

ASX: JMS

31 March 2022

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Directors & Officers

Peter North
Scott Winter
Patrick Murphy
Ben Kim
Ian Murray
Brian Beem (alternate to
Patrick Murphy)
Melissa North

Issued Capital

Ordinary shares:
1,958,991,033

Primary Asset

World class Tshipi
Manganese Mine

Jupiter Mines Limited (ASX:JMS) (**Jupiter**, or the **Company**, and together with its subsidiaries, the **Group**) is pleased to provide the following activities report for the quarter ended 28 February 2022.

HIGHLIGHTS

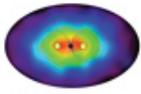
- 3.3 million tonnes sold and 3.7 million tonnes produced for FY2022 (FY2021: both 3.4 million tonnes). FY2022 EBITDA \$139.1 million and NPAT \$85.7 million (FY2021: \$206.3 million and \$134.9 million, respectively).
- No LTI's in the quarter, TRIFR is 0.95 (Q3: 0.98).
- February quarter achieved graded ore mining of 244,259 bcm (Q3: 255,036 bcm).
- Overall total in-situ movement for February quarter was 2.3 million bcm (Q3: 2.9 million bcm), 8% behind target (adjusted for rehandle).
- On land logistics 9% behind target for the year due to continued rail outages, delays; low grade sales suspended.
- High grade production exceeded target for the year, with 720,730 tonnes (Q3: 804,137 tonnes) achieved over the quarter (775,114 tonnes overall production) (Q3: 909,510 tonnes).
- Jupiter's attributable cash balance is \$75 million at end of the quarter (Q3: \$76 million).
- Jupiter Directors, Scott Winter and Ian Murray, to conduct a conference call on quarterly results on Friday 1 April 11:30am AEDT.

TSHIPI BORWA MANGANESE MINE (100% BASIS)

Jupiter has a 49.9% beneficial interest in Tshipi é Ntle Manganese Mining Proprietary Limited (**Tshipi**), which operates the Tshipi Borwa Manganese Mine in the southern portion of the Kalahari manganese field.

Key production, sales and financial information for the quarter ended 28 February 2022 and comparatives are presented below.

	Unit	Q4 FY2022	Q3 FY2022	Q2 FY2022	Q1 FY2022	Full Year FY2022	Q4 FY2021
Production	Tonnes	775,114	909,510	945,382	1,049,985	3,679,991	891,256
Sales	Tonnes	752,518	845,421	807,767	846,214	3,251,920	1,051,544
Average CIF price achieved (HGL)	USD/dmtu	4.55	4.60	4.62	4.56	4.60	3.93
Average FOB cost of production (HGL)	ZAR/dmtu	24.66	26.18	31.00	32.67	27.61	34.32
Earnings before interest, tax & depreciation (EBITDA)	AUD million	43.8	38.7	30.4	26.0	139.1	41.4
Net profit after tax (NPAT)	AUD million	27.5	26.6	15.3	16.2	85.7	17.5
Cash at bank	AUD million	71.4	119.1	91.8	55.0	71.4	44.1



Safety and Environment

Tshipi continues to show a quarter on quarter improvement in terms of LTIFR and recorded no LTI's for the quarter, resulting in zero LTI's for the financial year. Tshipi have embarked on a safety program "My Safety, My Family, My Community" to continue to enhance safety culture across the site. TRIFR slightly decreased to 0.95 owing to a particular safety focus.

Progress is going well with landowners regarding the biodiversity conservation site and it is expected to have the biodiversity offset declaration process completed in the next two years. Work is continuing with the amendment of the current Environmental Management Plan regarding closure commitments.

Mining and Production

	Unit	Q4 FY2022	Q3 FY2022	Q2 FY2022	Q1 FY2022	Full Year FY2022	Q4 FY2021	
Mined volume								
-	Waste and low grade ore	BCM	2,089,772	2,669,500	3,709,033	3,683,250	12,151,555	2,675,483
-	Graded ore	BCM	244,259	255,036	234,099	271,201	1,004,595	140,661
Total			2,334,031	2,924,536	3,943,132	3,954,451	13,156,150	2,816,144
Production								
-	High grade	Tonnes	720,730	804,137	847,239	800,025	3,172,131	634,854
-	Low grade	Tonnes	54,384	105,373	98,143	249,960	507,860	256,402
Total			775,114	909,510	945,382	1,049,985	3,679,991	891,256
	Average FOB cost of production (HGL)	ZAR/dmtu	24.66	26.18	31.00	32.67	27.61	34.32
	Average FOB cost of production (HGL)	USD/dmtu	1.59	1.75	2.15	2.25	1.86	2.30
	Average CIF price achieved (HGL)	USD/dmtu	4.55	4.60	4.62	4.56	4.60	3.93

For the February quarter, Tshipi delivered 244,259 bcm of graded ore and 2.33 million bcm of in-situ mining movement. For the financial year, Tshipi ended up 1% ahead of target for graded ore mining and 5% behind on total in-situ mining movement (rehandle accounted for 0.52 million bcm which is not included in total mining movement). Tshipi's operational improvement program with mining contractor Moolmans has continued to show progress with Q4 total movement improving over Q3. High rainfall in January and February continued to affect the operations along with recent excavator availability.

The focus has continued on waste stripping in the barrier pillar with both in-situ and ramp rehandle material a focus in February. This has now exposed a large block of graded ore which is available to Tshipi over the next year and can be readily mined as the opportunities arise in the market. Mining will continue at life of mine strip ratio.

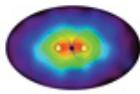


Figure 1: Overview of Tshipi pit

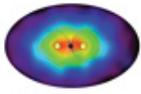
Processing of high grade ore was 2% below plan overall with a production of 720,730 tonnes for the February quarter which resulted in high grade production being 1.5% above target for the year. Low grade ore was 205,616 tonnes behind for the quarter resulting in being 262,140 tonnes or 34% behind target for the year. This is as a result of limiting the sales of low grade into the market and focusing on alternate mining areas to mine waste. Low grade ore has not been exposed as readily and ROM stockpiles are lower than originally planned.

The high grade fine tonnes were slightly elevated due to the processing of supergene material mined from the barrier pillar with a higher fines content. For the year, the high grade fines content was on target at 15%.

Quarter 4 saw FOB costs continue to be lower than forecast across all elements. Higher than expected shipping costs continued to result in CIF costs being above forecast for the year.

Logistics and Sales

	Unit	Q4 FY2022	Q3 FY2022	Q2 FY2022	Q1 FY2022	Full Year FY2022	Q4 FY2021
On-land Logistics	Tonnes	749,180	727,418	944,499	852,676	3,273,773	910,758
Sales	Tonnes	752,518	845,421	807,767	846,214	3,251,920	1,051,544
Average CIF price achieved (HGL)	USD/dmtu	4.55	4.60	4.62	4.56	4.60	4.19



Tshipi moved a total of 749,180 tonnes for the quarter, with on-land logistics split almost evenly between rail and road. Trucking capacity was available for the increased movement with the lower planned low grade sales.

The issues with rail transport remain, with overall capacity at approximately 90% due to ongoing cable theft, power outages and derailments, impacting throughput to several ports, and consequently impacting exports. Road volumes remain available and were activated over the quarter to assist Tshipi in meeting its shipping schedule for the financial year. Tshipi are exploring all logistic additional alternatives to ensure makeup capacity is available as well as growth potential can be realised when required.

Tshipi shipped 3,251,920 tonnes for the FY2022 year. Two vessels totalling 85,000 tonnes, which were sold as February shipments, rolled over and completed loading during the first week of March.

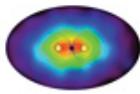
Tshipi hauled on road approximately 128,000 (13%) of high grade material above plan which in turn resulted in the logistics costs being approximately 8% above planned for the year for high grade material.

Corporate and Financial

Tshipi declared and paid a dividend of ZAR500 million to its shareholders in February.

Discussions have commenced in the quarter with mining contractor Moolmans in regard to production profiles over the coming term of the contract and the possibility of new equipment to aid in the overall performance. These have been positive and are expected to be concluded in the next quarter.

Tshipi recorded an EBITDA of \$43.8 million and NPAT of \$27.5 million for the quarter, an increase on the previous quarter (\$38.7 million and \$26.6 million, respectively). Whilst production and sales were down for the quarter, EBITDA and NPAT improved due to a reduction in cost of production and recognition of freight adjustment at year end.



MARKETING AND MARKET OUTLOOK

Jupiter Marketing

Sales and financial information for Jupiter’s marketing entity for the quarter ended 28 February 2022 and comparatives are presented below:

	Unit	Q4 FY2022	Q3 FY2022	Q2 FY2022	Q1 FY2022	Full Year FY2022	Q4 FY2021
Sales	DMT	364,887	402,821	451,699	389,555	841,254	503,933
Average CIF price achieved (HGL)	USD/dmtu	4.65	4.63	4.71	4.64	4.67	3.96
Marketing fee income	AUD million	1.8	1.7	2.0	1.8	3.8	2.2
EBITDA	AUD million	1.8	1.7	1.9	1.7	3.6	2.1
NPAT	AUD million	1.2	1.4	1.5	1.0	2.5	1.6
Cash at bank	AUD million	2.9	1.8	2.8	1.4	2.8	2.9

Market Outlook

The manganese market was stable for most of the quarter, with prices generally moving within a narrow range. The market started strengthening in the latter half of February 2022, after the Chinese Spring Festival and strong restocking by alloy plants and continued to strengthen through most of March 2022.

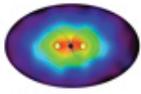
The high-grade ore market was supported by reduced supply from producers and reduced availability at the port. The continued strong demand for high-grade ore led to a price increase in February and March 2022.

Semi-carbonate prices in both the portside and seaborne markets followed suit, although price gains were limited when compared to the high-grade ore market mainly as a result of ore availability – both at ports and from South African producers.

Bulk freight rates have continued to decrease through most of Q4, however Jupiter noted more volatility in the freight market recently following Russia’s invasion of Ukraine. Manganese ore stocks at main Chinese ports continued decreasing through the quarter following the trend of the preceding 12 month period due to the strong global demand from downstream alloy and steel mills, as noted below. This resulted in more manganese ore being exported from main producing countries to regions outside of China.

The downstream steel market in China showed a promising recovery in Q4 from the reduced levels seen in Q3 and as a result increased manganese alloy production in Q4, led support to manganese ore consumption and the market in general. Industry sources are forecasting 2022 (calendar year) crude steel production in China to be largely in line with 2021 production of 1.03 billion tons. Monetary policy and easing financing restrictions should promote growth in the Chinese economy in 2022 however growth in the steel sector may be limited due to on-going decarbonisation and environmental control measures.

Crude steel production in the rest of the world continued to recover in FY2022 Q4, particularly in India the second largest steel producing country. Growth has been forecast for all main steel producing regions outside of China for 2022 (calendar year) with support in different regions from manufacturing, automotive and construction sectors as post COVID-19 recoveries continue.



Jupiter expects the manganese ore market to be supported in the short term by the forecasted growth in the downstream steel sector.

CORPORATE

The Group's net consolidated cash balance increased from \$17,036,951 to \$39,158,399 during the quarter, after receiving the dividend from Tshipi in February.

Jupiter's attributable cash decreased from \$76,484,458 to \$74,776,275 during the quarter. Attributable cash is calculated as the net consolidated cash above and Jupiter's 49.9% share of Tshipi's cash balance.

Jupiter appointed Ian Murray as an Independent Non-executive Director during the quarter and will be appointed as Chair as of 1 May 2022. The process of appointing a CEO is in its final stages with an announcement expected in this quarter.

Treadstone Resource Partners Pty Ltd were appointed Jupiter's financial and strategic advisor and will complete an overall evaluation of the Company and its assets, in order to identify strategic growth initiatives that could deliver shareholder value.

In early March, members of the Board visited the Tshipi mine, surrounding Kalahari region and corresponding offices of Jupiter and partnering shareholders.

QUARTERLY CALL WITH CEO

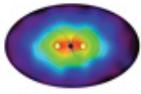
Jupiter would like to invite all shareholders and market participants to dial into a brief conference call on Friday 1 April at 11:30am AEDT using the details below:

Australian Dial-in Number: 1300 264 803

International Dial-in Number: +61 3 8687 0650

The conference call will be recorded and available on the Company website after the call (www.jupitermines.com).

This announcement has been authorised for release by the Board of Jupiter Mines Limited.



Notes

1. Average exchange rates used:

	USD / ZAR	AUD / ZAR
Q1 FY2022	14.48	11.18
Q2 FY2022	14.40	10.72
Q3 FY2022	14.98	10.99
Q4 FY2022	15.53	11.12
Q3 FY2021	16.23	11.70

2. Tshipi and Jupiter's marketing entity report in ZAR; Jupiter reports in AUD. Where necessary, figures have been converted using average exchange rates shown for each relevant period.
3. All financial information presented in this report is provisional and unaudited.
4. All amounts are in Australian Dollars unless otherwise defined.
5. The following abbreviations have been used through the report: financial year ending 28 February 2022 (FY2022); financial year ended 28 February 2021 (FY2021); bank cubic metre (bcm); dry metric tonne unit (dmtu); dry metric tonne (dmt); cost, insurance, freight (CIF); free on board (FOB); high grade lumpy (HGL), year to date (YTD), United States Dollar (USD); South African Rand (ZAR); Lost Time Injury (LTI); Lost Time Injury Frequency Rate (LTIFR); Total Recordable Injury Frequency Rate (TRIFR).