

MONTHLY NEWSLETTER FOR DECEMBER, 2020

CHIEF EXECUTIVE'S MESSAGE TO ALL EMPLOYEES (ANTON MAUVE)

As we approach the end of this challenging year, we need to celebrate the many successes that we have achieved. Munali has restructured into a more streamlined and effective team, and is clearly the leading Nickel producing mine in Zambia. We were able to keep operating during the Covid crisis and we have embraced the opportunity to continually improve our systems and processes throughout this year. Regrettably, we have not yet achieved the target of being profitable, and there are still several improvements which we need to implement before we will be. This will require the continued hard work and commitment which all of you have been giving to Munali this year. I am confident that we will achieve our goal of profitability during the early half of the New Year, and like you, I look forward to being able to celebrate that achievement.

**I wish you and your families all a very happy Christmas,
and a safe, healthy and prosperous New Year.**

GENERAL MANAGER'S MESSAGE TO ALL EMPLOYEES (KOBUS HORN)

Excellence starts at an individual level. We all need to have greater ownership of the results we are achieving and take responsibility for continual improvement. The achievement of this team's objectives will require complete dedication to our duty and commitment to perform to the best of our ability at all times. To achieve our long-term objectives, we need to overhaul our attitude towards working as a self-directed team. Let us not undermine the efforts of others but let us support each other and assist where ever we can. Sometimes it is not how long we live but it is how we live. Each moment in life is precious - so use it wisely.

Be a channel of joy and be a blessing to others.

Laugh when you can; apologise when you should; and let go of what you can't change.

A warrior's greatest weapon is his mind.

Merry Christmas to all Munali Mine employees, contractors and their families.



EMPLOYEES LISTENING TO THE ADDRESS BY THE CEO ON THE 15th DECEMBER.

A VIEW OF MUNALI NICKEL MINE



CHASM BETWEEN COPPER, COBALT AND NICKEL EXPLORATION SUCCESS AND FUTURE DEMAND (ZAMBIA CHAMBER OF MINES)

The switch to green energy and electric vehicles will see demand for battery metals and copper boom over the coming decades. But at the moment, the pipeline of projects to meet that demand appears wholly inadequate. MINING.COM's sister company Mining Intelligence studied the 65 global properties with exposure to copper, cobalt and nickel globally that had feasibility studies completed in the last five years. In aggregate, the proven and probable reserves of copper in terms of contained tonnes of metal at the 65 projects totalled 21.9 million. That's only equal to a single year of global production of the bellwether metal and of course not 100% of these reserves will be extracted. In terms of cobalt, reserves total 224.7 kilotonnes of contained cobalt at these projects, which is more than the estimated current annual production of around 130 kilotonnes. However, projections are for annual demand for cobalt growing to more than 200 kilotonnes per year as soon as 2025 as the portable electronics and electric vehicle markets expand rapidly.

The move to nickel rich chemistries for electric vehicle batteries and a robust stainless steel industry – nickel's number one source of demand – gives the metal a similar demand curve to cobalt. With a modest 2.65 million tonnes of nickel outlined in the 65 feasibility studies analysed by Mining Intelligence, exploration for nickel – and copper and cobalt – would have to step up a gear.

THE NEW OPERATING PRINCIPLE 1+1 = 3. (PATRICK ZYAMBO)

Two people who collaborate well, will be about three times as effective as each of them operating independently, because each will see what the other might miss. In addition, they can leverage each other's strengths while holding each other accountable to higher standards. Don't carry your mistakes around with you. Instead, place them under your feet and use them as stepping stones to rise above them.