

PGM Investor Day
Session 4 & 5
23 September 2021

Richard Stewart

Good afternoon and welcome back to the last session of the day where we'll be looking at our US or Montana Stillwater operations. And again truly a tier 1 asset that in many ways is a big differentiator for our PGM business. As per previous, please take note of the forward looking statements and safe harbour statements. Thank you. I think when we consider global PGM markets and where PGMs are produced, they largely come from three operating districts, Southern Africa, being South Africa and Zimbabwe, Russia and North America, most of which comes from the United States from Stillwater itself. Clearly each of these countries have got their own political and geopolitical risk. And certainly having the opportunity to have a diversified asset base that considers Southern Africa and the US is unique in terms of the opportunities that having such a base presents.

And we will share some of those opportunities with you as we move through the presentation. But this was a very strategic addition to our PGM portfolio in the form of Stillwater. The operation itself is an outstanding deposit. As you can see from the picture at the bottom, currently to date less than half of the total operation currently sits within our reserve base. Just over a third has actually been mined. And there is still extensive know resources that could be exploited still for many years to come.

Looking at the Stillwater acquisition itself, this was made in May of 2017. It was a big acquisition for our company at the time and certainly did raise some eyebrows. But this is truly a world class operation. It is by far the largest primary palladium producer in the world, one of only two, and significantly larger than any others. It is a long life asset base which we will share with you. And also equally important, this particular acquisition came with a recycling business that came with Stillwater which is a very strategic business especially when we look forward at the world of ESG and green metals. We will share with you how a recycled metal is substantial from a green perspective and really provides a lot of flexibility to what we can offer to our markets and to our customers.

Of course the US is a stable mining jurisdiction. It has a different operating cost base, all of which provides us with flexibility and a strategic advantage when looking at our total PGM operating base. You will see the capital that we have invested in this project, and that is for the long term investment that will ultimately make this one of the lowest cost producers in the industry, a first quartile cost producer.

And of course Stillwater is one of the leading ESG operations I would say globally. Many of their practises I think set the benchmark not only in the PGM industry but in the global mining industry. And many of the processes and initiatives that have been embedded, such as the Good Neighbour Agreement, certainly serve as a guiding beacon for much of the industry across the globe and one that we are looking to embed within the rest of our operating businesses.

These are long life assets as I mentioned. The total resource base is about 87 million ounces. We have increased that slightly as we have expanded towards the east of the deposit in the so-called Blitz area or Stillwater East area as we refer to it. Our total reserve base is only 27 million ounces, so as highlighted there is still a significant portion of this ore body that remains available to consider in the future.

I think the next slide really just outlines what a significant and special ore body this is particularly from a grade perspective. Anybody who has mined high grade ore bodies would know the benefit that it brings to you in terms of the flexibility of operating during tough times when prices are depressed and certainly the flexibility it gives you as well to manage on a unit cost per ounce basis. And this really is a standout operation relative to any other PGM deposit across the globe.

The life of mine as we know we acquired Stillwater with a solid and stable operating base at our East Boulder and Stillwater West operating areas. They are indicated by the gold and red lines on this graph. And these had steady life of mine productions at a total of about 550,000 ounces per year over a period in excess of 20 years. When we acquired the operation there had been a scoping study and the commencement of a pre-feasibility study on a project known as Blitz. Today we often refer to that as the Stillwater East area. And that is shown in blue. It's a project that we continued with, subsequently completely a full feasibility study on. And that project will see these operations ramp up to around 850,000 ounces in total for more than a 20 year period.

I think on top of that again just to touch on the recycling, the recycling base adds an additional 800,000 ounces of production, albeit secondary production, to these operations. That is a substantial 1.5 million ounce production that we have coming out of the US, a strategic location, the only producer of PGMs within the US, and certainly an asset that is deemed to be very strategic globally.

I think just moving on, what you will hear throughout a lot of the presentation today is looking forward as to how we see these operations, how we see Blitz or Stillwater East coming on line, how we see the build-up in flexibility at our Stillwater West operations, and the continued steady state of East Boulder which has been a steady producer for us over the years. So I would almost like to just take this opportunity to briefly reflect back. Neal has shared some of the payback periods on our operations, but just to briefly reflect back, where have we come from with this operation?

As I mentioned, we paid \$2.2 billion for this asset back in 2017. Fairly shortly thereafter we did undertake a streaming transaction with Wheaton Precious Metals. That has been a partnership we have greatly valued and has added a lot of value to both parties. But that brought in an additional \$500 million worth of funding. These operations together over the period of time that we've owned them have generated just under \$1 billion in cash, of which we have reinvested about \$600 million into capital, a portion of which has of course gone into the Blitz or Stillwater East project.

As it stands today we are just shy of \$1 billion worth of advances in the recycling business. To try and cut through what that means, basically it means if we were to stop operations and stop our business today we would have \$1 billion worth of cash flow that would still come into the business. That largely means we have already paid back what we paid for the Stillwater operations just over the last four years. A small amount left outstanding there, about \$350 million, but subject that coming back we have broken even already on this significant investment that we made.

Everything you will see in the slides coming up that look forward, the opportunities that we have to further reduce our costs, the long life nature of these assets, that will all be additional value that we have created for our shareholder base. And we look forward to creating and enhancing the value for all our stakeholders with the long

life of this asset. Thank you very much. I will now hand over to Wayne, the EVP of the US operations and his team to take us through the details. Thank you Wayne.

Wayne Robinson

Thanks Rich, and good morning and afternoon to everybody on the call. For those who don't know me, my name is Wayne Robinson. And I've been heading up the US segment since the beginning of the year. Rich has already covered some of the key highlights of the US PGM business. And what I'm going to do is run through a bit more of a detailed overview of the operations, covering aspects from safety through to production. And I will also be giving some cost and financial forecasts and also provide a bit of an update on the Blitz project which we now refer to as the Stillwater East project.

As you've seen from the photos, these operations are based in a pristine environment in the foothills of the Beartooth Mountain Range. We've got two operating mines, the Stillwater mine which has been in operation since 1986, and then the East Boulder mine which started in 2002. And these operations produce around 300,000 and 250,000 ounces of 2E output respectively. The Stillwater East project, which was initiated in 2016 prior to the acquisition by Sibanye-Stillwater, targeted an additional 300,000 ounces of 2E production which would have grown total underground output to about 850,000 ounces by 2022. Following a review in 2020 this build-up has been revised to the end of 2024. And I will provide a bit more detail on the rebased plan in the coming slides.

Each of these mines has a dedicated concentrator and tailings facilities and concentrate is trucked to the metallurgical complex in Columbus from the mine sites. In addition to being a world class metallurgical function, this facility is also one of the largest autocat recyclers in the world with output able to match the 850,000 ounce underground production. The nature of our environment and the surrounding communities compels us to be a leader in terms of our ESG practises, and we will cover this in a bit more detail later.

Unfortunately not all the members of my team will be presenting today, so I'd like to quickly introduce them. I've inherited a very strong and experienced team who have a great understanding of operations and the operating environment in North America. Dee Bray heads up the safety for the segment. Dee has deep operating experience from the Stillwater operations. He has spent many years at these mines. And a key focus for him and his team is achieving ISO 45000 compliance by year end. Ryan Morris has worked with the US operations since graduating and his focus as Head of HR is ensuring we have people who are engaged in our business, and more recently he is dealing with the challenge of ensuring we've got critical skills to grow the business in a very tight US labour market.

You will also hear from Heather McDowell a bit later when she shares our approach to ESG. Her portfolio is quite diverse and also includes legal and governmental affairs. Corne Strydom was brought into the team earlier this year as an additional resource to provide technical support as well as project management support to the Stillwater East project. Until recently I think you'll probably be aware that he was heading up the SA gold operations. I believe most of you know Justin Froneman who has been ably supporting the team as the CFO for the US operations for the last few years. He will also be sharing a bit more detail on our costs and give a detailed

update on the recycling business. Ken Kluksdahl has been the SVP of Operations for a number of years, and he also provides extensive experience in this operating environment as well as a high level of energy to the team.

So despite an improving trend over the long term the team continues to strive for safety metrics which are comparable with those of our peers in the ICM. Delivery against the pillars of our group safety strategy, which was presented in a lot more detail on 9th September, will support continuing improvements in this trend in the short term. A notable setback in our safety journey was the tragic incident at the Stillwater mine in June 2021 when a small utility vehicle collided with a train on one of our main rail levels resulting in a double fatality. Aside from the significant emotional impact on the entire workforce, the operations were disrupted by a ten day suspension of all operating activity by the Mine Health and Safety Administration. There were also subsequent short and medium term impacts on production as operating procedures were revised and the US segment continuously looks at new systems and technologies to create a more enabled environment.

I would like to share three key takeaways from this slide. Firstly, operations will build up to 850,000 ounces of 2E PGM production by 2025. There is a decline in production from Stillwater West in 2021 and 2022, and this then resumes to planned levels by 2023. The Stillwater East project also reaches optimal production rates by the end of 2024, and as I've said by 2025 we expect to experience the full benefit of this growth in output together with the finalisation of the expenditure on the project.

The completion of the project and the growth capex by 2025 results in a convergence of the all-in cost and all-in sustaining cost, and this then reduces total operating costs together with associated lower planned stay in business capital expenditure over the next two to three years to around the \$750 to \$770 per ounce level. The decline in output from Stillwater West over the next two years before reaching the 300,000 ounce level again is not really clear in this graph, but is mainly a result of mining flexibility challenges which have been exacerbated by operating restrictions following the rail incident. And I will cover this in a little bit more detail in the next couple of slides.

The main areas I'd like to highlight in this cross-section of the mine is the Stillwater fault, which is that dark line on the right-hand side, and the depression zone which is that grey zone on the left-hand side of the cross-section. Mining flexibility at Stillwater West became challenging as mining fronts approached the Stillwater fault and the depression zone, which is a known area of low mineralisation. And other levels on the mine have successfully traversed both of these features in the past. Following the safety incident in June, however, certain mining blocks were stopped and some of the restricted areas have had further impact on reducing flexibility.

This has had a short-term impact on development required to traverse these features. To address the flexibility challenge overall, additional investment into the development will be made at Stillwater West to improve our level of developed state which will ensure more predictable and sustainable production going into the future. Current estimates, as I've said, show that it will take us around two years to get back to the planned levels of flexibility which will support optimal production over the long term.

A key point on the Stillwater East or Blitz project is that the revised build-up plan remains on track. This plan was developed last year following a number of fundamental challenges to the original planning, including flooding of the Benbow decline, challenging ground conditions in the project area, and then delays to capital projects in

2020 due to COVID-19 restrictions. A revised approach to ore body development and developed state was also incorporated. Additional upgrades and enhancements were also included into the rebased plan, which were not included in the original scope of the project. As a result the estimated capital to completion is now \$375 million. I'm pleased to announce though that the Benbow decline has reached its planned elevation which allows for the development of critical ventilation infrastructure for the whole of the Stillwater East project.

On this slide the information shown really just highlights the quality of the Stillwater East ore body. As you can see in terms of grade, it clearly surpasses what the Stillwater West ore body has delivered to date. And there are also early indications that there will be a number of mining areas that can be highly mechanised with transverse stoping methods. This forecasted capital expenditure outlook shows what I've already touched on in one of the previous slides where you can clearly see the completion of the capital project expenditure by 2025 as well as a reduction in the non-development capital over the next few years as fleet replacement and environmental expenditure is completed. The investment into the development of the ore body is pretty clear, and this will ensure that we can commit to more predictable and sustainable levels of production. I would then like to hand over to Justin to run into a little bit more detail on costs as well as on the recycling business. Thanks.

Justin Froneman

Thank you, Wayne, and good morning and good afternoon to everybody and thank you for making the time today. For those of you who don't know me, my name is Justin Froneman and I'm the Senior Vice President and Head of Finance for the US. I would now like to turn our attention to the financial and capital aspects underpinning the US PGM business with the aim of providing some clarity on our historical cost performance coupled with an outlook on what the future holds particularly as Stillwater East ramps up and reaches steady state production levels.

Since acquisition we've seen relative consistency in the working cost profile of our US business, a noteworthy achievement given the step up in growth activity across our business during this time. Stillwater has historically been very well controlled and managed, and it's pleasing to note that this trend has continued post acquisition. As a component of total unit all-in sustaining costs working costs have trended at approximately 60%, which I will expand on in further detail in upcoming slides. Given the significant PGM price since acquisition that was noted earlier in this presentation by Richard, the gearing of the PGM business to royalties and taxes is significant and bears some focus.

As is reflected above, royalties and taxes have increased to about 21% of total all-in sustaining costs in H1 2021, up from about 12% in 2017. As such, although this is a very good problem to have given its impact on our revenue, the gearing of our business to high price driven royalties and taxes is certainly notable. Based on elevated rhodium prices we are using this opportunity to now guide our revisions in our tax and royalty guidance, and we now estimate that every \$100 change in our PGM basket price results in an \$8 per ounce increase in our unit all-in sustaining costs.

Finally, and as I will expand on in subsequent slides, our absolute capital investment made in our business since acquisition is substantial and underpins a drive towards modernisation, mining flexibility and sustainability. This was deemed obviously appropriate given the relatively high price environment that we find ourselves in and

ultimately supports future production volumes, efficiency, productivity enhancements and fundamentally crystallises the long life potential that our US business holds.

Drilling into our underlying operating cost breakdown, it may be of interest to you that our US PGM business has a very similar cost split to that which we've noted at our SA gold and SA PGM businesses despite only having about 2,000 employees. On a 12 month time horizon approximately 66% of our costs are considered fixed with labour and contractor costs making up about 60% of total operating costs. Utilities, which in this case would include electricity, natural gas and propane, account for about 5% of our total operating cost.

From a pure variable cost perspective consumables in the form of supplies, maintenance parts and other warehouse items accounts for the majority of this flex spend at approximately 30%. Given the somewhat remote location of our operations and the strict operating conditions under which we govern our operations, which is obviously, as Heather will touch on, underpinned by ESG requirements and the Good Neighbour Agreement, transport costs are also noteworthy. And these would include the management of employee bussing and material deliveries to and from our site.

Looking ahead to where the US PGM segment's unit cost profile is expected to settle, it stands to reason given our relatively high fixed cost component that our unit costs are significantly geared to production. With Stillwater bringing on high quality, more efficient and lower cost ounces, the continued ramp-up of Stillwater East and the steady stating of Stillwater West and East Boulder should see the US business' unit costs begin to revert from 2022 onwards back to more normalised levels. The tragic events at our Stillwater operations had a material impact on production, as Wayne mentioned earlier, and this now reflects in our H1 2021 unit cost performance. As you would have seen in our recent market guidance, we have given a revised outlook for FY21 due to this.

As we have mentioned earlier, our royalties and taxes are forecast to remain an elevated portion of our unit call-in sustaining costs over time, and the profile in front of you assumes a \$1,680 per 2E ounce basket price. Any change to this basket will have a direct bearing on our cost profile with our costs obviously flexing up or down by approximately \$8 for every \$100 per ounce move in the basket. Current US corporate tax rates approximate 21% before allowances and deductions. There have been some utterances about this rate being increased to 26% to 28%, and we continue to monitor these developments closely.

Any change in our federal corporate tax rate will have an immediate impact on our deferred tax balances as well as the profile shown above, and more guidance will be provided should this change occur. For modelling purposes after allowances and deductions we estimate the US business' cash tax rate at approximately 15% based on current federal and state tax legislation. And that also assumes the allowable deductions that we are allowed to take.

Development capital, or ore reserve development spend, is expected to approximate \$130 an ounce on a forward looking basis, up from about \$100 an ounce historically. This is a clear investment providing better flexibility and quality face availability thereby supporting the ounce profiles shown throughout this presentation. Although a material spend, this should see the US business' unit cost profile improve over time as we are better able to leverage and support our mining operations. Stay in business capital, which would include investments on

fleet modernisation and optimisation – obviously given the mechanised nature of our operations – is material over time, as is our spend on environmental which would include tailings and water management.

This spend is expected to approximate about \$180 per ounce in 2022, reducing to \$140 per ounce in 2023 and 2024. Thereafter this spend is expected to reduce to approximately \$30 per ounce, and that really is reflective of more historical normal. By 2025 it's anticipated that our fleet will be fully optimised and will be underpinned by modern and proactive maintenance practises. In addition, in accordance with our focus on safety we are also looking at using this opportunity to enhance our operations during this time with the introduction of battery powered equipment and proactive safety initiatives being rolled out.

Finally, as Wayne discussed earlier, we do anticipate a reversion on our unit all-in sustaining cost and all-in cost as Stillwater East continues to ramp up and reach steady state. This should see our business move down the industry cost curve over time and will see us leverage better off our quality ore body and the ore body that we have available to us. Crucially – and this is an important point – we do plan our business on materially lower PGM production prices, and we do not bake in current prices indefinitely. This ultimately drives our cost control levers and our capital investment strategy.

Turning our attention now to recycling, as you would have seen from our H1 2021 results presentation we have recently segmentalised our US recycling business underpinned by a strategic focus on expanding our recycling business across commodity lines and further upstream. Before delving into the specifics of the recycling network, some context is required around our current metallurgical complex footprint in Montana. This is a world class facility and is arguably one of the lowest emitting PGM processing facilities in the world. The complex houses our smelter which contains two electrical furnaces, and within those furnaces we co-mingle our mined concentrate and spent autocatalysts which are then ultimately smelted.

After that smelting process the resulting matte is processed through our base metal refinery, which is also ultimately responsible for the production of filter cake, which is processed and out-turned by a third party through its precious metal refineries in North America and it also has a global footprint. The BMR also houses our base metal recovery circuits, during which time nickel and copper are produced as valuable by-products. If you refer to your appendix you will find some more details around the by-products and the credits associated with these production profiles. The met complex also houses our assaying laboratories and testing facilities which are responsible for the testing of about 300,000 samples per annum. These samples would include obviously samples for the mine but would also include the testing of recycling lots for customer catalogues as well as assaying to support hedging, carbon and quality tests on the product that we ship.

With regards to the strategic work that we've undertaken across our recycling segment it should be noted from the outset that the recycling value chain is incredibly complicated, fiercely competitive and requires specialised skills and relationships. The North American and European recycling networks are efficient and opaque, being mostly privately held. The upstream network starts with scrap yards. It extends to specialist collectors, processors and de-canners and extends to where we currently sit in our smelting and limited refining through the base metal refinery that we spoke about earlier.

The refining of matte and PGMs as mentioned is relatively specialised and there are about 14 participants globally who undertake this activity. That is the downstream portion of this industry. It is also worthy to note that although we focus on PGM recycling in this value chain, ancillary products are produced during this process including batteries, scrap steel, oxygen sensors, alloys and plastics. So there is significant value in the upstream value chain that extends well beyond the PGMs. This area of the value chain is crucial when one considers the need for efficient scrapping of batteries and fuel cells in the future.

We believe we are one of the largest recyclers of PGMs from spent autocatalysts globally with the business having 20 plus years of history and operating experience behind it. During this time our recycling processes and procedures have been evolved and adapted to changing market conditions, improving collector requirements and also implementing responsible sourcing. And that extends across the value chain. Given our history in this area, this is not necessarily a new or high risk endeavour for the group and also avoids accusations of greenwashing. Our ability to leverage from an already excellent ESG underpin at our US business provides further impetus in this area with premium pricing and low yield green options available to us should we need them. Net-net we believe our involvement in the recycling area is crucial to closing the loop on a closed economy.

Overall our recycling operations are set to deliver more than 700,000 ounces of 3E this year and beyond, and that is utilising our existing capacity. At a smelter run rate of about 28 tonnes per day, which is about 12% higher than what we reported in the first half of 2021, the recycling business accounts for about 17% of the smelter's capacity. We believe we can grow our recycling feed rate by about 25% before capacity considerations need to be undertaken. Given current turnover rates the recycling segment is forecast to deliver a US Dollar return on capital employed of about 11% this year. Given our well-established customer relationships, risk controls and hedging strategy, this is a relatively low risk and well managed return.

Despite this and despite these positives that I've mentioned, quality improvement efforts which focus on real margin accretion and increasing our inventory turnover rate are being investigated and implemented as we speak. Given the active management of customer shipments, particularly around shipment timing, volume delivery and carbon content, our recycling business has managed receipt rates to about 25 tonnes per day year to date. Feed rates have been very well maintained at the same level, aiding an inventory reduction at 432 tonnes for the half year. One benefit of this strategy has been a reduced exposure to high carbon content material which is governed by our contract limits and ensures an appropriate supply volume and supply support, and those remain key for us because as mentioned earlier this is a relationship driven business.

As is reflected in the top right-hand side of this chart, our advance rate per 3E PGM basket price remained elevated during the first half of 2021, and this causes substantial increase in the quantum of advances made to suppliers, ultimately approximating about \$1 billion at the end of the half year. This was principally on the back of high PGM basket prices which has seen our recycle advance rate per ounce increase from about \$2,000 per ounce at the beginning of 2020 to well over \$4,000 per ounce at H1 2021. This was primarily driven by rhodium's price of course.

Despite this advanced rate and the amount of money that we've been forwarding up, the recycling business is self-funded from internally generated cash. The recent dip in PGM prices has seen our net receipts turn positive, and this is aiding a recoupment of working capital. We are currently advancing approximately \$10 million per day

while our receipt rate will reflect pricing from three months prior, which is about \$15 million per day. It is important to note that our advances are secured by assayed inventory, and that is done on site with pre-determined settlement dates for these advances. Consequently these tonnes are largely risk-free and attract a very favourable interest yield of about 5% per annum. This positive interest carry is therefore absolute and it is material and has seen the recycling business generate an additional \$15 million in net interest income during the first half of this year.

Overall the recycling business has generated bottom line earnings of \$65 million at the end of the half year, which implies a net income of well over \$100 million for the full year ahead. Although this represents a margin of approximately 5%, our ability to turn these advances over four times per year results in an annualised return of greater than 20% and the aforementioned return on capital employed in US Dollars of about 11%. Thank you for your time, and I will now hand over to Heather to brief you on our ESG performance and outlook.

Heather McDowell

Thanks so much, Justin. Hello everyone. My name is Heather McDowell and I look after the legal, environmental and external affairs functions for our US PGM operations. I grew up on a cattle ranch near our Montana operations and I'm quite passionate about responsible rural economic development. That's something we're really proud to be doing here in the US. The communities near our facilities, as Wayne mentioned before, are rural. The areas around our operations are pristine and they're amazingly beautiful. We see it as a great privilege to live and operate where we do. We live and recreate here too, and we really take great pride in working with our communities to protect our environment and really our way of life here in Montana.

We're uniquely situated in our community engagement here in Montana. Montana's Hard Rock Impact Act creates a sophisticated economic and social regulatory environment where developers of largescale hard rock mines are actually required to prepare an impact plan that then identifies the local government services and the facilities needed as a result of the mining development. The developer must identify and then commit to paying the resulted increased local government capital and net operating cost. This structure really creates vibrant communities at the outset of mining operations, and that's what we have here. In essence there is really no need for mining entities to build infrastructure, schools etc. that you see in other jurisdictions because here the taxes from the mining operations are already allocated to a sufficient local government tax base.

The overall economic impact of this system coupled with highly capitalised work and highly compensated jobs is really profound. In fact, ultimately the Montana operations contribute over \$3 billion to Montana's economy and it makes our operations just over 3% of Montana's entire economy. In addition to this regulatory structure and tax allocation we also have a significant community giving engagement here. We engage directly with local non-profits to support as our pillars environmental stewardship, local emergency and health services, education efforts, especially STEM related ones, and other local community activities.

We've been really fortunate over the last few years to partner with Wheaton Precious Metals on a number of these projects. In the last year, just citing a few examples, we've helped an adult group home which is just down the road from our corporate office build a recreation centre. We've sponsored sophisticated emergency training

for our local volunteer ambulance services. We partnered with the high school environmental club to install solar at its school, and we've helped a local college do a river clean-up among many other projects.

Here in the US we're really fortunate to have newer facilities and a quite friendly ore body. We are also fortunate to have collaborative relationships such as our Good Neighbour Agreement which is a binding legal contract with three local environmental and community organisations. This Good Neighbour Agreement gives these groups a seat at our mine and our business planning table, along with their consultants which the agreement funds. Through this collaboration we are able to take our community concerns into account at the very beginning stages of projects, whether the concerns be capital, compliance or operations based. We often change our plans and our course because of this interaction and this feedback. I think a real, true collaboration. And In the appendices there is a lot of additional detail on the Good Neighbour Agreement. I encourage you to look there.

From the compliance standpoint we're a water positive environment. Our constituent of greatest environmental concern is nitrates that mix with water encountered underground. Then when that happens we use a biologic denitrification process to remove well over 90% of the nitrates. And we consistently discharge less than 30% of what we're permitted to discharge from a nitrogen standpoint. We dispose of our treated water, which is actually treated well below drinking water requirements, through land application which consists of irrigation and cattle grazing, percolation to ground water and deep well injection. We don't actually discharge directly into our rivers. On the air side, as Justin hit on, we truly have a world class smelter. It is fully scrubbed. It emits less than 5% of our permitted limits of SO₂. And we think we're probably doing the best in the world there. Our tailings impoundments are fully lined and all of our new waste rock impoundments are lined as well.

So moving to tailings, we are very proud of our tailings design, our tailings construction, operation and monitoring and the community engagement that has gone into our tailings facilities over the years. In addition we believe that our regulatory structure here in Montana is likely the most robust in the world. In 2015 Montana enacted a law that requires a three member independent review panel to approve all of our tailings designs. Our tailings construction is downstream, which is originally for highly seismic and highly precipitative areas. And we just want that downstream construction because it truly is the best form. We operate under a robust tailings operation, maintenance and surveillance manual. This includes strict inspection procedures, monitoring requirements, specific freeboard requirements and a tailings placement strategy. There are specific daily, weekly, monthly inspections by both the Engineer of Record and the tailings management team.

Right now we're well positioned to achieve compliance with the GISTM, the Global Industry Standard on Tailings Management. From a design and operations standpoints we are there right now. We have also begun a series of community engagements on our emergency preparedness plan which is required by the GISTM. And these emergency preparedness collaborations allow our local emergency responders, many of whom are actually volunteers, to get experience in emergency preparedness exercises locally. So we're really proud of doing that as well.

We are well situated here to advance on our carbon goals here in the US. We've been employing a solar array to power a portion of our met complex since 2018. We are exploring other renewables, self-generation for our portfolio. As Justin discussed earlier, our recycling operations are the future of metals usage. That is how we get where we need to go by having to mine less metals in the future through recycling. In addition to our unique

recycling position we're also uniquely positioned from a power supply standpoint. As Justin mentioned, our utilities are about 5% of total costs. When you take that and you take our carbon goals into consideration we're fortunate to have the regulatory scheme we do here in Montana.

So as a product of Montana's attempt to deregulate its power supply in the late 1990s we are now afforded the opportunity as what is called a choice customer to choose our electricity supplier for both the met complex and the Stillwater mine. This essentially removes us from utility monopoly risks on the power supply side and it gives us unique opportunities to package renewables directly with our power supply. Montana as many of you know is rich in wind and hydro and solar and battery storage projects are also beginning to emerge. While we still consider the carbon market we are especially excited about these direct carbon reduction opportunities.

We are also exploring carbon management through forests that surround our mines and are part of a carbon sequestration through mine tailings study. With these initiatives combined with our community involvement and our engagement philosophy I think we're positioned really well on the glide path to carbon neutrality. We are thrilled to share our operations with all of you today. We are proud of our journey to embed ESG in our operations and in our communities. And with that I'll hand it back over to Richard Stewart to conclude.

Richard Stewart

Thank you very much, Heather, and once again to Wayne and the rest of the team for the extent of the presentations and unpacking of what I mentioned is truly a world class tier 1 asset that we have in our portfolio. Just moving through very briefly without going through what's been mentioned already, clearly as we've said this is a strategic asset. It's the largest primary palladium producer in the world and it's situated in a great jurisdiction. It's a unique asset in its own right. I think we've outlined the significant payback. We have already largely paid back the asset that we acquired. And as you've heard from today, a very positive outlook and looking forward all of that value to be created for our shareholders and for the stakeholders in the environment within which we operate.

I think reflecting on the capital investment that has been a critical decision that we have made. We have invested in the capital in these operations at a time when prices have been supportive, and that has really allowed for this capital investment to be funded from internally generated cash flows. What this capital investment has done has really provided a resilient business towards future price cycles and will facilitate an overall reduction in our operating unit costs in the future. As mentioned this is a lower cost quartile producer. On an all-in cost basis looking at the capital we've been investing it has been sitting in the second to third cost quartile as Neal mentioned. But as that capital comes to an end this is very clearly, particularly with the grade and the quality of this ore body, a first quartile cost producer.

The recycling, I think we've touched on the strategic benefit that the recycling brings to us is immeasurable. It differentiates us from our colleagues. It allows us to provide different solutions to our customer base, and certainly a base we would like to grow off moving into the future. In addition to that, it does deliver some significant bottom line profit to the overall operations. And finally, I think as we have heard from Heather and the team, Stillwater does provide a benchmark operation for ESG practises, not only within our company, not only within the PGM industry, but I dare say within the mining industry globally.

So try and very briefly sum up what we have presented today across all of our PGM business, I dare say that over a short five years since we have entered this space we have built a world class PGM business, a leading business that I say competes extremely well with the balance of our peers out there. I think what we have managed to show is that we've positioned our business well into the market, into the supply chain to work closely with our customers and really help us understand that market. And it is a market we believe is underpinned by solid fundamentals and still has a long way ahead of it into the future.

We have long life assets. These are assets that have got significant brownfields extensions. And the fact that they are brownfields expansions means that they are low risk, low geological, low technical risk. They can leverage off existing infrastructure, off existing people, which means that the cost of bringing these assets into production is significantly less. We have flexibility with our processing capacity, and these are all positions I dare say that make us very competitive against the growth opportunities of our peers.

We are competitive on the cost curve. The perception of these assets being on the right-hand side of the cost curve, I think we have shown through our strategy of integrating contiguous assets, of realising synergies, of applying new operating models we have been able to move these operations down the cost curve and are very comfortably a second and third cost quartile producer today with further upside on that cost as we continue to realise the synergies that can be brought about through contiguous assets.

We have a complete unique geographical diversification. There is no other company that has the spread of assets that we have certainly in terms of the volume which is produced, neither the mix of primary and secondary production. The opportunity to understand the recycling to deliver a more ESG friendly product to complement the primary metals that we produce is unique in the industry.

And finally, and I dare say a critical point moving forward strategically when one looks at where the market is going over not only the five and ten years but also over the next 20 years, is that we have a unique metal mix given we have primary palladium producers, given our South African operating base. We have the ability to optimise that metal mix and that PRIL split for what the world wants at the time when it wants it. This truly is a world class business. Once again thank you to the teams for sharing their knowledge of the assets with us, and I hope we've left you excited about the future of our business. Certainly we are. With that I would like to hand back to Neal and the rest of the team to take us through a conclusion on the balance of the day. Thank you very much.

Laurent Charbonnier

Thank you very much, Rich. I'm Laurent Charbonnier, the Chief Commercial and Development Officer. Neal asked me to present two slides on value considerations. For me I joined the group a year ago after 20 odd years in London in investment banking. I was a sector banker and I worked on M&A deals but also on quite a few IPOs and rights issues. So I've had a chance to interact with investors and [unclear]. I would like here to provide you with some thinking around valuations. Clearly the market is always right and the market knows best, which is what you learn in London in the city. But we just want to give you some perspectives around value considerations.

So if we look at the investment banking way of looking at valuation, I just wanted to start with a comparison of Sibanye and Anglo American. And I start with the conclusion first, which is that you can summarise this by saying that today one Anglo American Platinum is worth two Sibanye-Stillwater. And that's an interesting equation, isn't it? Now, I'm not saying that Anglo American Platinum is the best peer for Sibanye-Stillwater, because our group is also active in gold. And you have seen this year that we have started to make significant progress with our battery metal strategy. And Anglo American Platinum is a great company, but when we are looking at valuations we actually look at the competitive landscape. And what strikes me from a value point of view is if you look at who we have become today after the completion of all these acquisitions and the very successful turnaround of all the businesses acquired in 2019, I think that this group today is fundamentally different from what it used to be on the back of its successful acquisition campaign.

So if you look at Sibanye-Stillwater today the numbers which you have seen and the story you've heard from the PGM team, but also during the last investor day on gold and safety, shows you a group who in terms of positioning on the cost curve in terms of EBITDA is actually today in terms of size not that different from Anglo American Platinum. But when you look at this slide what I find quite interesting is that Sibanye is so much more because what excites us as a management team is not the picture from the last 12 months. It's the growth optionality which we have over the next five years to actually accelerate our inroads in the battery metal space and create a gold and green metal diversified company.

So when you think about the discipline and the shareholder returns and the fact that this group over the last 12 months has committed \$1.9 [?] billion in dividends and buybacks, it's a phenomenal story. But it's more than just a dividend payer. It's a company with quite a track record in successful acquisitions and transformation. Hence our question. Should one Anglo American Platinum be worth two Sibanye-Stillwater? And this applies if you think about it to other peers in the PGM space or gold. Now, if you look at this value question here what we would like to do is to help unpack this question by looking at a sum of the parts analysis. And again having been in the city for 20 years I've seen many times companies who are not happy with their share price. And they can come up with a business plan and the theoretical value of the business is higher than the share price. And you have a management team who is not happy with its share price. We have seen it many times.

And the market is always right. Here what we are trying to do is something different on that page. The market is always right. The last time at the H1 results presentation when Neal mentioned that there was a valuation opportunity with our business he also said that there were four fingers pointing back at us as a company. What is important here in these two very important sessions of investor days was to ensure that the market has all the necessary information to be able to adequately model our group and come to its own view on valuation. So when I look at this – and for me the purpose of this page is to really ask some questions around valuation methodologies – what do I see as interesting on this page?

I think that first our current market cap is about the size of our SA PGM business only, which I find interesting. I think that if you look at the PGM business between South Africa, the US and the interesting growth embedded in the projects we have, and we have tried to be conservative here in terms of WACC, there is already a phenomenal story coming out of the PGM business. I think also that the SA gold business is an interesting success story by itself. If you remember at the time of the spinoff of this group in 2013 it was presented as a business

with a very limited future. I find it amazing to look at this business and how it has been transformed so successfully over the years to be able to still have so many years of future ahead of it. And in particular when you look at the gold projects' NPV it gives further life to this business. So it's something worth thinking about from a sum of the parts.

You can start seeing that now we can add Keliber in terms of NPV. And right now it is valued at 27% holding, but we will get more of it, and the building is on track. But we also need to add the market cap of DRDGOLD. If you think about our assets, our group strategy is certainly to grow the business. But we don't only grow by acquisitions. The partnership with Loneer announced last week is precisely a 50/50 JV. So we will continue to consider smart partnerships. That's why when you think about our assets we have \$500 million of value right there with our successful investment in DRDGOLD which is easy to monitor. So when you look at our NAV I think what we are seeing is only half of the story.

As you have heard today – and that's why we have these dotted boxes – there is a question to the market about what the right value should be for the US recycling business. Clearly this business today is not the size of Umicore or other American recycling, but in itself it cannot be a business that is valued alongside or within the US PGM business with a straight mining NPV. This is a business model closer to capital goods. We have also explained that within our assets in South Africa there is a significant value right there associated with uranium. And if you look at the rise of uranium there is an option value that was not recognised before in our share price. And we have provided significant information to be able to demonstrate that you have these hidden gems within our portfolio.

We are also saying that if you are looking at Loneer, Loneer has a market cap and yesterday the market cap of Loneer reflected 100% of the project. It also becomes actually 50% of the joint venture which has cash in it, so it is no longer a simple project. It's a project that we are confident is going to be built and is being financed. And we are delighted to have partnered with Loneer. So the point of this slide is to highlight the fact that over the past few years there has been a material transformation of the business. We are now providing significant information to the market to break the neck of previous stereotypes which existed around the group.

And I hope that we have been able to convince you that we do have long life assets, that we do generate cash, that we are financially disciplined, we do pay dividends. There is a lot of hidden optionality which we are trying to bring in front of the market in terms of disclosure. That's why we so truly believe that there is a very attractive investment opportunity at this time with Sibanye-Stillwater. Thank you very much, and I'll hand over to Neal for his conclusion.

Neal Froneman

Thank you, Laurent. This is the very last slide of today. So what are the key take-aways? Well, first of all, right from day one – and I hope you appreciate what you saw today about our people – you have had a good exposure to our management team. And as I've said, they are important. It is all about our people. And you have seen the depth and the competence of our managers. In the very first session I do believe we presented a class leading sustainability strategy. And it's all about building a climate change resilient business. That flows through into very

clear commitments to ESG. But it certainly is a higher level of ESG commitment all the way through to sustainability.

Today you should have got a good feeling about the PGM asset base both here in South Africa and in the US. It is high quality. It is long life and certainly those assets that may not be in the lower cost quartile will certainly be moving there. We are not moving into the battery metals because we have lost confidence in the PGMs. You should have come away with a view that we certainly have a robust outlook for PGMs. There is short-term volatility. Of course there is. We see it .but in the medium to long term the PGMs have a great and sustainable future.

We are committed to our capital allocation framework. It's all about sustainability first and foremost, managing our debt, paying dividends, using share buybacks when appropriate. And then if we can create further value for our shareholders or stakeholders we will certainly do that. And that's normally in the form of M&A. And if we can't we will return that in the form of special dividends. We've given you some taste especially no day one of our green metals strategy. I believe personally that is class leading. I believe it is at the front of risk diversification and creating value.

And then last but certainly not least you heard from Laurent. And he put it across in a way that was better than I could ever have put it across. There is a clear value proposition for investing in our company with very significant upside. Again, as I said on day one, what makes a good business? Well, first of all, great people. I think you've seen that. A good strategy. I think we're at the fore end of good strategic thinking. And then of course quality assets. And we have all three. So thank you for your time and attention. I'm now going to hand back to James to manage the Q&A session. Thank you, James. Please go ahead.

James Wellsted

Thanks, Neal, and thanks everybody in the US for the presentation. The first question specific to the US PGM operations is from Arnold Van Graan. The question is was there already a backlog in development at Stillwater West which was exacerbated by the safety incident? If not, why will it take two years to get flexibility back to the required levels? Is there an increased risk of missing production targets at Stillwater due to the lack of flexibility at Stillwater West?

Wayne Robinson

Arnold, thanks for that question. I guess the way I would respond to that is to say to be able to more predictably and sustainably manage the production going forward we want to be at a developed state of around 24 months. And we weren't in that position. And as I've said, this was exacerbated by the fact that we had the shut due to the fatal incident which resulted in a number of blocks of mining being stopped and development also being constrained in the short to medium term. So this has obviously made matters worse. The timing of developing through the Stillwater fault as well as through that depression zone, as I've said, is going to take us two years to establish mining fronts ahead of both of those areas. I think just to respond to your question around whether it's going to have any impact on our outlook, I think the revised forecast or guidance for the year as well as the

numbers that we've shown today I think take into account what we've already spoken about regarding this level of developed state. Thanks.

James Wellsted

Thanks Wayne. The next question is from Nkateko Mathonsi at Investec, again for you, Wayne, I think. Blitz project timelines were affected by difficult ground conditions. Should we price in zero difficult ground conditions when this operation reaches steady state, and thus consistent at 850,000 ounces of throughput? The question is have we adapted to those ground conditions or do we expect further issues?

Wayne Robinson

James, I think that was really the purpose of doing that rebased study. So the revised outlook takes those ground conditions into account. And again it also links to the previous answer regarding the amount of development that we require to do to make sure that that level of production is sustainable taking those ground conditions into account.

James Wellsted

Thanks Wayne. The next question is from Eckhardt Goedeke at BlackRock. Do you expect strong demand for cars to weigh on industry PGM recycling volumes in H2 2021 and next year? I'm not sure if Justin or Kleantha would like to respond to that one. Justin. Thanks.

Justin Froneman

How is it, Eckhardt? I think from a demand point of view we're not expecting that to weigh on the recycling of spent autocats. Obviously there is pent-up demand for new vehicles. I think the critical thing is that the age of vehicles on the road is actually extending even though we are seeing obviously huge offers and incentives for new vehicle acquisitions. So people are holding on to their vehicles longer. I think the critical thing to note particularly in North America is that the network for recycling is actually fairly constrained. Because it's a cash on delivery business you are going to find that any collection of autocats will be pushed through the system as quickly as they can be despite what prices or incentives may be doing. So I do think you're going to find that it's going to be pretty steady. We are having to turn down a fairly significant amount of new supply or offers just purely because we don't necessarily have the capacity for it at this point in time, and neither does the industry. So there are natural bottlenecks that I think will result in recycling growing at a fairly steady state, as Kleantha mentioned in her presentation. Thank you.

James Wellsted

Thanks Justin. The next question I think for Neal from Emma le Ster at Société Générale. Neal, you mentioned that your target for the asset portfolio was one third gold, one third PGMs and one third battery metals. What is your time horizon to achieve that?

Neal Froneman

I would think it's probably a three to five year time horizon to get there. I think we are being super disciplined in not buying everything that comes across our desk and being quite selective. So it's not something that's going to transition in the next year or two. But I would say in the next three to five years we should be there both in gold and battery metals.

James Wellsted

Thanks Neal. I'll get to the questions that we weren't able to ask earlier from John Williams at Rezco. Can you explain the surge in rhodium recycling in 2020 which wasn't seen in platinum and palladium? Kleantha, maybe you can answer that one.

Kleantha Pillay

Sure. Basically the primary supply reduction in 2020 due to COVID shutdowns and then the Anglo ACP outage actually affected rhodium more than it did palladium and platinum because rhodium has got a longer processing timeline. If you actually look at the percentages, rhodium recycling would have made up around 32% of total supply in 2019 and just moved up a little bit to 35% by 2020, and we expect it to be back down around the 32% or 33% in 2021. So really the impact there is the reduction in the primary mined volumes. Thanks.

James Wellsted

Thanks Kleantha. I've got another question from Nkateko about our short-term response to prevailing metal price volatility. Maybe, Richard, you can handle the general approach to metal price volatility, how we deal with that. And then I can maybe ask Justin to respond on particularly relating to inventory levels and recycling. But there is another question also that came up earlier, Richard, which maybe you can answer at the same time relating to the capex differential from our guidance and what we had in the slide, which I think wasn't directly comparable. So maybe if you can just do that reconciliation for us again.

Richard Stewart

Perfect. Thanks James. Hopefully I'm not looking like a deer in the headlight as I was just now when Justin jumped on. Sorry for that. I think in terms of price volatility, as mentioned I think that is something obviously we manage on the marketing side and it does direct some of our thinking around our spot selling. From an operational perspective price volatility really doesn't come into our thinking. It is one of the reasons why we have reserve prices where we pitch them, because those are the prices we base our long-term thinking on. And those are certainly prices we think are defensible and sustainable through the cycle. And it is on those prices that we base our capital decisions and our operating strategies. And the volatility from an operational perspective is noise, and we really look at the long term. Clearly on the marketing side Kleantha will take that into account in her short-term sales strategy.

I think in terms of the capital question – apologies for the confusion there – the capital that was included in the earlier presentation was in fact based on our initial life of mine studies. And for this year that included two things. It included a full catch up of ORD leading over from 2020 during COVID. And it also included the K4 project as a full year's worth of project. When we look at what's actually happened over the course of the year – and that's what's included in our guidance – firstly the K4 project only started midway through the year. It did go through a full board approval.

And therefore for this year we only forecast about R350 million worth of spend on both that and Klipfontein, whereas in the slide that we included here there was over R1 billion worth of spend. So that entire cycle has been shifted as the project started later. Of course with ORD while there was a catch up required from last year, obviously there also wasn't stopping. So that entire ORD capital profile shifts out. It's not like there is a sudden build-up next year. When this is caught up the entire profile shifts out and that shift was also by about R1.1 billion on the ORD side. So that largely explains the difference between the capital presented and the guidance that we've provided. Thanks, James.

James Wellsted

Thanks Richard. Just to let you know that we've actually adjusted that slide in the pack, so we've aligned it more with guidance in the current pack on the website. Then just following up on the second part of that question, maybe for Justin, relating to inventory levels in the recycling business. I'm just trying to interpret this question. I think it means relating to working capital and the increase in working capital that we've seen with prices increasing over the last little while.

Justin Froneman

Thanks James. It's a very good question. I think as we tried to show in the one slide, because we've generally got about a three month lag between when we are paying for recycled production and when that metal gets returned what we are finding is that the advance rate that we are paying to the collector is obviously elevated. And that would really reflect prices of three months back. And we saw a peak of almost \$4,500 an ounce three months ago on a 3E basis. With the recent decline obviously that does mean that we are unwinding that position because we are now advancing at a rate and we are receiving the money back from three months prior. So net-net we actually gaining and we are drawing down our working capital at an accelerated rate outside of actually feeding more recycled into our processing facilities.

So there are two leaves to us managing our working capital. It's the rate that we pay at, the rate that we receive, and ultimately what we are able to feed at. I think to expand that question a little bit further up the value chain from a collector network point of view the collector is all about turning their inventory as fast as what they can. So as soon as they receive a spent autocatalyst they basically want to get that inventory out their door. So although they are sensitive to prices, even with the current volatility in the price they are churning their product out as quickly as they possibly can to companies like ourselves to process. So we haven't really seen any short-term change in collector behaviour because of the recent price dip that we've experienced across the three element PGM basket.

James Wellsted

Thanks Justin. Then I think a question for Neal from Thobela Bixa at Mergence. In your view where does the required supply growth in green metals, lithium, nickel and cobalt come from? I think we did cover it that we do see shortages going forward, but Neal, maybe you can give a comment on that side.

Neal Froneman

Yes. Listen, I could be facetious and say it's going to come from us, but that will create a huge capital overhang, so I won't do that. Clearly there are a lot of projects around the world. Despite that there is still going to be a serious shortage of these particular metals. And hence why we keep on saying the estimate for battery electric vehicle penetration rates are very much overstated. It's completely unrealistic to assume that so much of these metals will come to the market. There will be shortfalls. I think a lot of the deficits will also start coming from recycling. And our announcement to grow our recycling business is not just for PGMs.

I think everybody needs to understand that we understand the PGM recycling business. A lot of recycling needs to be done on the battery metals as well. We have the skills to do that. If we expand our business, as Justin says, upstream for good reasons, those are the same collectors that will be collecting the batteries. Then of course on top of that, being part of the circular economy is exactly right, and that is fundamental to our strategy. So the bottom line is despite many projects even if they're all developed there is going to be a shortage of these metals. They are not all going to be developed because some of them don't pass the required hurdle rates. Recycling will be a big contribution. But the bottom line is there's going to be a serious shortfall in terms of what's required unless you adjust your targets in terms of battery electric vehicle targets and penetration rates. Thank you, James.

James Wellsted

Thanks Neal. And then from Chris Nicholson – I think I'll ask Richard to answer this one – is could you explain why the new Marikana BEE deal was struck on such favourable terms to the BEE parties? I'm sure they're mostly favourable to BEE parties. But it looks like close to 20% dilution for Sibanye over two to three years. Richard, I don't know if you can respond to that please.

Richard Stewart

Sure. Thanks James and thanks Chris. I'm not quite sure how to respond to the percentage you've mentioned there. That is certainly not the type of dilution that we see through this. Chris, we would be happy to try and work through it with you. And obviously there are several assumptions that go into that. But perhaps I can just share the principle around this. That BEE transaction I guess in many ways talks to our vision which is about all stakeholders. And of course in this instance we had empowerment partners and we also had shareholders. In completing the Lonmin transaction we engaged extensively with our empowerment partners. They were good partners to have. They were very supportive of the business. They had a history in the business and they were partners we wanted to move forward with.

Obviously it was important to recognise that due to various historical factors that structure was well under water. And the reality is there was no real value for the empowerment partners in that looking forward. I think fair to say that as Sibanye-Stillwater completing that transaction if those empowerment partners had not stayed in, we would have had to re-empower those assets. And the way we looked at it at the time was to say if hypothetically we were to empower it using a similar structure to Rustenburg, what would the ultimate commercial cost of that be to our shareholders?

And using that as a base we structured this transaction with our empowerment partners. So we got the benefit of keeping very supportive and long term partners with us in the company. It wasn't an extra cost to shareholders that they wouldn't have had to incur in any event. And the existing empowerment partners see value, and obviously that's good for all stakeholders, which is precisely what we targeted to do. So Chris, we would be happy at any time to try and help you. It is a complex transaction. It's a vendor financed transaction, and perhaps that's the key to consider. But I'd be happy to sit with you and work through it in detail. But that's the principle of how that transaction came about. Thanks James.

James Wellsted

Thanks Richard. I think on that note let's wrap it up for the afternoon. I really want to thank everybody who participated this afternoon, all of the presenters who put a lot of time and effort into this, and all of you for really sitting through four hours of presentations in South Africa just before a long weekend. I really appreciate your interest. And if you've got any further questions or follow-up questions, we're always available to answer them. Thanks a lot and be safe.

END OF TRANSCRIPT