



DATE: JUNE 8, 2022

NEWS LETTER

CONFIDENTIAL

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### Section 1

Ferrox Holdings Ltd. ("**Ferrox**" or "**Company**") pleased to announce that the Company's subsidiary Tivani Specialised Smelting (Pty) Ltd. ("TSS") has received confirmation from Department of Economic Development, Environment & Tourism of Limpopo Provincial Government South Africa (the "Department") to convert to an industrial plant for the processing, beneficiation and smelting of Tivani ore at Nkowankowa Township.

The industrial plant site is located 16km form the Tivani Project site for the beneficiation of Tivani ore. The site is fully permitted and is strategically located to transport of ore and processed material.

Based on the confirmation letter received, TSS has been exempted from Environmental Impact Assessment ("EIA") regulations 2014, promulgated under the National Environmental Management Act ("NEMA"), 1998 (Act No. 107 of 1998) as amended.

### Section 2

Ferrox is also pleased to announce that the Company's subsidiary Tivani (Pty) Ltd. ("Tivani") has received an invitation for the next phase of negotiations with Transnet Railway for lease of railway siding area at the Letsitele Railway Station for the allowance to setup of mineral processing plant at the railway siding.

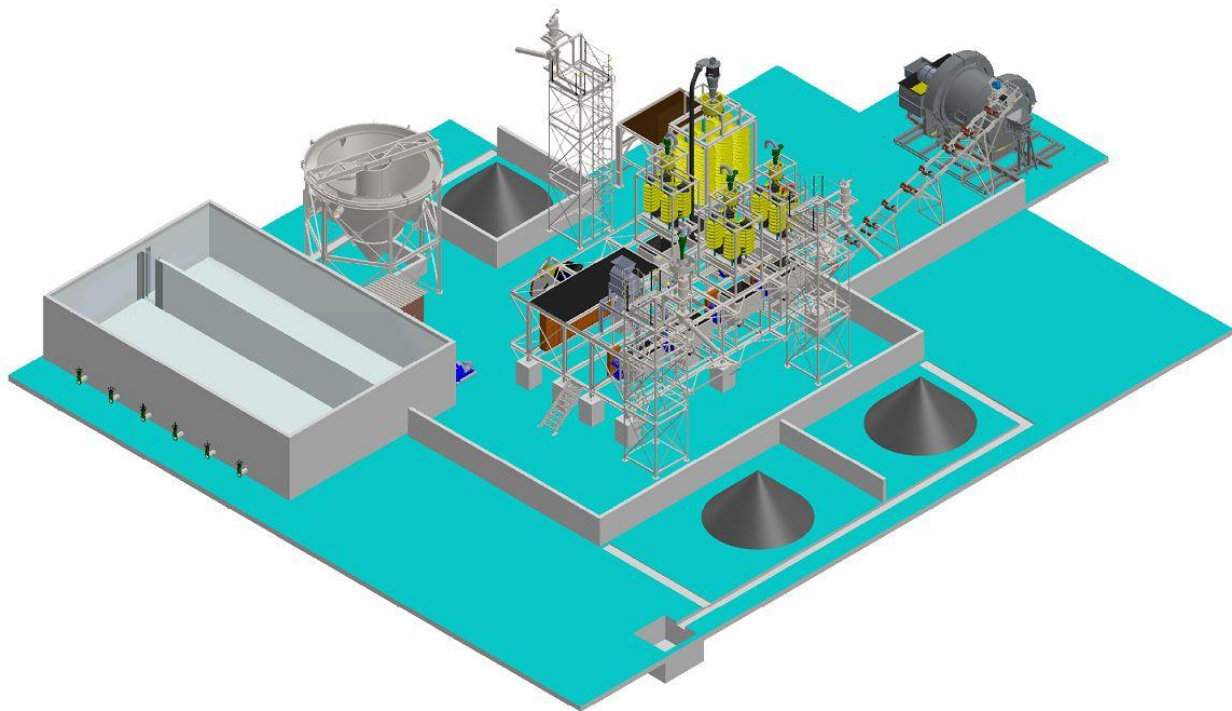
The Tivani Project is situated 8.5km South South West (SSW) from the Letsitele Station siding area which is critical for the Company to optimize loading, transport and logistics and their associated operational costs for the transport of magnetite and ilmenite mineral concentrates along with the smelted ferrotitanium ("FeTi").

Letsitele Railway station will also serve for the supply of Transnet Freight Rail services to Tivani to transport ROM, mineral concentrates and smelted materials to the ports of Richards Bay, Durban Harbours and Maputo in Mozambique to be shipped to offtake parties worldwide.

### Section 3

PHD Projects (Pty) Ltd. (“PHD”) had been sub-contracted to design build and operate the mineral contractor. PHD received a 10-tonne sample to from Tivani to finalise the design specifications of the mineral concentrator. PHD has produced a Competent Persons Report (“CPR”) using the Tivani ore and have optimized design and process flow of the mineral concentrator. The CPR outlines the methodology, recoveries, and new envisaged process flowsheet.

### **Proposed Wash Plant Isometrics**

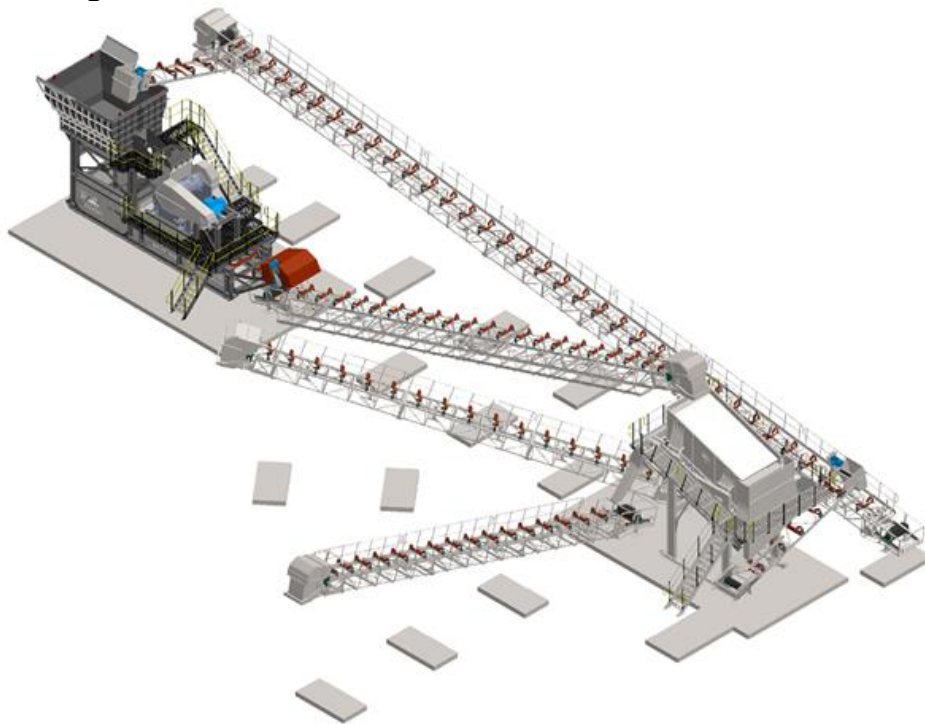


SOURCE: Letsitele Magnetite Beneficiation Plant – 07 October 2021.

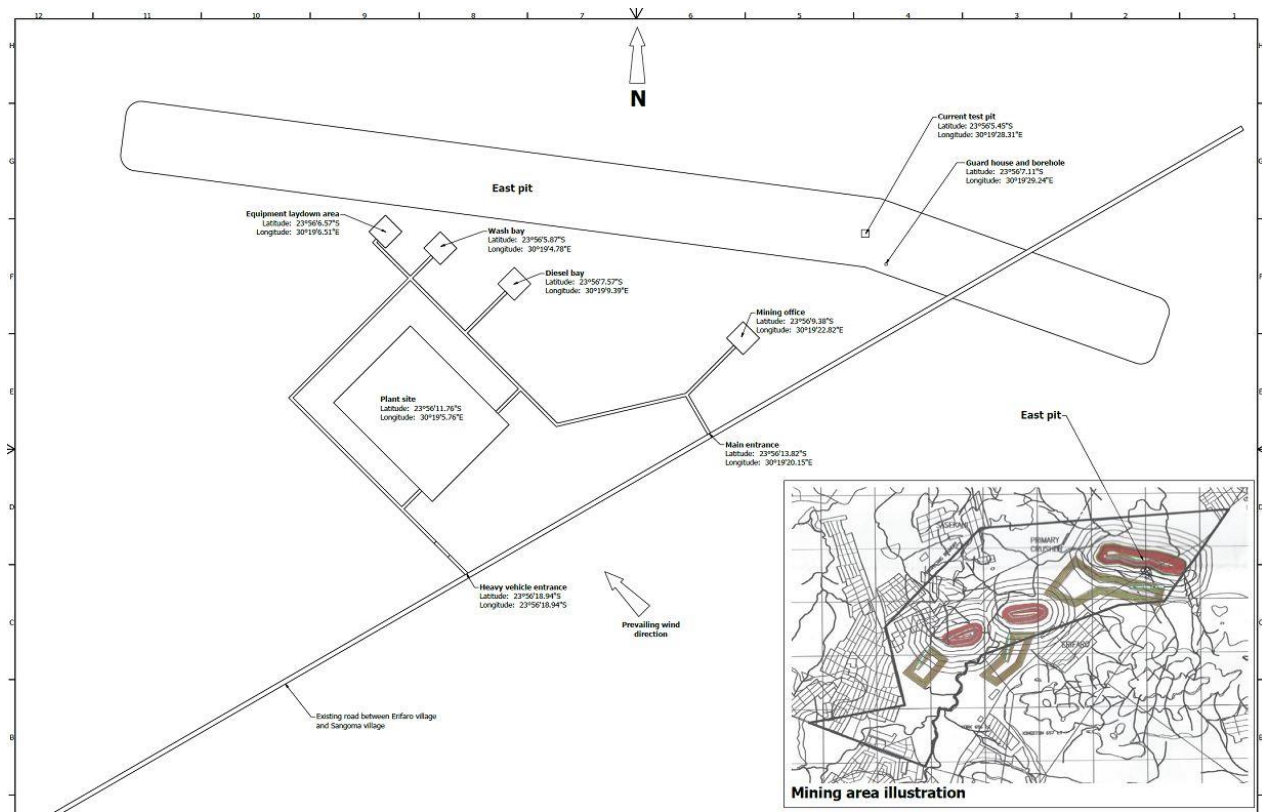
### **Sampling In Situ and Core**



# Proposed Crushing Plant Isometrics

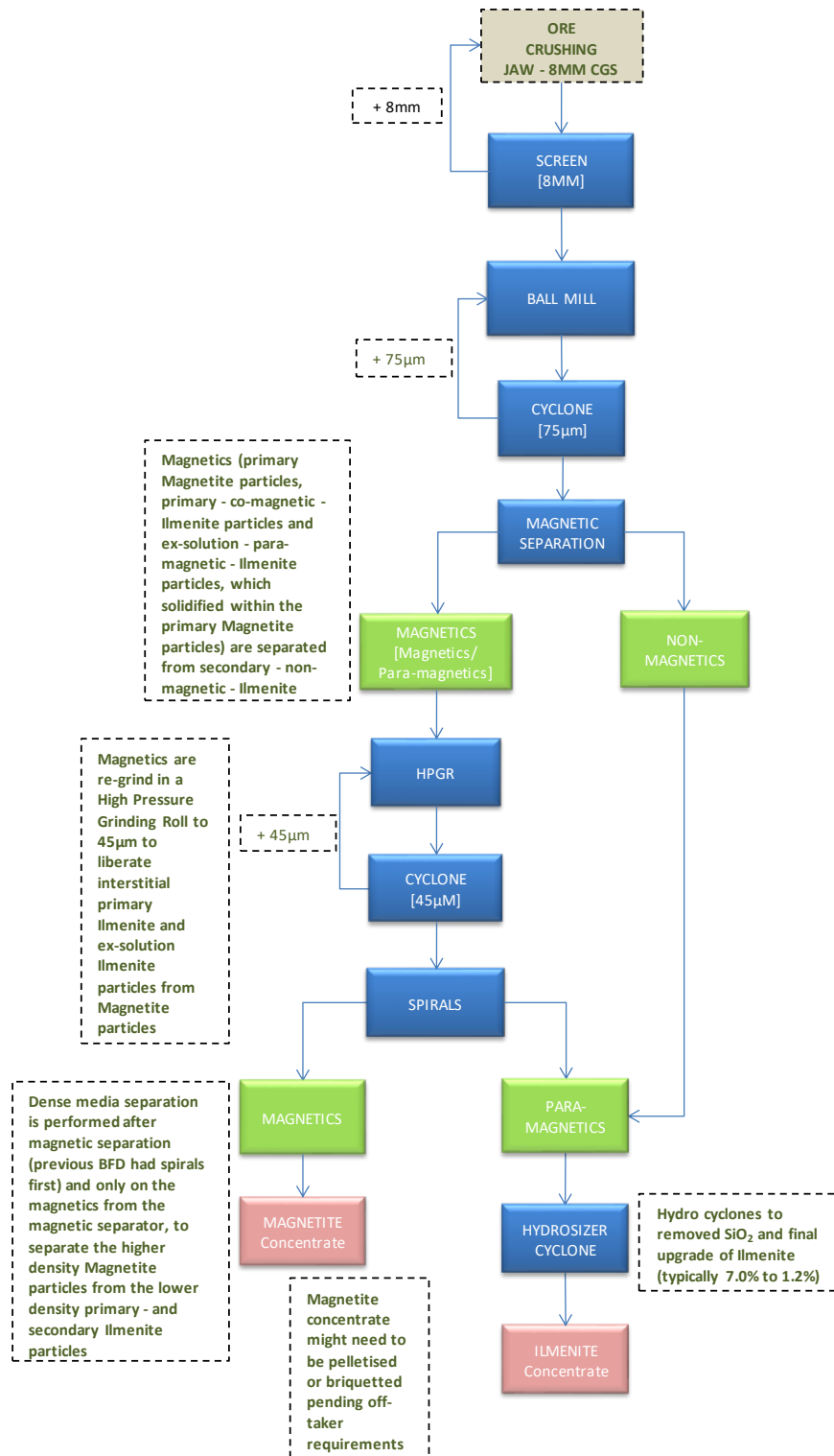


# Tivani Mine General Arrangement



SOURCE: Letsitele Magnetite Beneficiation Plant – 07 October 2021.

# Updated Process Flow Diagram





## **Section 4**

Ferrox has initiated small scale mining and processing operations. Currently the mining operations are at a scale of 2 to 5 tonnes per hour run of mine (“ROM”). The purpose of the small scale mining operations is to verify the profitability and to generate interim free cash flows. Other purposes for the small-scale mining and processing operations are to create samples for the off-take parties according to their required specifications and to test the market for commodity sales and distribution.

As of today, Ferrox has been able to produce magnetite and ilmenite concentrates according to the standard market specifications. Ferrox expects to initiate Aluminum Termite Smelting Operations by August 2022 to produce ferrotitanium (“FeTi”) of various grades including FeTi70 and FeTi30.

### **Sample magnetite concentrate after spirals**



## **Section 5**

### **Environmental Social and Governance (“ESG”)**

- For the year 2022, the external bursary scheme under the Tivani Social Labour Plan (“SLP”), Tivani plans to award four (4) individuals/students with annual bursaries covering a total period of three (3) years. Initially the Internship and Bursary Plan was supposed to commence in 2021 unfortunately due to COVID 19 pandemic the educational institutions remained closed this the program was moved to the following year. In particular students/individuals from the local communities within the surrounding areas, in particular within the farm Mohlaba’s Location 567LT will be benefiting from this program. The bursaries will be distributed as follows:

- Two (2) students/individuals from university of technology
- Two (2) students/individuals from technical college
- For the year 2022, Tivani will also be enrolling ten (10) students/individuals in the internship program. These will be annual internships covering a total period of three (3) years. The internships will include the following disciplines:
  - Mining
  - Safety & Care
  - Information & technology
- The interns will be from the local communities within the surrounding areas, in particular within the farm Mohlaba's Location 567LT.
- There are three (3) additional project plans that have been identified through consultations with the Nkuna Traditional Council that were not in the SLP but have been deemed important, namely a Clean Drinking Water Project, Development & Refurbishment Nkuna Traditional Council Community Centre and School Text Books for Local Communities at Mohlaba's Location 567LT.
  - Clean Drinking Project – for the year 2021 Tivani provided four (4) solar water pumps, one (1) for each of the four (4) villages of Nkuna Traditional Council in addition to this Tivani also provided four (4) 20,000 liter water tanks to each village for the storage of clean drinking water as a cost of ZAR 30,000.00 This project will be undertaken on an incremental basis.
  - Development & Refurbishment Nkuna Traditional Council Community Centre – After consultations with Nkuna Traditional Council refurbishment works for community centre were completed at a cost of ZAR 20,000.00. The community centre was opened by His Majesty Hosi Muhlava II. This community centre will serve as a place for the community to gather for ceremonies including funerals and other events. In addition, it would provide skills of knitting and sewing to females of the communities. A total of twenty-eight (28) sewing machines of commercial grade (Juke) were donated to the community under this project. Additionally, a donation of tables and chairs have been requested by the Nkuna Traditional Council.





- School Textbooks for Local Communities – It has also been agreed with the Nkuna Traditional Council that Tivani will provide the financing for the procurement of textbooks for the community’s school children for their education and empowerment. This project will also be undertaken on an incremental basis.

## Section 6

### Spot Commodity Prices

Commodity	Currency /tonne	Price/tonne As of 06/08/2022	Price/tonne As of 06/08/2021	% Change
Iron Ore Fines - 62% min CNF China	US\$	\$141.00	\$203.00	-30.54%
Ilmenite Concentrate TiO <sub>2</sub> 46%; Fe <sub>2</sub> O <sub>3</sub> 8% max; Ex VAT EXW China	US\$	\$372.00	\$390.85	-4.82%
Pig Iron L8-10 EXW China	US\$	\$633.00	\$672.26	-5.84%
Ferro-titanium 70% in Warehouse Rotterdam	US\$	\$15,400.00	\$6,500.00	136.92%
Vanadium Flake 98% in Warehouse Rotterdam	US\$	\$9,700.00	\$8,400.00	15.48%



By:  \_\_\_\_\_

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Title: Director, Ferrox Holdings Ltd.

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