



## **Annual Financial Results for the Financial Year ended 30 June 2019**

### **Highlights**

- **Safety: three mines achieve consecutive fatality free shift records**
- **Record attributable earnings for the third consecutive year**
- **Headline earnings up 25% to a record high of R6,4 billion [FY18: R5,1 bn]**
- **Record dividend of R24,00 per share**
- **Net cash of R9 billion**

**Johannesburg, 5 September 2019** -- Assore Ltd the base mineral and metals miner listed on the JSE [ASR], released another good set of results for the year ended 30 June 2019 on SENS earlier today.

Through the group's commitment to sustainable improvement in its safety performance it achieved safety-fatality free records at three mining operations and its smelting operations.

At Dwarsrivier Chrome Mine, the achievement of 5 million fatality free shifts in March 2019 contributed significantly to an improvement of the LTIFR at operations controlled by Assore to 0,22 for the year, positively down from 0,27 in FY18. While at Assmang, which is jointly controlled by Assore and African Rainbow Minerals Limited (ARM), Khumani Iron Ore Mine achieved its best LTIFR (0,08) in its operational history, Beeshoek Iron Ore Mine achieved 4 million fatality free shifts in January 2019, Black Rock manganese mines achieved 7 million fatality free shifts in February 2019 and Cato Ridge smelters completed a second consecutive year without a lost time injury.

The group's financial performance saw headline earnings increase by 25% to a record high of R6,4 billion in FY19 compared to R5,1 billion in FY18. Assmang, the 50/50 JV between Assore and ARM which is equity accounted, saw headline earnings increase by 41% to R10,0 billion, with Assore's 50% share in Assmang contributing R5,0 billion towards Assore's headline earnings.

**CEO Charles Walters says:** *"We are pleased to report record attributable earnings for the third consecutive year. Our headline earnings are up 25% to a record high of R6,4 billion for the year. It was particularly pleasing to achieve this together with a good safety performance which aligns with our objective of sustainable safety across all our operations."*

Attributable earnings amounted to R6,0 billion, 18% higher than FY18, representing a third consecutive annual record, achieved due to the 6% weaker average realised exchange rate of R14,12 combined with elevated iron ore prices, elevated but steadily declining manganese ore prices and higher sales volumes of manganese ore.

**Walters concluded:** *"Slower global growth is expected into next year. Continued growth in China, albeit slower than previously anticipated, should support prices for Assore's products in the near term."*

The board declared a record dividend of R24,00 per share, whilst continuing to build the group's reserves to fund future growth and corporate ambitions."

- Ends -

***(See full results attached)***

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**[www.assore.com](http://www.assore.com)**



## NOTES TO EDITORS

- Assore's principal investments comprise of a 50% interest in Assmang Proprietary Limited (Assmang), which it controls jointly with African Rainbow Minerals Limited (ARM) in terms of a longstanding shareholders' agreement. In accordance with International Financial Reporting Standards (IFRS), Assmang is classified as a joint venture and accordingly, its financial results are equity accounted.
- Assore has 100% ownership of Dwarsrivier Chrome Mine Proprietary Limited (Dwarsrivier), which was acquired with effect from 1 July 2016.
  - Dwarsrivier is an underground chrome mine located in Limpopo province near to Steelpoort and Lydenburg and currently has production capacity for 1,6 million tons of chrome product annually.
- Assmang mines both iron and manganese ore in the Northern Cape, the former at the Khumani and Beeshoek mines and the latter at the Black Rock mining complex. It has manganese smelting facilities at Cato Ridge in KwaZulu-Natal. In addition, Assmang holds a 54.36% shareholding in Sakura Ferroalloys (Sakura), a manganese smelter located in the Sarawak Province of Malaysia. Sakura has a design capacity of 216 000 tons of ferromanganese per annum.

### **Outlook Statement:**

- Global growth is expected to slow in the period ahead, affected by geopolitical risks which are weighing on the global commodity markets.
- China has, in response to the trade tariffs imposed by the United States, ramped up its fiscal and monetary stimulus, embarked on a new round of major infrastructure projects and announced various tax cuts. China's economy expanded by 6.3% in the first half of CY19, and although this was marginally below market forecasts, it is expected to remain at this level for the remainder of the year.
- The mining industry in South Africa continues to face a high level of regulatory uncertainty and increased expectations from its various stakeholders.
- The future results of the group remain significantly exposed to underlying commodity prices for steel-making ingredients and fluctuations in exchange rates.