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The information, if any, in this presentation which relates to Exploration Results, Mineral Resources or Ore Reserves for Tormin is based on information compiled by Mr Bahman Rashidi, who is a member of the Australian Institute of Mining and Metallurgy (“AusIMM”) and the Australian Institute of Geoscientists (“AIG”). Mr Rashidi is Exploration Manager and a full-time employee of the Company and has over 22 years of exploration and mining experience in a variety of mineral deposits and styles. Mr Rashidi has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“JORC Code (2012)”). The information from Mr Bahman Rashidi was prepared under the JORC Code (2012). Mr Rashidi consents to inclusion in the presentation of the matters based on this information in the form and context in which it appears.

The information, if any, in this presentation which relates to Mineral Resources for Munglinup is based on information compiled by Mr Chris De Vitry who is a member of the AusIMM and an independent consultant to the Company. Mr De Vitry is the Director and Principal Geologist of Manna Hill GeoConsulting Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined by the JORC Code (2012). The information from Mr De Vitry was prepared under the JORC Code (2012). Mr De Vitry consents to inclusion in the presentation of the matters based on this information in the form and context in which it appears.

The information, if any, in this presentation which relates to the Ore Reserve for Munglinup is based on information compiled by Mr Daniel Hastings, who is a Member of the AusIMM. Mr Hastings is an employee of Hastings Bell Pty Ltd and a consultant to the Company. Mr Hastings has sufficient experience relevant to the type of deposit under consideration to qualify as a Competent

Person as defined by the JORC Code (2012). Mr Hastings consents to inclusion in the presentation of the matters based on this information in the form and context in which it appears.

The information, if any, in this presentation which relates to Exploration Results, Mineral Resources or Ore Reserves for Xolobeni is based on information compiled by Mr Allen Maynard, who is a member of the AIG, a corporate member of the AusIMM and independent consultant to the Company. Mr Maynard is the Director and Principal Geologist of Al Maynard & Associates Pty Ltd and has over 38 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves (“JORC Code (2004)”). This information was prepared and first disclosed under the JORC Code (2004). It has not been updated to comply with the JORC Code (2012) on the basis that the information has not materially changed since it was last reported. Mr Maynard consents to inclusion in the presentation of the matters based on this information in the form and context in which it appears.

The information if any in this presentation which relates to Skaland Mineral Resources is based on information compiled by Mr Ché Osmond, who is a Chartered Geologist (CGeol) of Geological Society of London and Fellow of the Geological Society (FGS) a Recognised Professional Organisation (RPO). Mr Osmond is Technical Director of Wardell Armstrong International, and an independent consultant to the Company. Mr Osmond has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined by the JORC Code (2012). Mr Osmond consents to inclusion in the presentation of the matters based on this information in the form and context in which it appears.



# MINERAL COMMODITIES

## GLOBAL OVERVIEW

### Skaland

#### Flake Graphite

**Production** – 10ktpa Flake Graphite

Concentrate

Skaland MRE: 1.78Mt @ 22% TGC

### Tormin

#### Mineral Sands

**Production** - 2.6Mtpa Processing facility producing: garnet, ilmenite, zircon and rutile concentrates

### Xolobeni

#### Mineral Sands Development -

JORC Compliant Resource

346Mt @ 5% THM

**Perth**  
Corporate Headquarters

*“With the acquisition of Skaland, MRC now operates two production centres, Tormin and Skaland, while advancing development at Munglinup and progressing ongoing downstream graphite studies from Perth ”*

### Munglinup

#### Graphite Development

Ore Reserve (Probable) of 4.24Mt at 12.8% TGC supporting mine life of 14 years with anticipated production of ~52ktpa of >95% purity graphite concentrate. Mineralisation open in all directions

# GROUP SAFETY PERFORMANCE

HY20

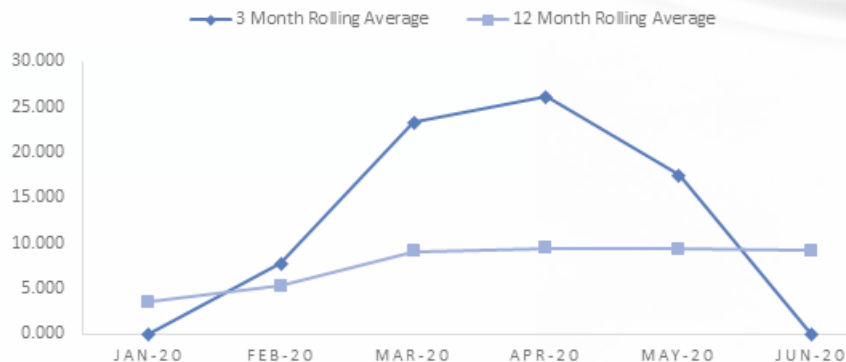
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HY19

0

Three month rolling Total  
Recordable Injury Frequency  
Rate at half year end

GROUP TRIFR ROLLING AVERAGE



1.9 million working hours since last Lost Time Injury  
incident across both operations

# FINANCIAL PERFORMANCE

Half Year Highlights

|                                 | 30-June-20    | 30-June-19    | Variance    |
|---------------------------------|---------------|---------------|-------------|
|                                 | US\$'000      | US\$'000      | %           |
| <b>Revenue</b>                  | <b>17,307</b> | <b>30,441</b> | <b>-43%</b> |
| <b>Adjusted EBITDA</b>          | <b>9,405</b>  | <b>10,899</b> | <b>-14%</b> |
| <b>Profit before income tax</b> | <b>6,760</b>  | <b>8,451</b>  | <b>-20%</b> |
| <b>Profit for the period</b>    | <b>5,619</b>  | <b>6,987</b>  | <b>-20%</b> |
| Diluted earnings per share      | 1.33          | 1.64          | -19%        |
| Operating Cashflow              | -2,784        | 9,966         | -128%       |
| Cash                            | 5,739         | 15,782        | -64%        |
| Net Assets                      | 47,133        | 46,840        | 1%          |

The Revenue, EBITDA and NPBT results, in comparison to the prior half-year, reflect the decrease of bulk ilmenite sales due to the global impact of the COVID-19 pandemic on customers.



# HALF YEAR FINANCIAL RESULTS

The Revenue and EBITDA reflect the decrease of bulk ilmenite sales due to the global impact of the COVID-19 pandemic on customers

|                                    | 30-Jun-20<br>US\$ | 30-Jun-19<br>US\$ | Variance<br>% |
|------------------------------------|-------------------|-------------------|---------------|
| Revenue from continuing operations |                   |                   |               |
| Sale of product                    | 15,919,917        | 29,694,202        | -46%          |
| Other revenue                      | 1,386,791         | 746,443           | 86%           |
|                                    | <b>17,306,708</b> | <b>30,440,645</b> | <b>-43%</b>   |

## HY20 REVENUE DOWN 43%

- The lower sales revenue was due to the decrease in higher value-non-mags sales in 2020 due to lower production and bulk ilmenite sales due to the global impact of the COVID-19 pandemic on customers. However, the Company continued to see demand for its Skaland graphite concentrate, which is sold directly into the European market, with sales remaining strong given the current global COVID-19 pandemic.

|                               | 30-Jun-20<br>US\$ | 30-Jun-19<br>US\$ | Variance<br>% |
|-------------------------------|-------------------|-------------------|---------------|
| Profit before income          | 6,760,369         | 8,450,973         | -20%          |
| Finance expense/(income)      | 165,684           | -157,619          | -205%         |
| Depreciation and amortisation | 2,479,155         | 2,605,388         | -5%           |
| <b>Adjusted EBITDA</b>        | <b>9,405,208</b>  | <b>10,898,742</b> | <b>-14%</b>   |

## ADJUSTED EBITDA DOWN 14%

- Earnings before interest, tax, depreciation and amortisation ("EBITDA") of \$9.4m for the 2020 half-year was below the 2019 half-year EBITDA of \$10.9m, a 14% decrease on the current half-year. The decrease in the EBITDA result, in comparison to the prior half-year, reflect the decrease of bulk ilmenite sales due to the global impact of the COVID-19 pandemic on customers, partially offset by a material positive garnet inventory adjustment during the half-year due to settlement of the stockpile areas.

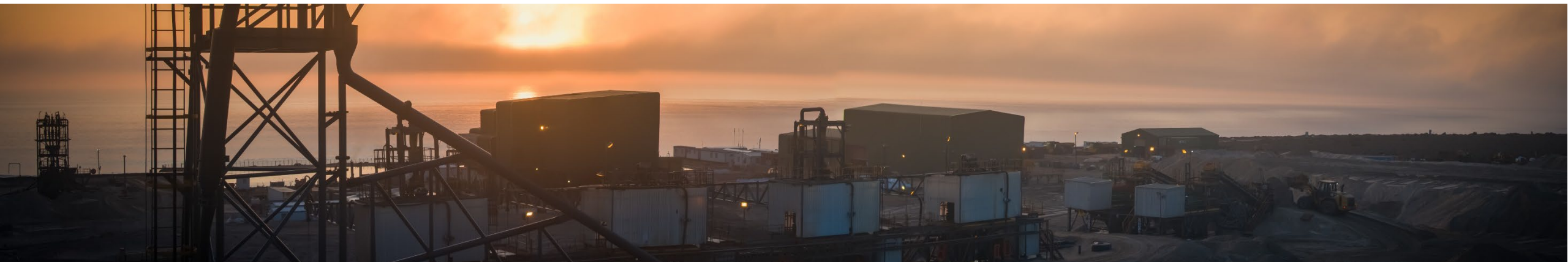
# HALF YEAR FINANCIAL RESULTS

NPAT decrease partially offset by a material positive garnet inventory

|                                   | 30-Jun-20        | 30-Jun-19        | Variance    |
|-----------------------------------|------------------|------------------|-------------|
|                                   | US\$             | US\$             | %           |
| Profit before income tax          | 6,760,369        | 8,450,973        | -20%        |
| Income tax expense                | -710,334         | -1,463,996       | -51%        |
| <b>Profit after income tax</b>    | <b>6,050,035</b> | <b>6,986,977</b> | <b>-13%</b> |
| Loss from discontinued operations | -431,020         | -                | -100%       |
| <b>Profit for the period</b>      | <b>5,619,015</b> | <b>6,987,977</b> | <b>-20%</b> |

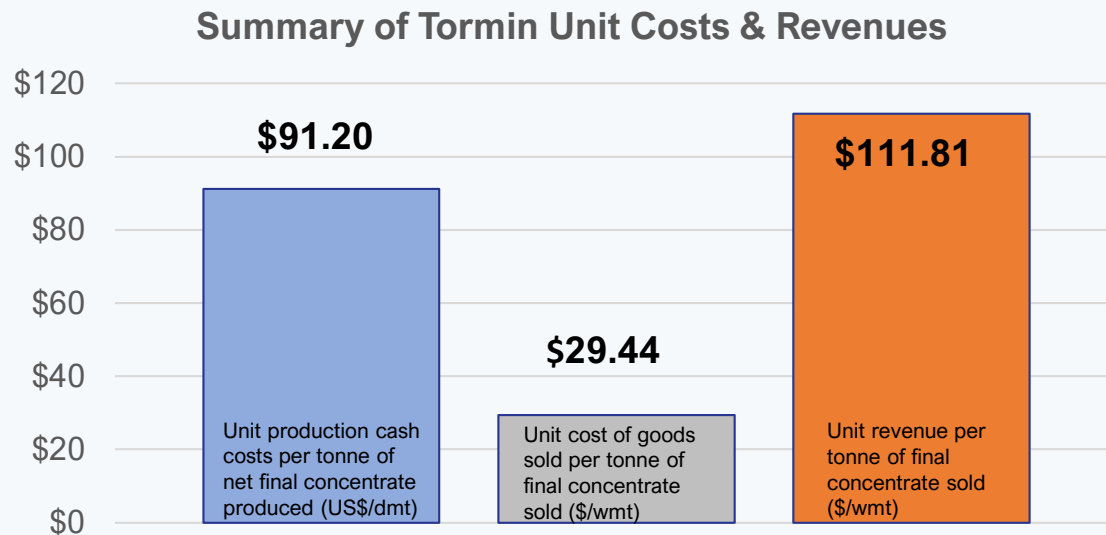
## NPAT DOWN 13%

- The profit before income tax expense (“NPBT”) was 20% lower than the prior year, reflecting the decrease of bulk ilmenite sales due to the global impact of the COVID-19 pandemic on customers, , partially offset by a material positive garnet inventory adjustment during the half-year due to settlement of the stockpile areas.
- Profit after tax expense (“NPAT”) decreased 13% due to a decrease in the effective tax rate to 11% (2019: 17%). The reduction in the effective tax rate is due to the additional tax deduction for net foreign exchange losses on inter-company loans not recognised in the consolidated accounts, partially offset by permanent differences for credit losses, share based payments and donations.



# HALF YEAR FINANCIAL RESULTS

Summary of Tormin Unit Costs & Revenues



| Summary of Unit Costs & Revenues    | Full Year to 30-Jun-20 | Full Year to 30-Jun-19 | Variance % |
|-------------------------------------|------------------------|------------------------|------------|
| Revenue to Cost of Goods Sold Ratio | 3.80                   | 1.49                   | 155%       |

## TORMIN UNIT COSTS & REVENUES

- Unit production cash costs were US\$91.20/t for 82,818 final concentrate tonnes produced, higher than the prior period's US\$83.75/t for 129,950 final concentrate tonnes produced. Higher unit costs were the direct result of 36.3% lower production in the current half-year, partially offset by production cash costs that were 30.7% below the prior period due to depreciation of the rand, lower diesel prices and an 18-day shutdown in South Africa due to the COVID-19 pandemic.
- Total unit cost of goods sold of US\$29.44/t for the half-year for 110,467 final concentrate tonnes sold improved on the prior half-year's US\$90.05/t for 221,037 final concentrate tonnes sold. The improved performance was due to a material positive garnet inventory adjustment during the half-year due to settlement of the stockpile areas.
- Unit revenue per tonne of final concentrate sold for the half-year of US\$111.81/t is below US\$133.72/t for the previous half-year due to a 35.9% decrease in higher value non-mags sales in 2020, compared to the prior half-year.

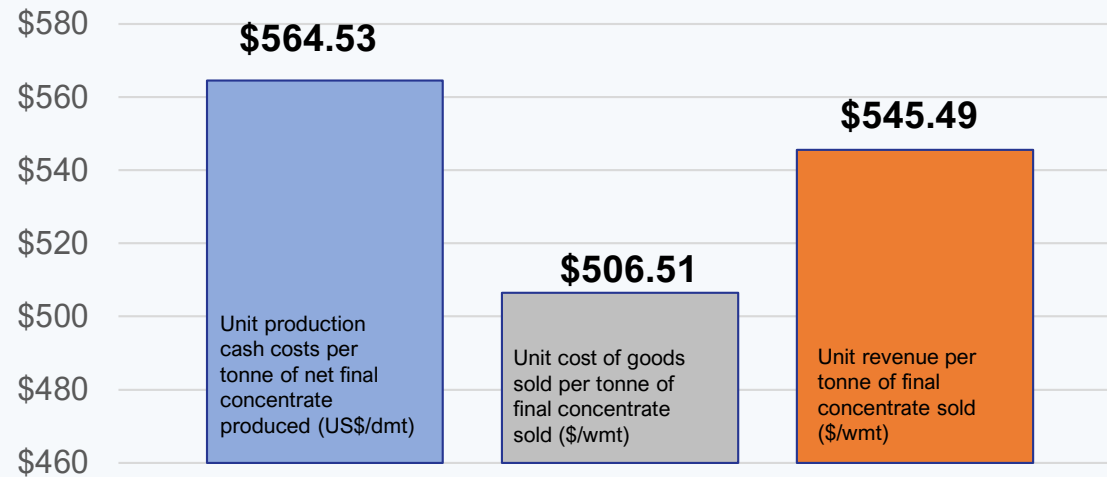
## TORMIN REVENUE TO COST OF GOODS SOLD RATIO

- Revenue to Cost of Goods Sold Ratio for the half-year is 3.80 due to the material positive garnet inventory adjustment during the half-year. Without adjustment, the unit revenue to cost of goods sold ratio would have been 1.60, which is above the prior half-year of 1.49.

# HALF YEAR FINANCIAL RESULTS

Unit production costs artificially high due to the plant shutdown and associated additional maintenance costs in January

## Summary of Skaland Unit Costs & Revenues



## SKALAND UNIT COSTS & REVENUES

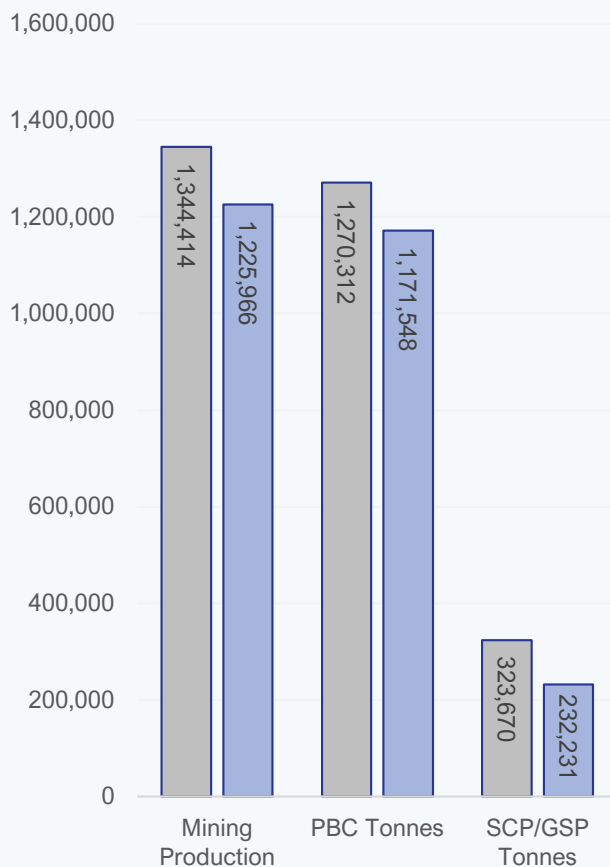
- Unit production costs during the half-year are artificially high due to the plant shutdown in January and additional maintenance costs associated with the January shutdown to focus on mine development and improve future ore supply. Unit costs in the June 2020 quarter (US\$405.02) reflect a more sustaining cost pattern.
- Total unit cost of goods sold of US\$506.51/t for the half-year for 6,511 final concentrate tonnes sold. Lower unit cost reflects significant sales of opening inventory stocks in the half year.
- Unit revenue per tonne of final concentrate sold for the half-year is US\$545.49. The Company continued to see demand for its Skaland graphite concentrate, which is sold directly into the European market, with sales remaining strong given the current global COVID-19 pandemic.



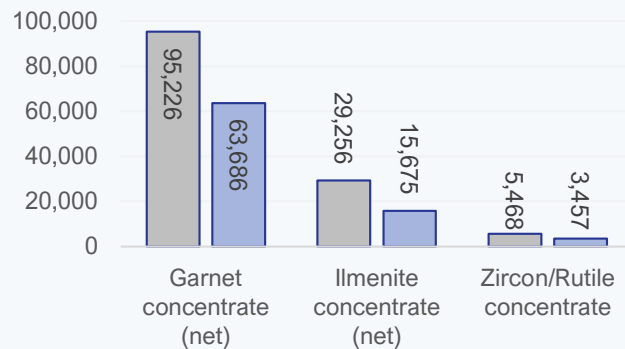
# TORMIN - PRODUCTION & SALES

Production and Sales Performance HY2020

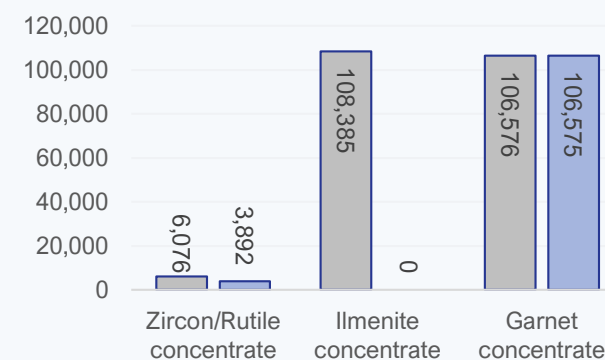
**TONNES MINED / PROCESSED**



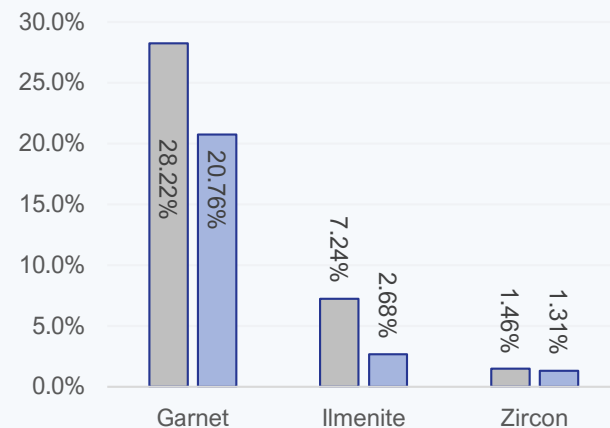
**CONCENTRATE TONNES PRODUCED <sup>(1)</sup>**



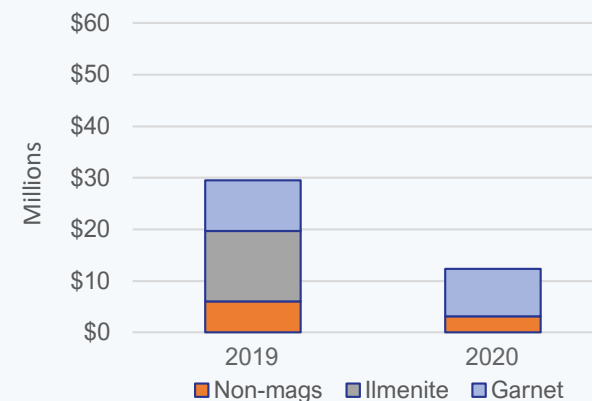
**CONCENTRATE TONNES SOLD <sup>(2)</sup>**



**HEAVY MINERAL GRADE**



**REVENUE BY CONCENTRATE**



(1) Dry Metric Tonnes  
(2) Wet Metric Tonnes

■ HY 2019 ■ HY 2020

# SKALAND - PRODUCTION & SALES

Production and Sales Performance HY 2020

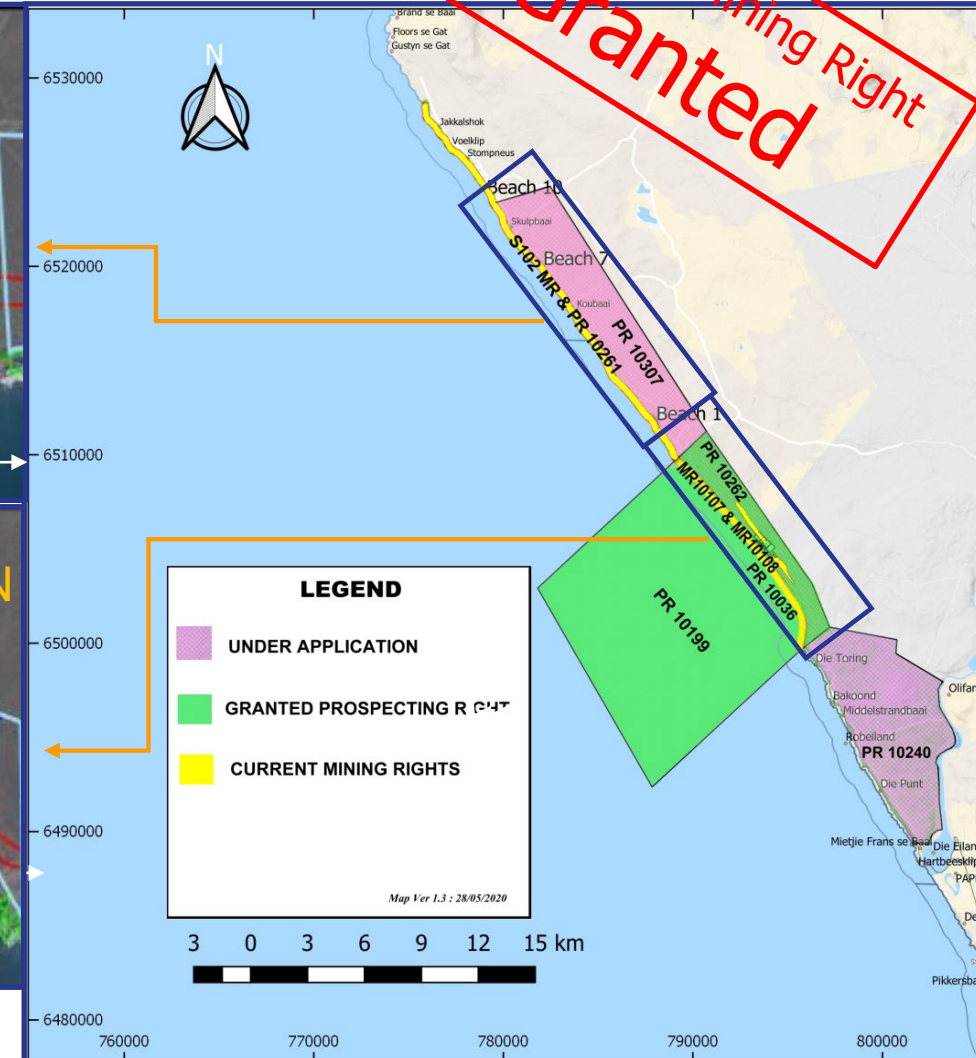
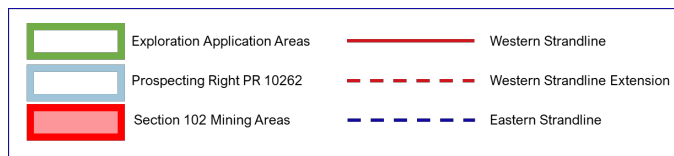
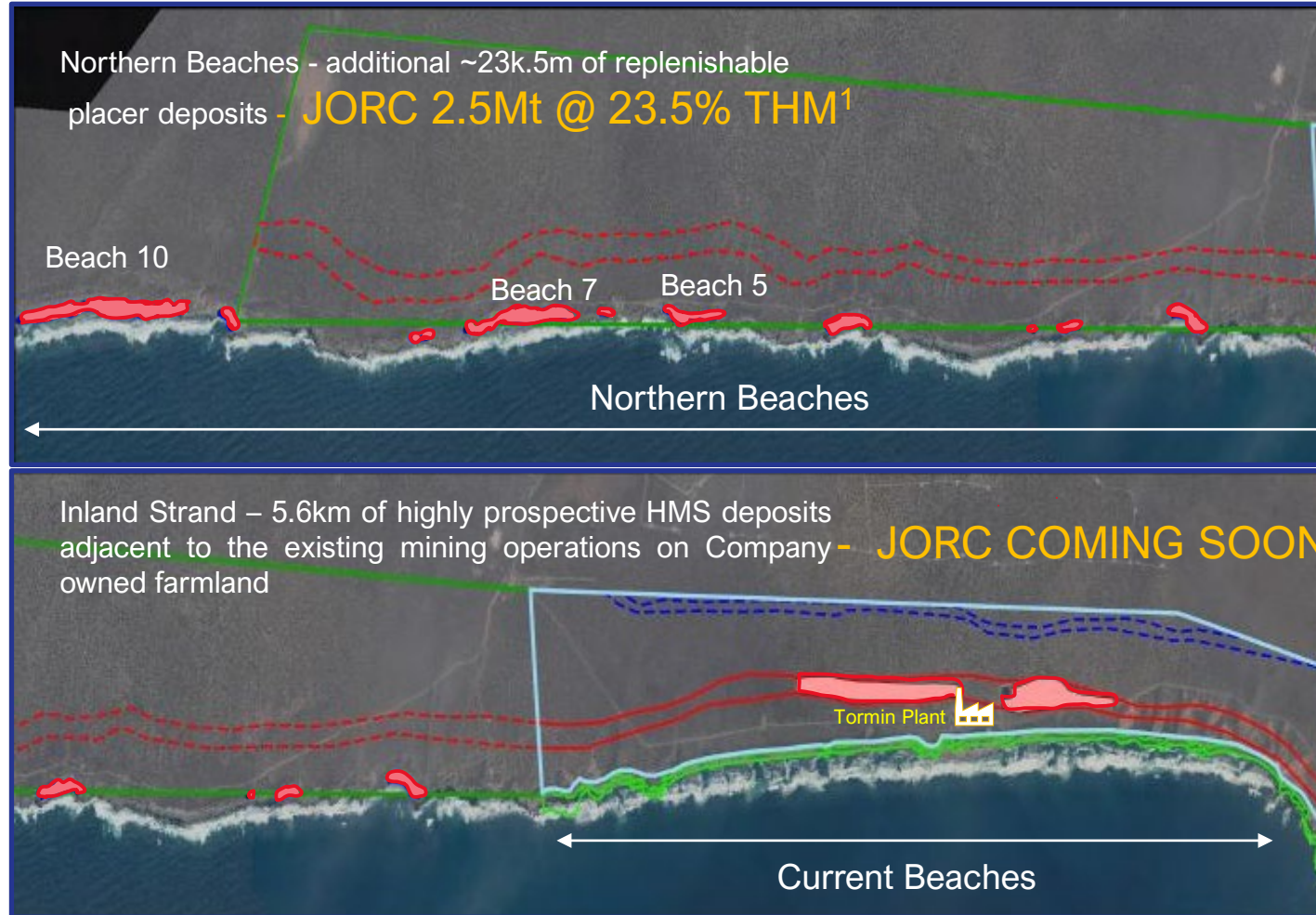
| Processing               | Jun-20 Quarter | Year to Date 30-Jun-20 |
|--------------------------|----------------|------------------------|
| Ore Processed            | 8,086          | 13,744                 |
| Throughput (tph)         | 7              | 7                      |
| Ore Grade (%C)           | 28             | 28                     |
| C Recovery (%)           | 94             | 94                     |
| Concentrate Grade (%)    | 89             | 89                     |
| Concentrate Produced (t) | 2,354          | 4,010                  |

| Product Category (wmt) | Jun-20 Quarter |       | 30-Jun-20 Year to Date |       |
|------------------------|----------------|-------|------------------------|-------|
|                        | Sales          | PSD % | Sales                  | PSD % |
| Flake/Medium           | 1,200          | 43%   | 2,464                  | 38%   |
| Fine-Medium/Powder     | 1,575          | 57%   | 4,047                  | 62%   |
| Total                  | 2,775          |       | 6,511                  |       |



# TORMIN KEY EXPANSION PERMITTING

Section 102 - Northern Beaches Extension & Inland Strand

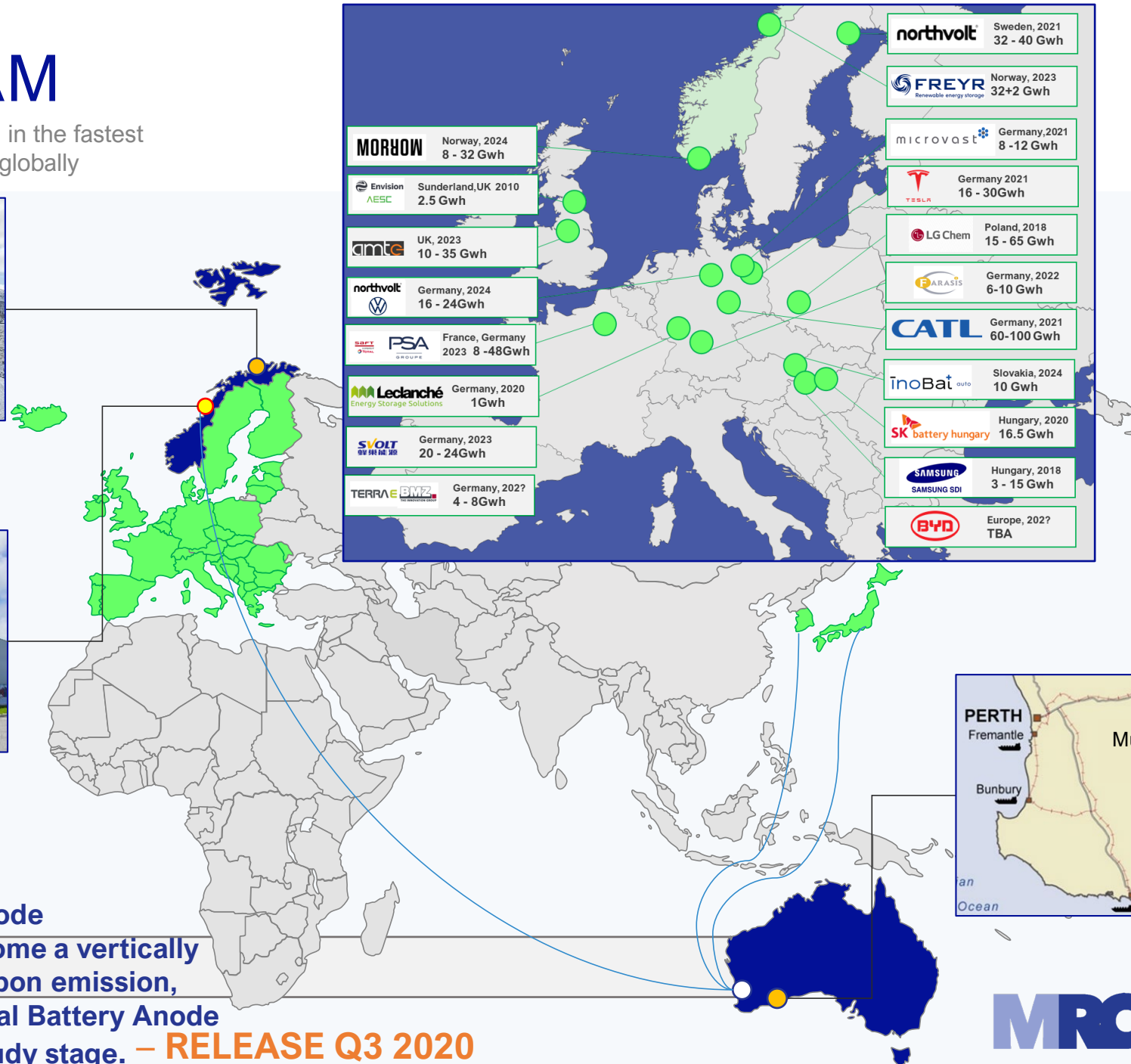


# DOWNSTREAM

Vertically Integrated Anode Production in the fastest growing Battery Manufacturing region globally



Downstream study work on Anode Manufacturing strategy to become a vertically integrated producer of low carbon emission, environmentally friendly, natural Battery Anode Material progressing to PFS study stage. – **RELEASE Q3 2020**



# ZAR4.8 million

Spent on local community and workplace

Included bursaries, scholarships, traineeships, internships, apprenticeships and adult basic education programs.

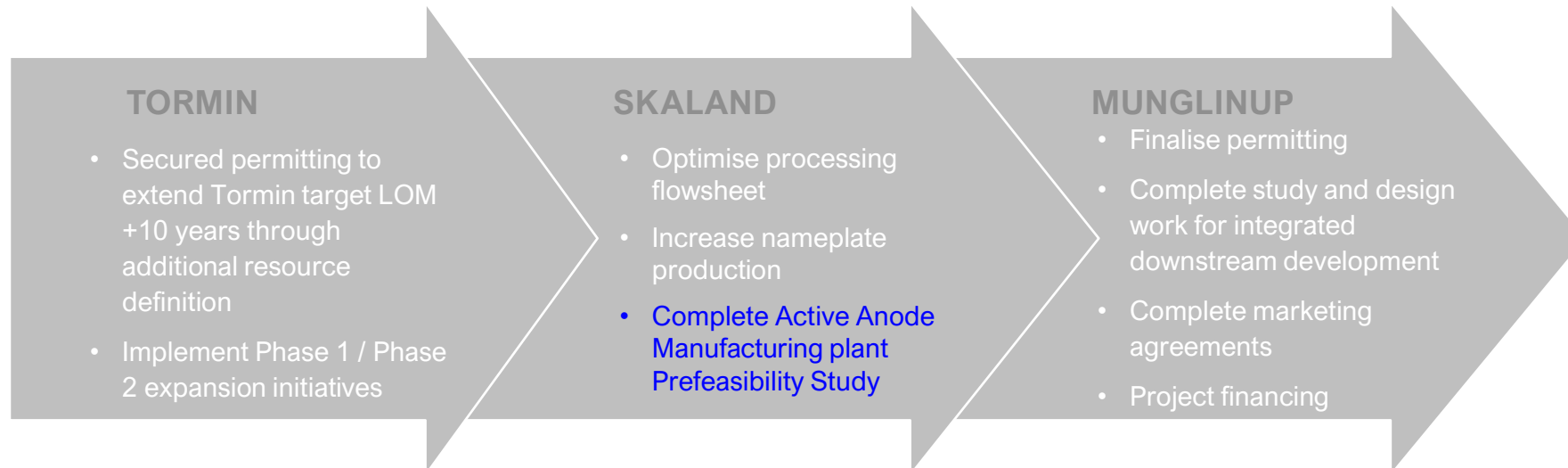
The Company also supports community-based enterprise and infrastructure support development, sponsoring of full-time teachers at local schools, distribution of food parcels with non-perishable foodstuffs delivered to elderly persons across the eight wards of the Matzikama municipal region and sponsorships in the form of attire, equipment and transport to local sporting clubs.

The Company has received approval for its future 2019-2023 Social Labour Plan from the Department of Mineral Resources and Energy, which underpins the Company's future commitment to local enterprise development, education and infrastructure projects and initiatives. The total committed expenditure over five years is ZAR36.8 million.



# FOCUS FOR FUTURE SUCCESS

Significant positive catalysts ahead



- Implement business strategy to create multi-commodity/jurisdiction-based diversified mining company, mining high grade deposits, including vertically integrated downstream processing
- Continuation of shareholder growth and return to dividends through stringent capital management and project delivery