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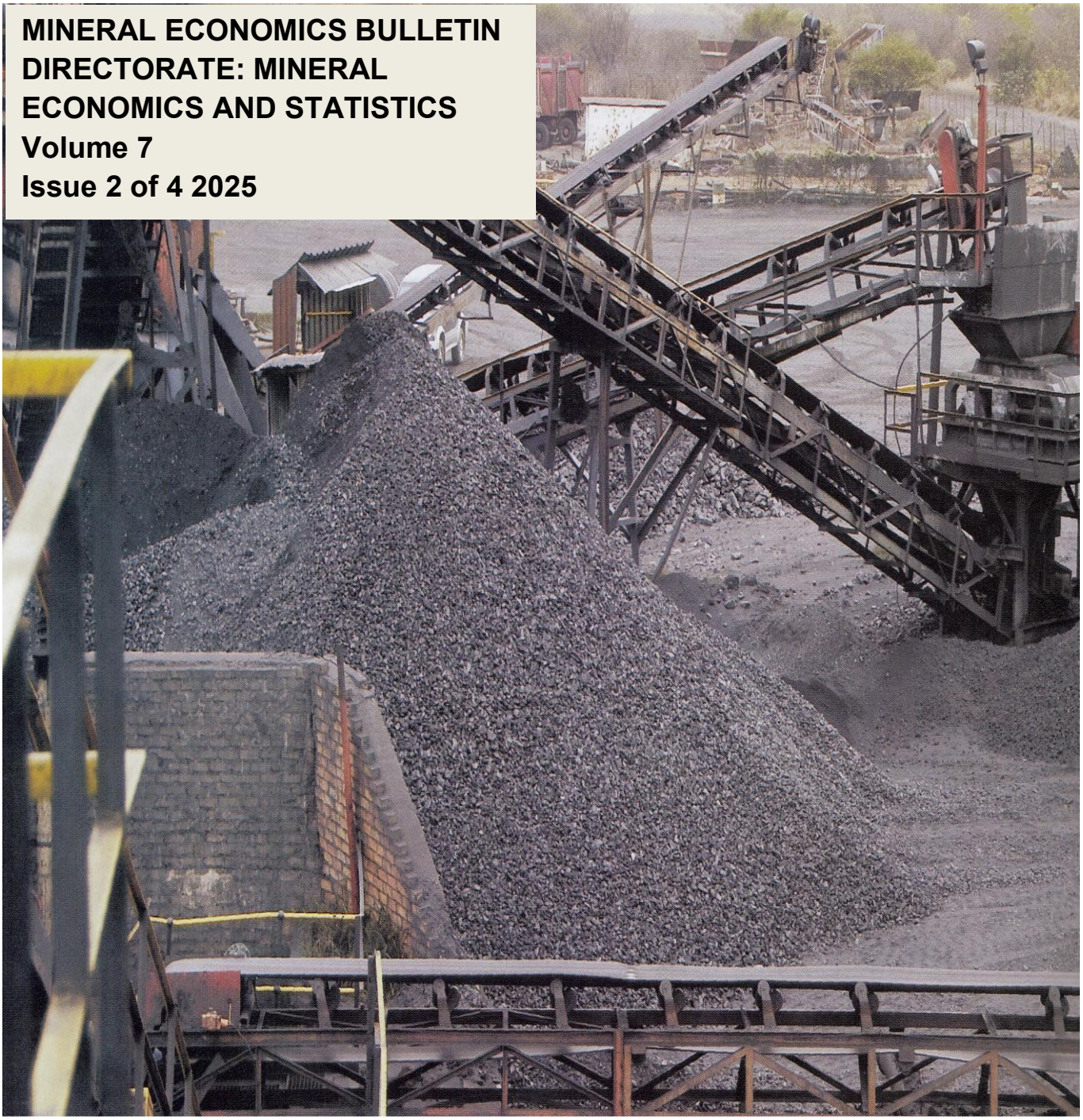

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*Some of the statements made and opinions expressed by the authors do not necessarily reflect the official views of the
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ABBREVIATIONS AND SYMBOLS

A$	Australian dollar
B-billion	thousand
CIF	cost, insurance, freight
DMRE	Department of Mineral Resources and Energy
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 dollar, unless stated otherwise
¥	yen
€	Euro

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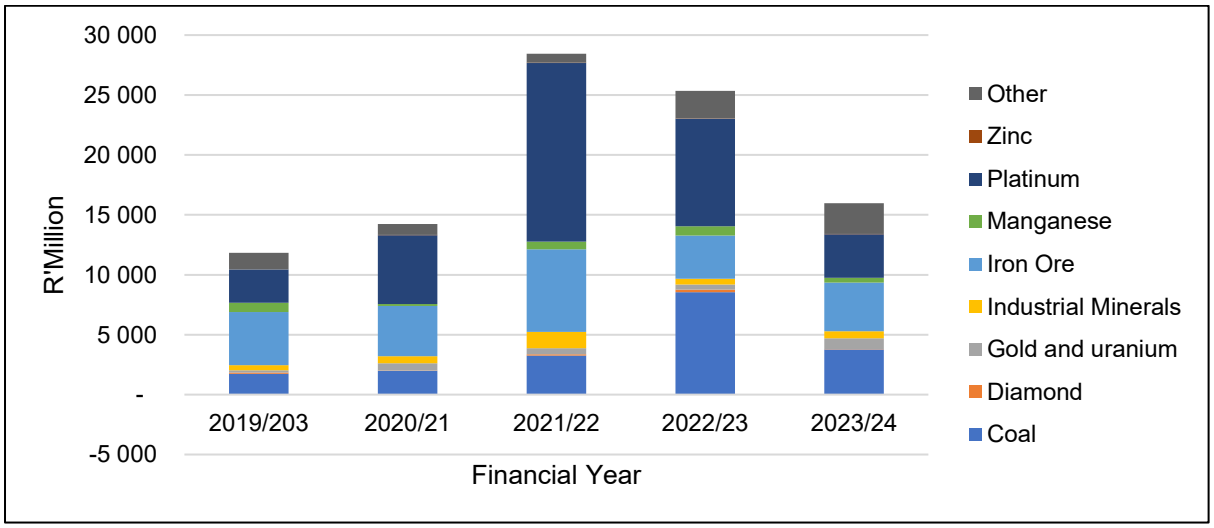
1. MINERAL AND PETROLEUM RESOURCE ROYALTIES' PERFORMANCE DURING THE 2023/24 PERIOD.

Volatility in global mineral markets affects mining royalties.

Minerals and Petroleum Resource Royalties revenue declined for the second consecutive year in the 2023/24 financial year, recording a 36.93 percent decrease from R25.34 billion in 2022/23 to R15.98 billion in 2023/24. The decline shows the volatility in mineral markets and various factors that can negatively impact production, including falling commodity prices, reduced global demand, and regulatory changes. Additionally, low revenue collection can also be attributed to non-compliance by certain mining companies that fail to register for mineral royalties on time, as well as illegal mining activities.

Platinum, at 35.4 percent (R9.0 billion), was the highest contributor to mineral royalty revenue in 2022/23 and saw a dramatic decrease of 59.8 percent in 2023/24 to R3.6 billion. Similarly, Coal, the second largest contributor in 2022/23, at 33.7 percent, plummeted by 55.9 percent to R3.8 billion in 2023/24. In contrast, iron ore registered a 12.6 percent increase from R3.6 billion in 2022/23 to R4.1 billion in 2023/24, emerging as the largest contributor to total royalty revenue, accounting for 25.4 percent of the total share.

FIGURE 1: MINERALS AND PETROLEUM RESOURCE ROYALTY'S PAYMENTS BY COMMODITY, 2020/21 TO 2024/25.



Source: SARS, National Treasury of South Africa

Gold and Uranium showed a significant rebound in 2023/24 with a 117.9 percent growth to R905 million. The Others' category also saw sustained growth, increasing its share to 16.2 percent to R2.5 billion in 2023/24. Despite the gains, the National Treasury (NT) expects a further decline of 33.4 percent in royalties' revenue to R10.6 billion in the 2024/25 financial year.

Royalties from minerals and petroleum resources are a key source of revenue for South Africa, ensuring that the government earns directly from the extraction of non-renewable natural resources. The revenue collected is vital in supporting government spending in the nation's key economic growth enablers, such as infrastructure and social development. Although recent declines reflect global commodity price volatility and shifting demand, royalties remain a key fiscal tool for ensuring that the country benefits from its mineral wealth. In the medium term, stabilizing and potentially increasing royalties will depend on improved global market conditions, policy certainty, and investment in new mining projects, mining companies registering for mineral royalties on time, as well as ensuring that illegal mining is curbed.

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Kabelo Tshetlhanyana

2. SOUTH AFRICA'S MINING SECTOR PERFORMANCE DURING THE SECOND QUARTER OF 2025.

South Africa's mining industry GDP expanded by 3.7percent, with its value rising to R204 billion from R197 billion recorded in the first quarter. The sector contributed an average of 0.2 percent to the national GDP, which stands at R4.7 trillion.

Production

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

Total precious metals production increased by 30.7% q-o-q to about 95 941 Kg, due to higher throughput of refined PGMs and rough gold, supported by concentrate processing of silver. However, y-o-y, production dropped by 4.0%, as the throughput at one of the producers (Sibanye's South African) operations were negatively affected by weather disruptions. Diamond production rose by 12% to 1 651 604 carats, similarly, increasing by 14.5% y-o-y. The growth was driven by De Beers' Venetia underground production ramp-up, to 60 percent of its capacity, as well as higher tailings treatment volumes at Petra Diamonds, as well as Petra's inventory release into the market, in both periods.

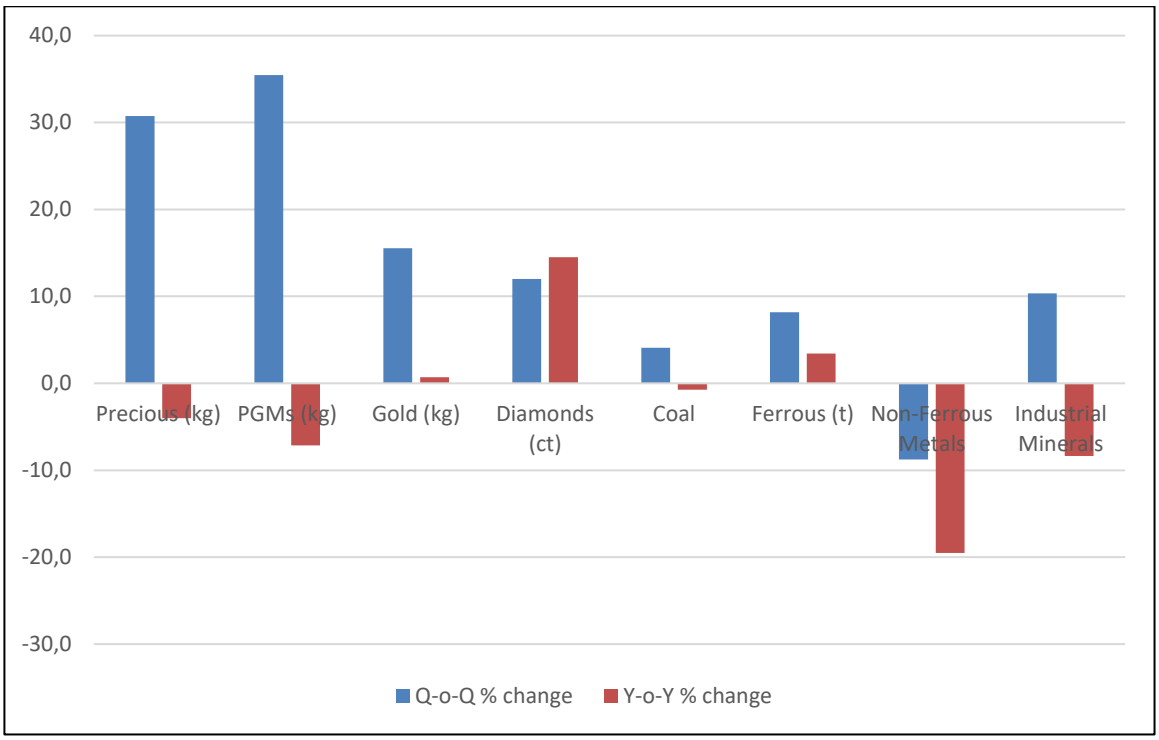
Total coal production rose by 4.1% q-o-q to about 57.7Mt, attributed to ramped up production. However, on a y-o-y basis, output declined by a marginal 0.7%, due to ongoing, though relatively better logistical constraints.

Ferrous metals' total production increased by 8.2% q-o-q to an average 27 716 kt in Q2 2025, driven by notable increases across the ferrous sector, with chrome, iron and manganese ore increasing by 20.4%, 6.5% and 0.9%, correspondingly. Operational efficiencies from plant upgrades and improved energy availability, alongside better coordination in the logistics value chain, enhanced throughput and eased rail and port congestion. Stronger global demand, particularly from Asia, and higher commodity prices further supported output. On y-o-y, total production rose by 34%, recovering from Q2 2024 disruptions including load-shedding and logistics constraints. Iron ore output fell by 3.4%, the chrome and manganese production increase by 5% for both was sufficient to offset it.

Non-ferrous minerals and metals production declined by 8.8% in the quarter ending June 2025 to about 735 461 t. While output gains in cobalt (+46.6%), titanium (+16.6%), nickel (+14.9%), and zinc (+12.8%)

were recorded, they were insufficient to offset significant contractions in output for lithium (-63.7%) and copper (-13.7%). On a y-o-y basis, the overall output fell by 19.5%, largely driven by sharp declines in lithium (-66.4%), copper (-15.2%), and zircon (-12.3%).

FIGURE 2: PERCENTAGE CHANGE IN PRODUCTION.



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

Industrial minerals production increased by 10.3% to about 21.19 Mt, on the back of improved output from aggregate and sand, andalusite, dimension stone, fluorspar, limestone and dolomite, special clays, vermiculite and other industrial minerals. Contrarily, the y-o-y production decreased by 8.4%, owing to decreased capacity utilisation from operations in 2025, fuelled by plant maintenance as well as late submissions by some mines, as compared to the previous year.

Sales and sales value

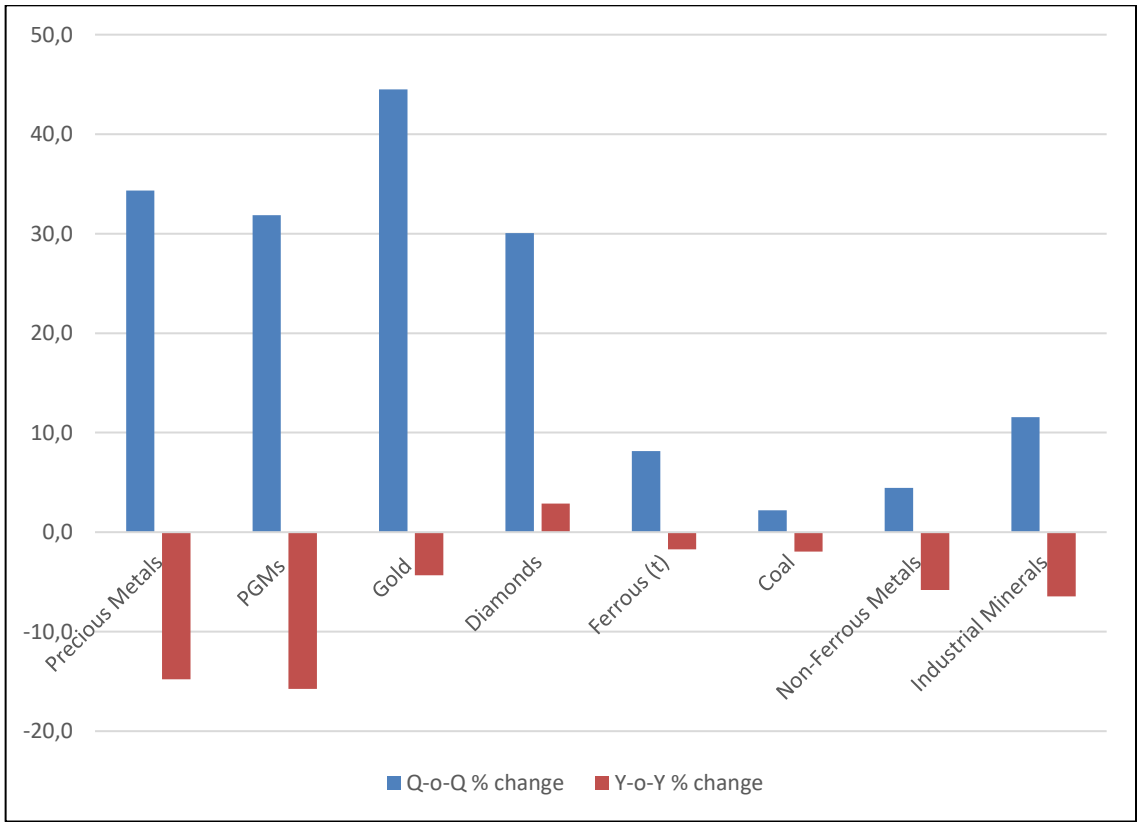
Preliminary data shows that total mining sales quantities recorded an increase across the whole sector, q-o-q and declined y-o-y, attributed to all the sectors but diamonds' (Figure 3). Total mining sales revenue increased by 20.6% q-o-q and by 0.5% y-o-y to about R211.98 billion in quarter 2 of 2025 (Figure 4).

Precious metals total sales mass rose by 34.3% q-o-q to about 90 939 Kg, driven by accelerated gold exports and PGMs inventory released, supported by improved refinery output, despite some operational delays. Y-o-y, sales went down by 14.8%, reflecting lower gold export volumes and limited PGMs stockpile release. The corresponding sales revenue for precious metals' sales revenue stood at 93.5 billion in Q2 2025, increasing by 50.6 percent and 11.7 percent, q-o-q and y-o-y, respectively with both periods driven by the liquidation of PGMs stockpiles, post smelter outage. Total diamond sales mass increased by 30.1% q-o-q and 2.9% y-o-y, to a total of 1 783 102 carats, driven by De Beers' clearance of stockpiled transitional phase stones from Venetia's underground ramp-up to 60% of the operation's capacity as well as targeted auctions in India driving the short-term demand, in both periods. Petra Diamonds also contributed through strategic inventory releases, capitalising on the recovering

market. Diamond revenue rose by 13.5 percent q-o-q, underpinned by a 30.1% surge in sales mass, driven by large producers' clearance of stockpiled stones, targeted auctions in India, and strategic inventory release to capture the improving market conditions. On y-o-y, the revenue declined by 21.2 percent despite a 2.9% rise in sales volumes, underscoring a price-driven y-o-y contraction, as market prices remained weak, compounded by sales mix changing unfavourably, limiting the financial lift from higher output. The total corresponding sales revenue for the precious sector increased by 49.1% q-o-q and by 10.2% y-o-y to about R96.50 billion.

Total coal sales mass rose by 2.2% q-o-q to about to 60.9 Mt, supported by a 5% increase in domestic sales, which offset the sharp 9.2% decline in export volumes. Y-o-y it declined by 2%. The strength of the local sales indicates stable industrial and energy demand, while the weakness in exports reflects ongoing global decarbonization efforts and heightened competition from lower-cost Indonesian and Russian coal on international markets. Coal sales revenue declined by 4.0% q-o-q and by 5.2% y-o-y to about R47.95 billion, owing mainly to lower domestic and export prices. The total energy sales commodities' sales revenue declined by 3.7% q-o-q and by 5.5% y-o-y to about R47.95 billion.

FIGURE 3: PERCENTAGE CHANGE IN SALES MASS.



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

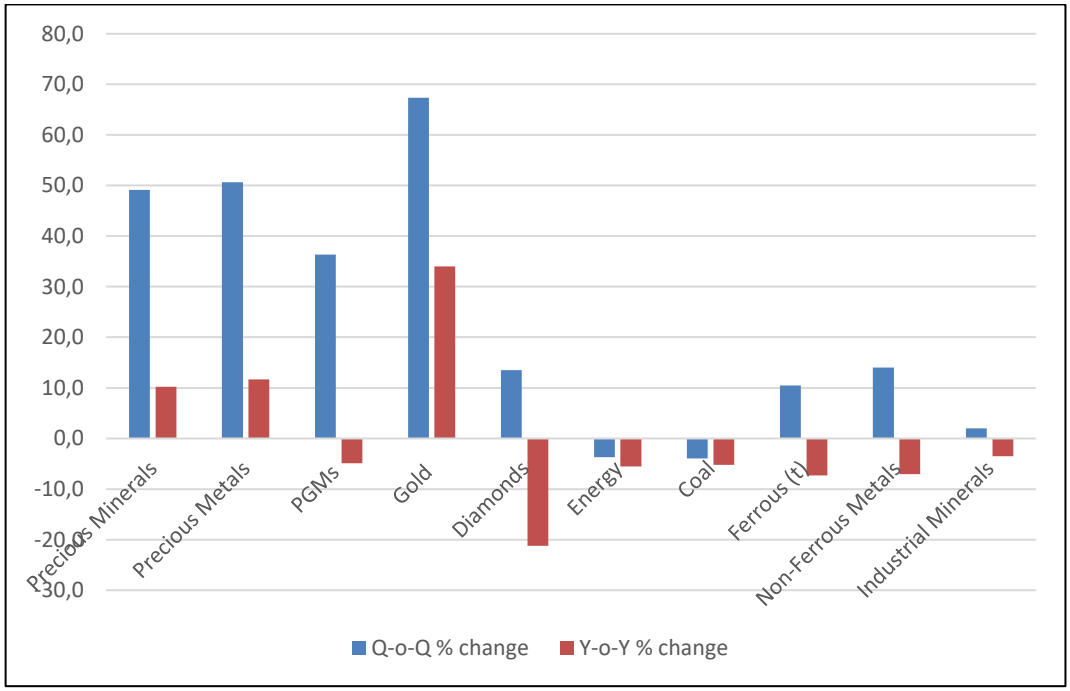
Total ferrous metal ore sales averaged about 28.61 Mt in Q2 2025, increasing by 8.2% q-o-q, driven by strong export volumes of manganese and chrome, which rose by 25.3% and 13.1%, respectively, supported by improved logistics, firm global demand, and better ports and rail performance. Iron ore sales increased slightly by 1.7%, held back by weaker exports due to port congestion and lower Chinese demand, though domestic sales remained strong. Y-o-y, sales went down by 1.7%, due to weaker local demand and a high base in Q2 2024. Chrome and iron ore fell by 3.1% and 4.7%, respectively, while manganese rose by 8.6%, buoyed by stable offshore demand from steel and battery sectors. Persistent power issues and rising costs weighed on domestic offtake, especially for smelters and processors, exacerbated by electricity cost. The corresponding sales revenue increased by 20.6% q-o-q to about R51.4 billion, driven by higher sales volumes and improved prices for chrome and manganese ore, which surged by 41.4% and 24.9%, respectively. Strong demand from Asian steel

markets and supply disruptions in competitor regions also supported the gains. Iron ore revenue fell 11.4 percent q-o-q, in line with the lower export volumes and softer prices, but resilient domestic demand partly offset it. A stronger ZAR/US$ exchange rate reduced export earnings, but better rail and port logistics helped boost chrome and manganese exports. On y-o-y, total ferrous revenue declined by 7.3 percent amid weaker global demand, falling prices, and a stronger ZAR/US$ exchange rate.

Total non-ferrous metals sales mass increased by 4.4% q-o-q to about 773 830 t, despite lower production levels, in the period under review, driven by stronger demand for most minerals, excluding titanium. Cobalt led performance with a 126% increase (although smaller by contribution in the sector), followed by nickel at 64.7% and copper at 26.6%. However, on a year-on-year basis, total sales volumes declined by 5.8%, as gains in key minerals were insufficient to offset the absence of sales in heavy mineral sands and lithium. The corresponding sales revenue increased by 14%, with cobalt, nickel, and copper recording the highest revenue growth. However, on a year-on-year basis, revenue declined by 7% due to reduced sales volumes.

In line with production, sales mass for industrial minerals declined by 11.5% q-o-q to about 20.9 Mt, attributed to recovery of economic activities well as improving demand from end-users such as construction, chemical, agriculture and horticulture sectors. However, on y-o-y it declined by 6.5%, because of supply chain constraints and descent in appetite from local and international end-user markets in 2025 compared to 2024. 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 CHANGE IN SALES VALUE.



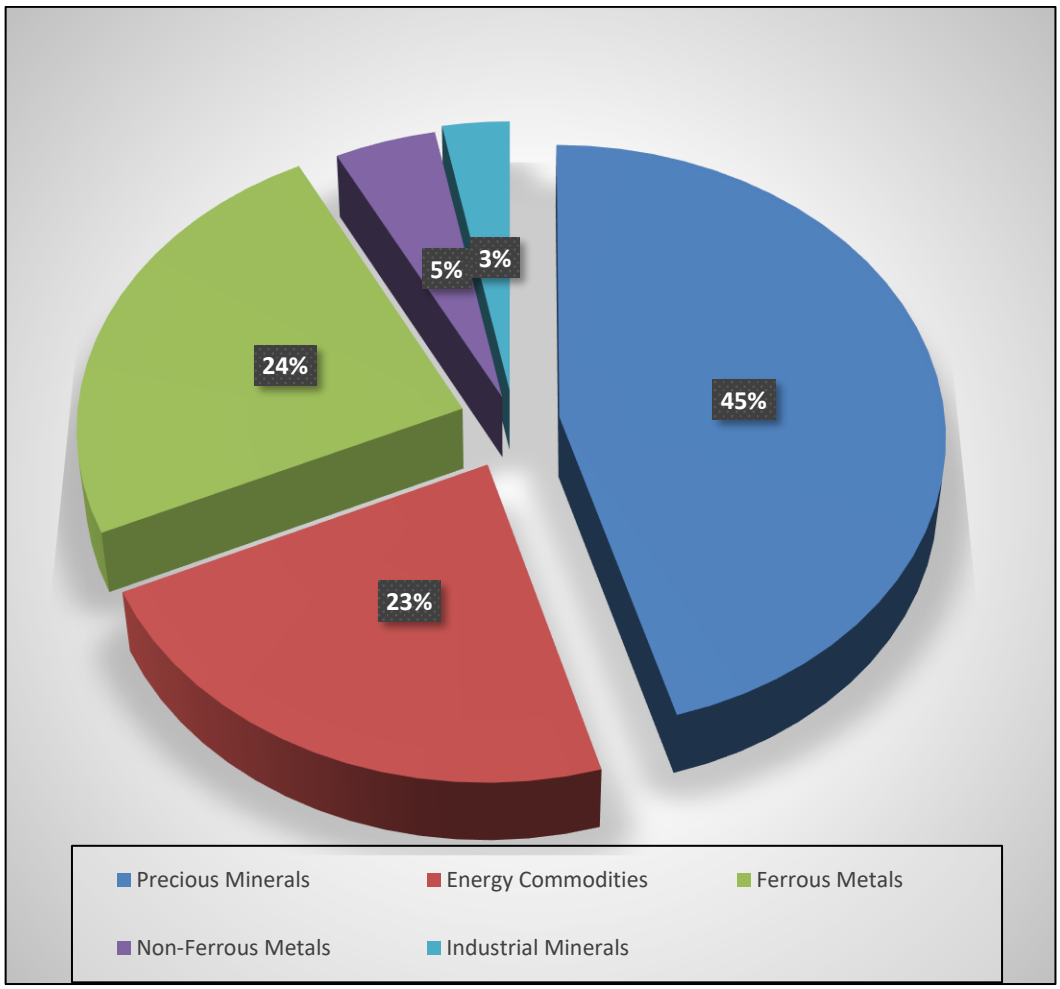
Source: DMPR, Mineral Economics and Statistics, 2024, 2025.

Percentage contribution to value by commodity groups

In term of revenue contribution by commodity groups (Figure 5), the precious minerals sector continued to lead the industry at 45.5% of the mining industry, totalling about R96.50 billion, reflecting sales revenue increase, as compared to the 40% in the previous quarter. The revenue was largely attributed to gold at about R47.88 billion, comprising 49.6% of the precious sector followed by PGMs at about R45.44 billion, comprising about 47.1% of the precious sector. Energy commodities contributed about 22.6% valued at about R47.95 billion, largely attributed to coal at 99.4% of the energy sector amounting to about R47.95

billion. Ferrous metals contributed about 24.3% valued at about R51.48 billion, largely attributed to iron ore at about R21.09 billion, comprising about 41.0% of the ferrous, followed by chrome sector at R16.54 billion, comprising about 32.1% of the ferrous sector. Non-ferrous metals contributed about 4.6% at about R9.66 billion. Industrial minerals contributed 3.0% valued at about R6.40 billion.

FIGURE 5: PERCENTAGE CONTRIBUTION BY SECTORS.

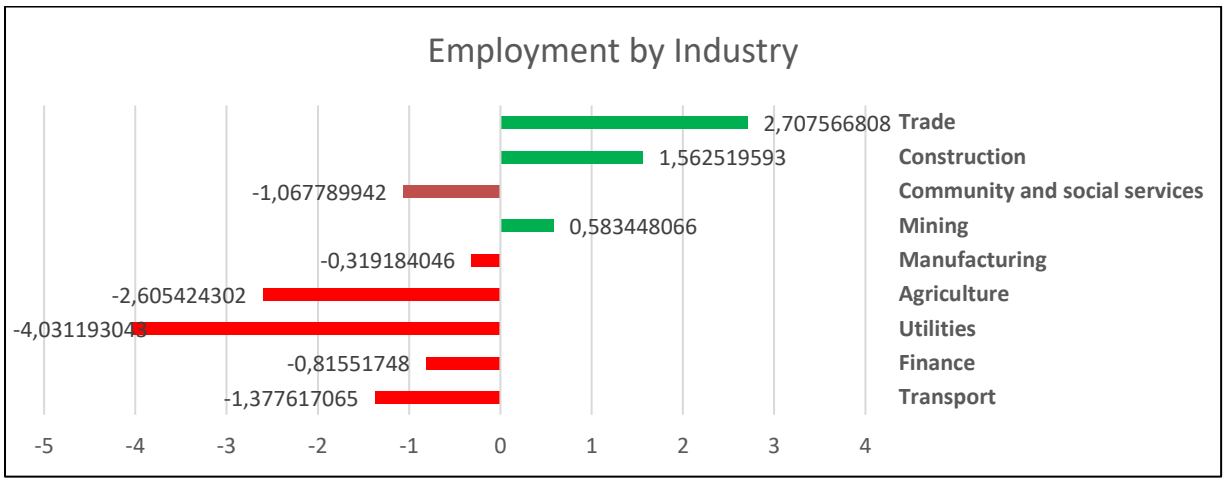


Source: DMPR, Mineral Economics and Statistics, 2024, 2025.

Employment and Remunerations

South Africa's non-agricultural sectors' employment decreased by 0.8%, which is about 80 000 quarter-on-quarter to 10 508 000 in June 2025, from 10 589 000 recorded in March 2025. This decline is attributed to decreases in: community services (-53 000 or -1,9%), trade (-10 000 or -0,4%), manufacturing (-9 000 or -0,7%), construction (-7 000 or -1,2%), transport (-2 000 or -0,4%) and business services (-2 000 or -0,1%). However, the following industries showed an increase: Mining (2 000 or 0,4%) and electricity (1 000 or 1,6%). Year-on-year, total employment decreased by 2.1% equalling about 229 000. (Figure 6).

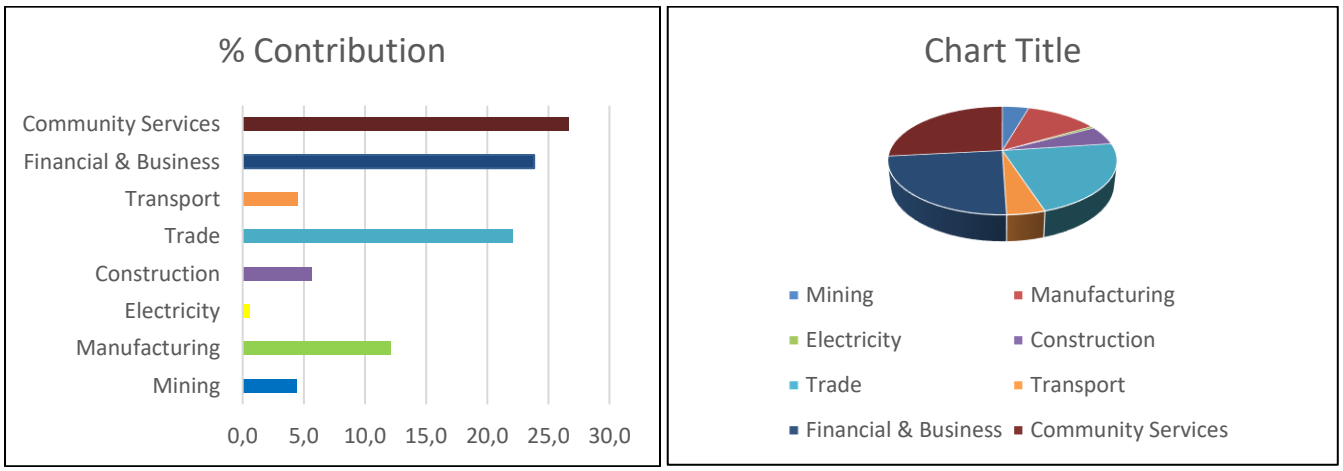
FIGURE 6: EMPLOYMENT PERFORMANCE.



Source: Stats SA, Quarterly Employment Statistics, June 2025

The mining sector comprised about 4.6% of the total employment (Figures 7 (a) and (b).

FIGURE 7: CONTRIBUTION BY INDUSTRY.

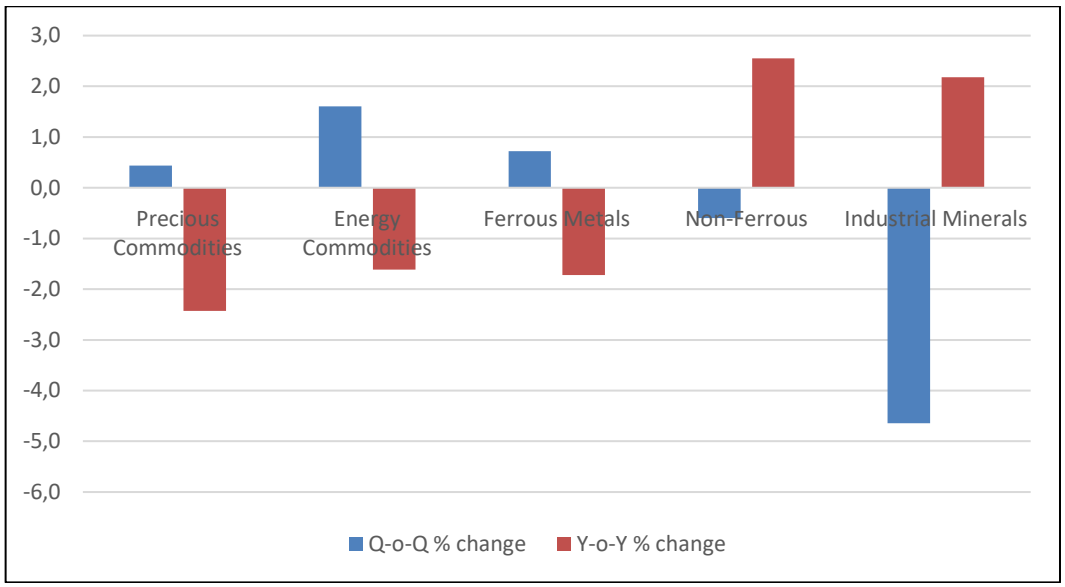


Source: Stats SA, Quarterly Employment Statistics, June 2025

Total primary mining employment increased by 0.5% q-o-q to 467 934 employees in the month of June 2025, supported by increases coming from precious minerals, energy and ferrous minerals (Figure 8). However, y-o-y it declined by 1.2% pulled down by decreased from precious, energy, ferrous sector, which increases from non-ferrous and industrial mineral sectors could not offset. In terms of contribution, mining contributed about 4.4%. (Figure 7)

On average, employment totalled 466 838, dropping by 0.1% q-o-q from 467 197 registered in the first quarter. Similarly, it declined by 1.5% from 474 187 from the second quarter of 2024. The drop is largely attributed to April at 465 644 and May at 466 937.

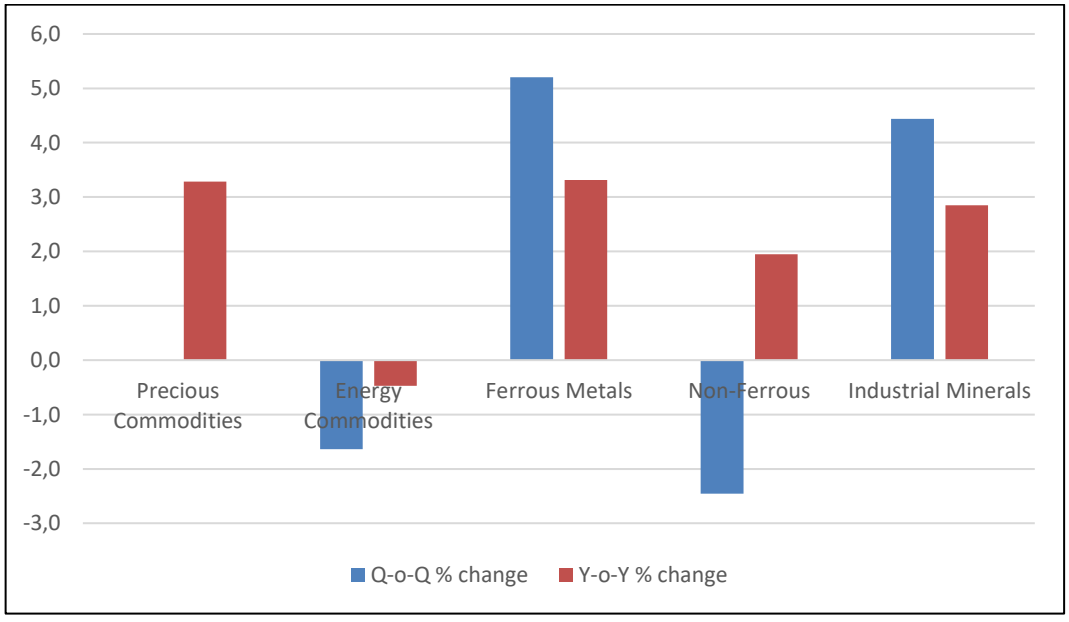
FIGURE 8: PERCENTAGE CHANGE IN SOUTH AFRICA'S MINING EMPLOYMENT PER SECTOR.



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

In terms of remuneration, total remuneration for the mining industry' sector increased by 2.2 percent q-o-q and declined by a marginal 0.1 percent y-o-y to about R49.77 billion (Figure 9). The q-o-q increase is attributed to an increase in remuneration from the ferrous metals and industrial minerals sectors. The marginal y-o-y decline is attributed to the declined form energy and non-ferrous metals which could not be offset by the increases recorded by other sectors.

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



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

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. 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 continues to be stable, 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 challenges, which are intrinsic to the sector. However, there are signs of stabilizing, which will also support improvement in mining performance.

The rand-to-dollar (ZAR/US$) exchange rate strengthened by 0.6 percent and 0.4 percent, q-o-q and y-o-y, respectively. The rand became stronger while the dollar weakened during the first half of 2025 as the U.S. implemented broad tariffs affecting most of its international trade partners and to rising geopolitical tensions, as the Israel-Iran conflict escalated. A relatively stronger ZAR/US$ exchange rate affects export commodities negatively, as they fetch fewer rands per unit sold. The latter is also likely to slightly shave off the sales revenue for gold metal, at the prevailing average prices of over US$3 300 per ounce. The 30% tariff by the US on South African exports into that country may spell disaster for the mining industry. However, the minerals and metals export of South Africa to that country valued at an estimated R46.34 billion for the year 2024, comprises only 8.06% of the total sales revenue of RSA, which is estimated at R574.78 billion. Thus, South Africa may be able to navigate the challenge while engagements are pursued, with the USA to reduce the tariff that commenced in August 2025, while exploring other markets. The ultimate impact of the tariffs will be determined at a later stage, when data for the third quarter, (July to September) 2025, is finalised. It is in the third quarter that the 30% tariffs implemented by the USA federal government on exports out of the Republic, that minerals that are traditionally destined for export to that part of the world, will give an indication of the impact of the tariffs on the mining sector.

Critical minerals are vital to the global economy, driven not only by increasing demand from the energy transition, but also by their widespread application in key sectors ranging from manufacturing to electronics and medicine. Copper, nickel, zinc, silicon, manganese, chromium, rare earth elements, and other critical minerals are key to the green energy transition, fuelling innovations and supporting the development of renewable energy technologies. Hence, a wide spectrum of mineral sectors stands to benefit from the growing demand as many jurisdictions are looking for sources of critical minerals. It anticipated that most minerals sectors will begin to perform better, on the back of the demand.

Preliminary mineral statistics data for July, the opening month of third quarter, show that there was a marginal declined in production m-o-m and an increase y-o-y. The overall sales data shows that there was an increase in sales quantity m-o-m and a decline on a y-o-y basis. However, in terms of sales revenue, mining sales revenue increased by 8.8% and 2.2% m-o-m and y-o-y respectively to about R73.40 billion. It is expected that the ZAR/US$ exchange rate, which strengthened by about 0.02 percent m-o-m in August to an average 17.73 from 17.76 in July, is likely to have a limited impact, as it will be offset by improved prices, largely from the gold sector. Should August follow a similar trend, the next quarter will register another growth for the mining sector, in terms of sales revenue.

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Ray Masetlana

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

South Africa's precious metal's production was estimated at 96 tons (t) in the second quarter of 2025 (Q2 2025), with Platinum Group Metals (PGMs) contributing 65.4 percent to total precious metal's production, while gold and silver contributed 23.6 percent and 11.0 percent, respectively (Figure 10 and Table 1). Precious metal's production increased by 30.7 percent q-o-q, driven by higher throughput of refined PGMs

and rough gold, driven by Mogalakwena achieving sustained higher throughput and Impala platinum optimising converter plant availability, respectively. Recovery by major producers, post the flood disruption also boosted refined output of PGMs. However, the production of total precious metals, dropped by 4.0 percent y-o-y, as the throughput at Sibanye's South African operations were negatively affected by weather disruptions. Gold production increased by 15.6 percent q-o-q and marginally by 0.7 percent y-o-y, due to increases in throughput recorded at major producers' shafts, including Driefontein, Harmony, Goldfields and DRDGold. Moreover, healthy throughput was driven by improved grades and stronger performance recorded by major operations that accessed secondary reef horizons, at Sibanye coupled with the ramp-up of tailings retreatment projects at Pan African Resources.

TABLE 1: SOUTH AFRICA'S PRECIOUS METALS PRODUCTION, Q2 2025.

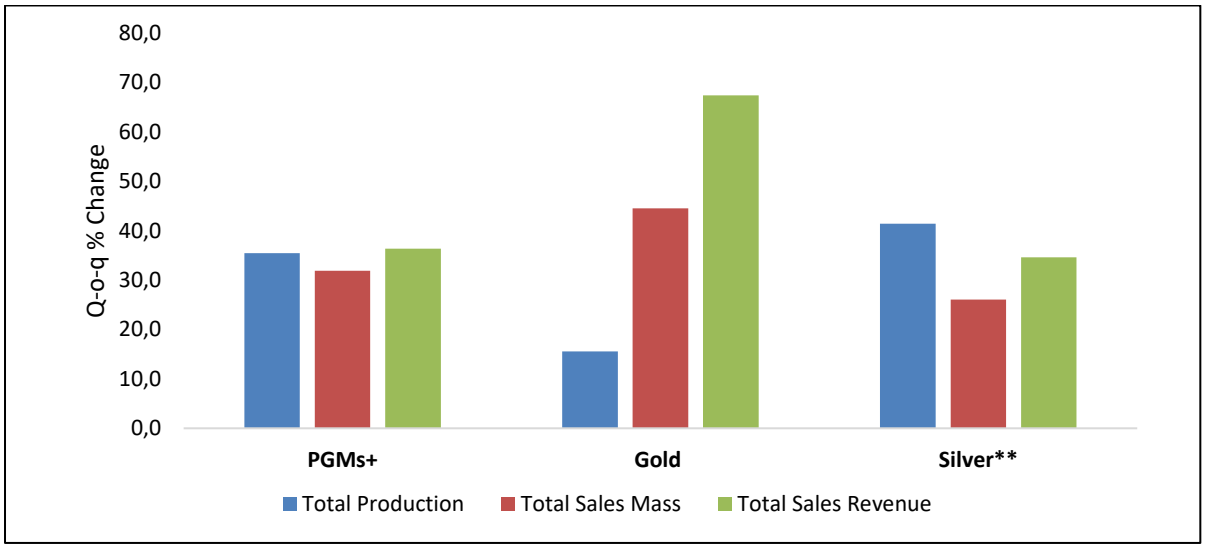
	PRODUCTION	LOCAL SALES		EXPORT SALES		TOTAL SALES	
PERIOD	**QUANTITY**	**QUANTITY**	**VALUE**	**QUANTITY**	**VALUE**	**QUANTITY**	**ALUE**
	(t)	**(t)**	**(R'mil)**	**(t)**	**(R' mil)**	**(t)**	**(R' mil)**
Q2 2025	**95 941**	3.2	2 572	87.7	91	90.9	93 485
Q1 2025	**73 379**	2.5	2 108	65.2	60	67.7	62 064
Q2 2024	**99 946**	3.5	3 216	103.3	81	106.7	83 726
Q-o-Q	*30.7*	*28.0*	*22.0*	*34.5*	*51.7*	*34.3*	*50.6*
Y-o-Y	*-4.0*	*-8.6*	*-20.0*	*-15.1*	*12.3*	*-14.8*	*11.7*

Source: DMPR, Mineral Economics and Statistics 2024, 2025

Sales Mass and Revenue

Precious metals' total sales mass increased by 34.3 percent, to 91 tons, q-o-q, driven by accelerated gold exports and PGMs inventory releases, supported by improved refinery output despite some operational delays. In contrast, y-o-y, sales dropped by 14.8 percent, reflecting lower gold export volumes and limited PGMs stockpile releases, weighing on precious sector's total sales mass (Figure 10 and Table 2). Revenue generated by the precious metals sector reached R93.5 billion, contributing just over 44.1 percent to total mining revenue. Revenue increased by 50.6 percent and 11.7 percent, q-o-q and y-o-y, respectively with both periods driven by the liquidation of PGMs stockpiles, post smelter outage.

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



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

PGMs sales revenue surged by 36.4 percent q-o-q in Q2 2025, due to increased sales and elevated PGMs prices, despite the negative impact of a stronger ZAR/US$ exchange rate, which usually reduces export earnings. Y-o-y, revenue fell by 4.9 percent, due to a drop in sales volume coupled with a stronger

ZAR/US$ exchange rate, despite higher PGMs prices. Gold revenue increased significantly by 67.3 percent and 34 percent q-o-q and y-o-y, respectively, driven by operations benefiting from rising gold prices, despite the negative impact of a stronger ZAR/US$ exchange rate. This growth was further supported by robust global demand, which led to a notable increase in sales volumes, thereby boosting overall earnings across the gold sector. Silver revenue rose by 34.6 percent q-o-q, due to increased sales mass, and firmer silver prices in the quarter lifting receipts, despite the strong ZAR/US$. Y-o-y, revenue declined by 19.9 percent, as a sharp 29.8 percent fall in sales mass which was caused by lower lead and copper throughput of silver-bearing ore—outweighed stable-to-higher prices and currency gains.

TABLE 2: PRICES OF PRECIOUS METALS: Q2 2025.

Periods	Gold	Silver	Pt	Pd	Rh	Ir	Ru	5 PGE	R/$
Q2 2025	3 280.3	33.6	1 070.9	1 000.9	5 453.2	4 203.8	634.4	2 472.6	18.508
Q1 2025	2 860.0	31.9	980.1	973.9	4 926.8	4 295.1	516.2	2 338.4	18.611
Q2 2024	2 337.7	28.9	970.7	981.3	4 705.6	4 802.3	427.6	2 377.5	18.574
Q-o-Q	*14.7*	*5.4*	*9.3*	*2.8*	*10.7*	*-2.1*	*22.9*	*5.7*	*-0.6*
Y-o-Y	*40.3*	*16.6*	*10.3*	*2.0*	*15.9*	*-12.5*	*48.4*	*4.0*	*-0.4*

Source: DMPR, Mineral Economics and Statistics 2024, 2025, Q2 & Q4 Johnson and Matthey

Employment

Precious sector employment was estimated at 260 517 in Q2 2025, contributing 55.7 percent to total mining employment. Employment increasing by 0.3 percent, q-o-q with the drop in permanent employment being countered by almost 1.9 percent increase in contractual employment. However, employment decreased by 1.9 percent, y-o-y as employment in the PGMs sector was impacted by an increase in STR payments (evidence of a drop in employment), with majority of the Bushveld operating mines recording an increase in STR payments. Employment in the gold sector declined slightly by 0.02 percent q-o-q and more substantially by 3.1 percent y-o-y, primarily due to reductions in contract workers and STR at some major mines.

TABLE 3: PRECIOUS EMPLOYMENT AND REMUNERATION, Q2 2025.

PERIOD	EMPLOYEES	REMUNERATION	REMUNERATION/EMPLOYEE
		Rands' 000 000	Rands
Q2 2025	260 517	28.5	109.4
Q1 2025	259 657	27.9	107.4
Q2 2024	265 512	27.7	104.3
Q-o-Q % change	*0.3*	*2.2*	*1.8*
Y-o-Y% change	*-1.9*	*2.9*	*4.9*

Source: DMPR, Mineral Economics and Statistics 2024, 2025

Outlook

The PGMs market is expected to remain in deficit, with prices supported by persistent geopolitical tensions and supply risks, which is projected to reduce production by 5 to 10 percent in Q3 2025 and drive robust industrial demand for platinum, rhodium, and ruthenium from the hybrid vehicle sector. Palladium may stagnate ($900/oz-1 000/oz) due to substitution by platinum, while iridium stabilises near recent averages. The 5 PGE basket could climb by between 4 percent-5 percent, and the ZAR (Rand) may weaken slightly, with risks being escalating Middle East conflicts and broader industrial slowdowns. Miners will leverage bullish prices to offset operational pressures but face persistent energy, labour, and ore-grade constraints,

limiting revenue upside despite favourable markets. Gold prices are projected to rise toward $3 500/oz driven by safe-haven demand, amid global instability. Local production will continue declining by approximately 5 percent per annum, due to structural challenges. Silver should see moderate gains (up to 8 percent to $32.50/oz tracking gold, while benefiting from surging industrial demand that is expected to emanate from global solar and electronics demand.

Sources:

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2. *DMPR: Mineral Economics and Statistics, 2024 Q2*
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7. *Hybrid Vehicle Demand: IEA Critical Minerals Report (2025).*
8. *Johnson Matthey.com, Q2 2025*
9. *Rand Forecast: SARB Monetary Policy Review, IMF Currency Stability Assessment.*
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12. *World Gold Council Counsel.*
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14. *Wall Street Journal (2025) Platinum market set for third year of major deficits (forecasting)*

P. J Perold & Vhutshilo Mutavhatsindi

4. TRADE TENSIONS AND MINERAL MARKETS.

The impact of the United States' tariffs on South Africa, particularly the diamond sector.

Historically, South Africa's trade relationship with the United States (U.S) has been strengthened through agreements such as the African Growth and Opportunity Act (AGOA) and the U.S.–South Africa Trade and Investment Framework Agreement (TIFA). These frameworks promoted market access, encouraged investment, and supported the export of value-added mineral products. Diamonds benefited indirectly from these arrangements through duty free access for loose stones, investment inflows, and cooperative initiatives that improved industry standards. However, in August 2025, the United States imposed a 30 percent tariff on a wide range of South African exports, wherein certain strategic commodities were exempted, while diamonds, amongst other commodities are now subject to higher duties.

South Africa remains the world's fifth-largest diamond producer, and the diamond sector continues to play an important role in the country, currently employing around 11 525 people and contributing approximately R13.5 billion to the national mining revenues. However, the sector faces mounting challenges, including growing competition from synthetic diamonds, fluctuating global demand as well as low prices. In addition, the recent announcement of the US import tariffs has added more pressure on the sector.

While the introduction of these new tariffs poses a risk for South Africa's diamonds to be less competitive on the U.S. market, it offers an opportunity to strategically reposition the industry. The following measures can help mitigate the risks, while attempting to unlock new growth avenues, such as: South African diamond producers prioritising ongoing stakeholder engagement and ensuring the implementation of the proposal for producers to contribute one percent of their revenue to the Natural Diamond Council's joint global marketing initiative. This effort aims to increase demand for natural diamonds, distinguish South African stones from lab-grown alternatives, support industry revenue and employment, as well as strengthen the county's position in the international diamond market. Since the beginning of 2025, only 2

911 carats of diamonds were exported to the United States, highlighting the limited scale of trade in this market. It is therefore essential for South African diamond producers to prioritise the expansion of sales to tariff-free or lower-tariff destinations such as the European Union (EU), United Arab Emirates (UAE), China, and India, where demand for both rough and polished diamonds remain robust.

Regional partnerships within Africa could also serve as buffer markets and encourage local polishing and jewellery manufacturing to move up the value chain, thereby reducing dependence on rough stone exports. South Africa could also negotiate exemptions or rebates for value-added jewellery under bilateral trade talks, even if rough diamonds remain subject to tariffs. Despite the risk factor that the U.S. tariffs pose on the South Africa's diamond industry in the near term, it also serves as a catalyst for diversification, stronger branding, and greater value addition, laying the groundwork for a more resilient and competitive sector. Furthermore, it serves as stimulus for the country to look of alternative markets, to eliminate over reliance on a single market.

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2. *Historic U.S. diamond/jewellery tariff baselines (CBP rulings).*
3. https://www.reuters.com/
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6. *U.S. Executive Order 14257, Federal Register/White House August 2025 update*

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5. SOUTH AFRICA'S ENERGY COMMODITIES SECTOR'S PERFORMANCE DURING THE SECOND QUARTER OF 2025.

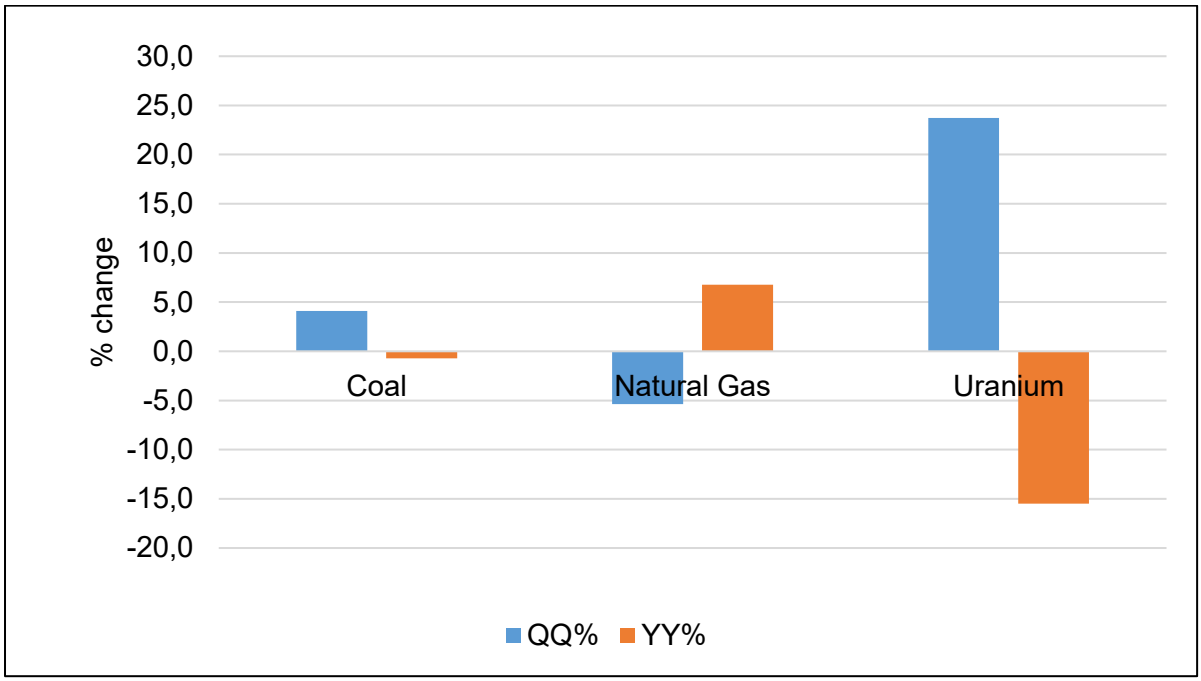
Production

According to the latest figures from the Mineral Economics and Statistics Directorate, coal production rose by 4.1 percent q-o-q to 57.73Mt in Q2:2025, driven by enhanced mining activity and ramped up production (Figure 11 and Table 4). However, on a y-o-y basis, this represents a 0.7 percent decline, primarily due to logistical bottlenecks.

Natural gas production totalled 1,308 tonnes in Q2 2025, reflecting a 5.4 percent q-o-q decline and a 6.8 percent y-o-y increase (Figure 11 and Table 4). The q-o-q decline is primarily attributable to an eight-day shutdown at Tetra4, the current sole producer, in May 2025. In contrast, the y-o-y increase also reflects a low base effect due to production disruptions caused by plant maintenance during the same period in 2024.

Uranium production increased by 23.7 percent q-o-q and declined by 15.5 percent y-o-y, to 54.3t. The level of uranium production is closely tied to gold output from Moab Operations, as the commodity is produced as a by-product of gold mining (Figure 11 and Table 4).

FIGURE 11: PRODUCTION OF ENERGY MINERALS, Q2 2025.



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

TABLE 4: PRODUCTION OF ENERGY MINERALS, Q2 2025.

Production					
Commodity (t)	**Q2 2025**	**Q1 2025**	**Q1 2024**	**Q-o-Q%**	**Y-o-Y%**
Coal	57 731 784	55 454 793	58 154 726	**4.1**	**-0.7**
Natural Gas	1 308	1 382	1 225	**-5.4**	**6.8**
Natural Gas Condensate	0	0	0	**-**	**-**
Uranium	54 319	43 907	64 279	**23.7**	**-15.5**

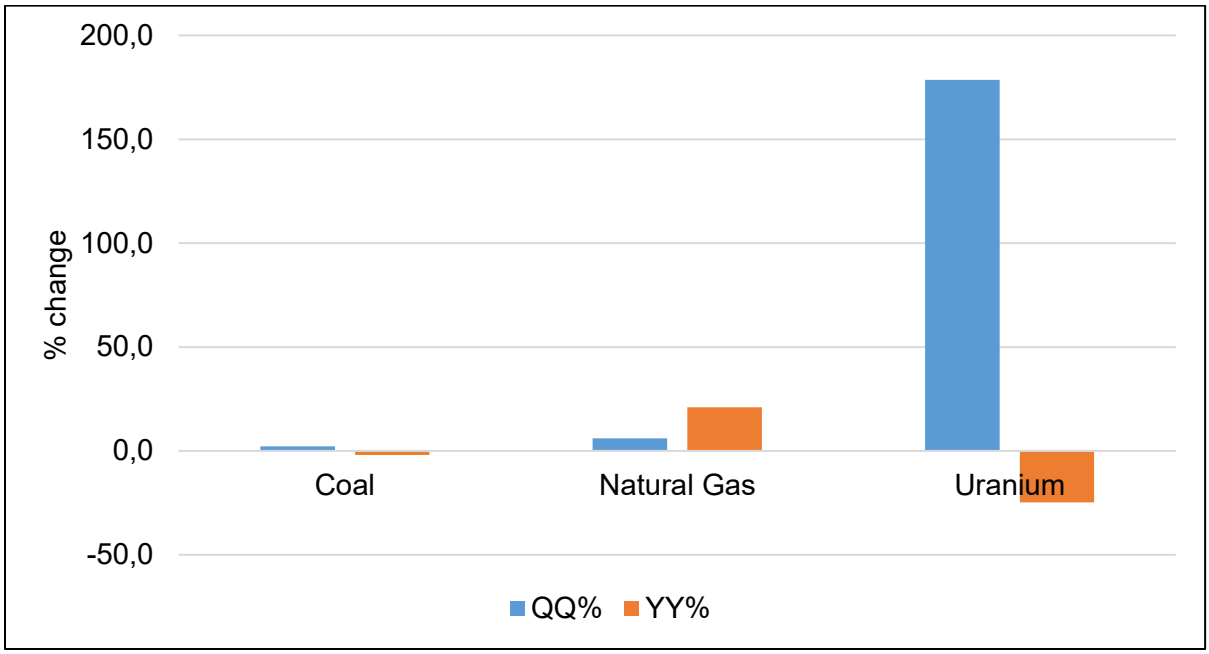
Source: DMPR, Mineral Economics and Statistics, 2024, 2025.

Total Sales

Total coal sales volume rose by 2.2 percent q-o-q to 60.86 Mt in Q2:2025, representing a y-o-y decline of 2 percent (Figure 12 and Table 5). The q-o-q increase was supported by a 5 percent increase in domestic sales to 50.12 Mt, offsetting a sharp 9.2 percent q-o-q contraction in export volumes. The strength in local demand reflects sustained industrial and energy sector consumption, while the weakness in exports is consistent with global decarbonization efforts and intensified competition from lower-cost suppliers such as Indonesia and Russia.

Despite lower production, total natural gas sales volume rose by 6.0 percent q-o-q and 21.0 percent y-o-y, to 1 458t in Q2:2025, despite the decline in production (Figure 12 and Table 5). The increase was supported by the drawdown of inventories to meet customer demand following an eight-day plant shutdown in May.

FIGURE 12 TOTAL SALES QUANTITY OF ENERGY MINERALS, Q2 2025.



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

Uranium sales volumes reached 88.5 t, reflecting a sharp 178.6 percent q-o-q increase but a 24.7 percent y-o-y decline, attributed to demand and transactions concluded during the review period (Figure 12 and Table 5). Uranium export sales transactions are concluded or recorded when the commodity reaches the client.

TABLE 5: TOTAL SALES QUANTITY OF ENERGY MINERALS, Q2 2025.

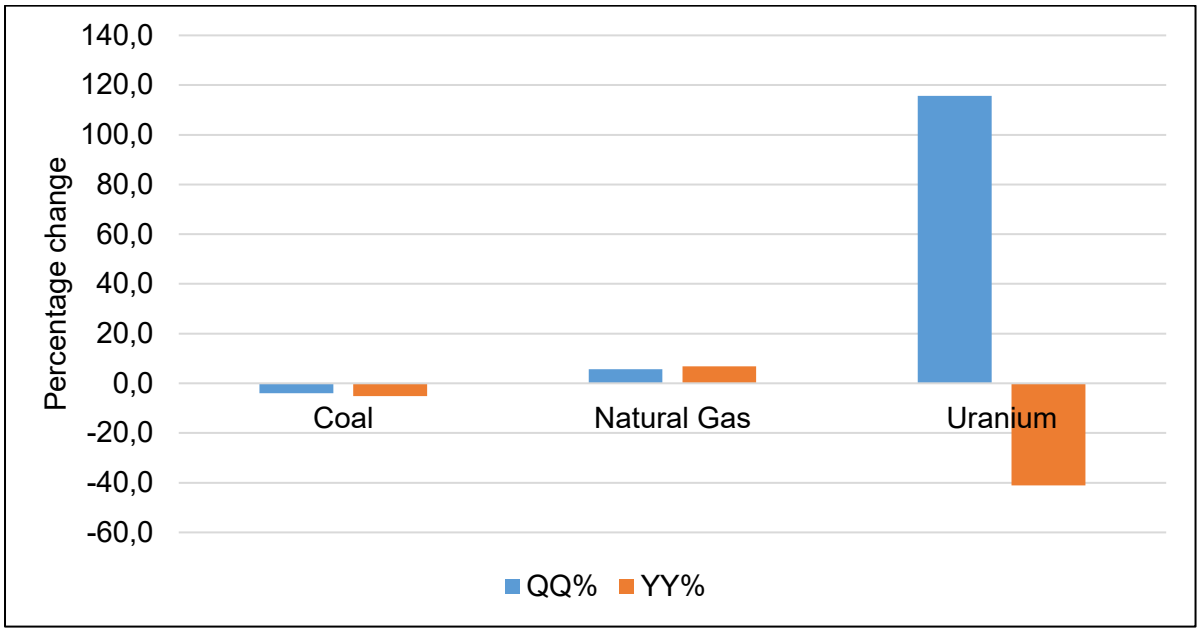
Total Sales Mass					
Commodity (t)	**Q2 2025**	**Q1 2025**	**Q1 2024**	**Q-o-Q%**	**Y-o-Y%**
Coal	60 864 499	59 561 356	62 080 891	2.2	-2.0
Natural Gas	1 458	1 375	1 205	6.0	21.0
Natural Gas Condensate	0	0	0	-	-
Uranium	88 454	31 752	117 481	178.6	-24.7

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

Total Revenue

Revenue generated from coal sales declined by 4 percent q-o-q and 5.2 percent y-o-y to R47.68 billion in Q2, owing mainly to weaker domestic and international coal prices (Figure 13 and Table 6, Annexure A).

FIGURE 13: TOTAL REVENUE OF ENERGY MINERALS, Q2 2025.



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

Natural gas revenue grew by 5.7 percent q-o-q and 6.9 percent y-o-y to R16.9 million in the review quarter, supported by higher sales volumes and unit price. Uranium sales revenue increased by 115.7 percent q-o-q and declined by 41.1 percent y-o-y, to R254 million, driven by sales mass. All-natural gas output is sold domestically, while uranium is exclusively exported (Figure 13 and Table 6, Annexure A).

TABLE 6: TOTAL REVENUE OF ENERGY MINERALS, Q2 2025.

Local Sales by Value					
Commodity (R')	**Q2 2025**	**Q1 2025**	**Q1 2024**	**QQ%**	**YY%**
Coal	47 676 151 340	49 641 447 760	50 297 602 465	-4.0	-5.2
Natural Gas	16 902 896	15 987 361	15 816 408	5.7	6.9
Natural Gas Condensate	0	0	0	-	-
Uranium	253 959 357	117 731 985	431 474 853	115.7	-41.1

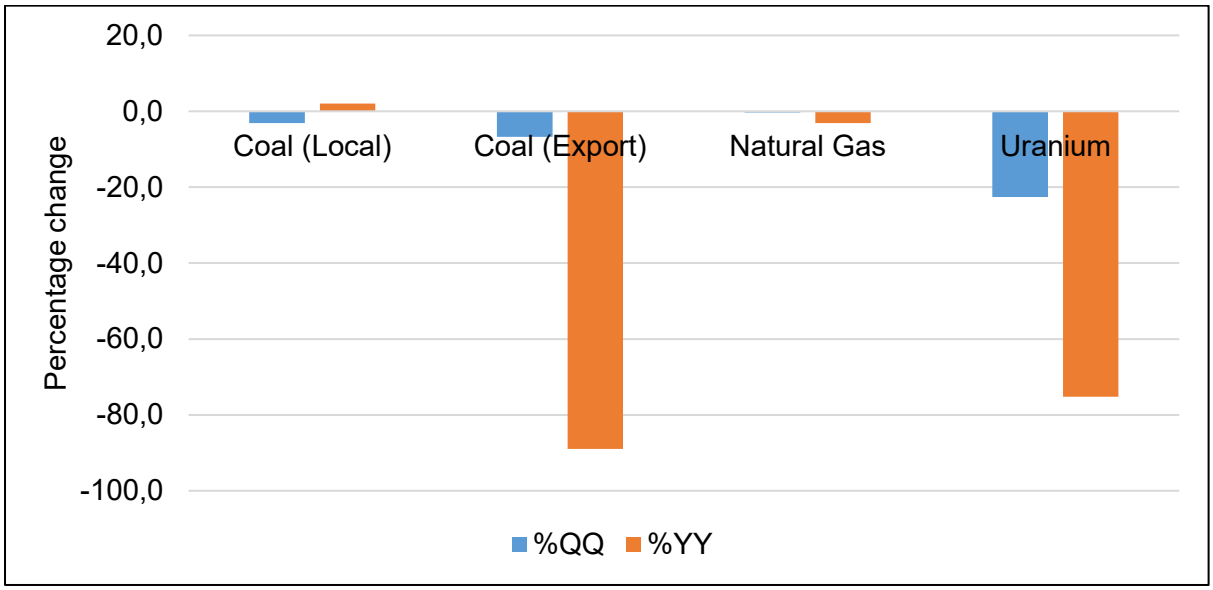
Source: DMPR, Mineral Economics and Statistics, 2024, 2025.

Prices

Domestic coal prices fell by 3.1 percent m-o-m to R675 /t in response to local market oversupply. However, prices remained 2 percent higher on a y-o-y basis, reflecting persistent inflationary pressures, particularly mining costs and transportation costs. In contrast, export coal prices dropped by 6.7 percent m-o-m and a sharp 89 percent y-o-y to R1 287/t, driven by global recessionary pressures, a collapse in LNG (Liquefied Natural Gas) prices that reduced coal demand as well as an oversupplied international market due to increased exports from Russia and Indonesia (Figure 14 and Table 7).

The unit price of natural gas edged down by 0.3 percent q-o-q and 3.1 percent y-o-y to R11 593/t in Q2:2025. The movement of the unit prices for natural gas reflects shifts in demand dynamics and pricing mechanisms applied by producers (Figure 14 and Table 7). The uranium export unit price registered a 22.6 percent decline q-o-q and 75.2 y-o-y, totalling R2 871/t. However, the international uranium spot price average of $72.59/lb during the review period, up 9.7 percent q-o-q and down by 17.4 percent y-o-y (Figure 14 and Table 7). The movement of uranium prices is driven by a combination of factors, including global economic uncertainty, geopolitical tensions, speculative fund buying and investor sentiment.

FIGURE 14: AVERAGE PRICES OF ENERGY MINERALS, Q2 2025.



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

TABLE 7: PRICES OF ENERGY MINERALS, Q2 2025.

Commodity (R')	Q2 2025	Q1 2025	Q1 2024	%Q-o-Q	%Y-o-Y
Coal (Local)	675	697	662	**-3.1**	**2.0**
Coal (Export)	1 287	1 380	11 653	**-6.7**	**-89.0**
Natural Gas	11 593	11 627	11 961	**-0.3**	**-3.1**
Natural Gas Condensate	-	-	11 163	**-**	**-**
Uranium	2 871	3 708	11 593	**-22.6**	**-75.2**

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

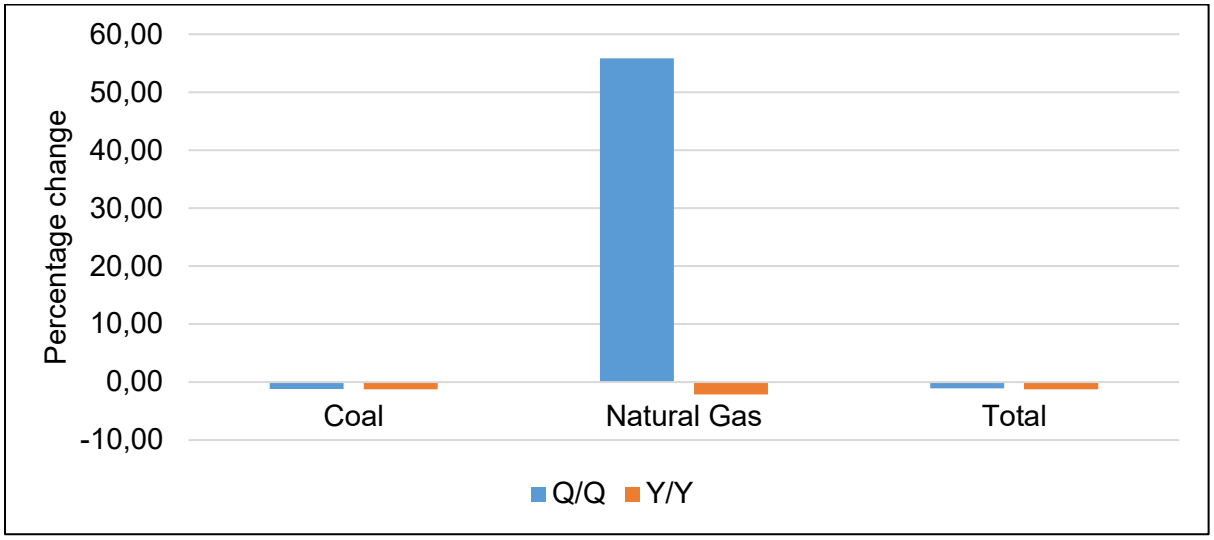
Employment

Total employment in the energy sector declined by 1.10 percent q-o-q and 1.23 percent y-o-y to 96 884 employees in Q2, primarily due to reduced headcount in the coal industry, which accounts for more than 98 percent of labour for the energy sector (Figure 15 and Table 8). The remaining balance of energy sector employees comes from the natural gas sector. Total employment in the coal sector fell by 1.20 percent q-o-q and 1.23 percent y-o-y to 96 608, reflecting the impact of reduced export volumes and constrained investment. The global pivot toward Environmental, Social, and Governance (ESG) aligned investment has limited funding for coal projects, hindering expansion and contributing to mine closures and job losses.

Conversely, total employment in the natural gas sector surged by 55.83 percent q-o-q to 276, driven by contract hires at Tetra4 and the Waterberg CBM Pilot Plant, though this still reflects a 2.13% y-o-y decline.

Total earnings in the coal sector contracted by 5.32 percent q-o-q and 2.08 percent y-o-y to R8.94 billion, owing mainly to the low employment levels. Despite the disbursement of severance and termination benefits by certain mining operations, overall earnings remained subdued. In contrast, total earnings from the natural gas sector went up by 16.01 percent q-o-q and fell by 2.13 percent y-o-y, to R43.7 million. This performance was largely influenced by fluctuations in the number of contract workers.

FIGURE 15: TOTAL EMPLOYMENT OF ENERGY MINERALS, Q2 2025.



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

TABLE 8: EMPLOYMENT FIGURES OF ENERGY MINERALS, Q2 2025.

Total Energy Commodities							
	Established Male	**Established Female**	**Contractors Male**	**Contractors Female**	**Total Employees**	**Total Revenue**	**Per Capita**
Q2 2025	27 507	9 221	51 499	8 657	96 884	8 988 336 664	92 774
Q1 2025	28 108	9 220	51 989	8 642	97 959	7 512 145 134	76 687
Q2 2024	28 343	9 328	52 363	8 063	98 096	9 179 741 565	93 579
Q-o-Q	**-2.14**	**0.01**	**-0.94**	**0.18**	**-1.10**	**19.65**	**20.98**
Y-o-Y	**-2.95**	**-1.14**	**-1.65**	**7.37**	**-1.23**	**-2.09**	**-0.86**

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

Outlook

Coal production is expected to either remain at current levels or decline in the third quarter of 2025, primarily due to subdued demand in international markets. This sustained weakness in global demand is also expected to exert continued downward pressure on coal prices. To mitigate against these market dynamics, the South African coal industry may need to pursue greater diversification of its export destinations. Currently, over 70 percent of South Africa's coal exports are concentrated in the Asian markets, with India representing the single largest importer. Reducing over-reliance on a narrow set of trading partners could enhance the industry's resilience to external demand shocks.

The recent surge in Indonesia's coal exports is likely to place additional downward pressure on South Africa's export prices, exacerbating existing price weaknesses. In response, it is recommended that South African coal producers pivot towards alternative markets in the East, particularly emerging demand centres such as Pakistan, Sri Lanka, and Vietnam. Given these global market dynamics, domestic coal production is expected to remain flat or decline in the third quarter of 2025.

South Africa's natural gas production is projected to increase in Q3 2025, driven by Tetra4's continued ramp up in production at the Virginia gas plant, which is currently operating near its maximum capacity. Meanwhile, uranium production will be contingent on the volume of gold output at the Moab Operations, as well as prevailing market demand dynamics for uranium.

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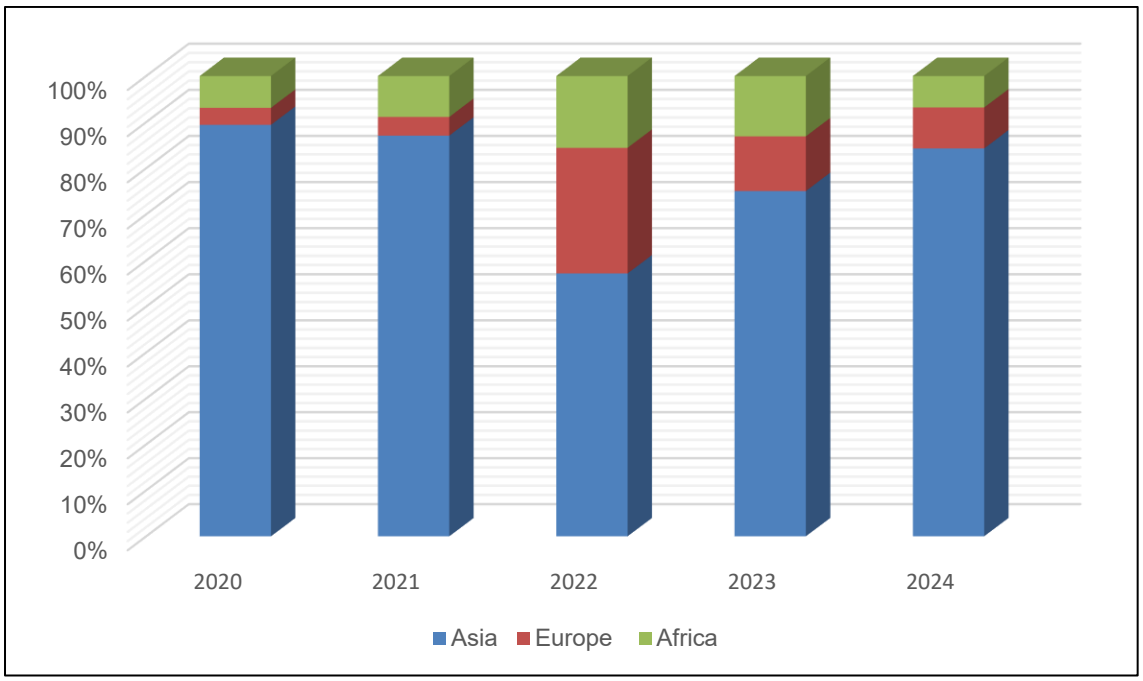
6. SOUTH AFRICA'S COAL EXPORT MARKET IS HEAVILY DEPENDENT ON ASIA.

Economic dynamics, risks, and opportunities for South Africa's future.

Export data from the past five years reveals a strong dependency that South Africa's coal exports have on Asian markets (Figure 16). Asia significantly outpaces other regions, with Europe and Africa trailing at a considerable distance, while other world regions combined account for the remainder. The biggest importers of South Africa's coal are India, South Korea, Vietnam, Japan and Pakistan. Among these, India has been a dominant importer, consistently accounted for at least 30 percent of the country's exports. In 2024, India's share rose to 46 percent, underlining its critical role as the country's primary coal export market. This underscores a high degree of export concentration toward a single region and even a single country, which makes South Africa's coal sector highly dependent on Asian energy demand and policy trends.

FIGURE 16: SOUTH AFRICA'S COAL EXPORT AS A PERCENTAGE TO ASIA, EUROPE AND AFRICA.



Source: DMPR, Mineral Economics and Statistics

The high dependency on a single export market (Asia, particularly India) is a major economic, trade and strategic risk, because South Africa's coal export earnings is overwhelmingly dependent on the energy policies, import demand and economic health of a few key Asian economies.

Below are some of future economic risks:

- **Policy Shocks:** Should these Asian countries accelerate their transition to renewables or decide to boost domestic coal production for energy security, South African exports could plummet almost instantly. In addition, any change to import tariffs or environmental standards in these countries would have an immediate impact.
- **Economic Slowdown**: A recession in Asia could reduce energy demand, directly decrease South African export revenues and negatively affect the national current account. An economic slowdown can quickly ripple through South Africa's economy, impacting employment, investment, and related industries.
- **Geopolitical Leverage:** Dependency on a limited number of Asian buyers, gives importers significant bargaining power over price and terms, potentially squeezing profit margins for South African mining companies. This phenomenon is evident with Indian and Chinese importers that are very sensitive to price. Moreover, this dependence constrains South Africa's ability to diversify its markets, thereby amplifying risks associated with geopolitical tensions or trade disputes in the region.

However, there is a paradox, as Asia is both the largest consumer of coal and the largest investor in renewable energy. This dual role suggests that in the short-to-medium term, demand from Asia may remain robust for the next 5 to15 years, fuelled by these economies' growth providing crucial revenue window for South Africa. On the other hand, long-term decline is unequivocal. Factors such as global climate pressures, falling renewable energy costs, and air pollution crises in Asian megacities will inevitably force a rapid transition away from coal. Consequently, South Africa's export market is therefore built on a limited and finite timeline. The key takeaway for South Africa's future economic strategy is to recognise that there is a limited window of opportunity to use the revenue from these Asia-focused exports to aggressively invest in renewable energy, upgrade national infrastructure (like Transnet) for multiple industries, and reskill workers in coal-dependent regions like Mpumalanga. This proactive approach is essential to ensuring a smooth economic transition away from coal dependency. Given the inevitable long-term decline of coal demand, the coal industry must pivot and innovate to sustain itself, create new sources of value, and ensure a responsible and managed transition.

South Africa can boost the value of its coal industry by focusing on beneficiation and value addition instead of exporting raw coal. This includes producing higher-quality, cleaner coal products for specific industrial uses like steelmaking, converting coal into liquid fuels through coal-to-liquids technology to enhance fuel security, and using coal as a raw material to manufacture valuable industrial materials such as carbon fibre and graphite. These strategies can generate more revenue while supporting a more sustainable coal sector.

The coal industry's future lies not in fighting the global energy transition but in proactively managing its own evolution. By leveraging its vast resources, infrastructure, and human capital, it can transform from a single-commodity extractive industry into a diversified energy, materials, and environmental solutions provider.

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2. *South Africa's Minerals Industry (SAMI), 2021 – 2023*

K L Revombo

7. SOUTH AFRICA'S FERROUS METALS PERFORMANCE DURING THE SECOND QUARTER OF 2025.

Production

Total ferrous ore production averaged 27 716 kt in Q2 2025, marking an 8.2 percent increase from 25,619 kt in Q1 2025 (Figure 17 and Table 9). This growth was driven by a 20.4 percent rise in chrome ore, supported by modest increases of 6.5 percent and 0.9 percent in iron and manganese ore, respectively. Operational efficiencies from plant upgrades and improved energy reliability, alongside better coordination in the logistics value chain, enhanced throughput and eased rail and port congestion. Stronger global demand, particularly from Asia, and higher commodity prices further supported output. Y-o-y, total production rose by 34 percent, recovering from Q2 2024 disruptions including load-shedding and logistics constraints. While iron ore output fell by 3.4 percent due to a high prior-year base, combined chrome and manganese production increased 5 percent, with chrome benefiting from firm prices and improved export logistics.

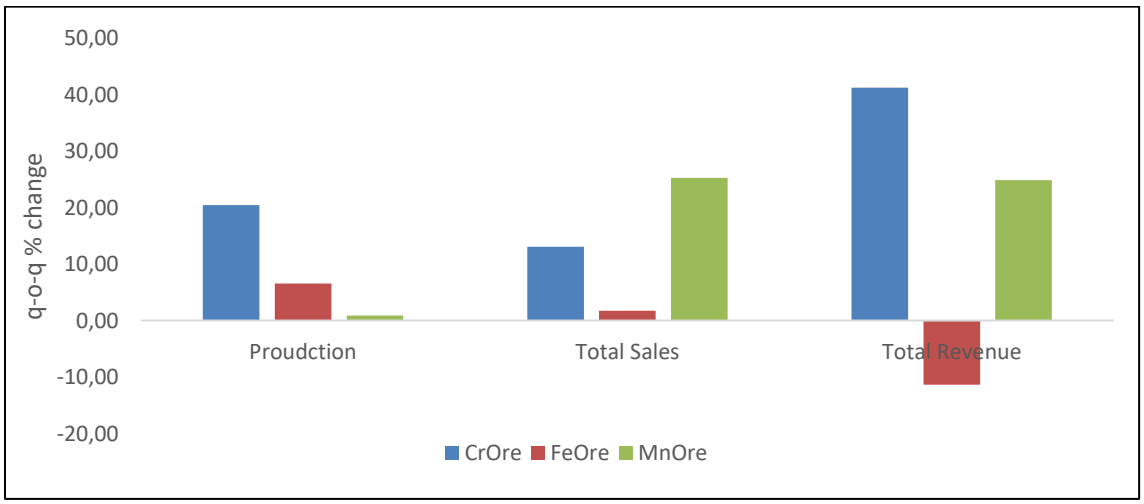
TABLE 9: FERROUS MINERALS PRODUCTION AND SALES, Q2 2025.

PERIOD	PRODUCTION	LOCAL SALES		EXPORT SALES		TOTAL SALES	
	Quantity(kt)	Quantity(kt)	Value (R'bil)	Quantity(kt)	Value (R'bil)	Quantity(kt)	Value (R'bil)
Q22025	27 716	6 668	9 582	21 941	41 897	28 609	51 479
Q12025	25 619	5 474	7 792	20 977	38 805	26 451	46 598
Q22024	26 802	5 920	10 176	23 192	45 375	29 113	55 552
Q-O-Q	***8.19***	***21.81***	***22.97***	***4.60***	***7.97***	***8.16***	***10.47***
Y-O-Y	***3.41***	***12.64***	***-5.84***	***-5.39***	***-7.67***	***-1.73***	***-7.33***

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

Total chrome ore production reached 6 034 kilo tons (kt) in Q2 2025, marking a 20.4 percent q-o-q increase, supported by improved operational efficiency following plant upgrades and reduced load-shedding, with 57 percent of producers reporting higher output. Key contributors included Samancor, Thorncliff, and Sefateng, reflecting improved recovery rates and the ramp-up of new production sections. Iron ore production totalled 16 815 kt, up by 6.5 percent q-o-q, driven by stabilized operations post-maintenance, strong export demand, particularly from Asia and improved plant utilization at major sites including Beeshoek, Kolomela, and Khumani. Manganese ore production stood at 4 866 kt, rising by 0.9 percent q-o-q, as output recoveries at Mamatwan, Gloria, and Kalagadi offset declines at other operations impacted by maintenance and power constraints, while demand remained steady, particularly from China.

FIGURE 17: FERROUS MINERALS PRODUCTION AND SALES QUARTERLY % CHANGES.



Source: DMPR, Mineral Economics and Statistics, Q22025, Q12025, Q22024

Sales and revenue

Total ferrous sales mass averaged 28 609 kt in Q2 2025, up by 8.2 percent, due to strong export volumes of manganese and chrome, while iron ore recorded a drop in sales (Figure 17 and Table 9). Chrome ore sales went up by 13.1 percent, driven by a 44.7 percent rise in export volumes, while local sales declined by 2.6 percent, q-o-q. Strong offshore demand and better export margins prompted producers to prioritize foreign markets. Ferrochrome production fell 20.5 percent, as high electricity costs and weaker domestic demand led to reduced smelting activity. Iron ore sales mass rose by 1.7 percent, driven by a sharp rebound in domestic demand, supported by a 38.0 percent rise in pig iron production, as improved electricity supply and plant availability lifted steel sector output. This offset a 4.9 percent drop in export sales, which were affected by softer Chinese demand, high stockpiles, and continued port and rail constraints. Manganese ore sales mass went up by 25.3 percent, supported by stronger domestic and export demand, driven by higher manganese alloys production, increased steel sector activity in key markets like India and China, as well as firm global prices. Total ferrous revenue reached R51.4 billion in Q2 2025, up by 20.6 percent q-o-q, driven by higher sales volumes and improved prices in chrome and manganese ores, which surged by 41.4 percent and 24.9 percent, respectively. Strong demand from Asian steel markets and supply disruptions in competitor regions supported gains. Iron ore revenue fell by 11.4 percent q-o-q due to lower export volumes and softer prices, though resilient domestic demand partly offset this. A stronger ZAR/US$ exchange rate limited export earnings, but better rail and port logistics helped boost chrome and manganese exports sales revenue.

Y-o-y, ferrous total sales declined by 1.7 percent, due to weaker local demand and a high base in Q2 2024. Chrome and iron ore fell by 3.1 percent and 4.7 percent, respectively, while manganese rose by 8.6 percent, buoyed by stable offshore demand from the steel and battery sectors. Persistent power issues and rising costs continued to weigh on domestic offtake, especially from smelters and processors. Revenue declined by 7.3 percent amid weaker global demand, falling prices, and a stronger ZAR/US$ exchange rate

Employment and remuneration.

Total ferrous sector employment averaged 60 620 in Q2 2025, accounting for 12.9 percent of South Africa's total mining employment during the period under review (Table 10). Chrome was the largest employer in the ferrous sector, contributing 43.9 percent, followed by iron and manganese ore sectors at 35.7 percent and 20.3 percent, respectively. Employment increased by 1.7 percent and a marginal 0.7 percent q-o-q and y-o-y, respectively, driven by growth in the chrome and manganese sectors, which rose by 4.6 percent and 0.8 percent respectively, q-o-q. The y-o-y increase was underpinned by a 4.8 percent and 5.4 percent rise in chrome and manganese employment, which reflected increased production activity and greater reliance on contract labour. However, iron ore employment declined by 6.1 percent, primarily due to continued market pressure and logistical inefficiencies.

TABLE 10: FERROUS MINERALS EMPLOYMENT AND REMUNERATION, Q2 2025.

PERIOD	EMPLOYEES	REMUNERATION	REMUNERATION/EMPLOYEE
		Rands	Rands
Q22024	60 185	6037 184 750	309 168
Q1 2025	59 586	6235 674 330	322 631
Q22025	60 620	6560 573 304	331 468
Q-o-Q % change	1.7	5.2	2.7
Y-o-Y% change	0.7	8.7	7.2

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

Total ferrous sector remuneration averaged R6.5 billion in Q2 2025, marking a 5.2 percent and an 8.7 percent rise q-o-q and y-o-y, up from R6.2 billion in the previous quarter (Table 10). The q-o-q growth was largely driven by significant increases in the chrome and iron ore sectors, which saw remuneration rise by 9.8 percent and 6.2 percent respectively. These gains offset a 3.4 percent decline in the manganese ore sector, which had minimal impact on the overall remuneration trend. This rise was supported by higher bonus STR payments, alongside growth in the sectors' overall earnings, reflecting improved operational performance and market conditions. Y-o-y, total ferrous remuneration increased by 8.7 percent, fuelled by broad-based improvements across all major ferrous sub-sectors, driven by sustained production growth and enhanced incentive pay structures. Additionally, per capita earnings rose on both a quarterly and annual basis, indicating not only higher total payrolls but also increased earnings per employee within the sector.

Outlook

According to the World Steel Association, global steel demand is projected to increase by 1.2 percent by the end of 2025, reaching 1,772 Mt. This growth will primarily be driven by regions outside China, notably India and Africa, supported by ongoing infrastructure and manufacturing expansion. South Africa's ferrous mining sector is forecasted to expand in Q3 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. The chrome sector's growth is expected to be supported by key mines such as the Tharisa and Glencore operations, which are ramping up production to meet increasing export demand. In the manganese sector, mines like Hotazel and Nchwaning are anticipated to benefit from improved rail and port efficiencies, facilitating higher export volumes. These developments align with the broader trend of increased steel demand in emerging markets, particularly in Asia and Africa. Overall, the South African ferrous mining sector is poised for growth in Q3 2025, driven by increased production in the chrome and manganese sectors, supported by favourable global demand dynamics and infrastructure improvements.

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8. STRATEGIC MINERALS AT RISK.

How United States of America and The Republic of South Africa tensions threaten iron ore, manganese, and alloy trade.

South Africa, as one of the world's key suppliers of iron ore, manganese, and ferroalloys, plays a central role in global supply chains, particularly in steelmaking, battery technology and industrial manufacturing. However, the country's mineral economy stands at a crossroads, due to rising diplomatic tensions between Pretoria and Washington have introduced significant uncertainty into one of the most vital trade and investment relationships. As geopolitics increasingly intersects with resource economics, the potential fallout for South Africa's mineral exports, particularly with the United States, is no longer just theoretical. Trade access, investor confidence, and the continuity of strategic mineral flows are now in question.

For over two decades, the African Growth and Opportunity Act (AGOA) has underpinned U.S.–Africa trade, providing duty-free access for thousands of South African products, including semi-processed mineral goods, mining equipment, and alloy inputs. The United States remains one of the top five destination for certain value-added ferroalloys, iron and manganese-based industrial products. However, South Africa's non-aligned foreign policy, particularly its neutral stance on Russia's invasion of Ukraine and military engagements with BRICS partners, has led to bipartisan calls in the U.S. Congress to reassess its AGOA eligibility. This political scrutiny puts South Africa at risk of losing preferential treatment, just as global competition for critical minerals intensifies. While most raw mineral exports already enter the U.S. duty-free under standard World Trade Organization (WTO), Most Favoured Nation (MFN) rates, AGOA provides important tariff advantages for downstream and beneficiated products such as:

- Silicomanganese and ferromanganese, used extensively in U.S. steelmaking
- Ferrochrome and ferrosilicon alloys, key components in the automotive and defence sector.

The loss of AGOA benefits would not halt trade entirely but could erode South Africa's price competitiveness in high-margin export categories, precisely where value-added growth is most needed. South Africa has historically been a prime destination for U.S. foreign direct investment (FDI), particularly within mining services, processing technologies, and engineering sectors. However, the 2024 Fraser Institute Mining Investment Attractiveness Index saw South Africa slip to 61st out of 86 jurisdictions, reflecting persistent policy uncertainty, deteriorating infrastructure, and ongoing labour unrest. In tandem, the South African Reserve Bank reported a 15 percent contraction in FDI inflows to the mining sector in 2024, underscoring rising investor caution amid escalating political risks and perceived regulatory instability. This shifting investment landscape is prompting U.S. firms previously engaged in manganese refining and ferroalloy production partnerships to reassess supply chain dependencies and explore alternative sourcing and operational hubs. Should this trend persist, South Africa risks forfeiting a critical opportunity to industrialize its iron and manganese sectors, both pivotal pillars of the Mineral Beneficiation Action Plan (MBAP). Compounding this challenge is the country's underdeveloped capacity to produce high-purity manganese sulphate, a vital component for electric vehicle (EV) batteries, creating a strategic bottleneck. Without sustained, targeted investment in downstream processing, South Africa risks remaining locked into a low-value export model, exporting raw materials while importing costly, value-added products, thereby limiting long-term economic resilience and vertical integration within critical mineral value chains.

As the world's largest manganese producer and the fourth-largest exporter of high-grade iron ore, mainly from the Northern Cape's Sishen and Kolomela mines, South Africa commands abundant and strategically essential resources. These resources gain heightened significance as the United States seeks to diversify away from Chinese-dominated supply chains for steel, battery metals, and defence applications. However, this mutually beneficial relationship is increasingly strained. In 2024, South Africa's exports of iron and steel products to the U.S. increased to US$506 million, buoyed predominantly by value-added ferroalloys, which accounted for approximately US$348.6 million. Flat-rolled products and pig iron/semi-processed forms contributed roughly US$94.1 million and US$49.7 million, respectively. This growth from 2023 highlights the rising strategic importance of downstream minerals in bilateral trade. Meanwhile, raw

mineral exports, including iron ores and concentrates valued at R0.183 billion and manganese ores and concentrates at R0.162 billion, continue to benefit from preferential tariff exemptions.

Political rhetoric within some U.S. political circles, particularly unfounded allegations of persecution against white South African farmers, has introduced friction into the bilateral dialogue. Though widely disputed by human rights bodies such as Human Rights Watch and the United Nations Human Rights Council, these narratives have complicated AGOA deliberations and influenced congressional attitudes. A weakening of trade ties risks pushing South Africa closer to China and India, both aggressively securing resource agreements across Africa. For the United States, disengagement threatens to cede a strategically vital mineral supply corridor to geopolitical rivals, a scenario that stands in stark contrast to recent U.S. industrial policies and critical minerals security priorities.

Conclusion

South Africa's mineral economy is too important, and interconnected, to be sidelined by short-term political discord. As one of the few countries with the capacity to meet rising global demand for manganese, iron ore, and alloys, South Africa should be central to U.S. and global mineral strategy. Avoiding a trade rupture requires clearer alignment of economic objectives, mature diplomatic engagement, and a long-term view of mineral value chains. In this new age of resource competition, it is cooperation, not confrontation, that will unlock the full potential of Africa's mineral wealth. Despite the political turbulence, trade in iron ore, manganese, and ferroalloys between South Africa and the United States has remained relatively resilient in raw volume terms. Without diplomatic clarity and a renewed commitment to trade stability, South Africa risks marginalization at a time when global demand for its mineral resources is surging. AGOA, while not perfect, offers a foundation that could be expanded and not discarded. South Africa has three levers to pull:

- Clarify geopolitical positioning, particularly within BRICS, to reassure Western partners.
- Accelerate domestic beneficiation policies, making the country not just a resource exporter, but a materials hub.
- Deepen trade diplomacy beyond AGOA, exploring bilateral investment treaties or regional corridors like the African Continental Free Trade Area (AfCFTA).

For the U.S., mineral security must be pursued through partnership, not disengagement. Stable, democratic, resource-rich nations like South Africa are rare and strategically invaluable.

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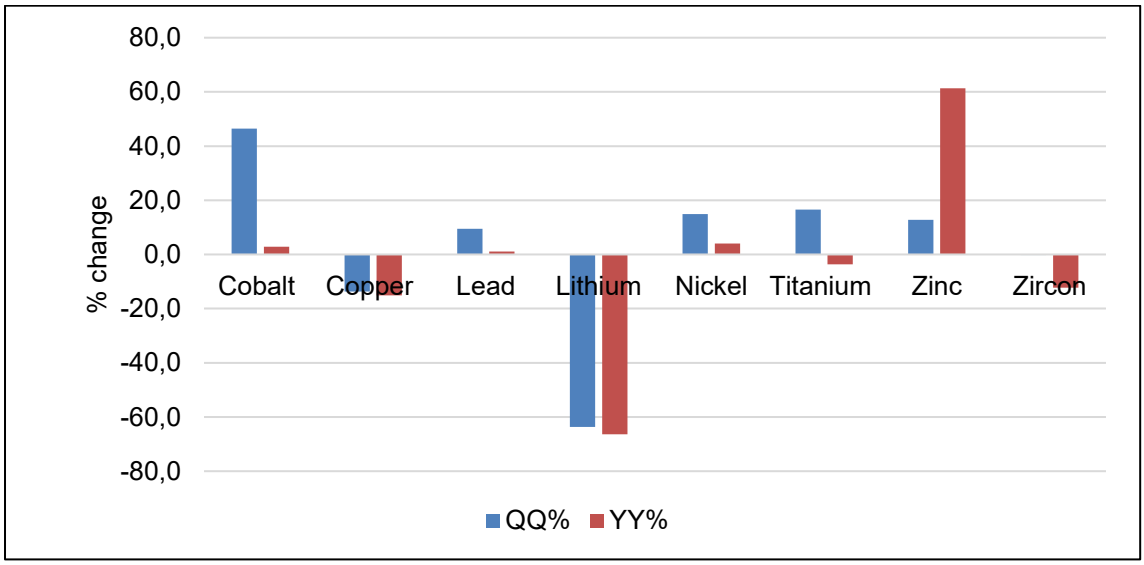
9. SOUTH AFRICA'S NON-FERROUS METALS AND MINERALS SECTOR'S PERFORMANCE DURING THE SECOND QUARTER OF 2025.

Production

In Q2:2025, South Africa's non-ferrous metals production saw a decrease of 8.8 percent, amounting to 735 kt. However, on a y-o-y basis, output contracted by 19.5 percent from 914 kt (Figure 18 and Table 11). The sharpest contraction was observed in lithium production, which plummeted by 63.7 percent in Q2 due to a two-month operational suspension. Copper, production fell by 13.7 percent because of lower by-product yields from PGMs mining. These declines outweighed notable gains in other segments, cobalt (+46.4%), titanium (+16.6%), nickel (+14.9%), zinc (+12.8%), and lead (+9.4%).

FIGURE 18: PRODUCTION OF NON-FERROUS METALS AND MINERALS, Q2 2025.



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

TABLE 11: PRODUCTION OF NON-FERROUS METALS AND MINERALS, Q2 2025.

Commodity (t)	Q2 2025	Q1 2025	Q2 2024	% Q-o-Q	% Y-o-Y
Cobalt	183	125	178	46,4	2,8
Copper	10 926	12 664	12 877	-13,7	-15,2
Lead	6 882	6 289	6 805	9,4	1,1
Lithium	84 767	233 319	252 027	-63,7	-66,4
Nickel	8 068	7 021	7 755	14,9	4,0
Titanium	508 133	435 766	527 274	16,6	-3,6
Zinc	49 639	44 002	30 769	12,8	61,3
Zircon	66 863	67 014	76 231	-0,2	-12,3
Total	**735 461**	**806 200**	**913 916**	**-8,8**	**-19,5**

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

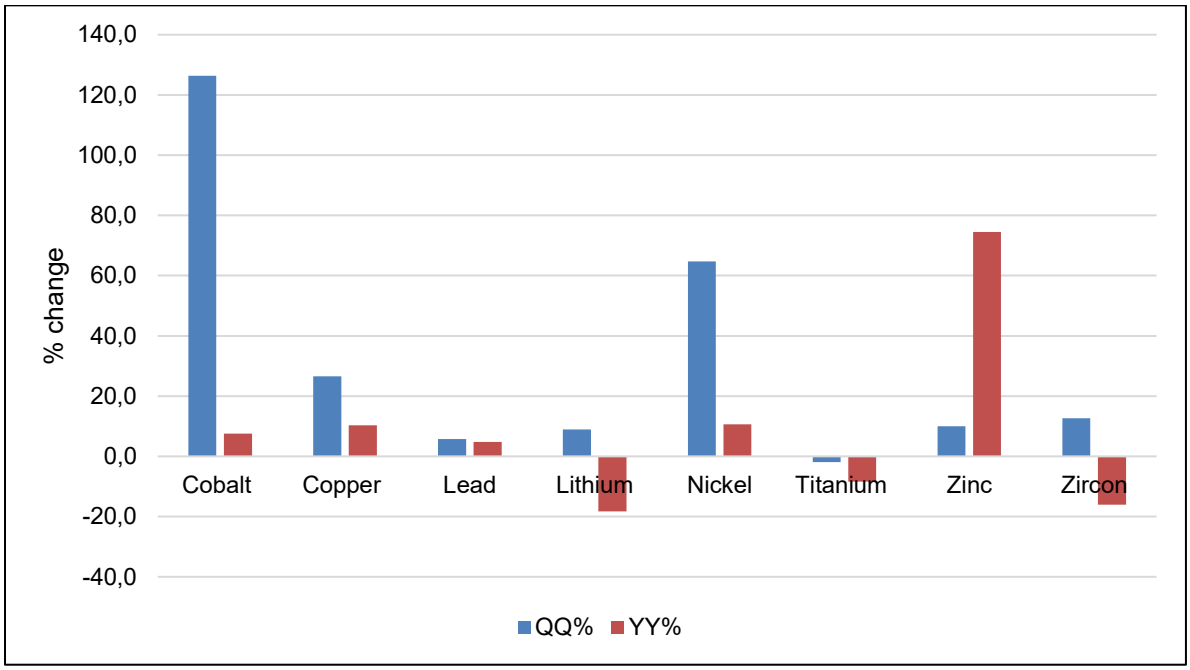
On an annual basis, zinc showed the strongest performance with a 61.3 percent rise, followed by nickel, up 4 percent. However, the losses from lithium, copper, and zircon were substantial enough to offset the gains, resulting in an overall contraction in non-ferrous metals output.

Total Sales

Total non-ferrous metal sales volumes rose by 4.4 percent q-o-q, increasing from 741 kt in Q1 2025 to 774 kt in Q2 2025. However, compared to the quarter ending June 2025, sales volume decreased by 5.8 percent from 822 kt in Q2 2024 (Figure 19 and Table 12).

Sales of cobalt and nickel recorded the most significant quarter-on-quarter increases in sales, surging by 126.3 percent and 64.7 percent, respectively, driven by heightened market demand and improved production levels in this quarter. Copper sales also rose considerably by 26.6 percent, while zircon and zinc posted increases of 12.7 percent and 10 percent, respectively. The overall uptick in sales volumes was underpinned by strong demand from the green energy sector, alongside sustained demand for galvanizing metals, reflecting ongoing industrial activity and infrastructure development.

FIGURE 19: TOTAL SALES OF NON-FERROUS METALS AND MINERALS, Q2 2025.



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

TABLE 12: TOTAL SALES OF NON-FERROUS METALS AND MINERALS, Q2 2025.

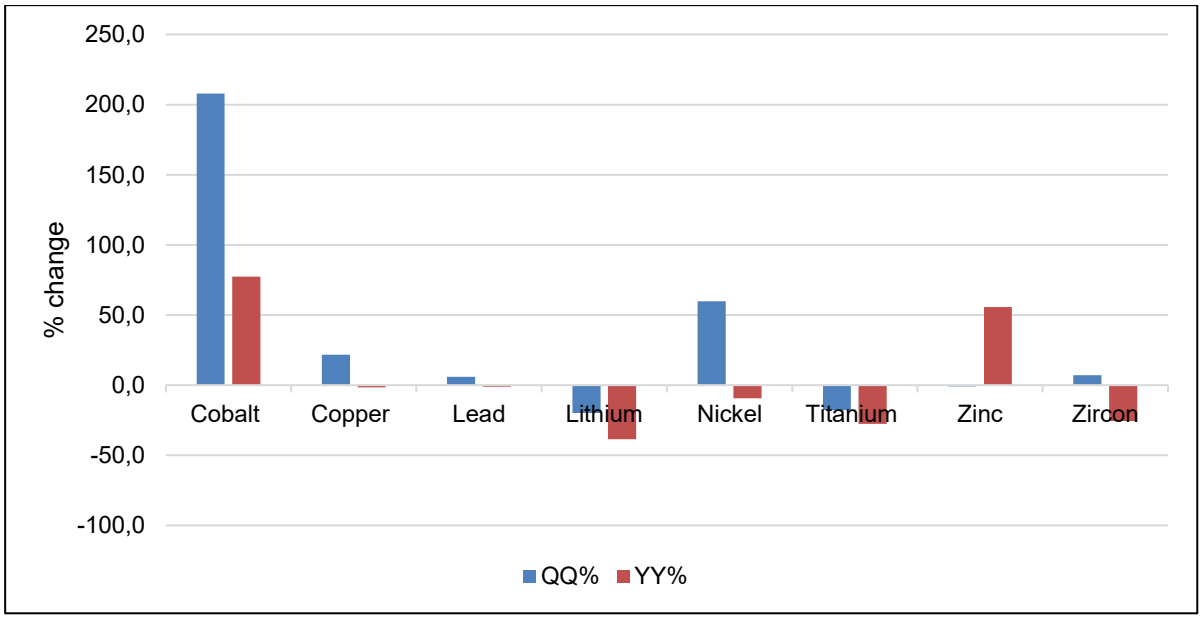
Commodity (t)	Q2 2025	Q1 2025	Q2 2024	QQ%	YY%
Cobalt	43	19	40	126,3	7,5
Copper	12 505	9 876	11 335	26,6	10,3
Lead	6 710	6 344	6 405	5,8	4,8
Lithium	204 732	187 945	250 649	8,9	-18,3
Nickel	9 749	5 919	8 808	64,7	10,7
Titanium	374 886	382 103	409 016	-1,9	-8,3
Zinc	99 330	90 284	56 919	10,0	74,5
Zircon	65 875	58 466	78 472	12,7	-16,1
Total	**773 830**	**740 956**	**821 644**	**4,4**	**-5,8**

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

Total Revenue

In Q2 2025, total revenues from non-ferrous minerals sales saw a notable increase of 14 percent, rising to R9.7 billion from R8.5 billion in Q1 2025. However, compared to the same period in 2024, revenues declined by 7 percent, down from R10.4 billion (Figure 20 and Table 13). The quarterly revenue growth was primarily driven by a significant rise in cobalt prices, resulting in over a 200 percent increase in revenue during this period, along with increased sales volumes from nickel and copper, which contributed to revenue rises of 59.7 percent and 21.6 percent, respectively. These gains were partially offset by lower revenues from lithium, which fell by 19.9 percent, and a 17.7 percent decline in titanium revenues.

FIGURE 20: TOTAL REVENUE OF NON-FERROUS METALS AND MINERALS, Q2 2025.



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

TABLE 13: TOTAL REVENUE OF NON-FERROUS METALS AND MINERALS, Q2 2025.

Commodity (RM)	Q2 2025	Q1 2025	Q2 2024	Q-o-Q%	Y-o-Y%
Cobalt	20 971 333	6 808 991	11 829 488	208,0	77,3
Copper	1 846 063 113	1 518 353 980	1 874 505 655	21,6	-1,5
Lead	238 177 624	224 645 704	241 088 554	6,0	-1,2
Lithium	246 035 824	307 129 307	399 950 711	-19,9	-38,5
Nickel	2 538 910 448	1 590 015 614	2 800 856 750	59,7	-9,4
Titanium	784 384 371	953 185 522	1 085 144 844	-17,7	-27,7
Zinc	1 962 491 571	1 979 863 545	1 260 350 222	-0,9	55,7
Zircon	2 020 808 421	1 888 370 702	2 714 808 766	7,0	-25,6
Total	**9 657 842 705**	**8 468 373 365**	**10 388 534 990**	**14,0**	**-7,0**

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

Although cobalt revenues surged by 77.3 percent and zinc saw 55.7 percent increase on an annual basis, the substantial revenue losses from lithium, titanium, and zircon could not be mitigated.

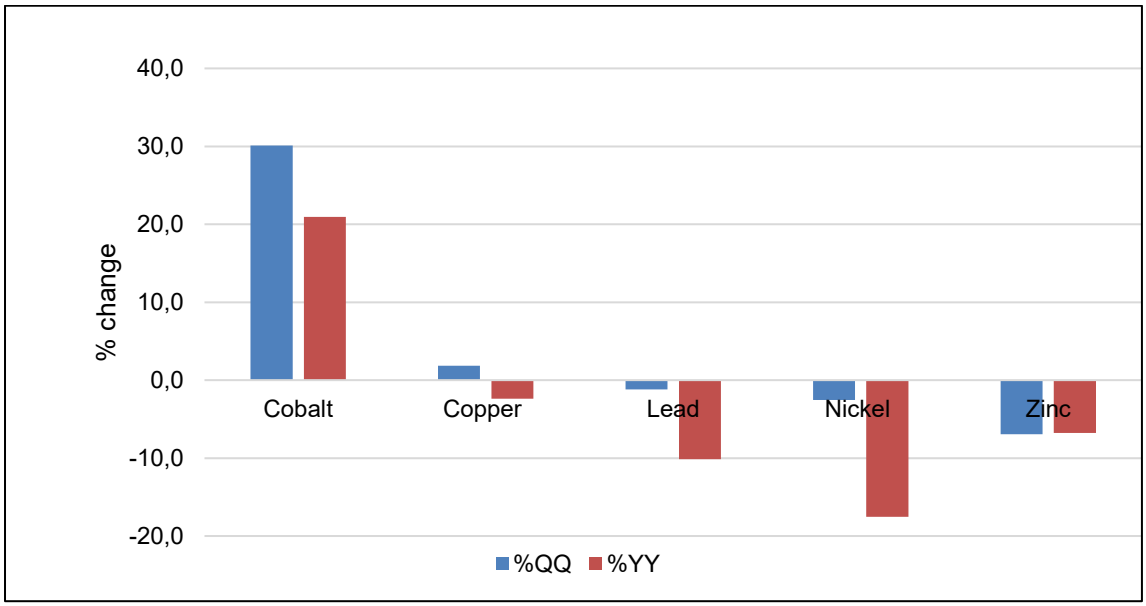
Prices

The second quarter of 2025 presented a mixed performance for major non-ferrous metal prices traded on the London Metal Exchange (LME). Overall, pricing conditions remained subdued, largely influenced by

heightened global investor uncertainty amid escalating trade tensions and the imposition of tariffs by the United States.

Despite the overall downward trend in metal prices, some metals experienced notable gains. Cobalt price demonstrated a remarkable rise, surging by 30.1 percent q-o-q and 21 percent y-o-y (Figure 21 and Table 14). This was largely influenced by the Democratic Republic of Congo's (DRC) decision to ban raw cobalt exports in an effort to address market oversupply and support pricing, particularly in light of cobalt's strategic importance in electric vehicle (EV) battery production. In addition to cobalt, copper prices recorded a modest increase of 1.8 percent in Q2, reflecting steady demand from key sectors, including construction and green energy infrastructure. Conversely, several metals experienced price contractions. Zinc posted the most significant decline, dropping by 6.9 percent, attributed to weakened demand in key consuming regions, notably China and Europe, where economic headwinds and policy uncertainty dampened industrial activity. Nickel and lead prices also softened during this period, falling by 2.5 percent and 1.2 percent, respectively.

FIGURE 21: LME CASH SETTLEMENT NON-FERROUS METALS PRICES, Q2 2025.



Source: London Metal Exchange, April 2025

On an annual basis, except for cobalt, most non-ferrous metals recorded significant price declines. Nickel prices fell by 17.5 percent, while lead, zinc, and copper declined by 10.1 percent, 6.8 percent, and 2.4 percent, correspondingly. The overarching factors behind these declines remain geopolitical risk and market volatility, with persistent concerns over U.S. trade policy, continuing to erode investor confidence and exert downward pressure on global commodity markets.

TABLE 14: AVERAGE LME CASH SETTLEMENT METAL PRICES, Q2 2025.

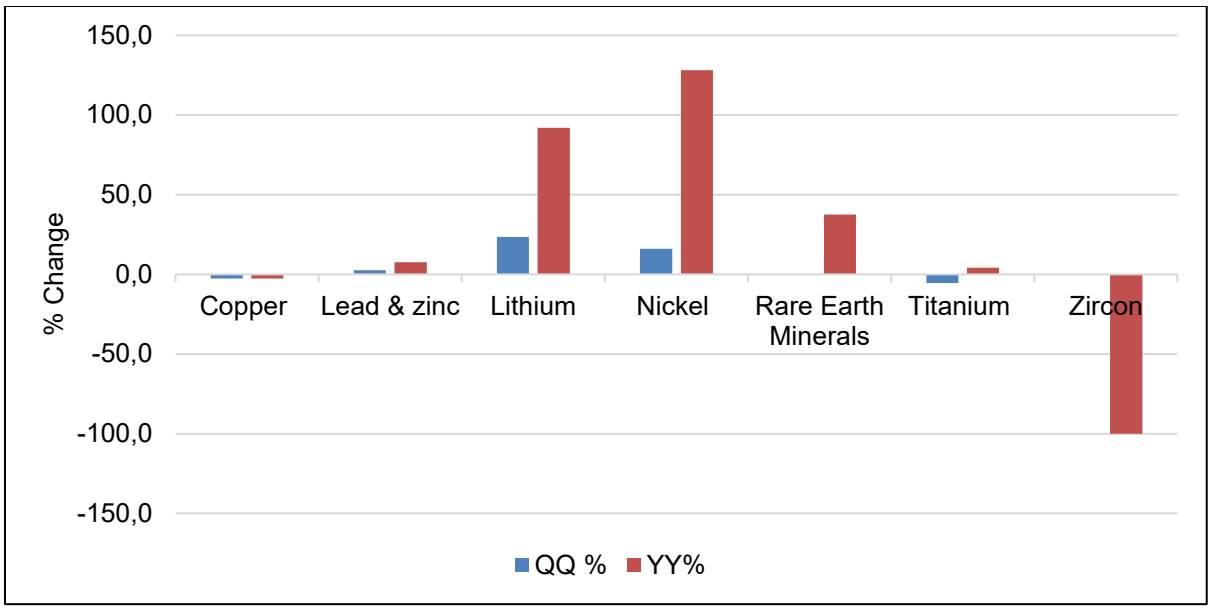
Commodity ($/t)	Q2 2025	Q1 2025	Q2 2024	%Q-o-Q	%Y-o-Y
Cobalt	33 191	25 513	27 441	30,1	21,0
Copper	9 519	9 346	9 751	1,8	-2,4
Lead	1 947	1 970	2 166	-1,2	-10,1
Nickel	15 175	15 569	18 401	-2,5	-17,5
Zinc	2 641	2 838	2 833	-6,9	-6,8

Source: London Metal Exchange, July 2025

Employment

Employment in South Africa's non-ferrous mining sector declined by 1.6% quarter-on-quarter, decreasing from 18 702 employees in Q1 2025 to 18 410 in Q2 2025. However, on a y-o-y basis, employment rose by 2.5%, reflecting a modest recovery compared to the same quarter in 2024 (Figure 22 and Table 15). Employment gains were recorded in specific sub-sectors, with lithium mining experiencing a notable rise of 23.5 percent q-o-q, and the nickel sector also expanded by 16.1 percent. However, these gains were offset by job losses resulting from the closure of the Tormin mine in November 2024, following its liquidation, which had a significant impact on overall employment levels in the sector.

FIGURE 22: EMPLOYMENT IN THE NON-FERROUS, Q2 2025.



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

Annually the nickel sub-sector registered the strongest growth in employment, with an impressive 128.1 percent surge, followed closely by the lithium mining at 92.1 percent. Additionally, employment growth occurred in rare earth elements, which rose by 37.5 percent, as well as in lead and zinc mines, which saw a 7.7 percent increase.

TABLE 15: EMPLOYMENT OF NON-FERROUS, Q2 2025.

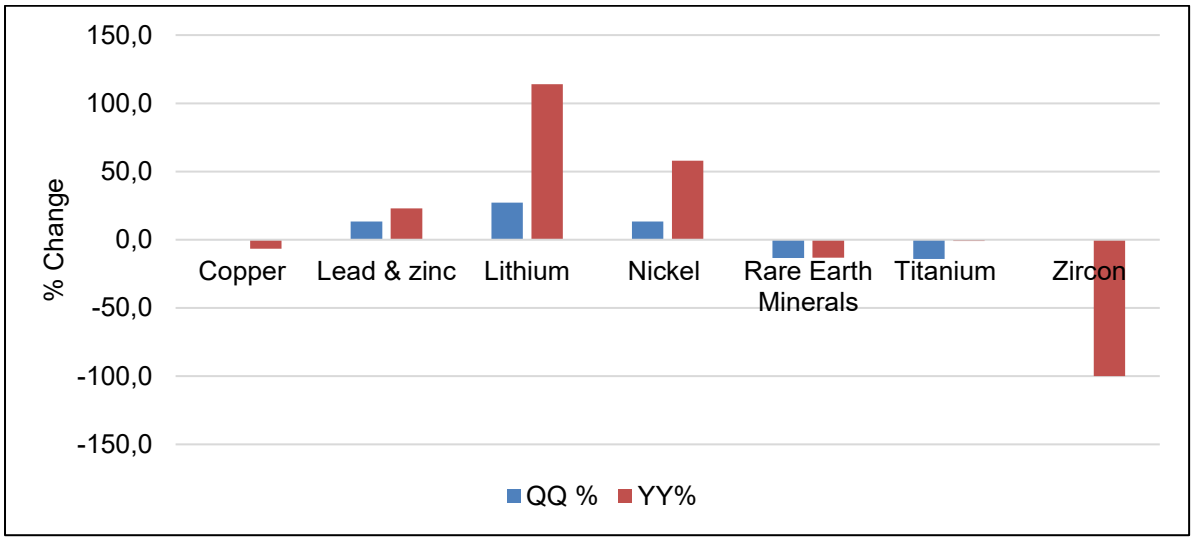
Commodity	**Q2 2025**	**Q1 2025**	**Q2 2024**	**Q-o-Q %**	**Y-o-Y%**
Copper	8 215	8 447	8 438	-2,7	-2,6
Lead & zinc	3 704	3 611	3 440	2,6	7,7
Lithium	630	510	328	23,5	92,1
Nickel	317	273	139	16,1	128,1
Rare Earth	11	11	8	0,0	37,5
Titanium	5 533	5 850	5 309	-5,4	4,2
Zircon	0	0	296	#DIV/0!	-100,0
Total	**18 410**	**18 702**	**17 958**	**-1,6**	**2,5**

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

Earnings

Total earnings in the non-ferrous mining sector fell by 1.4 percent in Q2 2025, to R2.2 billion, down from R2.4 billion in Q1 2025. This reflects a slight y-o-y decline of 0.9 percent (Figure 23 and Table 16). Notable earnings growth was observed in several key sub-sectors. Lithium mining recorded a 27.3 percent increase, followed by nickel at 13.5 percent, and lead and zinc mines, which saw a 13.4 percent increase due to expanded employment levels. However, these gains were offset by significant declines in other areas. Titanium and rare earth elements mines, experienced earnings contractions of 14.1 percent and 13.4 percent respectively. The suspension of operations at the Tormin mine had a substantial negative impact on aggregate earnings for the quarter.

FIGURE 23: TOTAL EARNINGS OF NON-FERROUS, Q2 2025.



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

On an annual basis, the decline in total earnings was primarily driven by the closure of the Tormin mine and salary reductions in the rare earth elements sector, with its mine remaining under care and maintenance status.

TABLE 16: TOTAL EARNINGS OF NON-FERROUS, Q2 2025.

Commodity	Q2 2025	Q1 2025	Q2 2024	Q-o-Q %	Y-o-y
Copper	1 301 098 807	1 301 590 918	1 393 422 312	0,0	-6,6
Lead & zinc	408 095 849	359 784 742	331 962 269	13,4	22,9
Lithium	46 057 695	36 186 956	21 528 948	27,3	113,9
Nickel	19 562 671	17 242 201	12 383 022	13,5	58,0
Rare Earth	1 553 720	1 793 640	1 788 050	-13,4	-13,1
Titanium	570 700 044	664 721 711	575 834 686	-14,1	-0,9
Zircon	0	0	31 103 990	-	-100,0
Total	**2 347 068 786**	**2 381 320 168**	**2 368 023 277**	**-1,4**	**-0,9**

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

Outlook

The outlook for non-ferrous metal production in South Africa suggests a moderate uptick in output during the third quarter of 2025. This expected growth will be primarily supported by scaling up of lithium

production and enhanced output from zinc mines. Furthermore, the production of heavy mineral sands is likely to increase, as RBM's smelter undergoes reconstruction.

The demand outlook for critical minerals continues to be shaped by technological innovation and the global transition toward green energy, which are intensifying consumption trends. However, there are growing concerns that global supply constraints may inhibit the sector's ability to meet this rising demand, thereby exerting upward pressure on prices.

Nevertheless, the global trade environment remains volatile. Ongoing tariff disputes, particularly those instigated by the US, coupled with broader geopolitical risks, pose potential threats to market stability. In this context, there is a strategic imperative to diversify export destinations and develop alternative markets to safeguard the integrity of the mineral value chain. Looking ahead, the rising global emphasis on critical minerals is expected to catalyse new exploration activities, thereby supporting job creation and broader sectoral growth within South Africa's non-ferrous mining industry.

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LS Ramane & SP Mnyameni

10. SOUTH AFRICA'S ALUMINIUM PRODUCTION AND SALES, 2023-2024.

Exports continue to rise.

Aluminium mining in South Africa primarily revolves around the extraction of bauxite, which is imported to feed its alumina refineries. The alumina refineries and smelters, such as the Hillside smelter in KwaZulu-Natal, are key components of the industry, producing aluminium for domestic use and export. Preliminary statistics indicate that South Africa's aluminium production rose by 2.4 percent from 707 kt in 2023 to 724 kt in 2024, even as the smelters continues to assess its maximum technical capacity. However, local sale tonnages fell by 5 percent due to reduced demand from major consuming sectors such as the construction. Despite this, revenue generated from local sales rose by 3.1 percent to R7 660 million from R7 432 million in 2023, due to higher aluminium price which increased to $2 419/t in 2024 from $2 256/t in 2023. Exports sale tonnages and revenue also improved by 19.7 and 30.5 percent, correspondingly, supported by higher prices and stronger demand from international markets.

TABLE 17: SOUTH AFRICA'S ALUMINIUM PRODUCTION AND SALES, 2023 AND 2024.

Year	Production	Local Sales		Export Sales	
	Quantity (t)	Quantity (t)	Value (R)	Quantity (t)	Value (R)
2023	706 644	170 407	7 432 474 017	441 783	19 047 579 640
2024	723 896	161 940	7 660 057 877	528 762	24 862 459 684
	2,4%	**-5,0%**	**3,1%**	**19,7%**	**30,5%**

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

At about 720kt of aluminium, South Africa remains the largest aluminium producer in the southern hemisphere with most of its products destined for the export market, with a special focus on downstream value addition to double demand. Production is not expected to increase beyond this as Hillside smelter,

which is the sole aluminium smelter is already producing at maximum capacity. However, both local and export sales are expected to improve as demand from the transport, construction, packaging, and electrical transmission continue to drive demand.

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Lerato Ramane

11. THE IMPACT OF US TARIFFS ON SOUTH AFRICA'S COPPER MARKET.

South Africa finds itself at a critical juncture as it navigates new trade dynamics.

The United States of America's (US) introduction of tariffs on various imports has had notable ripple effects across global markets. For South Africa, the tariffs are likely to diminish demand exports, resulting in a decline in overall export volumes and potentially slowing down the country's gross domestic product (GDP) growth. The recent 30 percent tariff hikes may make some South African products less competitiveness, leading to the disruption of established trade flows. South Africa plays a crucial role in the global copper market, with significant and developing copper industry composed of both established mining firms and new entrants, contributing to the nation's economic framework. These mines are vital to local employment, government revenue through taxes and royalties, and regional economic developments. However, under the Trump Administration pushes to reshape the global trades in favour of the US, South Africa faces important strategic decisions as it navigates these new trade dynamics.

South Africa's key exports to the US market include refined copper, copper-zinc base alloys, copper-nickel base alloys, and electric cables, all of which play a vital role in advancing the country's value chain through processing and beneficiation. Although the current export volumes of these specific products to the US are relatively modest, the imposition of tariffs underscores a broader risk to employment in affected sectors and adversely affect South Africa's overall trade balance with the United States.

TABLE 18: SOUTH AFRICA'S COPPER PRODUCTION AND EXPORTS TRENDS 2020 – 2024.

Year	Production (t)	Total Export Sales (t)	Exports to US Markets (t)	Percentage of US Exports to Total Exports
2020	38 334	16 476	1 318	8,0
2021	51 138	40 096	2 321	5,8
2022	49 194	38 579	1 367	3,5
2023	50 023	43 256	1 519	3,5
2024	53 308	43 694	644	1,5

Source: MPRR, Directorate Mineral Economics & Statistics

Sars Trade Statistics

While South Africa's copper production and overall export sales have experienced fluctuations, there has been a significant decline in the share of copper exports destined to the US market, particularly in 2024 (Table 18). Although the absolute revenue loss from reduced US-bound copper exports may appear marginal due to their limited scale, the more pressing issue is the significant erosion of market access and competitiveness in the US market.

The value chain of South Africa's copper industry, especially its beneficiation initiatives, is vital for industrialisation, value addition, job creation, and economic diversification. The imposition of tariffs threatens to undercut these advantages, compelling South Africa to diversify its markets. To mitigate the adverse effects of these tariffs, the South African government should intensify its diplomatic efforts with the US to negotiate exemptions, advocate for reversal of the tariffs, or explore alternative trade arrangements. Additionally, domestic policies aimed at boosting local demand for copper products should be prioritised. These include increased government investments in copper intensive infrastructure projects and provision of incentives for local manufacturing and procurement. By adopting these strategies, South Africa can minimise the adverse consequences of US tariffs, protect its copper industry, and promote long-term economic resilience and growth.

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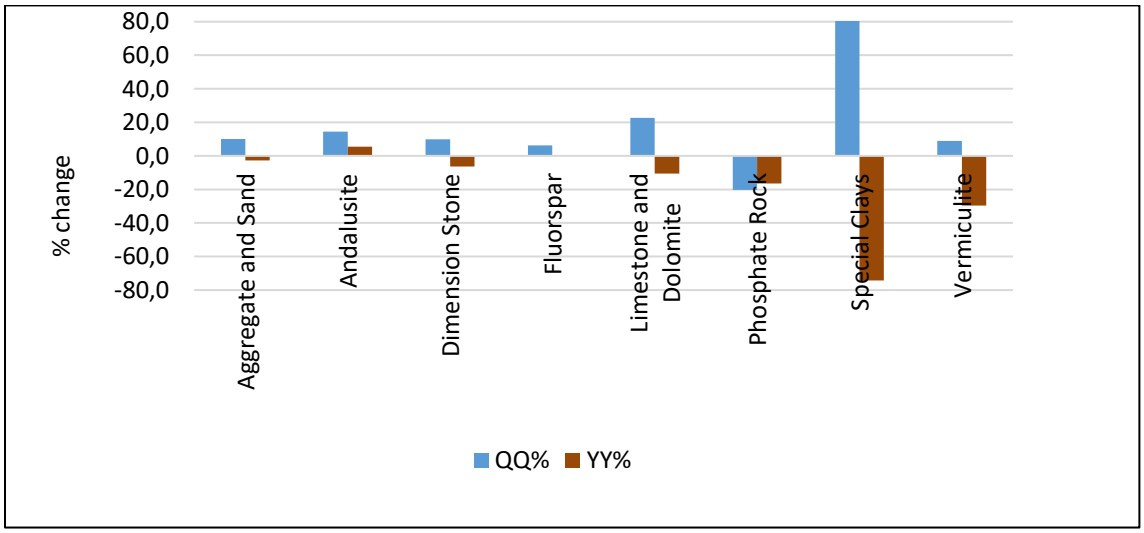
12. SOUTH AFRICA'S INDUSTRIAL MINERALS SECTOR'S PERFORMANCE DURING THE SECOND QUARTER OF 2024.

Production

Production of industrial minerals in the second quarter of 2025 increased by 10.3 percent q-o-q to 21.2 Mt, on the back of improved output from aggregate and sand, andalusite, dimension stone, fluorspar, limestone and dolomite, special clays, vermiculite and other industrial minerals (Figure 24 and Table 19).

FIGURE 24: PRODUCTION OF INDUSTRIAL MINERALS, Q2 2025.



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

The increase in andalusite was largely due to the operations experiencing less flooding, which led to minimal interruptions in production. Production of limestone increased on the back of improved output capacity from limestone operations. The significant increase in special clays is mainly due to improved output from major Bentonite operations (Ocean Bentonite and Cape Bentonite), following lower production in the previous quarter. Contrarily, the year-on-year production decreased by 8.4 percent, owing to decreased capacity utilisation from operations in 2025 fuelled by plant maintenance as well as late submissions in some mines, as compared to the previous year.

Major commodities contributing to the q-o-q increases, were those with improved output such as aggregate and sand, andalusite, dimension stone, fluorspar, limestone and dolomite, special clays, vermiculite at 10.2, 14.5, 9.9, 6.2, 22.8, 114 and 9 percent, correspondingly. Total y-o-y production decreased, resulting from slow recovery of aggregate and sand, dimension stone, limestone and dolomite, phosphate rock, special clays and vermiculite sectors.

TABLE 19: PRODUCTION OF INDUSTRIAL MINERALS, Q2 2025.

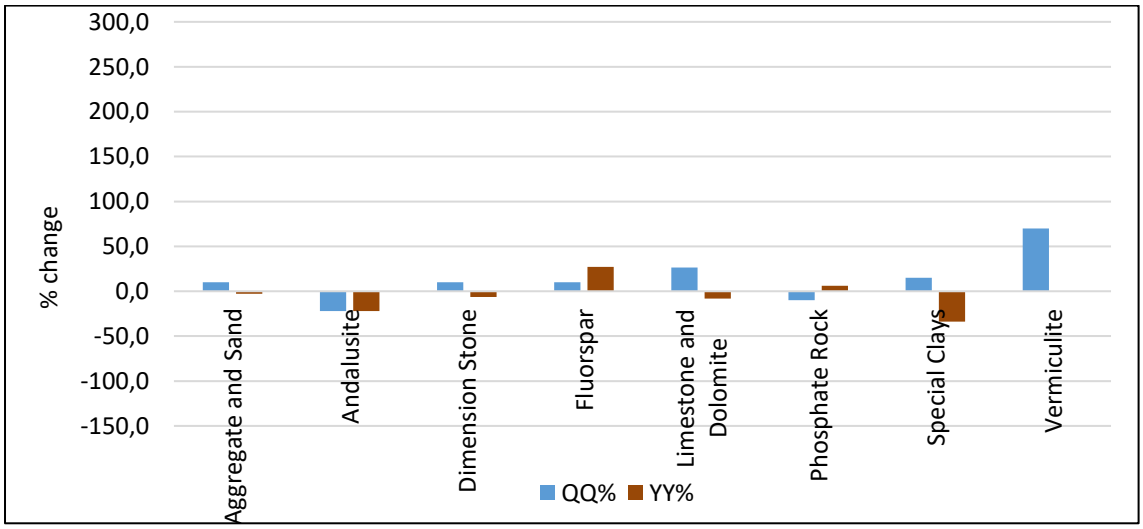
Commodity (kt)	Q2 (2025)	Q1 (20245	Q2 (2024)	Q-o-Q%	Y-o-Y%
Aggregate and sand	13,828	12,553	14,211	10.2	-2.7
Andalusite	32	28	31	14.5	5.4
Dimension stone	51	46	54	9.9	-6.3
Fluorspar	119	112	119	6.2	0.0
Limestone and dolomite	5,002	4,074	5,596	22.8	-10.6
Phosphate Rock	514	645	615	-20.3	-16.4
Special clays	50	23	194	114.0	-74.3
Vermiculite	33	31	48	9.0	-29.6
Other Industrial Minerals	1,558	1,688	2,250	-7.7	-30.8
Total	**21,187**	**19,201**	**23,117**	**10.3**	**-8.4**

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

Total Sales

Total sales volume of industrial mineral 11.5 percent q-o-q increase to 20.9 Mt, can be attributed to recovery of economic activities, as well as improving demand from end-users such as construction, chemical, agriculture and horticulture sectors (Figure 25 and Table 20). Fluorspar total sales volume rise can be attributed to the 15.2 percent price decline of acid spar from $460/t to $390/t. The decline in price induced appetite for the material in both local and international clients. Total sales mass decreased year-on-year by 6.5 percent because of supply chain constraints and descent in appetite from local and international end-user markets in 2025, compared to 2024.

FIGURE 25: TOTAL SALES MASS OF INDUSTRIAL MINERALS, Q2 2025.



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

TABLE 20: TOTAL SALES MASS OF INDUSTRIAL MINERALS, Q2 2025.

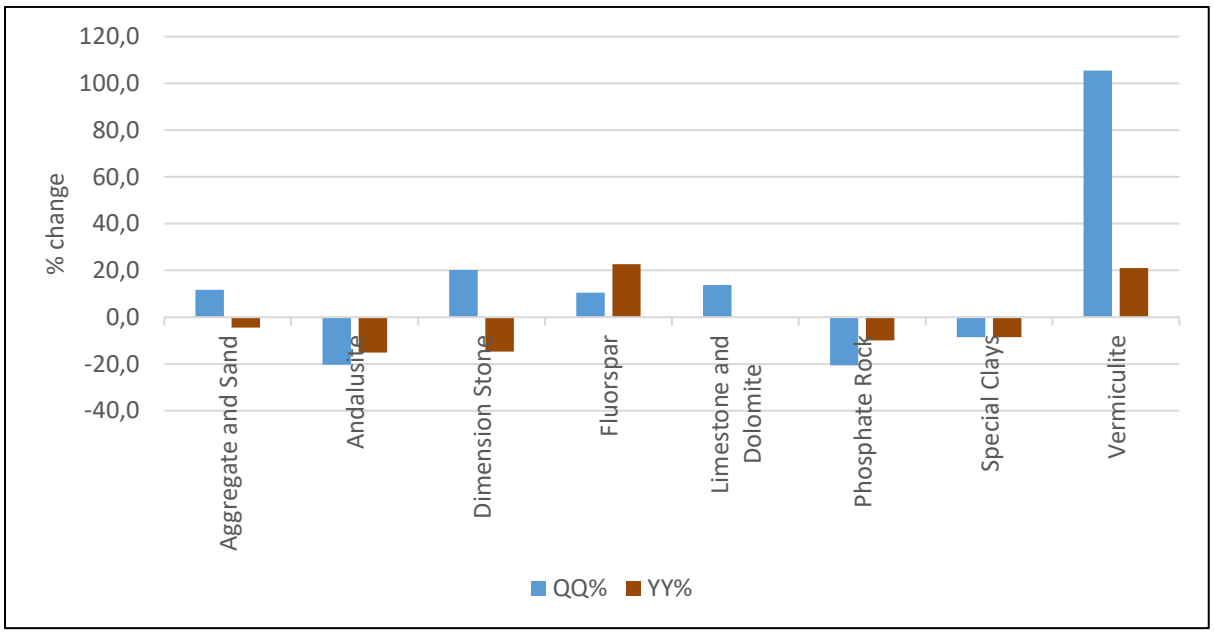
Commodity (kt)	Q2 (2025)	Q1 (2025)	Q2 (2024)	Q-o-Q%	Y-o-Y%
Aggregate and sand	13,828	12,553	14,211	10.2	-2.7
Andalusite	23	29	29	-22.2	-22.1
Dimension stone	51	46	54	9.9	-6.3
Fluorspar	124	113	97	10.1	27.2
Limestone and dolomite	4,622	3,658	5,041	26.4	-8.3
Phosphate Rock	540	600	508	-10.0	6.2
Special clays	143	125	217	14.9	-34.0
Vermiculite	19	11	15	70.0	29.9
Other Industrial Minerals	1,528	1,580	2,145	-3.3	-28.8
Total	**20,877**	**18,715**	**22,318**	**11.5**	**-6.5**

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

Total Revenue

Total sales revenue increased by 2 percent q-o-q from R6.3 billion in Q1 to R6.4 billion in Q2, owing to increased capacity utilisation from operations in Q2 2025 as compared to Q1 2025 (Figure 26 and Table 21). Total sales revenue contracted by 3.5 percent y-o-y, owing to the decelerating appetite for industrial minerals sector, coupled with low demand from the international markets. 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, Q2 2025.



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

TABLE 21: TOTAL SALES REVENUE OF INDUSTRIAL MINERALS, Q2 2025.

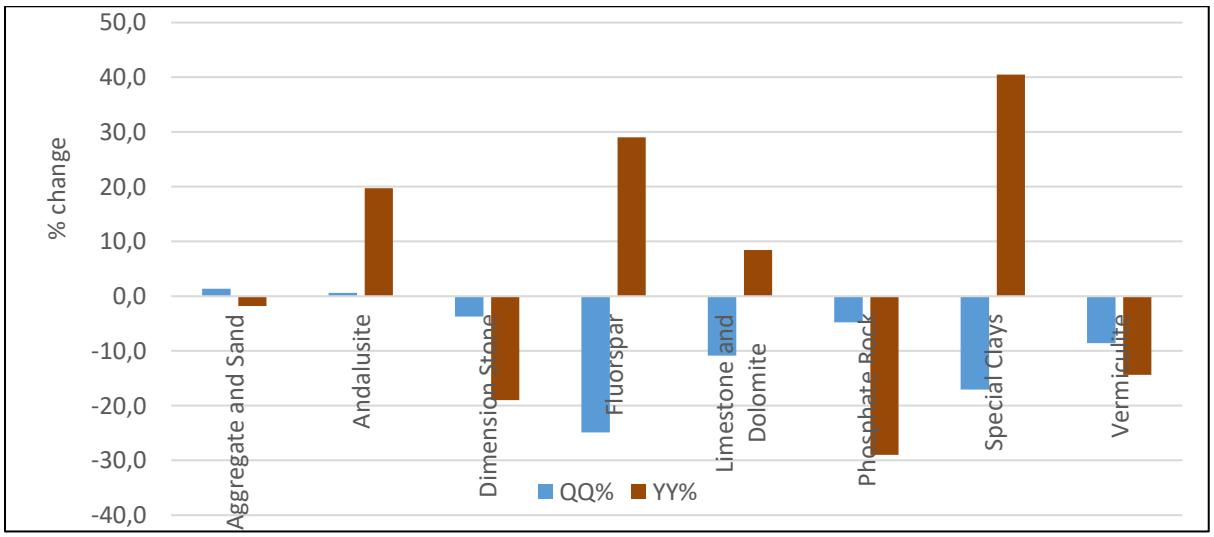
Commodity (R`)	Q2 (2025)	Q1 (20245)	Q2 (2024)	Q-o-Q%	Y-o-Y%
Aggregate and sand	2,014,191,650	1,803,404,179	2,106,782,643	11.7	-4.4
Andalusite	184,380,317	231,378,534	217,241,514	-20.3	-15.1
Dimension stone	116,934,023	97,267,609	137,003,182	20.2	-14.6
Fluorspar	967,414,332	875,546,143	788,365,119	10.5	22.7
Limestone and dolomite	1,113,356,085	978,255,617	1,117,740,614	13.8	-0.4
Phosphate Rock	1,469,182,221	1,849,545,082	1,630,549,974	-20.6	-9.9
Special clays	33,948,622	37,102,346	37,119,105	-8.5	-8.5
Vermiculite	82,954,421	40,385,039	68,555,991	105.4	21.0
Other Industrial Minerals	420,463,116	365,057,510	531,208,396	15.2	-20.8
Total	**6,402,824,787**	**6,277,942,059**	**6,634,566,538**	**2.0**	**-3.5**

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

Prices

The average local unit values of aggregate and sand increased by 1.4 percent q-o-q and decreased by 1.8 percent y-o-y to R146/t, owing to slow economic recovery in 2025 as compared to 2024. Andalusite average local unit value increased slightly by 0.6 percent q-o-q and rose by 19.7 percent y-o-y to R7 040/t, due to an upswing in price of andalusite (Figure 27 and Table 22). Dimension stone decreased by 3.7 percent q-o-q and by 90 percent y-o-y to R1 669/t. Average local unit value of fluorspar decreased by 24.9 percent q-o-q and increased by 29 percent y-o-y to R2 578/t. The upswing can be attributed to an additional acid spar sold locally to local agents and two consecutive months of acid-grade fluorspar bulk shipments during the second quarter of 2025, when to compared to the first quarter of 2025 and the second quarter of the previous period. Average local unit value for limestone and dolomite decreased by 10.8 percent q-o-q and increased by 8.5 percent y-o-y to R239/t, owing to improved consumer demand as compared to the previous year. Phosphate rock decreased by 4.8 percent q-o-q and similarly decreased by 29 percent y-o-y to R2 325/t. Average local unit value of special clays decreased by 17 percent q-o-q and increased by 40.5 percent y-o-y to R242/t, due to recovery of fertilizer prices. Vermiculite decreased by 8.6 percent q-o-q and decreased by 14.3 percent y-o-y to R4 029/t.

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



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

TABLE 22: AVERAGE LOCAL UNIT VALUE (R/t) OF SELECTED INDUSTRIAL MINERALS COMMODITIES.

Commodity (R`)	Q2 (2025)	Q1 (20245	Q2 (2024)	Q-o-Q%	Y-o-Y%
Aggregate and sand	146	144	148	1.4	-1.8
Andalusite	7,040	6,999	5,880	0.6	19.7
Dimension stone	1,669	1,733	2,060	-3.7	-19.0
Fluorspar	2,578	3,431	1,998	-24.9	29.0
Limestone and dolomite	239	268	220	-10.8	8.5
Phosphate Rock	2,325	2,441	3,274	-4.8	-29.0
Special clays	242	291	172	-17.0	40.5
Vermiculite	4,029	4,407	4,704	-8.6	-14.3

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

Employment and Earnings

Industrial minerals workforce decreased slightly by 1.4 percent q-o-q to 18 289 employees as compared to 18 554 employees (Table 23). That is due to decreased labour capacity from female personnel in aggregate and sand, andalusite, dimension stone, fluorspar, special clays sectors and some male and female personnel of industrial minerals. The decrease can be mainly attributed to decreased utilisation of female employments in several mines. Contrarily, the year-on-year employment increased by a marginal 0.1 percent as contractor employments increased, compared with the same period in the previous year. Remuneration increased by 4.4 percent q-o-q. The upswing in remuneration deviates from the decrease in total labour force, the increase emanating from the rise in male, female and contractual employments. In Q2 2025, there were more severance, termination and termination (STR) and contractual earnings paid at several mines as compared to Q1 2025. The year-on-year comparison saw remuneration increase by 6.3 percent on the back of increased STR paid and earnings, as total number of employees increased in 2025 as compared to 2024. The employment of male personnel increased by a marginal 0.5 percent q-o-q and decreased by 4.1 percent y-o-y and, the employment of female personnel decreased by 12,5 percent q-o-q and by a marginal 0.1 percent y-o-y. The number of contractors increased by 0.5 percent q-o-q and by 6.9 percent y-o-y (Table 23).

TABLE 23: INDUSTRIAL MINERALS EMPLOYMENT AND EARNING DURING QUARTER 2, 2025.

Period	Male	Female	Contractors	Total employment	Total earnings (R' mil)
Q2 (2025)	9 409	2 427	6 453	18 289	1 479.4
Q1 (2025)	9 363	2 773	6 418	18 554	1 416.5
Q2 (2024)	9 810	2 430	6 036	18 276	1 391.3
Q-o-Q%	**0.5**	**-12.5**	**0.5**	**-1.4**	**4.4**
Y-o-Y%	**-4.1**	**-0.1**	**6.9**	**0.1**	**6.3**

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

Outlook

South Africa’s economy remained deeply fragile until June 2025, with weak growth, deteriorating business confidence, and persistent structural constraints undermining recovery prospects. Structural reforms in governance, infrastructure, and labour markets remain critical to reversing prolonged economic

stagnation. Interestingly, activity and overall profitability improved in the second quarter, yet sentiment was lower.

South Africa's construction sector has experienced mixed performance. Dichotomy between renewed investment optimism and deep-rooted structural weakness. Despite achieving robust growth in construction turnover, a lacklustre public infrastructure pipeline due to under-expenditure and institutional delays, weigh in on the construction outlook. Although a few mid-sized players saw earnings growth, overall investor caution prevails amid delays, cost pressures, and weak demand. Despite the improved work this quarter, the outlook is relatively downbeat.

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13. SECURING FERTILE GROUND: TRENDS AND PROSPECTS IN SOUTH AFRICA'S PHOSPHATE INDUSTRY, 2025.

Phosphate rock is a critical mineral used primarily in the production of fertilizers, which are vital for modern agriculture. In South Africa, phosphate mining and processing continue to play a central role in supporting food security, as the mineral is the foundation of phosphate-based fertilizers used by commercial and subsistence farmers. Beyond fertilizers, phosphates are also applied in animal feeds, chemicals, and some industrial processes. With a growing population and rising food demand, the importance of the phosphate industry remains firmly tied to the agricultural sector's ability to sustain productivity and meet nutritional needs.

During the first half (H1) of 2025, phosphate production in South Africa registered a modest increase of 2 percent from 1.14 kt in H1 2024 to 1.16 kt in H1 2025 (Table 24). The increase is attributed to steady operational improvements at key mines, supported by relatively stable demand from domestic and international fertilizer producers. Local sales volumes rose significantly by 11.9 percent, from 503 kt to 563 kt. However, the corresponding sales revenue declined by 7.2 percent, from R1.46 billion to R1.35 billion, indicating pressure on domestic prices. Lower prices were attributed to strong competition among fertilizer suppliers and rising imports of cheaper alternatives such as MOP (Muriate of Potash) and SOP (Sulphate of Potash).

Export volumes increased by 1.4 percent from 569 kt to 577 kt while export values increased by 6.7 percent from 1.84 billion to 1.97 billion. The higher export earnings are due to a favourable global pricing environment, particularly in markets where demand for phosphate fertilizers remains robust. Total sales volumes increased by 6.4 percent to 1.14 kt, while sales revenue showed a marginal increase of 0.5 percent to R3.32 billion as a direct response to increase in exports volumes and values.

TABLE 24: SOUTH AFRICA'S PHOSPHATE PRODUCTION AND SALES, H1 2024 VS H1 2025.

Period	Production	Local Sales		Export Sales		Total Sales	
	Quantity (kt)	Quantity (kt)	Value (R'000)	Quantity (kt)	Value (R'000)	Quantity (kt)	Value (R'000)
H1 2024	1 135	503	1 458 064	569	1 842 842	1 072	3 300 907
H1 2025	1 158	563	1 352 674	577	1 966 054	1 140	3 318 727
% Change	**2,0**	**11,9**	**-7,2**	**1,4**	**6,7**	**6,4**	**0,5**

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

The agricultural sector remains the primary driver of the South African phosphate industry. Fertilizer production accounts for the bulk of local consumption, as farmers strive to improve crop yields to meet the country's food security goals and to also access export markets. In 2025, the phosphate industry continued to be anchored by the fertilizer sector, which remains the largest consumer of phosphate rock. Fertilizer demand was supported by domestic crop production programs and government initiatives aimed at enhancing food security. The growth in local sales volumes during H1 2025 reflected stronger uptake from commercial farming operations, as well as increased demand from small-scale farmers, integrating phosphate-based fertilizers to boost soil fertility and improve yields. However, the decline in local sales value highlighted persistent pricing pressures in the domestic market, driven by the availability of imported fertilizers at competitive prices. Demand for phosphate in animal feed formulations has also increased, aligning with the growth in the livestock sector. The livestock and animal feed industries also provided a steady demand base, as phosphate supplements are essential for animal nutrition. This trend was reinforced by the expansion of poultry and cattle farming in response to rising consumer demand for protein-rich foods.

Global market dynamics have also supported exports. Strong agricultural output growth in Asia and Latin America has translated into consistent demand for South African phosphate. However, domestic producers face rising competition from North African suppliers, particularly Morocco, a global leader in phosphate rock and fertilizers. Industrial demand for phosphate products, though smaller in scale compared with agriculture, remains steady in applications such as detergents, chemicals, and specialty uses.

The phosphate industry is expected to grow moderately, sustained by South Africa's agricultural sector and stable export demand. However, profit margins may remain under pressure if domestic prices continue to weaken. The industry's ability to adapt to environmental standards, improve production efficiencies, and secure new international markets will be critical for long-term resilience. Continued investment in downstream processing and fertilizer production could help stabilize local demand and shield the sector from global price swings. At the same time, partnerships with regional markets in Africa may open new opportunities, as many African countries still rely heavily on fertilizer imports to support their agricultural growth.

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