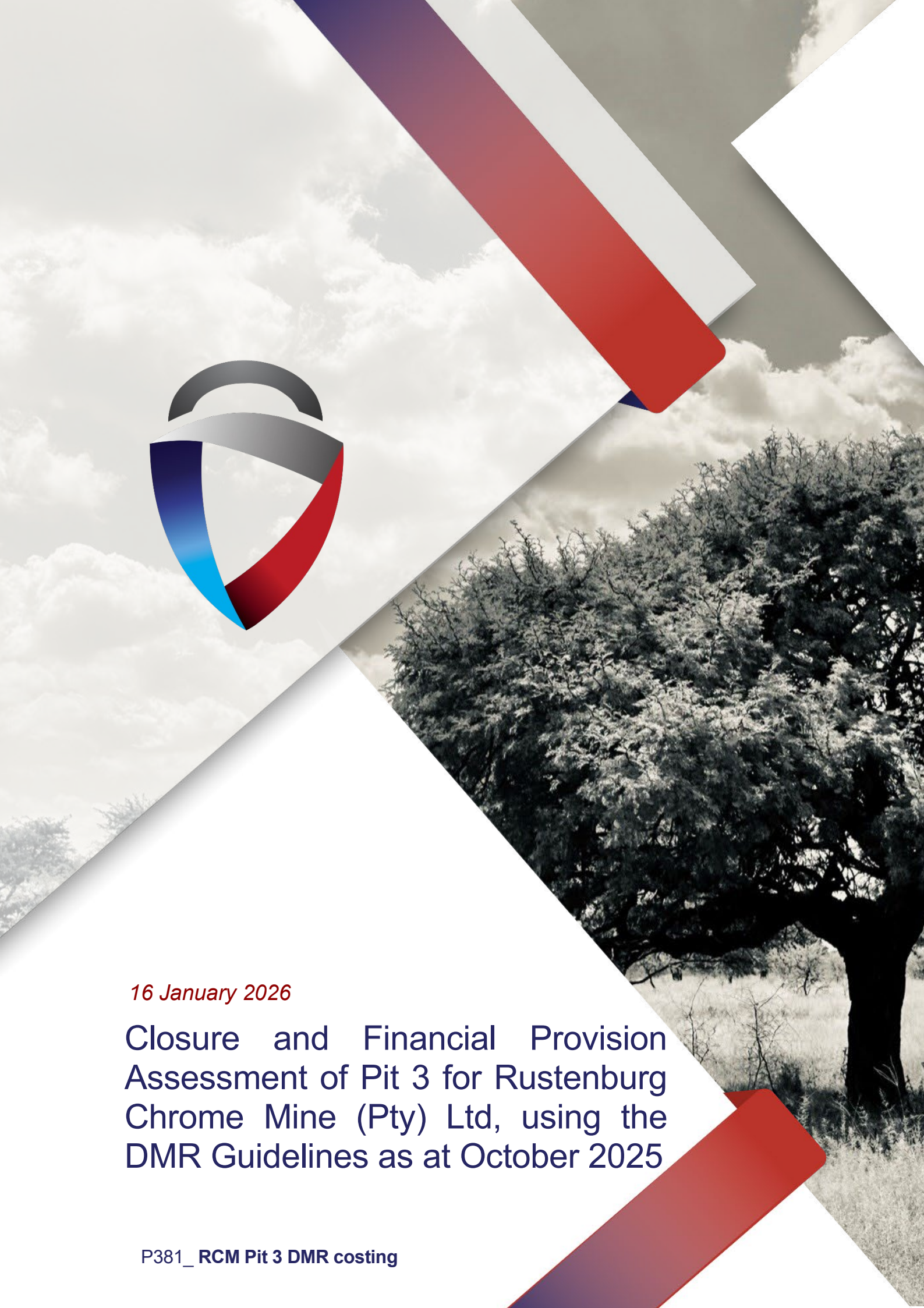

16 January 2026

Closure and Financial Provision Assessment of Pit 3 for Rustenburg Chrome Mine (Pty) Ltd, using the DMR Guidelines as at October 2025

P381_ **RCM Pit 3 DMR costing**

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1. INTRODUCTION

1.1 Background

EIMS (Pty) Ltd (EIMS) is currently busy with a Basic Assessment application for Rustenburg Chrome Mining (Pty) Ltd (RCM) for the mining of a new open cast area called Area 3 which will be an extension of the current approved opencast pit. As part of the Basic Assessment process, a financial provisioning for the future closure of the proposed open cast area 3 is required according to the DMR Guidelines.

Figure 1: Proposed new open cast area 3 (green)

2. MINE OVERVIEW

RCM Mine is located 7 km east of Kroondal and 11 km south-east of Rustenburg and falls within the Rustenburg Local Municipality of the North West Province.

The current mining right for RCM covers various portions of the farms Kroondal 304 JQ, Rietfontein 338 JQ and Klipfontein 300 JQ. The current extent of the mining right area is 952.5 ha with the aim to add an additional 16 ha by means of open cast area 3 which will be mined by means of roll over mining with a life of mine (LoM) of 5 years. No other infrastructure is planned with the addition of the new opencast pit, all existing infrastructure will be utilised. It is expected that no final void will be left after the 5 years of roll over mining as the entire pit of Area 3 will be backfilled.

Table 1 presents the infrastructure and features associated with RCM.

Table 1:Activities as per DMR Guidelines

Component	Description	Applicable
1	Dismantling of processing plant and related structures (incl. overland conveyors and Power lines)	N/A
2 (A)	Demolition of steel buildings and structures	N/A
2 (B)	Demolition of reinforced concrete buildings and structures	N/A
3	Rehabilitation of access roads	N/A
4 (A)	Demolition and rehabilitation of electrified railway lines	N/A
4 (B)	Demolition and rehabilitation of non-electrified railway lines	N/A
5	Demolition of housing and/or administration facilities	N/A
6	Opencast rehabilitation including final voids and ramps	N/A
7	Sealing of shafts, adits and inclines	N/A
8 (A)	Rehabilitation of overburden and spoils	N/A
8 (B)	Rehabilitation of processing waste deposits and evaporation ponds (basic, salt producing waste)	N/A
8 (C)	Rehabilitation of processing waste deposits and evaporation ponds (acidic, metal-rich waste)	N/A
9	Rehabilitation of subsided areas	N/A
10	General surface rehabilitation	Over backfilled Area 3
11	River diversions	N/A
12	Fencing	N/A
13	Water management	N/A
14	2 to 3 years of maintenance and aftercare	Open cast Area 3

3. CLOSURE COST ASSESSMENT

This section presents the basis of the calculation of the quantum for financial provisions for closure. The assessment and calculations are based on the 2005 DMR 'Guideline Document for the Evaluation of the Quantum of Closure-Related Financial Provision' provided by a Mine (Department of Mineral Resources, 2005).

3.1 Input parameters for quantum provision

No	Input data
1	Risk ranking for mine type and mineral by-product
2	Environmental sensitivity of the mining area
3	Level of information available
4	Type of mining operation
5	Geographical location of the mine
6	Closure components & Areas of disturbance (Components Map)

3.2 Primary Risk Class for type of minerals mined

Mineral	Ore	Size: Larger if > than (tpm)	Primary risk class			
			Large Mine		Small Mine	
			Mine and mine waste	Mine, mine waste, plant and plant waste	Mine and mine waste	**Mine, mine waste, plant and plant waste**
Chrome		**10 000**	**C**	**A**	**C**	**C**

3.3 Risk Class

Determine risk class	
Class A	a high probability of the occurrence of the impact with a severe consequence,
Class B	a moderate probability of occurrence of the impact with a manageable consequence,
Class C	a low probability of occurrence of the impact with a negligible consequence.

3.4 Area Sensitivity

Area sensitivity			
Sensitivity	**Sensitivity criteria**		
	Biophysical	**Social**	**Economic**
Low	• *Largely disturbed from natural state.* • Limited natural fauna and flora remains. • Exotic plant species evident. • Unplanned development. • Water resources disturbed and	• *The local communities are not within sighting distance of the mining operation.* • *Lightly inhabited area (rural).*	• *The area is insensitive to development.* • *The area is not a major source of income to the local communities.*

	impaired.		
Medium	• *Mix of natural and exotic fauna and flora.* • *Development is a mix of disturbed and undisturbed areas, within an overall planned framework.* • *Water resources are well controlled.*	• *The local communities are in the proximity of the mining operation (within sighting distance).* • *Peri-urban area with density aligned with a development framework.* • *Area developed with an established*	• *The area has a balanced economic development where a degree of income for the local communities is derived from the area.* • *The economic activity could be influenced by indiscriminate development.*
High	• *Largely in natural state.* • *Vibrant fauna and flora, with species diversity and abundance matching the nature of the area.* • *Well planned development.* • *Area forms part of an overall ecological regime of conservation value.* • *Water resources emulate their original state.*	• *The local communities are in close proximity of the mining operation (on the boundary of the mine).* • *Densely inhabited area (urban/dense settlements).* • *Developed and well-established communities.*	• *The local communities derive the bulk of their income directly from the area.* • *The area is sensitive to development that could compromise the existing economic activity.*

3.5 Closure components

Component No.	Main description	Applicable closure components for mine type		
		Open-cast	Under ground	Combination
1	Dismantling of processing plant and related structures (including overland conveyors and power lines)	No	No	No
2(A)	Demolition of steel buildings and structures	No	No	No
2(B)	Demolition of reinforced concrete buildings and structures	No	No	No
3	Rehabilitation of access roads	No	No	No
4(A)	Demolition and rehabilitation of electrified railway lines	No	No	No

Component No.	Main description	Applicable closure components for mine type		
		Open-cast	Under ground	Combination
4(B)	Demolition and rehabilitation of non-electrified railway lines	No	No	No
5	Demolition of housing and facilities	No	No	No
6	Opencast rehabilitation including final voids and ramps	No	No	No
7	Sealing of shafts, adits and inclines	No	No	No
8(A)	Rehabilitation of overburden and spoils	No	No	No
8(B)	Rehabilitation of processing waste deposits and evaporation ponds (basic, salt-producing waste)	No	No	No
8(C)	Rehabilitation of processing waste deposits and evaporation ponds (acidic, metal-rich waste)	No	No	No
9	Rehabilitation of subsided areas	No	No	No
10	General surface rehabilitation, including grassing of all denuded areas	Yes	No	No
11	River diversions	No	No	No
12	Fencing	No	No	No
13	Water management (Separating clean and dirty water, managing polluted water and managing the impact on groundwater, including treatment, when required)	No	No	No
14	2 to 3 years of maintenance and aftercare	Yes	No	No

3.6 Unit rates for closure components

The components in the DMR guideline that have multiplication factors different than 1 are listed below. It is, however, not necessarily applicable to the cost of this site.

Component 6 - Opencast Rehabilitation:

COMPONENT 6	OPENCAST REHABILITATION			
	UNIT			MASTER RATE
	ha			R 273 869,77
	Multiplication factor			
Risk Class (A, B or C)	A	0.04	0.52	1.00
	B	0.04	0.52	1.00
	C	0.04	0.52	1.00
		Low	Medium	High
	Environmental Sensitivity			

Component 8 (c) - Processing water deposits & Evaporation ponds:

COMPONENT 8 (C)	PROCESSING WATER DEPOSITS & EVAPORATION PONDS			
	UNIT			MASTER RATE
	ha			R 680 284,57
	Multiplication factor			
Risk Class (A, B or C)	A	0.59	0.80	1.00
	B	0.55	0.76	0.90
	C	0.51	0.66	0.81
		Low	Medium	High
	Environmental Sensitivity			

Component 13 – Water Management:

COMPONENT 13	WATER MANAGEMENT			
	UNIT			MASTER RATE
	ha			R 56 643,18
	Multiplication factor			
Risk Class (A, B or C)	A	0.60	0.67	1.00
	B	0.41	0.60	0.67
	C	0.17	0.25	0.33
		Low	Medium	High
	Environmental Sensitivity			

3.7 Weighting Factor 1 and 2

Weighting factor 1 are applied to all closure components:

Nature of the Terrain/Accessibility	Flat	Undulating	Rugged
Weighting Factor 1	1.00	1.10	1.20

Weighting factor 1.05 is applied to preliminary and general item only:

Proximity to urban area where goods and services are supplied	Urban	Peri-urban	Remote
Weighting Factor 2	1.00	1.05	1.10

3.8 Escalation

In South Africa, the Consumer Price Index or CPI measures changes in the prices paid by consumers for a basket of goods and services and is published Stats SA (Consumer Price Index, Statistical Release P0141).

The master rates were updated (escalated) by multiplying the master rate of the previous year with the new (average) CPI value. The latest average CPI was published end of November 2025.

Table 2: Consumer price indices headline year-on-year rates

	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Average
CPI (%)	3.2	3.2	2.7	2.8	2.8	3	3.5	3.3	3.4	3.6	**3.5**	**3.5**

3.9 Closure methods and assumptions

The DMR Guideline presents generally accepted closure methods, based on experience in the field, which have been used as the basis for determining the Master Rates for the various closure components in the “rules-based” approach. Where relevant, specific reference is made to the site conditions and requirements applicable to the closure of RCM open cast pit 3. In addition, the relevant mine structures and components requiring closure are listed.

3.9.1 Component 10: General surface rehabilitation

Final surface rehabilitation of areas disturbed by mining and related activities should be aligned to the selected final land use. The generally accepted closure methods applicable to general surface rehabilitation includes:

- Surface topography that emulates the surrounding areas and aligned to the general landscape character. Steep slopes more than 6 percent should also be avoided if possible.
- Landscaping that would facilitate surface runoff and result in free draining areas. If possible, the drainage lines should be reinstated.
- An area without unnecessary remnants of structures and surface infrastructure to give the rehabilitated area a “neat” appearance. Special attention must be given to shape and/or removal of heaps of excess material being the legacy of prolonged mining and related activity.
- An area suitable for revegetation.

For the RCM it includes the surface rehabilitation of Area 3 after backfilling.

3.9.2 Component 14: Maintenance and aftercare

The generally accepted closure methods applicable to this component include:

- Annually fertilising of rehabilitated areas.
- Monitoring of surface and subsurface water quality surface.
- Control of wattle and all other alien plants.

3.10Costs

The quantum for financial provisions for un-scheduled closure was estimated using the rule-based approach defined in the DMR Guideline. Refer to Table 3 for a summarised breakdown of the closure cost assessment estimate as of November 2025.

Table 3: Summary of the scheduled closure cost for RCM open cast 3

	CALCULATION OF THE QUANTUM						
	MINE: RCM (PTY) LTD					LOCATION: NORTH WEST	
	EVAULUATORS: MINELOCK ENVIRONMENTAL ENGINEERS (PTY) LTD					DATE: 2026/01/16	
NO	DESCRIPTION	UNIT	A QUANTITY	B MASTER RATE NOV 2025	C MULTIPLICATION FACTOR	D WEIGHTING FACTOR	AMOUNT RAND NOV 2025
1	Dismantling of processing plant and related structures (Including overland conveyors and power lines)	m^3	-	R 19.96	1,00	1,00	R 0.00
2(A)	Demolition of steel buildings and structures	m^2	-	R 278.13	1,00	1,00	R 0.00
2(B)	Demolition of reinforced concrete buildings and structures	m^2	-	R 409.87	1,00	1,00	R 0.00
3	Rehabilitation of access roads Including all haul roads	m^2	-	R 49.77	1,00	1,00	R 0.00
4(A)	Demolition and rehabilitation of electrified railway lines	m	-	R 483.06	1,00	1,00	R 0.00
4(B)	Demolition and rehabilitation of non-electrified railway lines	m^2	-	R 263.49	1,00	1,00	R 0.00
5	Demolition of housing and/or administration facilities	m^2	-	R 556.26	1,00	1,00	R 0.00
6	Opencast rehabilitation including final voids and ramps	ha	-	R 283 101.98	0,52	1,00	R 0.00
7	Sealing of shafts, adits and inclines	m^3	-	R 149.31	1,00	1,00	R 0.00
8(A)	Rehabilitation of overburden and spoils	ha	-	R 194 394.73	1,00	1,00	R 0.00
8(B)	Rehabilitation of processing waste deposits and evaporation ponds (basic, salt-producing waste)	ha	-	R 242 115.13	1,00	1,00	R 0.00

	CALCULATION OF THE QUANTUM						
	MINE: RCM (PTY) LTD				LOCATION: NORTH WEST		
	EVAULUATORS: MINELOCK ENVIRONMENTAL ENGINEERS (PTY) LTD				DATE: 2026/01/16		
NO	DESCRIPTION	UNIT	A QUANTITY	B MASTER RATE NOV 2025	C MULTIPLICATION FACTOR	D WEIGHTING FACTOR	AMOUNT RAND NOV 2025
8(C)	Rehabilitation of processing waste deposits and evaporation ponds (acidic, metal-rich waste)	ha	-	R 703 217.11	0,66	1,00	R 0.00
9	Rehabilitation of subsided areas	ha	-	R 162 776.32	1,00	1,00	R 0.00
10	General surface rehabilitation	ha	16.00	R 153 993.42	1,00	1,00	R 2 463 894.72
11	River diversions	ha	-	R 153 993.42	1,00	1,00	R 0.00
12	Fencing	m	-	R 175.66	1,00	1,00	R 0.00
13	Water management	ha	-	R 58 552.63	0,25	1,00	R 0.00
14	2 to 3 years of maintenance and aftercare	ha	16.00	R 20 493.43	1,00	1,00	R 327 894.82
15(A)	Update geohydrological models	Sum	-	R 428 307.20	1,00	1,00	R 0.00
15(B)	EIA and closure application - includes Public Participation and specialist studies	Sum	-	R 2 447 469.70	1,00	1,00	R 0.00
						Sub Total 1	**R 2 791 789.54**
						Weighting factor 2 (1.05)	**R 2 931 379.02**
1	**Preliminary and general**			**12 % of Sub Total 1**			**R351 765.48**
						Sub Total 2	**R 3 283 144.50**
2	**Contingencies**			**10 % of Sub Total 1**			**R 293 137.90**
						Sub Total 3	**R 3 576 282.40**
	VAT			**15 % of Sub Total 3**			**R 536 442.36**
						Grand Total	**R 4 112 724.76**

4. CONCLUSION

The financial provision for rehabilitation and closure for Area 3 pit at RCM is documented in this Report. Information was provided by RCM during December 2025 and January 2026. No site visits were conducted.

The Master Rates was escalated with an average CPI published until end of November 2025.

Notwithstanding the above, the closure costs documented in this Report reflects the costs for closure costs provision in November 2025 aligned with the RCM current approved EMR. The reflected closure costs objectives provide a good base for future closure costings at RCM.

6. REFERENCES

Department of Mineral Resources, 2005. *Guideline Document for The Evaluatuon of The Quantum of Closure-Related Financial Provision Provided by a Mine,* s.l.: s.n.

Department: Statistics South Africa, 2020. Statistical Release P0141. *Consumer Price Index November 2025*, 03 December, p. 6.

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