



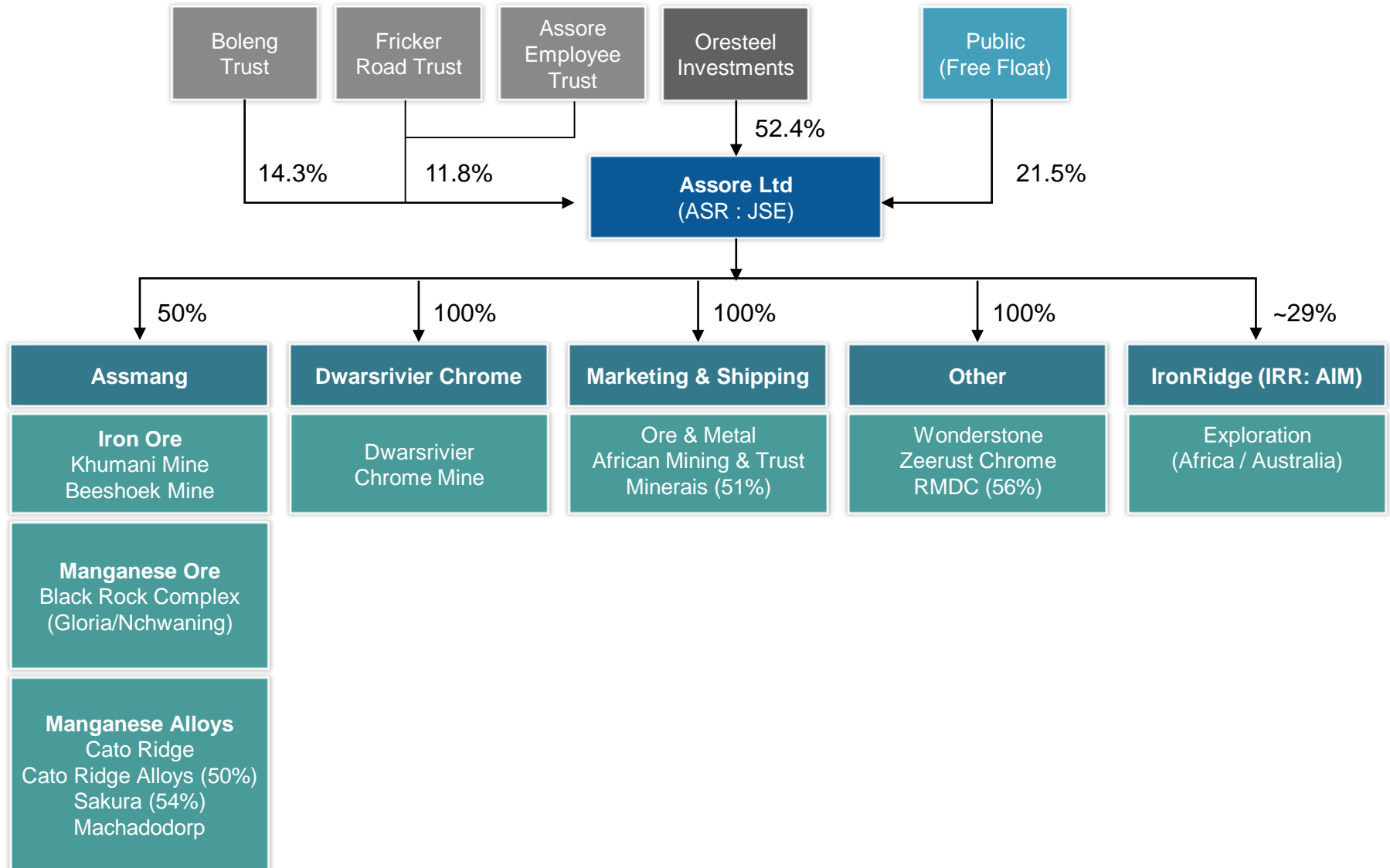
FY18 Results Presentation

September 2018



- **Charles Walters** Chief Executive Officer
- **Ross Davies** Chief Financial Officer
- **Tiaan van Aswegen** Executive: Operations
- **Patrick Sacco** Executive: Sales & Marketing
- **Kieran Daly** Executive: Growth & Strategic Development
- **Bongani Phakathi** Executive: HR & Corporate Affairs (effective 1 October 2018)

Assore Group Structure



FY18 Group Highlights

▲ 8%

Revenue

R7 805m

▼ 12%

Profit After Tax (pre-Assmang)

R1 667m

▲ 2%

Attributable Earnings

R5 119m

▼ 2%

Headline Earnings

R5 109m

▼ 2%

HEPS

R49.53

▲ 57%

DPS

R22.00

▲ 29%

Free Cash Flow

R4 754m

▲ 56%

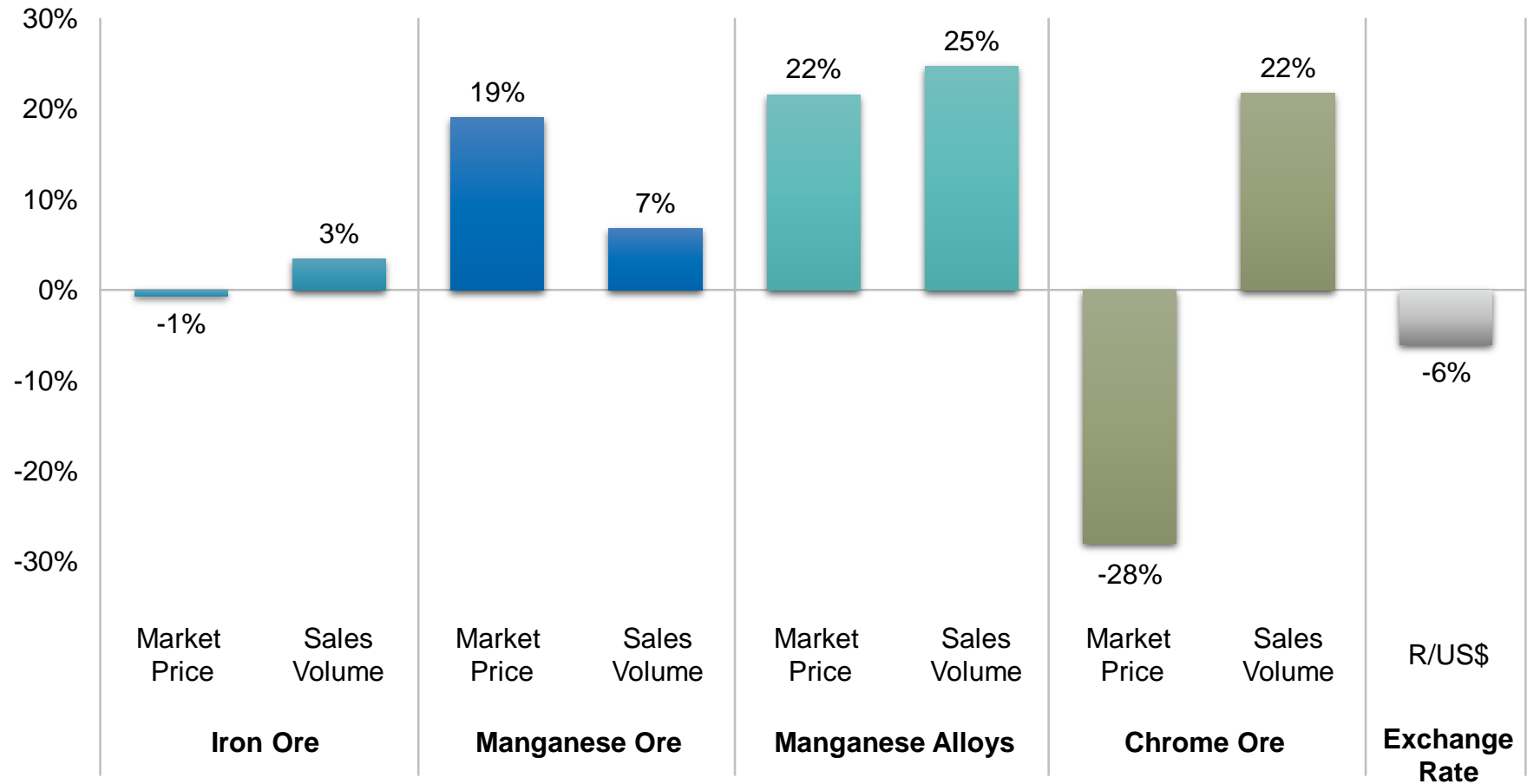
Net Cash (excluding Assmang)

R7 865m

- Overall improvement in safety (one fatality at Sakura)
- HEPS down 2% y/y to R49.53; EPS up 2% to a record R49.63
- Record production & sales volumes in Iron Ore and Chrome Ore
- Most US\$ market prices higher y/y; Chrome Ore price down y/y, but less volatile
- Strengthening of the R/US\$ by 6% was a headwind
- Assmang (100%) headline earnings of R7.1bn down 5% y/y
- In Assmang, Manganese earnings up 64% y/y; Iron Ore down 23% y/y
- Net Cash increased to R7.9bn (FY17: R5.0bn; H1 FY18: R6.6bn)
- Final DPS of R12.00 takes full year to a record R22.00
- R6.7bn Black Rock Expansion Project now ~90% complete

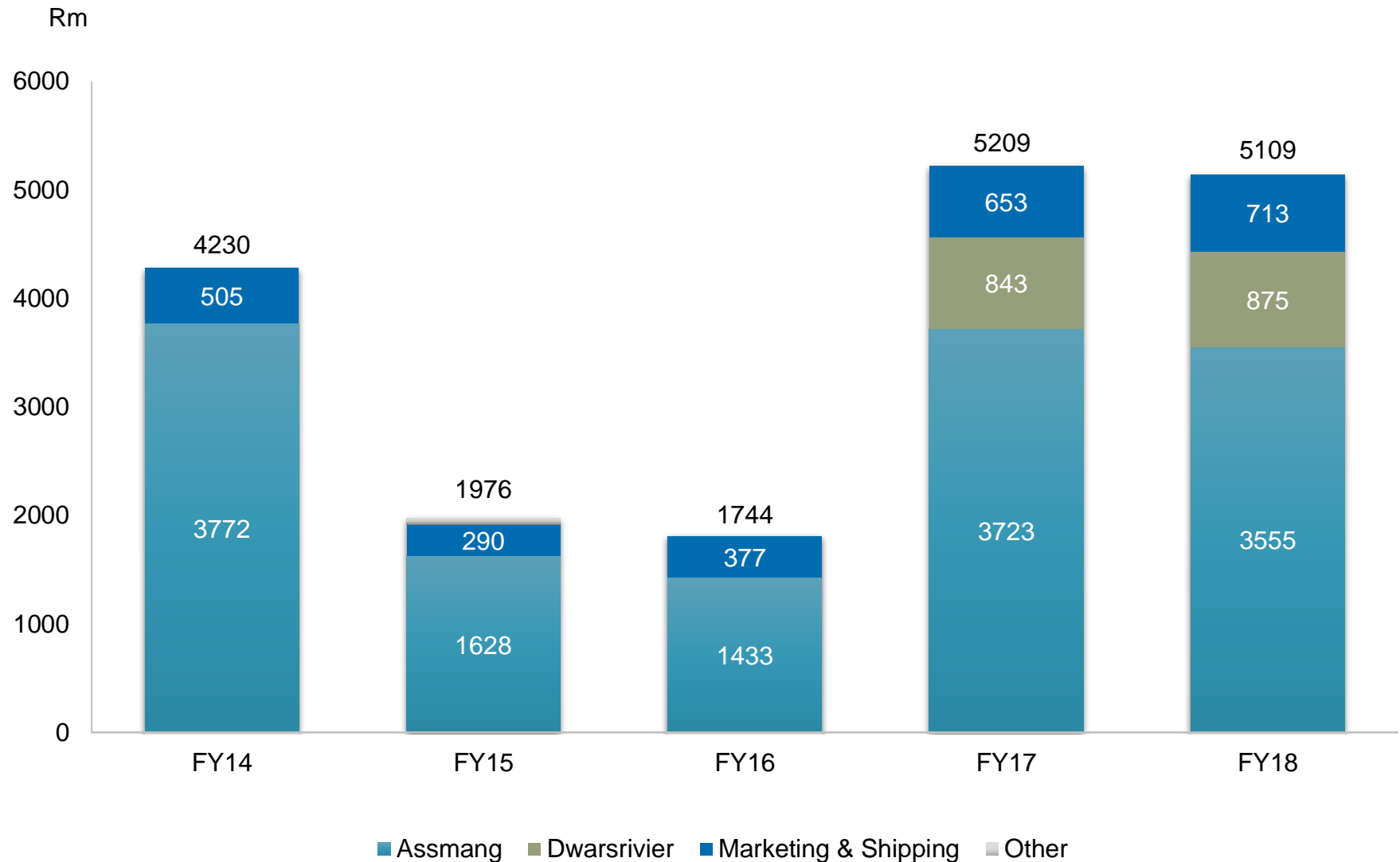
Key Drivers - Sales volumes & prices

FY18 vs. FY17

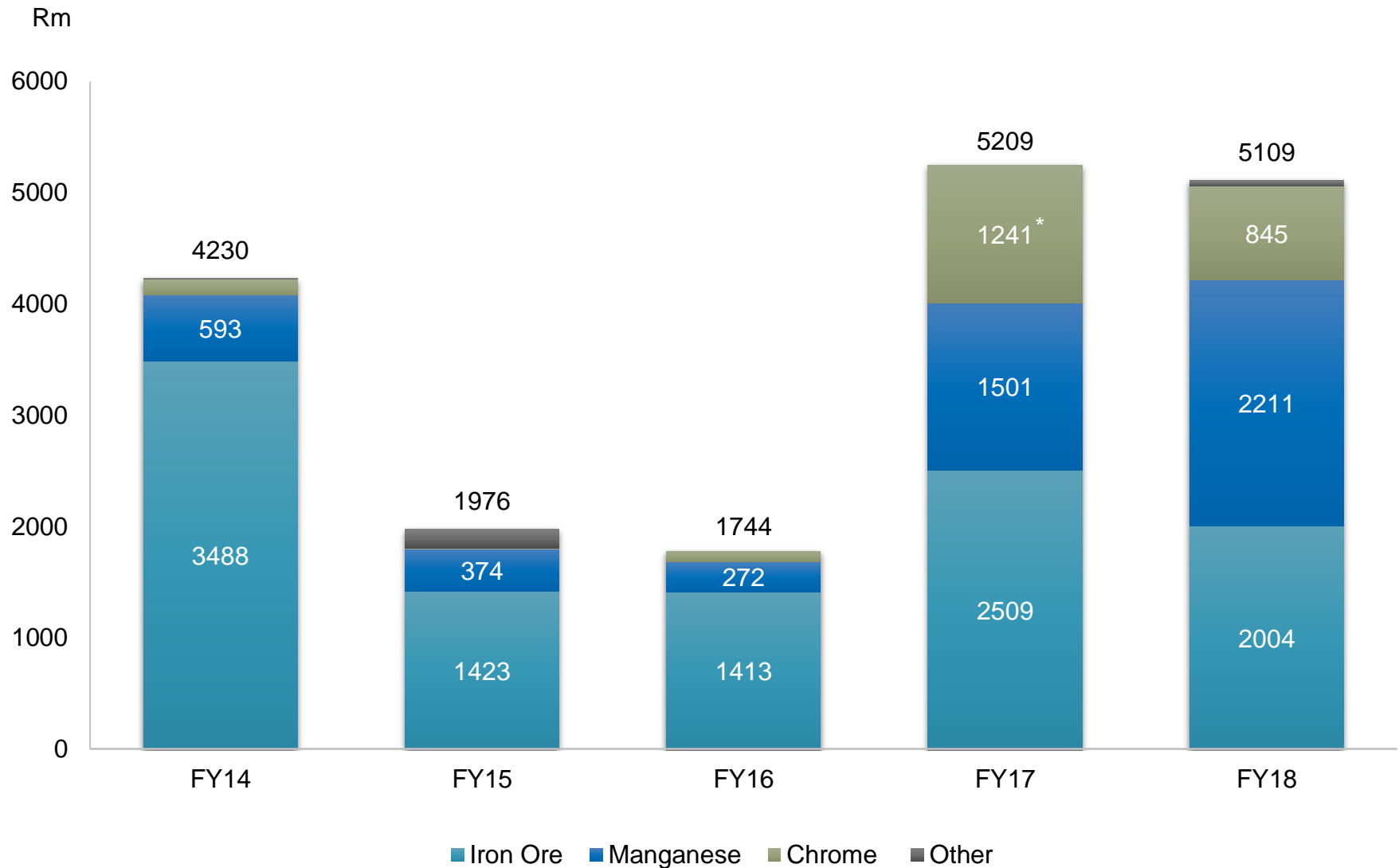


Note: Market Prices & Sales Volumes per Slides 15-20

Headline Earnings - Dwarsrivier delivers again

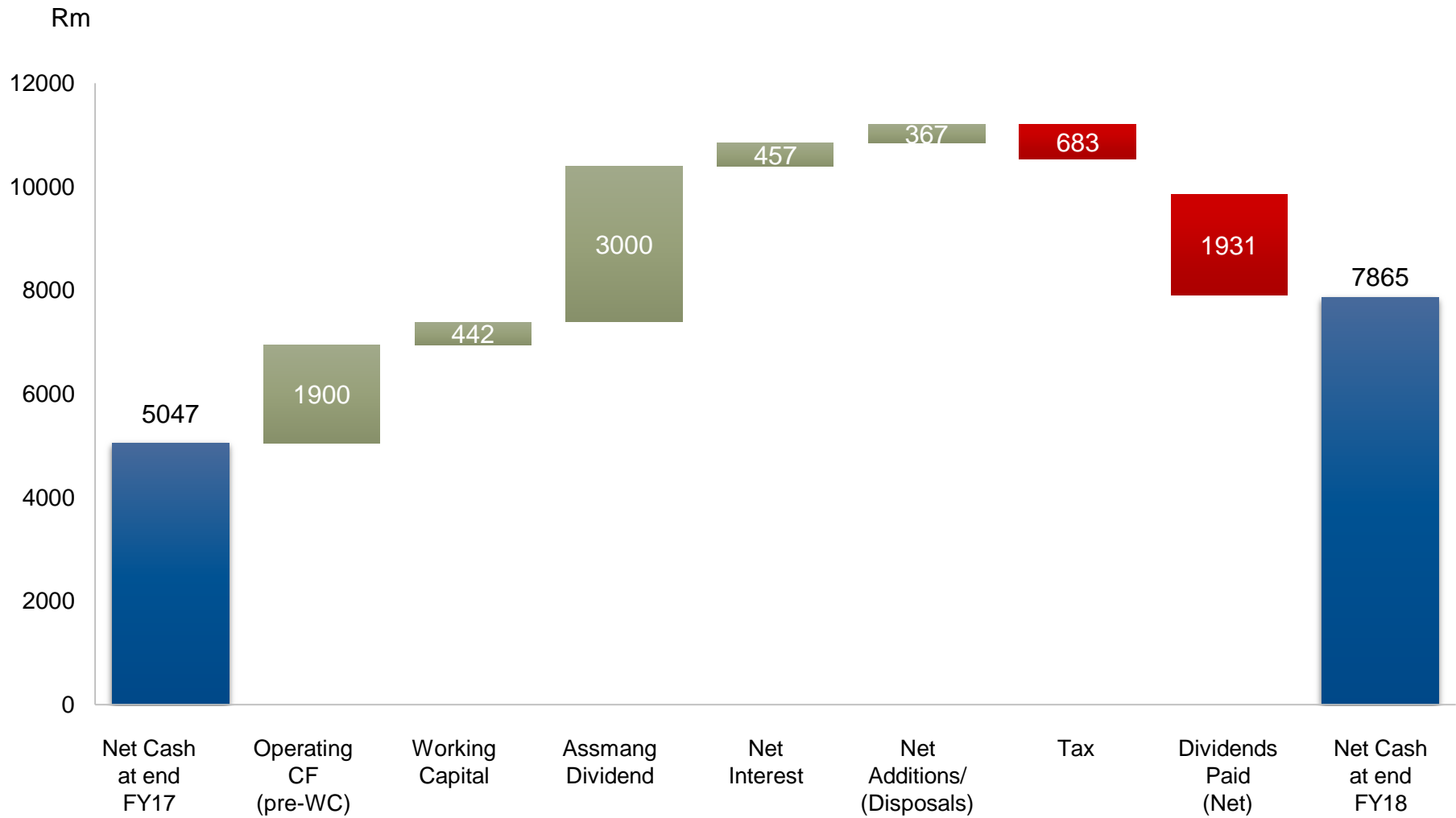


Headline Earnings - Manganese outperformed Iron Ore

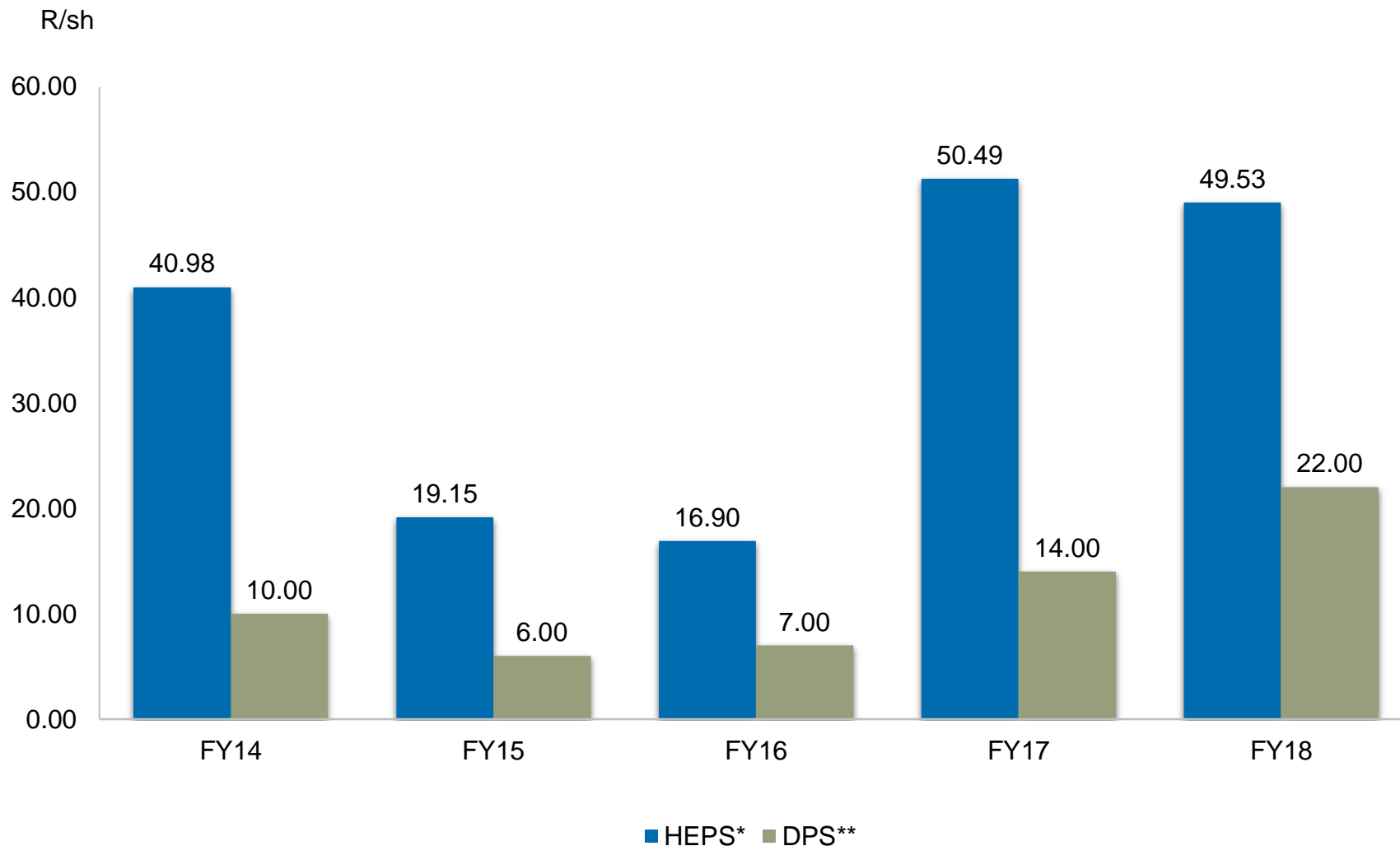


** includes dividend received in Assmang upon its sale of Dwarsrivier to Assore (50% share)*

Cash Flow - Net Cash increased by 56% y-o-y



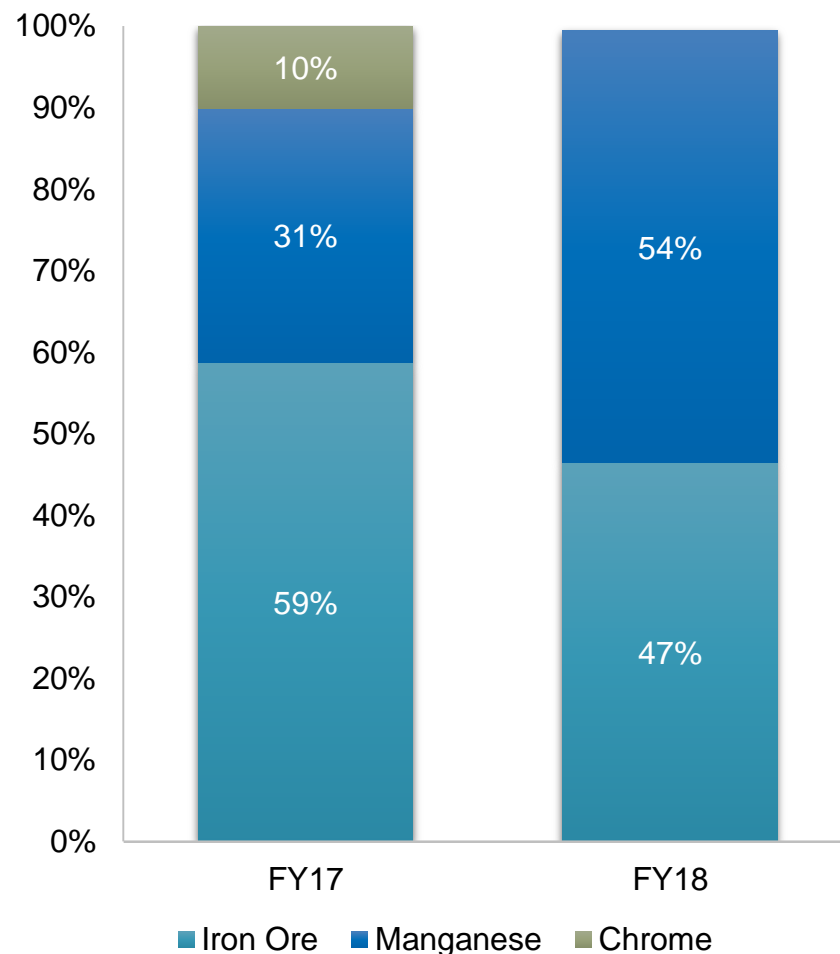
Dividends - Payout ratio in line with the sector



*103m shares **140m shares

- LTIFR down from 0.17 to 0.13
- Headline Earnings down 5% y/y to R7.1bn (FY17: R7.4bn)
- Manganese 54% of earnings (FY17: 31%)
- Net Cash of R4.8bn (post-R6.0bn dividend)
- **Iron Ore**
 - Khumani production of 14.7mt (+1% y/y)
 - Beeshoek production of 3.9mt (+22% y/y)
 - Unit production cost up 2% y/y (Khumani)
- **Manganese Ore & Alloys**
 - Black Rock production up 21% y/y to 3.7mt
 - Black Rock unit production cost up 16% y/y
 - Black Rock Expansion Project 90% complete; R2.7bn capex for Gloria
 - Sakura produced 244kt (Nameplate: 216kt)

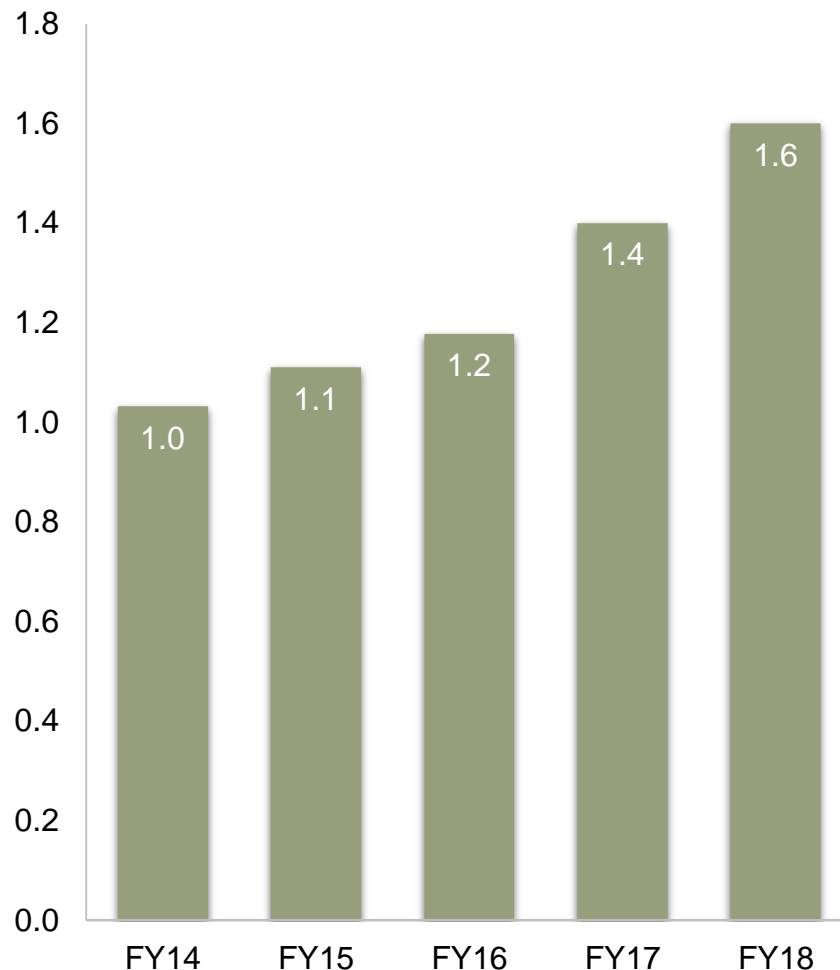
Contribution to Assmang Headline Earnings



*All figures 100% Assmang basis

- LTIFR down from 0.20 to 0.19
- Headline Earnings up 4% y/y to R875m (FY17: R843m)
- Record Chrome Ore production of 1.6mt (FY17: 1.4mt)
- Record Chrome Ore sales of 1.6mt (FY17: 1.3mt)
- Unit production cost down 1% y/y
- US\$ market price (44%Cr) down 28% y/y, but less volatile
- Realised price only marginally down on mix and timing
- Capex of R300m (FY17: R141m)
- Free Cash Flow of over R1bn

Dwarsrivier Chrome Ore Production (mt)



- US economy strong; but pressure on emerging markets
- Impact of potential “trade war” hard to quantify
- China increasing infrastructure spend to balance property weakness
- Positive impact of Chinese environmental restrictions expected to continue
- Demand for high quality raw materials expected to remain strong
- Stable prices so far in FY19; Chrome Ore under pressure
- Weakening R/US\$ is a tailwind
- Draft Mining Charter 2018 discussions are ongoing
- Actively looking for appropriate, value-accretive, growth opportunities

Questions & Answers

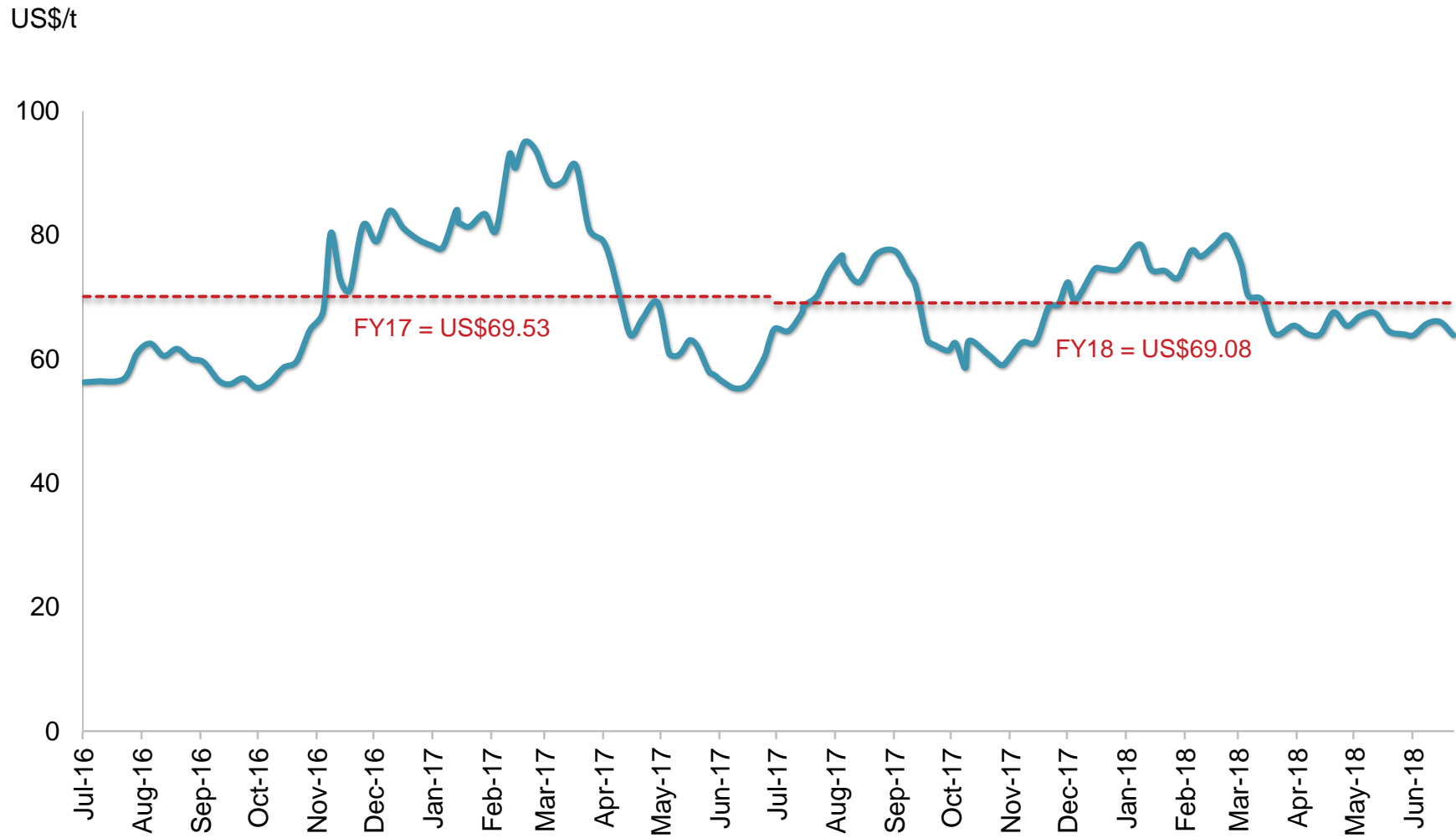


Production & Sales Volumes (100%)

	Units	FY18	FY17	y/y
Production Volumes				
Iron Ore	mt	18.6	17.7	5%
Manganese Ore	mt	3.7	3.1	21%
Manganese Alloys	mt	0.5	0.4	15%
Chrome Ore	mt	1.6	1.4	16%
Sales Volumes				
Iron Ore	mt	17.9	17.3	3%
Manganese Ore*	mt	3.2	3.0	7%
Manganese Alloys	mt	0.4	0.3	25%
Chrome Ore	mt	1.6	1.3	22%

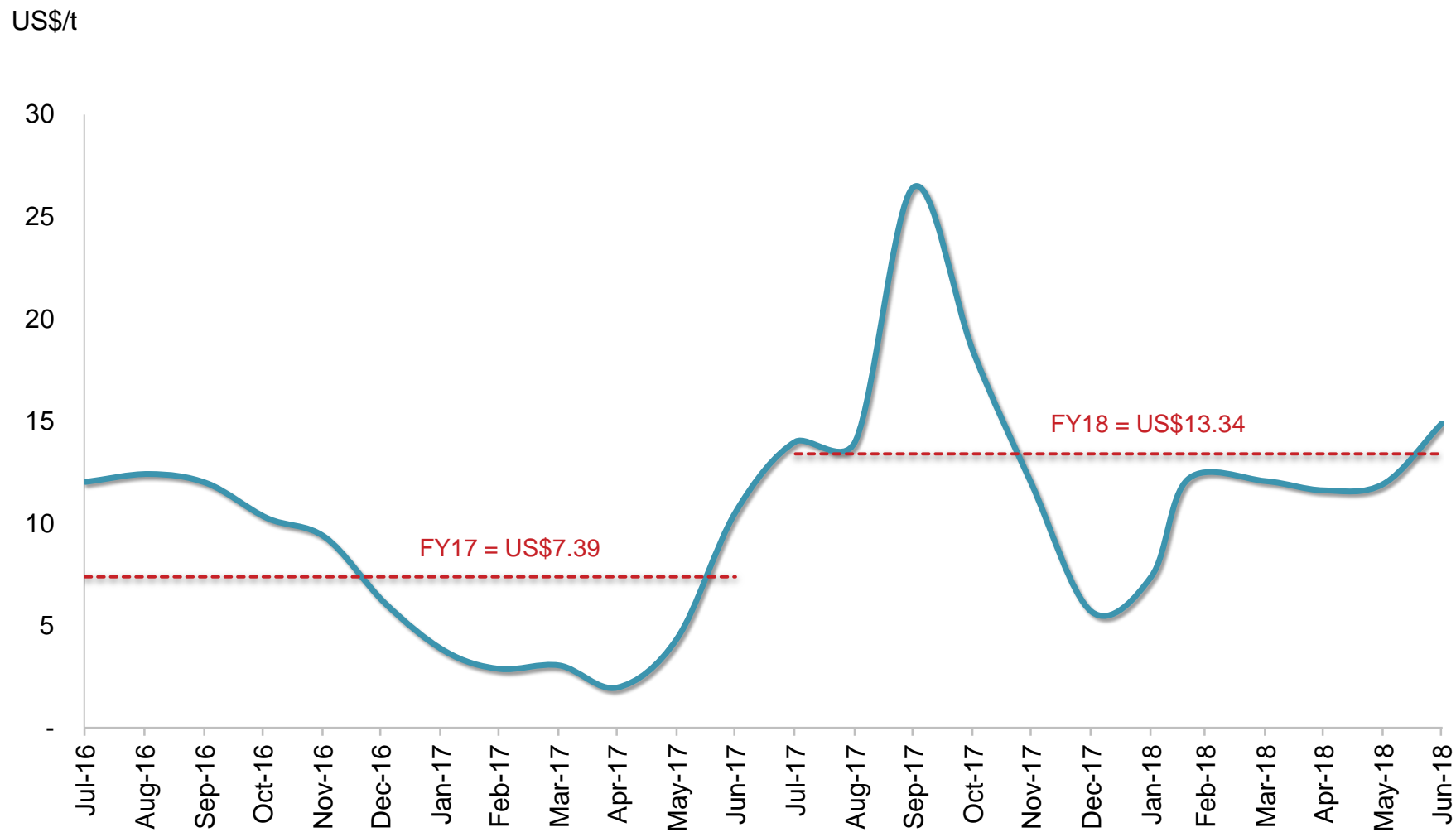
**Excluding intergroup sales to Cato Ridge Works*

Iron Ore Price (62%Fe CFR China)



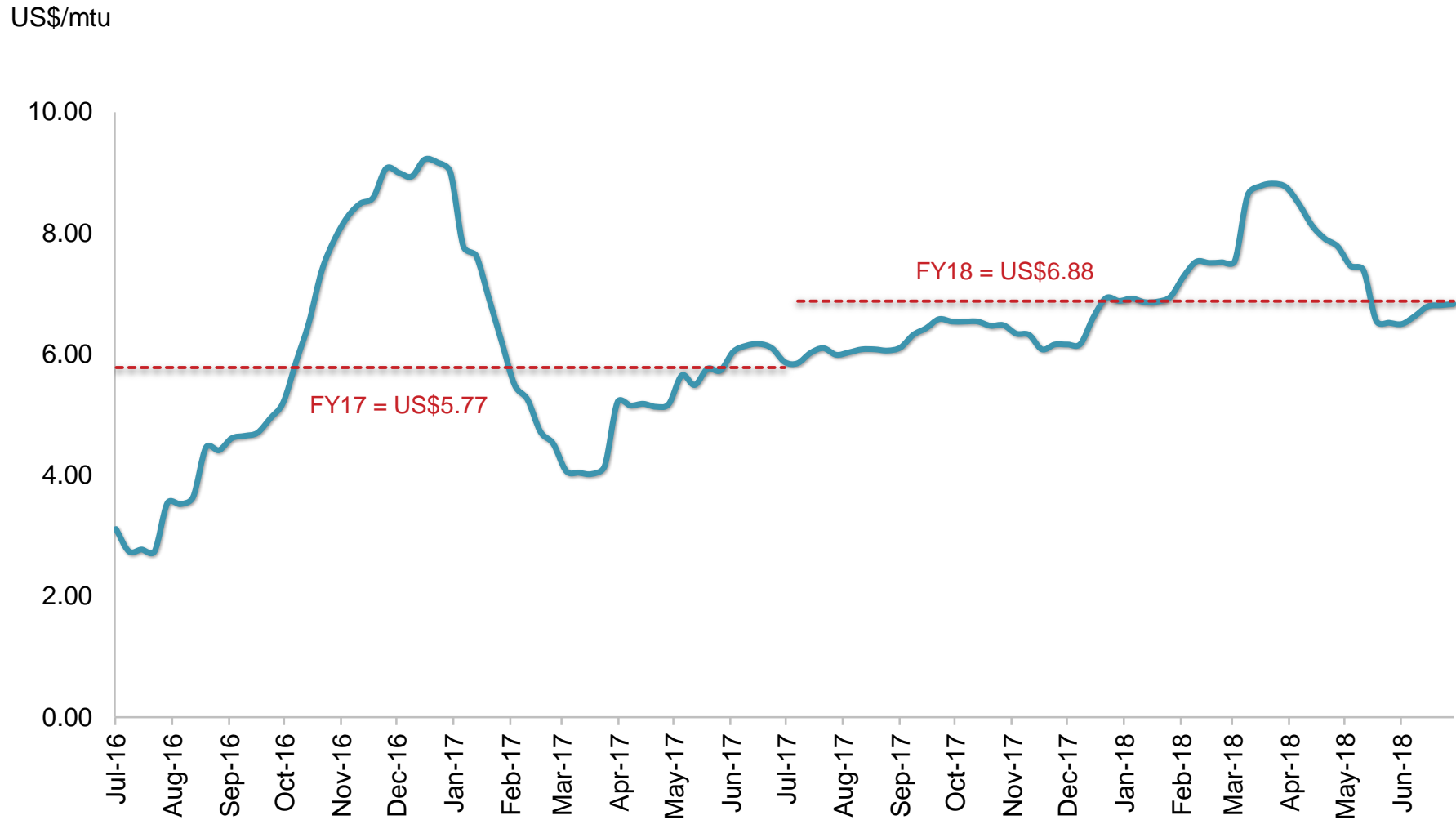
Source: Platts

Iron Ore Lump Premium



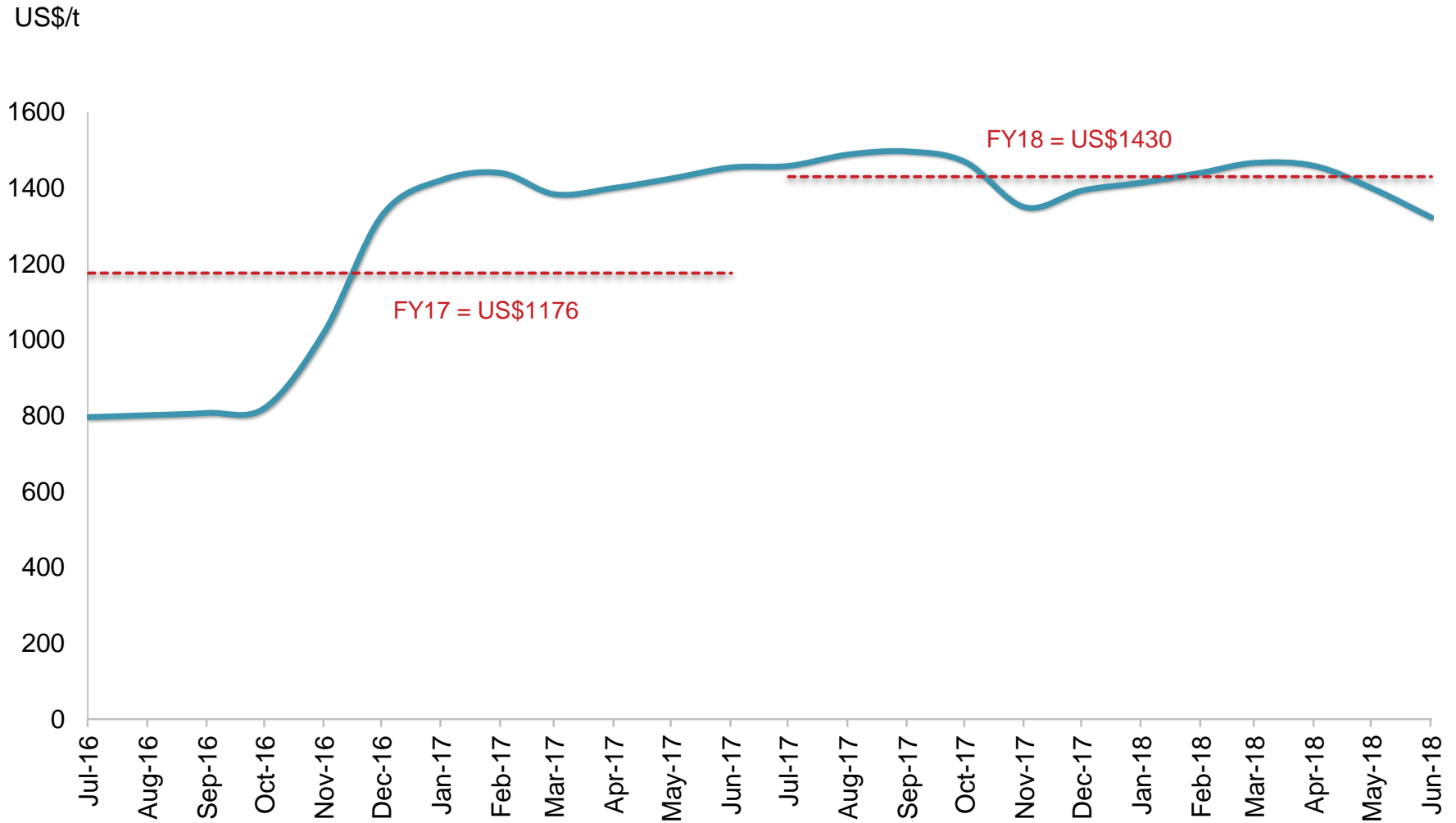
Source: Platts

Manganese Ore Price (44%Mn CIF China)



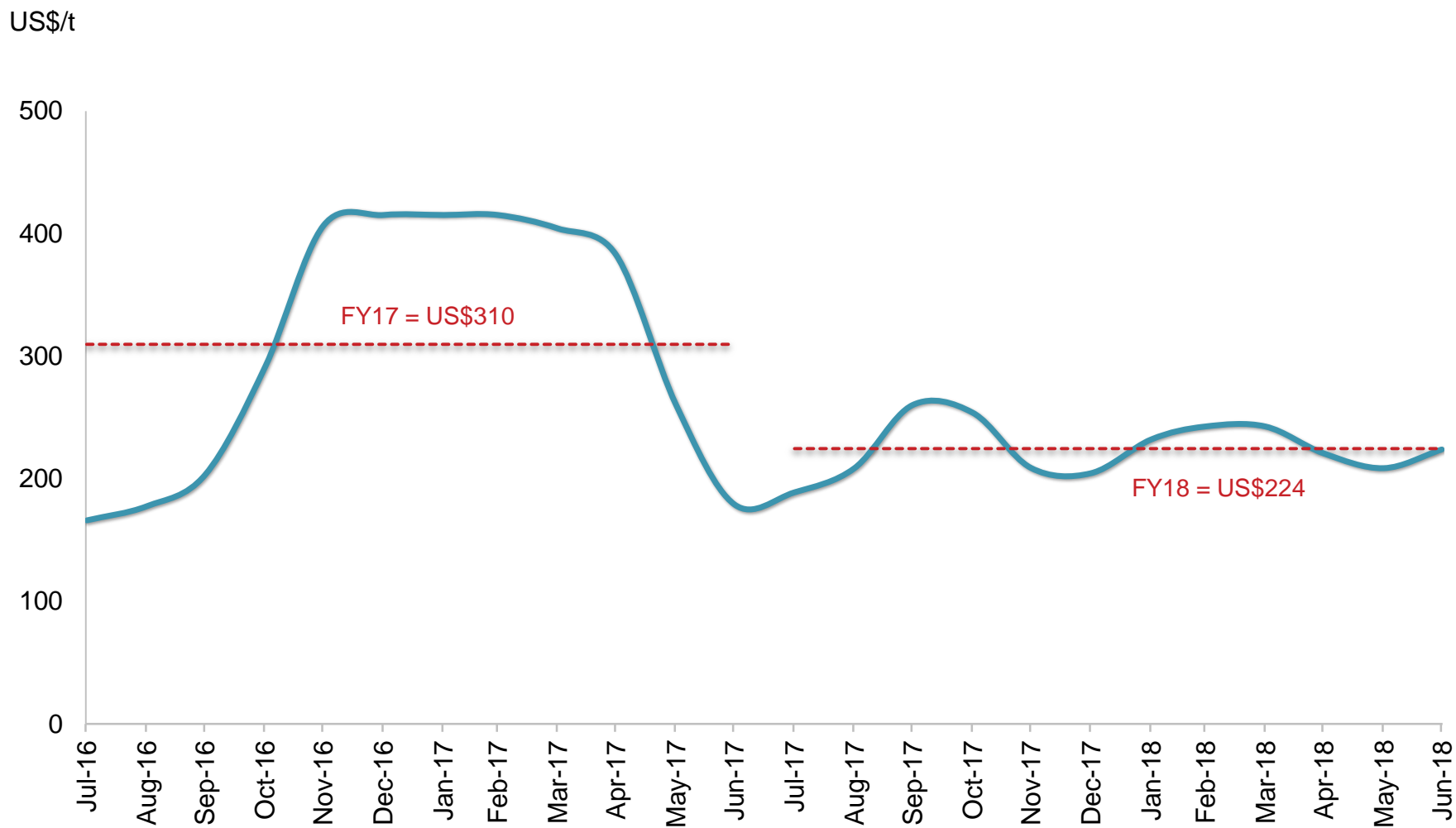
Source: Metal Bulletin

Manganese Alloy Price (HCFeMn)



Source: CRU

Chrome Ore Price (44%Cr Concentrate CFR China)



Source: CRU

Marketing & Shipping

- Profits in line with Assmang revenue
- Interest income

Other Operations

- Zeerust & Rustenburg - sold for nominal value
- Wonderstone - improving product diversification

IronRidge Resources

- Assore has a ~29% stake and 2 board seats
- Listed on AIM with ~GBP80 million current market cap
- Promising exploration drilling results at Cape Coast lithium project in Ghana