Mantengu
Next Generation Mining

# Mantengu Mining Limited
# Annual Report

for the year ended 29 February 2024

# Built by South Africans,
# **for South Africans.**

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# Mantengu's History

Mantengu is a resource investment company which is focused on unlocking new value in the mining, mining services and energy sectors. Mantengu intends to be a Next Generation conglomerate because it's funding, empowerment and business models transcend the typical extractive models by creating and introducing new growth into financially unchartered parts of South Africa.

**2016**

MRI was suspended on 26 July for late submission of its AFS.

**2017**

The JSE classified MRI as a cash shell on 17 December 2017.

**2021**

MRI shareholders approved 100% acquisition of Langpan on 30 June 2021.
MRI changed its name to MTU on 2 November 2021.
MTU became fully compliant on 2 November 2021.
JSE approved Langpan CPR on 17 December 2021.

**2022**

MTU's acquisition of Langpan became unconditional on 27 July 2022.
MTU reinstated onto JSE on 5 August 2022.
MTU completed Rights Issue on 12 December 2022.
MTU reinstated onto JSE on 5 August 2022.

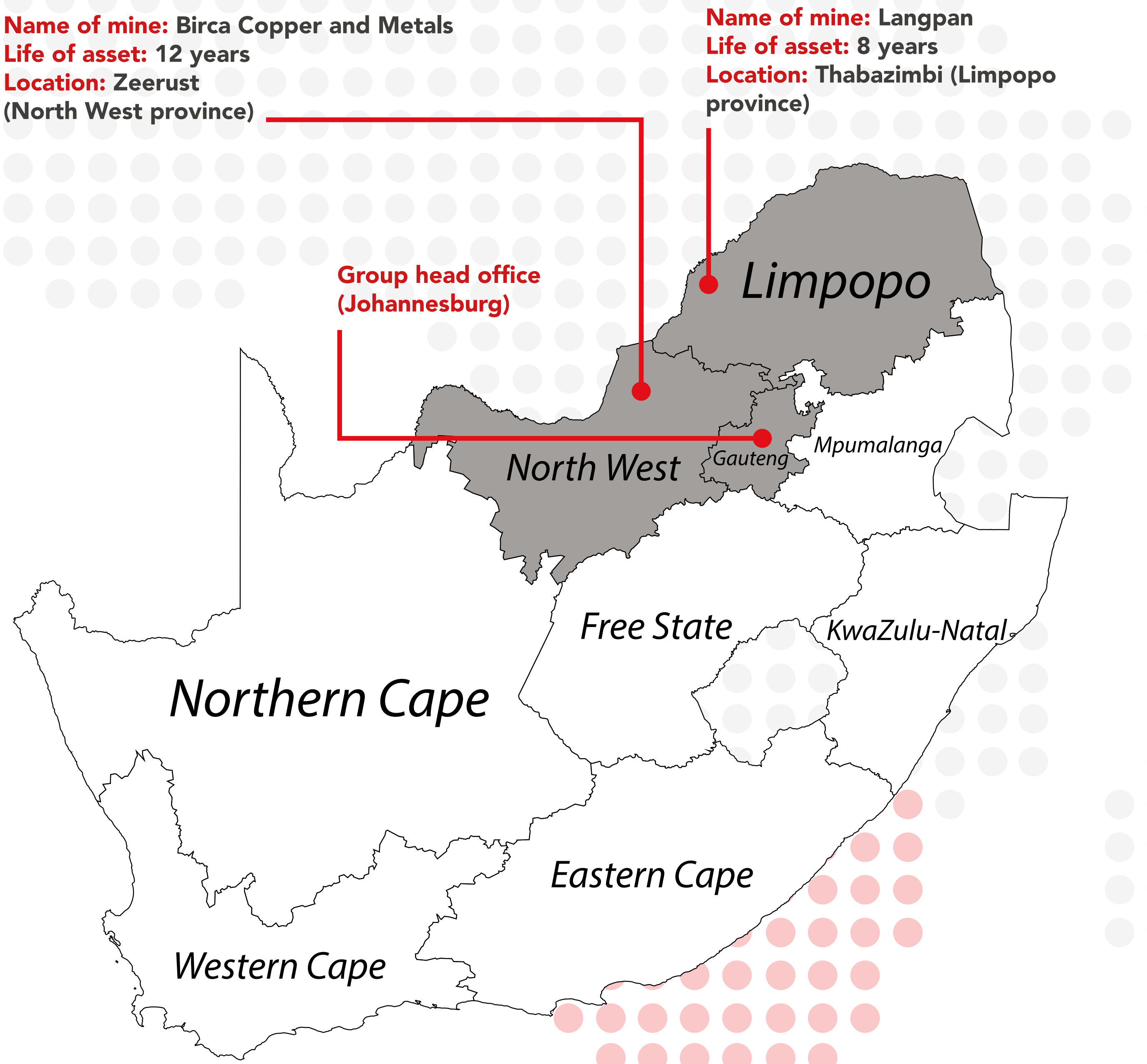
**2023**

MTU share consolidation completed on 29 March 2023.
Langpan commissioned LG chrome processing plant in May 2023.

**2024**

MTU announced acquisition of 100% of Birca Copper and Metals (Pty) Ltd on 13 May 2024.
MTU releases profitable 28 February 2024 group AFS on 27 May 2024.

# Where we Operate



# Message from the Chairman

## Dear Shareholders and Stakeholders,

## I am pleased to present to you the Chairman's Report for Mantengu Mining Limited (Mantengu), highlighting the developments in our business during the reporting period.

It has once again been a challenging year, not only for us as a company, but also for South African business and, indeed, the world with fresh conflicts emerging, old ones still simmering on and a burdensome interest rate environment. Whether in business or otherwise, it is just as well to devote more attention to those matters at hand that one can control whilst at the same time glimpsing into the future to try and determine what markets will look like over the next while so that strategy can be effectively interrogated and tweaked as may be required.

During the reporting period we have been fortunate that chrome prices and demand (particularly from China) have remained at historically relatively high levels. This has been acknowledged by the business for some time now and a tremendous amount of discussion has been had and preliminary action taken to create the resilience within the business to weather any drop in demand and softening of chrome prices. The most obvious bulwark against any negative market forces is to look at input costs. Our operations are currently largely dependent on diesel generators. Accordingly, following the example of a number of other mining businesses in South Africa, options to put up a solar plant at Langpan are being closely looked at which will have the effect of not only lowering our input costs but also putting our "money where our mouth is" regarding certain ESG imperatives. In addition, the other major input cost is our mining cost and I touch on this aspect briefly below.

Turning to the achievements of Mantengu during this reporting period, it is gratifying to be able to record in this report not just the difficult journey of the business to date from 2016 and 2017, but actual tangible and operational achievements consonant with a business that is set to thrive, not just survive. The stage, therefore, of the business precipitated a review of management structures both at the group level and the Langpan level and the reporting lines from Langpan up to Mantengu were streamlined. In addition, we were delighted to be able to appoint in May 2024 Keabetswe Mogaladi as our Chief Operating Officer. Keabetswe has already made a positive impact and aside from his impressive skills and CV for the role, has freed up much needed time for the executive directors.

One of the other longstanding areas of attention has been to grow the life of the business, a factor inextricably linked to the life of our, then only, operational mine on Langpan. The announcement of the acquisition of Birca Copper and Metals (Pty) Ltd (**BCM**) in May 2024 represents an exciting first step on Mantengu's acquisition path. This acquisition approximately doubles the group's chrome operations by increasing its access to high quality chrome ore and another washplant supplementing the current LG washplant and soon to be completed MG washplant on Langpan. The added synergy for Mantengu is that through the acquisition it gains access to experienced mining capability, bringing mining "in-house" with the resultant cost benefits in line with the need to decrease input costs as referred to above. We believe that the acquisition of BCM will prove to be a watershed transaction for Mantengu and for BCM as the mixing of skills and opportunities will prove an exponential enhancement to Mantengu's presence in the market.

Another notable feature of the reporting period was the closing of the R500 million equity facility with GEM Global Yield LLC SCS. This was a unique transaction in the South African finance world and provides Mantengu access to equity funding as and when required and, hence, further funding flexibility.

A disturbing feature of the reporting period has been what since June 2023 we, some of our shareholders and other market participants, have perceived there to have been manipulation of our share price. For a host of reasons too numerous and detailed to ventilate in a report of this nature, such manipulation not only erodes shareholder value through no doing of the company, but also undermines the credibility of the JSE. It is to the wider benefit of South Africa that we have a credible and respected exchange. Our suspicions of price manipulation were reported in the media and are receiving due attention by the regulating authorities and we hope to get to the bottom of this matter shortly. As per my opening remarks, in the interests of safe-guarding shareholder value and the company, we are concentrating on those matters that we can control and assisting the authorities with their investigations.

On a much more positive note, at the end of May 2024, our earnings results were released to the market which showed a profit for the group for the first time in more than a decade, with a gross profit of R52.6 million against a R1 million loss for FY23.

> One of the other longstanding areas of attention has been to grow the life of the business, a factor inextricably linked to the life of our, then only, operational mine on Langpan

This represents a remarkable turnaround for the business and all more so since only the LG plant has been operational since January 2024. These results are the culmination of all the work and strategic decision making that has been a feature of this past year.

The above account necessarily does not do justice to the difficulties and obstacles overcome in the task of getting Mantengu to where it is today, a task which would by no means have been possible without the unstinting support of our shareholders, employees, stakeholders and service providers. This group of people are too numerous to list here but, on behalf of the Board, I would like to express our sincere gratitude to you all for staying the course. I think it is fair to say that a corner has been turned in the life of Mantengu and it should be expected that the coming year will feature more growth, operational stability and success.

In conclusion, I would once again like to thank each member of the Board for their invaluable contributions, insights and dedication to Mantengu. Our Board meetings are a pleasure where we get to have robust debates and discussions all fueled by a common goal and drive. On behalf of the Board, I would again like to extend a special thanks to our two executive directors, Mike Miller as group chief executive officer and Magen Naidoo as group chief financial officer. As the executives, they have again done a sterling job in navigating what has at times been a tricky environment, but their unwavering commitment has borne fruit for Mantengu and we wish them well for this new phase of growth.

Sincerely,

**Alistair Collins**
Chairman, Mantengu Mining Limited
25 June 2024

# Our
# Leadership

**Alistair Collins** 55 years
LLB; BSocSci
Date of appointment 01 February 2023
Non-Executive Chairman of the Board
Financial and legal structuring and business strategy

Alistair Collins is a South African and English law finance lawyer with over 20 years' experience. Alistair has diverse finance experience having advised on acquisition, leveraged, trade and commodity, asset backed, securitisation, capital markets and structured finance transactions. Alistair was previously a partner of Bowman Gilfillan and a senior lawyer at Allen & Overy, Baker & McKenzie and Pinsent Masons. Alistair provides financial structuring and strategic oversight to the business.

**Michael Miller** 41 years
BCom Accounting – CA(SA); MCom Financial Management; PGDip Accounting (PGDip)
Date of appointment 02 March 2023
Group Chief Executive Officer
Corporate finance, capital raising, mergers and acquisitions, operational and commercial strategy

Michael is a qualified chartered accountant, having obtained BCom, PGDip and master's in finance from the University of Cape Town. He served his articles at Deloitte and qualified as a chartered accountant in 2008. Michael was a game ranger at Londolozi from 2009 to 2012 where he completed his masters, focusing on the value created in Broad-Based Black Economic Empowerment transactions. Since 2012, Michael has been working on complex rural empowerment businesses with a focus on capital raising to support new wealth creation. This journey culminated in the listing of Mantengu. Michael is an accomplished development strategist with a passion for rural development.

**Magen Naidoo** 45 years
BCom Accounting; BCom (Honours) Accounting,
Chartered Accountant (South Africa)
Date of appointment 2 March 2023
Group Chief Financial Officer,
Executive Director on the Board,
Member of Executive Committee
Leadership, strategy, risk management, business acumen, problem solving, financial reporting, analytics, accounting, financial analysis

Magen is a qualified Chartered Accountant having obtained a Bachelor of Commerce and a Bachelor of Commerce (Honours) Accounting from the University of Natal, Durban. He has more than 23 years of experience and was previously an audit partner at Deloitte where he spent over 17 years serving large, listed clients whose operations span the globe. Magen has wide industry experience across many sectors, including significant experience in the mining industry, having serviced clients such as the Anglo-American group for several years. Magen joined Mantengu more than a year ago and has driven multiple changes throughout the group, implemented best practice and fiscal discipline that has resulted in a step change in the group's operational and financial performance.

**Vincent Madlela** 53
B Iuris LLB
Date of appointment 23 July 2021
Lead Independent Non-Executive Director
Mining tenure security, environmental compliance, mine health and safety compliance, corporate governance, community and stakeholder management

Vincent is a highly experienced leader, entrepreneur and attorney with over 20 years' experience advising multinational listed mining companies. Vincent has been involved in securing mineral tenure for clients and ensuring compliance with all local legislation and regulations. Vincent has held several senior listed roles overseeing the functions of mineral right application and management, environmental compliance, legal compliance, marketing and trade of commodities, mine health and safety and corporate governance.

**Jonas Tshikundamalema** 51
Btech in Civil Engineering
Date of appointment 25 April 2022
Independent Non-Executive Director; Project management, engineering investigative, corporate governance;Chairperson of Bendor Ridge Homeowners Association, NPC; Chairperson (Former) of Euphoria Golf and Lifestyle Estate, NPC; Jonas Tshikundamalema Foundation, NPC

Jonas is a highly experienced engineer who has held several senior board positions in the South African Institute of Civil Engineers (SAICE), Engineering Council of South Africa (ECSA), Roads Agency Limpopo (RAL) and the Mutale Chamber of Commerce (Chair). Jonas is an entrepreneur with various successful investments in the property, agricultural and hospitality industries and, thus, is well skilled in transforming smaller business ventures into long term value adding investments. Jonas is a senior Traditional Leader and as such has an intricate knowledge and understanding of the South African rural landscape.

**Keabetswe Mogaladi** 37
BEng (Hons) in Metallurgical Engineering; MBA; Advanced Certificate: Accounting Sciences
Date of appointment 01 May 2024
Group Chief Operations Officer
Mineral processing (design and operations management); systems development and management; leadership; strategy.

Keabetswe is a registered professional engineer and has fulfilled many roles in the mining and mineral processing sector including the design, erection, commissioning and process optimization of various crushing and screening plants, chromite, ferrochrome slag, iron ore and PGM concentrators and mining operations. He has also enjoyed senior management roles in operations dealing with the mining and processing of iron ore, manganese, chromite and PGM ores.

His interests are in business, mining and metallurgy, corporate finance, strategy and leadership. He enjoys roles which combine his expertise in engineering and business administration to deliver a world class service to industry.

# Our
# Leadership

**Mantengu Board of Directors**

From left to right: Vincent Madlela - Lead Independent Non-executive, Michael Miller - Chief Executive Officer, Alistair Collins - Chairman,  Magen Naidoo - Chief Financial Officer, Jonas Tshikundamalema - Independent Non-executive.

## Mantengu Executive Committee

**From left to right: Keabetswe Mogaladi - Chief Operating Officer, Michael Miller - Chief Executive Officer, Magen Naidoo - Chief Financial Officer.**

# Corporate Governace

The Board and each individual Director supports implementing best governance principles and practices throughout the Group. The Board continues to subscribe to the values of good corporate governance as set out in the King IV™ Report on Corporate Governance for South Africa, 2016 (**King IV™ Report or King IV™**) and those prescribed by the Listings Requirements of the JSE Limited (JSE). The aim is to maintain the highest standards of integrity to ensure that the principles set out in the King IV™ Report are observed and implemented.

The Board is of the opinion that Mantengu currently complies in all material respects with the principles embodied in the King IV™ Report and the additional requirements for corporate governance stipulated by the JSE Listings Requirements.

An overview of the Board composition, committees and company secretary is provided below.

## The Board

The Board is responsible for the strategic direction and control of the Company. The Board currently comprises five Directors of which two are executive Directors and three are non-executive Directors, two of whom are independent non-executive Directors.

The Board consists of members with varied backgrounds and skills to contribute to the strategy and direction of the Company. The Board comprises an appropriate balance of power between executive and non-executive Directors, and there is no individual that has unfettered powers of decision making and no individual dominates the Board's deliberations and decisions.

The Board is chaired by Alistair Collins who is a non-executive Director. The Group Chief Executive Officer of the Company is Michael Miller and Magen Naidoo is the Group's Chief Financial Officer. Vincent Madlela is the lead independent Director and Jonas Tshikundamalema is an independent non-executive Director.

## Committees

The Board has delegated certain specific responsibilities to the following committees, which are detailed more fully below:

| Name of committee member | Combined Audit and Risk Committee | Combined Remuneration and Nomination Committee | Combined Social and Ethics Committee |
|---|---|---|---|
| Vincent Madlela | X (Chair) | X | X |
| Jonas Tshikundamalema | X | X | X (Chair) |
| Alistair Collins | X | X (Chair) | X |

### Combined Audit and Risk Committee (CARC)

The objective of the CARC is to assist the Board with its responsibility of safeguarding assets, maintaining effective and efficient internal controls, reviewing the financial information and overseeing the preparation of the Group's annual financial statements.

The CARC has the power to make decisions regarding its statutory duties and is accountable for its performance in this regard. In addition to its statutory duties, the CARC is responsible for, inter alia, the following:

- the recommendation of the Group's annual financial statements to the Board for approval;
- risk governance and ensuring that it dedicates sufficient time to this responsibility;
- overseeing the management of financial and other risks that affect the integrity of external reports issued by the organisation;
- ensuring that the Group has established appropriate financial reporting procedures and that those procedures are operating. This should include consideration of all entities included in the consolidated group IFRS financial statements and to ensure that the CARC has access to all the financial information of Mantengu to allow Mantengu to effectively prepare and report on the financial statements of Mantengu;
- ensuring the suitability of the appointed external auditors and the designated individual partner, specifically considering the information provided by the audit firm and individual auditor pursuant to paragraph 3.84(g)(ii)(aa)-(dd) of the JSE Listings Requirements in its assessment thereof;
- ensuring that the appointment of the auditor is presented and included as a resolution at the annual general meeting of the Company pursuant to Section 61(8) of the Companies Act; and
- ensuring, on an annual basis, that the financial director has the appropriate expertise and experience.

The CARC has reviewed the financial reporting procedures of the Company and is satisfied that there are appropriate financial reporting procedures established, and that these have been operating sufficiently for the past financial period.

The CARC currently consists of two independent non-executive Directors, Vincent Madlela and Jonas Tshikundamalema and one non-executive Director, Alistair Collins. The CARC is chaired by Vincent Madlela.

The CARC met three times during the 2024 financial year.

| Committee Member | Meeting date: 1 March 2023 | Meeting date: 29 May 2023 | Meeting date: 16 August 2023 |
|---|---|---|---|
| Vincent Madlela | X | X | X |
| Jonas Tshikundamalema | X | X | X |
| Alistair Collins | X | X | X |

X = present

The CARC has considered and is satisfied that the Group Chief Financial Officer, Magen Naidoo, has the necessary experience and expertise to execute his function.

**Combined Remuneration and Nomination Committee (CRNC)**

The CRNC is responsible for considering the nomination of new Directors and the remuneration of the executive Directors and making recommendations to the Board in this regard. The CRNC consists of two independent non-executive Directors, Vincent Madlela and Jonas Tshikundamalema and one non-executive Director, Alistair Collins. The CRNC is chaired by Alistair Collins.

The CRNC met six times during the 2024 financial year.

| Committee Member | Meeting date: 29 May 2023 | Meeting date: 28 June 2023 | Meeting date: 30 June 2023 | Meeting date: 16 August 2023 | Meeting date: 27 October 2023 | Meeting date 8 December 2023 |
|---|---|---|---|---|---|---|
| Vincent Madlela | X | X | X | X | X | X |
| Jonas Tshikundamalema | X | X | X | X | X | X |
| Alistair Collins | X | X | X | X | X | X |

X = present

The Remuneration Policy and Implementation Report will be tabled for a separate non-binding advisory vote by shareholders at the annual general meeting to be held on 15 August 2024.

The CRNC will consider any feedback received from shareholders during the annual general meeting and will endeavour to liaise with shareholders who have raised concerns on the Remuneration Policy or the Implementation Report with a view of resolving concerns raised where possible. The Remuneration Policy records the measures that the Board commits to take if either the Remuneration Policy or the Implementation Report, or both, are voted against by 25% or more of the votes exercised. In such instances, the announcement on the voting results will provide an invitation to dissenting shareholders to engage with the Company and will specify the manner and timing of such engagement. With regards to dissenting shareholders, the remuneration committee members will reach out directly to the shareholder representatives with a view of scheduling a separate meeting for their concerns to be addressed.

The Remuneration Policy addresses remuneration on an organisation-wide basis and is a key component of the Company's HR strategy, which must always fully support the overall business strategy.

Mantengu obtained shareholder approval for the changes to the Mantengu Performance Share Plan (PSP) at the Annual General

Meeting held on 16 August 2023. The PSP is intended to incentivise, motivate and retain employees of the Company, the Company's subsidiaries and associates and other entities identified by the Board by providing such employees with the opportunity to own shares in the Company.

The CRNC believes that alignment creates synergy and that the long-term success of the Group is directly linked to the calibre of employees that it employs and the working environment that it creates.

The Board acknowledges the importance of a broader diversity at a board level. The CRNC reviews and assesses the size, structure, and composition of the Board on an ongoing basis. This review ensures that the Board is adequately diversified, and that this diversification is assessed for relevance on an annual basis. This annual assessment interrogates the following key attributes to ensure that the Board has the highest level of skill, experience and diversity to execute Mantengu's business mandate:

1. Experiential attributes: Skill, education, functional experience, industry experience and accomplishments;
2. Demographic attributes: Gender, race, ethnicity, culture, religion; and
3. Personal attributes: Personality, interests and values.

The CRNC recognises that having a healthy diversification of these attributes will create a more thorough and constructive decision-making philosophy and management of Mantengu's business mandate. This, in turn, provides Mantengu's stakeholders with the highest chances of success.

In compliance with King IV™ and the JSE Listings Requirements, the CRNC has adopted a policy on the promotion of broader diversity at Board level, without introducing voluntary targets regarding gender and racial diversification.

The CRNC if fully committed to maintaining a diverse Board with appropriate skills and experience without setting numerical targets. When canvassing for new appointments, diversity and inclusion are key considerations within these processes, alongside recruiting for skills and experience relevant to managing Mantengu effectively. The CRNC will continually look to improving diversity of the Board provided that the appointment is consistent with the priority of identifying, attracting and retaining the highest levels of talent.

The CRNC is also required to assess the relationship between executive and non-executive Directors. The CRNC believes that there is an appropriate balance of power between the executive and non-executive Directors. The CRNC is satisfied that the current members of the Board collectively possess the skills, knowledge, and experience required to adequately discharge the responsibilities of the Board to effectively achieve Mantengu's vision and in so doing promote and create value for Mantengu stakeholders.

The Board is currently comprised of 40% African males, 40% White males and 20% Indian males, with two of the three non-executive Directors being African males. The CRNC is satisfied that the Board has the requisite skill, experience and diversity to adequately promote Mantengu's vision and objectives.

**Combined Social and Ethics Committee (CSEC)**

The purpose of the CSEC is to ensure that the Mantengu Group is, and remains, a good and responsible corporate citizen, and to perform the statutory functions required of a social and ethics committee in terms of the Companies Act.

The CSEC has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act and confirms that there are no instances of material non-compliance to disclose. The CSEC consists of two independent non-executive Directors, Vincent Madlela and Jonas Tshikundamalema (Chair) and one non-executive Director, Alistair Collins.

The CSEC met three times during the 2024 financial year.

| Committee Member | Meeting date: | Meeting date: | Meeting date: |
|---|---|---|---|
| | 1 March 2023 | 29 May 2023 | 16 August 2023 |
| Jonas Tshikundamalema | X | X | X |
| Vincent Madlela | X | X | X |
| Alistair Collins | X | X | X |

X = present

## Company Secretary

Neil Esterhuysen & Associates has been appointed as the Company Secretary. Having worked closely with Neil Esterhuysen & Associates since 2016, the Board has continually assessed its competence, qualification, skill and professionalism. The Board has, thus, satisfied itself of the competence, qualifications and experience of the Company Secretary.

## Compliance with applicable laws

The Directors are satisfied that the Company is in compliance with and operating in conformity with the provisions of the Companies Act relating to its incorporation and the Company's MOI.

## King IV™ Register

A full register of the King IV™ principles, and the extent of Mantengu's compliance therewith, together with an explanation for each principle, is set out below.

| Principles | Status | Apply and Explain |
|---|---|---|
| **Part 5.1: Leadership, Ethics and Corporate Citizenship** | | |
| LEADERSHIP | | |
| Principle 1: The governing body should lead ethically and effectively. | ✓ | The Board adheres to and promotes the highest standards of integrity and good corporate governance. The Board sets the tone for the ethical culture within the Group.<br><br>The Board's ethical approach is further strengthened by the diverse experience of its non-executive directors, the majority of whom are independent.<br><br>The Board has established the various committees referred to in paragraph 2 above. The combined inputs of the committees produce conformity with this principle such that the Board exhibits the requisite levels of integrity, competence, responsibility, accountability, fairness and transparency. |

| Principles | Status | Apply and Explain |
|---|---|---|
| ORGANISATIONAL ETHICS | | |
| Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture. | ✓ | The Combined Social and Ethics Committee (CSEC) consists of two independent non-executive Directors, Vincent Madlela and Jonas Tshikundamalema (Chair) and one non-executive Director, Alistair Collins, with the objectivity to ensure conformity with this principle so as to support the establishment and maintenance of an ethical culture.<br><br>The CSEC duties include (a) setting the direction of how ethics should be approached by the organisation; (b) providing codes of conduct and ethics policies; (c) setting out parameters for engaging internal and external stakeholders; and (d) providing for arrangements that familiarise employees and other stakeholders with the organisation's ethical standards. |
| RESPONSIBLE CORPORATE CITIZENSHIP | | |
| Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen. | ✓ | The Board is fully committed to responsible corporate citizenry. The CSEC framework ensures tangible monitoring and adherence in this regard. The Board ensures that the Group is, and is seen to be, a responsible corporate citizen by being cognisant of both quantitative and qualitative factors. |
| **Part 5.2: Strategy, Performance and Reporting** | | |
| STRATEGY AND PERFORMANCE | | |
| Principle 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. | ✓ | The Board acknowledges that the Company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.<br><br>The Chief Executive Officer and Chief Financial Officer provide executive leadership and are held accountable to the Board for the implementation of the company's strategy, objectives and vision. |
| REPORTING | | |
| Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects. | ✓ | The Board has kept its shareholders updated in line with all the JSE Listings Requirements specific to the acquisition of Birca Copper and Metals Proprietary Limited and the R500 million Equity facility with GEM. In each instance due regard has been given to the quantitative and qualitative aspects of each communication to ensure that stakeholders have accurate, adequate and timely information to make informed decisions.<br><br>The Annual Report is prepared by the Executive Directors and submitted to the company's Designated Advisor, external auditors and Company Secretary before submission to the Board for approval. This robust process ensures that all communication is accurate, free from material error and disseminated on a timeous basis. |

| Principles | Status | Apply and Explain |
|---|---|---|
| **Part 5.3: Governing Structures and Delegation** | | |
| PRIMARY ROLE AND RESPONSIBILITIES OF THE GOVERNING BODY | | |
| Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation. | ✓ | The Board adheres to the requirements of King IV™ and strives to continually review and enhance, where possible, the general governance of the business.<br><br>The Board is the overarching custodian of the Company's governance structures, which commits the Company to highest standards of good corporate governance, transparency, and timeous communication.<br><br>The Board and the Committees have unfettered access to all Group and Company information. |
| COMPOSITION OF THE GOVERNING BODY | | |
| Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively. | ✓ | The Board, with the assistance of the CRNC, has adopted a broader diversity policy specifically focussing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience.<br><br>The CRNC reviews and assesses the size, structure, and composition of the Board on an ongoing basis. This review ensures that the Board is adequately diversified, and that this diversification is assessed for relevance on an annual basis. This annual assessment interrogates the diversity of the Board to ensure that the Board has the highest level of skill, experience and diversity to execute the Company's business mandate.<br><br>The Chairman of the Board is a member of the CARC. Although this is not recommended by King IV™, the company is satisfied due to the following reasons:<br>• The CARC is chaired by the lead independent non-executive director.<br>• The CARC consists of three individuals and Chairman of the Board as a member of the CARC is in the minority regardless of the fact that he is the Chairman of the Board.<br>• The other member of the CARC is an independent non-executive director. |

| Principles | Status | Apply and Explain |
|---|---|---|
| COMMITTEES OF THE GOVERNING BODY | | |
| Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties. | ✓ | The Board is assisted in fulfilling its duties by well-structured committees, namely the Combined Audit and Risk Committee, the Combined Remuneration and Nomination Committee, and the Combined Social and Ethics Committee.<br><br>These committees all meet independently but report directly to the Board and decisions taken by such committees all require approval of the Board prior to implementation. The committees are appropriately constituted and all committees are empowered to obtain such external independent advice as may be required to enable them to discharge their duties. |
| EVALUATIONS OF THE PERFORMANCE OF THE GOVERNING BODY | | |
| Principle 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness. | ✓ | The Board and its committees conduct continual self-evaluation reviews of the performance of the Board, its committees, Chief Executive Officer, Chief Financial Officer, Company Secretary and the External auditor. |
| APPOINTMENT AND DELEGATION TO MANAGEMENT | | |
| Principle 10: The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities. | ✓ | The Board's delegated authority is delegated through the Chief Executive Officer; thus, the authority and accountability of management is accordingly considered to be the authority and accountability of the Chief Executive Officer. The Chief Executive Officer is the highest decision-making officer in the Company. |
| **Part 5.4: Governance Functional Areas** | | |
| Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives. | ✓ | The Board has delegated responsibility to monitor risk activities of the Company to the Combined Audit and Risk Committee.<br><br>The Combined Audit and Risk Committee comprises three non-executive directors, two of which, are independent. The Combined Audit and Risk Committee is empowered to obtain such external independent advice as may be required to enable the committee to discharge its duties. |
| TECHNOLOGY AND INFORMATION GOVERNANCE | | |
| Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives. | ✓ | Given the Boards ultimate responsibility of the company, it is responsible for ensuring that effective information and technology systems, internal control, auditing and compliance policies, and procedures and processes are implemented in order to avoid or mitigate material information technology relates business risks. |

| Principles | Status | Apply and Explain |
|---|---|---|
| COMPLIANCE GOVERNANCE | | |
| Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen. | ✓ | Given that the Company is domiciled in South Africa and listed on the JSE, it is legislated and regulated by South African law with specific focus on the Companies Act and JSE Listings Requirements.<br><br>The Combined Audit and Risk Committee is responsible for compliance with financial reporting requirements and accounting standards. This includes the Company's statutory and regulatory compliance.<br><br>Compliance reports are required for both the Combined Audit and Risk Committee as well as the Combined Social and Ethics Committee. |
| REMUNERATION GOVERNANCE | | |
| Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term. | ✓ | The CRNC consists of two independent non-executive Directors, Vincent Madlela and Jonas Tshikundamalema and one non-executive Director, Alistair Collins.<br><br>The CRNC has put in place a Performance Share Plan, the purpose of which is to ensure that Mantengu's critical management are fairly remunerated and incentivised in line with shareholder expectations. |
| ASSURANCE | | |
| Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports. | ✓ | The Combined Audit and Risk Committee oversees the assurance framework and receives regular reports on assurance matters from the external auditor and executive management. |
| STAKEHOLDERS | | |
| Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time. | ✓ | The Board has delegated authority to the Chairman, Chief Executive Officer, and Chief Financial Officer to proactively deal with stakeholder relationships.<br><br>Stakeholder perceptions are closely managed through a continual engagement with the Committees and Board which allows the delegated authorities to effectively and timeously manage and mitigate any potential issues, reducing the likelihood of reputational risk. |
| RESPONSIBILITIES OF INSTITUTIONAL INVESTORS | | |
| Principle 17: The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests. | N/A | Mantengu is not an Institutional Investor, as defined by the King IV™ Report on corporate governance. |

# Remuneration Report

## Remuneration philosophy and policy

The remuneration policy is approved by the Board and forms part of the overall remuneration philosophy. Our reward philosophy is based on competitive, fair and transparent remuneration for our employees, and formulated to attract, retain, motivate and reward high-calibre, talented and productive employees. Remuneration components are designed to reward excellent, collaborative team and individual performances, while aligning with our values and strategic objectives and allowing employees to share in the performance and success of the business.

Guaranteed remuneration is aligned to the market in respect of fixed pay, with variable performance-related pay, both short- and long-term, included in the total remuneration offering to ensure market competitiveness, with key and critical skills remunerated at the higher end of scales. Ensuring fair, equitable and consistent application of our remuneration principles and policies, guided by the King IV™ principles relating to fair and responsible remuneration, is a high priority.

The Remuneration Committee is firmly committed to its overarching responsibility of ensuring that the principles of accountability, transparency, sustainability and good governance are enacted in all remuneration-related matters. This includes the critical link between executive remuneration and performance against set strategic objectives, with the aim of creating shareholder value.

If the remuneration policy or implementation report, or both, have been voted against by 25% or more of the voting rights exercised by shareholders in the non-binding advisory vote, the Board will actively engage with dissenting shareholders to address the substantive objections and concerns, and to adapt the policy or report as appropriate, taking cognisance of the shareholder feedback and proposals resulting from the engagement and as approved by the Board.

The Board is satisfied that the remuneration policy is fair, transparent, and responsible in that it is reviewed and approved annually.

## Fair and responsible remuneration

The Board's view is that fair remuneration is impartial and free from discrimination. It is also free from self-interest, prejudice, or favouritism. It is rational, and not based on an irrational or emotional basis. Fair does not mean the same and remuneration levels will differ according to several factors, such as productivity, performance, skill, experience, risk and complexity, degree of challenge, level of responsibility of decision-making and consequence, and impact on the Group or Company. Equal contributions to performance should, however, be rewarded equally.

The main principles and practices that drive our commitment to fair and responsible remuneration are:

- adhering to legislative requirements and prescriptions relevant to remuneration and benefits;
- undertaking external market benchmarks of our remuneration package competitiveness in the job market;
- function;
- reviewing and adjusting accordingly any salary anomalies lying below comparable market medians;
- applying structured policies on appointment and salary movement, while linking salaries to functional peer group medians to address equal pay for equal work and any income disparities based on gender, race or other demographics;
- ensuring that all permanent and fixed-term employees in the Company are eligible to participate in the Performance Share Plan (PSP), as appropriate;
- designing and executing HR strategic initiatives to enhance the overall employee work experience and value proposition; and
- staying abreast of the latest market trends and offerings pertaining to remuneration and the remuneration mix of benefits to ensure that we remain relevant and competitive in our reward offering.

## Executive directors' remuneration

When assessing the performance of the Company and its executive directors, the Committee is mindful of its obligation to our shareholders. The remuneration of executive directors consists of fixed and variable components designed to ensure a substantial portion of the total reward remuneration package is linked to the achievement of the Company's strategic objectives, thereby aligning incentives to the creation of sustainable shareholder value.

## Incentive plan (granted under the PSP rules)

The purpose of the PSP is intended to incentivise, attract and retain high-performing employees as part of the Company's employee value proposition. Awards are subject to underlying performance which is evaluated annually by the Remuneration Committee. The Committee considers key business values in selecting metrics and the alignment of the participants' rewards with sustainable value creation.

## Implementation Report 2024

The implementation report details the outcomes of executing the remuneration policy for executive directors in the 2024 financial year. The Remuneration Committee has applied the King IV™ recommendation that companies must disclose a total figure of earnings received for the reporting period.

## Remuneration 2024

The following table sets out the total remuneration received by executive directors:

### 2024 – R'000

| | Emoluments | Board fees | Bonus | PSP Shares Awarded | Total |
|---|---|---|---|---|---|
| **Executive** | | | | | |
| MJ Miller | 2 980 | - | - | - | 2 980 |
| M Naidoo | 2 850 | - | - | 300 | 3 150 |
| | **5 830** | **-** | **-** | **300** | **6 130** |

### 2023 – R'000

| | Emoluments | Board fees | Bonus | PSP Shares Awarded | Total |
|---|---|---|---|---|---|
| **Executive** | | | | | |
| MM Movundlela | 1 948 | - | 275 | - | 2 223 |
| TA Makgolane | 882 | - | 98 | - | 980 |
| | **2 830** | **-** | **373** | **-** | **3 203** |

# Message from the CEO

## Dear Shareholders and Stakeholders

**Mantengu's journey to date has been nothing short of extraordinary. Although Mantengu is at the start of its journey, the successes achieved thus far are directly attributable to the Mantengu board, shareholders, creditors and the dedicated service providers.**

The collective efforts culminated in Mantengu posting its first group profit on 29 February 2024. It would be remiss of me not to thank the collective stakeholders upfront and with enormous gratitude.

Many of Mantengu's successes are yet to be unveiled. The board has worked for years on investing in the requisite governance, compliance, funding and empowerment models to supports the company's long-term vision. These foundational facets are now in place and Mantengu exists as a listed platform to boost empowerment investments in the small to large mining, mining services and energy sectors. There is no doubt that BBBEE needs an injection of new energy, thinking, and commitment. Mantengu believes that its listed platform will create access to scale, governance, and global capital markets for like-minded people and companies committed to creating new broad-based wealth in South Africa.

Mantengu finds itself in an exciting investment position as it has created and secured novel debt and equity funding structures. The availability and flexibility of these funds allows Mantengu to tackle its aggressive growth plan at speed. South Africa's challenging and ever changing economic and political environment has created significant trapped investment value in Mantengu's focussed sectors. This intrinsic value is easily unlocked through the availability of flexible funding and strict adherence to governance and controls. Mantengu is currently canvassing the market for high value investments that require unlocking from the difficult operating environment. Exciting things to come.

Mantengu's resurrection has been founded on absolute integrity, trust, transparency, fairness, and teamwork. These principles are deeply ingrained in our corporate culture and underpin the manner in which we engage every stakeholder and opportunity. The sustainability of this culture is dependent on the quality of the Mantengu team and, as such, significant time and effort has been put into attracting and retaining top talent. The appointment of Keabetswe Mogaladi as group Chief Operating Officer is hugely exciting as Keabetswe possesses all of the characteristics to drive bolster this culture and to support the group's operational and growth plans.

Whilst Mantengu boasts many successes, the year has not been without its challenges. The company has been exposed to a carefully coordinated share manipulation campaign, designed to disrupt its acquisition plan by artificially eroding shareholder value. The board is investigating this issue and will utilise every measure available to bring the perpetrators to justice. The share manipulation will not be tolerated and will not prevail.

The board prides itself on being a collection of diversified entrepreneurs. This is unique in the South African listed landscape and something that we believe will differentiate Mantengu in the market. There has been no challenge that the board has not been able to overcome as a team. As an executive of the board, I cannot thank the non-executive directors enough for the unwavering guidance and support.

There is no doubt that Mantengu would not have achieved what it has without the enormous skill, experience, and dedication of Magen Naidoo our group Chief Financial Officer. There are too many examples to mention of his efforts. But I wish to convey my enormous gratitude.

Mike Miller
Chief Executive Officer, Mantengu Mining Limited
25 June 2024

"Mantengu is founded on the integrity and capability of its collective team and, as such, significant time and effort has been put into attracting and retaining top talent"

# Message from the CFO

## Dear Shareholders and Stakeholders

**Mantengu delivered a solid financial performance, marking a watershed moment in the group's history. This is of historic significance considering it was not funded by the usual debt or equity injection secured by a large balance sheet.**

### Financial performance

- 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)

Langpan delivered solid revenue of R109.9 million considering only being at steady state production for January and February 2024. Revenue was underpinned by an average CIF export price of US$ 290 per tonne. Of the 33 180 tonnes of chrome concentrate sold during the financial year, 18 175 tonnes (55%) were during January and February 2024. Langpan's LG plant is operating at record availability levels, and this provides a solid foundation for production going forward.

The group's operating performance was strong and evidenced by an operating profit of R24.9 million. This was achieved through operational efficiencies, reducing overhead costs and efficient utilisation of consumables consistent with our strategic focus on operating at the lower end of the production cost curve. Our energy costs continue to be high because of operating only on diesel power. One of our key focus areas in FY2025 will be to reduce the cost of energy.

Our finance costs are high due to traditional funders declining to fund us because of an insignificant balance sheet and lack of a track record due to the group only being in steady state production for two months. This is a fundamental flaw of traditional finance houses and is a significant barrier to growth for any small cap listed entity. Traditional funders have required us to display a financial position of significant cash flow and profitability prior to considering any funding applications. It is nonsensical for start-up operations or operations in the early stages of development to be required to display the financial position of an established well-oiled machine generating significant cash flows and profitability. This issue has been addressed at length by our Chief Executive Officer and does not warrant delving into further.

We have had to resort to short term expensive financing to fund our working capital cycles and growth initiatives. Another key focus area in FY2025 will be to reduce our finance costs.

### Cash generation and capex

We are proud of the fact that we have generated R5.2 million of cash from operating activities considering only having one plant at Langpan and it has operated at steady state only for the last two months of the financial year. This gives credence to our cost discipline and aim to operate at the lower end of the cost curve.

We deployed this cash generated together with short term finance into capex at Langpan. During the year, the Board deployed R50.6 million into capex. 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.

### Intrinsic and net asset value

Apart from downward share price manipulation, one of the reasons that Mantengu trades at such a large discount to its fair value on the stock exchange is because of the disparity between its net asset value recorded on the balance sheet in accordance with International Financial Reporting Standards (IFRS) and its fair value. At year end, this disparity and resultant understatement of net asset value on the balance sheet amounted to more than R700 million. The Langpan transaction was accounted for as a reverse takeover in accordance with IFRS. Complying with IFRS unfortunately had not allowed us to record the mineral reserve at the fair value of R851 million at acquisition date but rather at the book value of R130 million.

> We continue to explore new mining opportunities and evaluate strategic acquisitions that we believe will enhance shareholder returns in the long term

We are pursuing the perpetrators of our share price manipulation together with the Financial Sector Conduct Authority (FSCA).

The post year-end acquisition of 100% of Birca Copper and Metals Proprietary Limited (BCM) will further strengthen our balance sheet and bridge some of the gap of intrinsic versus net asset value. BCM mines and processes high grade chrome ore. The acquisition secures a strategic resource for the group that complements its existing chrome ore mining and processing operation.

## Going concern and funding

The financial position of the group is strong, considering the fact that it is in its infancy in terms of development. The group has access to multiple funding lines to drive its growth strategy in respect of further acquisitions.

In respect of organic growth, the group has access to sufficient resources and recently concluded a share subscription facility agreement with GEM Global Yield LLC SCS and GEM Yield Bahamas Limited for R500 million, as announced on SENS on 26 October 2023.

We continue to evaluate our capital structure and the cost of funding with an aim to achieving a cost-effective mix considering our model of not asking shareholders for cash.

## Outlook for FY2025

We continue to explore new mining opportunities and evaluate strategic acquisitions that we believe will enhance shareholder returns in the long term. As I write this report, chrome concentrate prices are at new record highs. We aim to take advantage of this pricing by maximising our short-term production. However, we do need to prepare for a demand side correction that will inevitably come at some point.

We are on an eternal drive to reduce the cost per tonne of chrome concentrate produced by driving operational efficiency and leveraging advanced technologies. These include investing in renewable energy to reduce the cost of energy input. We have demonstrated resilience in navigating challenging macroeconomic market conditions to produce excellent results for the February 2024 financial year. We have a solid foundation to deliver even better results for the year ending February 2025.

Lastly, as an executive director of the Board, I wish to express my sincere thanks to our Chief Executive Officer, Mike Miller and my fellow Board members. We have robust debates and challenge each other at Board level and one of the distinct advantages of this is that it allows our entrepreneurial spirit to flourish, be it moving fast to pursue our growth ambitions or making unpopular decisions in our zero-tolerance approach to governance and compliance.

Sincerely,

**Magen Naidoo**
Chief Financial Officer, Mantengu Mining Limited
25 June 2024

# Group Risks

The mining industry faces numerous risks, many of which are volatile and uncertain, requiring agile decision making and effective risk management strategies that mitigate exposure.

Mantengu's Board sub-committees oversee the integrated risk management process and receive regular feedback from management on all risk-related activities. The Board sub-committees regularly assess all risk governance structures and lines of defence to ensure that roles, responsibilities and accountabilities for identifying, managing, mitigating, reporting and escalating risks within the Company are appropriately responded to.

## Material risks

**Licence to operate**
There are extensive regulatory and policy measures covering our mining and business activities. Changes in policy, legislation and permitting requirements can have a direct impact on our activities. Significant regulatory and policy uncertainty can constrain investment and funding into our business.

**Ore/Reserve depletion**
A failure to grow our reserves or develop new operations beyond the remaining life-of-asset, will undermine our ability to generate long-term value.

**Safety**
There are inherent health and safety risks associated with mining across its value chain. Adverse events that have the potential to cause harm to employees and contractors include transportation risk, moving machinery interacting with people, working at heights and uncontrolled ignition of combustible material such as explosives.

**Failure of logistics infrastructure**
A major failure of infrastructure or disruption on the logistics channel from mine to port could result in prolonged delays of product delivery to end use customers.

**Commodity markets and currency fluctuations**
Chrome concentrate demand is strongly influenced by global economic growth, particularly in Europe and Asia (notably China). Chrome concentrate is used in the steel making process and is priced in US dollars. Downward pressure on the price of chrome concentrate is a risk. A large portion of our logistics costs such as freight are also priced in US dollars which exposes us to fluctuations in the USD/ZAR exchange rate.

**Socio-economic challenges**
Challenges of poverty, inequality and unemployment are prevalent in the communities that we operate in. Poor socio-economic conditions in these communities increase expectations for employment and other socio-economic benefits.

**No Eskom power**
Our mines currently operate on generator power and do not have any power allocation from the state energy producer, Eskom. This results in unnecessarily high energy and consequently production costs.

# Mineral Reserves and Resources

## 2024 Ore Reserve Statement

Ore reserve estimates tabled below represent the planned run-of mine derived through currently economically mineable measured and indicated mineral resources only, as per the 2024 life-of mine plan.

| | | | 2024 | | |
|---|---|---|---|---|---|
| | | **Reserve Category** | **Tonnes Millions** | **Grade ($CR^2$ $0^3$)** | **Reserve Life (years)** |
| **Mining Operation** - Langpan | | | | | |
| **Ore Reserves (from pit)** | | **Proved** | - | - | |
| | | **Probable** | **2,17** | **31,72** | |
| | Seam | | | | |
| | MG1 | | 0,2 | 32,65 | 8 |
| | MG2 | | 0,33 | 34,46 | |
| | MG3 | | 0,48 | 29,17 | |
| | MG4A | | 0,58 | 32,24 | |
| | MG4B | | 0,58 | 31,42 | |
| **Total** | | | **2,17** | **31,72** | |

## 2024 Exclusive Mineral Resources Statement

The mineral resources are reported in addition to Ore Reserves. Mantengu's 2024 mineral resources are not an inventory of all mineral occurrences drilled or sampled. Instead, they are a realistic record of those, which are under assumed and justifiable technical and economic conditions have a reasonable prospect for economic extraction.

| | | | 2024 | | |
|---|---|---|---|---|---|
| | | **Reserve Category** | **Tonnes Millions** | **Grade ($CR^2$ $0^3$)** | **Reserve Life (years)** |
| **Mining Operation** - Langpan | | | | | |
| **In situ Mineral Resources** | | Indicated | **0,2** | **34,48** | |
| | Seam | | | | |
| | MG1 | | 0,08 | 35,50 | 8 |
| | MG2 | | 0,04 | 36,50 | |
| | MG3 | | 0,03 | 30,60 | |
| | MG4A | | 0,02 | 34,40 | |
| | MG4B | | 0,03 | 33,00 | |
| **Total** | | | **0,20** | **34,48** | |

Next
Generation
**Mining.**

# Annual Financial Statements

# GENERAL INFORMATION

| | |
|---|---|
| **Country of incorporation and domicile** | South Africa |
| **Nature of business and principal activities** | Mantengu is a resource investment company which is focused on unlocking new value in the mining, mining services and energy sectors. Mantengu intends to be a "Next Generation" conglomerate because it's funding, empowerment and business models transcend the typical extractive models by creating and introducing new growth into financially unchartered parts of South Africa. |
| **Directors** | MJ Miller<br>M Naidoo<br>A Collins<br>VS Madlela<br>J Tshikundamalema |
| **Registered office** | 5 Saint Michael's Lane<br>Bryanston<br>2021 |
| **Postal address** | PostNet Suite 446<br>Private Bag X21<br>Bryanston<br>2021 |
| **Bankers** | First National Bank<br>Standard Bank<br>Nedbank |
| **Auditor** | HLB CMA South Africa Inc.<br>Registered Auditors |
| **Secretary** | Neil Esterhuysen & Associates Incorporated |
| **Company registration number** | 1987/004821/06 |
| **Level of assurance** | These consolidated and separate financial statements have been audited in compliance with the applicable requirements of the Companies Act, 2008 (Act 71 of 2008) as amended (Companies Act). |
| **Preparer** | These consoliadted and separate financial statements were prepared under the supervision of the Chief Financial Officer, M Naidoo. |
| **Issued** | 27 May 2024 |

# DIRECTORS' RESPONSIBILITIES AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2024

The directors are required in terms of the Companies Act, 2008 (Act 71 of 2008), as amended (Companies Act) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the group and company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated and separate financial statements.

The consolidated and separate financial statements are prepared in accordance with International Financial Reporting Standards and Companies Act requirements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment.

To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at cost-effectively reducing the risk of error or loss. These standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that, in all reasonable circumstances, is above reproach.

The focus of risk management is on identifying, assessing, managing, and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within pre-determined procedures and constraints.

The directors believe, based on information and explanations from management, that the system of internal control is adequate for ensuring the:

- reliability and integrity of financial and operating information;
- compliance of established systems with policies, plans, procedures, laws and regulations;
- safeguarding of group assets against unauthorised use or disposition; and
- economic, effective and efficient use of resources.

The directors believe, as a result of the controls in place and ongoing monitoring of the activities of executive and operational management, the board maintains effective control over the group's affairs.

The consolidated and separate financial statements, which have been prepared on the going concern basis, were approved by the board of directors of the company on 27 May 2024 and were signed on their behalf by:

MJ Miller
Chief Executive Officer

M Naidoo
Chief Financial Officer

# COMPANY SECRETARY'S REPORT

**Neil Esterhuysen & Associates Inc.**
**T:** 012 664 4113/8170/7342 **F:** 086 658 8854 **E:** neil@nea.co.za
www.nea.co.za

nea.inc ATTORNEYS

OUR REF : NEA/W59/CM
YOUR REF : Mantengu Mining Limited
DATE : 2024/05/27

**MANTENGU MINING LIMITED**
**5 ST MICHAELS LANE**
**BRYANSTON**
**GAUTENG**
**2191**

**IN RE: MANTENGU MINING LIMITED COMPANY SECRETARY'S REPORT 2024**

I the undersigned certify that, in accordance with Section 88(2)(e) of the Companies Act 71 of 2008, the Company has filed the required returns and notices with the Registrar of Companies, and that all such returns and notices appear to be true, correct and up to date.

MC Motshepe

CLIFTON MOTSHEPE
**NEIL ESTERHUYSEN & ASSOCIATES INC.**
E-MAIL: clifton@nea.co.za

# THE CEO AND CFO RESPONSIBILITY STATEMENT

Each of the directors, whose names are stated below, hereby confirm that -

a. the annual financial statements set out on pages 38 to 78, fairly present in all material respects the financial position, financial performance, and cash flows of the Mantengu Group in terms of IFRS;

b. to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

c. internal financial controls have been put in place to ensure that material information relating to Mantengu and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the Mantengu Group;

d. the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

e. where we are not satisfied, we have disclosed to the audit and risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and

f. we are not aware of any fraud involving directors.

| | |
|---|---|
| MJ Miller | M Naidoo |
| Chief Executive Officer | Chief Financial Officer |

# COMBINED AUDIT AND RISK COMMITTEE REPORT (CARC)

The report of the CARC is presented as required by the Companies Act.

## Functions and Responsibilities of the CARC

The role of the CARC is to assist the board of directors of Mantengu (Board) by performing an objective and independent review of the functioning of the organisation's finance and accounting control mechanisms. It exercises its functions through close liaison and communication with management and the external auditors.

The CARC is guided by its terms of reference as approved by the Board, dealing with membership, structure and levels of authority and has the following responsibilities:

- ensuring compliance with applicable legislation and the requirements of any regulatory authority;
- nominating for appointment a registered auditor who, in the opinion of the audit committee, is independent of Mantengu;
- considering whether the expertise and experience of the Chief Financial Officer is appropriate;
- considering matters relating to financial accounting, accounting policies, reporting and disclosure and ensuring the integrity of the Mantengu annual report, including annual financial statements;
- considering internal and external audit policy, including determining fees and the terms of engagement;
- considering and evaluating, on an on-going basis, the need for an internal audit function and audit plans;
- reviewing and approving external audit plans, findings, problems, reports, fees and determining and approving any non-audit services that the auditor may provide to Mantengu;
- ensuring compliance with the Code of Corporate Practices and Conduct; and
- ensuring compliance with the Mantengu code of ethics.

The members of the CARC adopted an audit mandate which will be reviewed annually. The CARC has established a policy, as well as required procedures with regard to the use of the external auditors, for non-audit services. During the year under review, no non-audit services were performed.

The CARC also assesses and monitors all risk matters including compliance risk matters, the responsibilities of which have been assumed with the adoption by the CARC of a risk mandate.

The CARC is informed of regulatory and other monitoring and enforcement requirements designed to ensure that Mantengu's financial information complies with financial reporting and other regulatory requirements.

## Members of the Combined Audit and Risk Committee

The current CARC members are:
V Madlela (Chair),
A Collins, and
J Tshikundamalema.

In terms of King IV™, a minimum of three independent non-executive directors is recommended. In terms of the Listings Requirements of the JSE Limited ("JSE"), the CARC must be constituted in terms of King IV™ and the Companies Act. The CARC consists of three non-executive board members, of whom two are independent non-executive members. Mr V Madlela acts as lead independent non-executive director and chairs the CARC.

The external auditors, the Chief Executive Officer, Chief Financial Officer and the Chief Operational Officer are all invited to attend the CARC meetings.

## Frequency of meetings

In terms of its mandate, the CARC intends meeting a minimum of three times per year and provision is be made for additional meetings to be held when, and if, necessary. The CARC met three times during the 2024 financial year.

## Independence of external audit

A responsibility of the CARC is the assessment of the independence of the external auditor. The CARC duly satisfied itself that, in accordance with the Companies Act, HLB CMA South Africa Inc., remains independent of Mantengu.

In addition, and in accordance with paragraph 3.84(g)(ii) of the Listings Requirements the audit committee confirms that, we were in our assessment of the suitability for the appointment of the audit firm and designated individual partner satisfied that:

- the audit firm has met all the criteria stipulated in the Listings Requirements, including that the audit regulator has completed a firm-wide independent quality control (ISQC 1) inspection on the audit firm during its previous inspection cycle;
- the auditors have provided to the audit committee, the required IRBA inspection decision letters, findings report and the proposed remedial action to address the findings, both at the audit firm and the individual auditor levels; and
- both the audit firm and the individual auditor understand their roles and have the competence, expertise, experience and skills required to discharge their specific audit and financial reporting responsibilities.

The audit committee has ensured that the issuer has established appropriate financial reporting procedures and that those procedures are operating, which includes consideration of all entities included in the consolidated group IFRS financial statements, to ensure that it has access to all the financial information of the issuer to effectively prepare and report on the financial statements of the issuer.

## Expertise and experience of the Chief Financial Officer

The CARC is satisfied with the expertise and experience of the Chief Financial Officer and is satisfied that appropriate financial reporting procedures are in place and are operating.

## Financial statements

Management has reviewed the consolidated and separate annual financial statements of Mantengu Mining Limited, and the CARC has reviewed these without management or the external auditor being present. The quality of the accounting policies are discussed with the external auditor and a private discussion was held with the external auditor. The CARC considers the financial statements of Mantengu Mining Limited to be a fair presentation of its financial position as at 29 February 2024 and of the results of the operations, changes in equity and cash flows for the period then ended, in accordance with International Financial Reporting Standards and the Companies Act and similarly recommended the financial statements to the Board for approval.

V Madlela
Chair of the CARC
27 May 2024

# INDEPENDENT AUDITOR'S REPORT

HLB SOUTH AFRICA INC.
Member of HLB International
10th largest auditing and accounting network in the world
CMA

Network of the Year 2022

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**Tel International:** +27 11 315 0215
**Tel Local:** 010 786 0153
**E-Mail:** info@hlbcma.co.za
www.hlbisouthafrica.co.za



## Independent Auditor's Report

**To the Shareholders of Mantengu Mining Limited**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the consolidated financial statements of Mantengu Mining Limited and its subsidiaries (the group) set out on pages 41 to 78, which comprise the consolidated statement of financial position as at 29 February 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Mantengu Mining Limited and its subsidiaries as at 29 February 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| **Key audit matter** | **How our audit addressed the key audit matter** |
|---|---|
| **Key audit matter 1** | |
| Inventory work-in-progress (WIP) consists of high-grade processed ore of Langpan Mining Co Proprietary Limited. Estimation uncertainty surrounding the (WIP) is evident due to its nature. The fact that it came into existence through the same processing of ore as finished goods, allocates the same cost to the processed material in accordance with IAS2. The current chrome concentrate in WIP is a result of inefficient processing capabilities at the beginning of the refurbished processing plant's startup. This means that the concentrate is not yet of high enough quality to be sold as finished goods, but still contains significant value to realistically be upgraded cost effectively. | As a result of the high level of estimation involved, firstly in the quantity of stockpiles and secondly the concentrate of chrome and the consequent estimation of net realisable value, the following procedures were conducted in response thereto:<br><br>• The measurement of the volume of the stockpile was conducted by a quantity surveyor appointed by management. Management's expert's competence, capabilities and objectivity were assessed in detail. An understanding of the methodology was obtained by inspection of the drone photos taken, software analysis conducted and discussions with management's expert by members of the engagement team. Given the complexity of the process, an auditors' expert was appointed by HLB CMA South Africa Inc to inspect the method, software and approach used by management's expert given the complexity of this measurement. The auditors' expert issued a report to our satisfaction that the measurement procedures conducted, and software used by the management's expert are appropriate for the circumstances. It was concluded that the information provided by Langpan Mining Co Proprietary Limited is accurate and complete.<br>• For the conversion of the volume to weight, management used the work of another expert. Management's expert's competence, capabilities and objectivity were assessed in detail. An understanding of the methodology was obtained and assessed in detail. The density tests conducted was appropriate for the circumstances and the outcomes of two different approaches were compared to density scale samples requested by HLB CMA South Africa Inc. The findings by management's expert was accepted as accurate and the density factor appropriate to apply to the volume in order to convert to tonnage.<br>• The content of chrome concentrate, at finished goods specification grade, anticipated from the work-in-progress was estimated by management using another expert. This entailed conducting tests to analyse the chrome content present in the work-in-progress, a concept design of a plant for the extraction from the different fraction size categories present in the work-in-progress, and finally determining the yield probable from the work-in-progress. Management's expert competence, capabilities and objectivity were assessed, and the work conducted concluded to be appropriate and accurate.<br>• Finally, a net realisable value was computed from reliable and accurate data and concluded that the net realisable value is lower than cost. Accordingly, the amount recognised in these consolidated annual financial statements does not materially differ from the net realisable value and consequently the work-in-progress is disclosed in accordance with IAS 2. |

| Key audit matter 2 | |
|---|---|
| At 29 February 2024, the provision for decommissioning and restoration amounted to R 1.4 million in the consolidated financial statements. The Group incurs obligations to close, restore and rehabilitate its mine sites. Auditing the Group's rehabilitation and decommissioning provision was complex due to the high estimation uncertainty of the provision. The determination of the provision is based on, among other things, judgements and estimates of current damage caused, nature, timing and amount of future costs to be incurred to rehabilitate the mine sites, estimates of future inflation and discount rates. These assumptions are inherently judgmental and subject to change due to continued mining activity and rehabilitation, legislation and environmental changes, which cannot be predicted with certainty and thus requires specific focus each year and the involvement of specialists. The consolidated disclosures are included in Note 1.10 and Note 18 to the consolidated financial statements. | • Our procedures to address this matter included, among others, obtaining the report prepared by a management's expert and assessing the methodology and accuracy to estimate rehabilitation and decommissioning provisions. For example, we tested the key inputs used such as life of mine reserves, discount rates, inflation, and the nature, amount and timing of future rehabilitation costs and concluded it to be appropriate and accurate.<br>• We assessed management's expert's assumptions used in the rehabilitation models by comparing them to Department of Minerals and Energy's guidelines. The most significant of these assumptions were the master rates (costs), risk factors and area determination calculations and concluded it to be appropriate and accurate.<br>• To assess the rehabilitation models prepared by management's expert, among other procedures, we tested the mathematical accuracy of their report and compared the inflation adjusted master rates to the Department of Minerals and Energy's guidelines. We inquired of management whether additional environmental damage or changes in the relevant legislation occurred that would require additional rehabilitation in the future and compared this information to the current mine plan and the currently applicable legislation.<br>• We assessed management's expert's experience and qualifications to determine whether reliance could be placed on their report. The report was also evaluated to ensure it complied with the requirements as set out by the Department of Minerals and Energy. |

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the document titled "Mantengu Mining Limited separate and consolidated financial statements for the year ended 29 February 2024", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Consolidated Financial Statements**

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HLB CMA

**Report on Other Legal and Regulatory Requirements**

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that HLB CMA South Africa Incorporated has been the auditor of Mantengu Mining Limited for 2 years.

**HLB CMA South Africa Incorporated**
**Registered Auditors**

**Jeandre Du Toit**
**Director**
**Registered Auditor**

**27 May 2024**

**CMA Office & Conference Park**
**No. 1 2nd Road**
**Halfway House Estate**
**Midrand, 1685**

# DIRECTORS' REPORT

The directors have pleasure in submitting their report on the consolidated and separate financial statements of Mantengu Mining Limited (Mantengu or the Company or the Group) for the year ended 29 February 2024.

## 1. Nature of business

The activities of the Group are undertaken through the Company and its principal subsidiaries. Mantengu is a resource investment company which is focused on unlocking new value in the mining, mining services and energy sectors. Mantengu intends to be a "Next Generation" conglomerate because it's funding, empowerment and business models transcend the typical extractive models by creating and introducing new growth into financially unchartered parts of South Africa. Langpan Mining Co Proprietary Limited (Langpan) is a mining company that owns the chrome processing plant and its 100% held subsidiary, Memor Mining Proprietary Limited (Memor). The mining rights are registered in Memor and are in relation to the chrome and platinum mining and associated beneficiation operations on the Langpan 371KQ farm in Limpopo Province. Mantengu Mining Equipment is a company that purchases yellow machinery to conduct mining operations and leases this to companies within the Mantengu group.

## 2. Review of financial results and activities

The Group's business and operations, and the results thereof, are clearly reflected in the attached consolidated and separate financial statements.

At the beginning of the year and up to the end of May 2023, Langpan was still in a preproduction phase. First deliveries of chrome concentrate to RWE Supply and Trading GMBH (RWE) commenced on 7 June 2023. As at 29 February 2024, revenue consisted of 33 180 tonnes of chrome concentrate. Langpan has ramped up production from January 2024 onwards. Production will be boosted significantly by the commissioning of the MG Chrome Processing Plant at Langpan later this calendar year.

Operating expenditure was negatively impacted by significantly higher energy costs and continued inflationary pressures stemming from high interest rates in the macroeconomic environment. The working capital cycle was also negatively impacted by continuous logistical delays in the transport of chrome concentrate from Langpan to the Durban Port. The significant and continual decay of South Africa's rail system and network has served to exacerbate logistical challenges on the country's roads. Mantengu, being a resource investment company, is constantly exploring new mining opportunities and evaluating strategic acquisitions that we believe will enhance long term shareholder returns. The Board is continuously looking for strategic acquisitions and will announce these as and when they are concluded.

The Board's immediate priority is the completion of the build of the MG Chrome Processing Plant at Langpan and the continued ramp up of production in a sustainable manner. The Board strongly believes in operational excellence and will not hesitate to make changes to ensure that operations at all times are aligned with Mantengu's vision, strategy and corporate governance with the ultimate aim of providing shareholders with the best long term returns. Mantengu has demonstrated its resilience in navigating some of the most challenging market conditions during the start up of operations and is well positioned to continue its growth journey.

## 3. Share capital

Refer to note 13 of the consolidated and separate financial statements for detail of the movement in authorised and issued share capital.

## 4. Dividends

No dividends were declared or paid to shareholders during the year.

## 5. Directorate

| Directors | Office | Designation |
|---|---|---|
| MJ Miller | Chief Executive Officer | Executive |
| M Naidoo | Chief Financial Officer | Executive |
| A Collins | Chairman | Non-executive |
| VS Madlela | Other | Lead Independent Non-executive |
| J Tshikundamalema | Other | Independent Non-executive |

The Board subcommittees are constituted as follows:

- Combined Audit and Risk Committee: Vincent Madlela (Chair), Alistair Collins and Jonas Tshikundamalema.
- Combined Remuneration and Nomination Committee: Alistair Collins (Chair), Jonas Tshikundamalema and Vincent Madlela.
- Combined Social and Ethics Committee: Jonas Tshikundamalema (Chair), Alistair Collins and Vincent Madlela.

The Group continues to evaluate the Board and its subcommittees to strengthen the governance structure of the Company.

## 6. Secretary

The company secretary is Neil Esterhuysen & Associates Incorporated.

**Postal address:**
PO Box 814
Irene
0062

**Business address:**
Units 23 & 24, Norma Jean Square
244 Jean Ave
Centurion
0157

## 7. Auditors

HLB CMA South Africa Inc. are the appointed auditors for the company and its subsidiaries.

## 8. Directors' interests in shares

The interest of the directors (including directors who have resigned during the reporting period) in the Company's share capital at year end are as follows:

| | | Beneficial | Number of shares 2024 | Number of shares 2023 | Shareholding |
|---|---|---|---|---|---|
| | Direct | Indirect | | | |
| MJ Miller[2] | - | 22 219 548 | 22 219 548 | 22 133 375 | 13.16% |
| M Naidoo | 221 200 | - | 221 200 | - | 0.13% |
| A Collins[1] | - | 16 713 702 | 16 713 702 | 16 876 750 | 9.90% |
| J Tshikundamalema[3] | - | 999 625 | 999 625 | 999 625 | 0.59% |
| | **221 200** | **39 932 875** | **40 154 075** | **40 009 750** | **23.78%** |

**Notes**
1. Held by the Alistair Collins Family Trust
2. Held by Disruptioncapital Proprietary Limited, which is wholly-owned by MJ Miller
3. Held by Putisolve Proprietary Limited, which is wholly-owned by J Tshikundamalema

## 9. Litigation and special resolutions

The group previously reported on the fact that the Board considers the ASB matter resolved and that there was no communication for a period greater than 24 months. As at 29 February 2024, there is nothing further to report on this matter.

Other than for the special resolutions approved at the 16 August 2023 Annual General Meeting and the 22 January 2024 General Meeting, no new resolutions have been tabled within the Mantengu Group.

Special Resolutions taken on 16 August 2023:

- Special resolution number 1: General approval to acquire securities
- Special resolution number 2: Approval of non-executive Directors' fees
- Special resolution number 3: Financial assistance for the subscription of securities
- Special resolution number 4: Financial assistance to related and inter-related companies
- Special resolution number 5: Increase in authorised share capital and MOI amendment

Special resolutions taken on 22 January 2024:

- Special resolution number 1: Approval to issue the consideration shares in terms of Section 41(1) of the Companies Act
- Special resolution number 2: Approval of the Specific Issue of Shares and Warrants in terms of Section 41(3) of the Companies Act

## 10. Going concern

The financial position of the company and group, its cash flows, liquidity position and borrowing facilities are set out in the consolidated and separate financial statements for the year ended 29 February 2024. The Board has considered the company and group's cash flow forecast for the period to 28 February 2025 under the wider macroeconomic environment and the company and group's operations. The Board is satisfied that the company and group's forecasts and projections, indicate that the company and group have sufficient resources and access to resources to continue to operate as a going concern. The company and group have access to multiple funding lines and concluded a share subscription facility agreement with GEM Global Yield LLC SCS and GEM Yield Bahamas Limited for R500 million, as announced on SENS on 26 October 2023. Accordingly, the Board believes that it is appropriate to prepare the financial statements on a going concern basis.

## 11. Subsequent events

On 10 May 2024, Mantengu entered into a sale of shares agreement with Birca Investments Proprietary Limited and SA Metals and Fossils Proprietary Limited for the acquisition of the entire issued share capital of Birca Copper and Metals Proprietary Limited for a consideration of R29 887 000. The agreement is subject to the fulfillment of certain suspensive conditions and the effective date will be on fulfillment or waiver of these suspensive conditions. Mantengu will issue ordinary shares for the consideration price.

The directors are not aware of any other matter or circumstance arising since the end of the financial year and up to the approval date of these financial statements that would need to be dealt with in these financial statements.

# STATEMENT OF FINANCIAL POSITION

as at 29 February 2024

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | | Restated | | |
| | Notes | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
| **Assets** | | | | | |
| **Non-Current Assets** | | | | | |
| Property, plant and equipment | 3,28 | 250 650 | 202 171 | 192 | 209 |
| Right-of-use assets | 4 | 7 290 | 8 083 | - | - |
| Goodwill | 6,29 | 39 195 | 39 195 | - | - |
| Investment in subsidiaries | 8 | - | - | 550 004 | 550 000 |
| Deferred taxation | 16 | - | - | 3 071 | - |
| Environmental rehabilitation funds | 9 | - | 854 | - | - |
| | | **297 135** | **250 303** | **553 267** | **550 209** |
| **Current Assets** | | | | | |
| Intercompany | 14 | - | - | 5 968 | - |
| Trade and other receivables | 10 | 29 801 | 9 258 | - | - |
| Prepayments | 11 | 12 995 | 4 899 | 11 300 | - |
| Inventories | 7 | 99 949 | - | - | - |
| Cash and cash equivalents | 12 | 11 325 | 17 976 | 41 | 1 136 |
| | | **154 070** | **32 133** | **17 309** | **1 136** |
| **Total Assets** | | **451 205** | **282 436** | **570 576** | **551 345** |
| **Equity and Liabilities** | | | | | |
| **Equity** | | | | | |
| Share capital | 13 | 118 724 | 99 189 | 669 555 | 650 020 |
| Accumulated loss | | (19 307) | (20 473) | (115 862) | (120 984) |
| | | **99 417** | **78 716** | **553 693** | **529 036** |
| **Liabilities** | | | | | |
| **Non-Current Liabilities** | | | | | |
| Other financial liabilities | 15 | 96 548 | 77 368 | - | - |
| Deferred taxation | 16,28 | 23 407 | 29 891 | - | - |
| Lease liability | 5 | 7 918 | 8 053 | - | - |
| | | **127 873** | **115 312** | - | - |
| **Current Liabilities** | | | | | |
| Intercompany | 14 | - | - | - | 3 173 |
| Other financial liabilities | 15 | 110 866 | 69 254 | 4 869 | 12 464 |
| Trade and other payables | 17 | 110 773 | 17 600 | 12 014 | 6 672 |
| Lease liability | 5 | 233 | 41 | - | - |
| Provisions | 18 | 1 384 | - | - | - |
| Current taxation | | 659 | 1 513 | - | - |
| | | **223 915** | **88 408** | **16 883** | **22 309** |
| **Total Liabilities** | | **351 788** | **203 720** | **16 883** | **22 309** |
| **Total Equity and Liabilities** | | **451 205** | **282 436** | **570 576** | **551 345** |

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Notes | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
| Revenue | 19 | 109 925 | 4 492 | - | - |
| Cost of sales | | (57 367) | (5 503) | - | - |
| **Gross profit (loss)** | | **52 558** | **(1 011)** | **-** | **-** |
| Other income | | 6 488 | 5 617 | 18 701 | 6 094 |
| Administrative expenses | | (11 137) | (9 395) | (5 799) | (4 298) |
| Depreciation | | (9 641) | (243) | (80) | (5) |
| Directors remuneration | 26 | (7 959) | (3 478) | (7 959) | (4 653) |
| Employee benefits | | (1 811) | (240) | (651) | (378) |
| Other operating expenses | | (3 598) | (7 041) | (2 102) | (685) |
| **Operating profit (loss)** | | **24 900** | **(15 791)** | **2 110** | **(3 925)** |
| Finance costs | 21 | (30 218) | (6 311) | (59) | (1 836) |
| **Profit (loss) before taxation** | | **(5 318)** | **(22 102)** | **2 051** | **(5 761)** |
| Taxation | 22 | 6 484 | 5 196 | 3 071 | |
| **Profit (loss) for the year** | | **1 166** | **(16 906)** | **5 122** | **(5 761)** |
| Other comprehensive income | | - | - | - | - |
| **Total comprehensive income (loss) for the year** | | **1 166** | **(16 906)** | **5 122** | **(5 761)** |
| | | | | | |
| **Earnings per share** | | | | | |
| Basic earnings (loss) per share (cents) | 24 | 1 | (12) | 6 | (7) |
| Diluted basic earnings (loss) per share (cents) | 24 | 1 | (12) | 6 | (7) |

# STATEMENT OF CHANGES IN EQUITY

| | Notes | Share capital R'000 | Accumulated loss R'000 | Total equity R'000 |
|---|---|---|---|---|
| **Group** | | | | |
| **Balance at 1 March 2022** | | **50 320** | **(3 567)** | **46 753** |
| **Total comprehensive loss for the year** | | | **(16 906)** | **(16 906)** |
| Issue of shares | | 28 688 | - | 28 688 |
| Acquisition of Langpan | 29 | 5 181 | - | 5 181 |
| Rights Offer | | 15 000 | - | 15 000 |
| **Balance at 28 February 2023** | | **99 189** | **(20 473)** | **78 716** |
| | | | | |
| **Total comprehensive income for the year** | | **-** | **1 166** | **1 166** |
| Issue of incentive performance shares | 13 | 780 | - | 780 |
| Issue of debt conversion shares | 13 | 7 455 | - | 7 455 |
| Issue of commitment fee shares | 13 | 11 300 | - | 11 300 |
| **Balance at 29 February 2024** | | **118 724** | **(19 307)** | **99 417** |
| | | | | |
| **Company** | | | | |
| **Balance at 1 March 2022** | | **85 020** | **(115 223)** | **(30 203)** |
| **Total comprehensive loss for the year** | | | **(5 761)** | **(5 761)** |
| Acquisition of Langpan | 29 | 550 000 | - | 550 000 |
| Rights Offer | | 15 000 | - | 15 000 |
| **Balance at 28 February 2023** | | **650 020** | **(120 984)** | **529 036** |
| | | | | |
| **Total comprehensive income for the year** | | | **5 122** | **5 122** |
| Issue of incentive performance shares | 13 | 780 | | 780 |
| Issue of debt conversion shares | 13 | 7 455 | | 7 455 |
| Issue of commitment fee shares | 13 | 11 300 | | 11 300 |
| **Balance at 29 February 2024** | | **669 555** | **(115 862)** | **553 693** |

# STATEMENT OF CASH FLOWS

| | Notes | Group | | Company | |
|---|---|---|---|---|---|
| | | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
| **Cash flows from operating activities** | | | | | |
| Cash generated from (used in) operations | 23 | 14 149 | (23 362) | (1 146) | (4 584) |
| Finance costs | | (8 906) | (6 458) | - | (1 836) |
| **Net cash from operating activities** | | **5 243** | **(29 820)** | **(1 146)** | **(6 420)** |
| **Cash flows from investing activities** | | | | | |
| Purchase of property, plant and equipment | | (50 644) | (21 991) | (63) | (214) |
| Environmental rehabilitation funds | | - | 122 | - | - |
| **Net cash from investing activities** | | **(50 644)** | **(21 869)** | **(63)** | **(214)** |
| **Cash flows from financing activities** | | | | | |
| Intercompany | | - | - | 114 | - |
| Proceeds from loans | | - | - | - | 1 702 |
| Other financial liabilities | | 38 894 | 66 252 | - | 2 710 |
| Lease liabilities | | (144) | - | - | - |
| Repayment of loans | | - | (126) | - | - |
| Proceeds from rights issue | | - | 3 346 | - | 3 346 |
| **Net cash from financing activities** | | **38 750** | **69 472** | **114** | **7 758** |
| Total cash movement for the year | | (6 651) | 17 783 | (1 095) | 1 124 |
| **Cash and cash equivalents at the beginning of the year** | | **17 976** | **192** | **1 136** | **12** |
| **Cash and cash equivalents acquired on reverse acquisition** | | **-** | **1** | **-** | **-** |
| **Total cash and cash equivalents at end of the year** | | **11 325** | **17 976** | **41** | **1 136** |

# ACCOUNTING POLICIES

## 1. Basis of preparation of financial statements

The financial statements have been prepared on the going concern and historical cost basis in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncement as issued by the Financial Reporting Standards Council, International Financial Reporting Interpretations Committee (IFRIC) and the requirements of the South African Companies Act and the JSE Listings Requirements. The directors are satisfied that the Group and Company will be able to settle its obligations and realise its assets as measured in terms of IFRS as applicable to a going concern.

No segment disclosure has been provided in accordance with IFRS 8 as the Group has only one segment. The Group has only one asset that mines and processes chrome ore to produce chrome concentrate.

### 1.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of, during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

### 1.2 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree, or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

## 1.3 Goodwill

Goodwill is initially recognised and measured as set out above. Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

## 1.4 Property, plant and equipment

Plant and equipment, computer equipment and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Plant and equipment – 5 to 15 years
Computer equipment – 3 years
Motor vehicles – 5 years
Furniture and Fittings – 3 to 5 years
Decommissioning assets – life of mine
Mineral reserve – life of mine

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Capital work in progress are assets in the course of construction for production and supply purposes, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

## 1.5 Impairment of property, plant and equipment

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

## 1.6 Mineral reserves

Mineral reserves are recognised as assets when it is probable that future economic benefits will be generated through their extraction or production. The reserves were recognised at their fair value on acquisition date and do not include any other costs. The mineral reserves were measures based on their quantity and quality using reliable geological and technical information. A competent persons report (CPR) was performed by Bara Consulting (Pty) Ltd in accordance with The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) 2016 Edition and The South African Code for the Reporting of Mineral Asset Valuation (SAMVAL Code) 2016 Edition.

Mineral reserves are amortised based on the units of production method as this reflects the pattern of extraction. The amortisation expense is recognised in the statement of comprehensive income and is calculated based on the volume or quantity of minerals extracted. Mineral reserves are subjected to impairment test whenever indicators of impairment exist.

## 1.7 Investment in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment losses.

## 1.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The cost of inventories includes mined or purchased Run of Mine Materials (ROM), the transport of that ROM and the plant processing cost to beneficiate the ROM into chrome concentrate. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Work in progress is valued at net realisable value.

## 1.9 Cash and cash equivalents

In the statement of financial position, cash and bank balances comprise cash and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.

## 1.10 Provisions

A provision is recognised when the group has a present legal or constructive obligation as a result of past events when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date. Provisions are not recognised for future operating losses. Where the effects of discounting are material, provisions are measured at the present value of the cash flow expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance costs.

When a contract is identified as onerous, the loss is recognised in the statement of profit or loss. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. In assessing the unavoidable cost of meeting the obligation under the contract at the end of the reporting date, management identifies and quantifies any compensation and penalties arising from failure to fulfil the contract.

***Environmental rehabilitation provisions***

The provision for environmental rehabilitation is recognised as and when an obligation to incur rehabilitation and mine closure costs arises from environmental disturbance caused by the development of or ongoing production from a mining property. Estimated long-term environmental rehabilitation provisions are measured taking into account current technological, environmental and regulatory requirements. Any subsequent changes to the carrying amount of the provision resulting from changes to the assumptions applied in estimating the obligation are recognised in the statement of profit or loss.

***Ongoing rehabilitation expenditure***

Ongoing rehabilitation expenditure is recognised in the statement of profit or loss as and when incurred.

***Decommissioning provision***

The estimated present value of costs relating to the future decommissioning of plant or other site preparation work, taking into account current environmental and regulatory requirements, is capitalised as part of property, plant and equipment to the extent that it relates to the construction of an asset, and the related provisions are raised in the statement of financial position, as soon as the obligation to incur such costs arises. These estimates are reviewed at least annually and changes in the measurement of the provision that result from subsequent changes in the estimated timing or amount of cash flows, or a change in discount rate, are added to, or deducted from, the cost of the related asset in the current period. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in the statement of profit or loss. If the asset value is increased and there is an indication that the revised carrying value is not recoverable, an impairment test is performed in accordance with the accounting policy on impairment.

### 1.11 Leases

The Group assesses whether a contract is, or contains, a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- the amount expected to be payable by the lessee under residual value guarantees.
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options.
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case, the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case, the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

## 1.12 Revenue recognition

The Group recognises revenue from the sale of chrome concentrate. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. The Group sells chrome concentrate to RWE Supply & Trading GMBH. RWE is Langpan's sole contracted off-taker of chrome concentrate. RWE collects the chrome concentrate at Langpan's premises. The risks and rewards of ownership pass to RWE upon collection at Langpan. The gross selling price is determined by the global index price of chrome concentrate.

## 1.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 1.14 Tax

The income tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.
Deferred tax liabilities are recognised for taxable temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**Current tax and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## 1.15 Earnings per share

The group presents basic and diluted earnings per share (EPS) and basic and diluted headline earnings per share (HEPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of Mantengu by the weighted average number of ordinary shares outstanding during the year.

HEPS is calculated by adjusting the profit or loss attributable to ordinary shareholders of Mantengu for all separately identifiable remeasurements, for example, gains and losses arising on disposal of assets, net of related tax (both current and deferred) and related non-controlling interest, other than remeasurements specifically included in headline earnings. The result is divided by the weighted average number of ordinary shares outstanding during the year. Diluted EPS and HEPS are determined by adjusting the basic and headline earnings attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

## 1.16 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 1.16.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

***Classification of financial assets***

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.
- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

***(i) Amortised cost and effective interest method***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e., assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired. Interest income is recognised in profit or loss and is included in the “finance costs” line item.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

*(ii) Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

*Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

*Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

### 1.16.2 Financial liabilities and equity

*Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are recognised by the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issuing of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments.

*Compound instruments*

The component parts of convertible loan notes issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

*Financial liabilities*

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

*Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination; (ii) held for trading; or (iii) it is designated as at FVTPL. A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in profit or loss. However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

***Financial liabilities measured subsequently at amortised cost***

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination; (ii) held-for trading; or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

***Derecognition of financial liabilities***

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

## 1.17 Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 1.17.1 Critical judgment in applying the Group's accounting policies

The following are the critical judgment that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

*Property, plant and equipment*

Management makes certain judgment with regard to the residual value of assets based on the expected estimated amount that the group would currently obtain from disposal of the asset, after deducting the estimated cost of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. If an asset is expected to be abandoned, the residual value is estimated at zero. The estimation of the useful life of the asset is a matter of judgment based on the experience of the group with similar assets.

In determining the useful life of items of property, plant and equipment that is depreciated, management considers the expected usage of assets, expected physical wear and tear, legal or similar limits of assets such as mineral rights as well as obsolescence.

### 1.17.2. Key sources of estimation uncertainty

*Inventory*

Raw materials, WIP and finished product tonnes on hand are verified by periodic surveys which are conducted by a qualified surveyor at each reporting date. Net realisable value tests are performed at each reporting date to ensure that inventory is measured at the lower of cost and net realisable value. The realisable value of inventory represents the estimated future sales price of the inventory that the group expects to realise. For WIP, the realisable value is the estimated selling price of finished product after the WIP material has been processed to finished product. The net realisable value is the realisable value less estimated costs to complete the production process and related selling costs.

*Provision for environmental rehabilitation and decommissioning*

The provisions for environmental rehabilitation and decommissioning costs are calculated using management's best estimate of the costs to be incurred, taking into account current technological, environmental and regulatory requirements discounted to a present value. Estimates are based upon costs that are regularly reviewed, by internal and external experts, and adjusted as appropriate for new circumstances. Actual costs incurred in future periods could differ from the estimates. Additionally, future changes to environmental laws and regulations, life-of-asset estimates and discount rates used could affect the carrying amount of this provision. As a result, the liabilities that we report can vary if our assessment of the expected expenditures changes.

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 2. New standards and interpretations

At the date of approval of these financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been entirely adopted by the entity. Management anticipates that all of the pronouncements will be adopted in the entity's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the entity's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the entity's annual financial statements.

### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

| Standard/Interpretation: | Effective date: Years beginning on or after | Impact: |
|---|---|---|
| Deferred tax related to assets and liabilities arising from a single transaction: Amendments to IAS 12 | 1 January 2023 | The impact of the amendments are not material |
| Disclosure of accounting policies: Amendments to IAS 1 | 1 January 2023 | The impact of the amendments are not material |
| Classification of liabilities as current or non-current: Amendment to IAS 1 | 1 January 2023 | The impact of the amendments are not material |
| Definition of accounting estimates: Amendments to IAS 8 | 1 January 2023 | The impact of the amendments are not material |

### 2.2. Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the Group's accounting periods beginning on or after 1 March 2024 or later periods.

| Standard/Interpretation: | Effective date: Years beginning on or after | Impact: |
|---|---|---|
| IFRS 7 Financial instruments disclosure: Supplier finance arrangements | 1 January 2024 | Unlikely there will be a material impact |
| IAS 7 Statement of cash flows: Supplier finance arrangements | 1 January 2024 | Unlikely there will be a material impact |
| IFRS 16 Leases: Lease liability in a sale and lease back Amendments to IAS 1 | 1 January 2024 | Unlikely there will be a material impact |
| IFRS 18 Presentation and disclosure in financial statements: Replacement of IAS 1 | 1 January 2024 | Expansion on presentation of statement of profit and loss and other comprehensive income |
| IAS 1 Presentation of Financial Statements | 1 January 2024 | Unlikely there will a material impact |
| IAS 21: The effects of changes in foreign exchange rates | 1 January 2025 | Unlikely there will a material impact |

# 3. Property, plant and equipment

| 2024<br>R'000 | Motor vehicles | Computer equipment | Plant and equipment | Furniture and fittings | Decom-missioning asset | Work in progress | Mineral reserve | Total |
|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | |
| **Cost** | | | | | | | | |
| Balance at beginning of year | 459 | 214 | - | - | - | 71 715 | 129 952 | 202 340 |
| Additions | 6 814 | - | 28 996 | 63 | 107 | 21 315 | | 57 295 |
| Transfers | - | - | 23 279 | - | - | (23 279) | | - |
| **Total** | **7 273** | **214** | **52 275** | **63** | **107** | **69 751** | **129 952** | **259 635** |
| **Accumulated depreciation** | | | | | | | | |
| Balance at beginning of year | (169) | - | - | - | - | - | - | (169) |
| Depreciation | (196) | (77) | (3 952) | (8) | - | | (4 583) | (8 816) |
| **Total** | **(365)** | **(77)** | **(3 952)** | **(8)** | **-** | **-** | **(4 583)** | **(8 985)** |
| **Carrying amount at 29 February 2024** | **6 908** | **137** | **48 323** | **55** | **107** | **69 750** | **125 369** | **250 650** |

| 2024<br>R'000 | Motor vehicles | Computer equipment | Plant and equipment | Furniture and fittings | Decom-missioning asset | Work in progress | Mineral reserve | Total |
|---|---|---|---|---|---|---|---|---|
| **Company** | | | | | | | | |
| **Cost** | | | | | | | | |
| Balance at beginning of year | - | 214 | - | - | - | - | - | 214 |
| Additions | - | - | - | 63 | - | - | - | 63 |
| **Total** | **-** | **214** | **-** | **63** | **-** | **-** | **-** | **277** |
| **Accumulated depreciation** | | | | | | | | |
| Balance at beginning of year | - | (5) | - | - | - | - | - | (5) |
| Depreciation | | (72) | | (8) | - | - | - | (80) |
| **Total** | **-** | **(77)** | **-** | **(8)** | **-** | **-** | **-** | **(85)** |
| **Carrying amount at 29 February 2024** | **-** | **137** | **-** | **55** | **-** | **-** | **-** | **192** |

## Langpan capex build

During the prior year, Langpan undertook a major project to refurbish the LG processing plant as well as commission the build of two new separate pieces of plant, namely a JIG processing plant and an MG processing plant. The LG processing plant was commissioned in June 2023. The capex build of the JIG processing plant has been completed. Cold commissioning has been completed however hot commissioning is yet to take place. The capex build of the MG processing plant is at a significantly advanced stage and we anticipate incurring a further R40 million to complete the build.

## Fair value of mineral reserve

On 27 July 2022, Mantengu acquired 100 per cent of the issued share capital of Langpan, obtaining control. Langpan mines and processes chrome ore to produce chrome concentrate, with Platinum Group Metals (PGMs) as a by-product. A Competent Persons Report (CPR) was performed by Bara Consulting (Pty) Ltd in accordance with (1) The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) 2016 Edition and (2) The South African Code for the Reporting of Mineral Asset Valuation (SAMVAL Code) 2016 Edition. The total reserves indicated in the CPR were 2.17 million tonnes and the value indicated was R851 million at December 2021 market prices.

The Group was unable to record the mineral reserve at the fair value of R851 million on acquisition. This is because the mineral reserve had to be recorded at the pre-combination value of R130 million in accordance with IFRS 3, paragraph B22(a) because of the Langpan acquisition being classified as a reverse takeover in accordance with IFRS 3, paragraph B19. The Group does not consider the value of the mineral reserve recorded in the statement of financial position of R125 million to be indicative of the value of the remaining 2.1 million tonnes of ore at Langpan. The fair value is estimated at R1.7 billion at current market prices of chrome concentrate. The mineral reserve is amortised on a units of production basis.

| **2023 R'000** | **Motor vehicles** | **Computer equipment** | **Plant and equipment** | **Furniture and fittings** | **Decom-missioning asset** | **Work in progress** | **Mineral reserve** | **Total** |
|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | |
| **Cost** | | | | | | | | |
| Balance at beginning of year | 459 | 36 | 17 235 | - | - | - | 129 952 | 147 682 |
| Additions | - | 214 | - | - | - | 54 480 | - | 54 694 |
| Transfers | - | - | (17 235) | - | - | 17 235 | - | - |
| **Total** | **459** | **250** | **-** | **-** | **-** | **71 715** | **129 952** | **202 376** |
| **Accumulated depreciation** | | | | | | | | |
| Balance at beginning of year | (76) | (23) | - | - | - | - | - | (99) |
| Depreciation | (93) | (13) | - | - | - | - | - | (106) |
| **Total** | **(169)** | **(36)** | **-** | **-** | **-** | **-** | **-** | **(205)** |
| **Carrying amount at 28 February 2023** | **290** | **214** | **-** | **-** | **-** | **71 715** | **129 952** | **202 171** |

| **2023 R'000** | **Motor vehicles** | **Computer equipment** | **Plant and equipment** | **Furniture and fittings** | **Decom-missioning asset** | **Work in progress** | **Mineral reserve** | **Total** |
|---|---|---|---|---|---|---|---|---|
| **Company** | | | | | | | | |
| **Cost** | | | | | | | | |
| Balance at beginning of year | - | - | - | - | - | - | - | - |
| Additions | - | 214 | - | - | - | - | - | 214 |
| **Total** | **-** | **214** | **-** | **-** | **-** | **-** | **-** | **214** |
| **Accumulated depreciation** | | | | | | | | |
| Balance at beginning of year | - | - | - | - | - | - | - | - |
| Depreciation | - | (5) | - | - | - | - | - | (5) |
| **Total** | **-** | **(5)** | **-** | **-** | **-** | **-** | **-** | **(5)** |
| **Carrying amount at 28 February 2023** | **-** | **209** | **-** | **-** | **-** | **-** | **-** | **209** |

Refer to note 28.

## 4. Right-of-use assets

| 2024<br>R'000 | Surface | Road | Total |
|---|---|---|---|
| **Group** | | | |
| **Cost** | | | |
| Balance at beginning of year | 6 165 | 2 055 | 8 220 |
| Adjustments | (19) | 51 | 32 |
| **Total** | **6 146** | **2 106** | **8 252** |
| **Accumulated depreciation** | | | |
| Balance at beginning of year | (103) | (34) | (137) |
| Depreciation | (614) | (211) | (825) |
| **Total** | **(717)** | **(245)** | **(962)** |
| **Carrying amount at 29 February 2024** | **5 429** | **1 861** | **7 290** |

| 2023<br>R'000 | Surface | Road | Total |
|---|---|---|---|
| **Group** | | | |
| **Cost** | | | |
| Balance at beginning of year | - | - | - |
| Additions | 6 165 | 2 055 | 8 220 |
| **Total** | **6 165** | **2 055** | **8 220** |
| **Accumulated depreciation** | | | |
| Balance at beginning of year | - | - | - |
| Depreciation | (103) | (34) | (137) |
| **Total** | **(103)** | **(34)** | **(137)** |
| **Carrying amount at 28 February 2023** | **6 062** | **2 021** | **8 083** |

Langpan leases a farm road for the purpose of providing transportation routes for mining and excavation materials related to mining activities and leases a land surface area for the purpose of construction and maintenance of mining infrastructure and the conducting of mining and prospecting operations thereon. The right-of-use asset in respect of both the road and the surface area are depreciated over the lease term of 10 years.

## 5. Lease liability

Future lease payments at 29 February 2024 are as follows:

| Group<br>2024<br>R'000 | Surface | Road | Total lease payments | Unearned interest | Net present values (NPV) |
|---|---|---|---|---|---|
| Within 1 year | 964 | 334 | 1 298 | (1 065) | 233 |
| 2 – 5 years | 4 468 | 1 549 | 6 017 | (3 714) | 2 303 |
| >5 years | 5 372 | 1 862 | 7 233 | (1 618) | 5 615 |
| **Total** | **10 804** | **3 745** | **14 548** | **(6 397)** | **8 151** |

| | |
|---|---|
| Non-current liabilities | 7 918 |
| Current liabilities | 233 |
| | **8 151** |

Future lease payments at 28 February 2023 are as follows:

| Group<br>2023<br>R'000 | Surface | Road | Total lease payments | Unearned interest | Net present values (NPV) |
|---|---|---|---|---|---|
| Within 1 year | 909 | 211 | 1 120 | (1 079) | 41 |
| 2 – 5 years | 4 215 | 1 461 | 5 676 | (3 927) | 1 749 |
| >5 years | 6 660 | 2 001 | 8 661 | (2 357) | 6 304 |
| **Total** | **11 784** | **3 673** | **15 457** | **(7 363)** | **8 094** |

| | |
|---|---|
| Non-current liabilities | 8 053 |
| Current liabilities | 41 |
| | **8 094** |

## 6. Goodwill

| | | | 2024<br>R'000 | | | 2023<br>R'000 |
|---|---|---|---|---|---|---|
| | **Cost** | **Accumulated impairment** | **Carrying value** | **Cost** | **Accumulated impairment** | **Carrying value** |
| **Group** | | | | | | |
| Goodwill | 39 195 | - | 39 195 | 39 195 | - | 39 195 |

**Reconciliation of goodwill – Group – 2023**

| | Opening balance | Recognised on reverse takeover | Closing balance |
|---|---|---|---|
| Goodwill | - | 39 195 | 39 195 |

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The Langpan transaction was concluded on 27 July 2022.

## 7. Inventories

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | R'000 | R'000 | R'000 | R'000 |
| Raw materials | 5 651 | - | - | - |
| Work in progress | 93 798 | - | - | - |
| Finished goods | 500 | - | - | - |
| | **99 949** | - | - | - |

## 8. Investment in subsidiaries

| | Company | | | |
|---|---|---|---|---|
| **Name of company** | **2024 % holding** | **2023 % holding** | **2024 Carrying amount R'000** | **2023 Carrying amount R'000** |
| Mantengu Mining Equipment Proprietary Limited | 100% | - | 4 | - |
| Langpan Mining Co Proprietary Limited | 100% | 100% | 550 000 | 550 000 |
| | | | **550 004** | **550 000** |

During July 2022, the Group acquired a 100% interest in Langpan Mining Co Proprietary Limited. Langpan in turn holds 100% of the issued share capital of its subsidiary, Memor Mining Proprietary Limited. During December 2023, the Group acquired Mantengu Mining Equipment Proprietary Limited by purchasing a shelf company. The Group intends to use this entity to purchase and operate its own mining fleet of yellow machinery.

## 9. Environmental rehabilitation funds

| | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
|---|---|---|---|---|
| Rehabilitation funds | - | 854 | - | - |

The rehabilitation funds had been pledged to Constantia Insurance Company Limited as security for the issue of a rehabilitation guarantee to the Department of Mineral Resources (South Africa) in support of the mining license. During the course of the 2024 financial year, Constantia Insurance Company Limited was placed in final liquidation and this has necessitated a write off of these funds.

The group has, subsequent to the above, contracted with Renasa Insurance Company Limited for the issue of a new rehabilitation guarantee to replace the old one.

## 10. Trade and other receivables

| | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
|---|---|---|---|---|
| Trade receivables | 23 975 | - | - | - |
| Deposits | 913 | - | - | - |
| VAT | 4 913 | 9 258 | - | - |
| **Total trade and other receivables** | **29 801** | **9 258** | **-** | **-** |

The group has evaluated the credit risk associated with Trade receivables in accordance with IFRS 9 "Financial Instruments." The assessment of Expected Credit Loss (ECL) is based on the creditworthiness of the counterparties. Based on the evaluation conducted as of the reporting date, the group has determined that no material credit losses are expected on trade receivables.

## 11. Prepayments

| | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
|---|---|---|---|---|
| Insurance | 21 | 4 899 | - | - |
| Commitment fee – R500 million equity facility | 11 300 | - | 11 300 | - |
| Property, plant & equipment | 1 674 | - | - | - |
| **Total prepayments** | **12 995** | **4 899** | **11 300** | |

The prepayment of R11 300 000 relates to the issue, in terms of the Company's general authority to issue shares for cash obtained at its Annual General Meeting held on 16 August 2023, of 10 million shares at an issue of R1.13 per share to GEM Yield Bahamas Limited (GYBL) representing a payment of the commitment fee in respect of a R500 million share subscription facility agreement entered into on 25 October 2023.

## 12. Cash and cash equivalents

| | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
|---|---|---|---|---|
| Cash and cash equivalents consist of: | | | | |
| Bank balances | 11 325 | 17 976 | 41 | 1 136 |

## 13. Share capital

| | 2024 | 2023 | 2024 | 2023 |
|---|---|---|---|---|
| **Authorised** | | **Number of shares** | | |
| Ordinary shares | 400 000 000 | 155 000 000 | 400 000 000 | 155 000 000 |
| **Issued** | | | | |
| Ordinary shares | 168 853 395 | 153 362 857 | 168 853 395 | 153 362 857 |
| | **2024** | **2023** | **2024** | **2023** |
| | **R'000** | **R'000** | **R'000** | **R'000** |
| Share Capital | 118 724 | 99 189 | 669 555 | 650 020 |

| | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
|---|---|---|---|---|
| **Movement for the year** | **Number of shares** | | **Number of shares** | |
| Opening balance | 153 362 857 | 863 053 | 153 362 857 | 863 053 |
| Cancelled shares | - | (196) | - | (196) |
| Acquisition of Langpan | - | 137 500 000 | - | 137 500 000 |
| Rights Offer | - | 15 000 000 | - | 15 000 000 |
| Issue of incentive performance shares | 520 250 | - | 520 250 | - |
| Issue of debt conversion shares | 4 970 288 | - | 4 970 288 | - |
| Issue of commitment fee shares | 10 000 000 | - | 10 000 000 | - |
| **Closing balance** | **168 853 395** | **153 362 857** | **168 853 395** | **153 362 857** |

| | | | | |
|---|---|---|---|---|
| **Movement for the year** | | | | |
| Opening balance | 99 189 | 50 320 | 650 020 | 85 020 |
| Issued shares | - | 28 688 | - | - |
| Acquisition of Langpan | - | 5 181 | - | 550 000 |
| Rights Offer | - | 15 000 | - | 15 000 |
| Issue of incentive performance shares | 780 | - | 780 | - |
| Issue of debt conversion shares | 7 455 | - | 7 455 | - |
| Issue of commitment fee shares | 11 300 | - | 11 300 | - |
| **Closing balance** | **118 724** | **99 189** | **669 555** | **650 020** |

**R500 million share subscription facility**

On 25 October 2023, the company entered into a share subscription facility agreement with GEM Global Yield LLC SCS (the Investor) and GEM Yield Bahamas Limited (GYBL) (Agreement). In terms of the Agreement, the Investor has made available to the company a share subscription facility of up to a maximum of R500 million (the Facility) pursuant to which the company will (i) be entitled to draw down from the Facility against the issuance to the Investor of ordinary shares in the company (Ordinary Shares) (Consideration Shares); (ii) issued warrants to the Investor (Warrants) to subscribe for up to 20 million Ordinary Shares (Warrant Shares); (iii) pay GYBL a commitment fee in an amount of R10 million, which fee will be payable in cash or Ordinary Shares (Commitment Fee Shares), or a combination of both; and (iv) issued a promissory note in favour of GYBL in relation to such commitment fee. The agreement covers a period of three years, such that the company controls the timing and amount of any draw down under the Facility.

## 14. Intercompany

| | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
|---|---|---|---|---|
| Langpan Mining Co Proprietary Limited | - | - | 5 968 | (3 173) |

The intercompany amounts bear no interest and have no fixed terms of repayment. The company has evaluated the credit risk associated with intercompany amounts receivable in accordance with IFRS 9 "Financial Instruments." The assessment of Expected Credit Loss (ECL) is based on the creditworthiness of the counterparties. Based on the evaluation conducted as of the reporting date, the company has determined that no material credit losses are expected on intercompany amounts receivables.

## 15. Other financial liabilities

| Held at amortised cost | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
|---|---|---|---|---|
| The Gamsy Family Trust | 4 371 | 9 171 | 4 371 | 9 171 |
| Gillian Gamsy | 686 | 686 | - | - |
| Growth Equities Proprietary Limited | - | 2 103 | - | 2 103 |
| POCOT Trust | 498 | 498 | 498 | 498 |
| Opsisolve Investments Proprietary Limited | - | 200 | - | 200 |
| KAG Trust | - | 100 | - | 100 |
| Douglas Welsh | - | 94 | - | 94 |
| JS Geyer | - | 79 | - | 79 |
| Parkview Trust | - | 79 | - | 79 |
| Palugen Proprietary Limited | 318 | 318 | - | - |
| United Minerals and Energy Proprietary Limited | - | 15 | - | - |
| Scott Gaskell | 91 | 91 | - | - |
| Metorient Proprietary Limited | 14 000 | 14 000 | - | - |
| Disruptioncapital | 1 210 | 1 246 | - | - |
| Kianalily Proprietary Limited | - | 165 | - | 140 |
| Piet Human | 1 571 | 1 571 | - | - |
| Simeka Holdings Proprietary Limited | 9 820 | 9 820 | - | - |
| Liability relating to Memor Acquisition | 2 100 | 2 100 | - | - |
| These loans are unsecured and bear no interest. | | | | |
| Trade Finance | 42 983 | - | - | - |

Trade finance is short term in nature and interest bearing.

**Debt conversion into equity**

Certain parties to loan contracts which the company previously entered into and to whom the company was indebted in an aggregate amount of R7 455 432, agreed to convert their debt claims against the company into equity at a rate of R1.50 of debt per ordinary share. The settlement was agreed on 29 February 2024. The company therefore issued a total of 4 970 288 ordinary shares to settle this debt pursuant to the company's general authority to issue shares for cash obtained at its Annual General Meeting held on 16 August 2023.

| | | | | |
|---|---|---|---|---|
| | 79 529 | 64 435 | - | - |

**RWE Supply & Trading GMBH**

The Group entered into a contract with RWE Supply & Trading GMBH to deliver 240 000 metric tonnes of chrome concentrate over a period of 2 years. The amount bears interest at the secured overnight financing rate plus 5% and is repayable over the duration of 2 years beginning 1 July 2023. The liability is secured by a Special Notorial Bond over the assets of Langpan.

| | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
|---|---|---|---|---|
| **IDC loan**<br>The loan with the Industrial Development Corporation of South Africa Limited (IDC) is secured by the assets that formed part of the agreement. Legal title to these assets remains with the IDC until paid off by Langpan. The loan bears interest at prime plus 2.8%. The loan is repayable in monthly installments over the 5-year period which commenced late in April 2023. | 49 977 | 39 513 | - | - |
| **Nedbank vehicle loan**<br>This relates to an installment sale agreement over a period of 5 years. The loan bears interest at 12.85%. | 260 | 338 | - | - |
| | **207 414** | **146 622** | **4 869** | **12 464** |

**Split between non-current and current portions**

| | | | | |
|---|---|---|---|---|
| Non-current liabilities | 96 548 | 77 368 | - | - |
| Current liabilities | 110 866 | 69 254 | 4 869 | 12 464 |
| | **207 414** | **146 622** | **4 869** | **12 464** |

## 16. Deferred taxation

**Temporary differences at the end of the year are attributable to the following items:**

| | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
|---|---|---|---|---|
| Property, Plant and Equipment | (34 617) | (35 087) | (1) | - |
| Prepayments | (3 509) | (1 309) | (3 051) | - |
| Income received in advance | 6 657 | 5 393 | - | - |
| Right of use asset | (1 968) | - | - | - |
| Lease liability | 2 201 | - | - | - |
| Provisions | 374 | - | - | - |
| Assessed loss | 7 455 | 1 112 | 6 123 | - |
| **Total deferred taxation asset** | **(23 407)** | **(29 891)** | **3 071** | **-** |

**Reconciliation of deferred taxation**

| | | | | |
|---|---|---|---|---|
| At beginning of year | (29 891) | (35 087) | - | - |
| Charged to profit or loss | 6 484 | 5 196 | 3 071 | - |
| | **(23 407)** | **(29 891)** | **3 071** | **-** |

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred taxation balances (after offset) for financial reporting purposes:

| | | | | |
|---|---|---|---|---|
| Deferred taxation liability | (40 093) | (36 396) | (3 052) | - |
| Deferred taxation asset | 16 686 | 6 505 | 6 123 | - |
| **Total net deferred taxation** | **(23 407)** | **(29 891)** | **3 071** | **-** |

Refer to note 28.

## 17. Trade and other payables

| | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
|---|---|---|---|---|
| **Financial instruments:** | | | | |
| Trade payables | 100 838 | 11 943 | 3 752 | 2 509 |
| Other payables | 5 659 | 3 457 | 5 659 | 3 457 |
| **Non-financial instruments:** | | | | |
| VAT | 4 276 | 2 200 | 2 603 | 706 |
| | **110 773** | **17 600** | **12 014** | **6 672** |

**Fair value of trade and other payables**
All amounts are short-term and the carrying value of trade and other payables is considered a reasonable approximation of fair value.

## 18. Provisions

| | Environmental rehabilitation | Decom-missioning | Total |
|---|---|---|---|
| **2024**<br>**R'000**<br>**Group** | | | |
| **Provisions** | | | |
| Balance at beginning of year | - | - | - |
| Capitalised to property, plant and equipment | - | 107 | 107 |
| Charged to statement of profit or loss | 1 277 | - | 1 277 |
| **Balance at end of year** | **1 277** | **107** | **1 384** |

## 19. Revenue

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
| Sale of chrome concentrate | 109 925 | - | - | - |
| Other | - | 4 492 | - | - |
| | **109 925** | **4 492** | **-** | **-** |

At the end of May 2023, the Board announced the successful commissioning of the LG Processing Plant. The first deliveries of chrome concentrate to RWE Supply & Trading GMBH (Langpan's sole contracted off taker) commenced on 7 June 2023. The risks and rewards of ownership of the chrome concentrate pass to RWE upon collection at Langpan.

As at 29 February 2024, the sale of chrome concentrate consisted of 33 180 tonnes.

## 20. Operating profit (loss)

Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| **Depreciation** | | | | |
| Depreciation of property, plant and equipment | 8 816 | 106 | 80 | 5 |
| Depreciation of right-of-use assets | 825 | 137 | - | - |
| | **9 641** | **243** | **80** | **5** |
| **Administration and other operating expenses** | | | | |
| Advisory and professional fees | 5 531 | 7 999 | 4 221 | 3 137 |
| Audit fees | 2 194 | 1 535 | 300 | 949 |
| Investor services | 483 | 502 | 483 | 497 |
| Remuneration, other than to directors | 1 811 | 240 | 651 | 378 |
| **Other income** | | | | |
| Management Fees | - | - | 18 000 | 6 000 |

## 21. Finance costs

| | **2024 R'000** | **2023 R'000** | **2024 R'000** | **2023 R'000** |
|---|---|---|---|---|
| Vehicle loan | 48 | 21 | - | - |
| Lease liabilities | 1 287 | 181 | - | - |
| SARS | 304 | 559 | 59 | 525 |
| Trade finance | 11 640 | - | - | - |
| Other financial liabilities | 16 939 | 5 252 | - | 1 311 |
| Other interest paid | - | 298 | - | - |
| **Total finance costs** | **30 218** | **6 311** | **59** | **1 836** |

## 22. Taxation

| | **2024 R'000** | **2023 R'000** | **2024 R'000** | **2023 R'000** |
|---|---|---|---|---|
| **Reconciliation of the tax expense** | | | | |
| Accounting profit (loss) | (5 318) | (22 102) | 2 051 | (5 761) |
| Tax at the applicable tax rate of 27% (2023: 28%) | (1 436) | (6 189) | 554 | (1 613) |
| **Tax effect of adjustments on taxable income** | | | | |
| Disallowed expenses | 132 | 700 | 61 | 514 |
| Deferred tax asset not raised | - | 293 | - | 1 099 |
| Tax losses utilised | (5 180) | - | (3 686) | - |
| | **(6 484)** | **(5 196)** | **(3 071)** | **-** |

No provision has been made for 2024 tax as the company has no taxable income. The assessed loss carried forward is R34 049 624 (2023: R23 192 037). The Group has unused tax losses of R44 234 034 (2023: R34 103 298).

## 23. Cash used in operations

| | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
|---|---|---|---|---|
| **(Loss) profit before taxation** | (5 318) | (22 102) | 2 051 | (5 761) |
| Adjustments for: | | | | |
| Depreciation property, plant and equipment | 8 815 | 106 | 80 | 5 |
| Depreciation right-of-use assets | 825 | 137 | - | - |
| Finance costs | 30 219 | 6 311 | - | 1 836 |
| Forex adjustement | 1 817 | 4 437 | - | - |
| Share based payment | 525 | - | 525 | - |
| Provisions | 1 384 | - | - | - |
| **Changes in working capital:** | | | | |
| Trade and other receivables | (20 543) | (5 727) | (9 141) | 57 |
| Inventory | (99 949) | - | - | - |
| Prepayments | 3 203 | (4 899) | - | - |
| Trade and other payables | 93 171 | (1 625) | 5 339 | (721) |
| | **14 149** | **(23 362)** | **(1 146)** | **(4 584)** |

## 24. Earnings and headline earnings per share

| | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
|---|---|---|---|---|
| **Earnings** | | | | |
| Net profit (loss) attributable to ordinary shareholders | 1 165 887 | (16 905 722) | 5 121 655 | (5 760 208) |
| **Number of shares** | | | | |
| Number of shares in issue at beginning of period (1) (6) | 153 362 857 | 55 753 425 | 86 061 487 | 863 053 |
| Numbers of shares issued for acquisition of Langpan (2) | - | 82 259 678 | - | 81 746 575 |
| Number of shares cancelled | - | (196) | - | (196) |
| Number of shares issued - Rights issue (3) | - | 3 452 055 | - | 3 452 055 |
| Issue of incentive performance shares | 322 127 | - | 322 127 | - |
| Issue of debt conversion shares | 13 617 | - | 13 617 | - |
| Issue of commitment fee shares | 3 260 274 | - | 3 260 274 | - |
| **Weighted average number of shares** | **156 958 875** | **141 464 962** | **89 657 505** | **86 061 487** |
| Basic earnings (loss) per share (cents) | **1** | **(12)** | **6** | **(7)** |
| Diluted basic earnings (loss) per share (cents) (4) | **1** | **(12)** | **6** | **(7)** |
| Headline earnings (loss) and diluted headline earnings (loss) per share (cents) (4) (5) | **1** | **(12)** | **6** | **(7)** |

(1) On 31 March 2023, the Company consolidated its Authorised and Issued Share Capital on a 1 000 to 1 basis. As the consolidation occurred prior to the date of approval of the AFS, the weighted average number of shares have been adjusted retrospectively in accordance with International Accounting Standard 33 – Earnings per Share, paragraph 64.

(2) As the Langpan acquisition occurred on 27 July 2022, the number of shares issued of 137 500 000 000 has been adjusted for being outstanding for 217 of 365 days of the prior period.
(3) As the Rights Offer occurred on 7 December 2022, the number of shares issued of 15 000 000 302 has been adjusted for being outstanding for 84 of 365 days of the prior period.
(4) There are no dilutive potential ordinary shares.
(5) There are no adjustments to Headline earnings that arise out of the SAICA Headline Earnings Circular 1/2023.
(6) The Group number of shares outstanding at the beginning of the 2022 period have been adjusted in accordance with IFRS 3, paragraph B26 and B27.

## 25. Performance share plan

| | Number of shares | |
|---|---|---|
| | **2024** | **2023** |
| **Performance share plan** | | |
| **Group and company** | | |
| Shares available for award at beginning of year | 50 000 000 | 50 000 000 |
| Shares awarded during the year | 520 250 | - |
| **Shares available for award at end of year** | **49 479 750** | **50 000 000** |

## 26. Directors' emoluments

### Group and company – 2024 – R'000

| | Emoluments | Board fees | Bonus | PSP Shares Awarded | Total |
|---|---|---|---|---|---|
| **Executive** | | | | | |
| MJ Miller | 2 980 | - | - | - | 2 980 |
| M Naidoo | 2 850 | - | - | 300 | 3 150 |
| **Non-Executive** | | | | | |
| A Collins | 880 | 235 | - | - | 1 115 |
| V Madlela | 240 | 165 | - | - | 405 |
| J Tshikundamalema | 144 | 165 | - | - | 309 |
| | **7 094** | **565** | **-** | **300** | **7 959** |

### Group and company – 2023 – R'000

| | Emoluments | Board fees | Bonus | PSP Shares Awarded | Total |
|---|---|---|---|---|---|
| **Executive** | | | | | |
| MM Movundlela | 1 948 | - | 275 | - | 2 223 |
| TA Makgolane | 882 | - | 98 | - | 980 |
| **Non-Executive** | | | | | |
| MJ Miller | 628 | 223 | - | - | 851 |
| J Tshikundamalema | 96 | 115 | - | - | 211 |
| A Collins | 73 | - | - | - | 73 |
| V Madlela | 160 | 155 | - | - | 315 |
| | **3 787** | **493** | **373** | **-** | **4 653** |

## 27. Related parties

### Relationships

**Shareholder with significant influence**
Alistair Collins Family Trust
Disruptioncapital Proprietary Limited
The Gamsy Family Trust

**Subsidiaries**
Langpan Mining Co Proprietary Limited
Mantengu Mining Equipment Proprietary Limited

**Group Companies**
Memor Mining Proprietary Limited

| Transactions with Group Companies | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Management fees paid by Langpan to Mantengu | 18 000 | 6 000 |
| Management fees paid by Langpan to Memor | 1 500 | |

**Related party balances**
**Amounts owing to related parties**

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 R'000 | 2023 R'000 | 2024 R'000 | 2023 R'000 |
| Michael Miller | (3 389) | (2 192) | (3 389) | (2 192) |
| Disruptioncapital Proprietary Limited | (1 210) | (1 246) | - | - |
| Langpan Mining Co Proprietary Limited | - | - | 5 968 | (3 173) |
| The Gamsy Family Trust | (4 371) | (9 171) | (4 371) | (9 171) |

## 28. Restatement

The February 2023 numbers have been restated because the mineral reserve disclosed as a category of property, plant, and equipment of R94 865 012 was recorded net of deferred taxation. The mineral reserve should have been recorded at R129 952 071 with a corresponding deferred taxation liability of R35 087 059. The error arose in prior years on the purchase price allocation relative to Langpan's acquisition of Memor Mining. Accordingly, both property, plant and equipment and deferred taxation have been restated in the statement of financial position.

| | 28-Feb-23 | | |
|---|---|---|---|
| **Statement of Profit or loss and other Comprehensive Income** | **As previously presented R'000** | **Restated R'000** | **Difference R'000** |
| Revenue | 4 492 | 4 492 | - |
| Cost of sales | 5 503 | 5 503 | - |
| Other income | 5 617 | 5 617 | - |
| Depreciation | 243 | 243 | - |
| Directors remuneration | 3 478 | 3 478 | - |
| Employee benefits | 240 | 240 | - |
| Administrative expenses | 9 395 | 9 395 | - |
| Other expenses | 7 041 | 7 041 | - |

| | 28-Feb-23 | | |
|---|---|---|---|
| | As previously presented R'000 | Restated R'000 | Difference R'000 |
| **Operating (loss)** | **(15 791)** | **(15 791)** | **-** |
| Finance costs | (6 311) | (6 311) | - |
| **(Loss) before taxation** | **(22 102)** | **(22 102)** | **-** |
| Taxation expense | 5 196 | 5 196 | - |
| **(Loss) after taxation** | **(16 906)** | **(16 906)** | **-** |

| | 28-Feb-23 | | |
|---|---|---|---|
| **Statement of Financial Position** | As previously presented R'000 | Restated R'000 | Difference R'000 |
| **Non-current assets** | | | |
| Property, plant and equipment | 167 084 | 202 171 | (35 087) |
| Right-of-use assets | 8 083 | 8 083 | - |
| Goodwill | 39 195 | 39 195 | - |
| Deferred taxation | 5 196 | - | 5 196 |
| Environmental rehabilitation | 854 | 854 | - |
| | **220 412** | **250 303** | **(29 891)** |
| **Current assets** | | | |
| Cash and cash equivalents | 17 976 | 17 976 | - |
| Prepayments | 4 899 | 4 899 | - |
| Trade and other receivables | 9 258 | 9 258 | - |
| **Total assets** | **32 133** | **32 133** | **-** |
| | **252 545** | **282 436** | **(29 891)** |
| **Equity and liabilities** | | | |
| **Capital and reserves** | | | |
| Share capital | 99 189 | 99 189 | - |
| Accumulated loss | (20 473) | (20 473) | - |
| | **78 716** | **78 716** | **-** |
| **Non-current liabilities** | | | |
| Other financial liabilities | 77 368 | 77 368 | - |
| Lease liabilities | 8 053 | 8 053 | - |
| Deferred taxation | - | 29 891 | (29 891) |
| | **85 421** | **115 312** | **(29 891)** |
| **Current liabilities** | | | |
| Other financial liabilities | 69 254 | 69 254 | - |
| Lease liabilities | 41 | 41 | - |
| Trade and other payables | 17 600 | 17 600 | - |
| Current taxation | 1 513 | 1 513 | - |
| | **88 408** | **88 408** | **-** |
| **Total equity and liabilities** | **252 545** | **282 436** | **(29 891)** |

## 29. Business combinations

On 27 July 2022, Mantengu acquired 100 per cent of the issued share capital of Langpan, obtaining control. Langpan mines and processes chrome ore to produce chrome concentrate, with Platinum Group Metals (PGMs) as a by-product. Langpan, through its wholly-owned subsidiary, Memor Mining (Pty) Ltd, indirectly owns the mining right in relation to the chrome and PGM mining and associated beneficiation operations, respectively, on Langpan farm. The aquisition of Langpan constitutes a reverse takeover in accordance with IFRS 3, paragraph B19. A reverse acquisition occurs when the entity that issues securities (the legal acquirer) is identified as the acquiree for accounting purposes. The entity whose equity interests are acquired (the legal acquiree) must be the acquirer for accounting purposes for the transaction. This means that although Mantengu acquired Langpan, the transaction had to be accounted for as Langpan acquiring Mantengu. Langpan, therefore, needed to fair value the assets and liabilities of Mantengu at acquisition date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed of Mantengu are as set out below:

| | Group<br>2023<br>R |
|---|---|
| Trade and other receivables | 615 418 |
| Cash and cash equivalents | 1 196 |
| Other financial liabilities | (24 410 437) |
| Trade and other payables | (10 220 104) |
| **Total identifiable assets acquired and liabilities assumed** | **(34 013 927)** |
| Goodwill | 39 194 718 |
| **Total consideration** | **5 180 791** |
| | |
| Satisfied by: | |
| Cash | - |
| Deemed equity instruments that would have had to be transferred | 5 180 791 |
| **Deemed consideration transferred** | **5 180 791** |

IFRS 3, paragraph B20 requires that the acquisition date fair value of the consideration transferred by the accounting acquirer (Langpan) for its interest in the accounting acquiree (Mantengu) is based on the number of equity interests the legal subsidiary (Langpan) would have had to issue to give the owners of the legal parent (Mantengu) the same percentage equity interest in the combined entity that results from the reverse acquisition. This application results in the following calculation of the deemed consideration:

| | |
|---|---|
| CPR valuation of Langpan | 851 000 000 |
| Cost of mineral reserve already on books of Langpan at 31 July 2022 | (94 865 012) |
| Langpan equity at 31 July 2022 | 74 439 680 |
| **Deemed value of Langpan equity at 31 July 2022** | **830 574 668** |
| | |
| Number of Mantengu shares issued to Langpan shareholders as consideration (99.38%) | 137 500 000 000 |
| Number of shares held by Mantengu shareholders prior to Langpan acquisition (0.62%) | 863 053 100 |
| | |
| | 138 363 053 100 |
| | |
| Deemded cost of Mantengu investment in Langpan (R830 574 668 multiplied by 0.62%) | 5 180 791 |
| **Net cash flow arising on acquisition:** | |
| Cash consideration | - |
| Less: cash and cash equivalent balances acquired | 1 196 |
| | 1 196 |

137.5 billion ordinary shares were issued as the consideration paid of R550 million for the acquisition of Langpan.

The acquisition by Mantengu of a 100% shareholding in Langpan was considered to be a related party acquisition. At the time of the acquisition, Mike Miller and Alistair Collins were current and former Directors of Mantengu, respectively, and were indirectly shareholders in Langpan and hence, they were considered to be related parties in terms of paragraph 10.1(b)(ii) of the Listings Requirements. Alistair Collins was subsequently appointed as the non-executive Chairman of the Board with effect from 1 February 2023. Mike Miller is now the Chief Executive Officer having been appointed with effect from 2 March 2023.

In terms of paragraph 10.4(f) of the Listings Requirements, Mantengu obtained an opinion from an independent expert on the acquisition and this opinion was included as annexure 4 to the Circular to Mantengu shareholders on the acquisition. Acquisition-related costs amount to R4.7 million. These consist of:

(1) Merchantec Capital – Transaction Sponsor and Designated Adviser – R0.9 million
(2) Letsema – Independent Expert – R0.3 million
(3) Ngubane & Co (Johannesburg) Inc. – Auditors – R0.4 million
(4) HLB CMA (South Africa) Inc. – Reporting Accountants – R0.3 million
(5) Bara Consulting – Competent Person – R1.7 million
(6) CAS – Geological and Technical Services – R0.2 million
(7) Mark Mining – Geological and Technical Services – R0.1 million
(8) JSE – Documentation inspection fees – R0.2 million
(9) JSE – Listing fees – R0.3 million
(10) Other – R0.4 million

The preparation and presentation of consolidated financial statements under reverse takeover principles are dictated by IFRS 3 paragraph B21 and B22. Application of these paragraphs means that these consolidated financial statements prepared need to be issued under the name of the legal parent (accounting acquiree) (Mantengu) but are actually a continuation of the financial statements of the legal subsidiary (accounting acquirer) (Langpan), with one adjustment, which is to adjust retroactively the accounting acquirer's (Lanpan's) legal capital to reflect the legal capital of the accounting acquiree (Mantengu). That adjustment is required to reflect the capital of the legal parent (the accounting acquiree) (Mantengu). It also means that comparative information presented in these consolidated financial statements is retroactively adjusted to reflect the legal capital of the legal parent (accounting acquiree) (Mantengu).

Because the consolidated financial statements represent the continuation of the financial statements of the legal subsidiary (Langpan) except for its capital structure, the consolidated financial statements need to reflect the following:

(a) the assets and liabilities of the legal subsidiary (the accounting acquirer) (Langpan) recognised and measured at their pre-combination (prior to transaction) carrying amounts.
(b) the assets and liabilities of the legal parent (the accounting acquiree) (Mantengu) recognised and measured at fair value in accordance with IFRS 3.
(c) the retained earnings and other equity balances of the legal subsidiary (accounting acquirer) Langpan before the business combination.
(d) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding the issued equity interest of the legal subsidiary (the accounting acquirer) (Langpan) outstanding immediately before the business combination to the fair value of the legal parent (accounting acquiree) (Mantengu). However, the equity structure (ie the number and type of equity interests issued) reflects the equity structure of the legal parent (the accounting acquiree) (Mantengu), including the equity interests the legal parent issued to effect the combination. Accordingly, the equity structure of the legal subsidiary (the accounting acquirer) (Langpan) is restated using the exchange ratio established in the acquisition agreement to reflect the number of shares of the legal parent (the accounting acquiree) (Mantengu) issued in the reverse acquisition.

## 30. Financial instruments and risk management

### Categories of financial assets

| | Notes | Amortised cost | Fair value |
|---|---|---|---|
| **Group – 2024 – R'000** | | | |
| Trade and other receivables | 10 | 24 888 | 24 888 |
| Cash and cash equivalents | 12 | 11 325 | 11 325 |
| | | **36 213** | **36 213** |
| **Group – 2023 – R'000** | | | |
| Enviromental rehabilitation trust fund | 9 | 854 | 854 |
| Cash and cash equivalents | 12 | 17 976 | 17 976 |
| | | **18 830** | **18 830** |
| **Company – 2024 – R'000** | | | |
| Intercompany | 14 | 5 968 | 5 968 |
| Cash and cash equivalents | 12 | 41 | 41 |
| | | **6 009** | **6 009** |
| **Company – 2023 – R'000** | | | |
| Cash and cash equivalents | 12 | 1 136 | 1 136 |
| | | **1 136** | **1 136** |

### Categories of financial liabilities

| | Notes | Amortised cost | Fair value |
|---|---|---|---|
| **Group – 2024 – R'000** | | | |
| Trade and other payables | 17 | 106 497 | 106 497 |
| Other financial liabilities | 15 | 207 414 | 207 414 |
| | | **313 911** | **313 911** |
| **Group – 2023 – R'000** | | | |
| Trade and other payables | 17 | 15 400 | 15 400 |
| Other financial liabilities | 15 | 146 622 | 146 622 |
| | | **164 222** | **164 222** |

| | Notes | Amortised cost | Fair value |
|---|---|---|---|
| **Company – 2024 – R'000** | | | |
| Trade and other payables | 17 | 9 411 | 9 411 |
| Other financial liabilities | 15 | 4 869 | 4 869 |
| | | **14 280** | **14 280** |
| **Company – 2023 – R'000** | | | |
| Trade and other payables | 17 | 5 966 | 5 966 |
| Intercompany | 14 | 3 173 | 3 173 |
| Other financial liabilities | 15 | 12 464 | 12 464 |
| | | **22 309** | **22 309** |

## Capital risk management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders from the capital projects in the mining industry. The Group monitors capital through the optimisation of the debt and equity balance. The capital structure of the Group consists of borrowings and equity. The directors review capital structure on a regular basis. As part of these reviews the costs of capital and the risk associated with each class of capital is considered.

## Financial risk management

### Credit risk

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Deposits and cash balances are maintained by Nedbank.

| **Group** | | **2024 R'000** | | | **2023 R'000** | | |
|---|---|---|---|---|---|---|---|
| | **Notes** | **Gross carrying amount** | **Credit loss allowance** | **Amortised cost / fair value** | **Gross carrying amount** | **Credit loss allowance** | **Amortised cost / fair value** |
| Trade and other receivables | 10 | 29 801 | - | 29 801 | 9 258 | - | 9 258 |
| Cash and cash equivalents | 12 | 11 325 | - | 11 325 | 17 976 | - | 17 976 |
| Environmental rehabilitation funds | 9 | - | - | - | 854 | - | 854 |
| Prepayments | 11 | 12 995 | - | 12 995 | 4 899 | - | 4 899 |
| | | **24 320** | **-** | **24 320** | **23 729** | **-** | **23 729** |

| **Company** | | **2024 R'000** | | | **2023 R'000** | | |
|---|---|---|---|---|---|---|---|
| | | **Gross carrying amount** | **Credit loss allowance** | **Amortised cost / fair value** | **Gross carrying amount** | **Credit loss allowance** | **Amortised cost / fair value** |
| Prepayments | 11 | 11 300 | - | 11 300 | - | - | - |
| Cash and cash equivalents | 12 | 41 | - | 41 | 1 136 | - | 1 136 |
| | | **11 341** | **-** | **11 341** | **1 136** | **-** | **1 136** |

## Liquidity risk

Ultimate responsibility for liquidity risk management is with management, which has established an appropriate framework for the management of the Group's requirements. The Group manages liquidity risk by continuously monitoring forecasts and actual cash flows.

| Group – 2024 – R'000 | Notes | Less than 1 year | 1 to 5 years | Carrying amount |
|---|---|---|---|---|
| Non-current liabilities | | | | |
| Other financial liabilities | 15 | - | 96 548 | 96 548 |
| Current liabilities | | | | |
| Trade and other payables | 17 | 110 773 | - | 110 773 |
| Other financial liabilities | 15 | 110 866 | - | 110 866 |
| | | **219 558** | **98 629** | **318 187** |

| Group – 2023 – R'000 | | Less than 1 year | 1 to 5 years | Carrying amount |
|---|---|---|---|---|
| Non-current liabilities | | | | |
| Other financial liabilities | 15 | - | 77 368 | 77 368 |
| Current liabilities | | | | |
| Trade and other payables | 17 | 17 600 | - | 17 600 |
| Other financial liabilities | 15 | 69 254 | - | 69 254 |
| | | **86 854** | **77 368** | **164 222** |

| Company – 2024 – R'000 | | Less than 1 year | 1 to 5 years | Carrying amount |
|---|---|---|---|---|
| Current liabilities | | | | |
| Trade and other payables | 17 | 12 014 | - | 12 014 |
| Other financial liabilities | 15 | 4 869 | - | 4 869 |
| | | **16 883** | **-** | **16 883** |

| Company – 2023 – R'000 | | Less than 1 year | 1 to 5 years | Carrying amount |
|---|---|---|---|---|
| Current liabilities | | | | |
| Trade and other payables | 17 | 6 672 | - | 6 672 |
| Loan from group company | 14 | 3 173 | | 3 173 |
| Other financial liabilities | 15 | 12 464 | - | 12 464 |
| | | **22 309** | **-** | **22 309** |

## Interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the year, the Group's borrowings at variable rate were denominated in the Rand.

At 29 February 2024, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post tax profit for the year would have been R425 610 (2023: R395 130) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

## 31. Commitments

On 14 April 2022, the Group entered into a contract with RWE Supply & Trading GMBH to deliver 240 000 metric tonnes of chrome over a period of 2 years beginning 1 July 2023.

The only other commitment outstanding at the date of approval of the annual financial statements relates to R40 million that is required to be incurred to complete the capitalisation of the Langpan mining operation.

## 32. Contingencies

There are no contingencies as at 29 February 2024.

## 33. Going concern

The financial position of the company and group, its cash flows, liquidity position and borrowing facilities are set out in the consolidated and separate financial statements for the year ended 29 February 2024. The Board has considered the company and group's cash flow forecast for the period to 28 February 2025 under the wider macroeconomic environment and the company and group's operations. The Board is satisfied that the company and group's forecasts and projections, indicate that the company and group have sufficient resources and access to resources to continue to operate as a going concern. The company and group have access to multiple funding lines and concluded a share subscription facility agreement with GEM Global Yield LLC SCS and GEM Yield Bahamas Limited for R500 million, as announced on SENS on 26 October 2023. Accordingly, the Board believes that it is appropriate to prepare the financial statements on a going concern basis.

## 34. Subsequent events

On 10 May 2024, Mantengu entered into a sale of shares agreement with Birca Investments Proprietary Limited and SA Metals and Fossils Proprietary Limited for the acquisition of the entire issued share capital of Birca Copper and Metals Proprietary Limited for a consideration of R29 887 000. The agreement is subject to the fulfillment of certain suspensive conditions and the effective date will be on fulfillment or waiver of these suspensive conditions. Mantengu will issue ordinary shares for the consideration price.

The directors are not aware of any other matter or circumstance arising since the end of the financial year and up to the approval date of these financial statements that would need to be dealt with in these financial statements.

# ANNEXURE A: SHAREHOLDER ANALYSIS

**Share Register Analysis – 30 April 2024**

| | Number of shareholdings | % | Number of shares | % |
|---|---|---|---|---|
| **Shareholder spread** | | | | |
| 1-1000 shares | 557 | 69,11% | 97 919 | 0,06% |
| 1001-10000 | 125 | 15,51% | 455 584 | 0,27% |
| 10001-100000 | 66 | 8,19% | 2 346 894 | 1,39% |
| 100001-1000000 | 38 | 4,71% | 12 426 504 | 7,36% |
| 1000000 share and over | 20 | 2,48% | 153 526 494 | 90,92% |
| **Total Shares** | **806** | **100%** | **168 853 395** | **100,00%** |
| | | | | |
| **Public/non-public shareholders** | | | | |
| Non- public shareholders | | | | |
| Directors, associates and Executive Committee of the Company | 4 | 0,50% | 40 154 075 | 23,78% |
| Related holdings | 2 | 0,25% | 56 212 582 | 33,29% |
| Public shareholders | 800 | 99,26% | 72 486 738 | 42,93% |
| **Total Shares** | **806** | **100%** | **168 853 395** | **100,00%** |
| | | | | |
| Beneficial shareholders holding 5% or more | | | | |
| Alistair Collins Family Trust | | | 16 713 702 | 9,90% |
| Disruptioncapital (Pty) Ltd | | | 22 219 548 | 13,16% |
| GEM Global Yield LLC SCS | | | 10 000 000 | 5,92% |
| Its Really Me (Pty) Ltd | | | 10 819 875 | 6,41% |
| Kianalily (Pty) Ltd | | | 14 265 408 | 8,45% |
| The Gamsy Family Trust | | | 33 993 034 | 20,13% |
| **Total** | | | **108 011 567** | **63,97%** |
| | | | | |
| **Breakdown of non-public holdings** | | | | |
| Directors, associates and Executive Committee of the Company | | | | |
| Alistair Collins Family Trust | | | 16 713 702 | 9,90% |
| Disruptioncapital (Pty) Ltd | | | 22 219 548 | 13,16% |
| Mr Magendren Naidoo | | | 221 200 | 0,13% |
| Putisolve (Pty) Ltd | | | 999 625 | 0,59% |
| **Total** | | | **40 154 075** | **23,78%** |
| | | | | |
| **Related Holdings** | | | | |
| Disruptioncapital (Pty) Ltd | | | 22 219 548 | 13,16% |
| The Gamsy Family Trust | | | 33 993 034 | 20,13% |
| **Total** | | | **56 212 582** | **33,29%** |

# Notice of AGM

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

## NOTICE OF ANNUAL GENERAL MEETING

## NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR ENDED 29 FEBRUARY 2024

Notice is hereby given that the annual general meeting of shareholders of Mantengu will be held at 14:00 on Thursday, 15 August 2024 ("Annual General Meeting"), to be conducted entirely by electronic facility as permitted by section 63(2)(a) of the Companies Act, 2008 (Act 71 of 2008), as amended ("Companies Act"), the JSE Limited ("JSE") and the Company's memorandum of incorporation ("MOI") for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions set out below.

The board of directors of the Company ("the Board") has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, the record date for the purposes of determining which shareholders of the Company are entitled to participate in and vote at the Annual General Meeting is Thursday, 8 August 2024. Accordingly, the last day to trade Mantengu shares in order to be recorded in the register to be entitled to vote will be Monday, 5 August 2024.

## ACTION BY SHAREHOLDERS

Shareholders entitled to attend and vote at the Annual General Meeting may, in terms of section 58 of the Companies Act, appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of the Company. A form of proxy which provides instructions for its completion is enclosed herewith. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the Annual General Meeting.

Forms of proxy must be completed by certificated shareholders or "own name" registered dematerialised shareholders who wish to be represented at the Annual General Meeting.

Dematerialised shareholders without "own name" registration must notify their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the Annual General Meeting in order for such CSDP or broker to issue them with the necessary letter of representation to enable them to attend the Annual General Meeting, or, alternatively, should the dematerialised shareholder not wish to attend the Annual General Meeting, they should provide their CSDP or broker with their voting instructions.

Forms of proxy must reach the Company's Transfer Secretaries, Computershare Investor Services Proprietary Limited ("Computershare" or "Transfer Secretaries"), at 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) or via email to proxy@computershare.co.za, to be received by no later than 14:00 on Tuesday, 13 August 2024 (or 48 (forty-eight) hours before any adjournments of the Annual General Meeting (excluding Saturdays, Sundays and public holidays in South Africa) which date, if necessary, will be announced on SENS. Thereafter, forms of proxy may be delivered to the chairperson of the Annual General Meeting, at alistair@mantengu.com, before voting on a particular resolution commences.

Annual General Meeting participants, which include proxies, are required to provide identification to the reasonable satisfaction of the chairperson of the Annual General Meeting. An official identification document issued by the South African Department of Home Affairs, a valid driving license or a valid passport will be accepted as sufficient identification.

Shareholders who have any doubt as to what action they are required to take in respect of the following resolutions, should consult their CSDP, broker, banker, attorney, accountant or other professional adviser immediately.

On a poll, ordinary shareholders will have one vote in respect of each share held.

**Electronic Participation at the Annual General Meeting**
In terms of section 61(10) of the Companies Act, every shareholder's meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders. Therefore, shareholders, or their proxies, may participate in a meeting by way of a teleconference call if they wish to do so.

The Annual General Meeting will be conducted solely by electronic facility. Should you wish to participate in the Annual General Meeting, you will need to contact the Company via email at alistair@mantengu.com (contact person: Alistair Collins) by no later than Monday, 12 August 2024, in order for the Company to provide you with the details of teleconference dial-in facility. Please ensure that if you are participating in the Annual General Meeting via such teleconference facility that the voting proxies are sent via email to the Transfer Secretaries, Computershare, at proxy@computershare.co.za by no later than 14:00 on Tuesday, 13 August 2024 for administrative purposes. The costs of accessing any means of electronic participation provided by the Company will be borne by the shareholder.

**Record dates**
In in terms of section 59(1) of the Companies Act, the following dates apply to the Annual General Meeting:

| | 2024 |
|---|---|
| Record date for determining those shareholders entitled to receive the notice of Annual General Meeting | Friday, 21 June |
| Last day to trade in order to be eligible to participate and vote at the Annual General Meeting | Monday, 5 August |
| Record date to determine eligible shareholders who may attend, speak and vote at the Annual General Meeting | Thursday, 8 August |

**Voting thresholds**
For the purpose of approving the ordinary resolutions (other than ordinary resolution number 4 which requires the support of at least 75%), the support of more than 50% of the voting rights exercised by shareholders present and in person, or represented by proxy, at the Annual General Meeting is required.

For the purposes of approving the special resolutions, the support of at least 75% of the voting rights exercised by shareholders present and in person, or represented by proxy, at the Annual General Meeting is required.

## BUSINESS OF THE MEETING

**Report from the Social and Ethics Committee:**
In accordance with Regulation 43(5)(c) of the Companies Act, the chairperson of the Social and Ethics Committee, or in his absence, any member of that Committee, will present the Committee's report to the shareholders at the Annual General Meeting.

**Presentation of the Annual Financial Statements:**
The consolidated audited annual financial statements of the Company (as approved by the Board), incorporating the reports of the external auditors', the audit and risk committee and the directors for the year ended 29 February 2024, which accompany this notice of Annual General Meeting, have been distributed to shareholders as required and are accordingly, presented to shareholders at the Annual General Meeting for consideration.

The complete annual financial statements are set out on pages 27 to 78 of the 2024 Annual Report, of which this notice forms part, and copies thereof have been distributed to all shareholders who have requested such copies. The 2024 Annual Report is also available on the Company's website: http://www.mantengu.com/investor-relations

**Any matters raised by shareholders, with or without advance notice to the Company:**
As per section 61(8)(d) of the Companies Act, any matters raised by shareholders, with or without advance notice to the Company must be considered.

**Ordinary resolution number 1 – Re-election of Director:**
Vincent Madlela retires by rotation in terms of the Company's MOI, and being eligible, offers himself for re-election as a Director of the Company.

Accordingly, shareholders are required to consider and, if deemed fit, approve the separate ordinary resolutions set out below:

**Ordinary resolution number 1.1 – re-election of Director:**
"**RESOLVED** that the re-election of Vincent Madlela as an Independent non-executive Director of the Company, be and is hereby approved."

Vincent is a highly experienced leader, entrepreneur and attorney with over 20 years' experience advising multinational listed mining companies. Vincent has been involved in securing mineral tenure for clients and ensuring compliance with all local legislation and regulations. Vincent has held several senior listed roles overseeing the functions of mineral right application and management, environmental compliance, legal compliance, marketing and trade of commodities, mine health and safety and corporate governance.

**Ordinary resolution number 2 – appointment of external auditors:**
"**RESOLVED** that the appointment of HLB CMA South Africa Inc as the independent registered auditors of the Company and its subsidiaries, with Jean-André du Toit as the designated audit partner, who will undertake the audit during the financial year ending 28 February 2025 as recommended by the Combined Audit and Risk Committee, be and is hereby approved.

**Ordinary resolution number 3 – appointment of members of the Combined Audit and Risk Committee:**
Shareholders are required to consider and, if deemed fit, approve the appointments of the following non-executive Directors as members of Mantengu's Combined Audit and Risk Committee, with effect from the conclusion of this Annual General Meeting, by way of separate ordinary resolutions, as set out below:

**Ordinary resolution number 3.1 – appointment of Vincent Madlela:**
"**RESOLVED** that, subject to the approval of ordinary resolutions number 1.1, the appointment of Vincent Madlela as a member and Chairman of the Combined Audit and Risk Committee until the conclusion of the next Annual General Meeting of the Company, be and is hereby approved."

**Ordinary resolution number 3.2 – appointment of Jonas Tshikundamalema:**
"**RESOLVED** that the appointment of Jonas Tshikundamalema as a member of the Combined Audit and Risk Committee until the conclusion of the next Annual General Meeting of the Company, be and is hereby approved."

**Ordinary resolution number 3.3 – appointment of Alistair Collins:**
"**RESOLVED** that the appointment of Alistair Collins as a member of the Combined Audit and Risk Committee until the conclusion of the next Annual General Meeting of the Company, be and is hereby approved."

**Ordinary resolution number 4 – General authority to issue ordinary shares, and to sell treasury shares, for cash:**
"**RESOLVED** that the Board and/or any of the Company's subsidiaries from time to time be and are hereby authorised by way of a general authority, to

- allot and issue, or issue any options in respect of, all or any of the authorised but unissued ordinary shares in the capital of the Company; and/or

- sell or otherwise dispose of or transfer, or issue any options in respect of, ordinary shares in the capital of the Company purchased by subsidiaries of the Company,

for cash, to such person/s on such terms and conditions and at such time as the Board may from time to time deem fit, subject to the Companies Act, the MOI of the Company and its subsidiaries and the Listings Requirements of the JSE Limited (Listings Requirements).

This resolution is subject to the following:

- the general authority will be valid until the earlier of the Company's next annual general meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given;

- the equity securities which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;

- any such issue may only be made to "public shareholders" in accordance with paragraph 4.25 of the Listings Requirements, and not, subject to the following, to related parties:

  - related parties may participate in a general issue for cash through a bookbuild process provided:

  o related parties only participate with a maximum bid price at which they are prepared to take-up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price, the relevant related party will be "out of the book" and not be allocated shares; and

  o equity securities must be allocated equitably "in the book" through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild;

- the equity securities which are the subject of a general issue for cash, in terms of this authority, may not exceed 30% of the number of listed equity securities, excluding treasury shares, as at the date of this notice, being 50 677 018 securities. Any equity securities issued under this authority will be deducted from the aforementioned 50 677 018 listed securities. In the event of a sub-division or consolidation, the authority shall be adjusted accordingly to represent the same allocation ratio;

- in determining the price at which securities may be issued in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price of such securities on the JSE measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed in writing between the Company and the party/ies subscribing for the securities (the JSE should be consulted for a ruling if the Company's securities have not traded in such 30 business-day period); and

- an announcement giving full details, including the number of securities issued, the average discount to the weighted average traded price of the securities over 30 (thirty) business days prior to the date that the issue is agreed in writing between the Company and the parties subscribing for the securities and in respect of the issue of options and convertible securities the impact on the statement of financial position, net asset value per share, net tangible asset value per share, the statement of comprehensive income, earnings per share and headline earnings per share and, if applicable, diluted earnings and headline earnings per share, or in respect of an issue of shares, an explanation, including supporting information (if any), of the intended use of the funds, will be published when the Company has issued securities representing, on a cumulative basis within the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given, 5% (five percent) or more of the number of securities in issue prior to the issue; and

- whenever the Company wishes to use repurchased shares, held in treasury by a subsidiary of the Company, such use must comply with the Listings Requirements as if such use was a fresh issue of ordinary shares."

**Voting requirement in terms of the Listings Requirements:**
In terms of the Listings Requirements, the minimum percentage of voting rights required for ordinary resolution number 4 to be adopted is at least 75% of the voting rights exercised by shareholders present or represented by proxy at the Annual General Meeting.

**Ordinary resolution number 5.1 – non-binding advisory endorsement of the Company's Remuneration Policy:**
"**RESOLVED** that, the Company's Remuneration Policy, as reflected on page 17 of this Annual Report, be and is hereby endorsed, by way of a non-binding advisory vote, in terms of King IV, proposed as being reasonable by the Remuneration Committee of the Company."

**Ordinary resolution number 5.2 – non-binding advisory endorsement of the Company's Implementation Report:**
"**RESOLVED** that, the Implementation Report as set out on page19 of this Annual Report be and is hereby endorsed by way of a non-binding advisory vote as recommended in terms of King IV".

Note: The King Report on Corporate Governance recommends that the Company's Remuneration Policy and Implementation Report be tabled for a non-binding advisory vote at each annual general meeting. Failure to pass these resolutions will not have legal consequences relating to existing arrangements. However, the Board will take the outcome of the vote into consideration when assessing the Company's Remuneration Policy going forward, and will, in the event that either the Remuneration Policy or the Implementation Report, or both, have been voted against by 25% of more of the voting rights exercised by shareholders, provide dissenting shareholders with information as to how to engage with the Company in regard to this matter as well as to the timing of such engagement.

**Ordinary resolution number 6 – authorisation of Directors:**
"**RESOLVED** that each of the directors of the Company be and is hereby individually authorised to sign all such documents and to do all such things as may be necessary, including without limitation to sign and file any agreement, addendum and document required, to give effect to the resolutions set out in this notice of Annual General Meeting."

**Special resolution number 1 – general approval to acquire shares:**

"**RESOLVED**, by way of general authority, that the Company and/or any of its subsidiaries from time to time be and are hereby authorised to acquire ordinary shares in the Company in terms of sections 46 and 48 of the Companies Act, the MOI of the Company and its subsidiaries and the JSE Listings Requirements, as amended from time to time.

The JSE Listings Requirements currently provide, inter alia, that:

- the acquisition of the ordinary shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party (reported trades are prohibited);
- this general authority shall only be valid until the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date of passing of this special resolution;
- in determining the price at which the Company's ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date on which the transaction is effected (the JSE should be consulted for a ruling if the Company's securities have not traded in such five business day period);

- at any point in time, the Company may only appoint one agent to effect any acquisition/s on the Company's behalf;
- the acquisitions of ordinary shares, in aggregate, in any one financial year, may not exceed 20% (twenty percent) of the Company's issued ordinary share capital;
- the Company may only effect the repurchase once a resolution has been passed by the Board confirming that Board has authorised the repurchase, that the Company has passed the solvency and liquidity test as defined in the Companies Act and that since the test was done there have been no material changes to the financial position of the group;
- neither the Company nor its subsidiaries may acquire ordinary shares during a prohibited period, as defined in paragraph 3.67 of the Listings Requirements, unless:
  - the Company had a repurchase programme in place and the programme has been submitted to the JSE prior to the prohibited period commencing;
  - only one independent third party has been instructed to execute the repurchase programme prior to the prohibited period commencing;
  - the repurchase programme includes the name and date of appointment of the independent third party instructed to execute the repurchase programme, the commencement and termination date of the repurchase programme and the fixed number of securities to be traded during the period.
- an announcement, will be published on SENS once the Company or any of its subsidiaries have cumulatively repurchased, 3% (three percent) of the number of ordinary shares in issue at the time that this general authority is granted ("initial number") and for each 3% (three percent) in aggregate of the initial number acquired thereafter."

Additional disclosure requirements in respect of special resolution number 1 in terms of paragraph 11.26 the Listings Requirements:

The Listings Requirements require the following disclosures, which are contained in the Annual Report of which this notice of Annual General Meeting forms part:

- Major shareholders Page 79
- Share capital of the Company Page 63

**Material changes:**
There have been no material changes in the affairs or financial position of the Company and its subsidiaries since the Company's financial year-end, being 29 February 2024 and the date of this notice of Annual General Meeting, other than what has been reported in the Company's financial statements as subsequent events.

**Directors' responsibility statement**
The Directors, whose names are given on pages 28 to 30 of the Annual Report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 1 and certify that to the best of their knowledge and belief there are no facts in relation to this special resolution that have been omitted which would make any statement in relation to this special resolution false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this special resolution together with this notice of Annual General Meeting contains all information required by law and the Listings Requirements in relation to this special resolution.

**Adequacy of working capital**
At the time that the contemplated repurchase is to take place, the directors of the Company will ensure that, after considering the effect of the maximum repurchase and for a period of 12 months thereafter:

- the Company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business;
- the consolidated assets of the Company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the Company and its subsidiaries;
- the issued share capital and reserves of the Company and its subsidiaries will be adequate for the purpose of the ordinary business of the Company and its subsidiaries; and
- the working capital available to the Company and its subsidiaries will be sufficient for the group's requirements.

**Special resolution number 2 – approval of non-executive Directors' fees:**
"**RESOLVED** that, as a special resolution:

- the Company be and is hereby authorised to pay remuneration to its non-executive Directors for their services as directors of the Company, as contemplated in section 66(8) and 66(9) of the Companies Act; and
- the annual remuneration structure and amounts payable to non-executive Directors of the Company as set out below, be and are hereby approved:

| Proposed fee for meetings: | 2024/2025 | | 2025/2026 | |
|---|---|---|---|---|
| | Meeting Fee | Annual Retainer | Meeting Fee | Annual Retainer |
| Board members | | | | |
| Chairman | R20,000 | R1,200,000 | - | R1,500,000 |
| Lead independent director | R10,000 | R480,000 | - | R588,000 |
| Independent director | R10,000 | R480,000 | - | R540,000 |
| Member | R10,000 | - | - | - |
| Combined Audit and Risk Committee | | | | |
| Chairman | R12,500 | - | - | - |
| Member | R10,000 | - | - | - |
| Combined Remuneration and Nomination Committee | | | | |
| Chairman | R12,500 | - | - | - |
| Member | R10,000 | - | - | - |

**Special resolution number 3 – financial assistance for subscription of securities:**

"**RESOLVED** that, in terms of section 44 of the Companies Act, the shareholders of the Company hereby approve of Mantengu providing, at any time and from time to time during the period of two years commencing on the date of this special resolution number 3, financial assistance by way of a loan, guarantee, the provision of security or otherwise, as contemplated in section 44 of the Companies Act, to any person for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by the Company, or a related or inter-related company, or for the purchase of any securities of the Company, or a related or inter-related company, provided that:

- the Board, from time to time, determines (i) the specific recipient, or general category of potential recipients of such financial assistance; (ii) the form, nature and extent of such financial assistance; (iii) the terms and conditions under which such financial assistance is provided; and

- the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution number 3 unless the Board meets all of those requirements of section 44 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance."

**Special resolution number 4 – financial assistance to related or inter-related companies:**

"**RESOLVED** that, in terms of section 45 of the Companies Act, the shareholders of the Company hereby approve of Mantengu providing, at any time and from time to time during the period of two years commencing on the date of this special resolution number 4, any direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) as contemplated in section 45 of the Companies Act to a director or prescribed officer of the Company, or to a related or inter-related company or corporation or to a member of any such related or inter-related corporation or to a person related to any such company, corporation, director, prescribed officer or member provided that:

- the Board, from time to time, determines (i) the specific recipient or general category of potential recipients of such financial assistance; (ii) the form, nature and extent of such financial assistance; (iii) the terms and conditions under which such financial assistance is provided, and

- the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution number 4 unless the Board meets all those requirements of section 45 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance."

**Other business**

To transact such other business as may be transacted at an Annual General Meeting or raised by shareholders with or without advance notice to the Company.

By order of the board<br>
**Neil Esterhuysen & Associates Inc.**<br>
Company Secretary<br>
Centurion<br>
25 June 2024

Registered office
5 Saint Michaels Lane
Bryanston
2021
(PostNet Suite 446
Private Bag X21
Bryanston, 2021)

Transfer Secretaries
Computershare Investor Services Proprietary Limited
2nd Floor, Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

(Private Bag X9000, Saxonwold, 2132)

## EXPLANATORY NOTES TO THE ANNUAL GENERAL MEETING:

**Ordinary resolution number 1 – rotation / appointment of directors**
In accordance with the MOI, one-third of the non-executive Directors are required to retire at each Annual General Meeting and may offer themselves for re-election.

**Ordinary resolution number 2 – appointment of auditors**
In terms of the Companies Act, Mantengu, as a public company, must appoint an auditor and the auditor must be appointed or reappointed, as the case may be, at each annual general meeting of the Company. HLB CMA South Africa Inc. have confirmed that they are willing to continue in office and this resolution proposes the re-appointment of that firm as the Company's auditors for the ensuing year. Section 90(3) of the Companies Act requires the designated auditor to meet the criteria set out in section 90(2) thereof. The Board is satisfied that Jean-Andre du Toit, the designated audit partner, meets all relevant criteria and, on the recommendation of the Combined Audit and Risk Committee, proposed that HLB CMA South Africa Inc. be re-appointed.

**Ordinary resolution number 3 – appointments to the Combined Audit and Risk Committee**
At each annual general meeting, a public company must, in terms of section 94(2) of the Companies Act, appoint, or re-appoint, as the case may be, an audit committee comprising at least 3 members who are non-executive directors and who meet the criteria set out in section 94(4) of the Companies Act. Regulation 42 to the Companies Act specifies that one-third of the members of the audit committee must have appropriate academic qualifications or experience in the areas as set out in that Regulation. The King IV Code, however, recommends that appointees to an audit committee should be independent non-executive directors and accordingly, the majority of the Directors proposed for appointment to the Audit and Risk Committee are Independent non-executive Directors.

**Ordinary resolution number 4 – General authority to issue ordinary shares, and to sell treasury shares, for cash**
Subject to the MOI, the requirements of the Companies Act and the Listings Requirements, the Board requires authority from shareholders to issue ordinary shares in the Company for cash. Once granted, the general authority allows the Board, from time to time and when appropriate, to issue ordinary shares as may be required, inter alia, in terms of capital-raising exercises.

In terms of the Listings Requirements, this resolution requires the approval of at least 75% of the votes cast by shareholders present or represented by proxy at the Annual General Meeting in order to be adopted.

**Ordinary resolution number 5 – non-binding advisory endorsement of the Company's Remuneration Policy and Implementation Report**
King IV recommends that every year, companies table their Remuneration Policy and Implementation Report to shareholders, as disclosed in three parts, namely:

- a background statement;

- an overview of the Remuneration Policy; and
- an Implementation Report and that shareholders be requested to pass the separate non-binding advisory votes on the Remuneration Policy and the Implementation Report at the Annual General Meeting.

Voting on ordinary resolution numbers 5.1 and 5.2 enables shareholders to express their views on the Remuneration Policy adopted and on its implementation.

The Remuneration Committee prepared, and the Board considered and accepted, the Remuneration Policy and Implementation Report, as set out in the 2024 Annual Report.

The Remuneration Policy also records the measures that the Board will adopt in the event that either the Remuneration Policy or the Implementation Report, or both, are voted against by 25% or more of the voting rights exercised by shareholders. In such event, the Company will, in its announcement of the results of the Annual General Meeting, provide dissenting shareholders with information as to how to engage with the Company in regard to this matter and the timing of such engagement.

**Special resolution number 1 – general approval to acquire shares**
Section 48 of the Companies Act authorises the board to approve the acquisition of the Company's own shares subject to the provisions of sections 46 and 48 of the Companies Act being met. The JSE has certain requirements relating to such repurchases and these are set out in this resolution. It is the intention of the Directors of the Company to use such authority should prevailing circumstances in their opinion warrant it.

**Special resolution number 2 – approval of non-executive Directors' fees**
In terms of section 66(9) of the Companies Act, a company's shareholders are required to pre-approve the payment of remuneration to non-executive directors for their services as directors for the ensuing financial year by means of a special resolution passed by shareholders of the company within the previous two years. Executive Directors are not specifically remunerated for their services as Directors but are remunerated as employees of the Company and accordingly, the resolution sets out the remuneration to be paid to non-executive Directors.

**Special resolution number 3 – financial assistance for the subscription of securities**
Section 44 of the Companies Act requires that shareholders approve the provision of financial assistance to any person for the purpose of, or in connection with, the subscription for any option or securities issued or to be issued by the Company or a related or inter-related company.

**Special resolution number 4 – financial assistance to related and/or inter-related companies**
Section 45(2) of the Companies Act authorises the Board to provide direct or indirect financial assistance to a related or inter-related company, subject to subsections 3 and 4 of section 45 of the Companies Act unless otherwise provided for in the MOI.

The main purpose of this resolution is to approve the granting of inter-company loans as well as granting letters of support and guarantees to subsidiaries in appropriate circumstances and avoids the necessity of referring individual instances to shareholders for approval.

# Form of Proxy

MANTENGU MINING LIMITED
(Formerly Mine Restoration Investments Limited)
Incorporated in the Republic of South Africa
(Registration number 1987/004821/06)
Share code: MTU ISIN: ZAE000302360
("Mantengu" or "the Company")

## FORM OF PROXY

To be completed by registered certificated shareholders and dematerialised shareholders with own-name registration only.

For use in respect of the Annual General Meeting to be held at 14:00 on Thursday, 15 August 2024, to be conducted entirely by electronic facility as permitted by section 63(2)(a) of the Companies Act, 2008 (Act 71 of 2008), as amended ("Companies Act"), the JSE Limited and the Company's Memorandum of Incorporation ("MOI") to consider and, if deemed fit, to pass with or without modification, the resolutions contained in the notice of the Annual General Meeting, forming part of the Annual Report .

Shareholders who have dematerialised their shares with a Central Securities Depository Participant ("CSDP") or broker, other than those with own-name registration, must arrange with their or broker concerned to provide them with the necessary Letter of Representation to attend the Annual General Meeting or the shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

I/We (full name in block letters)

of (address)

Telephone (work) …………… (home)………………… Mobile …………………………………………..

Email address: ………………………………………………………………….

Being the holder(s) of …………… ordinary shares in the Company, appoint (see note 1):

1. ……………………………………………………………………………………….or failing him,

2. ……………………………………………………………………………………….or failing him,

3. the chairperson of the Annual General Meeting,

as my/our proxy to attend and act on my/our behalf at the Annual General Meeting convened for purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat ("resolutions") and at each postponement or adjournment thereof and to vote for and/or against such resolutions, and/or to abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

| | Number of votes (one vote per ordinary share) | | |
|---|---|---|---|
| | For | Against | Abstain |
| Ordinary resolution number 1.1 – Re-election of Vincent Madlela as an independent non-executive director | | | |
| Ordinary resolution number 2 – Appointment of HLB South Africa Inc. as the Company's external auditors and Jean-Andre du Toit as the individual designated audit partner | | | |
| Ordinary resolution number 3.1 – Appointment of Vincent Madlela as a member and chairman of the Combined Audit and Risk Committee | | | |
| Ordinary resolution number 3.2 – Appointment of Jonas Tshikundamalema as a member of the Combined Audit and Risk Committee | | | |
| Ordinary resolution number 3.3 – Appointment of Alistair Collins as a member of the Combined Audit and Risk Committee | | | |
| Ordinary resolution number 4 – General authority to issue ordinary shares, and to sell treasury shares, for cash | | | |
| Ordinary resolution number 5.1 – Non-binding advisory endorsement of the Company's Remuneration Policy | | | |
| Ordinary resolution number 5.2 – Non-binding advisory endorsement of the Company's Implementation Report | | | |
| Ordinary resolution number 6 – Authorisation of Directors | | | |
| Special resolution number 1 – General approval to acquire securities | | | |
| Special resolution number 2 – Approval of non-executive Directors' fees | | | |
| Special resolution number 3 – Financial assistance for the subscription of securities | | | |
| Special resolution number 4 – Financial assistance to related and inter-related companies | | | |

(Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable).

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak, and on a poll, vote in place of that shareholder at the Annual General Meeting.

Signed at ………………………………………………… on ………………………………………….2024

Signature(s): ……………………………………………………………………………………………………

Capacity: ………………………………………………………………………………………………………..

Please read the notes on the reverse side hereof.

Notes:

1. The form of proxy must only be completed by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form with "own name" registration.

2. A member may insert the name of a proxy or the names of two alternate proxies of the member's choice in the space(s) provided, with or without deleting "the chairperson of the Annual General Meeting". The person whose name stands first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.

3. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholders' votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.

4. The completion and lodging of this form of proxy will not preclude the relevant member from attending the Annual General Meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such member wish to so do.

5. The chairperson of the Annual General Meeting may reject or accept any form of proxy, which is completed and/or received, other than in compliance with these notes.

6. Members, who have dematerialised their shares with a CSDP or Broker, other than with own-name registration, must arrange with the CSDP or Broker concerned to provide them with the necessary Letter of Representation to attend the Annual General Meeting or the members concerned must instruct their CSDP or Broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the member and the CSDP or Broker concerned.

7. Any alteration to this form of proxy, other than the deletion of alternatives, must be signed, not initialled, by the signatory/ies.

8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. on behalf of a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the company or waived by the chairman of the Annual General Meeting.

9. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been recorded by the Company.

10. Where there are joint holders of shares:
    - any one holder may sign the form of proxy; and
    - the vote(s) of the senior holder (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the Company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy), will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).

11. A vote given in terms of an instrument of proxy shall be valid in relation to the Annual General meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall or have been received by the transfer secretaries not less than 48 (forty-eight) hours before the commencement of the Annual General Meeting. Forms of proxy may be delivered to the Chairperson of the Annual General Meeting, at alistair@mantengu.com, before voting on a particular resolution commences.

Summary of the rights established in terms of section 58 of the Companies Act

Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act:

- A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the relevant shareholders' meeting.
- A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
- The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.
- The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
  a. the date stated in the revocation instrument, if any; and
  b. the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.
- If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder, must be delivered by the Company to:
  a. the shareholder; or
  b. the proxy or proxies, if the shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.
- The completion of a form of proxy does not preclude any shareholder from attending the AGM.

# NOTES

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Mantengu

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