

ASX: JMS

22 December 2021

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Directors & Officers

Peter North
Yeongjin Heo
Scott Winter
Patrick Murphy
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 30 November 2021.

HIGHLIGHTS

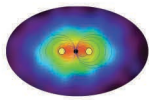
- No LTI's in the quarter, TRIFR is 0.98.
- November quarter achieved graded ore mining of 255,036 bcm.
- Overall total in-situ movement for November quarter was 2.9 million bcm, 10% behind target, with November improving and now ahead of target. Recent changes to the medium term mine plan and operations are showing improvements in the mining performance.
- On land logistics 5% behind target YTD due to delays and maintenance.
- Production is on track to meet the high grade logistics and sales plan, with 909,510 tonnes achieved over the quarter, however with lower rail and increased road volumes.
- Jupiter's attributable cash balance is \$76 million at end of the quarter.
- Jupiter's Acting CEO, Scott Winter, to conduct conference call on quarterly results on Wednesday 22 December at 4:30pm 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 30 November 2021 and comparatives are presented below.

	UNIT	Q3 FY2022	Q2 FY2022	Q1 FY2022	YTD FY2022	Q3 FY2021
Production	Tonnes	909,510	945,382	1,049,985	2,904,877	925,652
Sales	Tonnes	845,421	807,767	846,214	2,499,402	1,146,201
Average CIF price achieved (HGL)	USD/dmtu	4.60	4.62	4.56	4.63	4.07
Average FOB cost of production (HGL)	ZAR/dmtu	26.18	31.00	32.67	30.10	30.56
Earnings before interest, tax & depreciation (EBITDA)	AUD million ¹	38.7	30.4	26.0	95.1	51.2
Net profit after tax	AUD million ¹	26.6	15.3	16.2	58.1	36.1
Cash at bank	AUD million ¹	119.1	91.8	55.0	119.1	122.6



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Safety and Environment

Tshipi continues to show a quarter on quarter improvement in terms of Lost Time Injury Frequency Rate (**LTIFR**) and has recorded no Lost Time injuries (**LTi**) for the quarter, resulting in no LTI's for the year to date.

Progress is going well with landowners regarding the biodiversity conservation site and the establishment of an appropriate management structure to maintain this as best practice.

Mining and Production

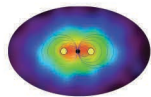
	UNIT	Q3 FY2022	Q2 FY2022	Q1 FY2022	YTD FY2022	Q3 FY2021
Mined volume						
- Waste and low grade ore	BCM	2,669,500	3,709,033	3,683,250	10,061,783	3,292,087
- Graded ore	BCM	255,036	234,099	271,201	760,336	130,816
Total		2,924,536	3,943,132	3,954,451	10,822,119	3,422,903
Production						
- High grade	Tonnes	804,137	847,239	800,025	2,451,401	709,548
- Low grade	Tonnes	105,373	98,143	249,960	453,476	216,401
Total		909,510	945,382	1,049,985	2,904,877	925,652
Average FOB cost of production (HGL)	ZAR/dmtu	26.18	31.00	32.67	30.10	30.56
Average FOB cost of production (HGL)	USD/dmtu ¹	1.75	2.15	2.25	2.06	1.88
Average CIF price achieved (HGL)	USD/dmtu	4.60	4.62	4.56	4.63	4.07

For the November quarter, Tshipi delivered 255,036 bcm of graded ore and 2.9 million bcm of total mining movement. For the year to November, Tshipi is 2% ahead of target for graded ore mining and 3% behind on total mining movement. Tshipi started the quarter behind on overall mining volumes, due to low excavator, dump truck and operator availability. A revised medium term mine plan along with an operational efficiency program was implemented in April and is now showing performance improvements. Unseasonably high rain in October and a reduction to waste fleets also meant reduced mining, however some of the backlog was clawed back in November with higher than planned volumes mined from the barrier pillar, greater availability of equipment and time management optimisation.

A greater focus recently has been on catching up the waste stripping in the barrier pillar. This has also assisted in increasing the graded ore mining volumes.

Processing of high grade ore was above plan overall with a production of 804,137 tonnes for the November quarter which results in high grade production being 3% above target for the year. Low grade ore was 89,806 tonnes behind for the quarter resulting in being 53,279 tonnes or 12% behind target for the year, largely as a result of waste mining being behind the original target, causing insufficient low grade ore from the pit.

The high grade fines 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 still remains at 14%.



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Logistics and Sales

	UNIT	Q3 FY2022	Q2 FY2022	Q1 FY2022	YTD FY2022	Q3 FY2021
On-land Logistics	Tonnes	727,418	944,499	852,676	2,524,593	1,034,692
Sales	Tonnes	845,421	807,767	846,214	2,499,402	1,146,201
Average CIF price achieved (HGL)	USD/dmtu	4.60	4.62	4.56	4.63	4.07

Tshipi moved on land a total of 727,418 tonnes for the November quarter. There have been some delays and annual maintenance on rail networks. Tshipi have been engaging with Transnet on how to continue to claw back some rail volumes. Lower volumes are planned for December, presenting an opportunity to reduce the rail backlog across the network.

Some South African road volumes were suspended during the quarter due to current low returns on low grade ore. These volumes will resume in December through to February in order to meet the high grade ore export plan.

Tshipi shipped 845,421 tonnes over the November quarter which was 10% behind for the quarter, resulting in being 4% behind for the year. However, as stated above, additional road volumes have been activated from December through to February to meet the high grade shipping schedule and business plan.

Corporate

Tshipi declared and paid a dividend of ZAR88 million to its shareholders in September.

MARKETING AND MARKET OUTLOOK

Jupiter Marketing

Sales and financial information for Jupiter's marketing entity for the quarter ended 30 November 2021 and comparatives are presented below:

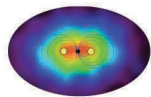
	UNIT	Q3 FY2022	Q2 FY2022	Q1 FY2022	YTD FY2022	Q3 FY2021
Sales	DMT	402,821	451,699	389,555	841,254	598,238
Average CIF price achieved (HGL)	USD/dmtu	4.63	4.71	4.64	4.67	3.97
Marketing fee income	AUD million ¹	1.7	2.0	1.8	3.8	2.7
EBITDA	AUD million ¹	1.7	1.9	1.7	3.6	2.6
Net profit after tax	AUD million ¹	1.4	1.5	1.0	2.5	1.7
Cash at bank	AUD million ¹	1.8	2.8	1.4	2.8	9.5

Market Outlook

The manganese market has been influenced by continued reduced crude steel production in China during the quarter. Steel production in China was at the lowest levels seen in 2021 following the Chinese government guidelines that 2021 crude steel production should not exceed 2020 levels. It is expected that production levels will increase early in the new year.

The Rest of the World crude steel production in most other major steel producing regions continued to recover well in the quarter and should continue. However, the recovery in these other regions is still not sufficient enough to make up for the shortfall from China's reduced production.

Developed economies have been experiencing substantive growth in 2021 on the back of rising business and consumer confidence, coupled with the easing of supply chain bottlenecks.



Jupiter Mines Limited

The ferroalloys market was severely affected by power supply constraints and electricity consumption control measures in quarter, meaning some smelters stopped production in September. The reduced supply led to the Silicon Manganese Inner Mongolia (SiMn 65/17) spot price increasing by the end of September. Later in the quarter as smelters could restart and coupled with the impact of decreasing demand from steel mills, ferroalloy prices started dropping back late in the quarter. Rising power costs have limited supply to some smelters, which has given some support to the market in the short term.

The manganese ore market in China was influenced by reduced production of ferroalloys at the beginning of the quarter, leading to reduced manganese ore consumption, particularly South African semi-carbonate material as higher-grade material was preferred due to efficiency. However, as factories started resuming ferroalloy production through October, demand for manganese ore grew, which supported both portside and seaborne price increases. This has slightly softened with the widening gap between portside and seaborne prices in the latter part of the quarter.

Freight rates from South Africa to China have started decreasing from early November. Producers have also faced pressure from buyers to decrease their CIF prices as a result.

Jupiter expects China's increase in steel production next year to have a positive impact on manganese ore pricing and along with reducing freight costs, an overall improvement.

CORPORATE

The Group's net consolidated cash balance decreased from \$22,915,513 to \$17,036,951 during the quarter, after payment of Jupiter's interim dividend in November.

Jupiter's attributable cash was \$76,484,458 at the end of the November quarter, calculated as the net consolidated cash above and Jupiter's 49.9% share of Tshipi's cash balance.

The Company held a General Meeting of Shareholders on 20 October 2021, at which Brian Gilbertson was removed as a Director, and Priyank Thapliyal was removed as a Director. Subsequently, Peter North and Scott Winter were appointed Acting Chair and Acting CEO, respectively.

The Board engaged Korn Ferry to assist with the appointment of a replacement Chair and CEO for Jupiter. In the meantime, the Board and Executive are revising the Company's strategy and looking at options to maximise the value of Tshipi through operational excellence and the consolidation of ownership with other Kalahari manganese opportunities. The Company is also investigating diversification into other commodities and in particular how it may participate in the battery minerals supply chain.

QUARTERLY CALL WITH CEO

Jupiter would like to invite all shareholders and market participants to dial into a brief conference call later today as per the details below:

Wednesday 22 December 2021 at 4:30pm AEDT

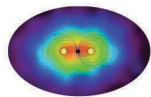
Australian Dial-in Number: 1300 254 410

International Dial-in Number: +61 3 8687 0634

Participant Access Code: 3723850#

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.



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Notes

1. Average exchange rates used:

	USD / ZAR	AUD / ZAR
Q1 FY2022	14.98	10.99
Q2 FY2022	14.40	10.72
Q3 FY2022	14.48	11.18
Q4 FY2022	14.62	10.96
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 above.
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).