



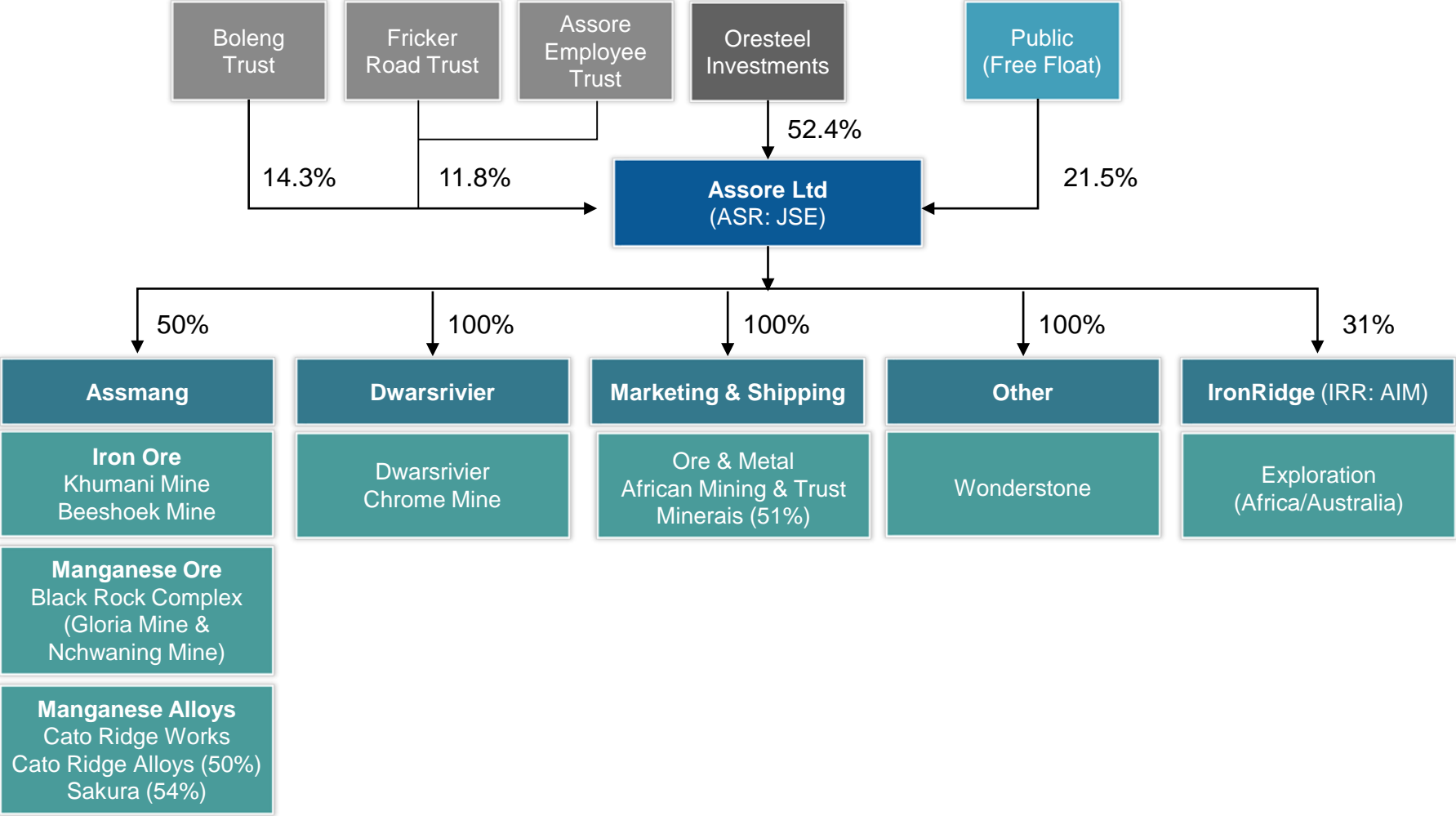
H1 FY19 Results Presentation

February/March 2019

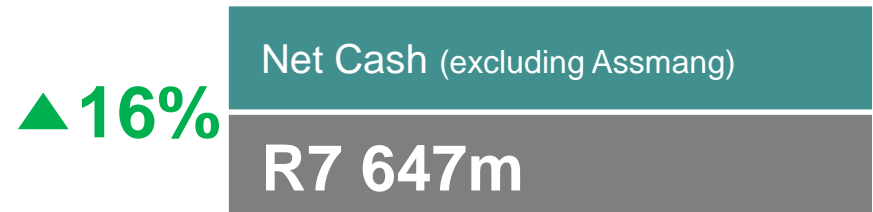
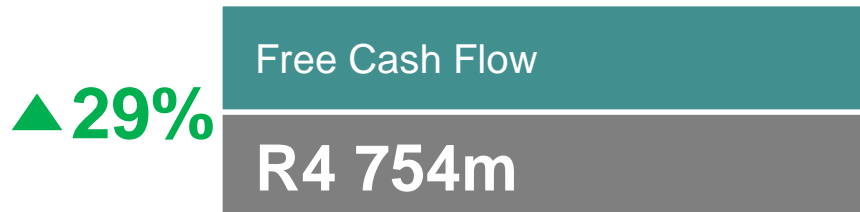
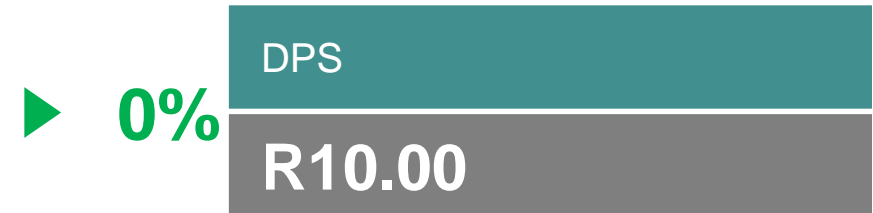
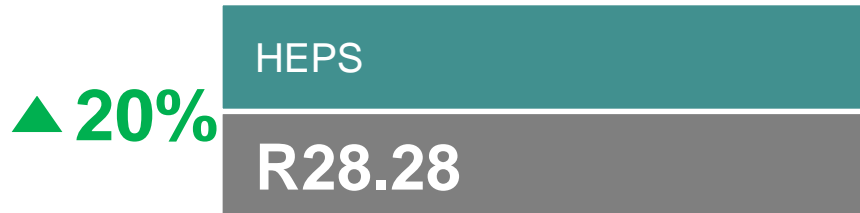
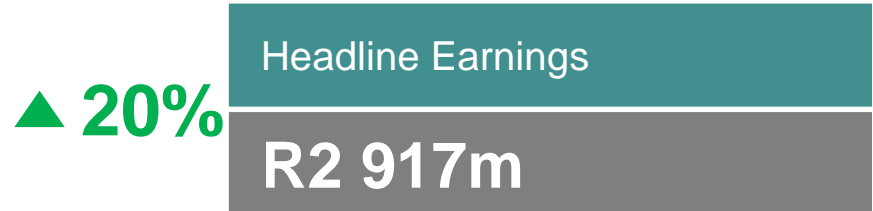
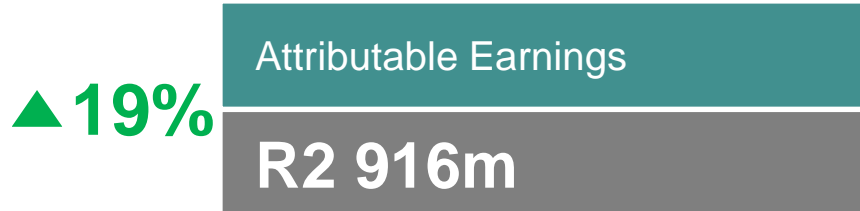
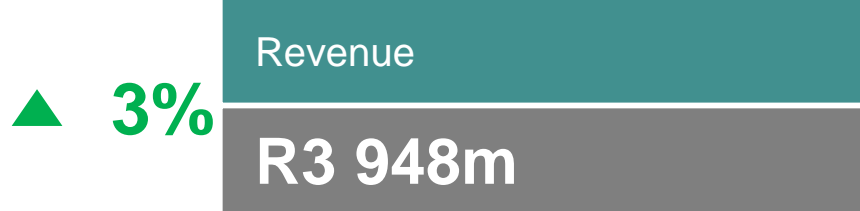


- **Charles Walters** Chief Executive Officer (CEO)
- **Patrick Sacco** Executive: Marketing & Sales (Deputy CEO)
- **Ross Davies** Chief Financial Officer (CFO)
- **Tiaan van Aswegen** Executive: Operations
- **Kieran Daly** Executive: Growth & Strategic Development
- **Bongani Phakathi** Executive: HR & Corporate Affairs
- **Mandla Tobela** Executive: Legal

Assore Group Structure



H1 FY19 Group Highlights

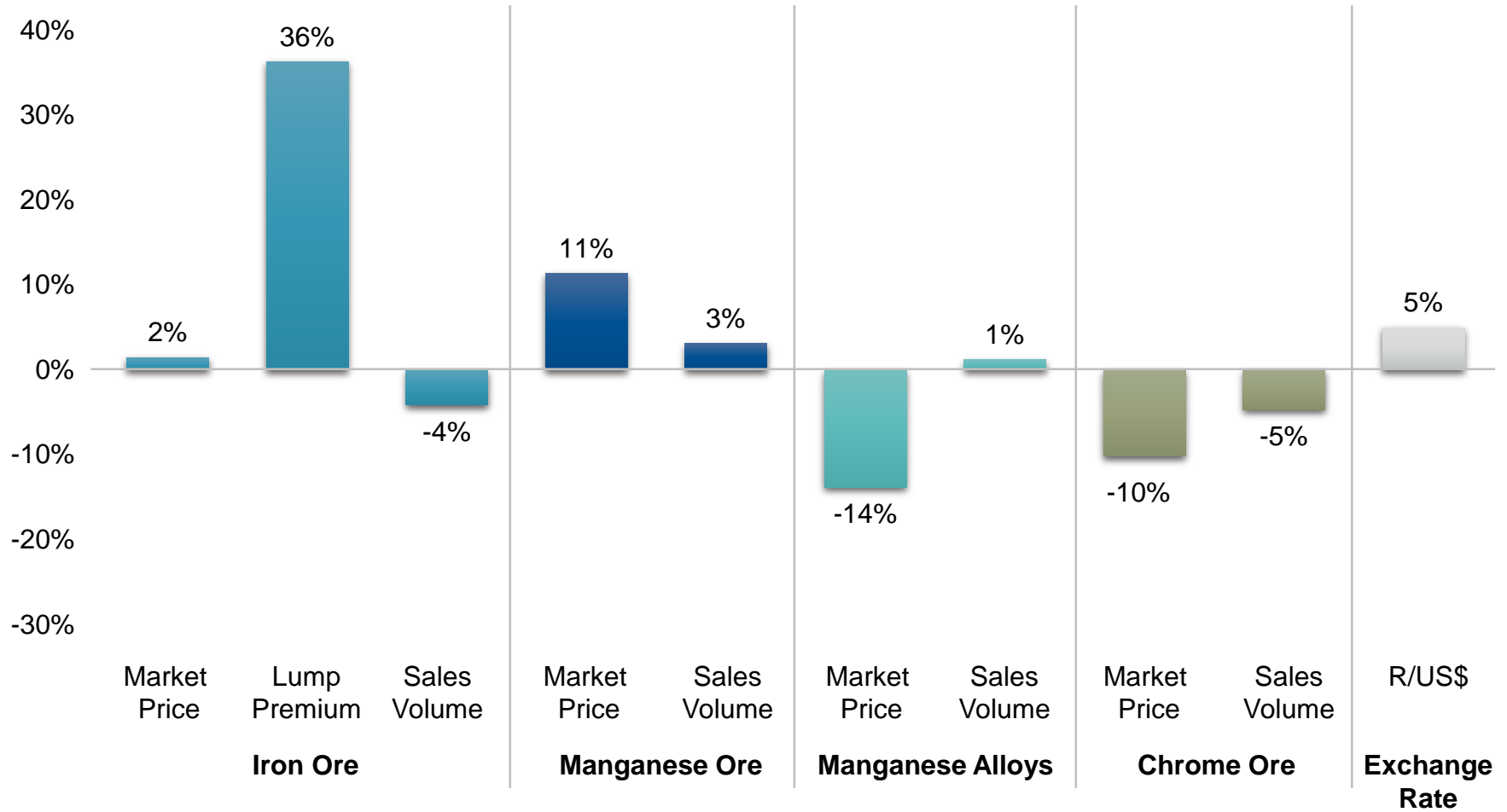


- Slight deterioration in safety performance
- HEPS up 20% y/y to R28.28; EPS up 19% to R28.27
- Iron Ore and Chrome Ore sales volumes down y/y; Manganese volumes up
- Iron Ore (especially lump) and Manganese Ore prices up; Chrome Ore down 10% y/y
- Tailwind also from 5% weaker R/US\$
- Assmang (100%) headline earnings of R4.3bn up 23% y/y (73% of Assore)
- Dwarsrivier Chrome earnings down 26% y/y on sales volumes and prices
- Net Cash decreased to R7.6bn from R7.9bn at Jun-18 (working capital build at Minerais)
- Interim dividend of R10/sh - equivalent to H1 FY18
- ~92% of R6.7bn Black Rock Expansion Project capex now committed

Key Drivers - Sales volumes & prices

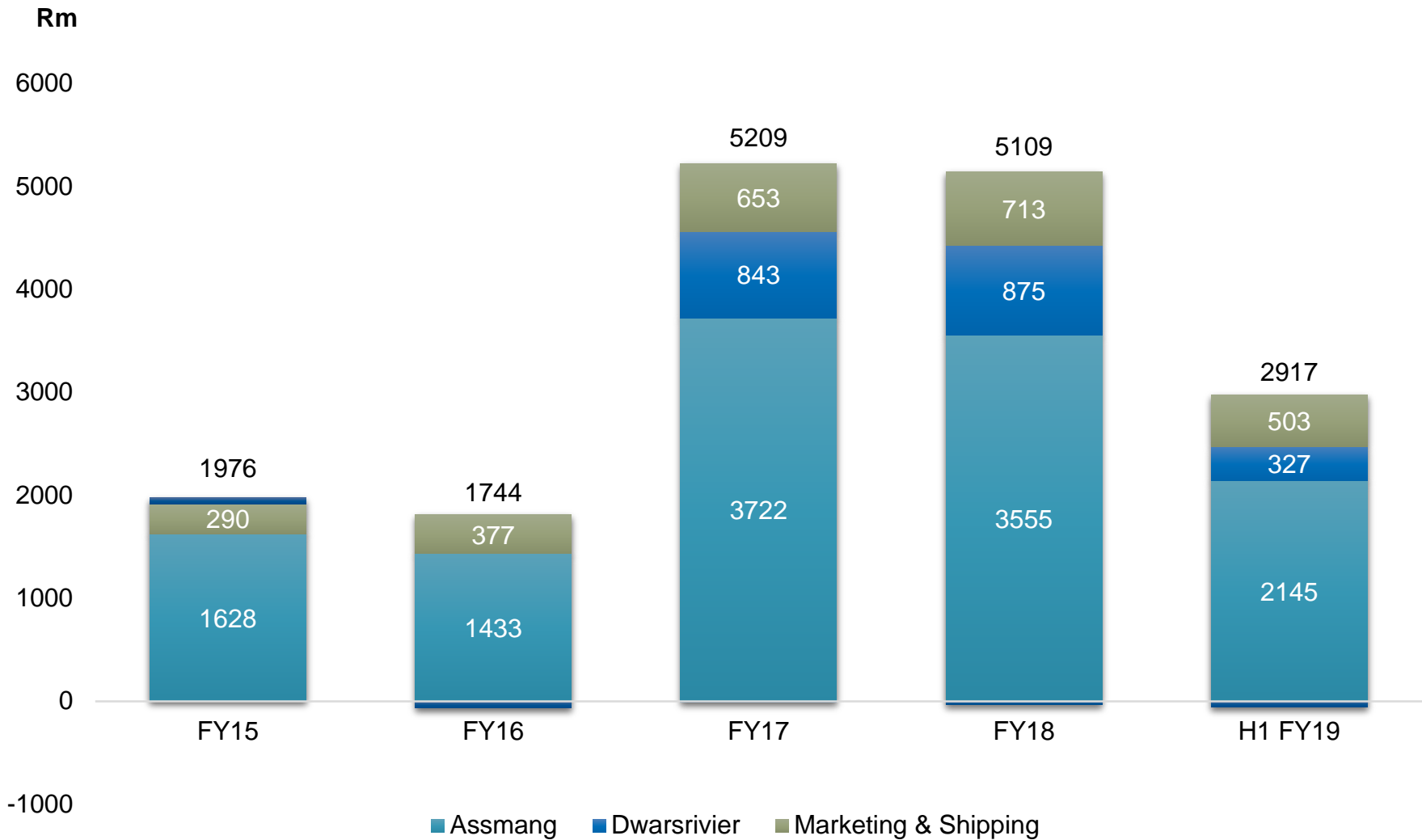


H1 FY19 vs. H1 FY18

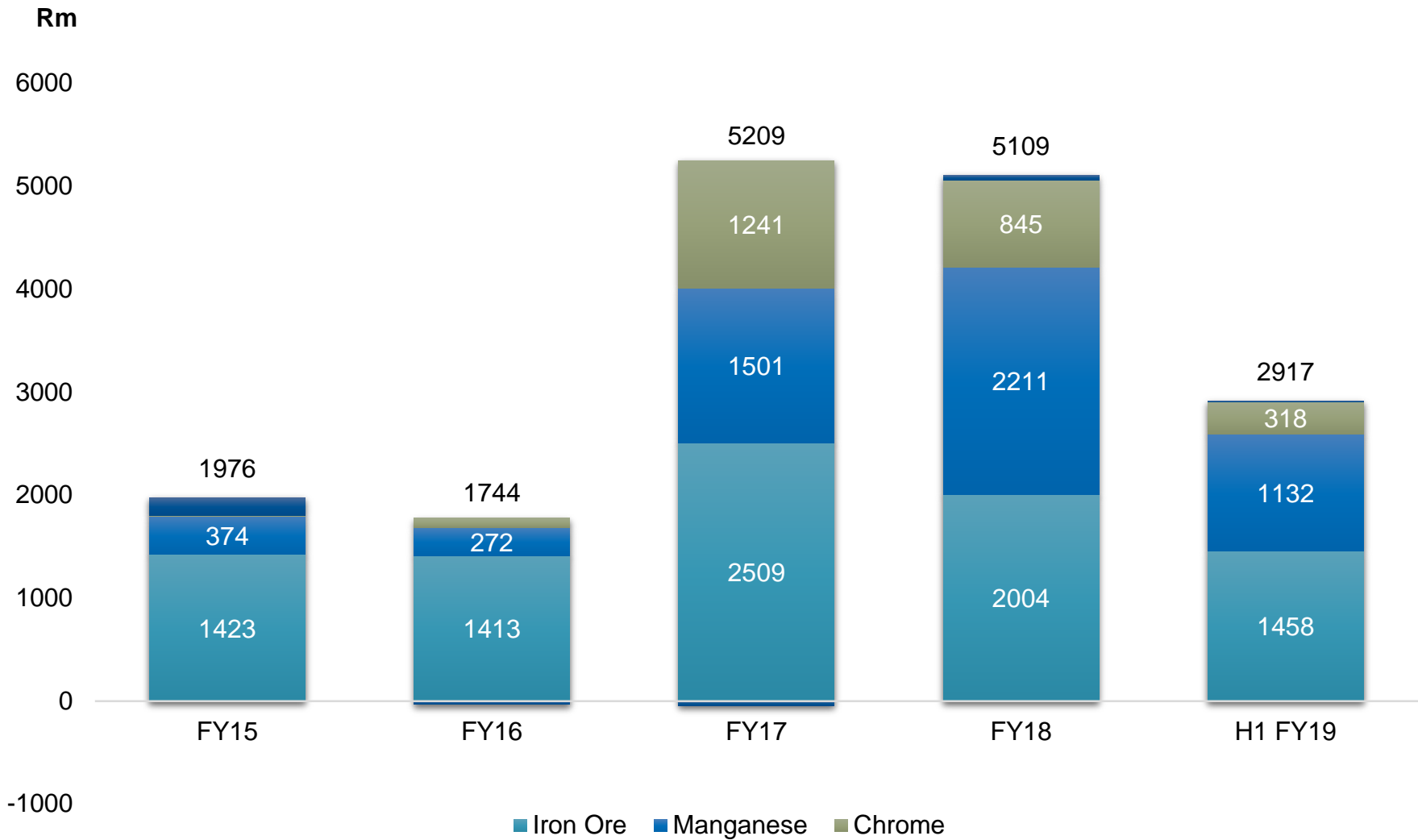


Note: Market Prices & Sales Volumes per Slides 15-20

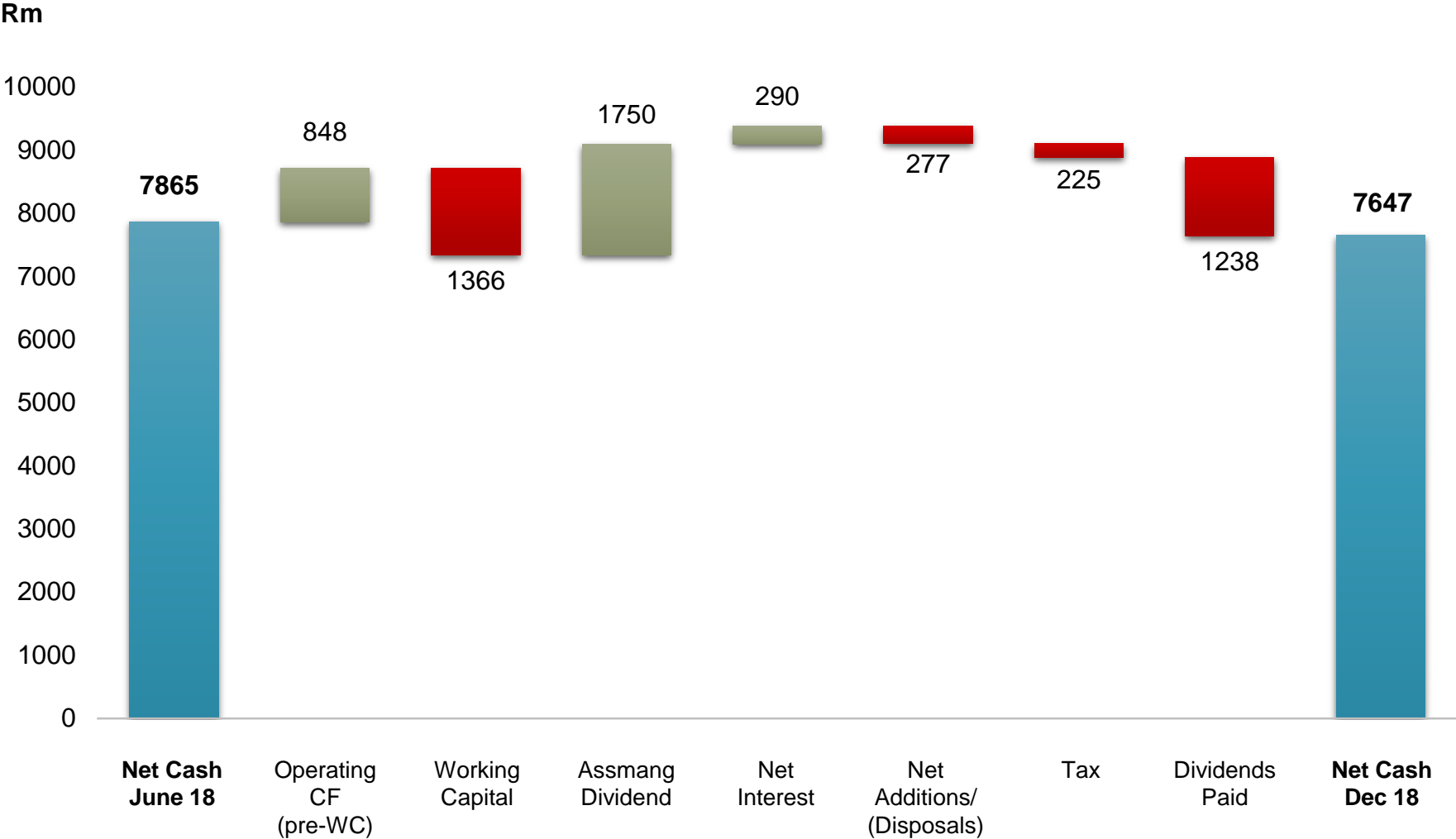
Headline Earnings - Dwarsrivier share down on FY18 (11% vs. 18%)



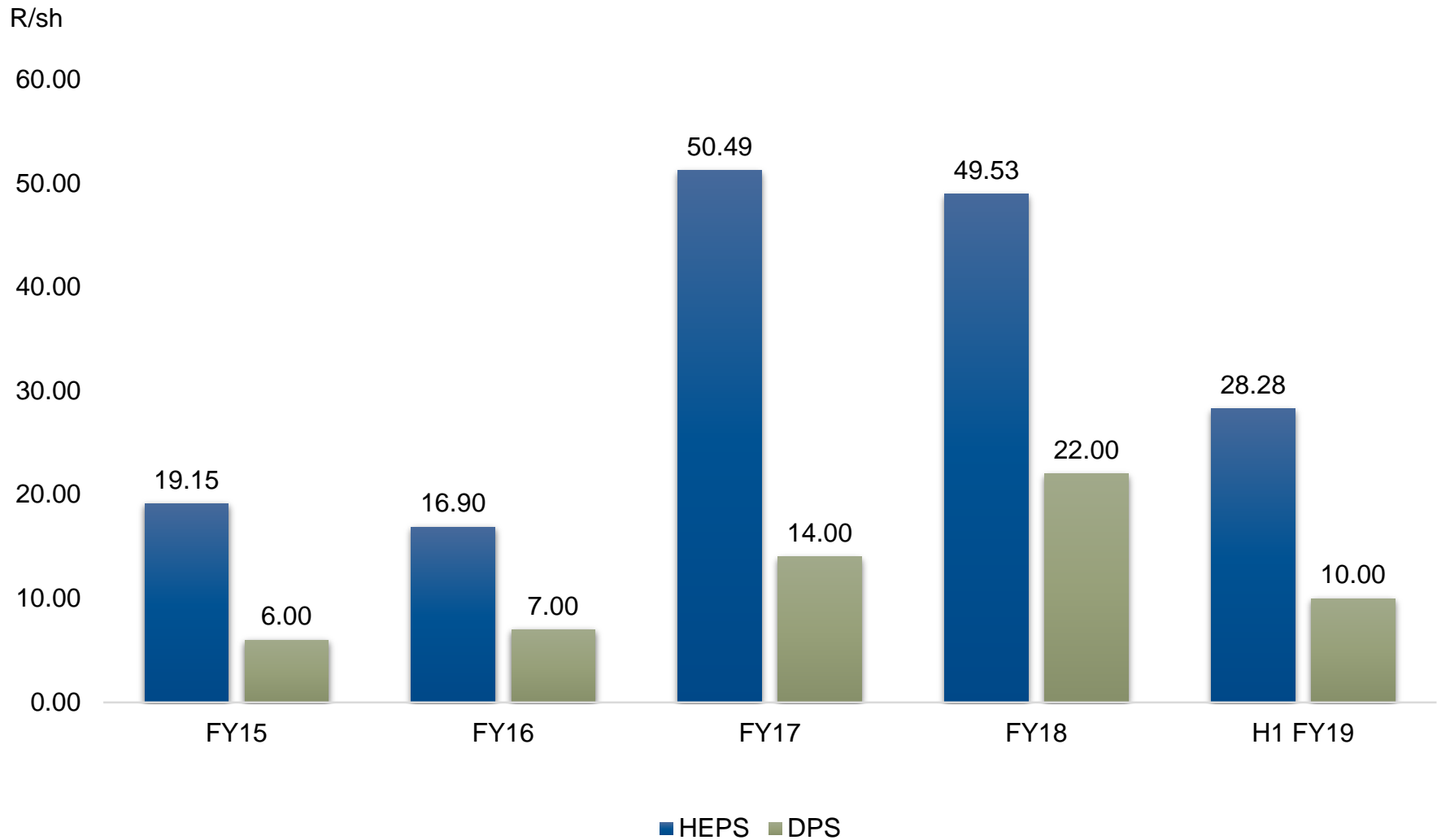
Headline Earnings - Iron Ore share up on FY18 (50% vs. 39%)



Cash Flow - Working Capital build impacted Net Cash



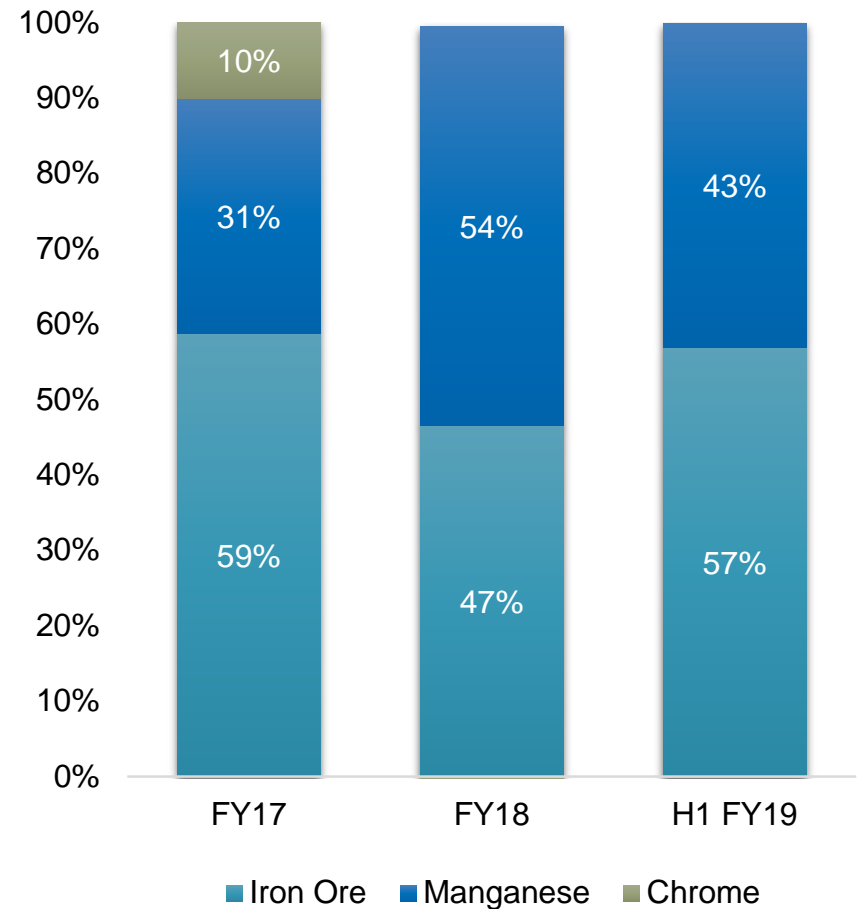
Dividends - Payout remains in line with the sector



*103m shares **140m shares

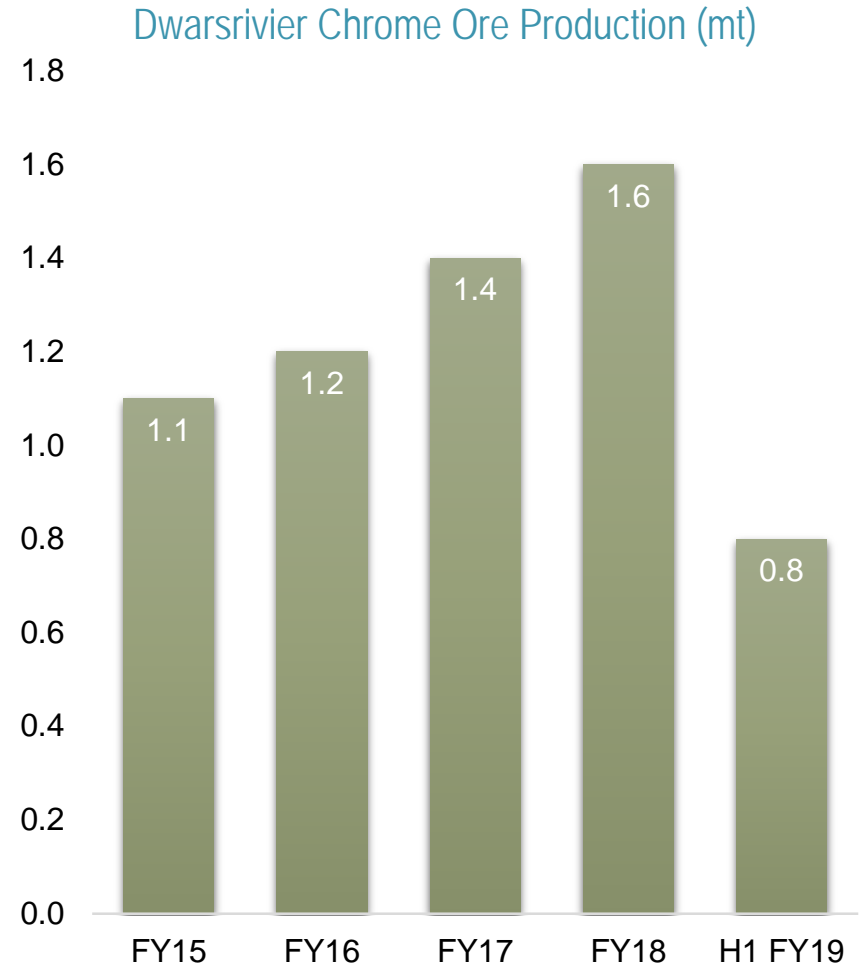
- LTIFR in line with FY18 at 0.13
- Headline Earnings up 23% y/y to R4.3bn (FY18: R7.1bn)
- Iron Ore 57% of earnings (FY18: 47%)
- Net Cash of R4.1bn
- **Iron Ore**
 - Production down 4% y/y to 8.7mt
 - Sales down 4% y/y to 8.8mt
 - Unit production cost up 6% y/y
- **Manganese Ore & Alloys**
 - Black Rock production of 1.7mt (-7% y/y)
 - Black Rock unit production cost up 14% y/y
 - Black Rock Expansion Project 92% committed
 - Sakura running well, but ore price squeezing margin

Contribution to Assmang Headline Earnings



*All figures 100% Assmang basis

- LTIFR down from 0.23 to 0.18
- Headline Earnings down 26% y/y to R327m (FY18: R875m)
- Chrome Ore production up 7% y/y; but sales down 5% y/y due to logistical challenges
- US\$ market price (44% Cr) down 10% y/y, but less volatile
- Unit production cost up 17% y/y
- Capex up 77% y/y to R214m (H1 FY18: R121m) due to spend for productivity improvement and compliance



- Global economy expected to be weaker in 2019
- Impact of potential US/China “trade war” still hard to quantify
- Chinese economy slowing but (as usual) stimulus likely to provide a buffer
- Positive impact of Chinese environmental restrictions continues
- Demand for high quality raw materials expected to remain strong
- Iron Ore price rise and weaker R/US\$ augur well for full year FY19 performance
- Management focussed on streamlining and modernising the business
- Actively looking for appropriate, value-accretive, growth opportunities



Questions & Answers



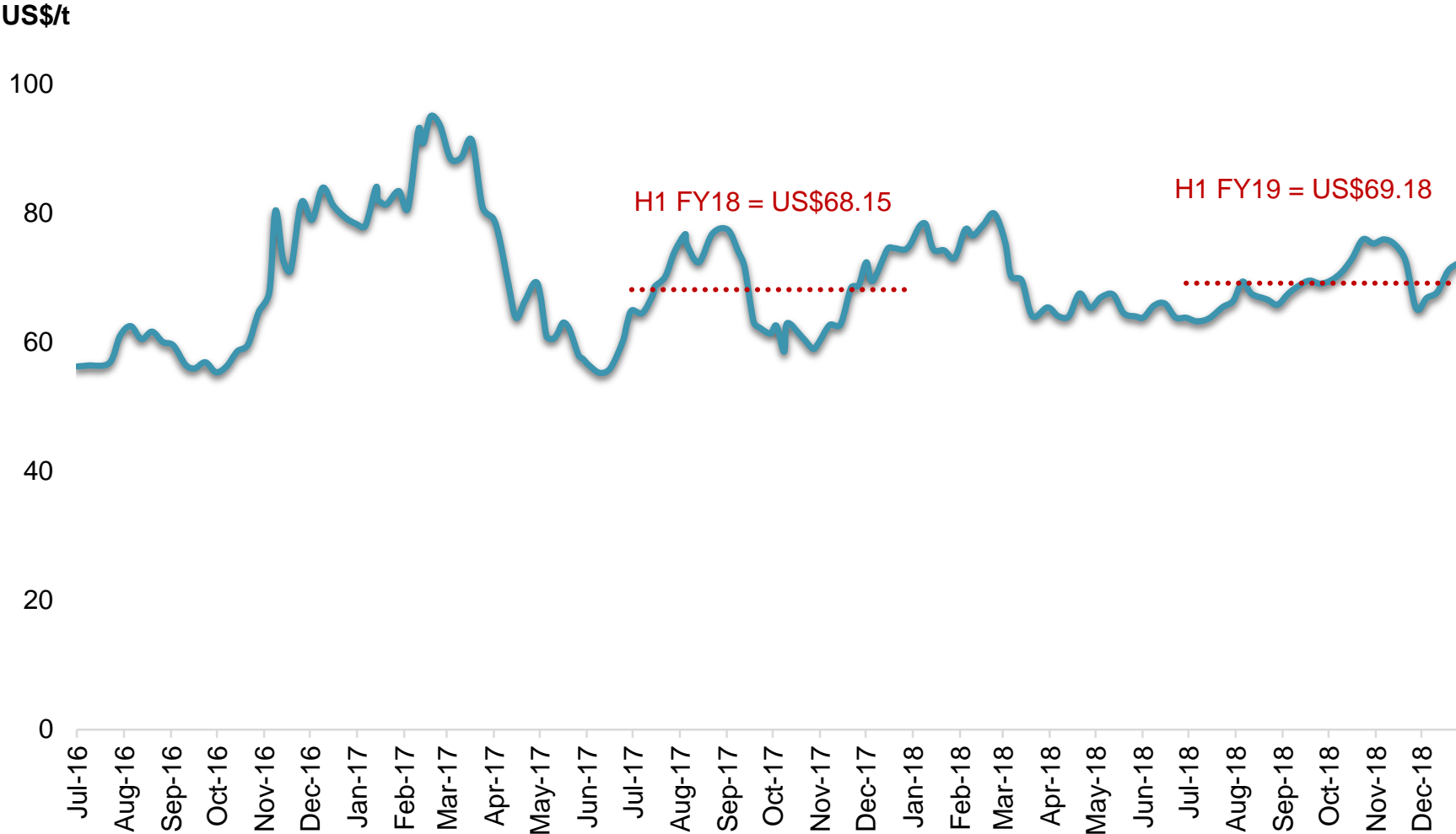
Production & Sales Volumes (100%)



	Units	H1 FY19	H1 FY18	y/y
Production Volumes				
Iron Ore	mt	8.7	9.1	(4%)
Manganese Ore	mt	1.7	1.9	(7%)
Manganese Alloys	kt	194	190	2%
Chrome Ore	kt	765	717	7%
Sales Volumes				
Iron Ore	mt	8.8	9.1	(4%)
Manganese Ore*	mt	1.6	1.6	3%
Manganese Alloys	kt	164	162	1%
Chrome Ore	kt	757	794	(5%)

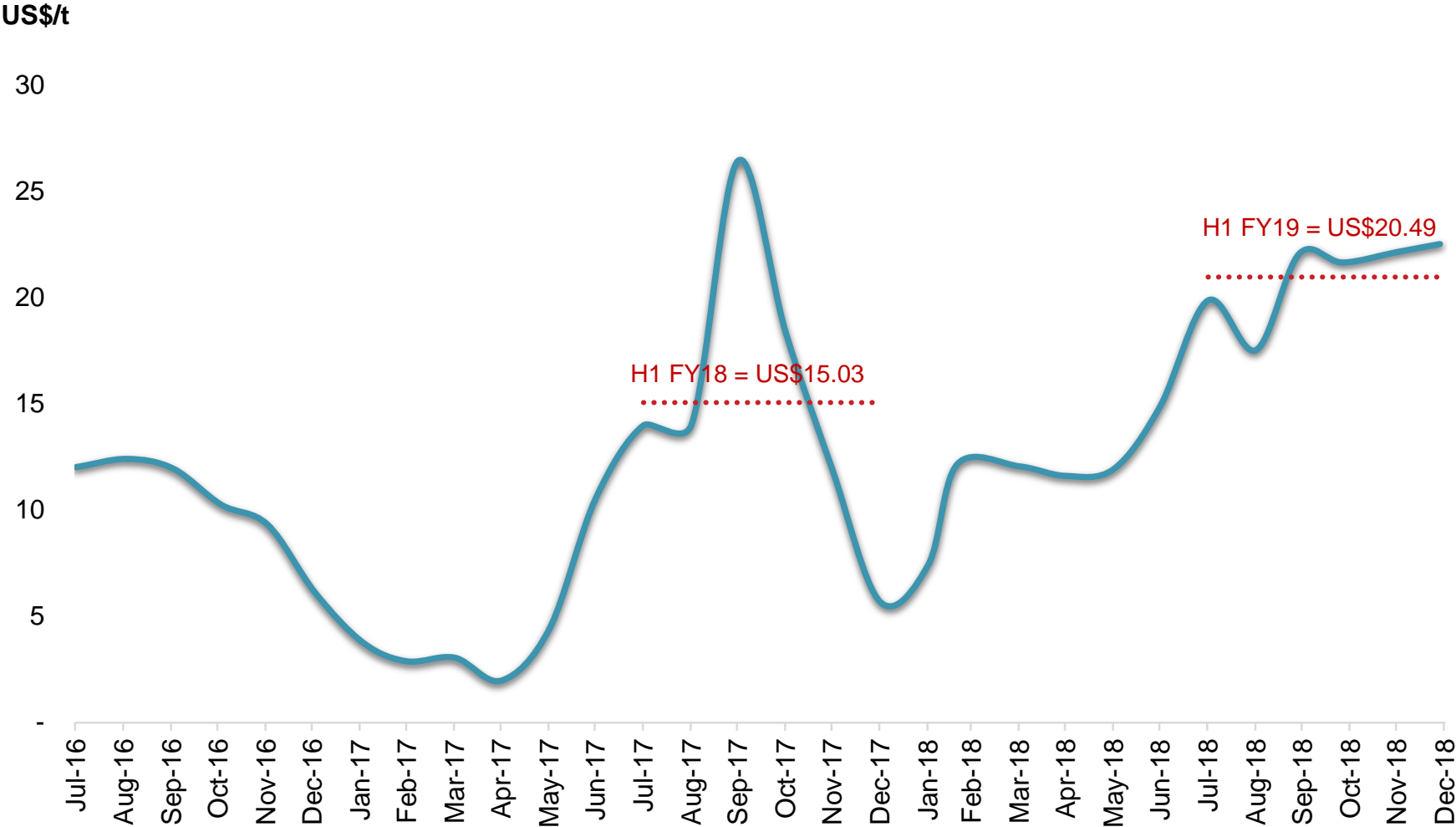
*Excluding intergroup sales to Cato Ridge Works

Iron Ore Price (62% Fe CFR China)



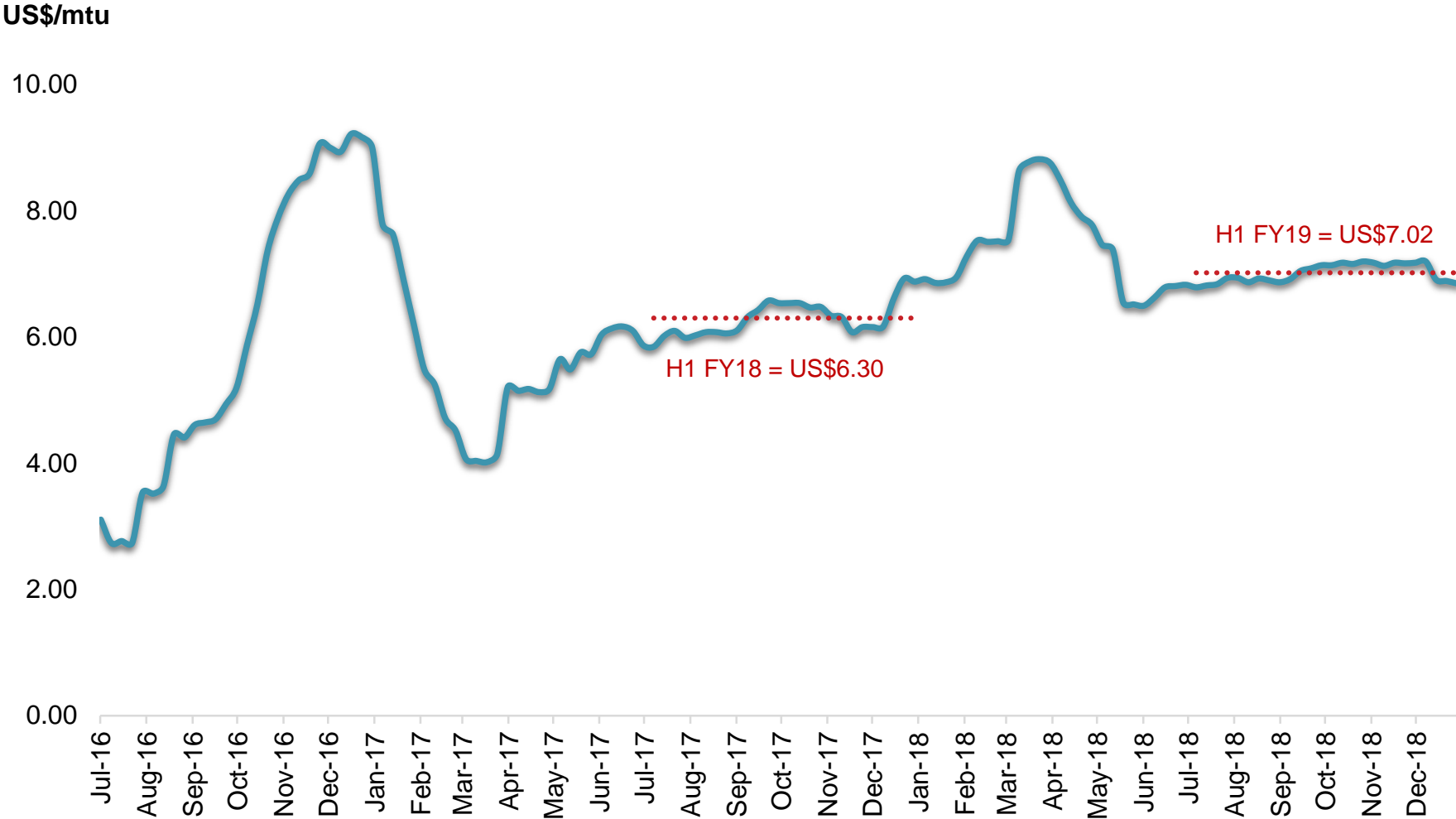
Source: Platts

Iron Ore Lump Premium (65% Fe)



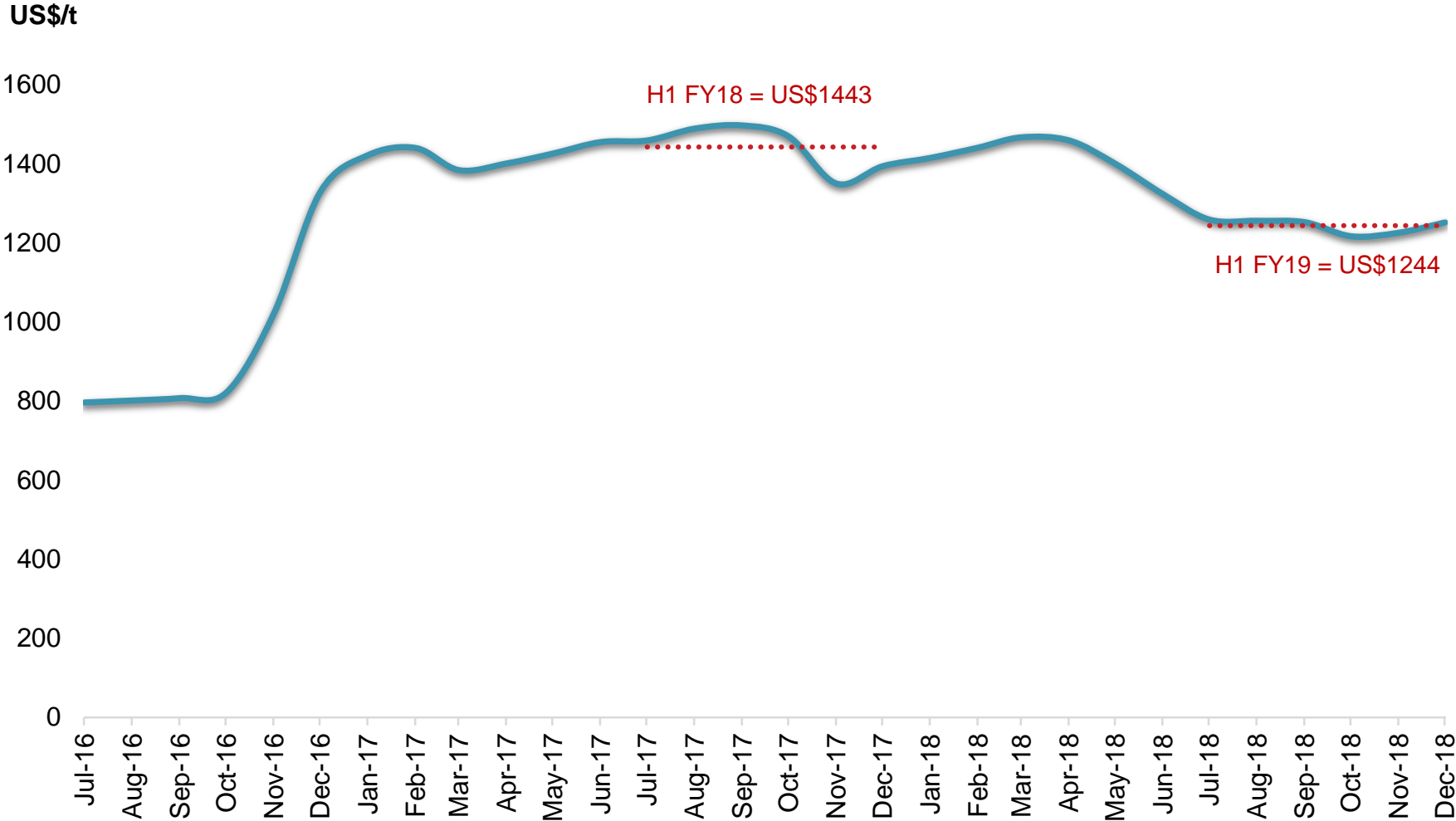
Source: Platts

Manganese Ore Price (44% Mn CIF China)



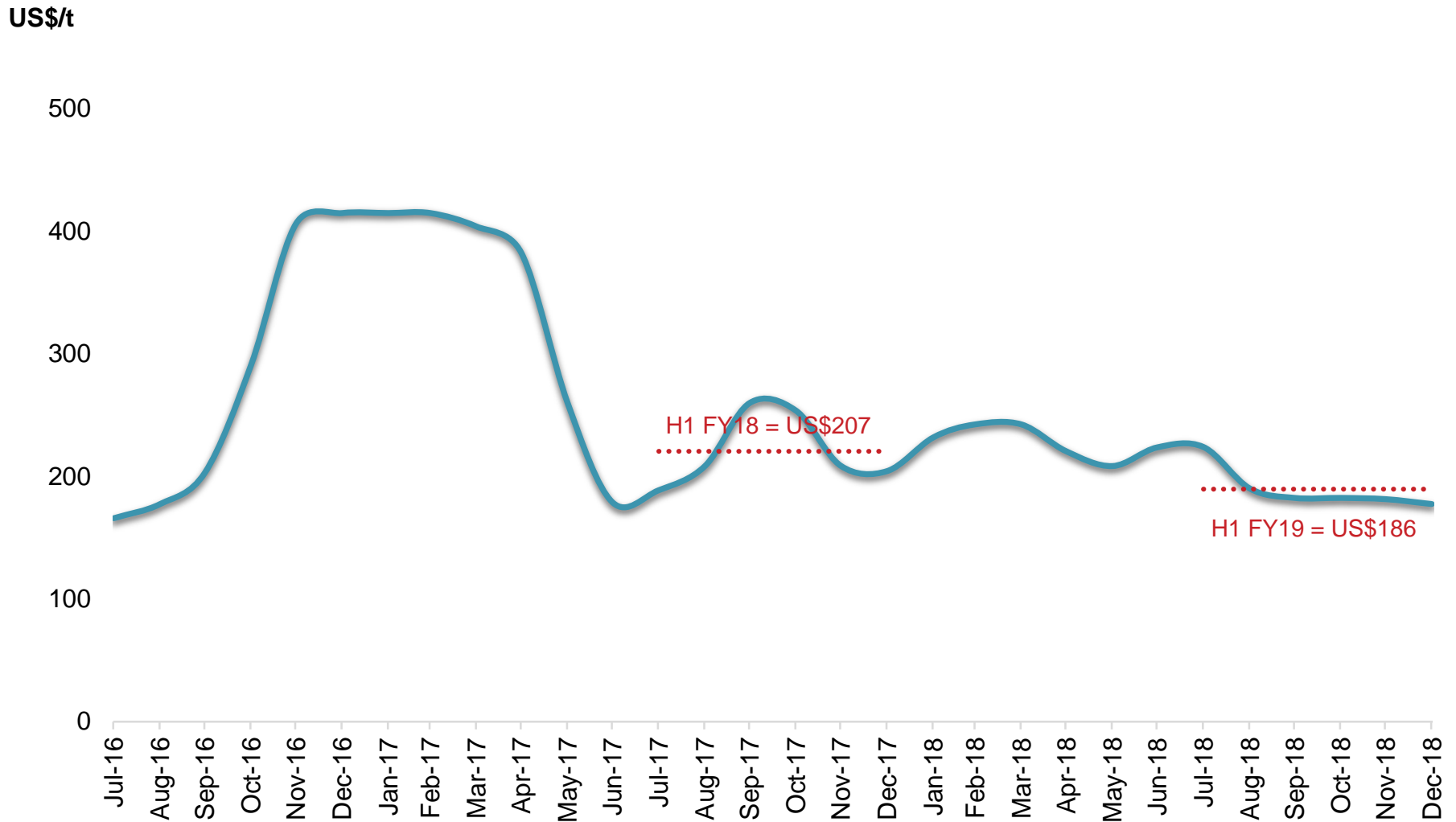
Source: Metal Bulletin

Manganese Alloy Price (HCFeMn)



Source: CRU

Chrome Ore Price (44% Cr Concentrate CFR China)



Source: CRU

Marketing & Shipping

- Commissions in line with Assmang revenue
- Significant interest income

Other Operations

- Wonderstone - Renewal study underway

IronRidge Resources (AIM: IRR)

- Assore now has a ~31% stake following November 2018 capital raise
- Listed on AIM with ~£60m current market cap
- Promising exploration work at Cape Coast lithium project in Ghana