

ENGLISH TRANSLATION

**MANAGEMENT TEAM ASSESSMENT REPORT
AT THE 2020 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

2019 is recognized as a year of many difficulties and challenges, greatly affecting our business. In 2019 Net Revenues from operations of VND 4,706 billion were down 31% compared to our net revenue in 2018. The revenues were down related the down average metal price of tungsten, bismuth, fluorspar, copper in the global market as well as the reduced volume of copper concentrate with limited domestic demand and long-term rectification of bismuth rectification. But Masan Resources remains steadfast in its transformation from a mining and mineral processing company turning into an important business in the global materials industry by signing an agreement to purchase the tungsten business of H.C. Starck Group GmbH is a leading manufacture of high-tech tungsten metal powders and carbines in the world, this transaction is an important step for MSR becoming the dominant supplier of Global High-Tech Material and supplying to global network of customers.

We highlighted the significant outcomes delivered in 2019:

Production

Total throughput in 2019 was 3,787,978 tonnes, slightly down on 2018 total throughput of 3,804,390 tonnes. The reduced throughput was due to a combination of lower throughput per hour, 456 tonnes per operating hour, compared to 460 per operating hour in 2018. However, Plant availability at 94.8% in 2019 was higher than year target of 93.7% as well as 2018 of 94.6%. In 2019, We consolidated the production achievements in maintaining similar tungsten and acid grade fluorspar production and recoveries, with an increase in copper recovery by 3.3% from 2018. The bismuth flotation and cementation circuits were taken offline and intensive maintenance program to bring it up to mechanical standard to ensure metallurgical performance when brought back online in 2020.

Workforce

At the end of 2019 the total number of direct employees was 1,403 with foreign experts accounting for 6% of our workforce, decreased 1% compare to 2018 of 7%. Our Contractors employ 928 personnel as always, we focus on developing employees through internal and outsourcing training course to improve competency and needed skills, by the end of 2019, a total of 72,539 training man hours for 23,473 attendees. In 2020, we will enhance the leadership capacity, develop future leaders through rolling-out the talent management program called “SEAL”(Strategic, Entrepreneur, Business Acumen and Leadership) as well as continue conducting the need-based training based on the competency frameworks and maximize the ability of the internal trainers.

Safety

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At MSR, our approach to occupational safety is of paramount importance and can be clearly measured through our low records of occupational injuries and incidents that occurred at our mine site. Our safety maturity is further strengthened through our robust safety programs that are mandatory for all employees and contractors. In 2019, the Total Recordable Injuries Frequency Rate and Lost Time Injury Frequency Rate, per million man-hours worked was 0.97 (2018: 2.14) and 0.00 (2018: 0.31) respectively. At MSR, we are committed to safe operations, our people; both contractors and employees, are foremost of importance for their safety and as such undergoing mandatory safety inductions on commencement of work activities as well as regular safety inductions through the course of employment.

Environment

The year of 2019 continues to mark the relentless efforts of MSR in environmental protection works by no environmental violation record in 3 inspection spells by the delegation of MONRE – fully compliant with the regulation. Granted the certificate of NPMC’s environmental protection works, an additional environmental rehabilitation plan and new waste-water discharge license from MONRE. In 2019, we rehabilitated an area of 12.7 ha at the slopes of Waste dumps, buffer zones and other disturbed areas in the progress of mining and operations by using a variety of plants and materials to increase the efficiency of environmental rehabilitation and restoration works. A total of 34,112 Acacia trees were planted, 1,610 kg of grass seeds sowed, and 7,385 kg of fertilizer used. Since the commencement of the project to the end of 2019, we rehabilitated a total of 60.5ha, making an important contribution to environmental protection works in the mining activities. These keep ongoing to create a “showcase model” in environmental protection for partners to study and learn in the practices of sustainable mining in Viet Nam.

Collaboration with community

In 2019, MSR has continued and maintained our range of community engagement activities including community development program and economical restoration – ongoing commitment with MSR’s involvement pledge to the community, MSR contributed 3.9 billion VND into 12 community development projects which directly and indirectly impact approximately 2,000 households, 5,000 people through various interventions such as micro-livelihood models in 2019. The year 2019 marked a crucial step in the program of public consultation and information disclosure with 1,079 visitors from 104 delegations were local community and stakeholder engagement and 2,295 information items published with 190 content. These are our innovative communication tactics to bring positive image of MSR closely and transparency to all every parties. We believe that such community development initiatives can ultimately integrate the role of mining into the broader context of sustainable development and national plans to achieve the Sustainable Development Goals (SDGs).

Finance

Despite revenues reducing by 31% or VND 2,159 billion to VND4,706 billion as compared to 2018, due to lower commodity prices and a build-up of copper stocks whilst the company awaits an export permit from the Government of Vietnam, attributable net profit was positively impacted by the Jacobs settlement which enabled MSR to book a full year profit of VND 352 billion, a decrease of 47% or VND 312 billion over 2018. For 2020 MSR is focused on

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refinancing a portion of its bonds that become due as well as reducing inventory to realize cash and improve profitability which will be further enhanced through the acquisition of the H.C. Starck business.

Yours faithfully,

Ho Chi Minh City, June 19, 2020

/signed and sealed/

CRAIG RICHARD BRADSHAW
Chief Executive Officer