

OCTOBER NEWSLETTER-2019

WELCOMING THE PROCESS PLANT MANAGER

On behalf of Management and Staff let me welcome **Michael Musonda**. Process Plant Manager for Mabiza Resources Limited. Michael joins the Munali team having had a successful career as a seasoned Mining Executive. He brings value to Mabiza Resources Limited and the Consolidated Nickel Mines (CNM) Operations from his experiences working in the African terrain including countries like Botswana, DRC in operations covering copper, Nickel and Gold.



Mabiza Resources Limited is excited for the new addition and as a team we commit to offer the necessary support to move the company forward to another level. (Matthew Banda)

CONSOLIDATED NICKEL MINES CHIEF EXECUTIVE OFFICER'S REMARKS

Dear Munali Team,

As most of you are aware, I have been appointed as CEO of CNM from end October 2019 and would like to take this opportunity to re-introduce myself and to set out the plan for our success over the next fifteen months. I am a geologist by training with many years of experience working in mining operations. Over the last ten years I have been involved in funding projects (such as the Munali start up), de-risking operations and reviewing a variety of different mining projects. I have worked intimately with many professional teams and I look forward to working with this one.



What is our plan?

Our immediate focus is to recover the performance of the operation and to achieve a safe and *stable 2,000t per day ore haulage and a 10t per day Nickel production*, over the next 15 months. If we achieve this, and achieve the recovery quickly, we will be able to cover our cost of production and pay off a good proportion of the debt that we have accrued. This will put us on the path towards becoming a sustainable and desirable business. On the back of this plan, our investors have entrusted us with "recovery funding" and, if we generate the revenue required from the sale of the planned Ni production and manage our costs very carefully, we will be able to survive through the end of 2019 and pave the way for steady business in 2020. You will hear a lot more details on this plan from management and myself as we work on the details.

What do we have to do to meet the targets?

Simply put we have to ensure we have the right level of commitment from everyone in the team and *the right people doing the right things, and doing them well*. Planning and preparedness will be of paramount importance. Making sure we know what is required, we have assessed the task, we have resourced the task correctly, we have a clear procedure to follow and we are ready to deliver within the parameters planned. We will need to build integrity in execution, doing what we said we would, by when we said we would. And we will need to become really good at tracking and reviewing our performance, identifying where we can improve on in our planning and execution and building this into our successive plans. In summary I want to see the Munali team develop a habit of realistic planning and on-plan execution.

What makes us a winning team?

How do we dig ourselves out of the deep hole we are in, become good at what we are doing and then become great? Where do we start? We start by getting into the game... getting onto the field. We have to play to win. If we are sitting in the stands watching the game, then all we can do is comment on the game, celebrate if our team is winning and get frustrated if they are losing.

I don't want anyone in our team to be in the stands, I want everyone in the game / on the field. If we are all on the field and we are playing according to a realistic plan, we have a good chance of winning. If we are able to assess where our performance is poor and correct this as we play, we have an excellent chance winning.



As we recover operational performance and set ourselves for the steady 2020 production, you will see a lot of me on site. I want to get to know all the players well, understand our performance capabilities and get involved in where we can improve and win. (Anton Mauve)

MESSAGE FROM INTERIM MINING MANAGER

Greetings to everyone at Munali. I'm from South Africa and have been here for nearly two weeks now and have been made to feel very welcome by the warm Zambian hospitality.



I have met many talented and dedicated people and dedicated people on the mine and look forward to working together with all of you towards achieving the safe and sustainable mining production that Munali needs in order to meet its targets. After having spent some time on the operations I am confident that these results are achievable if we work together as a Team and continuously focus on doing what is right for the business. Together we can make Munali great (Duncan Bowker)

WALK WITH THE WISE AND BECOME WISE (FOOD FOR THOUGHT PART 4)

A good name is better than Rubies, Silver and Gold. A good name is the best heritage we can ever leave for Our Children. It opens great doors for them, but this cannot come without Integrity. Integrity is the practice of being honest and showing a consistent and uncompromising adherence to strong moral and ethical principles and values. In ethics, integrity is regarded as the honesty and truthfulness or accuracy of one's actions. Integrity can stand in opposition to hypocrisy, in that judging with the standards of integrity involves regarding internal consistency as a virtue, and suggests that parties holding within themselves apparently conflicting values should account for the discrepancy or alter their beliefs. The word integrity evolved from the Latin adjective integer, meaning whole or complete. In this context, integrity is the inner sense of "wholeness" deriving from qualities such as honesty and consistency of character. As such, one may judge that others "have integrity" to the extent that they act according to the values, beliefs and principles they claim to hold. (Patrick Zyambo)

GEOGRAPHICAL AREA OF MUNALI NICKEL MINE (SOURCE GOOGLE SEARCH)

The Munali Nickel Mine is located in the Southern Province of Zambia and is approximately 70km South of the Capital, Lusaka.

