



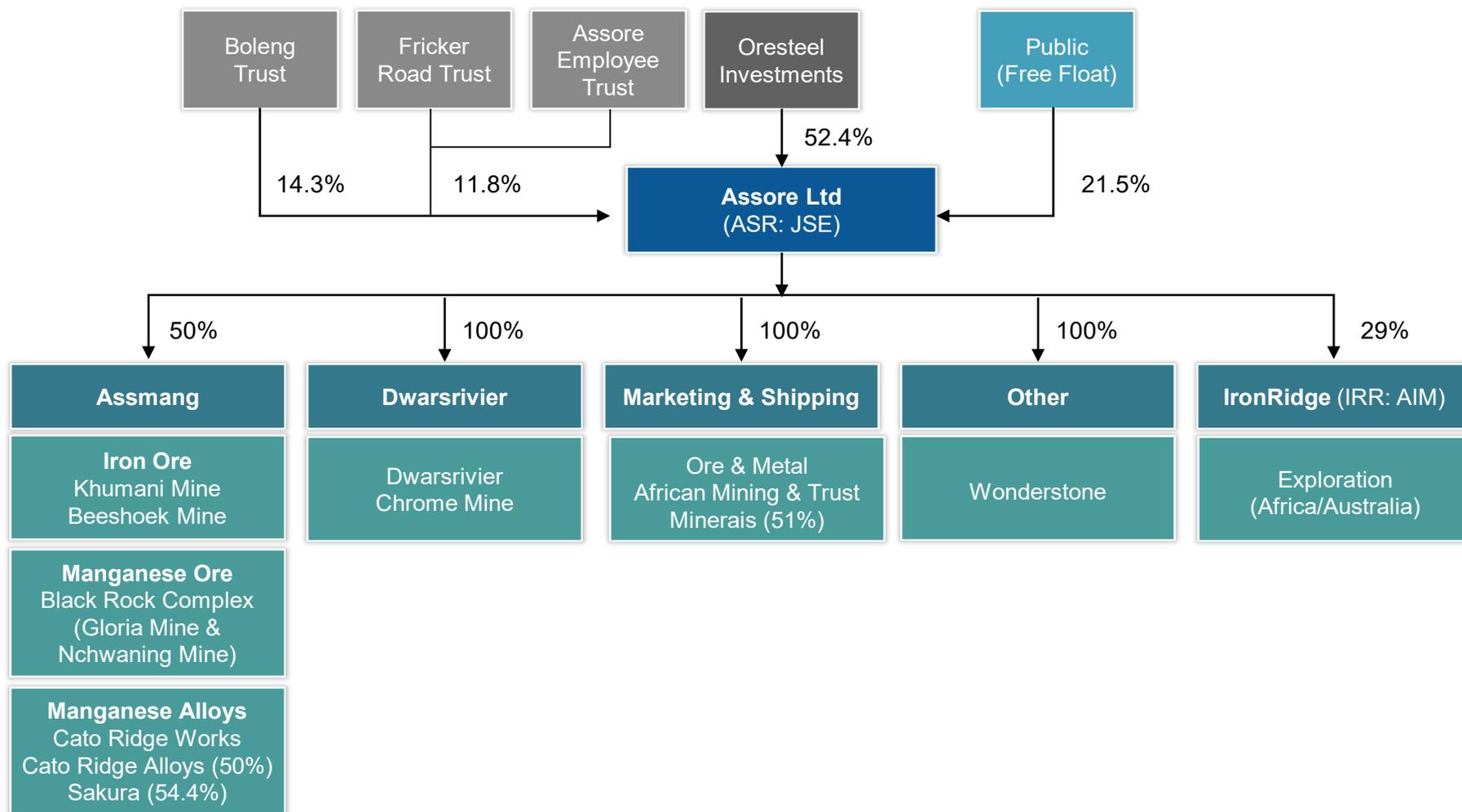
H1 FY20 Results Presentation

21 February 2020



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

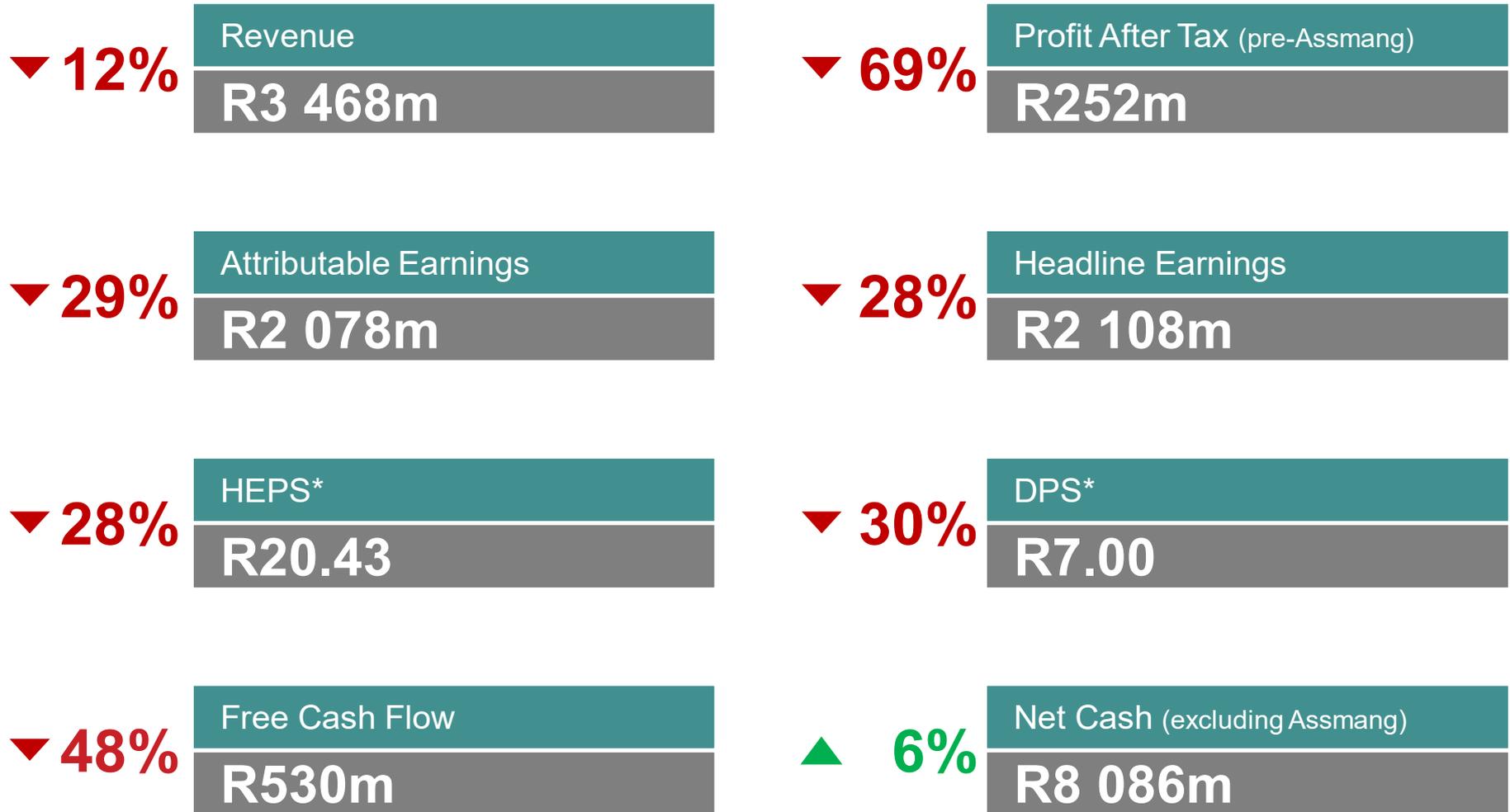
Assore Group Structure



H1 FY20 Group Snapshot



Headline Earnings down 28% y/y



H1 FY20 Group Overview



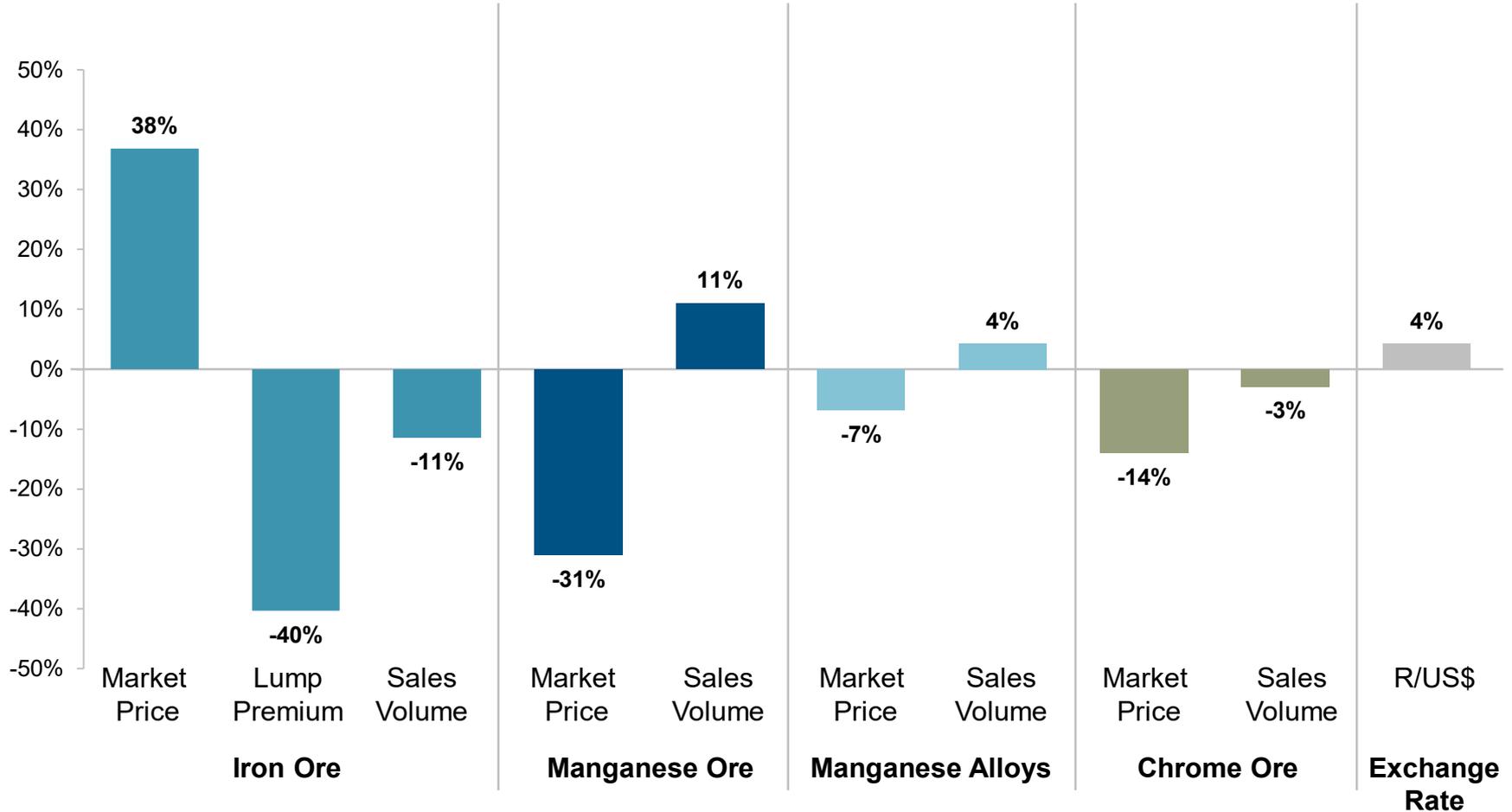
Key driver Iron Ore price up 38% y/y but HEPS down 28% y/y

- Overall LTIFR improvement from 0.29 to 0.24.
- HEPS down 28% y/y to R20.43; EPS down 29% to R20.14.
- Iron Ore sales volumes down 11% y/y, but Manganese Ore/Alloy sales up 11%/4% y/y.
- Iron Ore prices up 38% y/y, but Lump Premium and Manganese/Chrome Ore prices down.
- Some support from a 4% weaker R/US\$ exchange rate.
- Assmang (100%) headline earnings down 14% y/y to R3.7bn (88% of Assore).
- Disappointing Dwarsrivier result with headline earnings down 91% y/y to R31m.
- Marketing & Shipping headline earnings down 48% to R264m.
- Net Cash decreased 10% to R8.1bn from R9.0bn at 30-June-19.
- Interim dividend of R7.00/sh is an effective 46% payout* - in line with previous periods.

Key Drivers - Sales volumes & prices

Volumes offset prices to some extent, but Chrome Ore negative on both

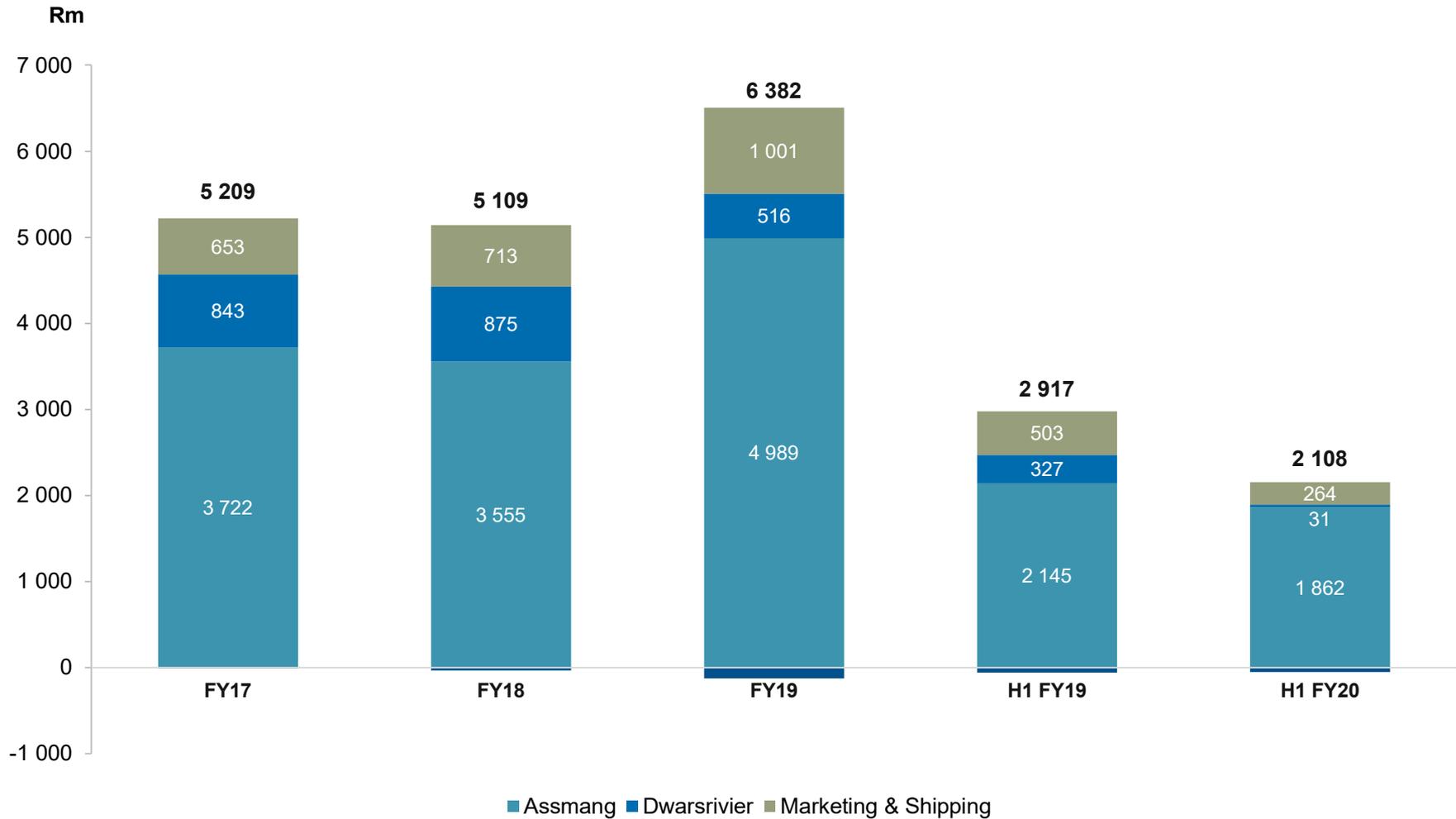
H1 FY20 vs. H1 FY19



Note: Market Prices & Sales Volumes per Slides 16-21

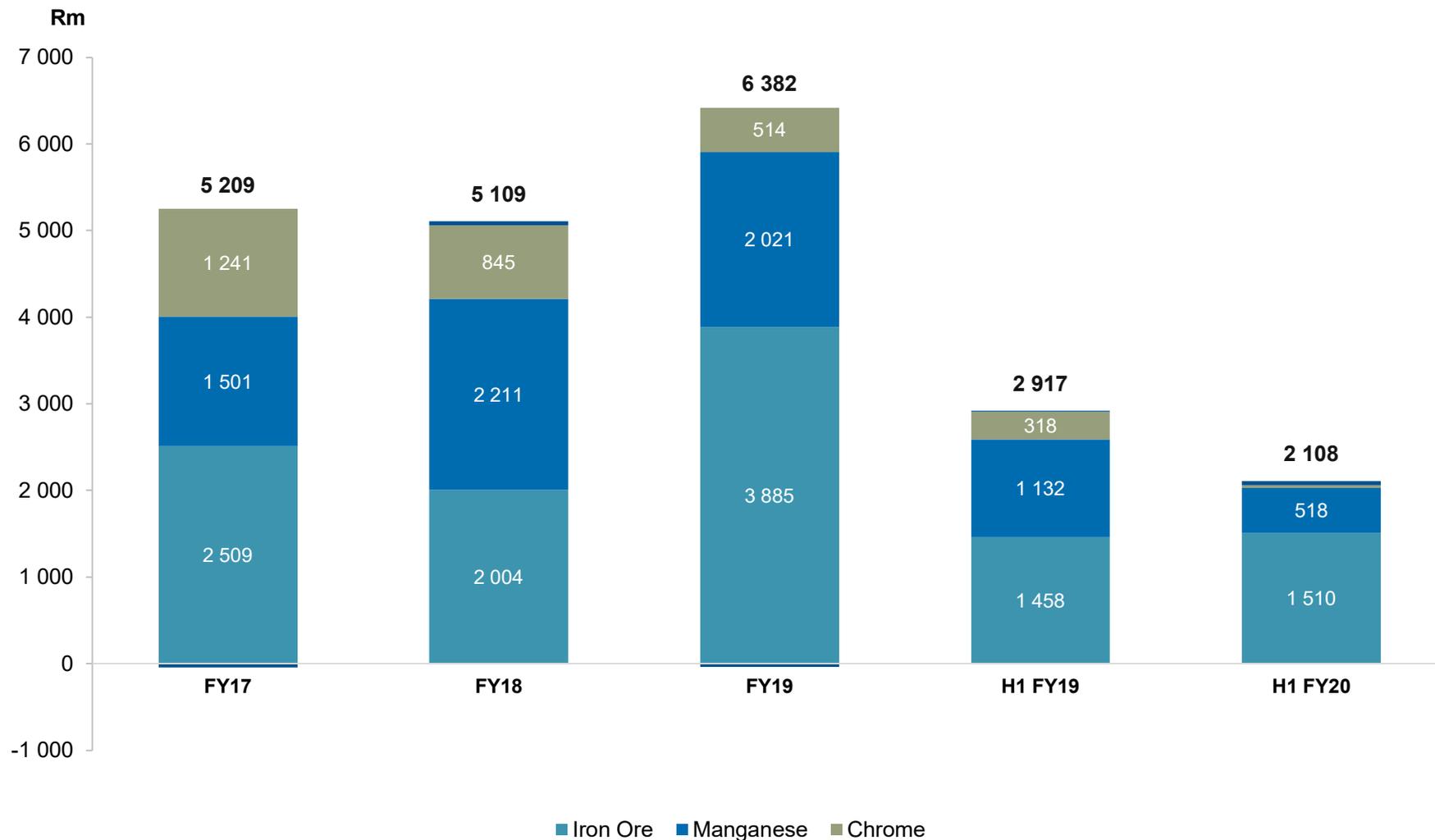
Headline Earnings (by segment)

Headline Earnings down 28% y/y; Dwarsrivier share down to only 1% (H1 FY19: 11%)



Headline Earnings (by commodity)

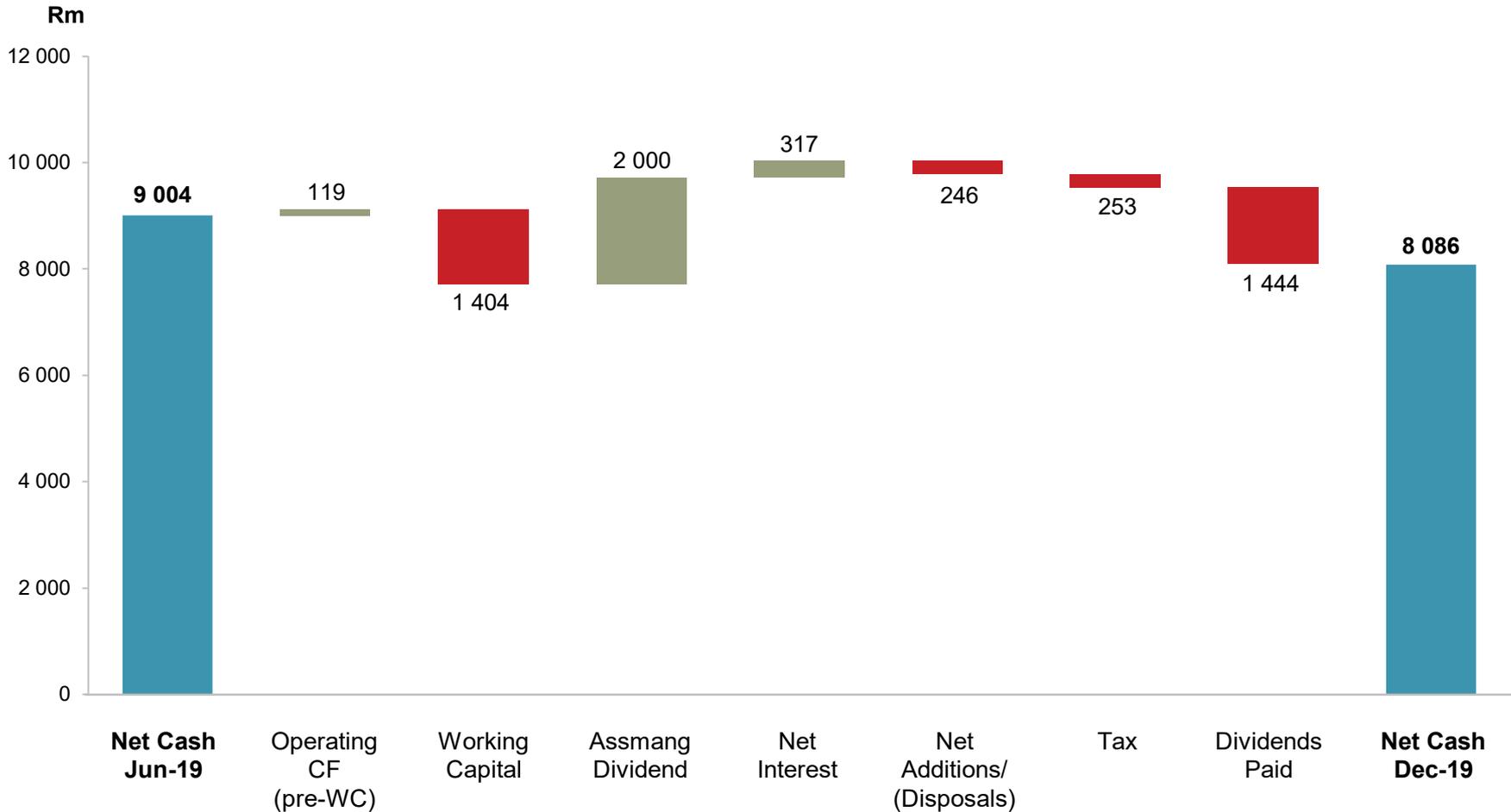
Iron Ore share of Headline Earnings up to 72% (H1 FY19: 50%)



Cash Flow

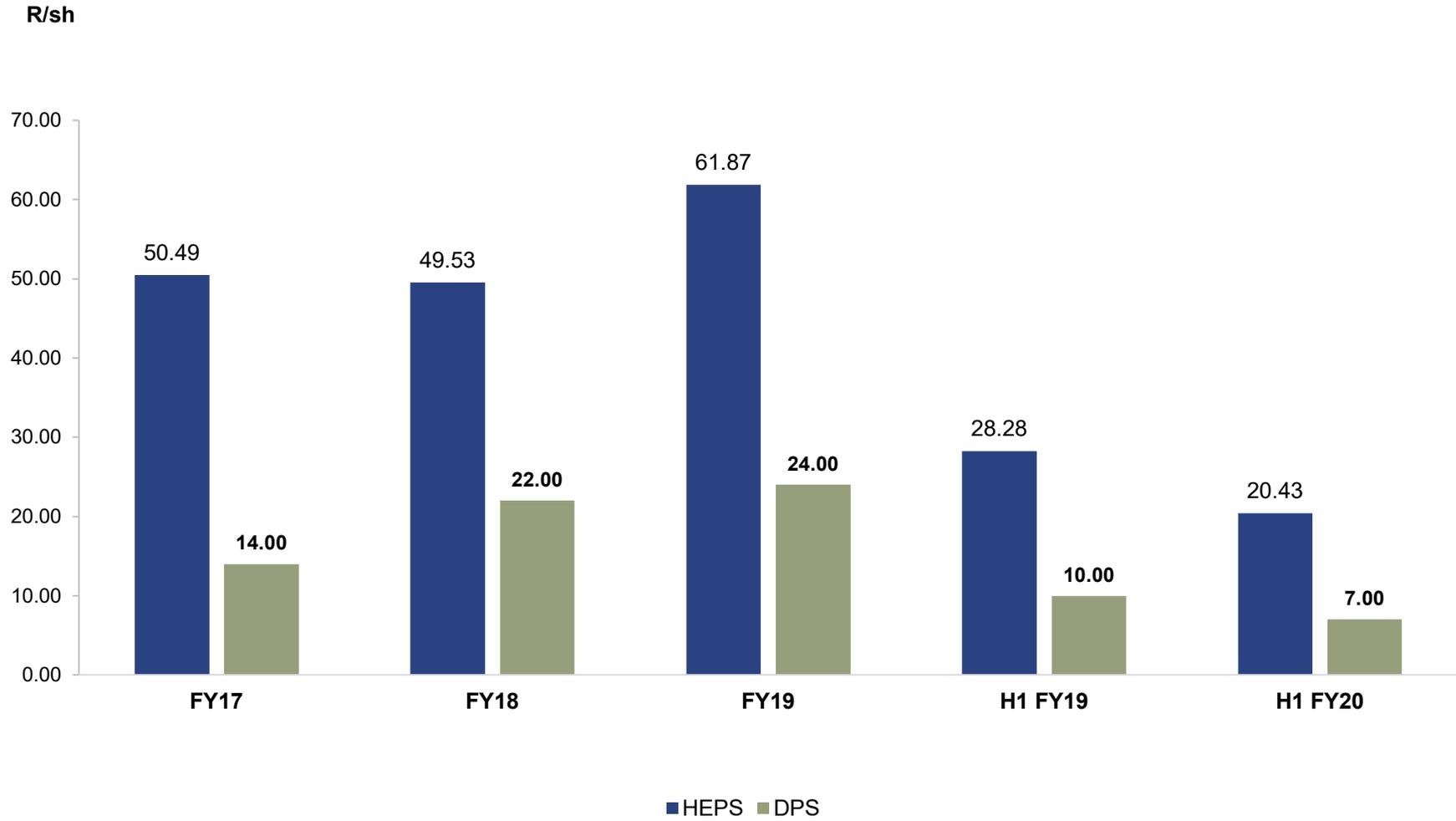


Another increase in Working Capital



Dividends

Payout* ratio of 46% (H1 FY19: 48%)

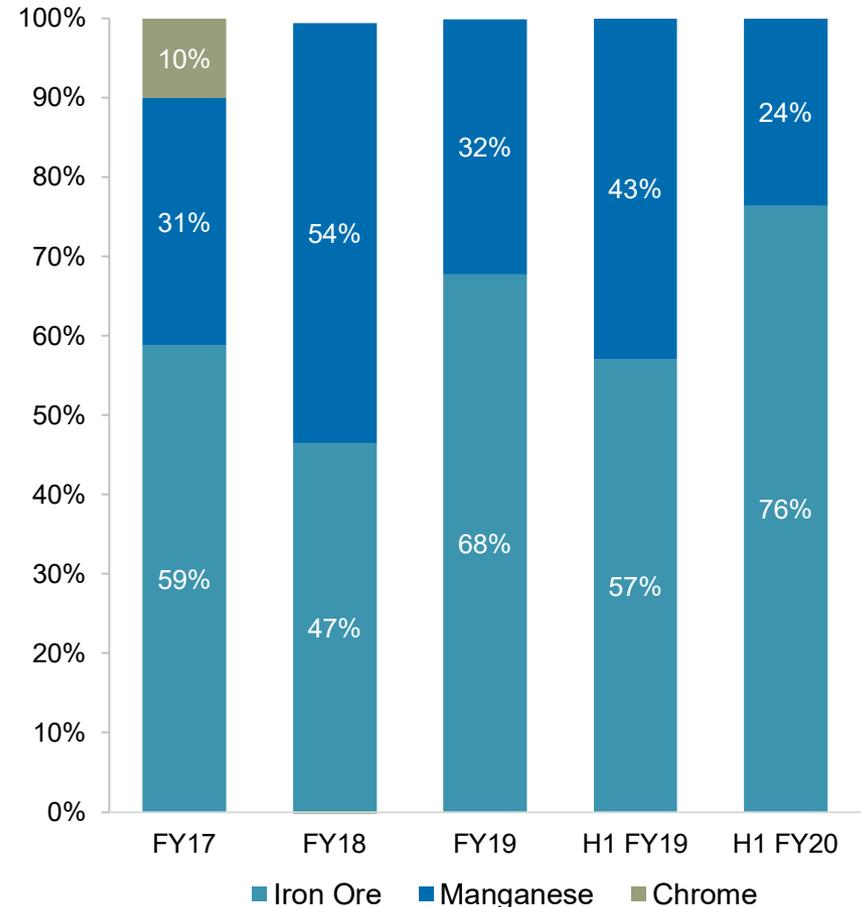


*Payout calculated on Headline Earnings; HEPS on 103m shares; DPS on 140m shares

Iron Ore strength more than offset by weak Manganese Ore & Alloys

- LTIFR up to 0.24 (H1 FY19: 0.13).
- Earnings down 14% y/y to R3.7bn (H1 FY19: R4.3bn).
 - Iron Ore up 12% y/y to R2.8bn (H1 FY19: R2.5bn).
 - Manganese down 53% to R0.9bn (H1 FY19: R1.9bn).
- Net Cash of R6.2bn at 31-Dec-19.
- **Iron Ore (76%)**
 - Production up 7% y/y to 9.3mt.
 - Sales down 11% y/y to 7.8mt (port issues).
 - Unit production cost up 14% y/y.
- **Manganese Ore & Alloys (24%)**
 - Black Rock production up 17% y/y to 2.0mt.
 - Black Rock unit production cost down 2% y/y.
 - BREP now 96% complete; Gloria Project at 66%.
 - Sakura operationally strong.

Contribution to Assmang Headline Earnings

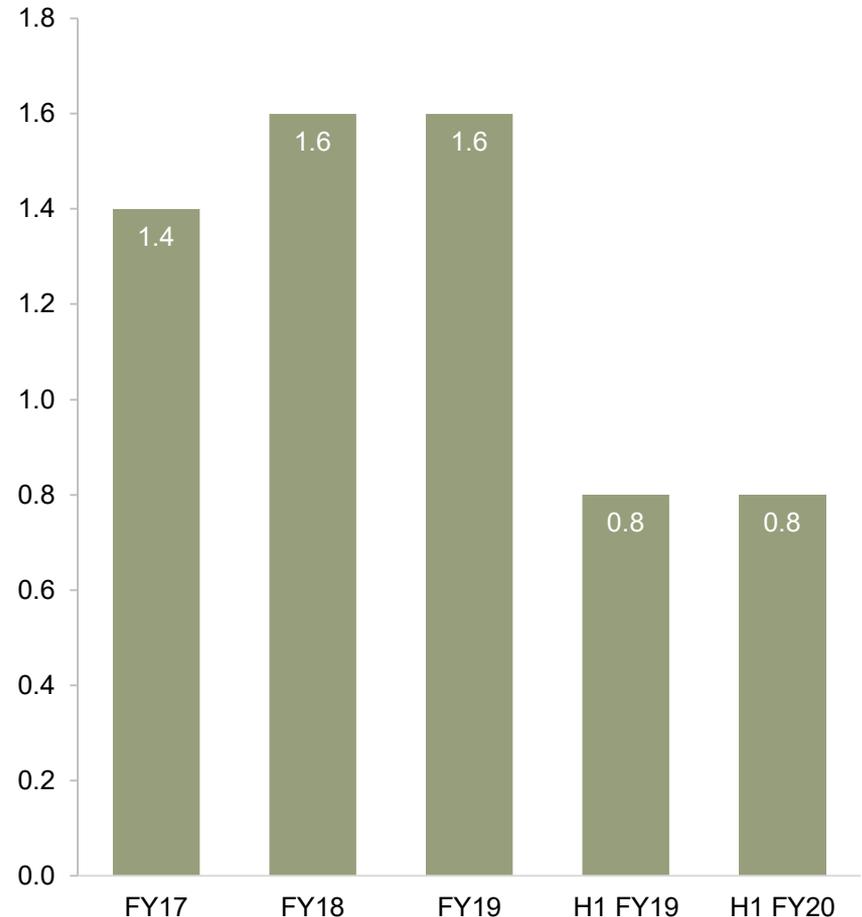


*All figures 100% Assmang basis

Weakness in Chrome Ore market continues

- LTIFR up to 0.22 (H1 FY19: 0.18).
- Earnings down 91% y/y to R31m (H1 FY19: R327m)
- Chrome Ore production marginally up y/y; but sales down 3% y/y due to stock replenish.
- US\$ market price (44% Cr) down 14% y/y on oversupply and weak stainless steel market.
- Unit production cost up 6% y/y.
- Capex up 15% y/y to R246m (H1 FY19: R214m):
 - Development of South Shaft.
 - Plant upgrades to improve efficiency.
 - Equipment replacement.
- Current Chrome Ore price level does not support market supply.

DCM Saleable Production (mt)



Marketing & Shipping

- Commissions down 1% y/y, in line with Assmang revenue decline.
- Interest Income up 11%.

Other Operations

- Wonderstone - Investigating strategic options for the operation.

IronRidge Resources (AIM: IRR)

- Listed on AIM with a ~£38m current market cap.
- Assore stake down to ~29% (H1 FY19: 31%) following a capital raise by IRR in which Assore did not participate.
- Maiden JORC-compliant Mineral Resources Estimate released for the Cape Coast Lithium Project in Ghana where metallurgical test work has also been positive.
- Promising exploration results on gold prospects in Ivory Coast.

Ongoing global uncertainties compounded by the coronavirus impact

- Coronavirus has impacted commodity demand and prices, but the medium term impact is difficult to predict.
- A possible investment stimulus by China (to offset the coronavirus impact) will be positive.
- Continued structural Chinese demand for higher quality iron ore and manganese ore.
- The iron ore market is likely to be reasonably balanced.
- The high-level of manganese stocks in China is a concern for that market.
- Chrome Ore prices need to rise to incentivise supply.
- Community unrest around mining operations in South Africa is a persistent concern.
- Assore management is focussed on streamlining and modernising the business.
- Actively looking for appropriate, value-accretive, growth opportunities.



Annexures



Production & Sales Volumes (100%)

	Units	H1 FY20	H1 FY19	y/y
Production Volumes				
Iron Ore	mt	9.3	8.7	7%
Manganese Ore	mt	2.0	1.7	17%
Manganese Alloys	kt	239	194	23%
Chrome Ore	kt	769	765	-
Sales Volumes				
Iron Ore	mt	7.8	8.8	(11%)
Manganese Ore*	mt	1.8	1.6	11%
Manganese Alloys	kt	171	164	4%
Chrome Ore	kt	735	757	(3%)

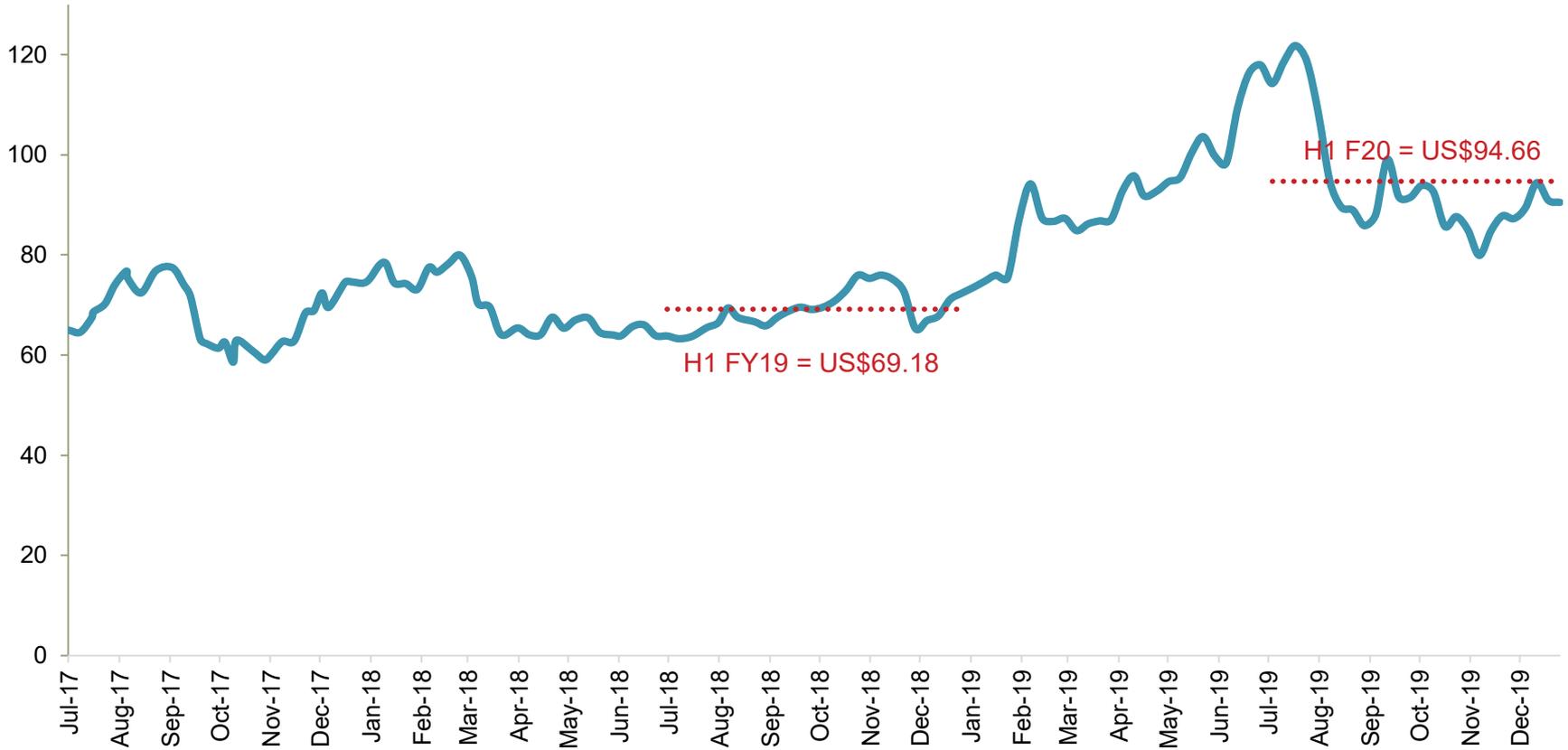
*Excluding intergroup sales to Cato Ridge Works

Iron Ore Price



62% Fe Fines CFR China

US\$/t

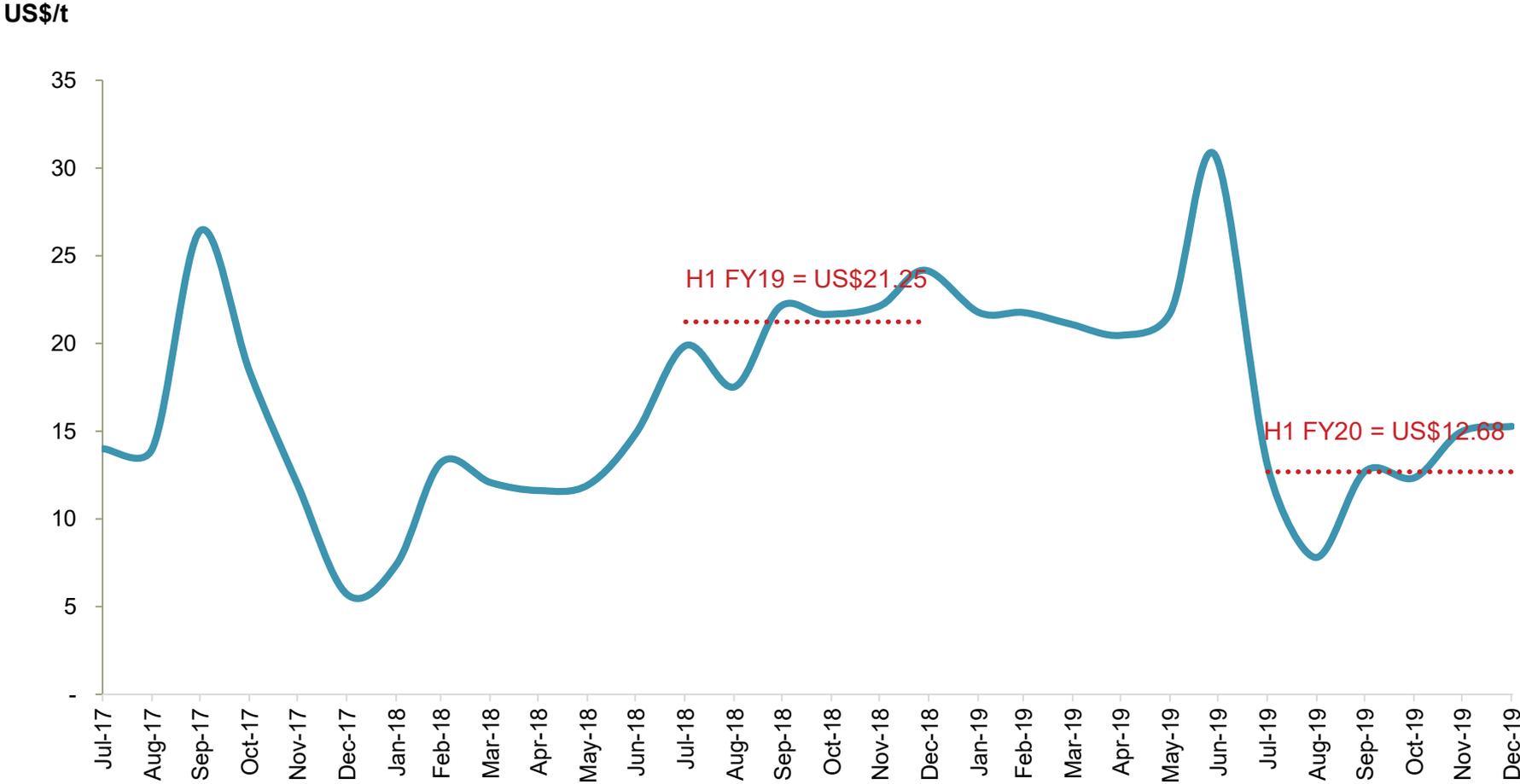


Source: Platts

Iron Ore Lump Premium



65% Fe

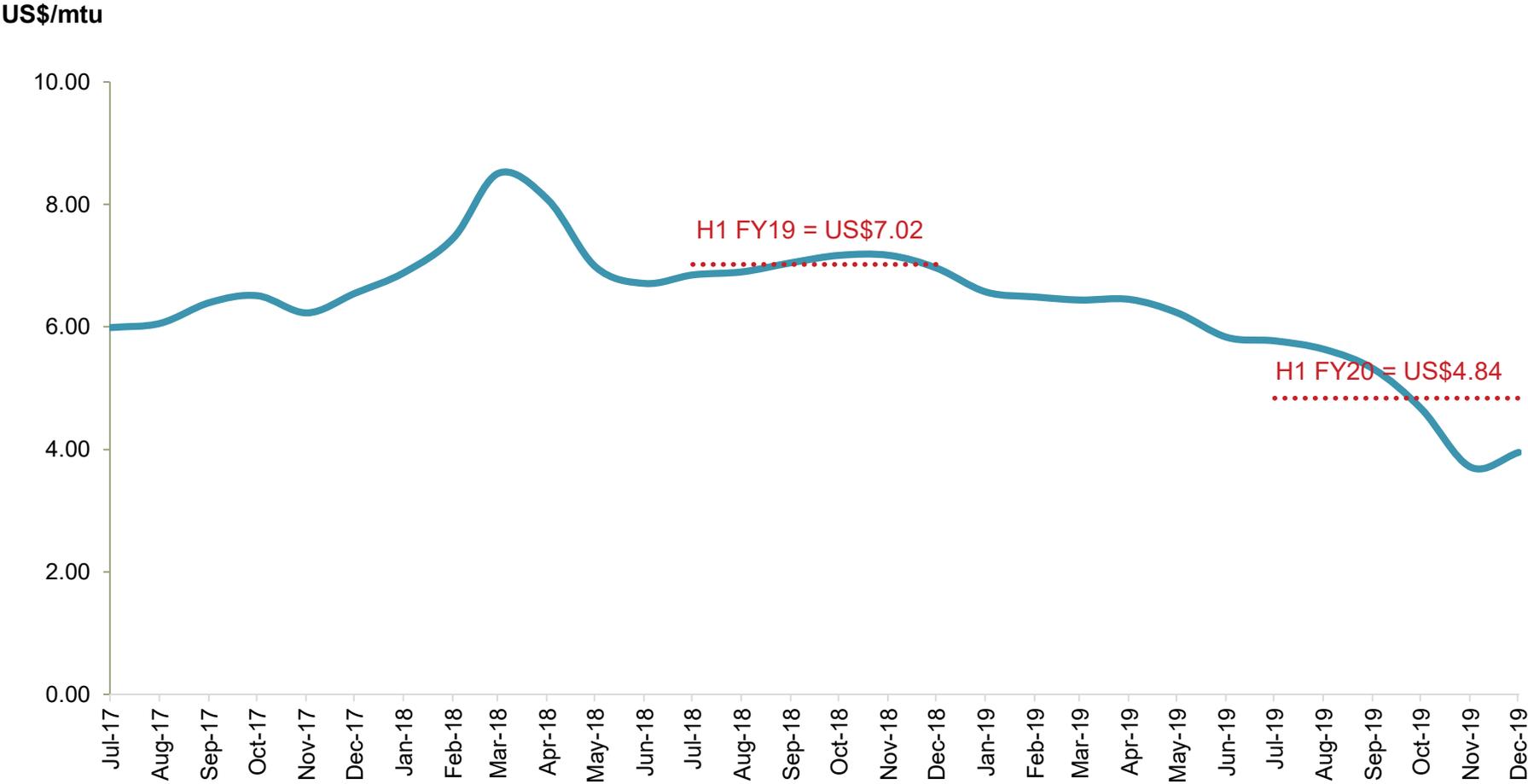


Source: Platts

Manganese Ore Price



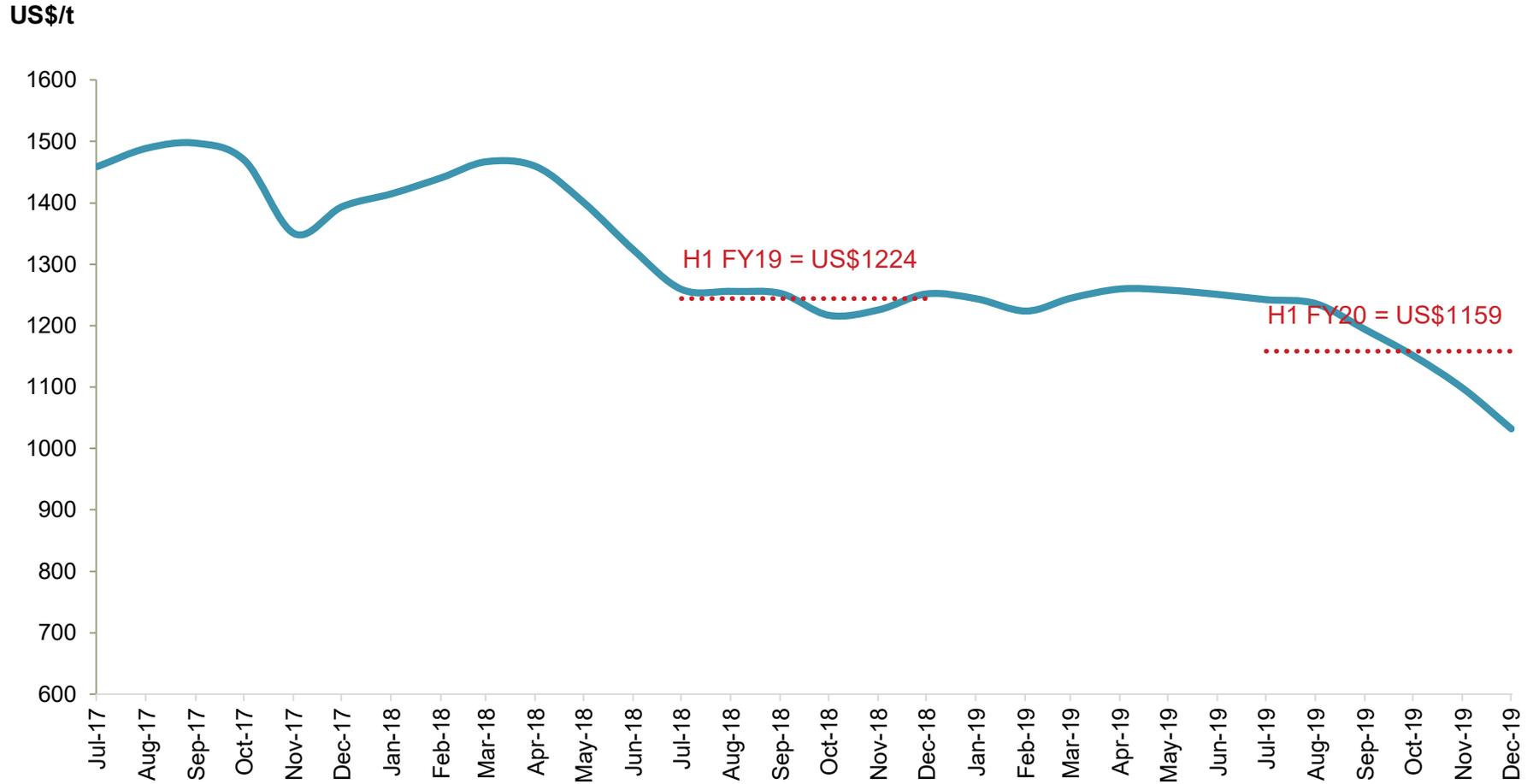
44% Mn CIF China



Source: Metal Bulletin

Manganese Alloy Price

HCFeMn (average of USA/Europe delivered price)

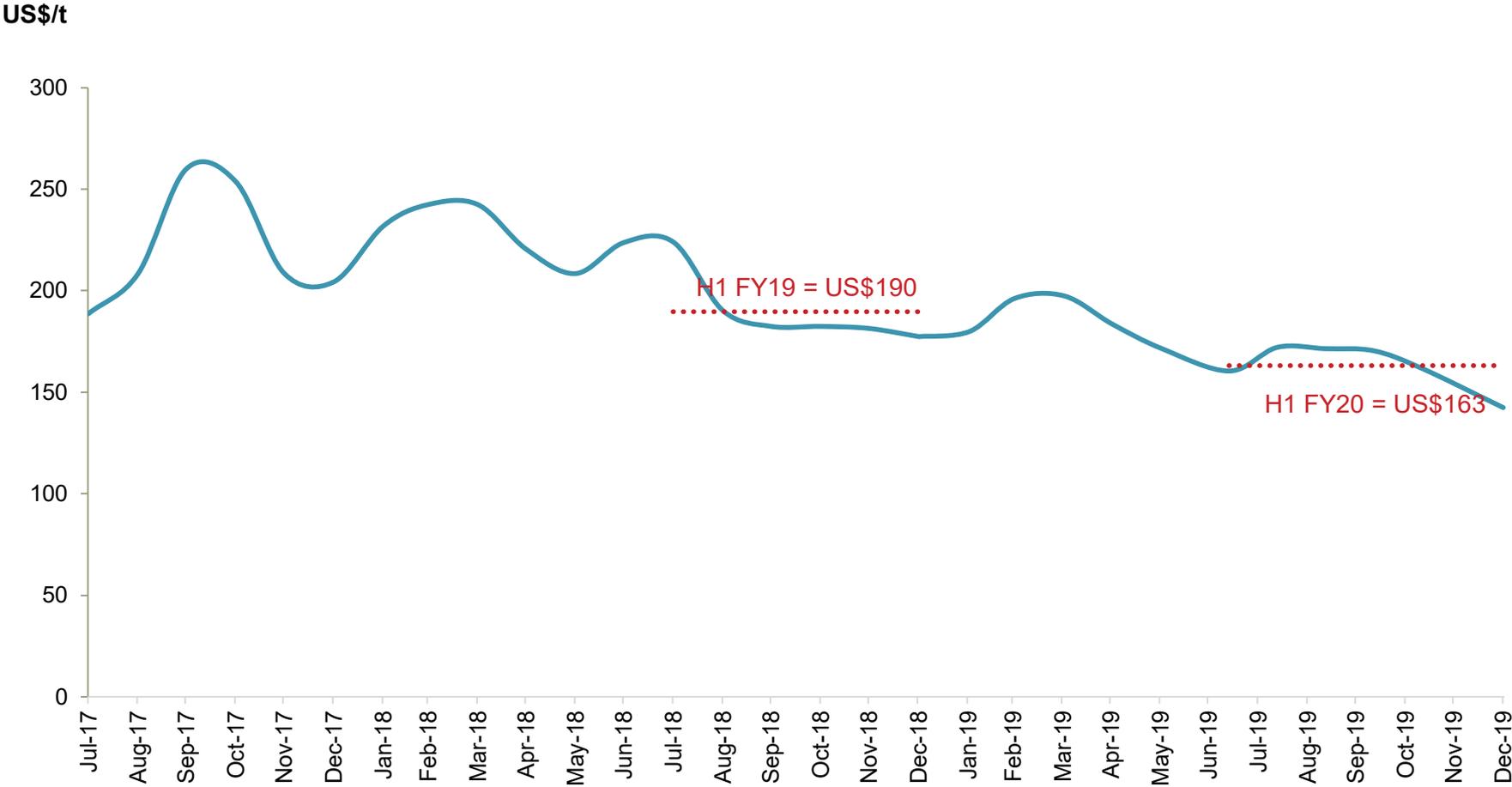


Source: CRU

Chrome Ore Price



44% Cr Concentrate CFR China



Source: CRU

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