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Private Bag X59
Arcadia
0007

70 Meintjies Street
Pretoria
0002

TEL: +27 (0) 12 444 3731

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**Please email any comments to Director Mineral Economics and Statistics:
Ray Masetlana
Email Address: Ray.Masetlana@dmpr.gov.za**

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ABBREVIATIONS AND SYMBOLS

A$	Australian dollar
B-billion	thousand
CIF	cost, insurance, freight
DMPR	Department of Mineral and Petroleum Resources
e	estimate
ETL	Exchange Traded Fund
FOB	free on board
FOR	free on rail
g/t	gram per ton
kg	kilogram
KPCS	Kimberley Process Certification Scheme
kt	thousand tons
lb	pounds avoirdupois
LME	London Metal Exchange
m	metre
Mt	million tons
Mt/a	million tons per annum
n/a	not available
ozt	troy ounce
PICC	Presidential Infrastructure Co-ordination Committee
PGM	Platinum Group Metals
q-o-q/qq	quarter on quarter
SARB	South African Reserve Bank
SACCI	South African Chamber of Commerce and Industry
t	metric ton
t/a	tons per annum
t/m	tons per month
y-o-y/yy	year on year
µ	micro-
US$	US dollar, unless stated otherwise
¥	yen
€	Euro

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1. GRAVITY BATTERY DEPLOYMENT OPPORTUNITY IN SOUTH AFRICA'S OLD DEEP-LEVEL SHAFTS.

South Africa is rapidly working to secure energy independence while reducing carbon emissions. As part of this effort, the National Development Plan (NDP) and Energy Action Plan (EAP) aim to add 29 500 MW of new generation capacity by 2030, including 20 000 MW from renewable sources. The NDP also targets 90 percent access to on-grid electricity by 2030, with the remaining 10 percent met through off-grid and alternative energy sources. As such, gravity batteries or gravity-based energy storage systems (GBESS) have emerged as a critical innovation that aligns with South Africa's strategic, economic, and policy priorities.

Gravity batteries is a Swiss technology with large scale developments in China, which stores energy by lifting heavy weights such as concrete blocks within vertical mine shafts using surplus electricity. When energy is required, the blocks are lowered, generating electricity through regenerative braking. This process is fully dispatchable and independent of time and weather conditions, unlike solar or wind systems. Once fully developed, it can be deployed within 18 to 24 months, making them well-suited to the urgency of South Africa's energy crisis.

Importantly, South Africa has more than 6 000 decommissioned or underutilised mine shafts, many deeper than 1 000 m, offering a vast infrastructure base for GBESS deployment. Of these, roughly 2 000 shafts are technically suitable for conversion which represents a major brownfield opportunity in line with the National Energy Crisis Committee's (NECOM's) infrastructure reuse goals.

Gravity batteries are not only technically viable, but they are also strategically aligned with South Africa's national development objectives, which include the use of locally sourced materials such as steel, motors, winches, and concrete. This eliminates the need for rare earth minerals or imported parts, supporting industrial development, import substitutions, and local supply chains.

From a grid integration perspective, gravity batteries provide critical services like frequency regulation, ramp-rate support, and peak shaving, essential for the stable operation of a renewable-powered grid. These benefits make the systems ideal for municipal storage, off-grid mining, and national grid balancing, increasing energy resilience across multiple levels.

An initial rollout of 10 plants could deliver 3 000 MW and 200 MWh of storage, enough to meet 9 percent of peak national demand. This would potentially boost production as it will affect the commissioning of mines that were closed. Due to electricity strategic objectives and policy instruments, gravity batteries should be prioritised as both an energy security asset and a vehicle for industrialisation. South Africa can further benefit due to increased electricity capacity availability, energy security asset and a vehicle for industrialization. As South Africa accelerates the implementation of its Energy Action Plan, gravity-based energy storage presents a low-risk, high-impact opportunity to power a clean, resilient, and inclusive energy future.

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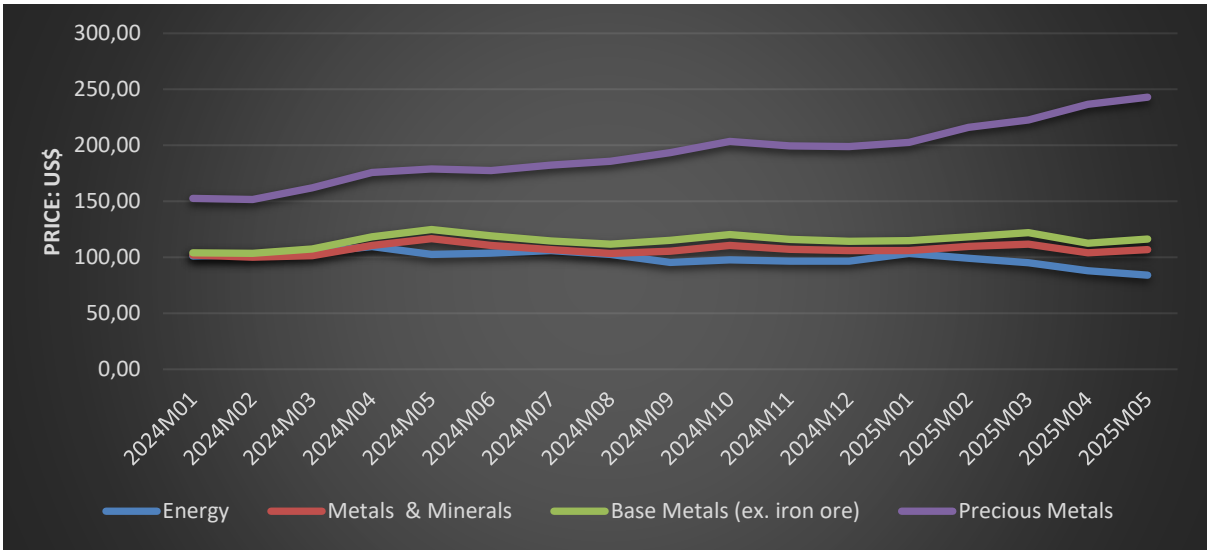
2. GLOBAL ECONOMIC OUTLOOK

Spotlight on the mining industry

Global economic growth is projected at 2.8 percent in 2025 and 3.0 percent in 2026, marking a downward revision from the 3.3 percent projection made in January 2025. The decline in growth is largely attributed to trade tensions and heightened policy uncertainties, including the continued implementation of restrictive monetary policies across major economies. South Africa's economy is projected to grow by 1.3 percent in 2025 and 1.4 percent in 2026. This anticipated modest growth will be supported by the gradual easing of monetary policy, which may help stimulate investment and consumption.

The sluggish global economic growth is expected to exert downward pressure on commodity demand, particularly affecting resource-dependent sectors like the mining sector. Consequently, overall commodity prices are projected to decrease by 12 percent in 2025 and 5 percent in 2026. Energy prices are expected to fall by 17 percent in 2025 and a further 6 percent in 2026. Similarly, metal and mineral prices are expected to decline by 10 percent in 2025 and by 3 percent in 2026. In contrast, prices for precious metals such as gold and silver are anticipated to experience price increases over the same period, supported by strong safe-haven assets demand amid persistent policy uncertainty, ongoing global trade tensions, and increased central bank purchases.

FIGURE 1: COMMODITY PRICES FROM JANUARY 2024 TO MAY 2025.



Source: WorldBank.org.

The underperformance of the mining industry, driven by declining prices and subdued global demand, is expected to negatively impact national fiscal revenue. This is particularly concerning, given the sector's significant contribution to South Africa's economy through its contributions to corporate income tax, foreign exchange earnings, and mineral and petroleum royalties. By the end of the first quarter of 2025 (Q1 2025), the industry had generated approximately R176,4 billion in revenue from the sale of primary minerals, reflecting a 1.6 percent year on year decrease. Annual revenue for the mining industry is expected to contract further over the remainder of the year due to weaker global economic activity and persistent low commodity prices.

While the global economic growth and commodity prices are expected to remain subdued in 2025 and 2026, several upside risk factors such as escalating geopolitical tensions, severe weather events, and a

potential easing of global trade tensions could disrupt the supply chain and place an upward pressure on commodity prices. A resultant price increase would likely enhance the performance of the mining sector, with positive spillover effects for the broader economy through increased export earnings, improved fiscal revenues, and heightened investor confidence.

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Kabelo Tshetlhanyane

3. EMBRACING AUTOMATION IN SOUTH AFRICA'S MINING SECTOR

A sector poised for transformation

For over a century, South Africa's mining sector has played a pivotal role in the national economy. Today, it operates within a complex landscape shaped by geopolitical instability, economic uncertainty, regulatory shifts, rising input costs, and volatile mineral commodity prices. Nonetheless, the sector is undergoing structural transformation, driven by advances in technological innovation and sustainability efforts. Given its abundant mineral endowment and a history steeped in labour-intensive operations, the industry is well-positioned to transition toward a more efficient and resilient model.

The sector confronts a range of structural and operational challenges, including safety concerns associated with deep-level mines, aging infrastructure, and the increasing need to adopt environmentally sustainable practices. In response, automation has emerged as a pivotal catalyst for transformation, revolutionising mining industry through the deployment of remote sensing technologies, autonomous haulage systems, and mechanised deep-level mining solutions. These technologies are expected to enhance operational efficiency, improve worker safety, and reduce environmental footprint. Leading mining firms such as Anglo-American, Gold Fields, and Vedanta Resources have launched pilot initiatives to explore the integration of automated systems, aiming to boost productivity, lower operational costs, and enhance worker safety across mining operations.

Nevertheless, the sector's digital transformation presents critical concerns regarding workforce readiness, skills development, infrastructure adequacy, and cultural adaptation. To ensure smooth transition and mitigate potential socioeconomic disruptions, this structural shift must be strategically managed. Achieving inclusive and sustainable growth requires coordinated efforts among government, mining companies, and academic institutions. Such collaboration is essential to establish targeted digital skills training programs,

support innovation hubs, implement pilot projects, and formulate policy frameworks that foster technological advancement while safeguarding employment and promoting equitable labour market outcomes.

By adopting advanced technology and investing in human capital development, South Africa's mining has the potential to position itself at the forefront of a more resilient, productive, and inclusive economic trajectory. Realising this potential will require strong leadership, targeted investment, and a sustained commitment to equitable growth and long-term value creation.

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Silungiselelo Mnyameni

4. THE IMPACT OF US TARIFFS ON SOUTH AFRICA' MINING INDUSTRY.

South Africa is a significant global supplier of key mineral commodities, including platinum group metals (PGMs), manganese, chromium, iron ore, gold and coal. The United States of America (US) is a key market, particularly for PGMs used in automotive catalytic converters and manganese employed in steel production. The imposition of tariffs by the US could dampen demand, potentially exerting downward pressure on prices. This, in turn, may result in reduced export earnings and lower profitability for South African mining companies. A decline in export earnings could weaken the South African rand (ZAR), thereby increasing the cost of imported capital goods, including mining equipment. This increase in input costs could further strain mining companies' budgets. Tighter budgets and lower profitability could lead to operational downsizing, including mine closures, layoffs, and the postponement or cancellation of expansion projects. Given the mining sector's substantial contribution to national employment, such developments could worsen unemployment levels and pose broader socio-economic challenges.

While the coal industry may not be directly impacted by the limited scope of proposed US tariffs, potential retaliatory measures by South Africa - such as imposing tariffs on US goods could disrupt the importation of mining equipment, including machinery from major suppliers like Caterpillar and Komatsu. Such disruptions would raise capital and operating costs across the mining sector, including the coal industry. This would be particularly detrimental to emerging coal mining companies and new projects, which typically operate with limited financial resilience and may struggle to remain viable under increased cost pressures.

One potentially positive outcome of the tariff dispute could be the acceleration of the implementation of the country's Mineral Beneficiation strategy. This is an opportunity for South Africa to fast track its beneficiation initiative by increasing local processing of its ores, rather than exporting unprocessed ore. In this, the country can capture more value within its borders, stimulate job creation, and reduce its vulnerability to external market shocks. Furthermore, to mitigate tariff-like risks, South Africa should diversify its trade partnerships by strengthening trade ties with China, the European Union, as well its BRICS partners; while also scaling up investments in mineral processing infrastructure and address logistical constraints that hinder the efficient movement of goods within and beyond its borders.

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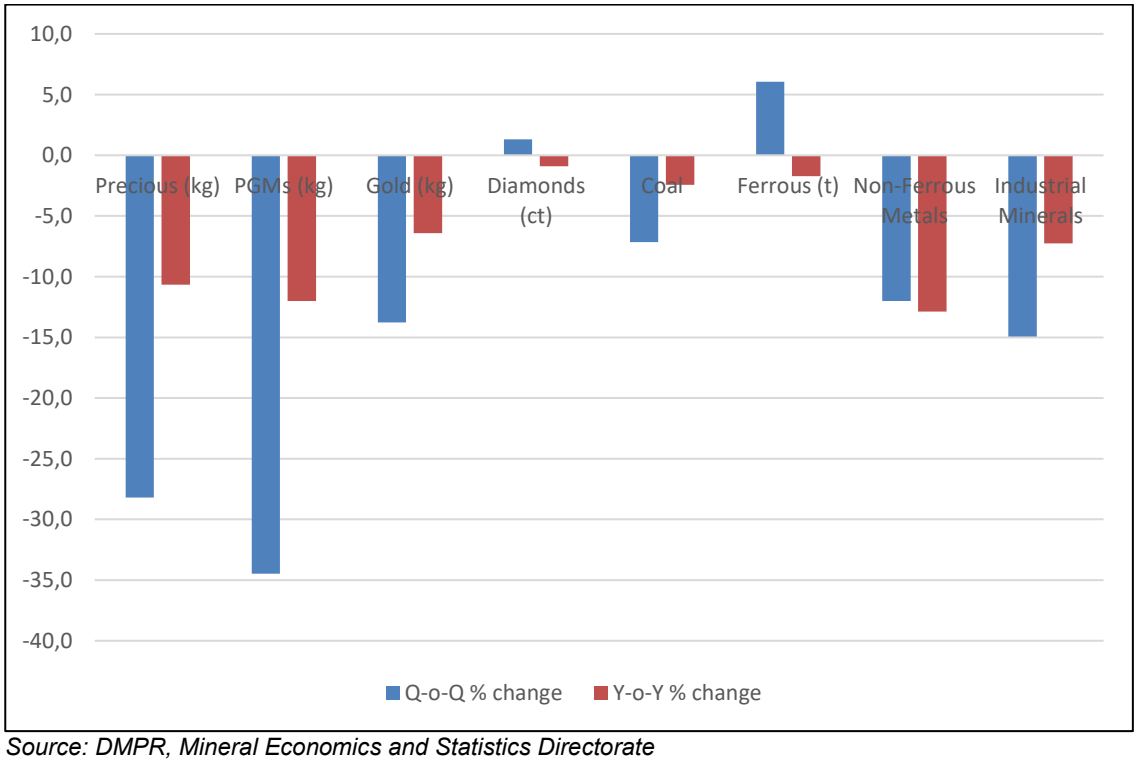
K L Revombo

5. SOUTH AFRICA'S MINING SECTOR PERFORMANCE DURING THE FIRST QUARTER OF 2025.

Production

Preliminary Mineral Economics and Statistics indicate that there was an overall decline in production on q-o-q, largely due to most commodities across the sector, except for diamonds and ferrous metals (Figure 2). Similarly, y-o-y recorded an overall decline attributed to the entire sector (Figure 2).

FIGURE 2: PERCENTAGE CHANGE IN PRODUCTION.



Source: DMPR, Mineral Economics and Statistics Directorate

Total precious metals production reached about 73 391 Kg in quarter 1 of 2025, reflecting a decline of 28.2% and 10.7%, q-o-q and y-o-y, respectively (Figure 2). The drop was largely driven by steep contractions in PGMs (by 43.5%) and gold output (by 13.8%) in both periods, with underlying factors including operational disruptions, lower ore grades, and ongoing ore processing constraints. Refined PGM volumes were particularly affected by unplanned outages and constrained throughput, while gold output declined due to seasonal effects and power-related production delays. Silver production also weakened, impacted by softer by-product recovery and grade deterioration at polymetallic operations. Diamond production increased by 1.3%, q-o-q to a total of 1 475 559 carats, due to the transition of De Beers' Venetia mine to underground mining. The production reflects a decline of 0.9%, y-o-y, attributed

to the depletion of lower-grade surface stockpiles at Venetia. Challenges such as high operating costs, water scarcity, and a skills shortage continue to impact the industry.

Total coal production fell by 7.1% q-o-q and by 2.4% y-o-y to about 55.2 Mt (Figure 2), because of a confluence of structural issues in South Africa's coal industry, reduced domestic and foreign demand, and logistical difficulties. Seasonal factors like heavy rainfall may have temporarily disrupted mining operations and transport networks. Furthermore, delays at key export terminals have hampered mining companies from ramping up production as stockpiles were already high.

Ferrous total production averaged 24.6 Mt in the first quarter of 2025, reflecting a 6.1% increase q-o-q (Figure 2), The increase was primarily driven by higher iron ore and manganese ore output at 13.3% and 6.8% respectively, as producers frontloaded production in anticipation of planned rail and port maintenance, aiming to minimise potential logistics-related disruptions later in the year. This was further supported by stronger international demand, particularly from Asia, as buyers sought to fill the supply gap left by the temporary suspension of Australian operations, following damage caused by a tropical cyclone in March 2024, in that country. In contrast, chrome ore production declined by 12.3% q-o-q, with several producers reporting either significantly lower or zero production levels. However, on a y-o-y basis, total ferrous production declined by 1.7%, driven by a 6.7% drop in iron ore and 0.5% decline in chrome ore output, both impacted by logistical constraints, market-related production curtailments, and muted domestic demand. While manganese ore production rose by a strong 17.2 percent y-o-y, supported by robust offshore demand and improved operational performance at key mines, that was not sufficient to offset the declines recorded by the other sectors of the ferrous industry.

Non-ferrous metals' production dropped by 12% in the first quarter of 2025 and by 2.9% y-o-y to about 825 298 t (Figure 2). The q-o-q decline is attributed to production decline across all the non-ferrous metals, with only zinc improving by 11.2 %. On an annual basis cobalt increased by 14.7%, zinc by 72.7%, lithium by 8.3% and copper by 9.5%, but the increases were not sufficient to offset the loss made by heavy minerals sands.

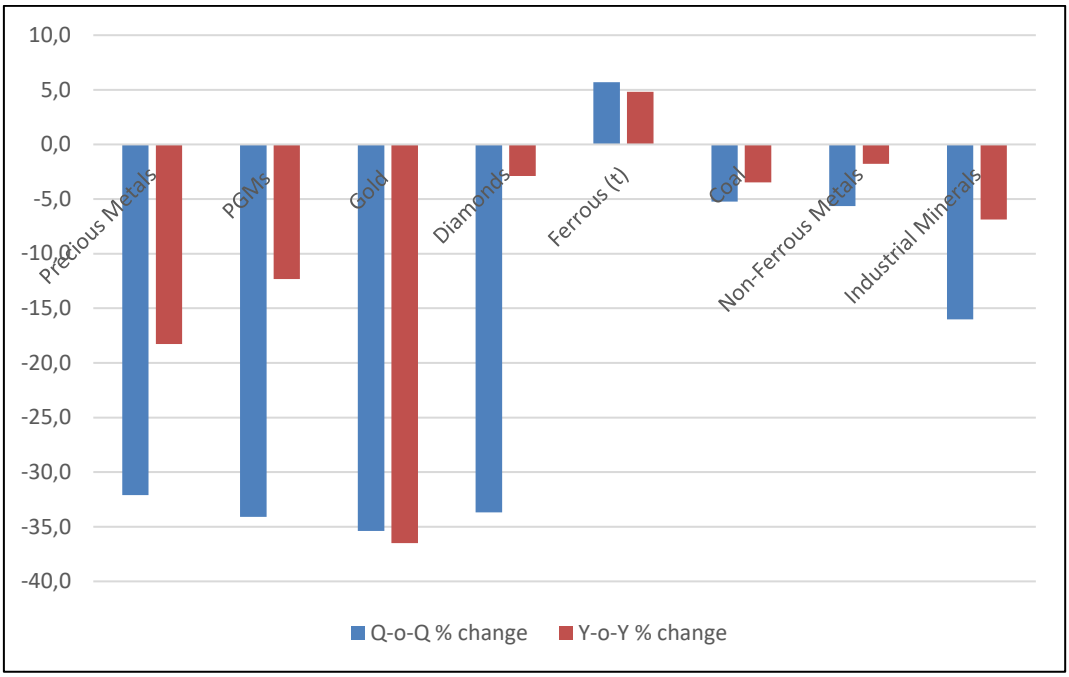
Industrial minerals production declined by 14.9% q-o-q to about 19.1 Mt (Figure 2), attributed to a decline in output for aggregate and sand by 14.3%, dimension stone by 23.5%, fluorspar by 18.2%, limestone and dolomite by 23.8%, special clays by 47.5%, vermiculite by 7.4 and other minor minerals by 3.9%, which could not be offset by the increases recorded by andalusite, which increased by 17.8%. Y-o-y also declined by 7.3%, with the only increase recorded by fluorspar.

Sales and sales value

Total mining sales quantities declined across the whole sector, except for the ferrous metals, on both q-o-q and y-o-y basis (Figure 3). Total sales revenue declined by 15.2% q-o-q and by 4.7% y-o-y to about R175.43 billion in quarter one of 2025, in line with the poor sales (Figure 4).

Precious metals total sales mass was estimated at about 67 690 Kg in the first quarter of 2025, reflecting 32.1% and 18.3% decline, q-o-q and y-o-y, respectively (Figure 3), primarily attributed to continued decline in the automotive sector, which reduced demand for PGMs, coupled with softer investor sentiment due to high interest rates, global economic uncertainty, and muted GDP growth. The corresponding sales revenue for precious metals averaged R62.1 billion, reflecting a drop of 29.3% and 11.6%, q-o-q and y-o-y, respectively, attributed to lower sales mass.

FIGURE 3: PERCENTAGE CHANGE IN SALES QUANTITIES.



Source: DMPR, Mineral Economics and Statistics Directorate

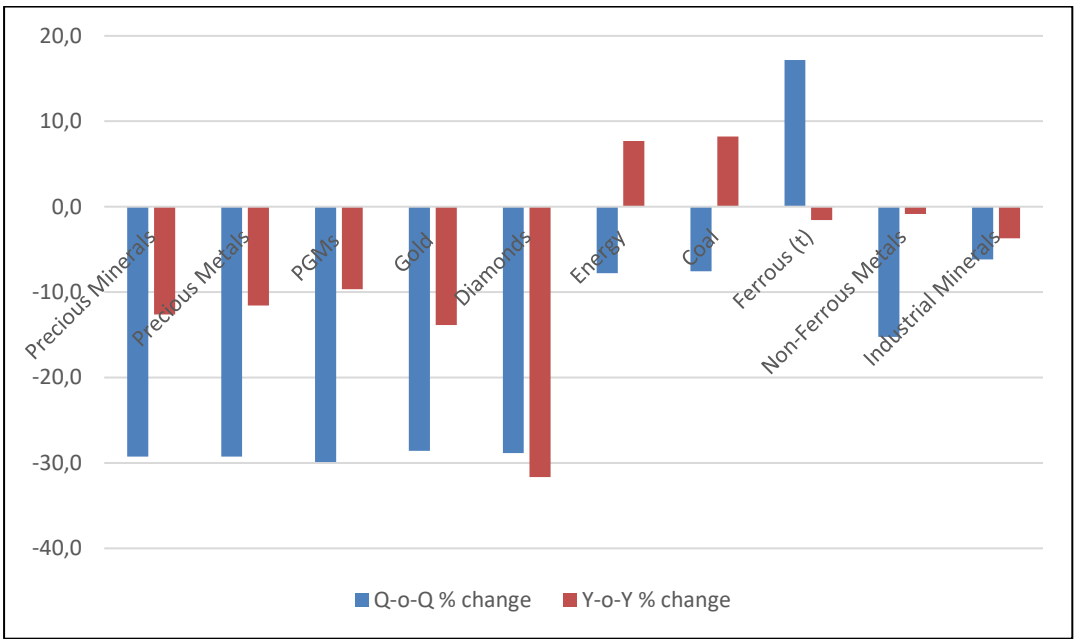
Total diamond sales mass totalled 1 370 620 carats, reflecting a 33.7% and 2.9% drop q-o-q and y-o-y, respectively (Figure 3). The subdued performance was the result of a cautious sales strategy implemented by producers such as De Beers and Petra Diamonds in response to weak global demand. Sales volumes were intentionally curtailed to support pricing stability in a soft polished market. Restocking hesitancy across midstream cutters and polishers, amid tight liquidity and uncertain consumer sentiment, particularly from China, further impacted the sales. Furthermore, production-related disruptions and strategic inventory withholding at major mines helped temper oversupply and preserved price discipline. The corresponding diamond sales revenue dropped by 28.8% and 31.7%, q-o-q and y-o-y (Figure 4), respectively, in line with sales and weaker global demand. The totals corresponding sales revenue for precious minerals and metals declined by 29.2% q-o-q and by 12.6% y-o-y to about R64.7 billion (Figure 4).

Total coal sales mass fell by 5.2% q-o-q and by 3.5% y-o-y to about 59.3 Mt (Figure 3), due to declining demand from both local and export markets. Furthermore, increased exports from Indonesia, Australia, or Russia contributed to reduced demand for South Africa's coal by key markets like India and China and, locally, the low sales mass was due to the slowdown in industry and Eskom's reduced demand due to maintenance of some of its power plants. The total energy sales declined by 7.8% q-o-q to about RR49.6 billion (Figure 4), in line with the drop in sales mass for coal. However, y-o-y, in increased by 8.2%, reflective of improved of improved unit prices supported by a relatively weaker ZAR/US$ exchange rate at 18.50 during the first quarter of 2025, as compared to 17.80 in the first quarter of 2024.

Total ferrous sales mass averaged about 21.9 Mt in the first quarter of 2025, reflecting a 2% and 3.2% increases, q-o-q and y-o-y (Figure 3), respectively, supported by improved global demand, particularly from China and India, as well as improved rail and port logistics performance, which enabled higher throughput and reduced delays. Stronger export sales volumes, particularly from the iron and manganese ore segments, rose by 5% and 8% q-o-q and y-o-y, respectively, with iron ore sales benefitting from robust offshore interest in high-grade ore, while manganese sales were buoyed by increased stockpiling in Asian markets, amid supply concerns following cyclone-related disruptions in Australia. However, chrome ore sales mass dropped on both q-o-q and y-o-y, by 12.3% and 3.9%,

respectively, weighed down by softening demand from the stainless-steel sector, particularly in Asia, where oversupply, elevated input costs, and operating cutbacks in smelting activity led to weaker offtake.

FIGURE 4. PERCENTAGE CHANGE IN SALES VALUE.



Source: DMPR, Mineral Economics and Statistics Directorate

On a y-o-y basis, total ferrous sales growth was largely driven by a rise in iron ore volumes, despite declines recorded from the chrome and manganese ore sectors. The corresponding sales revenue increased by 5.1% q-o-q and declined by 6.7 y-o-y to about R46.8 billion (Figure 4), driven by lower sales mass and unit prices across the sector.

Total non-ferrous metals sales mass dropped by 5.6% q-o-q in line with the 12% drop in production (Figure 3). The gains made by zinc and titanium in this quarter were not adequate to offset the losses from other commodities. Similarly, the drop in sales of most non-ferrous minerals resulted in a 1.8% decline, y-o-y. Although lithium and zinc sales mass increased by 26.6% and 75.8% respectively, their improvement was not sufficient to offset the overall decline, y-o-y. The corresponding sales revenue fell by 15.2% q-o-q and by 0.9% y-o-y, owing to lower commodity prices and sales volumes in the period under review, for most non-ferrous minerals. While zinc was the best performer recording a 9.3% increase q-o-q and 91.6%, followed by lithium's 39.4% and copper's 4.7% y-o-y, it was not sufficient to offset the decline (Figure 4).

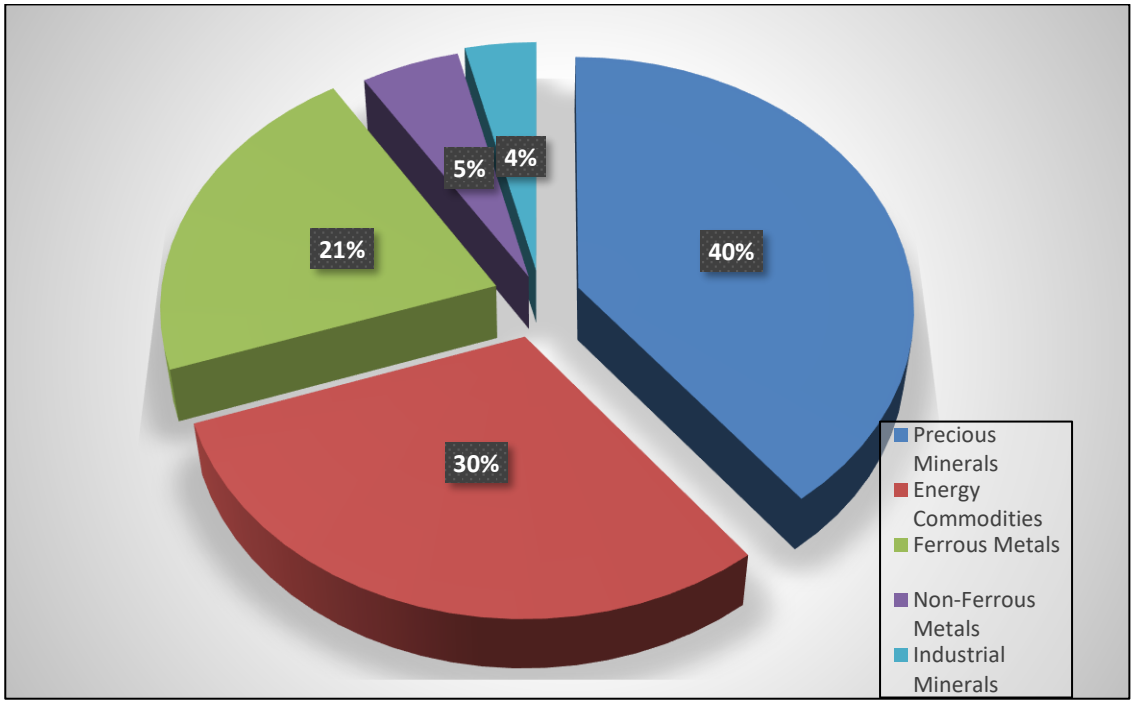
In line with production, sales mass for industrial minerals declined by 16% to about 18 603 Kt (Figure 3), attributed to declines across all the minerals, q-o-q. On a y-o-y basis it declined by 6.9%, with only fluorspar and phosphate rock increasing by 10.8% and 6.3%, respectively. The corresponding sales revenue declined by 6.2%, q-o-q in line with the sales mass, to about R6.14 billion. Similarly, it declined by 3.7%, y-o-y (Figure 4).

Percentage contribution to revenue by commodity groups

In term of sales revenue contribution by commodity groups (Figure 5), the precious minerals sector continued to lead the industry at 40% of the mining industry, totalling about R64.7 billion, reflecting sales revenue decline, as compared to the 44% in the previous quarter. The revenue is largely attributed to PGMs at about R33.32 billion, comprising 51.5% of the precious sector followed by gold

at about R28.61 billion, comprising about 44% of the precious sector. Energy commodities contributed about 30.3% valued at about R49.6 billion, largely attributed to coal at 99.7% of the energy sector amounting to about R49.49 billion. Ferrous metals contributed about 21.4% valued at about R35.1 billion, largely attributed to iron ore at about R23.8 billion, comprising about 67.8% of the ferrous, followed by chrome sector at R11.8 billion, comprising about 33.6% of the ferrous sector. Non-ferrous metals contributed 5.2% at about R8.5 billion. Industrial minerals contributed 3.7% valued at about R6.1 billion.

FIGURE 5. PERCENTAGE CONTRIBUTION BY SECTORS.

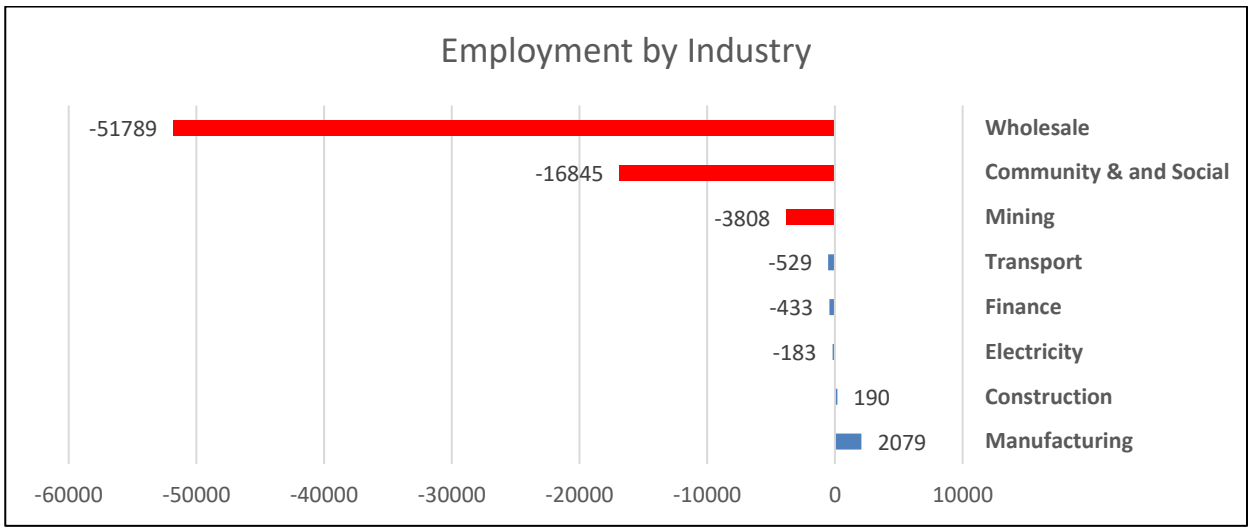


Source: DMPR, Mineral Economics and Statistics Directorate

Employment

Total employment for non-agricultural sectors in South Africa declined by 0.7 percent quarter on quarter to 10 651 658 employees from 10 651 658 employees in the fourth quarter of 2024. Year on year, it declined by 0.9 percent for a total of 10 673 239 employees in the first quarter of 2024. While all sectors but construction and manufacturing, registered a decline in employment, the decline came largely from the trade sector, having declined by 2.2 percent, an equivalent of a significant 51 789 employees (Figure 6).

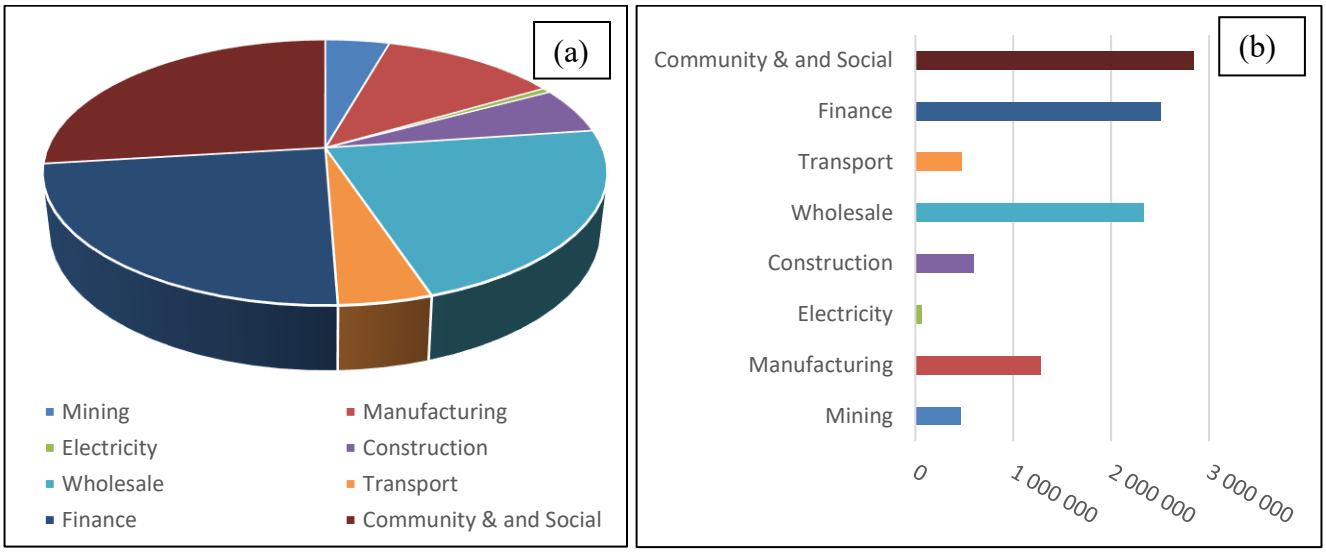
FIGURE 6: TOTAL EMPLOYMENT PERFORMANCE.



Source: Quarterly Employment Statistics (QES), March 2025

The mining sector comprised about 4.4% of the total employment (Figures 7 (a) and (b).

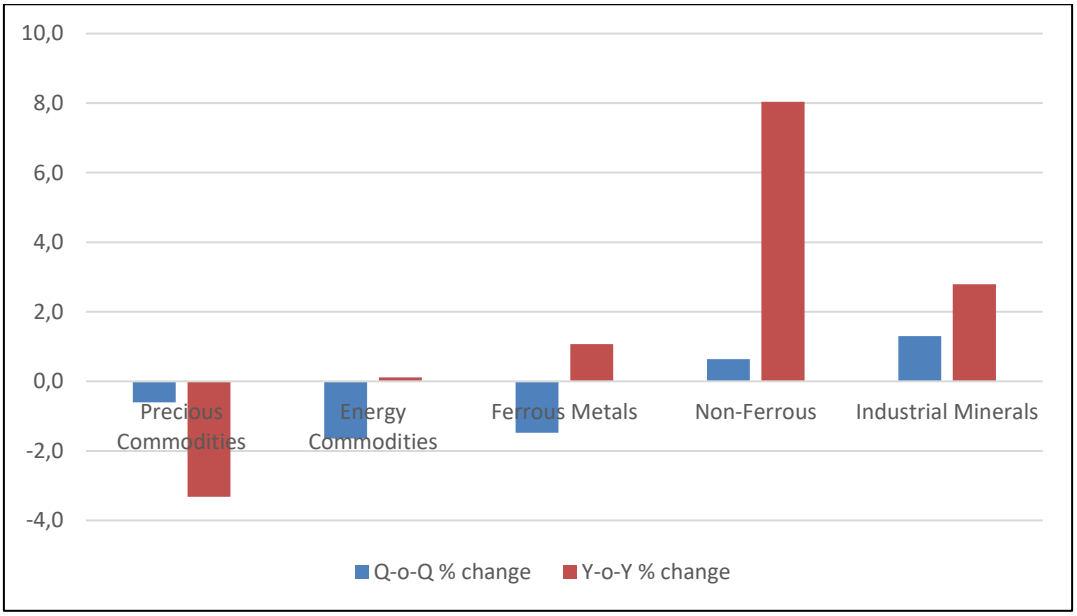
FIGURE 7: CONTRIBUTION BY INDUSTRY.



Source: Quarterly Employment Statistics (QES), March 2025

The total primary mining employment declined by 0.8 percent q-o-q, representative of a total of 3 808 employees less, than in quarter 4 of 2024 to 465 304 employees and by 2.1 percent y-o-y, representative of a significant 9 993 employees less. Both declines are attributed to declines recorded by the precious sector, energy commodities, and ferrous sector, which the increases registered by both non-ferrous metals and industrial minerals sectors, could not offset (Figure 8). The declines came from retrenchments in the affected sectors.

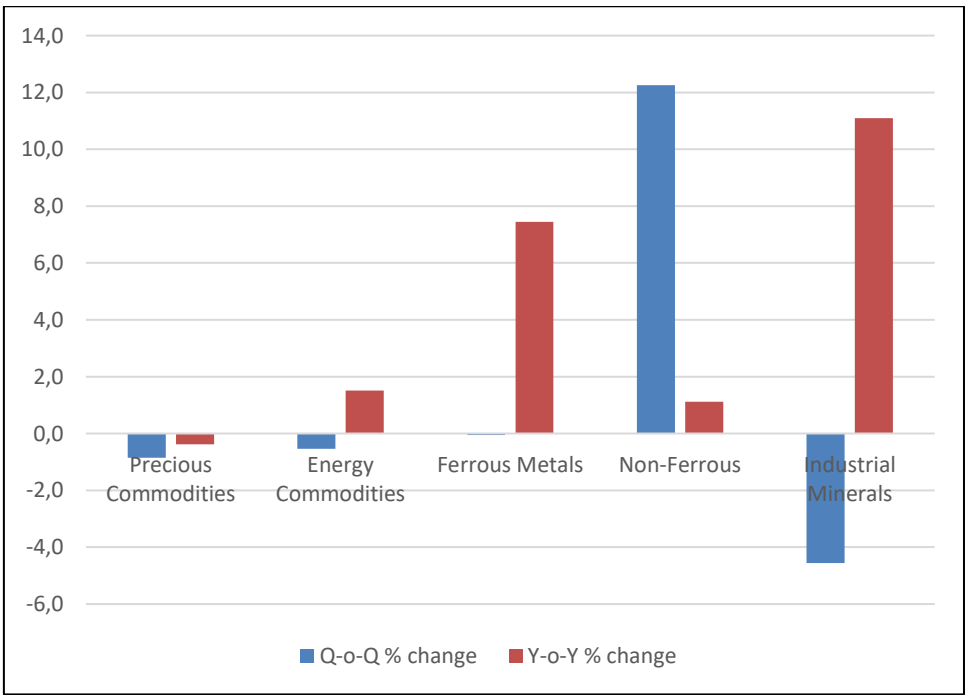
FIGURE 8: PERCENTAGE CHANGE IN SOUTH AFRICA'S MINING EMPLOYMENT PER SECTOR.



Source: DMPR, Mineral Economics and Statistics Directorate

In terms of remuneration, Total remuneration for the mining industry declined by a marginal 0.2% q-o-q and increased by 1.3 percent y-o-y to about R48.7 (Figure 9). The q-o-q increase is attributed to declines recorded by the precious, energy as well as the ferrous sectors, with non-ferrous metals' sector marginally managing to moderate the small decline, with its double-digit increase.

FIGURE 9: PERCENTAGE CHANGE IN SOUTH AFRICA'S MINING REMUNIRATION PER SECTOR.



Source: DMPR, Mineral Economics and Statistics Directorate

Outlook

Poor rail infrastructure and Transnet's logistical challenges including locomotives availability, cable theft, rail vandalism and port delays, have been among the biggest factors constraining the mining performance. However, there has been a marked improvement reflected in the performance of the ferrous sector, the only sector that recorded improvement in production during the period under review. It is envisaged that these improvements will also boost coal exports. On the side of energy, which has also impacted positively, on the performance of the industry, electricity availability has also improved by 2.4% y-o-y, which will also contribute towards improved mining performance, in terms of production. Furthermore, the mining sector faces significant headwinds, including commodity price volatility and operational inefficiencies, which are intrinsic to the sector. However, there are signs of stabilizing, which will also support improvement in mining performance.

The ZAR/US$ exchange rate improved by 4% q-o-q and declined by 1.6% y-o-y to an average of 18.52. However, signs are that it will continue to decline marginally in quarter two of 2025, by 0.5% and 0.3%, q-o-q and y-o-y. A relatively weaker ZAR/US$ exchange rate augers well for export commodities as they fetch more rands per unit sold. The latter is also likely to benefit gold metal, at the prevailing average prices of over US$3 800 per ounce. The sanctions against Russia have not shown any influence on the demand for platinum, away from palladium largely produced by that country.

South Africa's abundant reserves of critical minerals present a huge potential for the country, as world is gradually moving towards renewable energy, energy storage as well as electric vehicles. It is envisaged that demand for these minerals will significantly, leading an improvement mining performance.

References:

1. *DMPR: Mineral Economics and Statistics, 2024, Q1 2025*
2. *SARB, Statistical data, archived, Q1 2025*

Ray Masetlana

6. SOUTH AFRICA'S PRECIOUS METALS AND MINERALS SECTOR'S PERFORMANCE DURING THE FIRST QUARTER OF 2025.

South Africa's precious metal's production was estimated at 73.4 tons (t) in the first quarter of 2025 (Q1 2025), with Platinum Group Metals (PGMs) contributing 63.1 percent to total precious metals production, while gold and silver contributed 26.7 percent and 10.2 percent, respectively (Figure 10 and Table 1). Production declined by 28.2 percent and 10.7 percent q-o-q and y-o-y respectively, due to lower output across the precious sector, with underlying factors including operational disruptions, lower ore grades, and ongoing processing constraints, in both periods. PGMs production was estimated at 46.3 t recording a 34.5 percent and 12 percent drop q-o-q and y-o-y, respectively due to operational headwinds across key producers, including Anglo American Platinum, Impala Platinum, Sibanye-Stillwater, and Northam. Gold production was estimated at 19.5 t, decreasing by 13.8 percent and 6.4 percent q-o-q and y-o-y respectively, due to notable drops recorded across major operations, including Harmony, DRD Gold, Sibanye, Gold Fields, and Randfontein mines. Silver production was estimated at around 7.5 tons, down 15.2 percent and 12.7 percent q-o-q and y-o-y respectively, largely because of diminished by-product output at polymetallic operations, coupled with plant maintenance shutdowns, and weaker silver grades, contributing to the overall shortfall.

TABLE 1: SOUTH AFRICA'S PRECIOUS METALS PRODUCTION, Q1 2025.

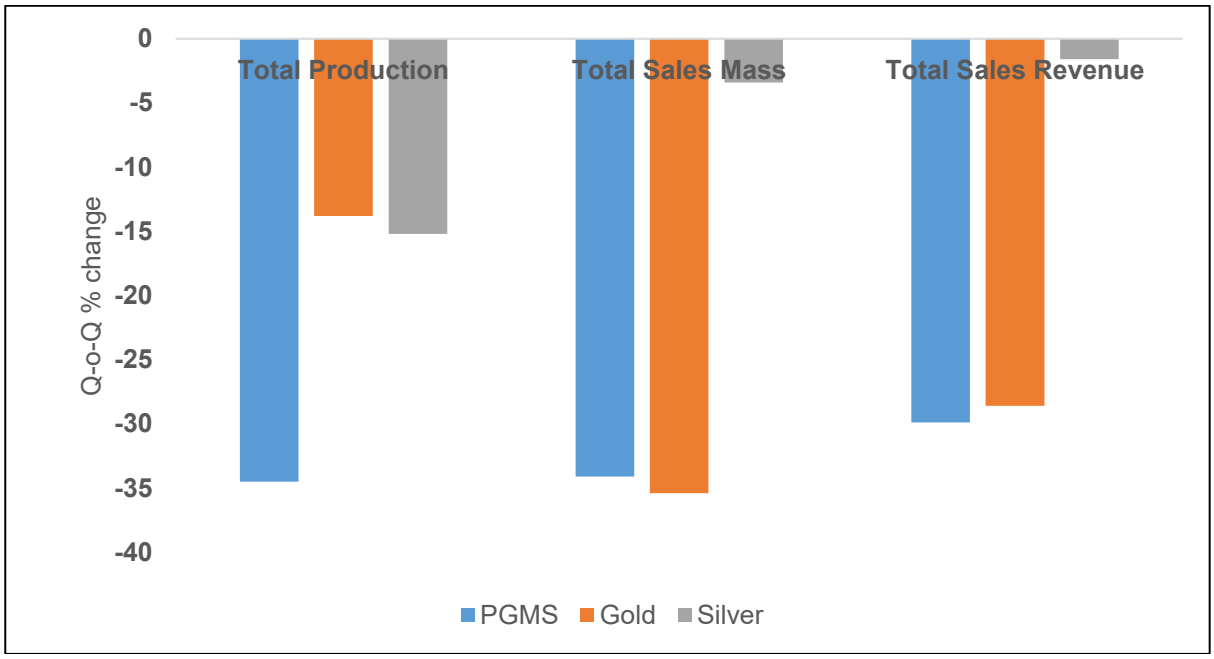
PERIOD	PRODUCTION QUANTITY (t)	LOCAL SALES QUANTITY (t)	LOCAL SALES VALUE (R'mil)	EXPORT SALES QUANTITY (t)	EXPORT SALES VALUE (R' mil)	TOTAL SALES QUANTITY (t)	TOTAL SALES VALUE (R' mil)
Q1 2025	**73 391**	2.4	2 108	65.2	59 955	67 690	62 063
Q4 2024	**102 217**	2.6	1 972	97.0	85 765	99 682	87 738
Q1 2024	**82 154**	3.4	3 013	79.3	67 181	82 833	70 194
Q-o-Q	*-28.2*	*-7.6*	*6.8*	*-32.7*	*-30.09*	*-32.1*	*-29.3*
Y-o-Y	*-10.7*	*-29.4*	*-30*	*-17.7*	*-10.75*	*-18.3*	*-11.6*

Source: DMPR Mineral Economics and Statistics 2025, 2024

Sales and Revenue

Precious metals' total sales mass dropped by 32.1 percent and 18.3 percent, q-o-q and y-o-y respectively from 99.6 t in Q4 2024 to 67.6 t in Q1 2025 (Figure 10 and Table 1), due to weak demand, lower prices, and structural challenges in the automotive sector, which weighed heavily on PGMs. Revenue generated from the precious metals sector reached R62.1 billion, contributing just over 35.4 percent to total mining revenue, making a significant impact on the economy. Revenue decreased by 29.3 percent and 11.6 percent, q-o-q and y-o-y respectively, mainly due to a near 30 percent and 29.0 respective fall in sales volumes, particularly for PGMs and gold.

FIGURE 10: PRECIOUS METAL'S PRODUCTION AND SALES, QUARTERLY % CHANGE.



Source: DMPR, Mineral Economics and Statistics, 2024, 2025

PGM's sales volumes declined in both periods, primarily attributed to continued weakness in the automotive sector, which reduced demand for PGMs, coupled with softer investor sentiment due to high interest rates, global economic uncertainty, and muted GDP growth. The PGMs' sales mass drop was exacerbated by supply disruptions at the Anglo Converter Plant (ACP), underground safety stoppages, and reduced access to higher-grade UG2 reef ore, as well metal-in-process backlogs and export logistics constraints, which further contributed to the lower sales volumes. The drop in gold sector's revenue, both q-o-q and y-o-y respectively, was driven by low sales volumes, which dropped by 35.4 percent and 36.5 percent, q-o-q and y-o-y respectively, despite weaker rand to dollar exchange rate as well as high gold

prices. Gold prices increased from $2 661.94/oz in Q4 2024 to $2,860.02/oz in Q1 2025 but could not offset the impact of the low international demand. Silver sales volume declined by 3.4 percent q-o-q, primarily due to lower availability of by-product output at polymetallic operations and intermittent processing plant stoppages. However, sales rose by 9.0 percent y-o-y, supported by stronger silver grades earlier in the year and favorable base effects. Demand from solar, electronics, and battery sectors remained healthy, although some softness was noted in jewellery and bullion segments. Silver's status as a secondary product continued to expose its sales performance to variability in lead-zinc and gold throughput.

TABLE 2: PRICES OF PRECIOUS METALS: Q4 2024.

Periods	Gold	Silver	Pt	Pd	Rh	Ir	Ru	5 PGE	*R/$ Exchange*
Q1 2025	2 860	31.8	980.1	1 022	4 926	4 295	516.2	2 342	18.6110
Q4 2024	2 661	31.3	976.8	955.6	4 650	4 579	477.6	2 341	17.8960
Q1 2024	2 072	23.3	920.7	1 026	4 494	4 977	440.4	2 364	18.9050
Q-o-Q	*7.4*	*1.8*	*0.3*	*-4.8*	*5.9*	*-6.2*	*8.1*	*0.02*	*4*
Y-o-Y	*38*	*36.5*	*6.5*	*1.2*	*9.6*	*-13.7*	*17.2*	*-1.0*	*-1.6*

Source: DMPR Mineral Economics and Statistics 2024, 2025, Q1 & Q4 Johnson and Matthey

Employment

Precious sector employment was estimated at 260 813 contributing 55.8 percent to total mining employment, in Q1 2025. Employment decreased by 0.2 percent and 3.8 percent q-o-q and y-o-y respectively (Table 3), notably from the gold sector. Gold employment declined slightly by 1.6 percent and 2.2 percent q-o-q and y-o-y respectively, due to a reduction in both established and contractors' jobs. Employment in the PGMs sector increased slightly by 0.5 percent, q-o-q driven by marginal changes in employment types, including a slight reduction in full-time employment, while y-o-y it declined by 4.6 percent. Precious metal sector's remuneration stood at R 28 billion, declining by marginal of 0.01 percent and 0.02 percent q-o-q and y-o-y respectively (Table 3), largely driven by reduction in employment and by the distribution of STR packages at major gold operations, for the period under review.

TABLE 3: PRECIOUS EMPLOYMENT AND REMUNERATION, Q1 2025.

PERIOD	EMPLOYEES	REMUNERATION	REMUNERATION/EMPLOYEE
		Rands' 000 000	Rands
Q1 2025	260 815	28 104	107.7
Q4 2024	261 431	28 107	107.5
Q1 2024	271 228	28 162	103.8
Q-o-Q % change	*-0.2*	*-0.01*	*0.2*
Y-o-Y% change	*-3.8*	*-0.02*	*3.8*

Source: DMPR, Mineral Economics and Statistics, 2024, Q1 2025

Outlook

The PGMs market is expected to remain in deficit during Q2 2025, due to ongoing supply constraints. A range of global geopolitical and macroeconomic factors could further disrupt PGMs markets and increase price volatility. In addition, potential load curtailment events by Eskom may further impact production and

supply stability in South Africa, adding to the sector's operational challenges. While South Africa's gold sector continues to experience a decline in production. However strong and rising gold prices are expected to support increase in revenue in Q2 2025. Miners are expected to maintain high leverage from the elevated gold prices, which should partially offset the impact of lower output. Projections suggest that gold prices could climb further, reaching $3 500/oz in Q2 2025. However, production is likely to remain under pressure due to persistent structural challenges, including energy constraints, labour disruptions, and declining ore grades.

Sources:

3. *DMPR: Mineral Economics and Statistics, 2024, Q1 2025*
4. *SARB, Statistical data, archived, Q1 2025*
5. *Johnson Matthey.com, Q1 2025*
6. *World Platinum Investment Council, Q4 2024*
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8. *Wall Street Journal (2024) Platinum market set for third year of major deficits (forecasting)*
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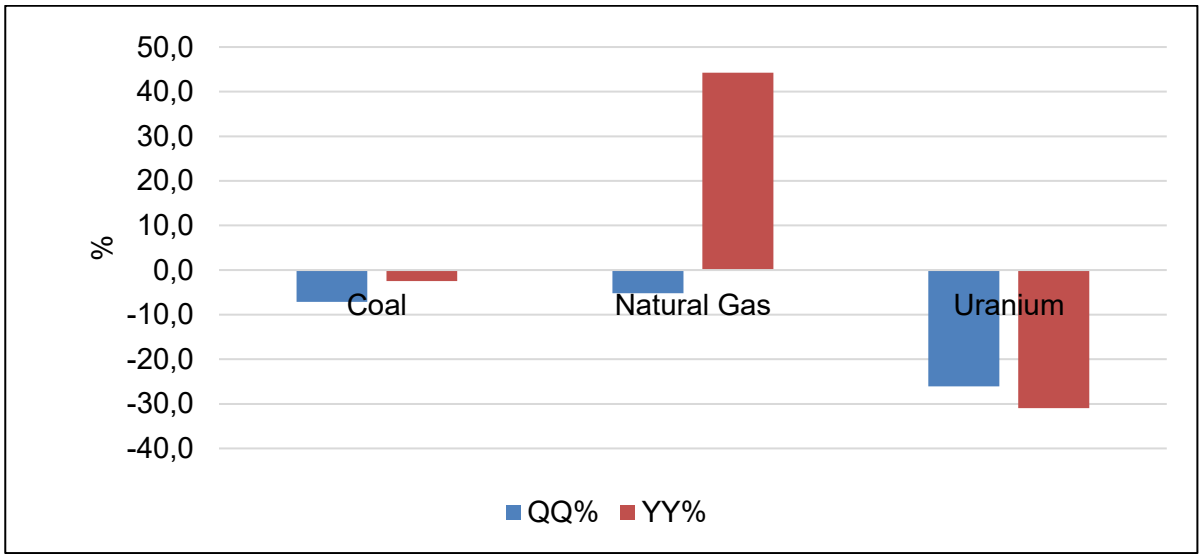
P. J Perold& Vhutshilo Mutavhatsindi

7. SOUTH AFRICA'S ENERGY COMMODITIES SECTOR'S PERFORMANCE DURING THE FIRST QUARTER OF 2023.

Production

Coal output fell by 7.1 percent q-o-q and by 2.4 percent y-o-y to 55.23Mt in the first quarter of 2025, according to quarterly statistics published by the Mineral Economics and Statistics Directorate (Figure 11 and Table 4). The drop was caused by a confluence of structural issues in South Africa's coal industry, reduced domestic and foreign demand, and logistical difficulties. Seasonal factors like heavy rainfall may have temporarily disrupted mining operations and transport networks. Also, delays at key export terminals may have discouraged mining companies from ramping up production if stockpiles were already high.

FIGURE 11: PRODUCTION OF ENERGY MINERALS, Q1 2025.



Source: DMPR Mineral Economics and Statistics

Natural gas production decreased by 5.2 percent q-o-q and increased by 44.2 percent y-o-y, totalling 1,340 tons(t) (Figure 11 and Table 4). The q-o-q decline is primarily attributable to the level of output recorded by Tetra4, the current sole producer. In contrast, the substantial y-o-y increase reflects the impact of production disruptions resulting from plant maintenance conducted in the first quarter of 2024. The Petroleum Oil and Gas Corporation of South Africa (PetroSA) offshore did not report production of natural gas and condensate during quarter one (Q1) 2025. The company shut its FA-Platform offshore production site down in February 2024 due to low reserves and financial constraints affecting the maintenance of the facility.

TABLE 4: PRODUCTION OF ENERGY MINERALS, Q1 2025.

Commodity (t)	Q1 2025	Q4 2024	Q1 2024	Q-o-Q%	Y-o-Y%
Coal	55 230 709	59 480 325	56 614 815	**-7.1**	**-2.4**
Natural Gas	1 340	1 414	929	**-5.2**	**44.2**
Natural Gas Condensate	0	0	306	**#DIV/0!**	**-100.0**
Uranium	43 907	59 389	63 605	**-26.1**	**-31.0**

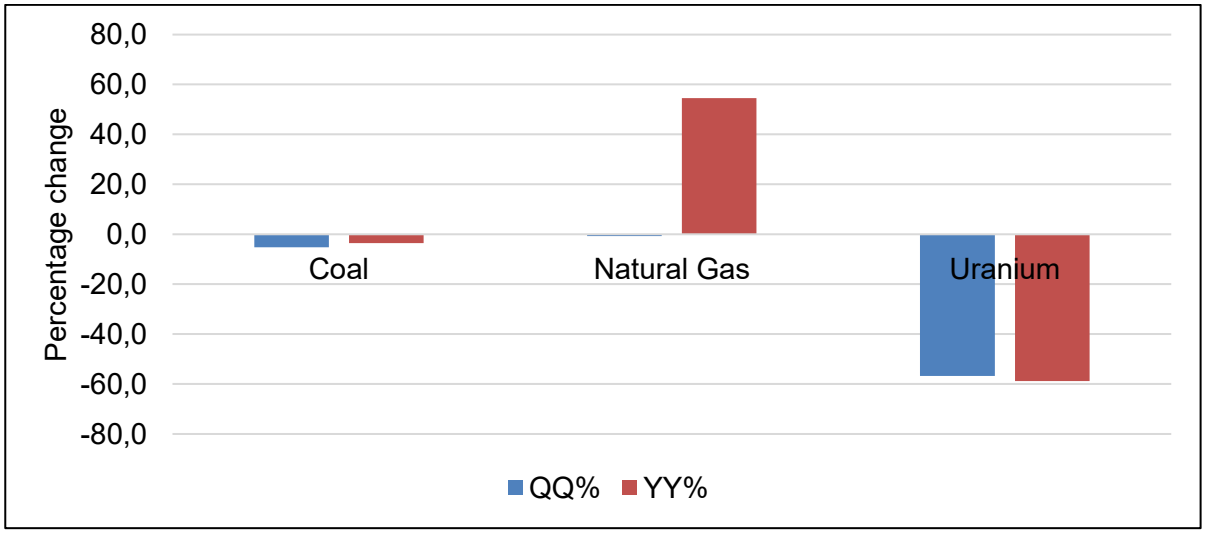
Source: DMPR, Mineral Economics and Statistics.

Uranium production declined by 26.1 percent q-o-q and by 31 percent y-o-y, to 43.9t. The level of uranium production is closely tied to gold output from Moab Operations, as the commodity is produced as a by-product of the gold mining (Figure 1).

Total sales

Due to declining demand from both local and foreign markets, total coal sales fell by 5.2 percent q-o-q and by 3.5 percent y-o-y to 59.32 Mt (Figure 12 and Table 5). This was worsened by declining output in Q1 2025, where sales volumes naturally decreased due to constrained supply. In addition, increased exports from Indonesia, Australia, and Russia could have reduced demand for South African coal in key markets like India and China. Domestically, the low sales volumes were caused by the slowdown in industry and Eskom's decreased demand due to maintenance of its power plants.

FIGURE 12 TOTAL SALES QUANTITY OF ENERGY MINERALS, Q1 2025.



Source: DMPR Mineral Economics and Statistics

Total natural gas sales volume declined slightly by 0.7 percent q-o-q and grew by 54.5 percent y-o-y, totalling 1,338t (Figure 12 and Table 5), driven by output from Tetra4. Uranium sales quantity deteriorated by 56.8 percent q-o-q and 58.8 percent y-o-y, reaching 31.8t, attributed to sales orders received and transactions concluded during the review period. Uranium export sales transactions are only concluded or recorded when the commodity reaches the purchaser.

TABLE 5: TOTAL SALES QUANTITY OF ENERGY MINERALS, Q1 2025.

Commodity (t)	Q1 2025	Q4 2024	Q1 2024	Q-o-Q%	Y-o-Y%
Coal	59 316 089	62 588 854	61 454 047	-5.2	-3.5
Natural Gas	1 338	1 347	866	-0.7	54.5
Natural Gas Condensate	0	0	306	#DIV/0!	-100.0
Uranium	31 752	73 480	77 028	-56.8	-58.8

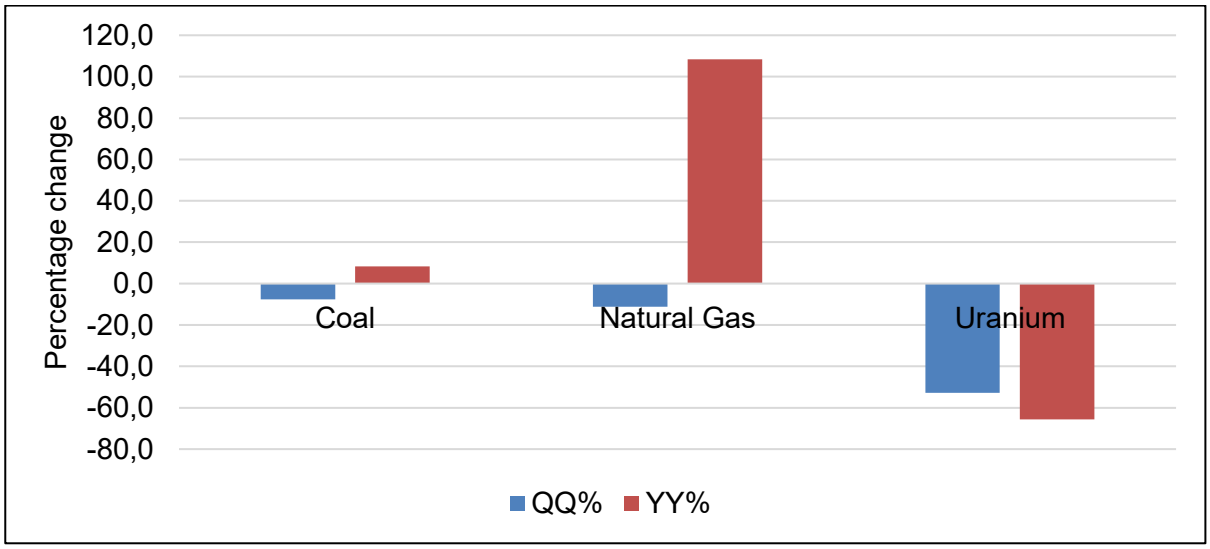
Source: DMPR, Mineral Economics and Statistics.

Total revenue

Total revenue generated from coal sales decreased by 7.6 percent q-o-q to about R49.49 billion (Figure 13 and Table 6). However, on a y-o-y basis, this represents 8.2 percent increase. The 7.6 percent q-o-q decline in South Africa's coal revenue q-o-q, alongside the 8.2 percent y-o-y increase, suggests a mix of short-term volatility and longer-term market trends. Coal export prices were lower during the review period. The 8.2 percent annual growth is attributable to partial logistics recovery, a weaker rand to dollar exchange (ZAR/USD averaging 18.50 in Q1 2025 vs. 17.80 in Q1 2024) inflated local-currency revenue.

Natural gas revenue fell by 11.2 percent q-o-q and registered a 108.4 percent increase y-o-y to R17,558,575 (Figure 13 and Table 6), primarily due to sales volume and unit price. Uranium sales revenue declined by 52.9 percent q-o-q and 65.6 percent y-o-y, amounting to R117,731,985, driven by low sales mass and unit price. All the produced natural gas is sold to local customers, while uranium is exported.

FIGURE 13: TOTAL REVENUE OF ENERGY MINERALS, Q1 2025.



Source: DMPR Mineral Economics and Statistics.

TABLE 6: TOTAL REVENUE OF ENERGY MINERALS, Q1 2025.

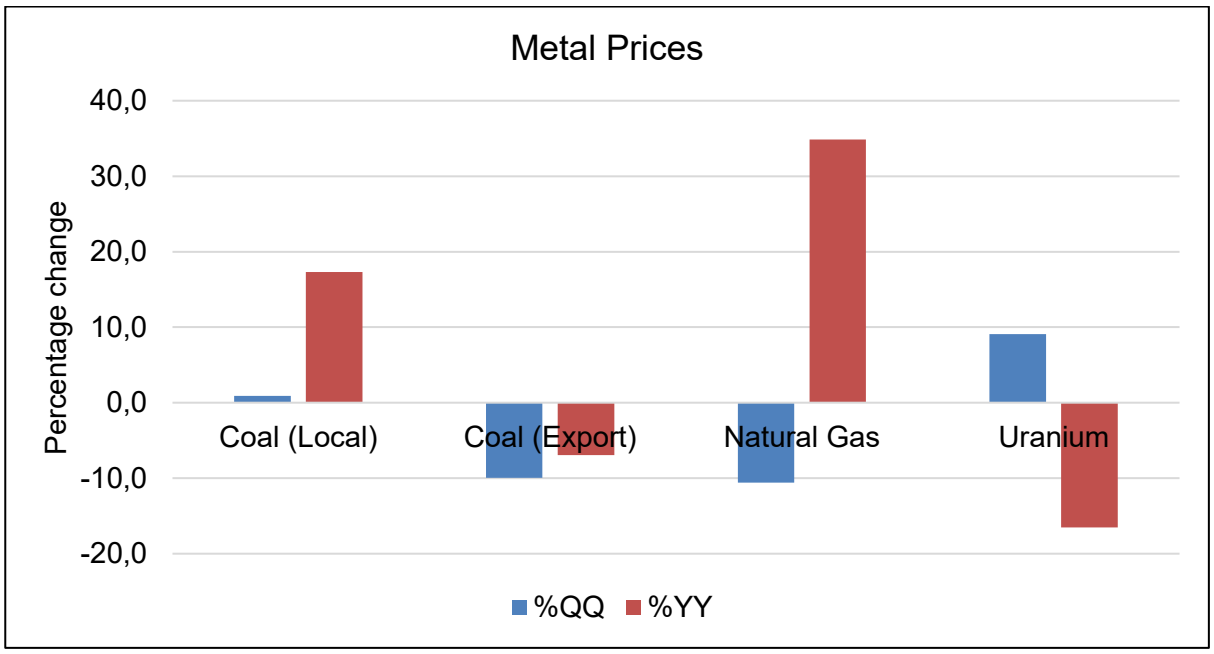
Commodity (R')	Q1 2025	Q4 2024	Q1 2024	QQ%	YY%
Coal	49 491 143 406	53 542 251 351	45 727 579 571	-7.6	8.2
Natural Gas	15 593 358	17 558 575	7 483 310	-11.2	108.4
Natural Gas Condensate	0	0	5 310 672	#DIV/0!	-100.0
Uranium	117 731 985	249 810 271	342 214 977	-52.9	-65.6

Source: DMPR, Mineral Economics and Statistics.

Prices

Domestic coal prices increased by 0.9 percent q-o-q and 17.3 percent y-o-y to R698 /t, which may be attributable to Eskom's contractual price adjustments, as Eskom buys coal via cost-plus contracts, where prices are adjusted annually for inflation, mining costs, and currency shifts. Export prices declined by 10 percent q-o-q and 7 percent y-o-y to R1 383 /t, owing mainly to the sluggish demand from both the local and international markets. Also, miners had to lower prices to clear stranded inventories as Richards Bay Coal Terminal stockpiles hit 3Mt+ in Q1 2025. Competition like Indonesia and Russia flooded the market. Indonesia ramped up low-cost exports, stealing market share while Russia diverted coal to Asia via steep discounts post-EU sanctions.

FIGURE 14: AVERAGE PRICES OF ENERGY MINERALS, Q1 2025.



Source: DMPR Mineral Economics and Statistics.

The unit price for natural gas diminished by 10.6 percent q-o-q and grew by 34.9 percent y-o-y, to R11,654/t (Figure 14 and Table 7). The movement of the unit prices for natural gas can be attributed to demand and the mechanisms used by producers to determine the prices. The uranium export unit price grew by 9.1 percent q-o-q to R3,708/t (Figure 14 and Table 7), attributed to the Rand depreciation against the United States Dollar. However, the unit price fell by 16.5 percent y-o-y. Uranium's international spot price also declined by 13.78 percent q-o-q and 29.84 percent y-o-y, to $66.18 per pound. The fall is likely driven by a combination of factors among others such as economic uncertainty, geopolitical tensions, and investor sentiment.

TABLE 7: PRICES OF ENERGY MINERALS, Q1 2025.

Commodity (R')	Q1 2025	Q4 2024	Q1 2024	%Q-o-Q	%Y-o-Y
Coal (Local)	698	691	595	**0.9**	**17.3**
Coal (Export)	1 383	1 536	1 487	**-10.0**	**-7.0**
Natural Gas	11 654	13 035	8 641	**-10.6**	**34.9**
Natural Gas Condensate	#DIV/0!	#DIV/0!	11 952	**#DIV/0!**	**#DIV/0!**
Uranium	3 708	3 400	4 443	**9.1**	**-16.5**

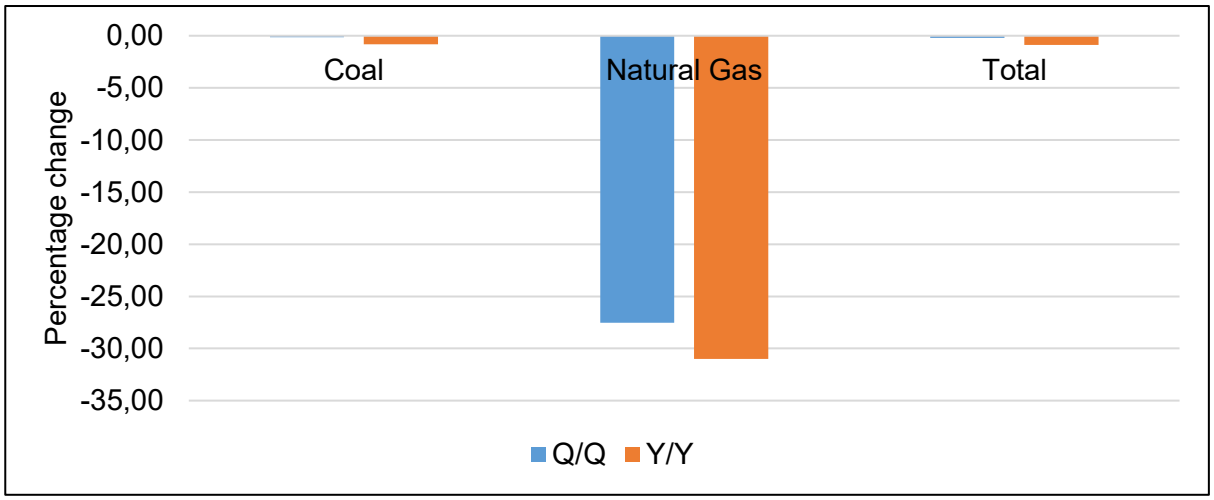
Source: DMPR, Mineral Economics and Statistics.

Employment

Total employment in the energy sector declined by a marginal 0.22 percent q-o-q and 0.89 percent y-o-y to 97,802 employees, mainly driven by employee numbers from the coal sector (Figure 15 and Table 8). The coal industry accounts for more than 99.8 percent of labour in the energy commodities sector while the remaining balance comes from the natural gas sector. Total employment in the coal sector decreased by a marginal 0.15 percent q-o-q and 0.82 percent y-o-y to 97,624, owing mainly to the decrease in the number of permanent workers, as some mines were put on care and maintenance, while others stopped operations. Consequently, some mines paid out severance and termination packages in Q1 2025.

The total employment in the natural gas sector fell by 27.52 percent q-o-q and 31.00 percent y-o-y to 177 (Figure 15 and Table 8). The decline was driven mainly by the number of contract employees from Tetra4. Contract employees declined by 89.29 percent q-o-q and 92.10 percent y-o-y to 6 workers. Permanent workers declined by 9.19 percent q-o-q and 5.35 percent y-o-y to 171 employees.

FIGURE 15: TOTAL EMPLOYMENT OF ENERGY MINERALS, Q1 2025.



Source: DMPR Mineral Economics and Statistics

Total earnings in the energy sector increased by 25.97 percent q-o-q and 4.62 percent y-o-y to R9.48 billion , in correspondence with the coal industry's trend, as it accounts for more than 99.8 percent of employment in the energy sector. Earnings in the coal industry increased both q-o-q and y-o-y by 26.3 percent and 4.73 percent respectively to R9.44 billion, as several mines paid out bonuses during Q1 2025. Three mines paid out severance and termination packages.

Total earnings from the natural gas sector decreased by 23.45 percent q-o-q and 17.23 percent y-o-y, to R37.6 million, attributed to the decline in the number of contract workers.

Outlook

The South African coal industry will face continued pressure from logistics failures, weak global demand, and domestic energy shifts, but pockets of resilience remain. The export market will also remain under pressure due to oversupply from Indonesia and Russia that are currently flooding the market and demand erosion, as India and China prioritize renewables. Eskom's cost-plus contracts will push domestic prices up by another 5 to10 percent y-o-y (Q2 2025 vs. Q2 2024) due to inflation-linked adjustments and carbon tax hikes. Coal production might decline, as major miners will hold production flat (no new CAPEX) and risk of unplanned outages, due to aging infrastructure and labour unrests. Ukraine war escalation or Indonesia export curbs might briefly lift SA coal export prices will be major geopolitical shocks to the situation. South Africa's natural gas production is projected to increase in Q2 2025, as Tetra4 continues to ramp up production at the Virginia gas plant, testing its maximum capacity. Uranium production will be influenced by the level of gold production at Moab Operations and the corresponding market demand.

Employment in the coal industry is expected to decline further as more mines stop operations due to railway logistics challenges and depressed demand from the international market. Employment in the natural gas industry is expected to remain at current levels in the second quarter of 2025, as no other new projects are planned to commence during that period.

Sources*:*

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2. *Cameco Uranium Price. Available at: https://www.cameco.com/invest/markets/uranium-price (Accessed: 6 March 2025).*
3. *Nedbank, Monthly Average Exchange Rate, Available at: https://www.google.com/search?q=rand+exchange+monthly+data&rlz=1C1CHBF_enZA1086ZA1086&oq=rand+exchange+monthly+data&gs_lcrp=EgZjaHJvbWUyBggAEEUYOTIHCAEQIRigATIHCAIQIRiPAjIHCAMQIRiPAtIBCDc2NTRqMGo5qAIAsAIB&sourceid=chrome&ie=UTF-8 (Accessed: 6 March 2025)*

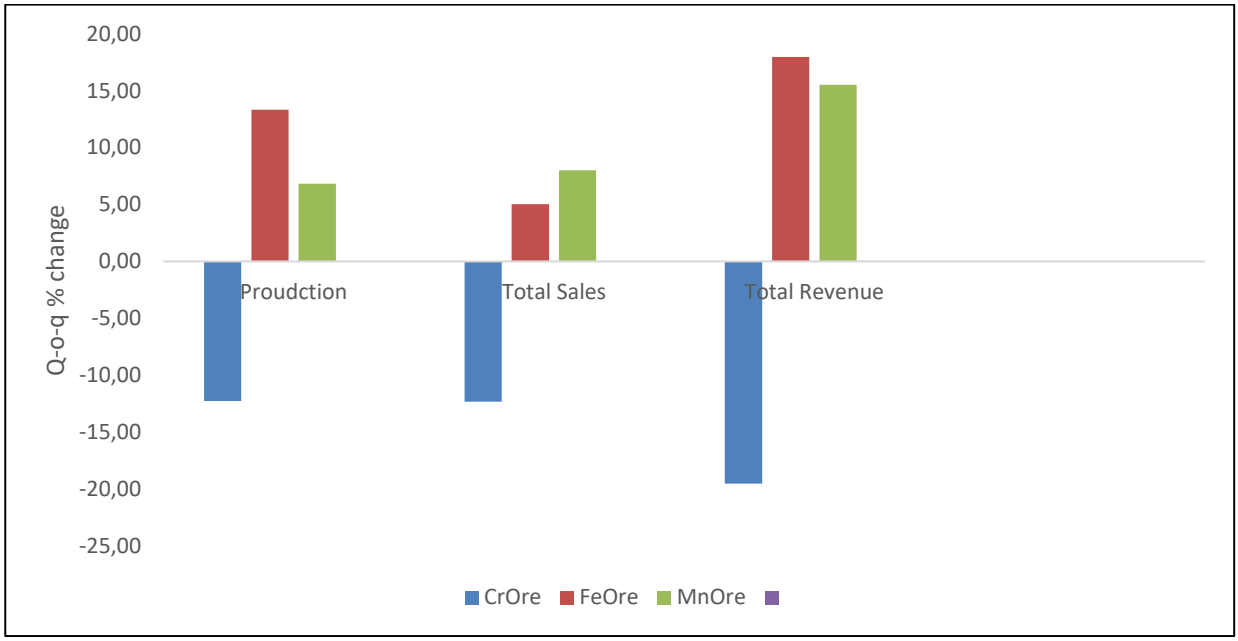
KL Revombo

8. SOUTH AFRICA'S FERROUS METALS PERFORMANCE DURING THE FIRST QUARTER OF 2025.

Production

South Africa's total ferrous production averaged 24 584 kilo tons (kt) in the first quarter of 2025 (Q1 2025) with the iron ore sector contributing 61.6 percent to total production, while chrome and manganese ore sectors contributed 19.6 percent and 18.7 percent, respectively (Figure 16, Table 8). Production grew by 6.0 percent quarter on quarter (q-o-q), primarily driven by increased output from the iron ore and manganese sectors, as producers ramped up production while chrome ore sector recorded a drop in production in the same period.

FIGURE 16: FERROUS MINERALS PRODUCTION AND SALES QUARTERLY % CHANGES.



Source: DMPR, Mineral Economics and Statistics, Q12025, Q42024, Q12024

Year on year (y-o-y), total ferrous production dipped slightly by 1.7 percent, with the decline recorded from both chrome and iron ore sectors, while manganese sector recorded an increase in output, y-o-y.

TABLE 8: FERROUS MINERALS PRODUCTION AND SALES, Q1 2025.

	PRODUCTION	LOCAL SALES		EXPORT SALES		TOTAL SALES	
PERIOD	Quantity (kt)	Quantity (kt)	Value (R' bil)	Quantity (kt)	Value (R' bil)	Quantity (kt)	Value (R' bil)
Q12025	25 584	5 437	7 774	21 080	39 115	26 517	46 890
Q42024	24 123	6 197	9 244	19 787	35 372	25 985	44 617
Q12024	26 036	6 081	9 138	19 617	41 104	25 699	50 242
Q-O-Q	*6.1*	*-12.3*	*-15.9*	*6.5*	*10.6*	*2.1*	*5.1*
Y-O-Y	*-1.7*	*-10.6*	*-14.9*	*7.5*	*-4.8*	*3.2*	*-6.7*

Source: DMPR, Mineral Economics and Statistics, Q12025, Q42024 and Q12024

Total chrome ore production reached 5 015 kilo tons (kt), reflecting a 12.3 percent q-o-q decline, due to slower production during the post-holiday period (December–January), with 54 percent of producers reporting an average output decline of 27.3 percent. Iron ore production totalled 15 763 kt in Q1 2025, representing a 13.3 percent q-o-q increase, driven by frontloaded production ahead of planned rail and port maintenance, strategic operational planning, and strong export demand, particularly from China. Manganese ore production stood at 4,805 kt, rising by 6.8 percent q-o-q, supported by stronger global demand, as markets responded to supply deficits caused by the temporary suspension of some operations. The impact of declines at some of the operations were relatively small production share.

Sales and revenue

Total ferrous sales mass averaged at 26 517 kt, representing a 2.0 percent increase q-o-q. Improved demand from key Asian markets, coupled with enhanced rail and port performance, enabled producers to raise shipment volumes to capitalize on favourable pricing. Iron ore saw particularly robust export growth, rising by 9.3 percent, supported by better reliability of Transnet and strong offshore demand for high-grade ore, notably from China. However, domestic iron ore sales contracted sharply by 22.6 percent, reflecting

weak local steel sector activity and a slowdown in pig iron production, as industrial giants such ArcelorMittal scaling down operations. Manganese ore sales rose across both domestic and export markets, supported by restocking efforts in Asia, amid supply concerns following cyclone-related disruptions in Australia. Despite a 0.5 percent dip in manganese alloy production, overall manganese ore domestic sales increased by 8.0 percent q-o-q, driven by stronger external demand and export prioritization. By contrast, chrome ore export and local sales declined by 17.4 percent and 9.5 percent respectively, both pressured by subdued stainless-steel sector demand in Asia. Correspondingly, ferrochrome production fell by 20.5 percent q-o-q, highlighting the direct impact of weaker chrome demand on downstream activity.

Revenue generated from the ferrous sector was estimated at R46.8 billion, contributing 27.7 percent to South Africa's total mining revenue. While overall mining revenue declined by 15.2 percent q-o-q, the ferrous sector demonstrated relative resilience, with revenue increasing by 5.1 percent, driven by strong performances of the iron ore and manganese ore segments, which recorded increases of 18.0 percent and 15.5 percent, respectively. These gains were supported by higher export volumes, improved prices, and a weaker ZAR/US$ exchange rate, which boosted the value of foreign earnings. In contrast, chrome ore revenue declined by 19.6 percent due to weaker demand and lower prices, though this was not enough to offset the overall sector growth. However, on a y-o-y basis, total ferrous revenue declined by 4.7 percent, reflecting a normalization in global commodity prices from the highs of early 2024. Lower sales volumes, softer prices, and a relatively stronger ZAR/US$ exchange rate weighed on export earnings, particularly in the iron ore and chrome segments. Although manganese revenue showed solid y-o-y growth due to improved prices and exports, it was insufficient to offset the declines in other segments.

Employment and remuneration.

Total ferrous sector employed an average of 59 441 workers, accounting for 12.7 percent of total mining employment (Table 9), which averaged 467 568 workers during the period under review. The ferrous sector recorded a 2.8 percent decline q-o-q, driven by a 6.0 percent and 0.6 percent reduction in the chrome and iron ore sector, respectively. While the manganese ore sector recorded a marginal employment increase of 0.2 percent, it was not sufficient to offset the overall decline across the broader ferrous industry. On a y-o-y basis, the ferrous sector recorded a 1.5 percent increase in employment, supported by solid gains in the manganese and chrome ore sectors, where employment rose by 8.2 percent and 4.2 percent respectively, while the iron ore sector recorded a 4.7 percent drop in the same period, reflecting ongoing operational challenges and soft export demand.

TABLE 9: FERROUS MINERALS EMPLOYMENT AND REMUNERATION, Q1 2025.

PERIOD	EMPLOYEES	REMUNERATION	REMUNERATION/EMPLOYEE
		Rands	Rands
Q12025	59 441	6 210 462 245	104 481
Q42024	61 164	6 212 699 259	101 575
Q12024	58 557	5 774 791 600	98 619
Q-o-Q % change	-2.82	-0.04	2.86
Y-o-Y% change	1.51	7.54	5.94

Source: DMPR, Mineral Economics and Statistics, Q1 2025, Q4 2024 and Q12024

Total ferrous sector's remuneration stood at R 6.2 billion, contributing 12.7 percent to South Africa's total mining remuneration of R48.7 billion. Ferrous sector's remuneration declined marginally by 0.04 percent, q-o-q, with the chrome sector recording a 7.4 percent drop, driven by lower bonus and short-term remuneration (STR) payments. In contrast, the iron ore and manganese ore sectors saw remuneration growth of 6.2 percent and 2.7 percent respectively in the same period, supported by increases in both

employee earnings and bonus payments. Y-o-y, total ferrous remuneration rose by 7.6 percent, supported by strong gains in the chrome and manganese ore sectors, which grew by 14.7 percent and 18.2 percent respectively, due to higher employee earnings and STR payments. However, a 3.4 percent drop in iron ore remuneration, caused by lower earnings and STR payouts, did not offset this growth.

Outlook

According to the World Steel Association, global steel demand is projected to grow by 1.2 percent in 2025, reaching 1,775 million tons (Mt). The growth will be driven primarily by regions outside China, especially India and Africa, supported by ongoing infrastructure and manufacturing expansion. India's steel demand is expected to rise sharply by 8 percent, due to continued industrialization and infrastructure development in that country. China's steel demand will stabilise, as gains in infrastructure and electric vehicle sectors offset declines in the real estate market. In South Africa, the ferrous mining sector is forecasted to expand in Q2 2025, led by growth in the chrome and manganese segments. Chrome production is expected to increase due to re-mining activities at dormant mines and rising global demand for stainless steel. Manganese output will benefit from strong electric vehicle demand worldwide and supply disruptions in other producing regions. Iron ore production is projected to grow modestly, with operational efficiencies improving output at the Sishen mine. However, logistical challenges are anticipated to impact production at Kolomela and Beeshoek mines. This production growth is expected to drive an expansion of the ferrous labour force, particularly in the chrome and manganese sectors, as new mines come online, and demand for skilled workers rises. Improvements in electricity supply leading to reductions in power outages, and enhanced efficiencies in rail and port infrastructure will further support increased production and export capacity during the next quarter.

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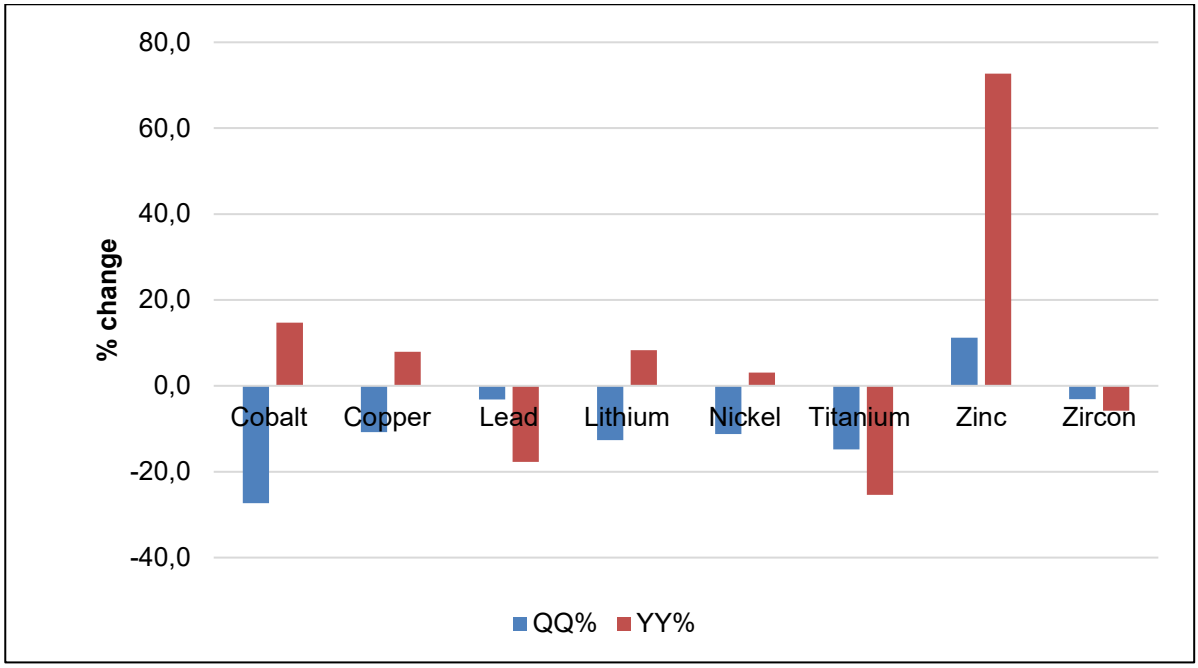
RC. Ravhugoni and Y. Tawo

9. SOUTH AFRICA'S NON-FERROUS METALS AND MINERALS SECTOR'S PERFORMANCE DURING THE FIRST QUARTER OF 2024.

Production

In the first quarter (Q1) of 2025, South Africa's non-ferrous metals production experienced a contraction of 12 percent, to a total of 825 kilo tonnes (kt), while year-on-year it also declined by 12.9 percent from 947 kt (Figure 17 and Table 10). Zinc production was the only metal in this group to see an increase, rising by 11.2 percent, primarily due to improved ore grades from the Gamsberg mine. However, this was inadequate to offset the losses with cobalt falling by 27.3 percent, followed by titanium's 14.8 and lithium's 12.6 percent. This overall decline resulted in a poor performance for the first quarter of the year.

FIGURE 17: PRODUCTION OF NON-FERROUS METALS AND MINERALS, Q1 2025.



Source: DMPR, Directorate Mineral Economics and Statistics

On an annual basis, zinc emerged as the best performer at 72.7 percent, followed by cobalt's 14.7 and lithium's 8.3 percent. However, the losses incurred from heavy mineral sands could not be balanced out.

TABLE 10: PRODUCTION OF NON-FERROUS METALS AND MINERALS, Q1 2025.

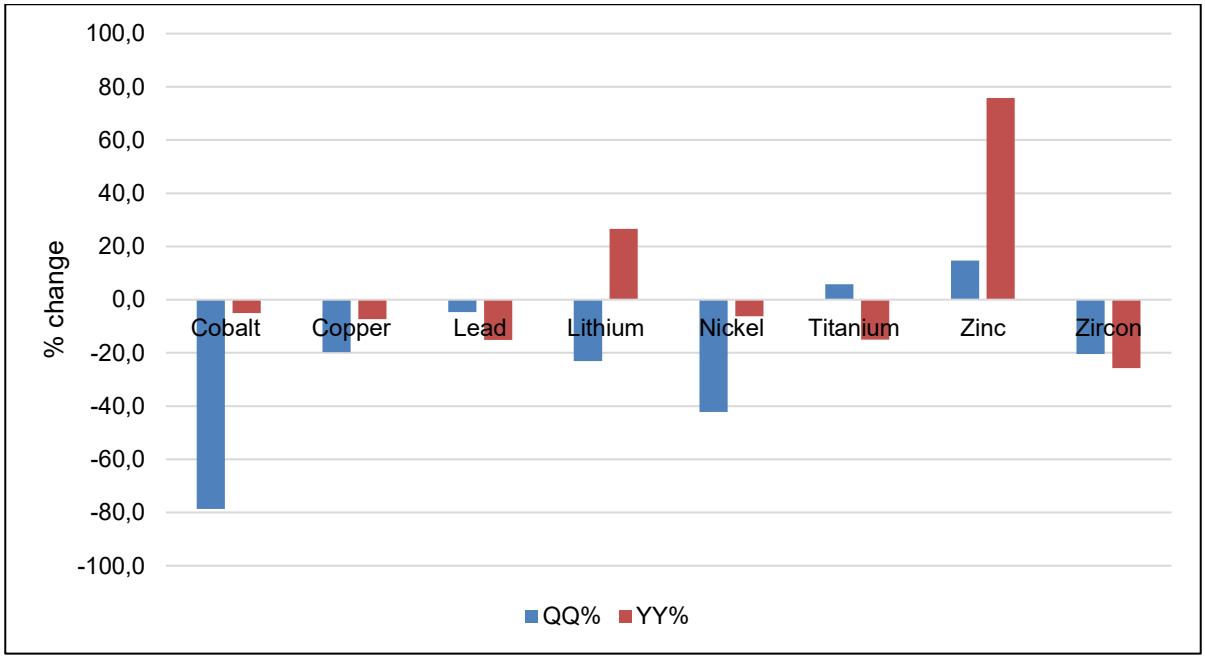
Commodity (t)	Q1 2025	Q4 2024	Q1 2024	% Q-o-Q	% Y-o-Y
Cobalt	125	172	109	-27,3	14,7
Copper	12 664	14 195	11 737	-10,8	7,9
Lead	6 289	6 495	7 643	-3,2	-17,7
Lithium	233 319	267 107	215 408	-12,6	8,3
Nickel	7 021	7 911	6 812	-11,3	3,1
Titanium	452 437	530 863	606 522	-14,8	-25,4
Zinc	44 002	39 573	25 479	11,2	72,7
Zircon	69 441	71 689	73 690	-3,1	-5,8
Total	**825 298**	**938 005**	**947 400**	**-12,0**	**-12,9**

Source: DMPR, Directorate Mineral Economics and Statistics

Total sales

The total sales volumes for non-ferrous metals experienced a decline of 5.8 percent, falling to 741 kt from the 787 kt recorded in Q4 2024. This also represents a year-on-year decrease of 1.5 percent from 753 kt in Q1 2024 (Figure 18 and Table 11). Despite gains in zinc and titanium during this quarter, they were insufficient to counterbalance the significant losses from other minerals. Cobalt saw a dramatic decrease of 78.7 percent, followed by nickel and lithium, which dropped by 42.3 and 23 percent, respectively.

FIGURE 18: TOTAL SALES OF NON-FERROUS METALS AND MINERALS, Q1 2025.



Source: DMPR, Directorate Mineral Economics and Statistics

On an annual basis, sales volumes also fell by 1.5 percent, due to reduced demand for most of these minerals. Zinc emerged as the best-performing metal, with a remarkable increase of 75.8 percent, followed by lithium at 26.6 percent, but still failing to outbalance the overall decline.

TABLE 11: TOTAL SALES OF NON-FERROUS METALS AND MINERALS, Q1 2025.

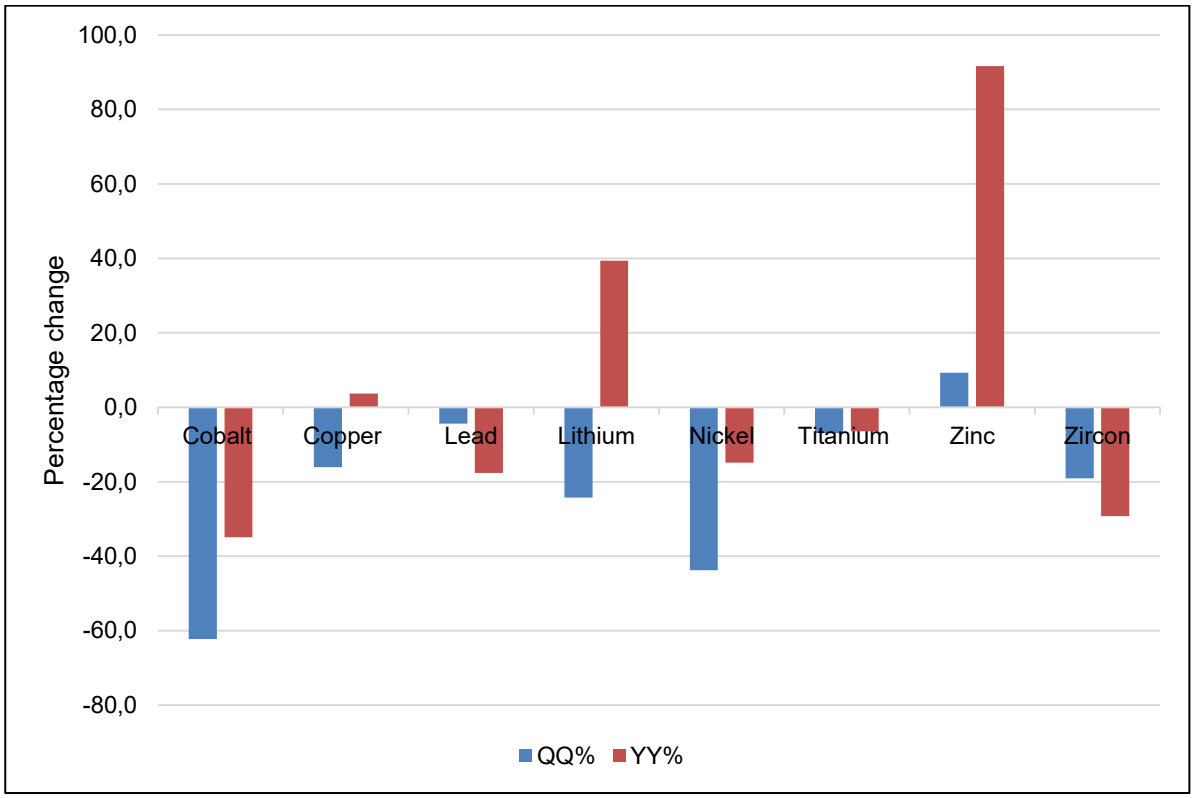
Commodity (t)	Q1 2025	Q4 2024	Q1 2024	Q-o-Q%	Y-o-Y%
Cobalt	19	89	20	-78,7	-5,0
Copper	9 876	12 293	10 650	-19,7	-7,3
Lead	6 344	6 659	7 477	-4,7	-15,2
Lithium	187 945	244 185	148 495	-23,0	26,6
Nickel	5 919	10 252	6 309	-42,3	-6,2
Titanium	382 103	361 350	449 495	5,7	-15,0
Zinc	90 284	78 692	51 370	14,7	75,8
Zircon	58 466	73 427	78 731	-20,4	-25,7
Total	**740 956**	**786 947**	**752 547**	**-5,8**	**-1,5**

Source: DMPR, Directorate Mineral Economics and Statistics

Total revenue

In the first quarter of 2025, total revenues from non-ferrous mineral sales dropped by 19.1 percent, reaching R8.5 billion from R10.5 billion achieved in the fourth quarter of 2024. This also represents a year-on-year decline of 1 percent (Figure 19 and Table 12). The reduction in revenues was primarily attributed to lower metal prices during the review period, coupled with lesser sales volumes.

FIGURE 19: TOTAL REVENUE OF NON-FERROUS METALS AND MINERALS, Q1 2025.



Source: DMPR, Directorate Mineral Economics and Statistics

Zinc was the only metal to show an increase, rising by 9.3 percent. In contrast, cobalt experienced the most significant decline at 62.3 percent, followed by nickel at 43.8 percent and lithium at 24.2 percent. Although zinc revenues surged by 91.6 percent and lithium by 39.4 percent on an annual basis, the substantial revenue losses from cobalt, zircon, lead, and nickel could not be offset.

TABLE 12: TOTAL REVENUE OF NON-FERROUS METALS AND MINERALS, Q1 2025.

Commodity (RM)	Q1 2025	Q4 2024	Q1 2024	Q-o-Q%	Y-o-Y%
Cobalt	6 808 991	18 051 365	10 460 396	-62,3	-34,9
Copper	1 518 353 980	1 809 067 357	1 464 721 313	-16,1	3,7
Lead	224 645 704	234 867 891	272 646 617	-4,4	-17,6
Lithium	307 129 307	405 384 136	220 323 551	-24,2	39,4
Nickel	1 590 015 614	2 827 756 390	1 867 453 580	-43,8	-14,9
Titanium	953 185 522	1 024 742 654	1 019 199 124	-7,0	-6,5
Zinc	1 979 863 545	1 812 066 843	1 033 243 870	9,3	91,6
Zircon	1 888 370 702	2 334 860 173	2 667 498 495	-19,1	-29,2
Total	**8 468 373 365**	**10 466 796 809**	**8 555 546 946**	**-19,1**	**-1,0**

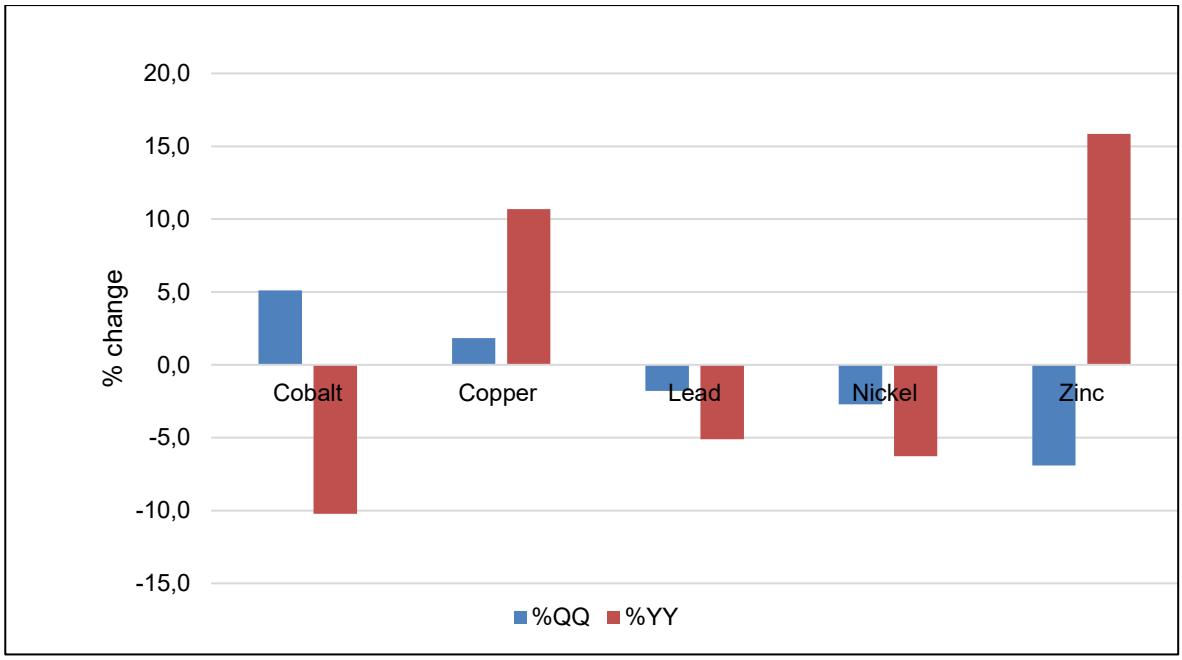
Source: DMPR, Directorate Mineral Economics and Statistics

Prices

The cash settlement prices for major non-ferrous metals on the London Metal Exchange (LME) experienced a decline in the first quarter of 2025. This downturn can be attributed to trade threats and

tariffs from the US, which created investor uncertainty globally. However, cobalt and copper prices rose by 5.1 percent and 1.8 percent, respectively, in Q1 (Figure 20 and Table 13). On the other hand, zinc suffered the most significant loss, dropping by 6.9 percent due to a surplus in the market, stemming from reduced demand for this galvanizing metal. Nickel prices also fell by 2.7 percent quarter-on-quarter, as geopolitical tensions escalate.

FIGURE 20: LME CASH SETTLEMENT NON-FERROUS METALS PRICES, Q1 2025.



Source: London Metal Exchange, April 2025

TABLE 13: AVERAGE LME CASH SETTLEMENT METAL PRICES, Q1 2025.

Commodity ($/t)	Q1 2025	Q4 2024	Q1 2024	%Q-o-Q	%Y-o-Y
Cobalt	25 513	24 274	28 422	5,1	-10,2
Copper	9 346	9 178	8 444	1,8	10,7
Lead	1 970	2 006	2 76	-1,8	-5,1
Nickel	15 569	16 005	16 611	-2,7	-6,3
Zinc	2 838	3 048	2 449	-6,9	15,8

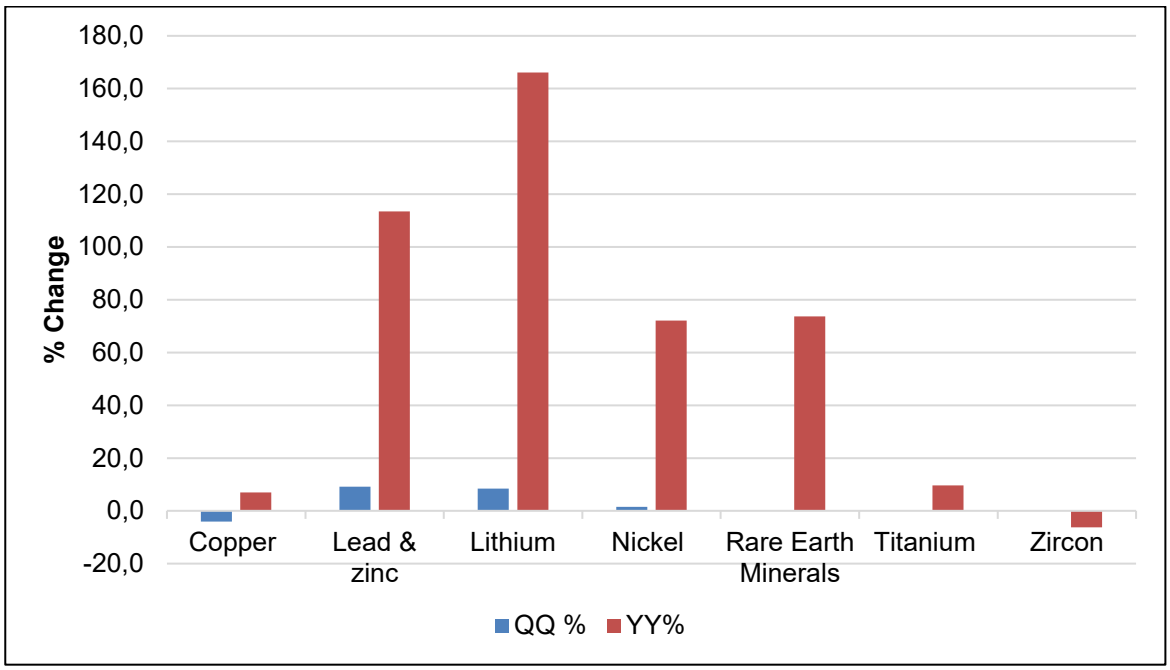
Source: London Metal Exchange, April 2025

On an annual basis, zinc saw a substantial increase of 15.8 percent, followed by copper at 10.7 percent, driven by improved global industrial activity. Cobalt, however, was the largest loser, decreasing by 10.2 percent, due to diminished demand in the electric vehicle market. Additionally, the nickel and lead sectors experienced declines of 6.3 percent and 5.1 percent, respectively.

Employment

In the first quarter of 2025, non-ferrous employment saw a slight increase of 0.1 percent, reaching 19,097 employees from 19,087 in the fourth quarter of 2024. This marks a year-on-year growth of 22.1 percent (Figure 21 and Table 14). Notably, employment in lead and zinc mines improved significantly, increasing by 9.2 percent, followed closely by the lithium sector, which grew by 8.4 percent. These gains were sufficient to counterbalance a 4 percent decline in copper mine employment.

FIGURE 21: EMPLOYMENT IN THE NON-FERROUS, Q1 2025.



Source: DMPR, Directorate Mineral Economics and Statistics

Annually, the most substantial increase in employment came from lithium mines, which surged by an impressive 166.1 percent, as production ramped up.

TABLE 14: EMPLOYMENT OF NON-FERROUS, Q1 2025.

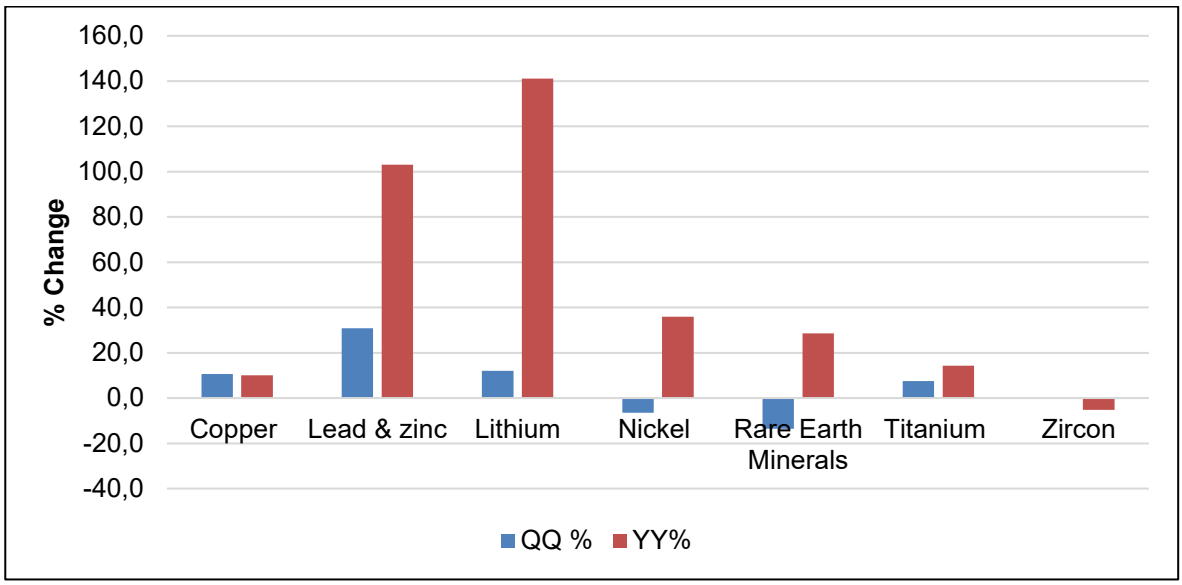
Commodity	Q1 2025	Q4 2024	Q1 2024	Q-o-Q %	Y-o-Y%
Copper	8 447	8 803	7 895	-4,0	7,0
Lead & zinc	3 725	3 412	1 745	9,2	113,5
Lithium	510	470	192	8,4	166,1
Nickel	273	269	159	1,5	72,1
Rare Earth	11	11	6	0,0	73,7
Titanium	5 850	5 841	5 339	0,2	9,6
Zircon	281	281	300	0,0	-6,2
Total	**19 097**	**19 087**	**15 635**	**0,1**	**22,1**

Source: DMPR, Mineral Economics and Statistics

Lead and zinc mines also displayed significant growth at 113.5 percent, along with rare earth minerals and nickel mines, which saw an increases of 73.7 percent and 72.1 percent, respectively.

The total earnings in the non-ferrous sector rose by 12.2 percent, reaching R2.4 billion in Q1 2025, up from R2.2 billion in Q4 2024. This represents a year-on-year surge of 20.9 percent (Figure 22 and Table 15). It is important to note that the improvements in earnings were observed in most commodities, with lead and zinc mines increasing by 30.9 percent due to a higher number of employees. Copper mines followed with a 10.6 percent rise, attributed to bonus payouts at Palabora Copper mine. Other minerals that reported higher earnings include lithium and titanium mines, which saw an increases of 12 percent and 7.5 percent, respectively.

FIGURE 22: TOTAL EARNINGS OF NON-FERROUS, Q1 2025.



Source: DMPR, Directorate Mineral Economics and Statistics

On the contrary, the rare earth minerals mine experienced a decline in earnings, decreasing by 13.6 percent, as the mine implemented salary reductions while under care and maintenance. Year-on-year, earnings improved across all sectors except for zircon mines, which decreased due to a lower number of employees compared to the same period in 2024.

TABLE 15: TOTAL EARNINGS OF NON-FERROUS, Q1 2025.

Commodity	Q1 2025	Q4 2024	Q1 2024	Q-o-Q %	Y-o-Y%
Copper	1 301 590 918	1 176 856 704	1 182 793 304	10,6	10,0
Lead & zinc	384 697 480	293 927 819	189 435 296	30,9	103,1
Lithium	36 186 956	32 300 150	15 004 285	12,0	141,2
Nickel	17 242 201	18 429 127	12 687 442	-6,4	35,9
Rare Earth	1 793 640	2 075 690	1 394 330	-13,6	28,6
Titanium	664 721 711	618 388 057	581 897 052	7,5	14,2
Zircon	30 925 020	30 925 020	32 608 967	0,0	-5,2
Total	**2 437 157 926**	**2 172 902 567**	**2 015 820 676**	**12,2**	**20,9**

Source: DMPR, Mineral Economics and Statistics

Outlook

The production of non-ferrous metals in South Africa is anticipated to gradually increase towards the latter half of 2025, driven by the ramp-up of copper projects in the Northern Cape Province, alongside heightened output from lithium and zinc mines. Additionally, the production of heavy mineral sands is expected to rise, as RBM's smelter undergoes reconstruction. Technological advancements and the energy transition are significant demand drivers for critical minerals, which encompass most non-ferrous metals. The global supply of these metals seems unlikely to keep pace with the accelerating demand, potentially exerting upward pressure on market prices. Employment in this sector is projected to increase, as new projects come on stream, particularly exploration initiatives for critical minerals in South Africa's Northern Cape Province.

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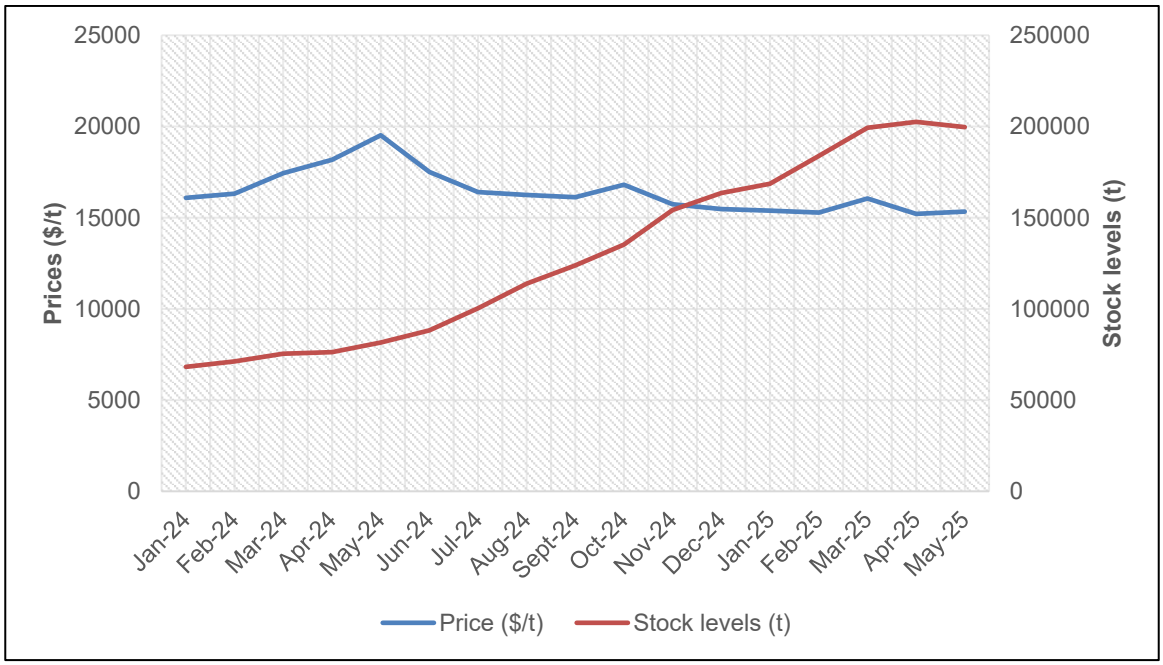
10. AN UPDATE ON THE NICKEL PRICE

Supply continues to surpass demand.

The average annual LME nickel price declined to an estimated $16 817/t in 2024 from $21 557/t in 2023. The downward trend reflects the continued market imbalance, as supply persistently outstripped demand. Indonesia, which now accounts for about 60 percent of global nickel output continued to ramp up production, despite the weaker than anticipated growth in demand from the stainless steel and battery manufacturing for electric vehicle (EV).

In the first half of 2024, nickel prices increased reaching $17 508/t by June 2024, amid supply-side risks stemming from mine closures, delays in issuing new nickel mining quotas in Indonesia, social unrest in New Caledonia, and trade restrictions on Russia (Figure 23). However, in the second half of the year, these concerns subsided, and LME stocks increased significantly from 88 304t in June 2024 to 163 486t in December of that year. The accumulation of inventories exerted an additional downward pressure on prices averaging around $15 470/t during this period. The bearish trend continued into 2025, with prices softening to $15 324/t in May of this year, while LME stocks surged to an astonishing 199 654/t, reinforcing the oversupplied market conditions.

FIGURE 23: MONTHLY AVERAGE NICKEL PRICE, 2024-2025.



Source: Westmetall

The nickel market remained under pressure in the first half of 2025, with a subdued outlook as structural oversupply continues to outweigh modest demand growth. On the demand side, consumption remained subdued, as battery manufacturers increasingly shifted towards lithium iron phosphate (LFP), reducing reliance on nickel rich battery technology. As a result, nickel prices are expected to remain range bound between $15 000/t and $16 000/t. A modest recovery may occur in late 2025, if Indonesia endorses quota cuts. However, a sustained market rebound also requires a meaningful uptick in underlying demand.

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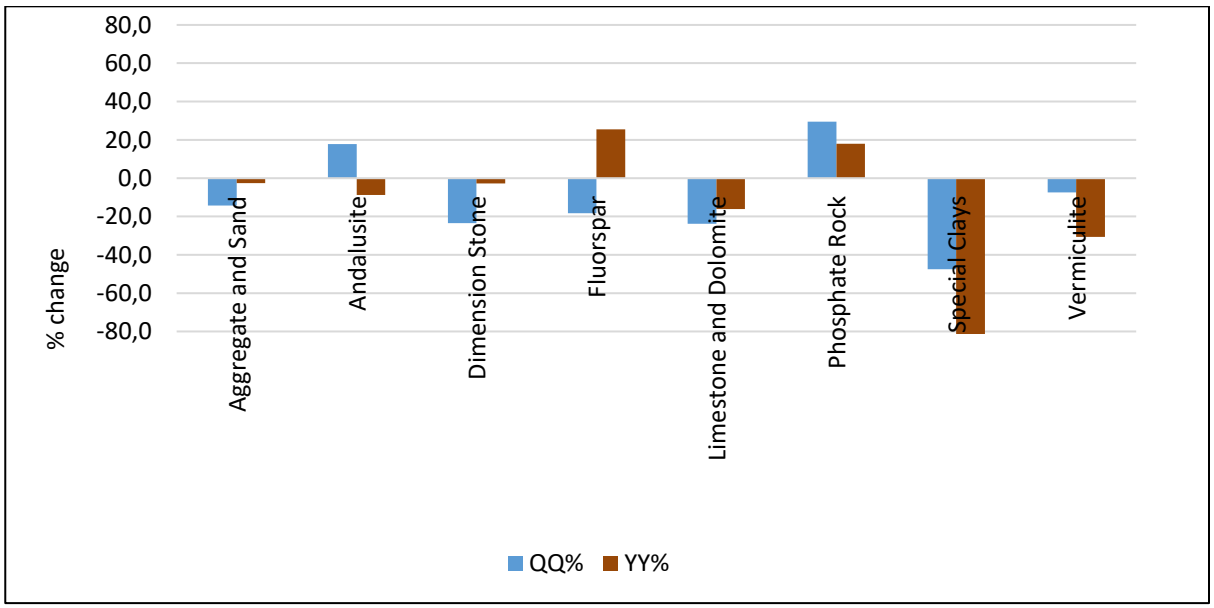
11. SOUTH AFRICA'S INDUSTRIAL MINERALS SECTOR'S PERFORMANCE DURING THE FIRST QUARTER OF 2024.

Production

Production of industrial minerals in the first quarter of 2025 decreased by 14.9 percent q-o-q to 19 Mt, on the back of lower output from aggregate and sand, dimension stone, fluorspar, limestone and dolomite, special clays, vermiculite and other industrial minerals (Figure 24 and Table 16). Fluorspar downswing was a result of diminishing demand patterns in the international market. Limestone declined on the back of weaker output from limestone operations. Decreased production figures of special clays are attributed to zero production for one of the producers. Similarly, the year-on-year production decreased by 7.3 percent and remains constrained by stagnant restoration, extreme weather conditions leading to low productivity, and weaker output recovery in some operations in 2025 compared to 2024.

FIGURE 24: PRODUCTION OF INDUSTRIAL MINERALS, Q1 2025.



Source: DMPR, Directorate Mineral Economics and Statistics

Major commodities contributing to the q-o-q decreases were the reduced output from aggregate and sand, dimension stone, fluorspar, limestone and dolomite, special clays, vermiculite at 14.3, 23.5, 18.2, 23.8, 47.5 and 7.4 percent, correspondingly. Total y-o-y production decreased, resulting from slow recovery of aggregate and sand, andalusite, dimension stone, limestone and dolomite, special clays and vermiculite sectors.

TABLE 16: PRODUCTION OF INDUSTRIAL MINERALS, Q1 2025.

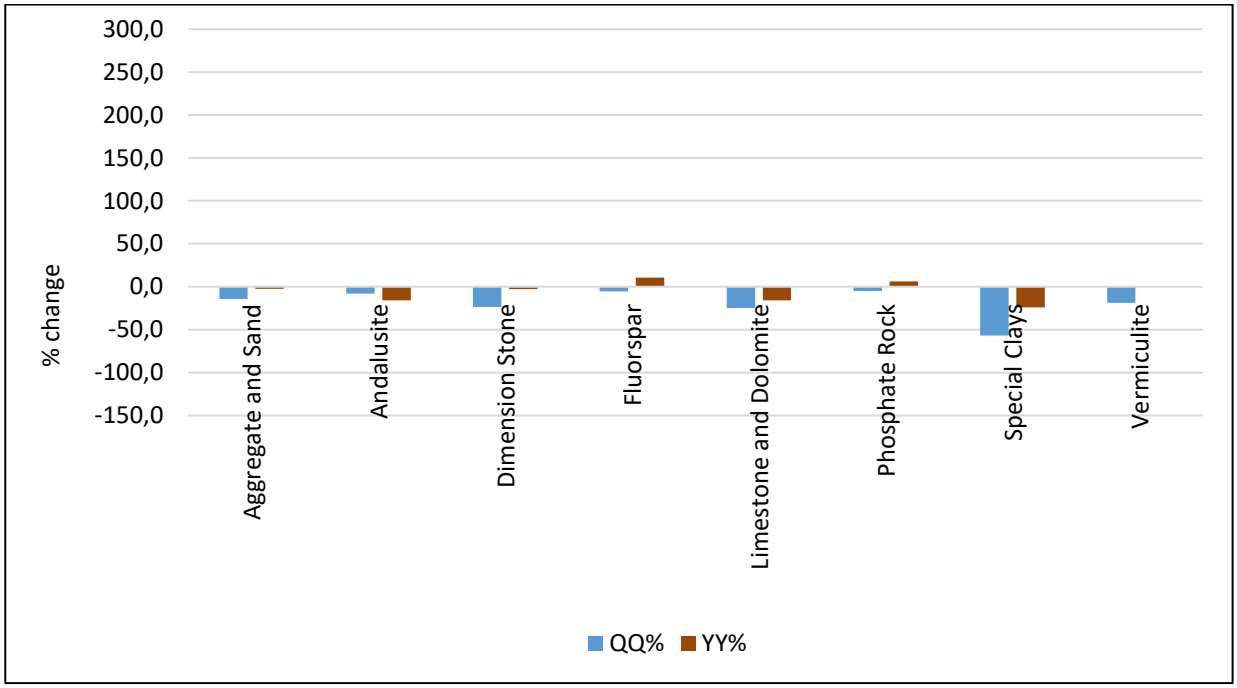
Commodity (kt)	Q1 (2025)	Q4 (2024)	Q1 (2024)	Q-o-Q%	Y-o-Y%
Aggregate and sand	12,145	14,170	12,459	-14.3	-2.5
Andalusite	28	24	31	17.8	-8.8
Dimension stone	42	55	43	-23.5	-2.7
Fluorspar	89	109	71	-18.2	25.5
Limestone and dolomite	4,254	5,584	5,068	-23.8	-16.1
Phosphate Rock	614	474	521	29.6	18.0
Special clays	22	43	146	-47.5	-84.6
Vermiculite	31	33	44	-7.4	-30.7
Other Industrial Minerals	1,822	1,897	2,158	-3.9	-15.6
Total	**19,048**	**22,388**	**20,541**	**-14.9**	**-7.3**

Source: DMPR, Directorate Mineral Economics and Statistics

Total Sales

Total sales volume of industrial mineral 16 percent (q-o-q) decline can be attributed to slow economic recovery, infrastructure delays and setbacks, coupled with subdued residential buildings and civil construction activities as well as waning demand from end-users such as agriculture and horticulture sectors (Figure 25 and Table 17). Domestic demand for andalusite experienced a drastic drop from the cement, steel and non-ferrous processing sectors. Total sales volume decline can be also attributed to low export sales at Foskor, which is usually the biggest exporter amongst SA producers because of decreased demand of fertilisers. Total sales mass decreased year-on-year by 6.9 percent, as demand was also down impacted by the depressed consumer demand in 2025 compared to 2024. The deterioration of Foskor’s exports sales was because of increased prices for phosphates following continued absence of China's processed phosphates in market.

FIGURE 25: TOTAL SALES MASS OF INDUSTRIAL MINERALS, Q1 2025.



Source: DMPR, Directorate Mineral Economics and Statistics

TABLE 17: TOTAL SALES MASS OF INDUSTRIAL MINERALS, Q1 2025.

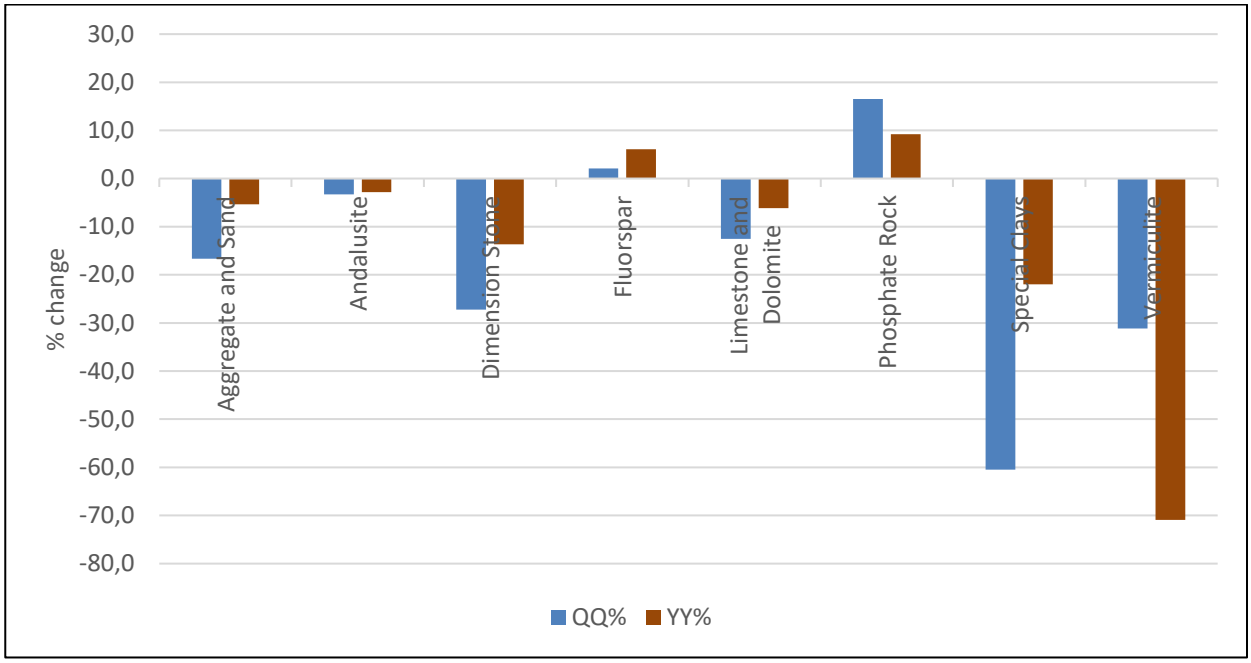
Commodity (kt)	Q1 (2025)	Q4 (2024)	Q1 (2024)	Q-o-Q%	Y-o-Y%
Aggregate and sand	12,145	14,170	12,459	-14.3	-2.5
Andalusite	29	32	35	-8.1	-15.9
Dimension stone	42	55	43	-23.5	-2.7
Fluorspar	113	119	102	-5.5	10.8
Limestone and dolomite	3,846	5,121	4,565	-24.9	-15.7
Phosphate Rock	599	631	564	-5.0	6.3
Special clays	115	267	152	-56.8	-24.0
Vermiculite	11	14	31	-19.0	-63.8
Other Industrial Minerals	1,702	1,741	2,028	-2.2	-16.1
Total	**18,603**	**22,148**	**19,977**	**-16.0**	**-6.9**

Source: DMPR, Directorate Mineral Economics and Statistics

Total Revenue

Total sales revenue decreased by 6.2 percent q-o-q to R6.1 billion in Q1 as compared to R6.5 billion in Q4 of 2024, owing to decreased capacity utilisation from operations in 2025 as compared to the previous year. The decline in revenue was a result of sluggish demand from both the local and international markets, which pressured prices downward, to induce future demand. Some mines had projections in 2025 compared to 2024 (Figure 26 and Table 18). Total sales revenue contracted by 3.7 percent y-o-y, owing to the decelerating appetite for industrial minerals sector coupled with low demand from the international markets and, was further exacerbated by drop in prices and sales fluctuations. South Africa's construction sector is facing ongoing economic and fiscal pressures, with modest growth, weak investment, and delayed public projects, posing risks to recovery.

FIGURE 26: TOTAL SALES REVENUE OF INDUSTRIAL MINERALS, Q1 2025.



Source: DMPR, Directorate Mineral Economics and Statistics

TABLE 18: TOTAL SALES REVENUE OF INDUSTRIAL MINERALS, Q1 2025.

Commodity (R`)	Q1 (2025)	Q4 (2024)	Q1 (2024)	Q-o-Q%	Y-o-Y%
Aggregate and sand	1,705,196,377	2,046,099,677	1,801,130,673	-16.7	-5.3
Andalusite	231,378,534	239,316,269	238,108,686	-3.3	-2.8
Dimension stone	90,311,630	124,050,515	104,599,430	-27.2	-13.7
Fluorspar	879,546,323	861,365,430	829,333,267	2.1	6.1
Limestone and dolomite	974,994,867	1,114,825,534	1,039,216,077	-12.5	-6.2
Phosphate Rock	1,824,049,671	1,565,375,846	1,670,356,786	16.5	9.2
Special clays	32,172,483	81,333,416	41,250,271	-60.4	-22.0
Vermiculite	40,385,039	58,650,495	138,979,875	-31.1	-70.9
Other Industrial Minerals	365,363,949	455,779,962	515,671,371	-19.8	-29.1
Total	**6,143,398,873**	**6,546,797,144**	**6,378,646,436**	**-6.2**	**-3.7**

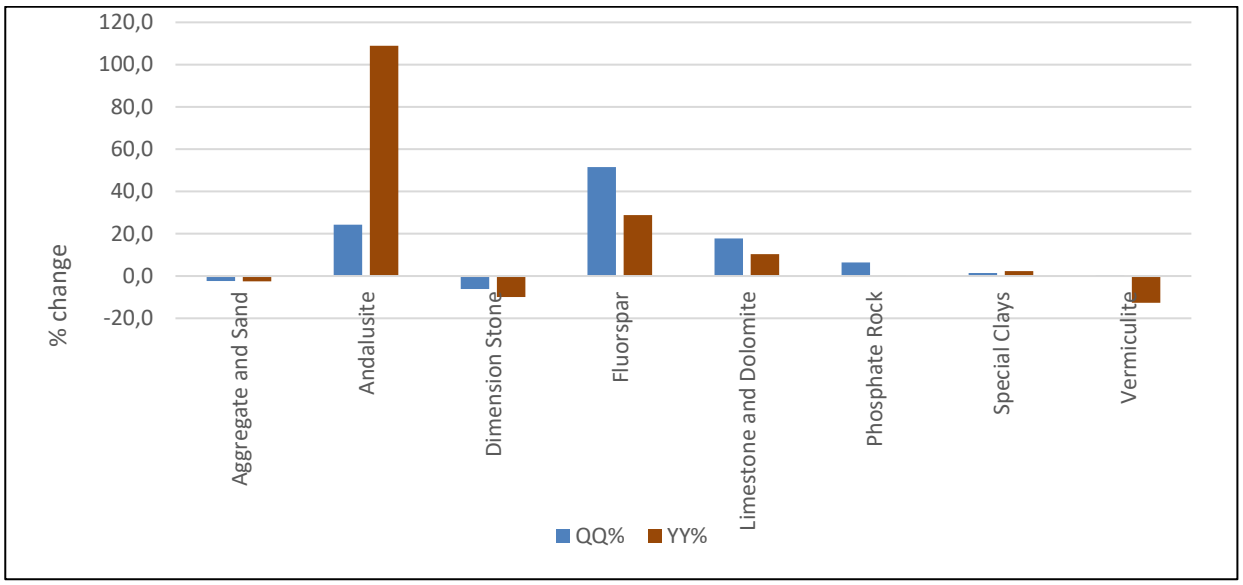
Source: DMPR, Directorate Mineral Economics and Statistics

Prices

Andalusite average local unit value increased by 24.4 percent q-o-q and soared by 108.9 percent y-o-y to R6 999/t, when the market gave an optimistic sentiment. Average local unit value of fluorspar increased by 51.5 percent q-o-q and by 28.8 percent y-o-y to R3 430/t. The upswing can be attributed to exporters increasing their acid spar orders during the months of February and March 2025. Average local unit value for limestone and dolomite increased by 17.7 percent q-o-q and by 10.3 percent y-o-y to R253/t, owing to improved consumer demand as compared to the previous year. Phosphate rock increased by 6.4 percent q-o-q and contrarily decreased by 0.4 percent y-o-y to R2 449/t. Average local unit value of special clays increased by 1.5 percent q-o-q, and by 2.3 percent y-o-y to R277/t, due to recovery of fertilizer prices. Vermiculite increased by 0.4 percent q-o-q and decreased by 12.7 percent y-o-y to R4 407/t (Figure 27 and Table 19). Dimension stone decreased by 6.2 percent q-o-q and by 10 percent y-o-y to R1 745/t. The

average local unit values of aggregate and sand decreased by 2.3 percent q-o-q and by 2.5 percent y-o-y to R141/t, owing to slow economic recovery in 2025 as compared to 2024.

FIGURE 27: AVERAGE LOCAL UNIT VALUE (R/t) OF SELECTED INDUSTRIAL MINERALS



Source: DMPR, Directorate Mineral Economics and Statistics

TABLE 19: AVERAGE LOCAL UNIT VALUE (R/t) OF SELECTED INDUSTRIAL MINERALS COMMODITIES.

Commodity (R`)	Q1 (2025)	Q4 (2024)	Q1 (2024)	Q-o-Q%	Y-o-Y%
Aggregate and sand	141	144	144	-2.3	-2.5
Andalusite	6,999	5,628	3,350	24.4	108.9
Dimension stone	1,745	1,860	1,938	-6.2	-10.0
Fluorspar	3,430	2,264	2,663	51.5	28.8
Limestone and dolomite	253	215	229	17.7	10.3
Phosphate Rock	2,449	2,302	2,458	6.4	-0.4
Special clays	277	273	270	1.5	2.3
Vermiculite	4,407	4,391	5,047	0.4	-12.7

Source: DMPR, Directorate Mineral Economics and Statistics

Employment and Earnings

Industrial minerals workforce decreased slightly by 0.6 percent q-o-q to 18 522 employees as compared to 18 625 employees, owing to decreased labour capacity from contractual personnel in alumino-silicates, dimension stone, fluorspar, phosphate rock sectors and some male and female personnel of industrial minerals. The decrease can be mainly attributed to decreased utilisation of contractors at several mines. Contrarily, the year-on-year employment increased by 3.8 percent as male, female and contractor employments increased as compared with the same period in the previous year. Remuneration decreased by 4.5 percent q-o-q. The downswing in remuneration coincides with the decrease in total labour force, originating from downturn in contractual employments. In Q1 2025 there were less contractual earnings paid at several mines as compared to Q4 2024. The year-on-year evaluation recorded remuneration increased by 5.9 percent on the back of increased bonus paid and contractual earnings as total number of employees increased in 2025 as compared to 2024. The employment of male personnel increased by a marginal 0.1 percent q-o-q and by 0.03 percent y-o-y and, the employment of female personnel

increased by 1,1 percent q-o-q and by 3.9 percent y-o-y. The number of contractors decreased by 2.2 percent q-o-q and increased by 9.9 percent y-o-y (Table 20).

TABLE 20: INDUSTRIAL MINERALS EMPLOYMENT AND EARNING DURING QUARTER 1, 2025.

Period	Male	Female	Contractors	Total employment	Total earnings (R' mil)
Q1 (2025)	9,623	2,451	6,448	18,522	1,432.8
Q4 (2024)	9,610	2,424	6,591	18,625	1,500.9
Q1 (2024)	9,620	2,359	5,869	17,848	1,352.4
Q-o-Q%	**0.1%**	**1.1%**	**-2.2%**	**-0.6%**	**-4.5%**
Y-o-Y%	**0.03%**	**3.9%**	**9.9%**	**3.8%**	**5.9%**

Source: DMPR. Directorate Mineral Economics and Statistics

Outlook

South Africa's economic performance in early 2025 reflects a fragile recovery underpinned by subdued growth, weak industrial output. The South African construction industry outlook for 2025 and 2026 presents a mixed picture, with moderate recovery signs due to persistent challenges. The sector benefited from rising business confidence, lower interest rates, and government efforts to accelerate structural reforms. Despite economic uncertainties, the outlook for construction remains promising but it's not without challenges.

South Africa's construction sector is facing ongoing economic and fiscal pressures, with modest growth, weak investment, and delayed public projects, posing risks to recovery. While some recovery is expected, the industry's growth is highly dependent on government's ability to implement planned reforms and ensure efficient infrastructure expenditure. If execution improves, construction could see gradual expansion, thereby leading to increase in demand for construction minerals, but delays and funding constraints remain key risks to the sector's near-term outlook.

Lower interest rates, a decline in inflation, a rebound in housing activity and governmental infrastructure support will generate tailwinds. Ultimately, the general outlook for 2025 is optimistic and enormous opportunities are anticipated for the industry.

Sources:

1. *DMPR, Directorate Mineral Economics and Statistics*
2. *Industry Insight, 2025, Construction Monitor April 2025: Investment Pledges, Construction Pipeline cracks, Postponements and Policy Uncertainty; https://industryinsight.co.za/wp/construction-monitor-april-2025-investment-pledges-construction-pipeline-cracks-postponements-and-policy-uncertainty-construction-monitor-april-2025/*
3. *Industry Insight, 2025, Construction Industry Forecast Report January 2025 – Industry Insight; https://industryinsight.co.za/wp/download/construction-industry-forecast-report-january-2025/*
4. *SA Building Review, 2025, Three South African construction industry forecasts for 2025 - SA Building Review, https://www.sabuildingreview.co.za/construction-news/three-south-african-construction-industry-forecasts-for-2025/*

Mphonyana Modiselle

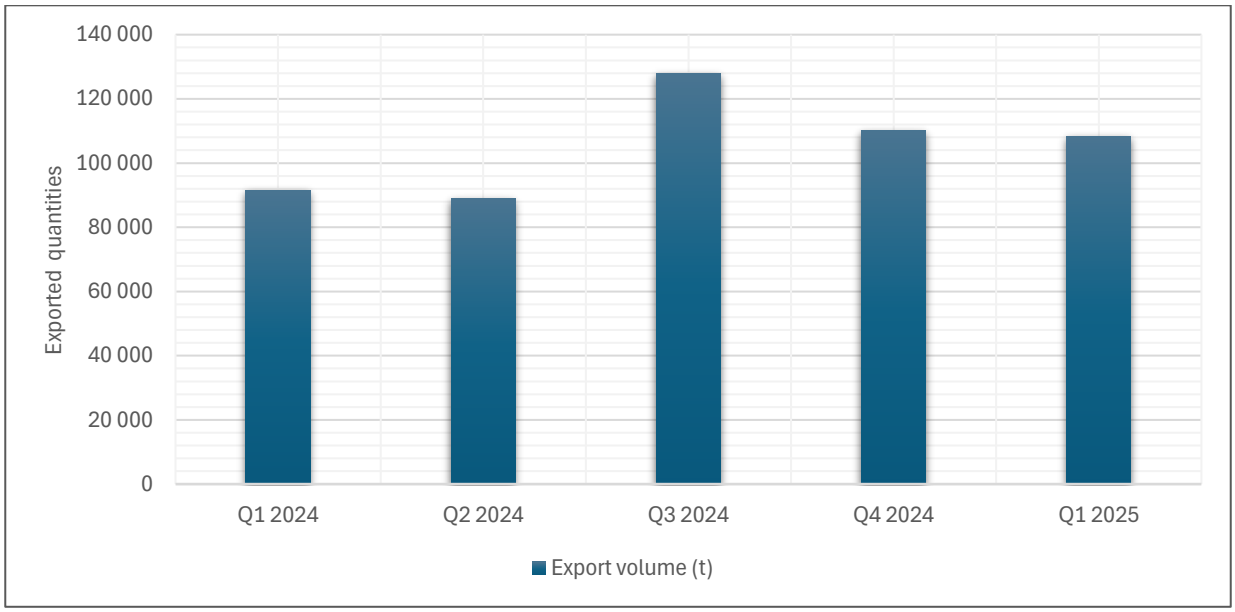
12. DEMAND RECOVERY IN FLUORSPAR MARKET

The performance of South African acidspar in international markets.

Fluorspar is the main component of lithium hexafluorophosphate (LiPF6), which is the most used electrolyte for lithium batteries. China currently holds about 85 to 90 percent of the market share in the production of LiPF6. However, China has been facing fluorspar supply shortages since 2023, prompting the country to boost its imports, to satisfy demand. Some of the lower-grade fluorspar has been processed to higher grades to be utilised as feedstock for producing hydrofluoric acid in the country. The shortages have resulted in a 70 percent decline in Chinese acidspar exports, which fell to 55kt in 2024. China's fluorspar supply tightness is expected to ease in 2025 due to several newly developed mining sites as well as rising imports mainly from Mongolia and Africa.

Demand for domestic fluorspar in international markets curtailed in 2023, following an upward trajectory from 2019 until 2022. Demand dwindled significantly in 2023, which saw South African exports declining by over 19 percent as the market showed a sluggish sentiment and appetite for the material. In 2024 the tide seems to have turned, and the positive outlook is expected to spill over into 2025. The first quarter of 2024 began with export volumes reaching highs of about 90 kt (Figure 1), but this was met by a 2.7 percent decline during the second quarter of 2024, owing to a 7.8 percent increase in the price of acidspar. As prices softened into the third quarter to about $475/t from the $485/t in the second quarter, demand for South African acidspar was incited. The increased consumption of air conditioning created an appetite for refrigerants which led to a 43.7 percent increase in the export volumes demanded. The Chinese supply shortages also stimulated improvements in export volumes from South Africa. Export sales mass declined in the fourth quarter of 2024 by about 13.9 percent to about 110 kt due to festive season closures. The fourth quarter was also plagued by logistical disruptions which caused delays on shipments.

FIGURE 28: ACIDSPAR EXPORT SALES MASS Q1 2024 TO Q1 2025.



Source: DMPR, Mineral Economics & Statistics Directorate

Fluorspar further declined during the first quarter of 2025 by 1.7 percent to 108 kt. The quarter-on-quarter decline came because of demand uncertainties. This is due to the nature of the market to mimic that of a futures trade market, where producers enter year-long supply contract negotiations in February, setting the demand and supply tone for the year. However, compared to the first quarter of 2024, exports rose by over 18 percent in 2025 due to the market depicting possible signs of a recovery for the year 2025. Supply tightness from China is easing, as fluorspar operations ramp up production and new floatation projects commence operations. Nevertheless, demand for fluorspar in the Asian markets remains high with China

exploring investments in African deposits and remaining vastly dependant on imports. Fluorspar demand is expected to rise by about 25 to 30 percent in 2025, due to the strong growth of the power storage battery. In addition to major regions such as China, Europe and North America, the energy storage market in emerging markets, such as the Middle East and Africa, shows signs of growth. Global demand for energy storage sector (ESS) batteries will reach about 365 gigawatt hours (GWH) in 2025, while the total demand for lithium batteries will reach about 1,690 GWH. The looming growth in the battery sector will translate into improved demand for fluorspar and will also see South African exports of acidspar rising from 2023 and 2024 levels to potentially reach record highs in 2025.

Sources:

1. *DMPR, mineral economics and statistics*
2. *Chemanalyst, https://www.chemanalyst.com/Pricing-data/fluorspar, accessed 30/04/2025.*
3. *Fastmarkets, https://www.fastmarkets.com/insights/key-topics/, accessed 25/02/2025*

M Muravha