



**PADENGA  
HOLDINGS  
LIMITED**



**EUREKA MINE**

PADENGA HOLDINGS Q3 TRADING UPDATE 2024

# Trading Update for the Third Quarter (FY2024)

Padenga Holdings Limited (the Group) is pleased to issue its trading update for the third quarter ended 30 September 2024.

## Trading Environment

The Group faced economic complexities over the nine months under review. However, Management remained agile in mitigating the risks and continues to closely monitor and develop strategies to effectively and efficiently operate the business.

## OPERATIONAL PERFORMANCE

### Mining Operations

Dallaglio gold sales for the nine months ended 30 September 2024 increased by 22% to 2,025kgs from 1,665kgs recorded in prior period, with the volume growth underpinned by increases in mill feed grades and recoveries. Average mill feed grades increased by 6% to 1.51g/t from 1.42g/t in the prior period, mainly driven by Eureka mine which is in line with the expected evolution of the open pit resource. Milled tonnage increase is a result of the addition of a new mill at Pickstone Peerless mine, coupled with optimized plant throughput at Eureka mine. The average plant recoveries increased by 2 percentage points from 89% to 91% for the current period enhanced by the transition to processing more underground ore at Pickstone Peerless mine. Open pit mining at Pickstone Peerless mine will cease before the end of the current year and operation will focus on underground mining going forward.

Regrettably, a fatal incident occurred in our underground operations at Pickstone Peerless Mine on 29 September 2024, resulting in the death of an employee, due to inhalation of noxious gas. This tragic event significantly impacted the business safety metrics, as prior to this incident, the mine had achieved a notable milestone of 740,085 fatality-free shifts. Safety protocols have been revised and strict adherence will be enforced.

### Padenga Agribusiness Operations

The business recorded a 3% increase in skin harvest volumes for the nine months under review, compared to prior period (24,813 vs 24,115). Skin quality and production volumes continue to be in line with set targets. Skin sales over the period of 21,418 skins were 30% below the 30,586 skins sold over the same period last year. Premium skin sales were in line with both prior year and targets set at the beginning of the year. However, total sales volume was negatively impacted by a decrease in uptake by other customers due to a weakening of this segment of the market relative to prior year.

As previously reported, the annual rehabilitation of crocodile pens to improve skin quality was completed on schedule in the second quarter of the year.

The commissioning of the phase 3 solar array at the northern farms to bring the solar plant operating capacity to a total of 1.2MW was also completed in the second quarter of 2024. The major capital expenditure for the 2024 financial year is construction of the waste water treatment plant which is progressing according to schedule and is on course to be completed by the end of the year.

## MARKET OUTLOOK

### Mining Operations

Dallaglio's performance to date has been spurred by increased gold output, supported by favourable gold prices, with the outlook pointing to the current firm prices extending into 2025. The entity is focused on opportunities to successfully execute the ongoing Pickstone Peerless mine underground development ahead of plan, to reduce the cost per ounce of gold and capitalise on the high gold prices. The Pre-Leach Thickener under construction at Eureka Mine is progressing on schedule and within budget, with expected commissioning in the final quarter of the current year.

Management remains focused on initiatives to boost ore grade, reduce operating costs and improve recoveries. Accordingly, delivering the remaining scope of development on Pickstone Peerless mine underground project on schedule is a key focus area.

Eureka Mine is operating well and consistently meeting or surpassing its production targets and making a steady contribution to the Company's overall gold production volumes. This, coupled with the elevated gold prices means the business is set to surpass its operational and financial targets for the year.

### Padenga Agribusiness Operations

The Nile crocodile operation continues with its initiatives to produce high quality skins that are consistent with premium market expectations. We foresee the current softening in demand for Nile crocodile skins persisting in the short to medium term. Management is therefore evaluating this market shift to enable correct assessment of the impact on current and prospective skin sales contracts.

The Group is continually seeking to reduce borrowings and related interest costs to conservative levels, thereby improving profitability and growing shareholder wealth. Management continues to pursue its drive to increase export proceeds.

By order of the Board

AD Lorimer  
Company Secretary  
14 November 2024

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Directors: \*Themba Sibanda (Chairman)\*, Michael Fowler (Chief Executive Officer), Oliver Kamundimu (Chief Financial Officer), Eve Mkondo\*, Mike Mudondo\* (\*Non-Executive)