



BUSHVELD MINERALS

# H1 Interim Unaudited Results 2024

September 2024

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**Craig Coltman**  
*Chief Executive Officer*

- Current chairman of De Beers Pension Fund
- Has vast experience in the mining industry
- Served 32 years with De Beers Consolidated Mines in operational and commercial most recently as Chief Financial Officer and Executive Director
- Appointed as CEO, effective from 1 July 2023



**Robbie Taylor**  
*Chief Financial Officer*

- Qualified Chartered Accountant
- Over 27 years of experience as a finance executive in various sectors namely, Agriculture, Pharmaceuticals and Health, Education and Consumer Affairs.
- Some of his accolades include Best Reporting Award (IASSA) and being a finalist for CFO of the Year (SA).

Given the sale of Vanchem, the asset is now classed as 'a discontinued operation' and 'held for sale' and is therefore presented separately.

## H1 Performance

**905 mtV**

Production

↓ 1,167 mtV

**US\$26.9/kgV**

Average realised price

↓ US\$38.6 /kgV

**US\$(14.3)m**

Adjusted EBITDA

↓ US\$12.6m

**US\$(18.1)m**

Free Cash Outflow

↓ US\$2.7 m

**US\$124m**

Net Debt

↑ US\$105.7m

**949 mtV**

Sales

↓ 1,428 mtV

**US\$ 25.6m**

Revenue

↓ US\$ 55.1 m

**US(\$45)m**

Net loss

**US\$1m**

Cash & Cash equivalents

US\$1.3m

**Goal:** Ensure Vametco is a **cash-generating asset**

**Objective:** **Optimising operations** and **right-sizing** the organisation

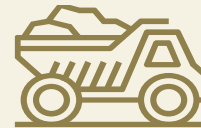
**Expected Annualised Target Savings: US\$8-10m** by 2025 year-end



**Reducing current labour** complement at **Vametco and Head office**



**Reducing costs** by transferring purchases of certain goods and services to **longer term contracts**



**Reducing raw material consumption** by ensuring assets are running **efficiently**



Implementing several operational initiatives for **yield improvements** from kiln to finished goods

### Additional Priorities

- Complete outstanding conditions of the Vanchem sale, expecting to receive Competition Commission approval at the end of October 2024 and complete final documentation
- Complete the sale of Bushveld's non-core assets - Lemur Holdings Limited ("Lemur") and Bushveld Electrolyte Company ("BELCO")
- Attaining sustainable production at Vametco of 240mtV per month by Q4 2024.
- Focused on receiving the outstanding balance of funds due in 2024 from Southern Point Resources Fund I S.A. LP ("SPR")

### Post-Period Update

- Cash balance of US\$4.1 million as at 31 August 2024
- OMF Fund III (F) Limited's ("Orion") US\$10 million matched funding received
- As announced 14 August 2024, the Company secured the total amount of US\$12 million of the SPR interim working capital facility announced 07 May 2024
- In discussions with Joint Venture ("JV") partner for the transfer of liabilities from BELCO and removal of guarantee provided by Bushveld for a total amount of ZAR28.75 million (c.US\$1.5 million)
- Received approval from the Development Bank of South Africa ("DBSA") to dispose of Lemur, which will result in Bushveld no longer being liable for a c.US\$2.5 million debt. The disposal remains subject to certain outstanding conditions being met

## Vametco

- Production of 905 mtV at production cash cost (C1) US\$32.8/kgV

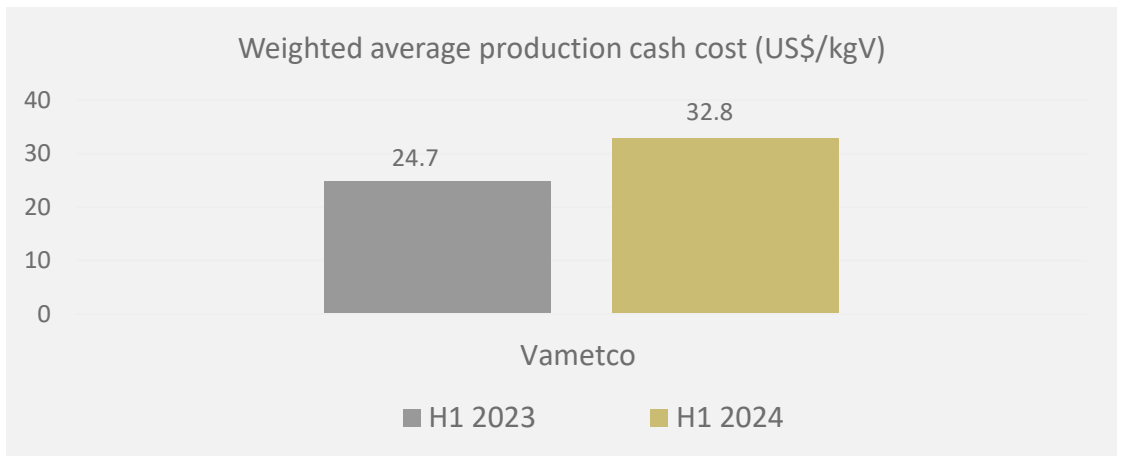
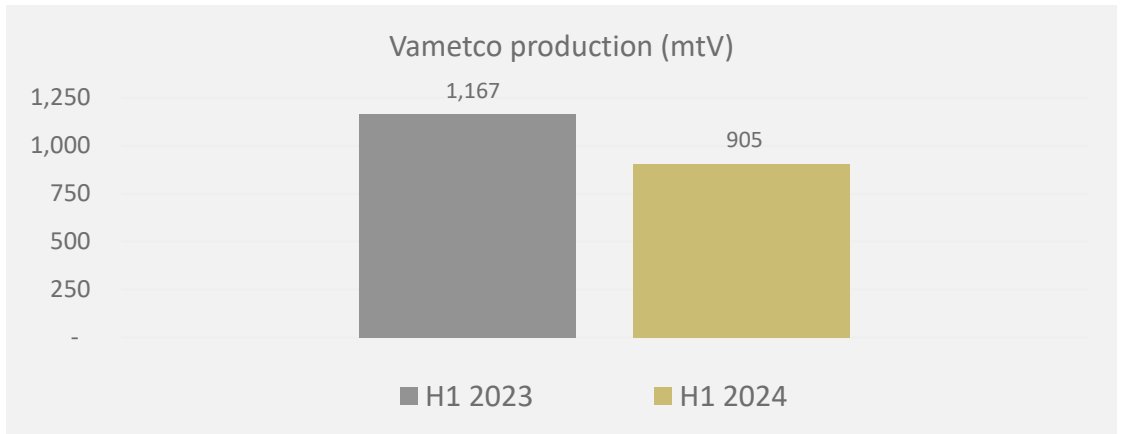
## Vametco Targets

- Attaining Sustainable production at Vametco of 240mtV per month by Q4 2024

## Expected Annualised Group Target Savings

- US\$8-10m by 2025 year-end

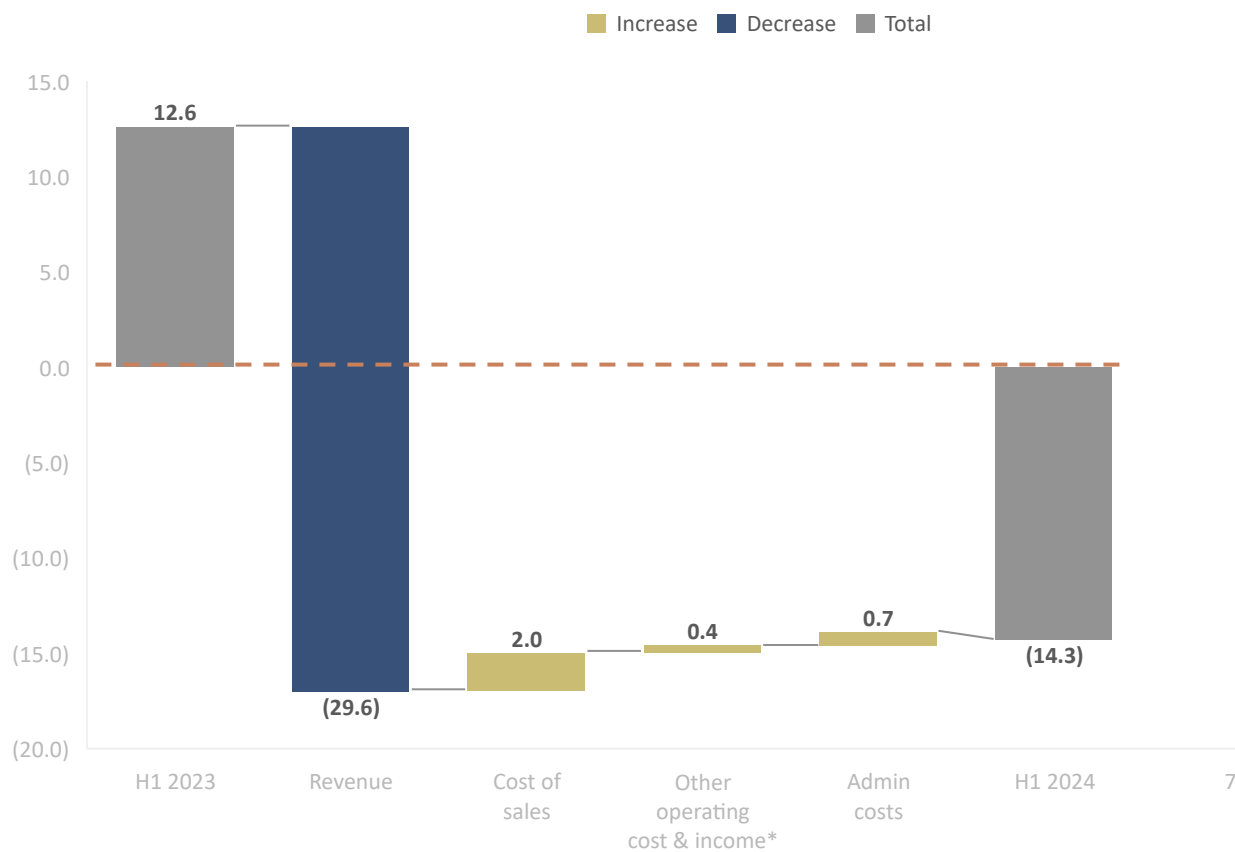
## H1 2024 Vametco Operational Performance



# H1 2024 Income Statement



## H1 2024 Underlying EBITDA waterfall (US\$' million)



\* Other operating costs excluding impairment losses

US\$ m	H1 2024	H1 2023
Group Sales (mtV)	949	1,428
Average realized price (US\$/kgV)	26.9	38.6
Revenue	25.6	55.1
Cost of sales excluding depreciation	(28.3)	(29.7)
Other operating income and costs	(5.5)	(5.9)
Administration costs excluding depreciation	(6.1)	(6.8)
<b>Underlying and Adjusted EBITDA</b>	<b>(14.3)</b>	<b>12.6</b>
Depreciation	(4.3)	(4.8)
<b>Operating profit / (loss)</b>	<b>(18.6)</b>	<b>7.9</b>
Other gains / (losses)	0.03	(3.4)
Share of loss from associate and joint venture	-	(1.5)
Fair value gain on derivative liability	0.1	-
Net financing expenses	(5.8)	(6.5)
<b>Loss before tax</b>	<b>(24.3)</b>	<b>(3.6)</b>
Income tax	3.6	(2.7)
<b>Loss from continuing operations</b>	<b>(20.8)</b>	<b>(6.3)</b>
Loss from discontinued operation	(24.2)	6.2
<b>Net loss for the period</b>	<b>(45.0)</b>	<b>(12.5)</b>



# H1 2024 Total Costs



## Cost per unit sold from continuing operations

The cost per unit sold from continuing operations for the half year (including sustaining capital expenditure) was US\$42.9/kgV. This represents a 40% increase relative to the prior year primarily as a result of lower sales volumes, partially offset by the cost factors noted below.

### Cost of sales

The cost of sales, excluding depreciation, from continuing operations for the first half of 2023 was US\$28.3 million, which was US\$1.4 million lower than the prior period primarily due to lower variable production costs incurred.

### Other operating income and costs

Other operating income and costs from continuing operations of US\$5.5 million decreased by US\$0.4 million primarily due to:

- A US\$1.9 million reduction in selling and distribution costs to US\$2.7 million primarily driven by lower commissions and lower distribution costs.
- This reduction was partially offset by a US\$1.5 million decrease in other operating income primarily due to a reduction in foreign exchange gains due to the strengthening of the Rand compared to the US\$.

US\$' million	H1 2024	H1 2023
Cost of sales excluding depreciation	(28.3)	(29.7)
Other operating costs and income	(5.5)	(5.9)
Administration costs excluding depreciation	(6.1)	(6.8)
<b>Total income statement cost excluding depreciation</b>	<b>(39.9)</b>	<b>(42.5)</b>
Total units sold (mtV)	949	1,428
<b>Cost per income statement per unit sold (excl. depreciation) (US\$/kgV)</b>	<b>42.0</b>	<b>29.8</b>
Sustaining capital	(0.9)	(1.5)
<b>Total cost including sustaining capital</b>	<b>(40.7)</b>	<b>(43.9)</b>
<b>Cost per unit sold including sustaining capital US\$/kgV</b>	<b>42.9</b>	<b>30.8</b>

## Cash flow and capital expenditure



- Cash used in **operating activities** was US\$16.3 million, primarily driven by the higher operating loss incurred, and partially offset by the inflow from changes in working capital and provisions.
- Cash used in **investing activities**, including sustaining capital expenditure of US\$1.9 million, was primarily driven by capital expenditure on property, plant and equipment.
- US\$17.8 million generated from **financing activities**.
  - US\$18.9 million proceeds received from the SPR interim working capital facility, and US\$1.4 million from the equity proceeds
  - Partially offset by the repayment of finance costs of \$1.9 million and repayment of lease liabilities of US\$0.3 million.

Capital expenditure (US\$' million)	H1 2024	H1 2023
<b>Vametco</b>		
– Growth	-	-
– Sustaining	0.9	1.5
<b>Vanchem</b>		
– Growth	-	-
– Sustaining	0.9	0.3
<b>Bushveld Energy</b>		
– Growth	0.1	2.5
– Sustaining	-	0.0
<b>Total</b>	<b>1.9</b>	<b>4.3</b>

US\$'m	H1 2024	H1 2023
Operating profit / (loss)	(18.6)	7.9
Depreciation	4.3	4.8
Other non-cash items	(1.0)	(12.8)
Changes in working capital and provisions	4.3	(4.6)
Taxes paid	(0.8)	(1.9)
Cash outflow from continuing operations	(11.8)	(6.6)
Cash inflow / (outflow) from discontinued operation	(4.5)	5.7
<b>Cash outflow from operations</b>	<b>(16.3)</b>	<b>(0.9)</b>
<b>Sustaining capital expenditures</b>	<b>(1.9)</b>	<b>(1.8)</b>
<b>Free cash flow</b>	<b>(18.1)</b>	<b>(2.7)</b>
<b>Cash used in other investing</b>	<b>0.0</b>	<b>(2.5)</b>
<b>Cash generated from / (used in) financing activities</b>	<b>17.8</b>	<b>(1.3)</b>
<b>Cash outflow</b>	<b>(0.3)</b>	<b>(6.5)</b>
<b>Opening cash and cash equivalents</b>	<b>1.3</b>	<b>10.9</b>
<b>Foreign exchange movement</b>		<b>(0.6)</b>
<b>Closing cash and cash equivalents</b>	<b>1.0</b>	<b>3.7</b>

## Net debt



US\$' million	H1 2024	H1 2023
Orion Production Financing Arrangement	(35.8)	(35.6)
Orion Convertible Loan Note	(14.8)	(46.8)
Orion Senior Term Loan	(29.7)	0.0
IDC Loans	(6.7)	(6.2)
SPR Interim Working Capital Facility	(27.8)	(7.8)
Other	(1.7)	(2.1)
Lease liabilities	(8.6)	(8.4)
<b>Total debt</b>	<b>(125.0)</b>	<b>(107.0)</b>
<b>Cash and cash equivalents</b>	<b>1.0</b>	<b>1.3</b>
<b>Net debt</b>	<b>(124.0)</b>	<b>(105.7)</b>

- Focus on receiving the outstanding balance of funds due in 2024 from SPR
- Complete outstanding conditions of the Vanchem sale, expecting to receive Competition Commission approval at the end of October 2024 and complete final documentation
- Attaining sustainable production at Vametco of 240mtV per month by Q4 2024.
- Complete the sale of Bushveld's non-core assets - Lemur and BELCO
- Successfully implement our turnaround and cost-cutting measures

