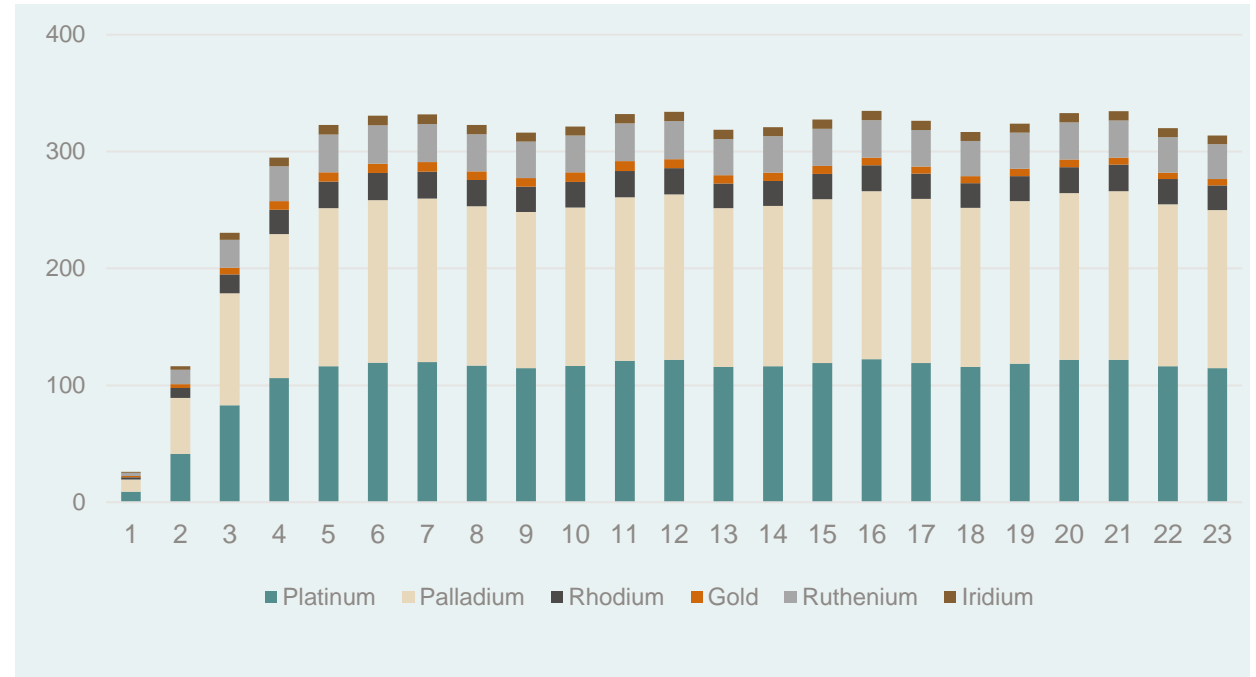


# New DFS Plan for Bokoni

## ARM has developed a new UG2 mechanised mine plan for Bokoni

- Initially mine the **UG2 orebody exclusively** – allowing for a >23 year mine plan mining Measured UG2 Resources with high confidence levels, commencing in 2024 with:
  - ✓ High grades
  - ✓ Favourable geological conditions
  - ✓ Mechanised miningto achieve improved production efficiencies and lower production costs
- Utilise **existing infrastructure** to achieve early production and revenue generation:
  - ✓ Greater than **90%** of total development is on-reef reducing unit costs and providing early revenue
  - ✓ During the first 5 years greater than **70%** of total ore tonnes mined will be obtained from on-reef development
  - ✓ Run-of-mine **head grades increase** over the life of mine as the percentage split of ore tonnes from stoping increases

### Precious metal to be recovered (6E Koz PGM)



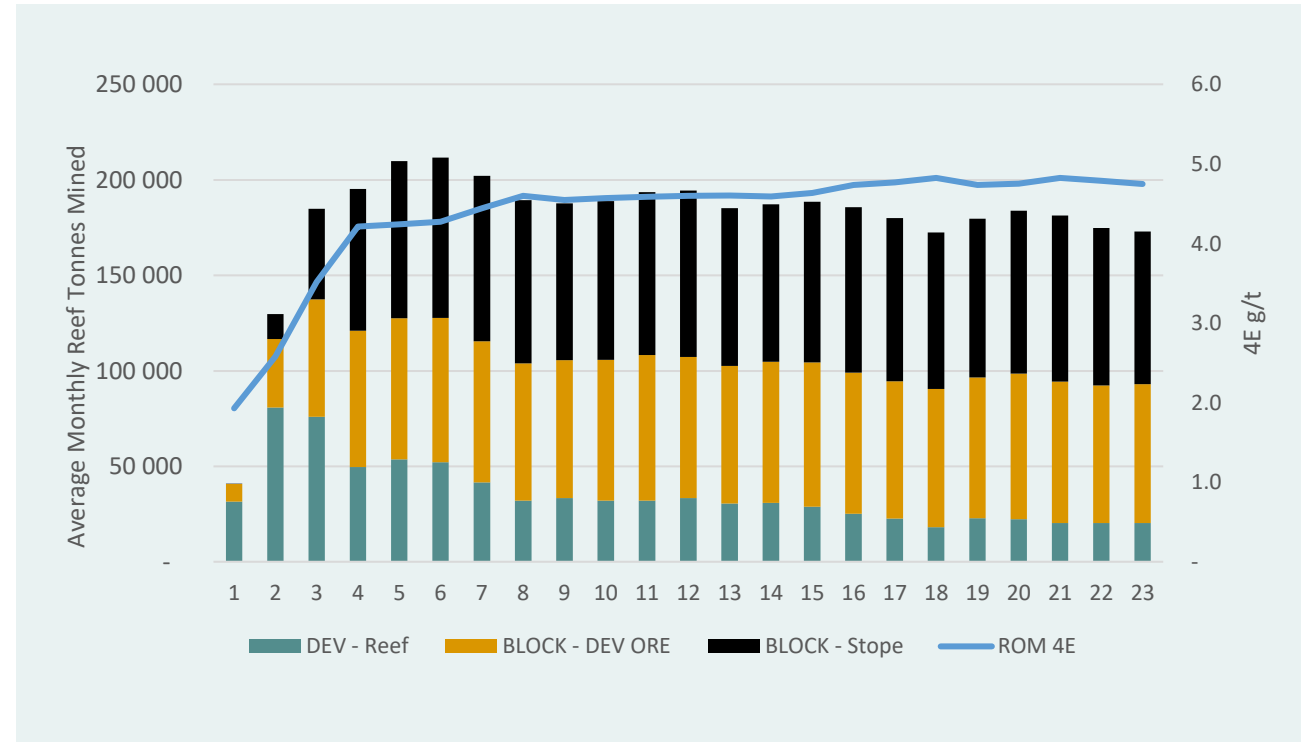
# New DFS Plan for Bokoni (continued)

*ARM has developed a new UG2 mechanised mine plan for Bokoni*

## ■ Targets:

- ✓ Average 6E production of approximately **300,000** ounces per annum
  - ✓ Within the **bottom half** of the industry cash cost curve - given its mechanised nature and high in situ grades
- Total project capital cost of approximately **R 5.3 billion** in real 2021 terms over 3 year period:
- ✓ Project capital expenditure during first 2 years is primarily for **on-reef** development to provide access to **mining stopes**

*Life of Mine ore mining schedule*



Thank you

