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OVERVIEW OF OPERATIONS

MTR, the latest addition in Pan African’s flagship tailings retreatment operations, was successfully commissioned in early October 2024 with an inaugural gold pour at the plant’s smelting facility. In FY25, it produced 30,806oz at an AISC[®] of US\$1,282/oz, well ahead of plan. Better-than-expected ramp-up, steady-state production and plant throughput of 800ktpm were achieved a full two months ahead of plan, in December 2024. The project was delivered under budget and ahead of schedule, with construction completed in only 14 months. This is a clear demonstration of the Group’s ability to deliver on large-scale projects. The operation has an LoM of 13 years based on Mogale Cluster’s Mineral Resources. Including Soweto Cluster Mineral Resources, the operation’s life extends to over 20 years.

The MTR plant is designed to process approximately 800kt of historical tailings per month from the existing 1L23-25 TSF. The tailings from the processing plant are deposited into the West Wits pit, which is an open pit from historical mining in the area.

Once filled up to ground level, the entire footprint of the pit will be fully lined before deposition above ground level, thereby improving the ecological state of the area. This West Wits pit TSF, together with the reclaimed footprint of 1L23-25 that will be constructed once the remaining is complete with a full Class C liner, will adhere to the latest global standards for tailings management, ensuring adequate capacity for future remaining operations. TSF construction work at the West Wits pit and 1L23-25 footprints is expected to be carried out in various stages over the next seven years.

The Group approved the expansion of the plant from 800ktpm to 1mtpm, with the addition of two CIL tanks together with the installation of reactors to further improve recoveries, at a total expansion cost of US\$6.5 million. This will result in an increase in production from 50,000oz to approximately 60,000oz per annum, with the expansion project expected to be completed during FY26.

MTR successfully concluded a three-year wage agreement with its employees at an average wage increase of 5% per annum over the three years, providing stability to the operation.

The Group also approved the construction of a 3ML/day water treatment plant that aims to treat acid mine drainage (AMD) water from the underground working at 9 Shaft to produce potable water for drinking and domestic use. The plant will be constructed and commissioned during FY26, and once commissioned, the operation will no longer be limited or reliant on the overstretched Rand Water infrastructure. The water treatment plant will assist in reducing the amount of AMD water that needs to be treated by the authorities prior to release in the Tweelopiespruit.

The Group is currently investigating the establishment of a utility-scale, grid-connected solar facility at MTR. Once constructed, the solar plant will supply clean energy meeting approximately 30% of MTR’s annual electricity demand.

The Group is also conducting a feasibility study on the Soweto Cluster that is on track for completion by September 2025, with the study focusing on the option of constructing a new processing facility, which would be a stand-alone operation also producing approximately 50,000oz to 60,000oz per annum.

Focus for FY26

Our goal is to maintain our performance at the surface operations. Our focus areas include:

- optimising and expanding the processing facility to 1mtpm and delivering 60,000oz of gold
- furthering the establishment of a solar facility
- completing the Soweto Cluster feasibility study and commencing construction of the new processing facility, if approved.