Merafe Resources Limited

Registration number 1987/003452/06

Audited Annual Financial Statements

for the year ended 31 December 2017

The following individuals were responsible for the preparation of the annual financial statements:

Kajal Bissessor CA(SA)
Financial Director

Zanele Matlala CA(SA)
Chief Executive Officer

These annual financial statements were published on 5 March 2018.

Merafe Resources Limited
(Reg. No. 1987/003452/06)

Audited Annual Financial Statements
for the year ended 31 December 2017

Contents	*Page*

Company secretary's certificate
for the year ended 31 December 2017

I certify that, to the best of my knowledge and belief, the company has lodged with the Registrar of Companies all such returns as are required to be lodged by a public company in terms of section 88(2)(e) of the Companies Act of South Africa, and that all such returns appear to be true, correct and up to date.

CorpStat Governance Services
William Somerville
Company Secretary
1 March 2018

Merafe Resources Limited

Report of the Audit and Risk committee

for the year ended 31 December 2017

Introduction

The Audit and Risk committee ("the committee") presents its report for the financial year ended 31 December 2017. The committee reports that it has adopted formal terms of reference as its Audit and Risk committee Charter ("the Charter"), and that it has discharged all of its responsibilities for the current financial year, in compliance with the Charter.

Objectives and scope

The overall objectives of the committee are:

- Assesss the adequacy of the internal control system, financial control systems and the accounting systems;
- Review of the integrated report, summarised financial statements, interim financial statements and annual financial statements;
- Nominate external auditors for appointment, approve external audit fees and set groups policy on non-audit services provided by external auditors;
- Monitor compliance with legal requirements;
- Assess the performance of financial management;
- Recommend budgets and plans;
- Conduct periodic review and assessment of the business risks the group faces.

Composition of the committee

The committee consists of three independent non-executive directors, all of who have the necessary qualifications and experience to execute their responsibilities, with three members forming a quorum:

- Ms K Nondumo (Chairperson)
- Ms B Majova
- Mr A Mngomezulu

In addition, Ms Z Matlala, Ms K Bissessor and Deloitte & Touche are also permanent invitees to the meetings. There was no change to the composition of the members of the committee during the year.

Meetings

The committee held four meetings during the year and the quorum was met at all the meetings.

2017 in overview

The committee is satisfied that an adequate system of internal control is in place to reduce significant risks faced by the group to an acceptable level, and that these controls have been effective throughout the period under review. The system is designed to manage, rather than eliminate, the risk of failure and to maximise opportunities to achieve business objectives. This can provide only reasonable, but not absolute assurance. In addition, the committee reviewed the financial control systems, the accounting systems and is satisfied with the design and effectiveness of the systems.

As required by the JSE Limited Listings Requirements 3.84(h), the Audit and Risk committee has satisfied itself that Ms K Bissessor, the Financial Director during the current financial year has the appropriate experience and expertise to fulfil the responsibilities of the finance function.

The committee has considered the key audit matters set out in the independent auditors report and is comfortable that they are correctly presented.

Merafe Resources Limited

Report of the Audit and Risk committee

for the year ended 31 December 2017

The review of the Integrated Report together with the consolidated and separate financial statements are also the responsibility of the Audit and Risk committee. The committee has evaluated the integrated reported and consolidated and separate financial statements of Merafe Resources Limited for the year ended 31 December 2017 and based on the information provided to the Audit and Risk committee, considers that it complies, in all material respects, with the requirements of the various acts and regulations governing disclosure and reporting.

The committee considered the nature, risks and internal control environment at the Merafe head office and concluded that it was not necessary to have a dedicated internal audit function. Specific internal audit assignments are considered on a periodic basis and outsourced. During the financial 2017 year, internal audit work was performed on the IT environment. The recommendations that resulted from the audit have largely been addressed.

External audit

As KPMG have been auditors since 2003, it was decided to put the audit out to tender. Following the tender process, Deloitte and Touche were nominated by the committee as external auditors of the company from the 2017 financial year and were approved by the shareholders at the Annual General Meeting. The Board would like to thank KPMG for their services as external auditors to Merafe.

The committee, having considered all relevant matters, satisfied itself through enquiry that auditor independence, objectivity and effectiveness were maintained in 2017. The committee is further satisfied that Mr Patrick Ndlovu complies with the relevant provisions of the Companies Act and the JSE Listings Requirements.

Having taken all of the above assessments into account, the committee recommends the approval of the consolidated and separate financial statements by the Board.

Karabo Nondumo CA(SA)
Chairperson – Audit and Risk Committee
1 March 2018

Merafe Resources Limited

Directors' report

for the year ended 31 December 2017

1. Nature of business

The company, through its wholly-owned subsidiary, Merafe Chrome and Alloys (Pty) Ltd (Merafe Chrome), holds 100% share capital of its ultimate subsidiary, Merafe Ferrochrome and Mining (Pty) Ltd (Merafe Ferrochrome) which through a pooling and sharing venture with Glencore Operations South Africa Proprietary Limited (GOSA), participates in chrome mining and the beneficiation of chrome ore into ferrochrome. The Glencore-Merafe Chrome Venture (Venture) operates five ferrochrome smelters (including pelletising and sintering plants), twenty-two ferrochrome furnaces, five operating chrome ore mines and seven UG2 plants, situated in the North-West, Limpopo and Mpumalanga Provinces of South Africa. The Venture is the largest ferrochrome producer in the world with an installed capacity of 2.3million tonnes per annum. Merafe Ferrochrome's share of the earnings before interest, taxation, depreciation and amortisation (EBITDA) is 20.5%. The Venture comprises assets to which both Glencore and Merafe Ferrochrome have granted the right of use.

Listed below are the assets to which Merafe Ferrochrome has granted the right of use to the Venture:

Ferrochrome Smelters		**Chrome mines**		**UG2 plants and pelletisers**	
Asset	***Merafe Ferrochrome's interest***	***Asset***	***Merafe Ferrochrome's interest***	***Asset***	***Merafe Ferrochrome's interest***
Wonderkop smelter (furnaces 5 and 6)	50%	Boshoek mine	100%	Impala Kanana UG2 plant	100%
Boshoek smelter	100%	Kroondal and Wonderkop mine	20.5%	Lonmin UG2 plants	20.5%
Lion I smelter	20.5%	Helena mine	20.5%	Mototolo UG2 plant	20.5%
Lion II smelter	20.5%	Magareng mine	20.5%	Bokamoso pelletising plant	20.5%
				Motswedi pelletising plant	100%
				Tswelopele pelletising plant	20.5%

2. Group financial results

The financial statements set out the financial results of the group and company and have been prepared using appropriate accounting policies, conforming to International Financial Reporting Standards and the requirements of the Companies Act of South Africa, supported by reasonable and prudent judgements where required.

Merafe Ferrochrome's share of EBITDA from the Venture is accounted for at 20.5%. In addition to Merafe Ferrochrome's share of EBITDA from the Venture, corporate expenses, interest on debt, depreciation and interest received are accounted for in order to determine earnings before taxation of the group. Refer to Note 1.3.2, Basis of consolidation – Transactions with the Venture, for further information regarding the accounting policy for Merafe Ferrochrome's interest in the Venture.

3. Loans and borrowings

The group had a net cash balance of R600m[1] at 31 December 2017 (31 December 2016: net debt balance of R409m[1]). The ABSA and Standard Bank debt was fully repaid during 2017. A new unsecured three year Revolving Credit Facility (RCF) to the value of R200m has been concluded with ABSA in the second half of 2017. This facility is unutilised at the end of the year.

4. Going concern

Having considered the group's key risks, current financial position, assessment of solvency and liquidity, debt levels, facilities, impairment review as well as the group's financial budgets with their underlying business plans, the directors believe that the company and the group has sufficient resources and expected cash flows to continue as a going concern for the year ahead.

5. Dividend policy

The company has a hybrid dividend policy that has features of a stable dividend policy and a residual dividend policy. The company intends to pay a dividend of at least 30% of headline earnings at least once a year taking into account the annual financial performance, expansionary projects and economic circumstances prevailing at the time. In addition, in any given year, the directors may consider an additional distribution in the form of special dividends and share buy-backs dependent on the company's financial position, future cash requirements, future earning prospects, availability of distributable reserves and other factors. Dividends are recognised when they are declared by the Board of the company.

6. Ordinary dividends

An interim dividend of R75m was declared and paid in August 2017. A final dividend of R226m (2016: R100.4m) was declared by the Board on 1 March 2017.

7. Share capital

The full details of the authorised and issued share capital of the company are set out in note 6 to the annual financial statements. Merafe did not issue any shares for cash or effect any share repurchases under a general or specific authority in the current year.

8. Directorate

The Board comprised of the following directors at 1 March 2018:

Mr C Molefe (Chairperson), Ms B Majova, Mr A Mngomezulu, Ms M Mosweu, Ms K Nondumo, Mr S Blankfield, Ms Z Matlala and Ms K Bissessor.

There were no changes to the directors for the year ended 31 December 2017.

[1] *Net cash/(debt) balance includes cash and cash equivalents, working capital loan and Merafe head-office debt.*

9. Major shareholders

The following shareholders were the registered holders of 5% or more of the issued ordinary shares in the company at 31 December 2017:

- Glencore Netherlands B.V. – 28.68%;
- Industrial Development Corporation of South Africa Limited– 21.78%.

10. Directors' interests in Merafe Resources Limited

Refer to note 22.2 for the beneficial interests of directors in shares of the company and note 22.1 for transactions with key management personnel and non-executive directors.

11. Details of investments in subsidiaries and structured entities

Refer to note 3 for details of investments in subsidiaries and structured entities.

12. Property, plant and equipment

There were no changes in the nature of property, plant and equipment or in the policy regarding their use during the year. Management is of the opinion that the carrying value of property, plant and equipment is reflected at less than its recoverable amount. During the year, the residual values of permanent structures at the pelletisers and smelters were reassessed to zero. In the prior year the residual values were assessed as higher than the carrying value. This has resulted in an increase of depreciation of R30m for the 2017 financial year.

13. Events after the reporting date

A final dividend of R226m (2016 : R100.4m) was declared on 1 March 2018. No other material facts or circumstances occurred after reporting date that may require adjustment or disclosure in these annual financial statements.

14. Special Resolutions

The following special resolutions were passed by the shareholders at the 2017 Annual General Meeting:

- Approval of non-executive directors' fees;
- Loans or other financial assistance to related or inter-related companies;
- General authority to repurchase company shares;
- Approval of amendments to MOI; and
- Authority to sign all documents required to give effect to all resolutions.

Approval of the consolidated and separate financial statements of Merafe Resources Limited

The consolidated and separate financial statements of Merafe Resources Limited were approved by the Board on 1 March 2018 and signed by:

Chris Molefe
1 March 2018

Zanele Matlala
1 March 2018

Deloitte.

Deloitte & Touche
Registered Auditors
Audit & Assurance -
Gauteng

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Merafe Resources Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Merafe Resources Limited (the Group) set out on pages 12 to 79, which comprise the statements of financial position as at 31 December 2017, and the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the company as at 31 December 2017, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional* Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There were no key audit matters identified for the separate financial statements.

Key Audit Matters (continued)

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">Impairment assessment of the Merafe Resources Limited Group net assets (Consolidated financial statements)</td></tr>
<tr><td>As disclosed in note 30 of the financial statements, the Merafe Resources Limited market capitalisation value is R3.7 billion which is less than its Group net asset value of R4.6 billion. This is an indicator that the consolidated Group net asset value may be impaired. The Directors performed an impairment assessment using the value in use method, where the Group net asset carrying value was compared to the recoverable amount (value in use). The Glencore-Merafe chrome venture (Venture) is the only cash-generating unit of the Group.

The Directors have determined the value in use amount based on the cash flow forecasts of the Venture and the weighted average cost of capital of Merafe Resources Limited.

The valuation is dependent on macro-economic factors, which include foreign currency exchange rates and commodity price forecasts as well as internal assumptions and estimates related to production levels and operating costs. The valuation model is highly sensitive to foreign currency exchange rates and commodity price movements.

The assumptions with the most significant impact to the cash flow forecasts used in determining value in use amount are:

• Forecasted ferrochrome production levels and customer demand;
• Forecasted ferrochrome commodity prices;
• Forecasted ZAR /US Dollar exchange rates;
• Forecasted Earnings Before Interest Tax Depreciation and Amortisations (EBITDA) of the Venture; and
• The discount rate used to discount the future cash flows

The impairment assessment of the Venture was identified as a key audit matter due to the significance of the Director's judgement involved in determining its cash-flow forecast and the weighted average cost of capital (WACC).</td><td>In assessing and evaluating the impairment of Merafe Resources Limited Groups net assets value, we reviewed the value in use calculations prepared by Directors, with a particular focus on the cash flow forecasts and the discount rate applied. We performed various procedures, including the following:
• Assessed the design and implementation of the entity's controls relating to the determination of the cash flow forecasts;
• Assessing and evaluating inputs used into the cash flow forecast against historical performance and in comparison to the Ventures' strategic plans;
• Comparing the growth rates used by Merafe Resources Limited in their valuation of the Venture to historical growth rates used by the Venture;
• Involving specialists to assist with assessing the reasonability of production input factors;
• Involving a specialist to assist with the assessment of the reasonability of the discount rate (WACC) used;
• Re-computation of the value in use amount;
• Performing sensitivity analyses on the growth rates and discount rates to evaluate the extent of impact on the value in use and the appropriateness of the directors' disclosures.

The cash flow forecasts and discount rate used appear to be reasonable. We considered the impairment disclosures to be appropriate.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Merafe Resources Limited (continued)

Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in the audit
Provision for closure and restoration costs (Consolidated financial statements)	
As disclosed in Note 10 of the financial statements, the company raises a provision for closure and restoration costs in terms of the Atmospheric Pollution Prevention Act and the Environmental Conservation Act. This provision is raised with regards to the land involved in mining, prospecting and processing of Chrome Ore into Ferrochrome (smelters). The provision is based on the forecast costs of closure and restoration, the period outstanding (i.e. life of mines), and the discount rate. As the Groups accounting policy dictates, in the current year the Venture performed a detailed study taking into account revised environmental plans and the new National Environmental Management Act (NEMA) regulations effective from February 2019. This assessment of the costs to rehabilitate the land relating to Chrome mines was performed and completed in the current year however; the assessment of the costs to rehabilitate land relating to smelters will be reviewed in the 2018 year. As a result, the forecasted costs of closure and restoration of mines increased significantly compared to prior year. This increase was offset by the revision of life on mines mainly for the Helena, the Waterval West and the Kroondal mines. The life of mines increased from about 21 years to 30 years as result of the venture obtaining additional mining rights on these mines over the last three years, and higher confidence levels established from five year mining plans. Thus the revision of these costs did not result in a significant increase in the closure and rehabilitation costs. The provision for closure and restoration costs was identified as a key audit matter as the determination of forecast costs and life of mines are subjective and involves uncertain estimation.	We have performed detailed assessment of the Directors assumptions. Our audit procedures included the following: • Assessed the design and implementation of controls to address the risk of material misstatement relating to closure and restoration provision; • Engaged internal specialists to assess compliance with environmental requirements and the impact of new NEMA regulations; • Assessments were held to determine if there has been a significant change or update to the operational or environmental reclamation and decommissioning plan of the operations; • Engaged internal specialists to review the assumptions underlying the forecast costs and life of mines; and • Tested the reasonability of the discount rate and reviewed the provision calculation; The forecasted costs, life of mines and discount rate used appear to be reasonable. We considered the provision disclosures to be appropriate.

Other Information

The directors are responsible for the other information. The other information comprises of the Company Secretary's Certificate, the Report of the Audit and Risk Committee and the Directors' Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and / or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Merafe Resources Limited (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Merafe Resources Limited for 1 year.

Deloitte & Touche
Registered Auditor
Per: Patrick Ndlovu
Partner
2 March 2018

Merafe Resources Limited

Statements of financial position

at 31 December 2017

		Group		Company	
		2017	2016	**2017**	2016
	Note	**R'000**	R'000	**R'000**	R'000
Assets					
Non-current assets					
Property, plant and equipment	*2*	**3 271 155**	3 235 204	**354**	209
Investments in subsidiaries/loan receivable from subsidiary	*3*	**-**	-	**1 533 128**	1 357 478
Long term receivable		**13 864**	-	**-**	-
Deferred tax asset	*11*	**17 726**	19 340	**17 726**	19 340
Total non-current assets		**3 302 745**	3 254 544	**1 551 208**	1 377 027
Current assets					
Inventories	*4*	**1 497 798**	1 105 437	**-**	-
Current tax assets	*12*	**-**	36 395	**-**	-
Trade and other receivables	*5*	**883 249**	1 587 280	**890**	1 769
Cash and cash equivalents	*19.1*	**671 655**	287 880	**18 539**	56 325
Total current assets		**3 052 702**	3 016 992	**19 429**	58 094
Total assets		**6 355 447**	6 271 536	**1 570 637**	1 435 121
Equity and liabilities					
Equity					
Share capital	*6*	**25 107**	25 107	**25 107**	25 107
Share premium	*7*	**1 269 575**	1 269 575	**1 269 575**	1 269 575
Retained earnings		**3 340 843**	2 602 474	**27 136**	37 480
Total equity attributable to owners of the company		**4 635 525**	3 897 156	**1 321 818**	1 332 162
Non-current liabilities					
Loans and borrowings	*9*	**11 094**	189 102	**-**	-
Share based payment liability	*8*	**5 379**	5 012	**5 379**	5 012
Provisions	*10*	**287 518**	151 747	**-**	-
Deferred tax liability	*11*	**780 485**	829 528	**-**	-
Total non-current liabilities		**1 084 476**	1 175 389	**5 379**	5 012
Current liabilities					
Loans and borrowings	*9*	**1 044**	187 839	**-**	-
Trade and other pay ables	*13*	**550 556**	668 235	**240 064**	88 739
Working capital loan[1]	*26*	**72 272**	309 133	**-**	-
Share based payment liability	*8*	**3 376**	9 208	**3 376**	9 208
Bank overdraft	*19.1*	**-**	24 576	**-**	-
Current tax liability	*12*	**8 198**	-	**-**	-
Total current liabilities		**635 446**	1 198 991	**243 440**	97 947
Total liabilities		**1 719 922**	2 374 380	**248 819**	102 959
Total equity and liabilities		**6 355 447**	6 271 536	**1 570 637**	1 435 121

[1]Trade receivables discounting (working capital loan) was previously disclosed as part of trade and other receivables and has now been reclassified to current liabilities.

Merafe Resources Limited

Statements of comprehensive income

for the year ended 31 December 2017

	Note	Group		Company	
		2017	2016	**2017**	2016
		R'000	R'000	**R'000**	R'000
Revenue	*14*	**5 888 945**	5 701 567	**186 823**	65 201
Foreign exchange losses		**(73 354)**	(78 185)	**-**	-
Operating and other expenses		**(4 150 332)**	(4 490 185)	**(22 566)**	(16 755)
Earnings before interest, taxation, depreciation and impairment		**1 665 259**	1 133 197	**164 257**	48 446
Depreciation		**(368 212)**	(329 893)	**(149)**	(355)
Results from operating activities	*15*	**1 297 047**	803 304	**164 108**	48 091
Finance expense	*16*	**(27 958)**	(63 400)	**-***	(1)
Finance income	*16*	**8 633**	4 044	**2 911**	11 625
Profit before income tax		**1 277 722**	743 948	**167 019**	59 715
Income tax (expense)/credit	*17*	**(363 604)**	(211 518)	**(1 614)**	1 345
Net profit for the year		**914 118**	532 430	**165 405**	61 060
Total comprehensive income for the year		**914 118**	532 430	**165 405**	61 060
Profit and total comprehensive income for the year attributable to:					
Owners of the company		**914 118**	532 430	**165 405**	61 060
Earnings per share					
Basic earnings per share (cents)	*18.1*	**36.4**	21.2		
Diluted earnings per share (cents)	*18.4*	**36.4**	21.2		

** less than one thousand.*

Merafe Resources Limited

Statements of changes in equity

for the year ended 31 December 2017

Group

	Issued share capital R'000	Share Premium R'000	Retained Earnings R'000	Total R'000
Balance at 1 January 2016	**25 107**	**1 269 575**	**2 120 007**	**3 414 689**
Profit and total comprehensive income for the year	-	-	532 430	532 430
Dividends paid	-	-	(49 963)	(49 963)
Balance at 31 December 2016	**25 107**	**1 269 575**	**2 602 474**	**3 897 156**
Profit and total comprehensive income for the year	**-**	**-**	**914 118**	**914 118**
Dividends paid	**-**	**-**	**(175 749)**	**(175 749)**
Balance at 31 December 2017	**25 107**	**1 269 575**	**3 340 843**	**4 635 525**

Company

	Issued share capital R'000	Share Premium R'000	Retained Earnings R'000	Total R'000
Balance at 1 January 2016	**25 107**	**1 269 575**	**26 383**	**1 321 065**
Profit and total comprehensive income for the year	-	-	61 060	61 060
Dividends paid	-	-	(49 963)	(49 963)
Balance at 31 December 2016	**25 107**	**1 269 575**	**37 480**	**1 332 162**
Profit and total comprehensive income for the year	**-**	**-**	**165 405**	**165 405**
Dividends paid	**-**	**-**	**(175 749)**	**(175 749)**
Balance at 31 December 2017	**25 107**	**1 269 575**	**27 136**	**1 321 818**

Merafe Resources Limited

Statements of cash flows
for the year ended 31 December 2017

		Group		Company	
		2017	2016	**2017**	2016
	Note	**R'000**	R'000	**R'000**	R'000
Cash flows from operating activities					
Cash generated from operating activities	*19*	**1 778 926**	721 719	**310 995**	59 786
Finance costs paid		**(21 125)**	(50 745)	**-***	(1)
Finance income received		**8 514**	2 727	**2 911**	1 947
Taxation paid	*12*	**(366 441)**	(172 193)	**-**	-
Net cash generated from operating activities		**1 399 874**	501 508	**313 906**	61 732
Cash flows from investing activities					
Acquisition of property, plant and equipment					
- sustaining[b]		**(402 973)**	(275 995)	**(294)**	(49)
- expansionary[b]		**(823)**	(11 587)		-
Increase in investments		**-**	-	**-**	(56 463)
Net cash utilised in investing activities		**(403 796)**	(287 582)	**(294)**	(56 512)
Cash flows from financing activities					
Dividends paid		**(175 749)**	(49 963)	**(175 749)**	(49 963)
Loans repaid		**(364 803)**	(196 990)	**-**	(1 971)
Increase in intercompany loan		**-**	-	**(175 649)**	-
Net cash utilised in financing activities		**(540 552)**	(246 953)	**(351 398)**	(51 934)
Net increase/(decrease) in cash and cash equivalents		**455 526**	(33 027)	**(37 786)**	(46 714)
Cash and cash equivalents at 1 January		**263 304**	309 570	**56 325**	103 039
Effect of exchange rate fluctuations on cash held during the year		**(47 175)**	(13 239)	**-**	-
Cash and cash equivalents at 31 December	*19.1*	**671 655**	263 304	**18 539**	56 325

[b] *Relates to 20.5% of the Venture's total cash outflow. Note 2 details the property, plant and equipment owned by Merafe Ferrochrome.*
** Less than one thousand rand.*

1. Accounting policies

1.1 Reporting entity

Merafe Resources Limited (company) is domiciled in the Republic of South Africa. The address of the company's registered office is Building B, Second Floor, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2191. The consolidated financial statements as at and for the year ended 31 December 2017 comprise the company and its subsidiaries (together referred to as the group and individually as group entities). The group is primarily involved in the mining and beneficiation of chrome ore into ferrochrome. Where reference is made to "group", this should be interpreted as "consolidated". Further, where reference is made to the "group" and "consolidated" in the accounting policies, it should be interpreted as also referring to the "company" where the context requires, unless otherwise indicated.

1.2 Basis of preparation

1.2.1 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by Financial Reporting Standards Council, the JSE Listing Requirements and the requirements of the Companies Act of South Africa. The consolidated and separate financial statements were authorised for issue by the Board on 1 March 2018.

1.2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position which are measured at their fair values:

- Derivative financial instruments (refer to note 1.18.2); and
- Cash-settled share-based payments (refer to 1.10.3).

1.2.3 Functional and presentation currency

The consolidated and separate financial statements are presented in South African Rand, which is the company's functional currency.

All financial information presented in South African Rand has been rounded to the nearest thousand, unless otherwise indicated.

1.2.4 Use of estimates and judgements

The preparation of the consolidated and separate financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of

1. Accounting policies *(continued)*

1.2 Basis of preparation *(continued)*

1.2.4 Use of estimates and judgements *(continued)*

making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 1.5.3, 1.20.2 and 2.1: Measurement of depreciation and impairment, useful lives and residual values of property, plant and equipment
Note 1.10.3 and 8: Inputs used in the determination of the fair value of the share-based payment transactions
Note 1.5.3.5, 2 and 9.1: Lease classification between operating and finance lease and depreciation of finance lease assets
Note 1.8 and 10: Assumptions used in calculation of the life of the mines/smelters, estimation of the closure and restoration costs and inputs used in the calculation of the present value of the provision for closure and restoration costs
Note 1.14 and 11: Recognition of deferred tax asset and projection of future taxable income to recover the deferred tax asset
Note 1.3: Consolidation: control assessment
Note 1.18.2: Fair value measurement of embedded derivative

The accounting policies set out below have been applied consistently to all periods presented in these consolidated and separate financial statements and have been applied consistently by group entities.

1.2.5 Standards and interpretations issued and not yet effective

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2018 and have not been applied in preparing these consolidated and separate financial statements. The standards which may be relevant to the group are set out below. The group does not plan to adopt these standards early. These standards will be adopted in the period that they become effective.

IFRS 15 Revenue from contracts with customers
The standard replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter of Transactions Involving Advertising Services.*

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

1. Accounting policies *(continued)*

1.2 Basis of preparation *(continued)*

1.2.5 Standards and interpretations issued and not yet effective *(continued)*
The amendments apply for annual periods beginning on or after 1 January 2018.

Based on an initial high level review of existing sales contracts, the new standard is not expected to have a significant impact on the group.

IFRS 9 *Financial Instruments*

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial *Instruments: Recognition and Measurement.*

Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

The criteria for classification into categories are not expected to have a significant effect. Based on historical and current information, there are no significant impairment losses recognised.

The new standard is therefore not expected to have a significant impact to the group.

IFRS 16 *Leases*

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 has one model for lessees which will result in almost all leases being included on the Statement of Financial position. No significant changes have been included for lessors.

The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted only if the entity also adopts IFRS 15. The transitional requirements are different for lesees and lessors. The group is assessing the potential impact on the financial statements resulting from the application of IFRS 16. Various operating leases are in the process of being evaluated to ascertain terms and conditions in order to quantify the impact to the group which will be included in the financial statements for the year ended 31 December 2018. These operating leases are not material to the group.

1. Accounting policies *(continued)*

1.2 Basis of preparation *(continued)*

1.2.5 Standards and interpretations issued and not yet effective *(continued)*

***Clarifying share-based payment accounting* (Amendments to IFRS 2)**

Currently, there is ambiguity over how a company should account for cetain types of share-based payment arrangements. The IASB has responded by publishing amendments to IFRS 2 share-based payment.

The amendments cover three accounting areas:

Measurement of cash-settled share-based payments – The new requirements do not change the cumulative amount of expense that is ultimately recognised, because the total consideration for a cash-settled share-based payment is still equal to the cash paid on settlement.

Classification of share-based payments settled net of tax withholdings – The amendments introduce an exception stating that, for classification purposes, a share-based payment transaction with employees is accounted for as equity-settled if certain criteria are met.

Accounting for a modification of a share-based payment from cash-settled to equity-settled – The amendments clarify the approach that companies are to apply.

The new requirements are not expected to have a material impact to the group. The amendments are effective for annual periods commencing on or after 1 January 2018.

IFRS 17 *Insurance contracts*

IFRS 17 requires insurance liabilities to be measured at the current fullfilnet valuea nd provides more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance contracts as of 1 January 2021. The amendment was issued on 18 May 2018 and is applicable for annual reporting periods beginning on or after January 2021.

The requirement is not expected to have an impact on the group.

IAS 28 Investments in associates and joint ventures

Amendments regarding long-term interests in associates and joint ventures.

Paragraph 14A has been added to clarify that an entity applies IFRS 9 including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

Paragraph 41 has been deleted because the Board felt that it merely reiterated requirements in IFRS 9 and had created confusion about the accounting for long-term interests. Change is effective for annual periods beginning on or after 1 January 2019.

The requirement is not expected to have a significant impact to the group.

1.3. Basis of consolidation

1.3.1 Subsidiaries

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

1.3.2 Transactions with the Venture

Glencore Operations South Africa (Pty) Ltd (Glencore) and Merafe Ferrochrome pooled and shared their ferrochrome assets on 1 July 2004 to form the Venture. The Venture's primary business is the production and sale of ferrochrome to the stainless steel industry. The Venture is the only operating asset of the group and is strategic to the group's activities. While Merafe Ferrochrome's assets forms part of the Venture, Merafe Ferrochrome retains ownership of its assets and is closely involved in the Venture's operations through the Venture's Executive Committee, Joint Board and sub-committees. Merafe Ferrochrome receives 20.5% of the Venture's earnings before interest, taxation, depreciation and amortisation (EBITDA) and owns 20.5% of the working capital.

In management's view, the Venture is a joint arrangement as defined in IFRS 11 as Merafe Ferrochrome and Glencore are bound by a contractual arrangement which constitutes joint control. The following significant judgements and assumptions were relevant in the joint control assessment:

a) The ultimate operational decision making responsibility in the Venture resides with the Joint Board. The Chairman of the Board, who is appointed by Glencore, has a casting vote at the Joint Board level on all decisions except for decisions relating to reserved matters. The reserved matters include, inter-alia, the managing of input costs relating to chrome production, operation of the various chrome producing assets, disposal of assets forming part of the pooled operations, increasing the operational capacity of chrome producing assets and acquiring or constructing new chrome producing assets. These reserved matters, in management's view, are likely to have the most significant impact on returns of the Venture and therefore would constitute its "relevant activities" as defined in IFRS 10. Contractually, decisions over the reserved matters require the unanimous consent of Merafe Ferrochrome and Glencore as those decisions cannot be made unilaterally.

b) There is a significant disparity in holdings between Merafe Ferrochrome's interest in the Venture at 20.5% and Glencore's interest in the Venture at 79.5%. However, this does not influence the joint control conclusion as the benefits each party stand to gain from the arrangement was the determining factor in the joint control arrangement rather than other forms of arrangements. Furthermore, any dispute relating to the interpretation of the Pooling and Sharing Agreement (the Venture agreement) is to be settled by an arbitrator appointed by the Arbitration Foundation of South Africa (AFSA) and in management's view the AFSA provides for a neutral dispute resolution process and would not favour either Glencore or Merafe Ferrochrome.

c) The lack of legal form of the Venture results in Merafe Ferrochrome and Glencore having rights to the assets and obligations for the liabilities held in the Venture. This lack of legal separation between the Venture, Glencore and Merafe Ferrochrome is further supported by the fact that the

1.3. Basis of consolidation

1.3.2 Transactions with the Venture

South African Revenue Services looks though the Venture and directly taxes Merafe Ferrochrome and Glencore respectively for the income generated from the Venture.

d) The ultimate operational decision making responsibility in the Venture resides with the Joint Board. The Chairman of the Board, who is appointed by Glencore, has a casting vote at the Joint Board level on all decisions except for decisions relating to reserved matters. The reserved matters include, inter-alia, the managing of input costs relating to chrome production, operation of the various chrome producing assets, disposal of assets forming part of the pooled operations, increasing the operational capacity of chrome producing assets and acquiring or constructing new chrome producing assets. These reserved matters, in management's view, are likely to have the most significant impact on returns of the Venture and therefore would constitute its "relevant activities" as defined in IFRS 10. Contractually, decisions over the reserved matters require the unanimous consent of Merafe Ferrochrome and Glencore as those decisions cannot be made unilaterally.

e) There is a significant disparity in holdings between Merafe Ferrochrome's interest in the Venture at 20.5% and Glencore's interest in the Venture at 79.5%. However, this does not influence the joint control conclusion as the benefits each party stand to gain from the arrangement was the determining factor in the joint control arrangement rather than other forms of arrangements. Furthermore, any dispute relating to the interpretation of the Pooling and Sharing Agreement (the Venture agreement) is to be settled by an arbitrator appointed by the Arbitration Foundation of South Africa (AFSA) and in management's view the AFSA provides for a neutral dispute resolution process and would not favour either Glencore or Merafe Ferrochrome.

f) The lack of legal form of the Venture results in Merafe Ferrochrome and Glencore having rights to the assets and obligations for the liabilities held in the Venture. This lack of legal separation between the Venture, Glencore and Merafe Ferrochrome is further supported by the fact that the South African Revenue Services looks though the Venture and directly taxes Merafe Ferrochrome and Glencore respectively for the income generated from the Venture.

g) In terms of the Venture agreement, Merafe Ferrochrome and Glencore maintain legal ownership of their respective assets contributed to the Venture and upon winding up of the Venture, Glencore and Merafe Ferrochrome will also receive a portion of any new assets acquired by the parties post 1 July 2004 and to the extent that an asset relates to their existing assets, be required to acquire the other party's portion at fair value which indicates that the parties have rights to the assets of the Venture. The lack of legal form of the Venture results in Glencore and Merafe Ferrochrome having rights to the assets and obligations for the liabilities held in the Venture and consequently joint operations classification in terms of IFRS 11.

Accounting for joint operations results in Merafe Ferrochrome recognising its assets that were contributed to the Venture and its portion of the assets held jointly in the Venture. Similarly Merafe Ferrochrome recognises its liabilities, including its share of any liabilities incurred jointly. Merafe Ferrochrome recognises its revenue and share of the revenue from the Venture as well as its expenses and share of expenses relating to the Venture. The accounting that was adopted by Merafe since the formation of the Venture is consistent with the accounting for joint operations as required by IFRS 11.

1.3. Basis of consolidation *(continued)*

1.3.2 Transactions with the Venture *(continued)*

Refer to Related Parties note 22.4 for the items that represent the group's share of the working capital and EBITDA of the Venture.

1.3.3 Structured entities

The group has established structured entities (SEs). The related parties Note 22 includes the identity and relationship of the SEs to the group. The group does not have any direct or indirect shareholding in these entities. An SE is consolidated if, based on an evaluation of the substance of its relationship with the group and the SE's risks and rewards, the group concludes that it controls the SE. SEs controlled by the group were established under terms that impose strict limitations on the decision making powers of the SE's management and that result in the group receiving the majority of the benefits related to the SE's activities, and retaining the majority of the residual or ownership risks related to the SEs or their assets.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

1.4 Foreign currency

Foreign currency transactions
Transactions in foreign currencies are translated to the functional currency of the group entities at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to South African Rand (Rand) at the foreign exchange rate ruling at that date. The foreign exchange gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for the effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to Rand at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in profit or loss. Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.

1.5 Property, plant and equipment

1.5.1 Recognition and measurement

1.5.1.1 Mining assets including mine development costs
Mining assets, including mine development costs and mine plant facilities, are stated at cost less accumulated depreciation and accumulated impairment. Costs include pre-production expenditure incurred in the development of the mine and the present value of future decommissioning costs. Development costs incurred to develop new ore bodies, to define mineralisation in existing ore bodies and to establish or expand productive capacity are capitalised. Mine development costs in the ordinary course of maintaining production are expensed as incurred. Initial development and pre-production costs relating to a new ore body are capitalised until the ore body achieves

1.5 Property, plant and equipment *(continued)*

1.5.1 Recognition and measurement *(continued)*

1.5.1.1 Mining assets including mine development costs (continued)

commercial levels of production, at which time the asset is deemed to be available for use and is amortised as set out below.

1.5.1.2 Mineral and surface rights

Mineral and surface rights are stated at cost less accumulated depreciation and accumulated impairment losses. When there is little likelihood of a mineral right being exploited, or the value of mineral rights has diminished below cost, an impairment loss is recognised in profit or loss in the period that such determination is made.

1.5.1.3 Land, non-mining assets and corporate assets

Land is stated at cost and is not depreciated. Buildings and other non-mining property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of self constructed assets includes the cost of materials, direct labour, the initial estimate (where relevant) of the costs of dismantling and removing the items, restoring the site on which they are located and any other costs directly attributable to bringing the assets to a working condition for their intended use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

1.5.1.4 Exploration and evaluation expenditure

Exploration and evaluation expenditure relates to costs incurred during the exploration and evaluation of potential mineral reserves and resources and includes costs such as exploratory drilling and sample testing and the costs of pre-feasibility studies. Exploration and evaluation expenditure for each area of interest, other than acquired from the purchase of another mining company, is recognised as an asset provided that one of the following conditions are met:

- Such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its sale; or
- Exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing, or planned for the future. Purchased exploration and evaluation assets are recognised as assets at fair value if purchased as part of a business combination.

An impairment review is performed, either individually or at the cash-generating unit level, when there are indications that the carrying amounts of the assets may exceed their recoverable amounts. To the extent that this occurs, an impairment loss is recognised in the financial year in which this is determined. Exploration and evaluation assets are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions outlined above is met. Expenditure is transferred to mine development assets or capital work in progress once the work completed to date supports the future development of the property and such development received appropriate approvals.

1.5 Property, plant and equipment *(continued)*

1.5.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replacement part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

1.5.3 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate. Useful lives are assessed using internal experts. Residual values are assessed using market information on similar sales transactions.

1.5.3.1 Mineral and surface rights
Mineral rights that are being depleted are depreciated over their estimated useful lives using the units of production method, based on proven and probable ore reserves. Mineral rights that are not being depleted are not amortised. Mineral rights that have no commercial value are impaired in full.

1.5.3.2 Mining assets including mine development costs
Mining equipment, structures and plant and equipment are depreciated using the straight-line method over the estimated useful life. The useful life ranges between one and thirty years, depending on the nature of the asset.

1.5.3.3 Capital work in progress
Capital work in progress is not depreciated. The net carrying amounts of capital work in progress at each mine property are reviewed for impairment either individually or at the cash-generating unit level when events and changes in circumstances indicate that the carrying amount may not be recoverable. To the extent that these values exceed their recoverable amounts, an impairment loss is recognised in the financial year in which this is determined.

1.5.3.4 Land, non-mining assets and corporate assets
Non-mining equipment, structures and plant and equipment are depreciated using the straight-line method over the estimated useful life. The useful life ranges between one and thirty years depending upon the nature of the asset. Land is not depreciated.

1.5.3.5 Leased assets
Leases in terms of which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Lease payments are accounted for as described in accounting policy Note 1.12. Leased assets are depreciated over the shorter of the lease term and their useful lives. The useful life of leased assets is on average twenty years.
Other leases are operating leases and are not capitalised.

1. Accounting policies *(continued)*

1.5 Property, plant and equipment *(continued)*

1.5.4 Derecognition

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to flow to the group from their use. Gains or losses on derecognition of an item of property, plant and equipment are determined by the comparing of the proceeds from disposal, if applicable, with the carrying amount of the item and are recognised directly in profit or loss.

1.6 Financial instruments

1.6.1 Non-derivative financial assets

The group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the group becomes a party to the contractual provisions of the instrument.

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. On derecognition, the variance that arises between the carrying value of the financial asset and its proceeds, is recognised in profit and loss. Any interest in such transferred financial assets that is created or retained by the group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, the group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The group classifies non-derivative financial assets into the following categories:

Loans and receivables

Loans and receivables are financial assets with fixed or determined payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables and intercompany loans.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the group in the management of its short-term commitments.

1. Accounting policies *(continued)*

1.6 Financial instruments *(continued)*

1.6.2 Non-derivative financial liabilities

The group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date the group becomes a party to the contractual provisions of the instrument.

The group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. On derecognition, the variance that arises between the carrying value of the financial liability and its proceeds, is recognised in profit and loss.

The group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts and trade and other payables.

1.6.3 Derivative financial instruments

Embedded derivatives are separated from the host contract and accounted for separately if:

- the economic characteristics and risk of the host contract and the embedded derivative are not closely related;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted as described below.

Separable embedded derivatives
Changes in the fair value of separated embedded derivatives are recognised immediately in profit or loss.

1.7 Share capital

Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

1. Accounting policies *(continued)*

1.8 Provisions

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised in profit or loss.

Provision for closure and restoration costs
Long-term environmental obligations are based on the group's environmental management plan, in compliance with current environmental and regulatory requirements.

A full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. The related costs are capitalised to mining assets and are amortised over the useful lives of the related assets. Annual movements in the provision relating to the change in the net present value of the provision due to changes in estimated cash flows or discount rates are adjusted against the costs capitalised to mining assets. Ongoing rehabilitation costs are expensed in profit or loss.

Annual movements in the provision relating to passage of time, i.e. unwinding of discount, are expensed.

Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure.

Guarantees have been provided by the Venture to the Department of Mineral Resources in respect of the liability for closure and restoration costs. These guarantees are in the name of Glencore and relate to the Venture, and are disclosed in note 20.2. The guarantees are not recognised as liabilities in the financial statements.

Tax position
In determining the amount of current and deferred tax, the group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is determined on the following basis:
- Finished goods on hand are valued using the weighted average cost. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost includes an appropriate share of

1. Accounting policies *(continued)*

1.9 Inventories*(continued)*

production overheads based on normal operating capacity and directly attributable administration costs.

- Consumable stores and raw materials are valued at weighted average cost and include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

1.10 Employee benefits

1.10.1 Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus plans and accumulated leave if the group has a present legal or constructive obligation to pay as a result of past services provided by the employee and the obligation can be estimated reliably.

1.10.2 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payment is available.

Defined contribution plans are funded through monthly contributions to the provident fund, which is governed by the Pension Fund Act of 1956. All employees of the group belong to the provident fund. The group's liability is limited to its annually determined contributions.

The group and company provides medical cover to current employees through various funds. The medical plans are funded through monthly contributions to the medical aid fund. The group's and company's liability is limited to its annually determined contributions.

1.10.3 Share-based payment transactions

The share incentive scheme allows qualifying directors and employees to be granted share options and share grants. Share options and share grants may be granted to all employees of the company and any of its subsidiaries at the discretion of the directors, subject to the limitations imposed by the share option and share grant scheme. The fair value of share options and share grants are measured at grant date and spread over the period during which the employees become unconditionally entitled to the share grants and share options. The fair value of the share options and share grants are measured using the Black-Scholes-Merton model, taking into account the terms and conditions upon which the share options and share grants were granted.

Share-based payment arrangements in which the group received goods or services as consideration of its own equity instruments were accounted for as equity-settled share-based payment transactions up until 29 June 2016. On 30 June 2016, the company changed its intention with regard to the settlement of all share-based payment transactions from equity to cash.

1. Accounting policies *(continued)*

1.10 Employee benefits *(continued)*

1.10.3 Share-based payment transactions

The fair value of the amount payable to employees in respect of cash settled share based payment arrangements is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share based payment arrangement. Any changed in the liability is recognised in profit or loss.

1.11 Revenue

1.11.1 Sale of goods

Revenue comprises sales of ferrochrome and chrome ore at invoiced value, net of value added tax, trade discounts and intra-group sales. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue is recognised when all the following conditions are met:
(a) The group has transferred to the buyer the significant risks and rewards of ownership of the goods.
(b) The group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
(c) The amount of revenue can be measured reliably.
(d) It is probable that the economic benefits associated with the transaction will flow to the group.
(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Determining whether the group is acting as an agent or principal is based on an evaluation of the risks and responsibilities taken by the group, including inventory risk and responsibility for the delivery of goods or services.

Ferrochrome and chrome ore marketing arrangement with Glencore International AG
Glencore is acting as agent and the group is acting as principal for ferrochrome and chrome ore sales.

Distribution arrangements with Glencore Limited, Glencore Canada Inc and Mitsui and Co Europe Plc (the distribution agents)

The group is acting as principal for the ferrochrome sales to the distribution agents as the risks and rewards of ownership pass from the group to the distribution agents.

The distribution agents are acting as principal for subsequent sales to stainless steel customers.

The agreements contain a price adjustment feature whereby the ferrochrome is provisionally invoiced to the distribution agents at a price that is linked to the ruling benchmark price when the

1. Accounting policies *(continued)*

1.11 Revenue *(continued)*

1.11.1 Sale of goods *(continued)*

risks and rewards pass to the distribution agents. The agreements provide for the final price to be determined based on the price the distributing agent receives for the ferrochrome via the ultimate sale to the stainless steel customer.

The price adjustment feature is recognised as an embedded derivative as it is a component of a hybrid contract that also includes a non-derivative sales host contract with the effect that some of the cash flows of the combined contract vary in a way similar to a stand-alone derivative. The embedded derivative causes the cash flows that would be required by the contract to be modified according to the ferrochrome price.

The embedded derivative is recognised at fair value in “trade and other receivables” and is included in the statement of financial position.

1.11.2 Management fees

Revenue from management fees is recognised at the fair value of the consideration received or receivable. Revenue is recognised in the accounting periods in which the services are rendered.

Management fees recognised in the company relates to a recovery of costs from the subsidiary, Merafe Ferrochrome and is recognised when the costs are recovered net of value added taxation.

Management fees recognised in Merafe Ferrochrome relates to employee services rendered to the Venture and is recognised when the services are rendered net of value added taxation.

1.11.3 Dividends

Dividends received by the company are recognised at the fair value of the consideration received or receivable.

1.12 Lease payments

1.12.1 Operating lease payments

Operating leases comprises of leases which do not transfer substantially all of the risks and rewards incidental of ownership of the leased to the lessee. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

1.12.2 Finance lease payments

Finance leases comprises of leases which transfer substantially all of the risks and rewards incidental of ownership of the leased to the lessee. Minimum finance lease payments are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a consistent periodic rate of interest in the remaining balance of the liability.

1. Accounting policies *(continued)*

1.13 Finance income and expenses

1.13.1 Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

1.13.2 Finance expenses

Finance expenses comprise interest expense on borrowings, interest on tax related items, unwinding of the discount on the rehabilitation provision. Finance expenses for the company include the fair value adjustment on the intercompany loan as per note 3 and note 16.

Borrowing costs directly related to the financing of a qualifying capital project under construction are capitalised to the project cost during construction, until such time as the related asset is substantially ready for its intended use, i.e. when it is capable of commercial production. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available in the short term from money borrowed specifically to finance a project, the income generated from such short-term investments is also capitalised and deducted from the total capitalised borrowing costs. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average rate applicable to the relevant general borrowings of the group during the period.

1.14 Income Tax

Tax expense comprises current tax and deferred tax. Tax expenses are recognised in profit or loss except to the extent that it relates to items recognised directly in equity, or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The current tax rate is 28%.

Deferred tax is not recognised for the following temporary differences:
- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- Differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

1. Accounting policies *(continued)*

1.14 Income Tax *(continued)*

Deferred tax assets, including deferred tax assets relating to the carry forward of unutilised tax losses and/or unutilised capital allowances are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Dividend withholding tax
Dividend withholding tax is payable at a rate of 20% on dividends paid to shareholders. This tax is not attributable to the company paying the dividend but is collected by the company and paid to the South African Revenue Services on behalf of the shareholder.

Tax exposures
In determining the amount of current and deferred tax, the group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

1.15 Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incurs expenses. The group has one reportable segment being the mining and beneficiation of chrome ore into ferrochrome. Internal management accounts are prepared monthly on the basis of one reportable segment which is reviewed monthly by the Chief Financial Officer and Chief Executive Officer (Chief Operating Decision Maker).

Ferrochrome and chrome ore are the products produced by the Venture. Most of the products produced are used in the manufacturing of stainless steel. Refer to Note 14 for geographical areas of ferrochrome and chrome ore sales and information on customers that individually comprise more than 10% of total ferrochrome and chrome ore sales.

1.16 Earnings per share

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options and share grants granted to employees and a future equity-settled share-based payment set out in Note 18.4. Headline EPS is calculated by adjusting the earnings attributable to the ordinary shareholders of Merafe Resources for all separately identifiable remeasurements as per SAICA circular 2/2015. The result is then divided by the weighted average number of ordinary shares in issue/outstanding during the period. Diluted headline EPS is calculated by dividing headline earnings by the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares which comprise grants granted to

1. Accounting policies *(continued)*

1.16 Earnings per share *(continued)*

employees and future equity-settled share-based payments set out in note 18.5.

1.17 Dividend distributions

Dividend distributions to the company's shareholders are recognised as a liability in the consolidated and separate financial statements in the period in which the dividends are approved by the Board of directors. Dividends declared after the reporting period are disclosed in the notes to the financial statements and are not recognised in the current financial statements. The cash flows for dividends are included in financing activities. Dividend witholding tax is levied on dividend recipients and has no impact on the group taxation charge as reflected in the statement of comprehensive income.

1.18 Determination of fair values

A number of the group accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods as indicated below. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. The carrying values of financial assets and liabilities as reflected in the statement of financial position are a reasonable approximation of their fair values, unless otherwise stated in the respective note. To maintain consistency and comparability in fair value measurements and related disclosures, a fair value hierarchy that categorises the inputs to the valuation techniques used to measure fair value is categorised into three levels. Level one inputs are defined as inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities that the group can access at the measurement date. Level two inputs are inputs other than quoted prices included within Level one that are observable for the asset or liability, either directly or indirectly. And lastly, level three inputs are unobservable inputs for the asset or liability

1.18.1 Net trade receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

1.18.2 Embedded derivatives

The embedded derivative is included in trade and other recevables at fair value. The fair value of the embedded derivative is based on the latest available ferrochrome prices and closing foreign exchange rate.

1.18.3 Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

1. Accounting policies *(continued)*

1.18 Determination of fair values *(continued)*

1.18.4 Share-based payment transactions

The fair value of employee share options and share grants is measured using the Black-Scholes-Merton model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on Government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value. Refer to note 8 for details regarding the assumptions used in the valuation model.

1.18.5 Investment in subsidiaries and intercompany loans

Investment in subsidiaries are measured at cost. Intercompany loans are initially measured at fair value and subsequently at amortised cost. The fair value is determined based on the present value of cash flows, discounted at the group interest rate for debt over the period based on the resources and reserves of the group.

1.19 Mining royalty

The mining royalty was effective from 1 March 2010 and requires the payment of a royalty for the benefit of the National Revenue Fund, in respect of the transfer of mineral resources. The mining royalty is payable on chrome ore in lumps, chips and fines as listed in schedule 2 of the Mineral and Petroleum Resources Royalty Act (the Act).

Chrome ore in lumps, chips and fines is an unrefined mineral resource and therefore the mining royalty is payable on “gross sales” as defined and is calculated in accordance with the unrefined mineral resource formula as detailed in the Act.

Gross sales is calculated using third party sales prices.

The mining royalty is recognised in the statement of profit or loss and is included in operating and other expenses.

1.20 Impairments

1.20.1 Financial assets

A financial asset not classified at fair value through profit or los is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the holder of the asset about loss events.

1. Accounting policies *(continued)*

1.20 Impairments *(continued)*

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest date. Impairment lossess are recognised in profit or loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial asset are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

1.20.2 Non-financial assets

The carrying amount of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset. The group reviews and tests the carrying value of asset when events or changes in circumstances suggest that the carrying amount may not be recoverable by comparing the recoverable amounts to these carrying values. If there are indications that impairment may have occurred, estimates are prepared of recoverable amounts. The recoverable amount of the cash generating unit (CGU) is considered to be the value in use (VIU). The VIU is determined based on expected future cash flows of property, plant and equipment which are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the ferrochrome prices, discount rates and foreign currency exchange rates.

An impairment loss is recognised if the carrying amount of the asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and the reversal is recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss has been recognised. The impairment loss that is reversed is recognised in profit or loss.

Merafe Resources Limited

Notes to the financial statements

for the year ended 31 December 2017

2. Property, plant and equipment

	At the beginning of the year - 2017			Movements during the year - 2017					At the end of the year - 2017		
	Cost	Accumulated depreciation and impairment	Carrying value	Additions	Disposals – Cost	Disposals – Accumulated Depreciation	Depreciation	Movement in CWIP	Cost	Accumulated depreciation and impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Group 2017											
Land, mineral and surface rights	**118 341**	**(64 105)**	**54 236**	**7 463**	**(1 802)**	**959**	**(4 923)**	**-**	**124 002**	**(68 069)**	**55 933**
Boshoek smelter	**1 238 583**	**(218 617)**	**1 019 966**	**129 029**	**(73 182)**	**73 182**	**(120 181)**	**-**	**1 294 430**	**(265 616)**	**1 028 814**
Wonderkop smelter	**309 005**	**(128 789)**	**180 216**	**53 595**	**(12 793)**	**12 793**	**(31 070)**	**-**	**349 807**	**(147 066)**	**202 741**
Lion smelter	**1 416 545**	**(334 564)**	**1 081 981**	**69 445**	**(1 099)**	**1 099**	**(116 077)**	**-**	**1 484 891**	**(449 542)**	**1 035 349**
Tswelopele pelletising plant	**170 898**	**(28 759)**	**142 139**	**3 983**	**(4 324)**	**4 324**	**(13 130)**	**-**	**170 557**	**(37 565)**	**132 992**
Bokamoso pelletising plant	**209 229**	**(61 235)**	**147 994**	**14 100**	**(14 810)**	**14 810**	**(20 853)**	**-**	**208 519**	**(67 278)**	**141 241**
Western mines	**207 307**	**(70 745)**	**136 562**	**34 334**	**(2 580)**	**2 580**	**(27 400)**	**-**	**239 061**	**(95 565)**	**143 496**
Eastern mines	**462 391**	**(153 948)**	**308 443**	**93 103**	**(254)**	**254**	**(41 433)**	**-**	**555 240**	**(195 127)**	**360 113**
Corporate assets	**3 297**	**(2 226)**	**1 071**	**294**	**(42)**	**42**	**(519)**	**-**	**3 549**	**(2 703)**	**846**
Capital work in progress (CWIP)	**162 596**	**-**	**162 596**	**-**	**-**	**-**	**-**	**7 034**	**169 630**	**-**	**169 630**
Total	**4 298 192**	**(1 062 988)**	**3 235 204**	**405 346**	**(110 886)**	**110 043**	**(375 586)***	**7 034**	**4 599 686**	**(1 328 531)**	**3 271 155**
Company 2017											
Corporate assets	**1 310**	**(1 101)**	**209**	**294**	**(42)**	**42**	**(149)**	**-**	**1 562**	**(1 208)**	**354**
Total	**1 310**	**(1 101)**	**209**	**294**	**(42)**	**42**	**(149)**	**-**	**1 562**	**(1 208)**	**354**

Change in accounting estimate

Residual values of assets are assessed annually. During the current year, management assessed the residual values of all permanent structures as nil and therefore depreciation was calculated on this basis. The impact on depreciation was an increase of R30m in the current year. At 31 December 2017, the carrying value of these assets is R958m (2016: R1bn).

Impairment assessment

As a result of an impairment indicator arising from Merafe's market capitalisation being lower than the net asset value at 31 December 2017, management performed an impairment assessment on the basis set out in note 1.20.2 and note 30. The recoverable amount was determined by using the value-in-use calculation via a discounted cash flow model. Based on the model the recoverable amount was higher than the carrying value therefore no impairment was necessary.

Depreciation

* R368.2m depreciation is recognised in the statement of comprehensive income. R7.4m relates to depreciation capitalised to inventory.

Merafe Resources Limited

Notes to the financial statements

for the year ended 31 December 2017

2. Property, plant and equipment *(continued)*

	At the beginning of the year - 2016			Movements during the year - 2016					At the end of the year - 2016		
	Cost	Accumulated depreciation and impairment	Carrying value	Additions	Disposals – Cost	Disposals – Accumulated Depreciation	Depreciation	Movement in CW IP	Cost	Accumulated depreciation and impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Group 2016											
Land, mineral and surface rights	122 364	(63 896)	58 468	-	(4 023)	4 023	(4 232)	-	118 341	(64 105)	54 236
Boshoek smelter	1 225 129	(208 022)	1 017 107	113 617	(100 163)	100 163	(110 758)	-	1 238 583	(218 617)	1 019 966
Wonderkop smelter	310 225	(122 661)	187 564	18 378	(19 598)	19 598	(25 726)	-	309 005	(128 789)	180 216
Lion smelter	1 389 252	(247 482)	1 141 770	51 592	(24 299)	24 299	(111 381)	-	1 416 545	(334 564)	1 081 981
Tswelopele pelletising plant	171 418	(21 254)	150 164	4 575	(5 095)	5 095	(12 600)	-	170 898	(28 759)	142 139
Bokamoso pelletising plant	204 100	(51 202)	152 898	13 917	(8 788)	8 788	(18 821)	-	209 229	(61 235)	147 994
Western mines	188 767	(51 190)	137 577	19 436	(896)	896	(20 451)	-	207 307	(70 745)	136 562
Eastern mines	412 810	(118 981)	293 829	51 368	(1 787)	1 787	(36 754)	-	462 391	(153 948)	308 443
Corporate assets	3 805	(1 988)	1 817	49	(557)	556	(794)	-	3 297	(2 226)	1 071
Capital work in progress (CWIP)	99 176	-	99 176	-	-	-	-	63 420	162 596	-	162 596
Total	4 127 046	(886 676)	3 240 370	272 932	(165 206)	165 205	(341 517)*	63 420	4 298 192	(1 062 988)	3 235 204
Company 2016											
Land, mineral and surface rights	4 023	(4 023)	-	-	(4 023)	4 023	-	-	-	-	-
Corporate assets	1 818	(1 302)	516	49	(557)	556	(355)	-	1 310	(1 101)	209
Total	5 841	(5 325)	516	49	(4 580)	4 579	(355)	-	1 310	(1 101)	209

* R329.9m depreciation is recognised in the statement of comprehensive income. R11.6m relates to depreciation capitalised to inventory.

The property, plant and equipment was encumbered by a loan more fully described in note 9.2.

Management assessed the residual values of the permanent components of the smelters and pelletisers as higher than the carrying values of these assets and therefore no depreciation has been calculated on these assets. The carrying value of these assets are R1bn.

Although there were no indicators of impairment at 31 December 2016, the group performed an impairment assessment on the basis set out in note 1.20.2, and concluded that no impairment was necessary.

3. Investment in subsidiaries

2017	**Issued share capital**	**Percentage holding**	**Investment cost**	**Loans to subsidiaries**	**Total**
Investments in subsidiaries	**Number of shares**	**%**	**R'000**	**R'000**	**R'000**
Directly held					
Merafe Chrome	**200**	**100**	**200**	**1 532 928**	**1 533 128**
Indirectly held					
Merafe Ferrochrome	**400**	**100**	**400**	**-**	**-**
2016					
Investments in subsidiaries					
Directly held					
Merafe Chrome	200	100	200*	1 357 278*	1 357 478
Indirectly held					
Merafe Ferrochrome	400	100	400	-	-

**The investment amount was reclassified from investments to loans receivable from subsidiaries to more accurately reflect the nature of this amount.*

The above loans are unsecured, interest free, have no fixed terms of repayment and are long-term in nature. The wholly owned subsidiaries are incorporated in the Republic of South Africa. The assumptions used in the valuation of this loan are as follows:

- Method of valuation: Effective interest rate method
- Term: 55 years (based on the reserves and resources of the Merafe Resources Limited group)
- Interest rate: Current cost of debt interest rate for the group which takes into consideration the risk profile of the group

Interest in the profits of subsidiaries for the year ended 31 December 2017 amounted to R749m (2016: R471m).

Structured entities

The following entities are consolidated and considered to be subsidiaries of the Merafe Resources Limited group:

- Horizon Nature Conservation Trust (deregistered during 2016)
- Merafe Kroondal Rehabilitation Trust
- Merafe Resources Limited Share Incentive Scheme Trust

3. Investment in subsidiaries *(continued)*

Structured entities

Refer to the related parties note 22 for further details on investments in subsidiaries and structured entities. There has been no significant changes in the nature and risks associated with these structured entities.

There are no contractual arrangements that require the company to provide financial support to any of the above entities nor are there any events or circumstances that could expose the company to a loss.

	Group		**Company**	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000
4. Inventories				
Consumables stores	**77 390**	81 354	-	-
Raw materials	**613 728**	443 772	-	-
Work in progress	**43 239**	1 149	-	-
Finished goods	**763 441**	579 162	-	-
	1 497 798	1 105 437	-	-

The cost of inventories recognised as an expense and included in cost of sales amounted to R3.1bn (2016: R3.5bn). No inventories were encumbered during the year. No inventory was written down at 31 December 2017.

	Group		**Company**	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000
5. Trade and other receivables				
Trade receivables[1]	**781 766**	1 335 041	**-**	-
Pre-payments	**12 240**	5 676	**38**	-
Embedded derivative recognised on sales contracts[2]	**(35 175)**	116 675	**-**	-
GOSA receivable[3]	**29 947**	34 955	**-**	-
Other receivables[4]	**94 471**	94 933	**852**	1 769
	883 249	1 587 280	**890**	1 769

[1]Trade receivables discounting (working capital loan) was previously disclosed as part of trade and other receivables and has now been reclassified to current liabilities in order to reflect the nature of the facility accurately.

[2] Level 2 hierarchy per IFRS 13. The embedded derivative is included in trade and other receivables at fair value. The fair value of the embedded derivative is based on the latest available ferrochrome prices and closing foreign exchange rate.

[3] Related party balance.

[4] This total consists mainly of VAT receivable.

5. Trade and other receivables *(continued)*

The group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 20. Trade receivables relating to local sales have an average payment term of 60 days and are non-interest bearing. Trade receivables relating to foreign sales have an average payment term of 90 days.

	Group	
	2017	2016
	R'000	R'000
Trade receivables per sales region		
Africa	**92 003**	71 013
Asia	**393 192**	913 856
America	**199 395**	203 805
Europe	**97 176**	146 367
	781 766	1 335 041

The carrying value of trade and other receivables approximates its fair value.

	Group		Company	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000
6. Share capital				
Authorised – 3 500 000 000 shares of 1 cent each	**35 000**	35 000	**35 000**	35 000
Issued – 2 510 704 248 ordinary shares of 1 cent each				
Issued share capital at beginning of year	**25 107**	25 107	**25 107**	25 107
Issued share capital at end of year	**25 107**	25 107	**25 107**	25 107

All ordinary shares have equal voting rights. There are no restrictions on the distribution of dividends or repayment of capital in terms of the Memorandum of Incorporation of the company.

	Group		Company	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000
7. Share premium				
Balance at beginning of year	**1 269 575**	1 269 575	**1 269 575**	1 269 575
Balance at end of year	**1 269 575**	1 269 575	**1 269 575**	1 269 575

Merafe Resources Limited

Notes to the financial statements
for the year ended 31 December 2017

8. Cash-settled share-based payment arrangements

	Group		Company	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000
Cash-settled share-based payment liability				
Balance at beginning of year	**14 220**	6 040	**14 220**	6 040
Share-based payment expense	**5 588**	12 805	**5 588**	12 805
Share grants vested	**(11 053)**	(4 625)	**(11 053)**	(4 625)
Balance at the end of year	**8 755**	14 220	**8 755**	14 220
Current	**3 376**	9 208	**3 376**	9 208
Non-current	**5 379**	5 012	**5 379**	5 012

8.1 Share option/grant schemes

On 14 December 1999 a share incentive scheme was approved by the shareholders as an incentive to employees (including executive directors) of the company and its subsidiaries to identify themselves more closely with the activities of the company and to promote its continued growth by giving them an opportunity of acquiring shares therein. Management has applied the provisions of IFRS 2: Share-based payment in accounting for and disclosing all share options granted, except for share options granted before 7 November 2002, or share options granted after this date, but which had vested prior to 1 January 2005.

On 13 April 2010, a new incentive scheme was approved by the shareholders. Share grants were issued under the new incentive scheme. Refer to note 8.2 for details regarding the share grants.

From inception of the new incentive scheme up until 29 June 2016, the company’s intention was to equity settle. The Board took a decision to cash settle, effective 29 June 2016, to avoid dilution of equity, subject to certain conditions.

Share options that had been granted to employees and senior management in prior years which had to be exercised within 10 years of grant date were either exercised or lapsed. The share options that were exercised were settled by cash.

8. Cash-settled share-based payment arrangements *(continued)*

8.1 Share option/grant schemes *(continued)*

The number and weighted average exercise price of share options are as follows:

	2017		2016	
	Weighted average exercise price in cents per share	**Number of options '000**	Weighted average exercise price in cents per share	Number of options '000
Outstanding balance at beginning of year	**139**	**10 908**	144	18 496
Options exercised during the year	**172**	**(8 310)**	82	(3 365)
Options forfeited during the year	**227**	**(2 598)**	127	(4 223)
Outstanding balance at end of year	**-**	**-**	139	10 908
Exercisable at end of year	**-**	**-**	139	10 908

Share options outstanding at the end of the year have the following exercise prices:

	Company	
	2017 '000	2016 '000
69 cents	**-**	3 000
136 cents	**-**	5 310
227 cents	**-**	2 598
	-	10 908

8. Cash-settled share-based payment arrangements *(continued)*

8.1 Share option/grant schemes *(continued)*

	Company	
	2017	2016
	'000	'000
1 March 2011	-	866
1 March 2012	-	1 866
1 March 2013	-	1 866
1 March 2014	-	1 000
1 October 2013	-	885
1 October 2014	-	1 770
1 October 2016	-	1 770
1 October 2017	-	885
	-	10 908

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes-Merton model, with the following inputs :

	2017 Share options	2016 Share options
Weighted average grant price (cents)	-	139
Exercise price in cents (weighted average)	-	82
Expected volatility*	-	48%
Option life in years	-	5 - 6
Expected dividends	-	12.29%
Risk-free interest rate	-	7.85%
Intrinsic value of shares	-	R4 419 768

*The expected volatility of 48% (2016) is based on historic volatility of the Merafe share price over the past five years.

8.2 Share grants

The new share incentive scheme was approved by shareholders on 13 April 2010. During 2010 to 2017, various share grants and share options were issued to directors and employees of the company.

8. Cash-settled share-based payment arrangements *(continued)*

8.2 Share grants *(continued)*

The purpose of the share incentive scheme is to serve as an incentive and reward to employees (including executive directors) of the company and its subsidiaries for services rendered and to be rendered, aimed at promoting the continued growth of the company by giving employees an opportunity to acquire shares in the company and to serve as a retention mechanism for employees whose services are regarded by the company to be crucial to the future growth and sustainability of the company's business. Share options and share grants are granted by the Board of directors of the company on the recommendation of the Remuneration Committee.

The Black-Scholes Merton option pricing model was used to determine the fair value of the share grants. This valuation methodology is consistent with previous valuation calculations.

The share grants are split between portions being subject to performance conditions and portions with no performance conditions. For share grants issued prior to 2013, 50% of the share grants to directors are subject to performance conditions and 50% are not subject to performance conditions. 20% of the share grants to employees are subject to performance conditions and 80% are not subject to performance conditions for share grants issued prior to 2013.

The following market and non-market conditions relate to the share grants granted to directors and employees prior to 2013:

Vesting condition	**Type**	**Weighting**	**Three-year option**	**Four-year option**	**Five-year option**
		%	%	%	%
Capacity growth*	Non-market	25	100	100	100
Assets under management**	Non-market	25	100	100	100
JSE SRI Index***	Non-market	25	100	100	100
JSE Small Capitalisation Index and Mining Index	Market	25	-	-	-

* *The target is to grow ferrochrome capacity cumulatively by 3% (first hurdle), 6% (second hurdle) or 9% (third hurdle)*

** *The target is to grow total assets under management cumulatively by 6% (first hurdle), 12% (second hurdle), or 18% (third hurdle)*

*** *There are no hurdles. The index must be maintained for full incentives or if lost then there is no incentive on this measure. The areas measured under this index relate to environmental sustainability, economic sustainability, social sustainability and corporate governance.*

8. Cash-settled share-based payment arrangements *(continued)*

8.2 Share grants *(continued)*

Note: The capacity growth and assets under management target have three hurdles at which different amounts of the share grants are earned. If the first hurdle is met then 50% of the share grants are earned. If the second hurdle is met when 75% of the share grants are earned and if the third hurdle is met when 100% of the share grants are earned.

The performance conditions include 75% of non-market conditions and 25% of market conditions. The probabilities relating to non-market conditions are estimated by management and will be adjusted each year. Market conditions of outperformance of either the mining index or the JSE small capitalisation index are incorporated using the probability of 62,5% into the initial valuation and are not subsequently adjusted for.

The Remuneration Committee introduced a new performance condition for the share grants granted from 2013 onwards. The performance condition is based on a single performance metric which is Merafe's total shareholder return ("TSR") over a three year period compared to the TSR of a selection of JSE Listed small capitalisation mining and resource companies.

If Merafe's TSR over the three year period places it in one of the top three positions, then the full number of performance granted shares will vest in equal proportions on the 3rd, 4th and 5th anniversaries of their grant. If Merafe's TSR over the three year period places it in 6th position, then one third of the number of performance granted shares will vest in equal proportions on the 3rd, 4th and 5th anniversaries of their grant. If Merafe's performance over the three year period lies between any of the above points, then a prorated number of performance granted shares will vest in equal proportions on the 3rd, 4th and 5th anniversaries of their grant.

The percentage subject to performance conditions and not subject to performance conditions are as follows for each level of staff:

	Not subject to performance conditions	**Subject to performance conditions**
CEO	30%	70%
Executive Directors	40%	60%
Senior Managers	50%	50%
Other employees	100%	0%

From inception of the new incentive scheme up until 29 June 2016, the company's intention was to equity settle. The Board took a decision to cash settle, effective 29 June 2016, to avoid dilution of equity.

Merafe Resources Limited

Notes to the financial statements
for the year ended 31 December 2017

8. Cash-settled share-based payment arrangements *(continued)*

8.2 Share grants *(continued)*

The following assumptions were used in the valuation model:

	2017		**2016**	
	2015 - 2017 share grants	2013 - 2014 share grants	2013 - 2016 share grants	2010 - 2012 share grants
Risk free rate	7.14%	7.14%	7.85%	7.85%
Expected volatility*	47%	47%	48%	48%
Expected dividend yield	5.48%	5.48%	12.29%	12.29%
Expected life (years)	0.25 – 4.25	0.18 – 1.25	0.99 – 2.78	0.43
Vesting periods (years)	3,4 and 5	3,4 and 5	3,4 and 5	3,4 and 5
Weighted average exercise price (Rands)	0	0	0	0
Weighted average grant price (Rands)	0.77 – 1.67	0.82 – 1.08	0.79 – 0.96	0.81
Weighted average option value (Rands)	0.81 – 1.47	0.79 – 1.48	0.99 – 1.13	1.49
Performance conditions	Yes	Yes	Yes	Yes
Intrinsic value of shares	R15 497 983	R4 409 023	R22 295 614	R3 100 156

*The expected volatility of 47% (2016: 48%) is based on historic volatility of the Merafe share price over the past five years.

The following share grants relating to employees and executive directors were outstanding at 31 December 2017:

Vesting date	**Total**	**Share grant date**
06 March 2018	1 114 182	06 March 2013
01 April 2018	922 448	01 April 2014
01 April 2019	922 448	01 April 2014
01 April 2018	1 341 560	01 April 2015
01 April 2019	1 341 560	01 April 2015
01 April 2020	1 341 560	01 April 2015
01 April 2019	1 497 370	01 April 2016
01 April 2020	1 497 370	01 April 2016
01 April 2021	1 497 370	01 April 2016
01 April 2020	733 504	01 April 2017
01 April 2021	733 504	01 April 2017
01 April 2022	733 504	01 April 2017
Total	13 676 380	

8. Cash-settled share-based payment arrangements *(continued)*

8.2 Share grants *(continued)*

The following share grants relating to executive directors were outstanding at 31 December 2017:

Vesting date	**Ms ZJ Matlala**	**Ms K Bissessor**
6 March 2018	759 575	166 600
1 April 2018	626 752	136 182
1 April 2019	626 752	136 182
1 April 2018	850 548	302 337
1 April 2019	850 548	302 337
1 April 2020	850 548	302 337
1 April 2019	941 409	334 634
1 April 2020	941 409	334 634
1 April 2021	941 409	334 634
1 April 2020	460 433	163 665
1 April 2021	460 433	163 665
1 April 2022	460 433	163 665
Total	8 770 249	2 840 872

The movement in the number of share grants can be summarised as follows:

	2017 **'000**	2016 '000
Opening balance	**15 391 374**	15 074 930
Granted during the year	**2 200 513**	4 563 757
Vested during the year	**(3 915 507)**	(4 247 313)
Closing balance	**13 676 380**	15 391 374

		Group		Company	
		2017	2016	**2017**	2016
		R'000	R'000	**R'000**	R'000
9.	**Loans and borrowings**				
9.1	Finance leases – property, plant and equipment	**12 138**	13 468	**-**	-
9.2	ABSA/Standard Bank	**-**	363 473	**-**	-
	Total loans and borrowings	**12 138**	376 941	**-**	-
	Current portion of loans and borrowings	**(1 044)**	(187 839)	**-**	-
	– Finance leases – property, plant and equipment	**(1 044)**	(1 339)	**-**	-
	– ABSA/Standard Bank	**-**	(186 500)		
	Non-current portion of loans and borrowings	**11 094**	189 102	**-**	-

9.1 Finance leases – property, plant and equipment

These loans are secured by finance leases over plant and equipment which is included in note 2. The loans are repayable in monthly installments averaging R267k (2016: R267k) on all finance leases. Interest is payable at an average of 11.75% (2016: 13.5%) per annum. Contingent rent, special renewal terms and specific escalation clauses are not applicable to the leases. There are no restrictions that are imposed by the current lease arrangements.

In accordance with the agreement with the Venture, Merafe Ferrochrome receives 20.5% of the Venture's EBITDA whilst retaining ownership of its assets. The finance lease obligations in the group's statement of financial position and the finance lease repayments represent 20.5% of the Venture's total obligations whereas the carrying values of assets that secure the finance leases, relate to the assets that are controlled by the group and are reflected in the group statement of financial position.

Finance lease liabilities:

	Minimum lease payments		Present value of minimum lease payments	
	2017	2016	**2017**	2016
Not later than one year	**2 586**	3 011	**1 044**	1 339
Later than one year but not later than five years	**10 070**	10 225	**5 542**	5 114
Later than five years	**9 142**	11 564	**5 552**	7 015
	21 798	24 800	**12 138**	13 468
Less future finance charges	**(9 660)**	(11 332)	**-**	-
Present value of minimum future lease payments	**12 138**	13 468	**12 138**	13 468

9. Loans and borrowings *(continued)*

9.2.1 Previous facility – ABSA/Standard Bank

The balance of the loan of R363m at 31 December 2016 related to a R800m facility that was concluded in the first quarter of 2015. R500m being a term facility repayable in 10 half yearly instalments expiring in March 2020 and R300m being a Revolving Credit Facility (RCF) expiring after 3 years in March 2018. The term facility was interest bearing at the Johannesburg Interbank Agreed Rate (JIBAR) plus a margin of 300 basis points and the RCF beared interest at JIBAR plus a margin of 280 basis points. At 31 December 2016, JIBAR was 7.3%.

The loans were secured by the following:
* A general notarial bond over movable plant and equipment;
* A cession of rights, title and interest of Merafe Ferrochrome's participation interest under the Pooling and Sharing Agreement with GOSA;
* A cession of rights, title and interest of the Wonderkop assets, Bokamoso assets, Lion I and Lion II assets; and
* A cession of bank accounts.
Further to the above security, there was a negative pledge in place over all Merafe Ferrochrome's assets.

The total debt that was outstanding at the end of December 2016 was settled during the financial year ended 31 December 2017 and the facilities were terminated.

There were no defaults on loan agreements in both the 2016 and 2017 financial year.

9.2.2 New facility – ABSA

A new unsecured revolving credit facility agreement was entered into with ABSA during the last quarter of 2017. Interest on the facility is calculatd at 3 months JIBAR plus a margin of 255 basis points. At 31 December 2017 none of the facility was utilised resulting in a loan balance of zero. A commitment fee of 0.65% per annum is payable on the unused portion of the facility which is payable quarterly in arrears.

	Group		**Company**	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000
10. Provisions				
Balance at beginning of year	**151 747**	139 351	-	-
Increase in other provisions	**130 413**	-	-	-
(Reversal)/Provisions made during the year	**(6 508)**	161	-	-
Unwinding of discount	**11 866**	12 235	-	-
Balance at end of year	**287 518**	151 747	-	-

10. Provisions *(continued)*

The carrying value of provisions at the end of the year includes the following:

	Group		Company	
	2017 R'000	2016 R'000	**2017 R'000**	2016 R'000
Provision for closure and restoration costs[1]	**157 105**	151 747	-	-
Provision for uncertain tax position[2]	**130 413**	-	-	-
	287 518	151 747	-	-

[1] The provision is for a liability for the rehabilitation of land involved in any prospecting or mining operations of the group and to discharge any liability which may arise in terms of the Atmospheric Pollution Prevention Act of 1965, the Environment Conservation Act, No 73 of 1989, the Minerals Act, No 50 of 1991, the Water Act, No 54 of 1956 and any such other legislation that may be enacted in the future. The environmental obligations and corresponding liability remains the sole responsibility of the Venture.

The estimated cost of rehabilitation are based on environmental plans in accordance with current technology, environmental and regulatory requirements and the measurements of an independent professional surveyor.

For purposes of calculating the provision, management have assumed a long-term inflation rate of 6% (2016: 6%) and a discount rate of 8.59% (2016: 8.02%). The timing of the outflows relating to the provision are uncertain but the expected timing of outflows ranges between five and thirty years.

The Venture engages an expert to estimate the cost of rehabilitation every three to five years. The last expert assessment for the mines was conducted during 2017 and the smelters in 2013.

[2] This amount relates to an uncertain tax position in Merafe Ferrochrome. In the prior year the amount was included in trade and other payables. Please refer to note 13.

11. Deferred tax (liabilities)/assets

	Group 2017 R'000	Group 2016 R'000	Company 2017 R'000	Company 2016 R'000
Recognised deferred tax (liabilities)/assets:				
Property, plant and equipment	**(899 850)**	(890 305)	**(4)**	(9)
Trade and other receivables	**(960)**	-	**-**	-
Provisions and accruals	**119 880**	61 372	**2 958**	4 375
Finance lease obligations	**3 399**	3 771	**-**	-
Tax losses	**14 772**	14 974	**14 772**	14 974
	(762 759)	(810 188)	**17 726**	19 340
Deferred tax assets	**17 726**	19 340	**17 726**	19 340
Deferred tax liabilities	**(780 485)**	(829 528)	**-**	-
Net balance	**(762 759)**	(810 188)	**17 726**	19 340

Management are of the view that the deferred tax asset recognised in the company will be recoverable using the estimated future taxable income based on the latest budget and forecast.

Movement in temporary differences during the year

Group

	Balance 1 January 2016 R'000	Recognised in profit or loss in 2016 R'000	Balance 31 December 2016 R'000	**Recognised in profit or loss in 2017 R'000**	**Balance 31 December 2017 R'000**
Property, plant and equipment	(841 782)	(48 523)	(890 305)	**(9 545)**	**(899 850)**
Trade and other receivables	-	-	-	**(960)**	**(960)**
Provisions and accruals	76 057	(14 685)	61 372	**58 508**	**119 880**
Finance leases	4 047	(276)	3 771	**(372)**	**3 399**
Tax losses	15 949	(975)	14 974	**(202)**	**14 772**
	(745 729)	(64 459)	(810 188)	**47 429**	**(762 759)**

The company had a tax loss of R53m at 31 December 2017 (2016: R53m). The tax loss does not have an expiry date.

11. Deferred tax (liabilities)/assets *(continued)*

Company

	Balance 1 January 2016 R'000	Recognised in profit or loss in 2016 R'000	Balance 31 December 2016 R'000	**Recognised in profit or loss in 2017 R'000**	**Balance 31 December 2017 R'000**
Property, plant and equipment	14	(23)	(9)	**5**	**(4)**
Provisions and accruals	2 025	2 350	4 375	**(1 417)**	**2 958**
Finance leases	7	(7)	-	**-**	**-**
Tax losses	15 949	(975)	14 974	**(202)**	**14 772**
	17 995	1 345	19 340	**(1 614)**	**17 726**

12. Current tax (liability)/asset

	Group **2017 R'000**	Group 2016 R'000	Company **2017 R'000**	Company 2016 R'000
Balance at the beginning of the year	**36 395**	10 773	-	**-**
Current tax expense	**(413 974)**	(147 690)	-	**-**
Prior year overprovision	**2 941**	631	-	**-**
Provisional tax payments	**406 051**	172 193	-	**-**
Income tax refund	**(39 610)**	488	-	**-**
Current tax (liability)/asset	**(8 198)**	36 395	-	**-**

13. Trade and other payables

	Group **2017 R'000**	Group 2016 R'000	Company **2017 R'000**	Company 2016 R'000
Trade payables	**323 416**	390 749	**-**	-
Employee benefit accruals	**89 045**	76 009	**8 715**	9 769
Other payables and accruals[1]	**138 095**	201 477	**4 822**	2 615
Merafe Ferrochrome payable	**-**	-	**226 527**	76 355
	550 556	668 235	**240 064**	88 739

[1] Includes VAT accruals

13. Trade and other payables *(continued)*

Trade payables are non–interest bearing and are normally settled on 30 to 45 day terms. Other payables are non–interest bearing and are normally settled on 30 day terms. The carrying value of the trade and other payables approximates its fair value.

An accrual is recognised for the employer's liability for annual leave and associated costs. The accrual for compensated absences is recognised when the employee renders the service and the accrual is updated on a monthly basis. Employee benefits include an accrual for bonuses in terms of the group's bonus scheme

Uncertain Tax Position
Included in other payables and accruals in 2016, is an amount of R75m relating to an uncertain tax position of Merafe Ferrochrome. In the current year the amount has been included in provisions – refer to note 10.

The group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 20.

	Group		Company	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000
14. Revenue				
Revenue from the sale of ferrochrome	**5 162 582**	4 923 076	-	-
Revenue from the sale of chrome ore	**726 279**	778 407	-	-
Dividends received	**-**	-	**175 652**	50 000
Management fees/sundry income	**84**	84	**11 171**	15 201
	5 888 945	5 701 567	**186 823**	65 201

Geographical areas of ferrochrome sales

The majority of customers are stainless steel mills located at the following revenue destinations:

	2017		2016	
	Revenue R'000	**% of revenue in relation to total ferrochrome revenue**	Revenue R'000	% of revenue in relation to total ferrochrome revenue
Revenue destination				
Africa and Middle East*	**244 018**	**4**	150 710	3
America**	**827 464**	**16**	703 638	14
Asia***	**3 079 860**	**60**	3 319 455	68
Europe****	**1 011 240**	**20**	749 273	15
Total	**5 162 582**	**100**	4 923 076	100

14. Revenue *(continued)*

* *Includes South Africa and United Arab Emiratess*
** *Includes Brazil and USA*
*** *Includes China, India, Japan, South Korea and Taiwan*
**** *Includes Germany, Italy, Luxemburg, Malta, Spain, Switzwerland*

Geographical areas of chrome ore sales

	2017 Revenue R'000	**2017** % of revenue in relation to total chrome revenue	2016 Revenue R'000	2016 % of revenue in relation to total chrome revenue
Revenue destination				
South Africa	**155 063**	**21**	96 476	12
Asia, Australia, USA and Europe	**571 216**	**79**	681 931	88
Total	**726 279**	**100**	778 407	100

Sales to the following customers individually comprise more than 10% of total sales:

Ferrochrome	**2017** Revenue R'000	**2017** % of revenue in relation to total ferrochrome revenue	2016 Revenue R'000	2016 % of revenue in relation to total ferrochrome revenue
Customer A	**718 091**	**14**	568 956	12
Customer B	**605 523**	**12**	749 909	15
Customer C	**-**[1]	**-**	493 407	10
Total	**1 323 614**	**26**	1 812 272	37

Chrome ore	**2017** Revenue R'000	**2017** % of revenue in relation to total chrome ore revenue	2016 Revenue R'000	2016 % of revenue in relation to total chrome ore revenue
Customer D	-[1]	**-**[1]	133 622	17
Customer E	-[1]	**-**[1]	90 953	12
Total	-	**-**	224 575	29

Note: The marketing agent, Glencore International AG, accepts 60% of the risk related to non–payment of credit sales of ferrochrome and 100% of the risk related to non–payment of credit sales of chrome ore.
[1] Less then 10% in 2017.

Notes to the financial statements

for the year ended 31 December 2017

		Group		Company	
		2017	2016	**2017**	2016
		R'000	R'000	**R'000**	R'000
15.	**Results from operating activities** The following items have been taken into account in arriving at results from operating activities:				
	Corporate social investment	**(7 587)**	(3 919)	**(3 521)**	(10)
	Social and labour plans	**(519)**	(867)	**-**	-
	Enterprise development	**(118)**	(1 323)	**-**	-
	Embedded derivative recognised on sales contracts – fair value adjustment	**(155 852)**	134 549	**-**	-
	Consulting fees	**(4 176)**	(4 142)	**(2 458)**	(2 172)
	Increase in provision for closure and restoration	**(194)**	-	**-**	-
	Increase in provision relating to tax position	**(55 382)**	(75 030)	**-**	-
	Operating lease expenses	**(3 888)**	(2 926)	**-**	-
	Personnel expenses*	**(741 838)**	(674 726)	**(9 554)**	(16 940)
	– Salaries and wages	**(598 069)**	(537 362)	**(2 287)**	(2 241)
	– Defined contribution expense – provident fund	**(64 180)**	(58 232)	**(191)**	(195)
	– Defined contribution expense – medical aid	**(57 918)**	(53 444)	**(64)**	(62)
	– Cash/equity-settled share-based payment expense	**(5 588)**	(12 805)	**(5 588)**	(12 805)
	– Increase in accrual for leave pay	**(7 911)**	(5 193)	**(34)**	(68)
	– Increase in accrual for bonuses	**(8 172)**	(7 690)	**(1 390)**	(1 569)

** Includes remuneration relating to key management personnel (see note 22.2)*

	% of employees covered by the plan	
	2017	2016
The Company	**100**	100
The Venture	**100**	100

	Group 2017 R'000	Group 2016 R'000	Company 2017 R'000	Company 2016 R'000
16. Net finance (expense)/income recognised in profit or loss				
Finance expense	**(27 958)**	(63 400)	**-**	(1)
Finance expense on financial liabilities measured at amortised cost	**(16 091)**	(51 165)	**-**	(1)
Interest on loans and borrowings	**(16 091)**	(51 164)	**-**	-
Finance expense on bank overdraft and finance lease	**-**	(1)	**-**	(1)
Unwinding of discount on rehabilitation provision	**(11 867)**	(12 235)	**-**	-
Finance income	**8 633**	4 044	**2 911**	11 625
Interest income on bank deposits	**7 496**	3 556	**2 911**	3 264
SARS interest income	**1 137**	488	**-**	-
Unwinding of intercompany loan	**-**	-	**-**	8 361
Net finance (expense)/income	**(19 325)**	(59 356)	**2 911**	11 624
Net finance income per financial instrument category				
Loans and receivables	**7 496**	3 555	**2 911**	3 263
Interest income on bank deposits	**7 496**	3 556	**2 911**	3 264
Finance expense on bank overdraft and finance lease	**-**	(1)	**-**	(1)
Financial liabilities measured at amortised cost	**(16 091)**	(51 164)	**-**	8 361
Interest expense on loans and borrowings	**(16 091)**	(51 164)	**-**	-
Unwinding of intercompany loan	**-**	-	**-**	8 361
Financial assets measured at fair value	**(11 867)**	(12 235)	**-**	-
Other liability	**(11 867)**	(12 235)	**-**	-
	(20 462)	(59 844)	**2 911**	11 624

Merafe Resources Limited

Notes to the financial statements

for the year ended 31 December 2017

	Group		Company	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000
17. Income tax (expense)/credit				
Normal taxation	**(363 604)**	(211 518)	**(1 614)**	1 345
Current tax	**(411 033)**	(147 059)		-
– current year	**(413 974)**	(147 690)	**-**	-
– prior years' over provision	**2 941**	631	**-**	-
Deferred tax	**47 429**	(64 459)	**(1 614)**	1 345
Deferred taxation – current charge	**47 429**	(64 459)	**(121)**	1 345
Deferred taxation – prior year	**-**	-	**(1 493)**	-
Total taxation	**(363 604)**	(211 518)	**(1 614)**	1 345

At 31 December 2017, the total estimated unredeemed capital expenditure in the group was nil (2016: R174m).

Profit before income tax R'000	**1 277 222**	743 948	**167 019**	59 715
Taxation on profit before taxation at standard rate	**28.0**	28.0	**28.0**	28.0
Taxation effect of non–deductible expenditure	**0.3**[1]	0.4[1]	**1.5**[1]	0.6[1]
Taxation effect of non–taxable income	**-**	-	**(29.4)**[2]	(31.3)[2]
Prior years' (over)/under overprovision	**0.2**	-	**0.9**	0.4
Effective tax rate	**28.5**	28.4	**1.0**	(2.3)

[1] Includes cash-settled share-based payments, legal fees, consulting fees, other costs incurred to produce non-taxable income.
[2] Relates to inter-company income/dividends.

Merafe Resources Limited

Notes to the financial statements

for the year ended 31 December 2017

		2017 (cents)	2016 (cents)
18.	**Earnings per share**		
18.1	Basic earnings per share	**36.4**	21.2

The calculation of basic earnings per share is based on profit attributable to ordinary shareholders of R914m (2016: R532m) and a weighted average number of ordinary shares outstanding during the year of 2 510 704 248 (2016: 2 510 704 248).

18.2 Calculation of weighted average number of shares

	Number of shares 2017	2016
Issued ordinary shares at 1 January	2 510 704 248	2 510 704 248
Weighted average number of shares at 31 December	2 510 704 248	2 510 704 248

		2017 (cents)	2016 (cents)
18.3	Headline earnings per share	**36.4**	21.2

The calculation of headline earnings per share is based on profit attributable to ordinary shareholders of R914m (2016: R532m) and a weighted average number of shares outstanding during the year of 2 510 704 248 (31 December 2016: 2 510 704 248).

	2017 R'000	2016 R'000
Headline earnings is calculated as follows:		
Total comprehensive income for the year	**914 118**	532 430
Headline earnings	**914 118**	532 430

Merafe Resources Limited

Notes to the financial statements

for the year ended 31 December 2017

18. Earnings per share *(continued)*

		2017 (cents)	2016 (cents)
18.4	Diluted earnings per share	**36.4**	21.2

The calculation of diluted earnings per share is based on profit attributable to ordinary shareholders of R914m (2016: R532m) and a weighted average number of shares outstanding during the year of 2 510 704 208 (31 December 2016: 2 510 704 208).

	Number of shares	
	2017	2016
Weighted average number of ordinary shares used in calculating basic earnings per share	2 510 704 208	2 510 704 208

		2017 (cents)	2016 (cents)
18.5	Diluted headline earnings per share	**36.4**	21.2

The calculation of diluted headline earnings per share is based on profit attributable to ordinary shareholders of R914m (2016: R532m) and a weighted average number of shares outstanding during the year of 2 510 704 208 (31 December 2016: 2 510 704 208).

Merafe Resources Limited

Notes to the financial statements

for the year ended 31 December 2017

		Note	Group 2017 R'000	Group 2016	Company 2017 R'000	Company 2016 R'000
19.	**Cash generated from operating activities**					
	Profit before tax		**1 277 722**	743 948	**167 019**	59 715
	Adjustments for:					
	Depreciation		**368 212**	329 893	**149**	355
	Finance income	*16*	**(8 633)**	(4 044)	**(2 911)**	(11 625)
	Finance expense	*16*	**27 958**	63 400	**-***	1
	Share based payment expense		**5 588**	12 805	**5 588**	12 805
	Share grants exercised		**(11 053)**	(4 624)	**(11 053)**	(4 624)
	Embedded derivative – fair value adjustment		**155 852**	(134 549)	**-**	-
	Increase in provisions		**135 771**	12 396	**-**	-
	Effect of exchange rate fluctuations on cash held during the year		**47 175**	13 239	**-**	-
			1 998 592	1 032 464	**158 792**	56 627
	(Increase)/decrease in inventories		**(387 719)**	347 659	**-**	-
	Decrease/(Increase) in trade and other receivables		**529 424**	(826 144)	**877**	521
	(Decrease)/Increase in trade and other payables		**(361 371)**	167 740	**151 326**	2 638
	Cash generated from operating activities		**1 778 926**	721 719	**310 995**	59 786
19.1	Cash and cash equivalents					
	Positive cash balances		**671 655**	287 880	**18 539**	56 325
	Bank balance		**192 208**	233 093	**626**	1 705
	Call deposits		**479 392**	54 618	**17 911**	54 618
	Cash on hand		**55**	169	**2**	2
	Bank overdraft		**-**	(24 576)	**-**	-
	Net cash and cash equivalents in statements of cash flows		**671 655**	263 304	**18 539**	56 325
	Reconciliation of cash in the group					
	Cash in the Venture		**207 650**	54 615	**-**	-
	Cash in Merafe Resources		**18 539**	56 325	**18 539**	56 325
	Cash in Merafe Ferrochrome		**439 800**	146 954	**-**	-
	Cash in Kroondal Rehabilitation Trust		**5 666**	5 410	**-**	-
	Total		**671 655**	263 304	**18 539**	56 325

Note: Cash at bank earns interest at a floating rate based on daily bank deposit rates. Call deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the group, and earn interest at the respective call deposit rates. The group's exposure to interest rate risk and sensitivity analysis for financial assets and financial liabilities are disclosed in Note 20.

** less than one thousand.*

20. Financial instruments

Principles of risk management

The group has exposure to the following risks from its use of financial instruments:
* Credit risk;
* Liquidity risk; and
* Market risk.

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The Board has established a group Audit and Risk Committee, which is responsible for monitoring the group's risk management policies. The committee reports directly to the Board of directors on its activities.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The group Audit and Risk Committee oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The group Audit and Risk Committee is assisted in the oversight role at operations level by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the group Audit and Risk Committee.

The overall objective of the Venture's treasury department is to effectively manage credit risk, liquidity risk and market risks in accordance with the group's strategy. Other responsibilities of the Venture's treasury department include management of the group's cash resources, approval of counter–parties and relevant transaction limits and the monitoring of all significant treasury activities undertaken by the group.

The Venture's treasury department prepares monthly treasury reports which monitor all significant treasury activities undertaken by the Venture. The report also benchmarks significant treasury activities and monitors key banking risks to ensure continued effectiveness.

The group's significant financial instruments comprise loans and receivables, cash and cash equivalents and financial liabilities measured at amortised cost. The main purpose of these financial instruments is to finance the group's acquisitions and ongoing operations.

20. Financial instruments *(continued)*

20.1 Credit risk

Credit risk is the risk of financial loss to the group if a customer or counter-party to a financial instrument fails to meet its contractual obligation.

Exposure to credit risk arises as a result of transactions in the group's ordinary course of business and is applicable to all financial assets. Counter-parties are assessed both prior to, during and after conclusion of transactions to ensure exposure to credit risk is limited to an acceptable level.

Cash and cash equivalents

The group limits its exposure to credit risk by investing only in liquid securities and only with approved banks and financial institutions. The group's cash balances are in the form of short-term deposits in both local and foreign currency.

Trade and other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry and country in which the customers operate, has less of an influence on credit risk. Management have considered recoverability of trade and other receivables and no significant impairment losses are expected. There are no impairment losses in the current year.

The group sells the majority of its ferrochrome to a broad range of international customers in terms of the Venture agreement.

The marketing agent, Glencore, accepts 60% of the risk related to non-payment of credit sales of ferrochrome and 100% of the risk of non-payment of credit sales of chrome ore. In general, Glencore acts as a sales and marketing agent, on-selling purchases from the group to a wide variety of customers. These sales are governed by various sales, marketing and distribution agreements. As these agreements have been in place for a number of years and the group has not been exposed to significant unrecoverable amounts, the group does not believe that these arrangements expose it to unacceptable credit risks.

Where concentrations of credit risk exist, management closely monitors the receivable and ensures appropriate controls are in place to ensure recovery. The group does not have netting arrangements with any debtors.

Investments

The company has a loan receivable from Merafe Chrome, a wholly-owned subsidiary. The recoverability of the loan is assessed periodically.

20. Financial instruments *(continued)*

20.1 Credit risk *(continued)*

	Group		Company	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000
Exposure to credit risk The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was: (refer note 20.4)				
Loans to subsidiaries	**-**	-	**1 532 928**	1 357 278
Trade and other receivables	**790 911**	1 501 318	**158**	1 434
Long term- receivable	**13 864**	-	**-**	-
Cash and cash equivalents	**671 655**	287 880	**18 539**	56 325
	1 476 430	1 789 198	**1 551 625**	1 415 037
Ageing of trade receivables:				
Not past due	**747 262**	1 390 701	**158**	1 434
Past due 31 days to 60 but not impaired	**15 059**	53 446	**-**	-
Past due 61 to 90 days but not impaired	**15 357**	56 444	**-**	-
Past due 90 days but not impaired	**13 233**	727	**-**	-
	790 911	1 501 318	**158**	1 434

20.2 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations on time. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The Venture's treasury department is responsible for management of liquidity risk, including funding, settlements, related processes and policies. The group manages its liquidity risk on a concentrated basis, utilising various sources of finance to maintain flexibility while ensuring access to cost-effective funds when required. The operational, tax, capital and regulatory requirements and obligations of the group are considered in the management of liquidity risk. In addition, management utilises both short and long term cash flow forecasts and other consolidated financial information to manage liquidity risk.

20. Financial instruments *(continued)*

20.2 Liquidity risk *(continued)*

The group uses activity-based costing to cost its products, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the group maintained the following facilities at 31 December 2017:
The Company
* ABSA: R1m credit card facilities. Interest is payable at ABSA's prime lending rate. At year end the prime lending rate was 10.25%; and
* ABSA: R0.3m guarantee facility.

Merafe Ferrochrome
* ABSA: R15m general banking facility and/or customer foreign currency account facility. Interest would be payable at the prime overdraft rate. This facility has been terminated during January 2018.
* ABSA R200m revolving credit facility. Interest is charged at three months JIBAR plus 255 basis points. As at 31 December 2017 the 3 months JIBAR was at 7.16%.

The Venture
* US$95m (ABSA, Standard Bank, Investec): US$30m committed, US$65m uncommitted foreign currency overdraft account. Interest charged at an effective interest rate of 2.88%
* Standard Bank debtors factoring facility: US$100m uncommitted. Interest is charged at US$ LIBOR plus a margin of 1.6%.

The following guarantee facilities (Merafe's portion) are in place:

	ABSA R'000	Nedbank R'000	FNB R'000	Standard R'000	Total R'000
31 December 2017					
Facility available and utilised	**13 474**	**21 593**	**64 253**	**7 906**	**107 226**
Eskom	**11 514**	**-**	**41 980**	**-**	**53 494**
DMR	**312**	**21 593**	**22 273**	**7 906**	**52 084**
Customs and excise	**314**	**-**	**-**	**-**	**314**
Town councils and water boards	**1 334**	**-**	**-**	**-**	**1 334**
Percentage utilised	**100%**	**100%**	**100%**	**100%**	**100%**

20. Financial instruments *(continued)*

20.2 Liquidity risk *(continued)*

31 December 2016	ABSA R'000	Nedbank R'000	FNB R'000	Standard R'000	Total R'000
Facility available and utilised	**17 574**	**19 288**	**59 057**	**41 760**	**137 679**
Eskom	**11 514**	**-**	**41 979**	**-**	**53 493**
DMR	**4 386**	**19 288**	**17 078**	**41 760**	**82 512**
Customs and excise	**314**	**-**	**-**	**-**	**314**
Town councils and water boards	**1 360**	**-**	**-**	**-**	**1 360**
Percentage utilised	**100%**	**100%**	**100%**	**100%**	**100%**

Note: All of the above guarantees are in the name of Glencore and relate to the Venture.

The following are the contractual maturities of financial liabilities including estimated interest payments and excluding the impact of netting arrangements.

Group 2017	Year ended 31 December 2018 R'000	Year ended 31 December 2019 R'000	Year ended 31 December 2020 R'000	Year ended 31 December 2021 onwards R'000	Total R'000
Non derivative					
Finance lease liabilities	(2 585)	(2 613)	(2 643)	(13 957)	(21 798)
Trade payables	(323 416)	-	-	-	(323 416)
Total	(326 001)	(2 613)	(2 643)	(13 957)	(345 214)

Group 2016	Year ended 31 December 2017 R'000	Year ended 31 December 2018 R'000	Year ended 2019 R'000	Year ended 2020 and onwards R'000	Total R'000
Non derivative					
ABSA	(131 847)	(135 073)	(112 000)	(52 400)	(431 320)
Interest	(31 847)	(21 600)	(12 000)	(2 400)	(67 847)
Repayments	(100 000)	(113 473)	(100 000)	(50 000)	(363 473)
Finance lease liabilities	(3 008)	(2 586)	(2 532)	(16 674)	(24 800)
Trade and other payables	(390 749)	-	-	-	(390 749)
Bank overdraft	(24 576)	-	-	-	(24 576)
Total	(550 180)	(137 659)	(114 532)	(69 074)	(871 445)

20. Financial instruments *(continued)*

20.2 Liquidity risk *(continued)*

Company 2017
Trade and other payables mature during the year ending 31 December 2018.

Company 2016
Trade and other payables mature during the year ending 31 December 2017.

20.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and ferrochrome prices, will affect the group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

Currency risk

Foreign currency
In the normal course of business, the group enters into transactions denominated in foreign currencies (primarily US$). As a result, the group was subject to transaction and translation exposure from flutuations in foreign currency exchange rates.

	31 December 2017 US$ '000	31 December 2016 US$ '000
Exposure to currency risk		
The group's exposure to foreign currency risk is as follows:		
Trade receivables	**62 538**	95 837
Trade receivables sold	**(14 666)**	(22 588)
CFC account	**2 733**	1 002
Net exposure	**50 605**	74 251

	Average rate		**Reporting date spot rate**	
	2017	2016	**2017**	2016
The following exchange rates were applied during the year:				
Rand: United States Dollar	**13.3**	14.7	**12.4**	13.7

20. Financial instruments *(continued)*

20.3 Market risk

Foreign currency sensitivity analysis

A 10 percent (strengthening)/weakening of the rand against the US$ at 31 December 2017 would have (decreased)/increased equity and profit before tax by R63m. A 10 percent (strengthening)/weakening of the rand at 31 December 2016 against the US$ would have (decreased)/increased equity and profit before taxation by R101m. This analysis assumes that all other variables, in particular interest rates, remain constant. This sensitivity does not represent the statement of comprehensive income impact that would be expected from a movement in foreign currency exchange rates over the course of a period of time.

Interest rate risk
Profile
At the reporting date, the interest rate profile of the group's interest-bearing financial instruments were:

	2017		2016	
	Average interest rate %	**Carrying amount R'000**	Average interest rate %	Carrying amount R'000
Variable rate instruments				
Interest bearing borrowings				
– ABSA/Standard Bank	**-**	**-**	9.9	(363 473)
– Finance leases – plant and equipment	**11.8**	**(12 138)**	13.5	(13 468)
Cash and cash equivalents				
– local currency	**5.0***	**637 797**	4.5*	249 577
– foreign currency	**0.5**	**33 858**	0.2	13 727
		659 517		(113 637)

* *Cash balances in local currency receive interest as follows:*
a The Venture: prime less 5.76%
b The Company and Merafe Ferrochrome
** Call deposits: daily call deposits rates. At year end the call deposit rate was 6.6%*
** Current account balances*
– favourable: 1%
– unfavourable: prime (at year end prime was 10.25%)
** Money market: The average rate was 7.6% (at year end was 7.7%).*

Sensitivity Analysis for interest rate risk

Cash and cash equivalents
A decrease of 50 basis points in interest rates will decrease equity and profit or loss by R1.1m (2016: R315k). An increase of 50 basis points would have the equal but opposite effect. This analysis assumes all other variables remain constant.

Interest bearing borrowings
A decrease of 50 basis points on the interest rates on the interest-bearing borrowings will increase equity and profit or loss by R1.0m (2016: R2.4m). An increase of 50 basis points would have the equal but opposite effect. This analysis assumes all other variables remain constant.

20. Financial instruments *(continued)*

20.4 Financial instruments carrying amounts

	Group		**Company**	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000
Loans and receivables	**1 511 605**	1 363 389	**1 551 625**	1 415 037
Inter company loan	**-**	-	**1 532 928**	1 357 278
Trade and other receivables	**826 086**	1 075 509	**158**	1 434
Long term receivable	**13 864**	-	**-**	-
Cash and cash equivalents	**671 655**	287 880	**18 539**	56 325
Financial assets/liabilities at fair value – embedded derivative	**(35 175)**	116 675	**-**	-
Financial liabilities measured at amortised cost	**(335 554)**	(792 266)	**(228 229)**	(76 355)
Loans and borrowings – long-term	**(11 094)**	(189 102)	**-**	-
Loans and borrowings – short-term	**(1 044)**	(187 839)	**-**	-
Bank overdraft	**-**	(24 576)	**-**	-
Trade and other payables	**(323 416)**	(390 749)	**(228 229)**	(76 355)

The carrying amount of financial assets and financial liabilities reflected in the statements of financial position approximate their fair values.

21. Capital management

The Board's policy is to maintain a strong capital base in order to maintain investor, debt providers and the market confidence in the business.

The strong capital base should ensure that any organic or acquisitive growth in the business is sustainable and provides a cushion for the cyclical nature of the resources business.

The Board has actively pursued a policy of debt reduction and its objective is to maintain its net gearing level to a maximum of 25% versus total assets. This ratio is calculated taking into account interest bearing debt excluding cash balances divided by total assets. At 31 December 2017 year end, the gearing level was 0.2% (31 December 2016: 6%).

As the required gearing level has been achieved, the Board will focus on balancing the requirement to pay dividends, while at the same time ensuring that there is sufficient capital in the business to see the company through the continued global economic uncertainty, to fund working capital, to fund capital expenditure requirements and to fund other growth opportunities in the business.

When analysing growth opportunities, the Board seeks to obtain a minimum internal rate of return of 20%.

Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

22.1 Related party transactions and balances

During the current financial year, management performed a re-assessment of its Related Party relationships in accordance with IAS 24, Related Party Disclosures. The Glencore Plc group was identified as a related party taking into consideration the shareholding and related significant influence coupled with the substance of the relationship. Significant transactions and balances with all entities within the Glencore Plc group are therefore disclosed together with the comparative figures.

All related party transactions were concluded on an arms-length basis and relate to Merafe's attributable 20.5% interest in the Venture. Income and receivable amounts are shown in brackets. There are no outstanding commitments at year end.

Name of related party	Description of relationship	Transactions and balance
The Venture	In July 2004, Glencore and Merafe Ferrochrome pooled and shared ferrochrome assets to form the Venture	Refer note 22.3 for the amounts that are included in the consolidated financial statements of the group.
Merafe Chrome and Alloys Proprietary Limited (Merafe Chrome)	Merafe Chrome is a wholly owned subsidiary of Merafe Resources Limited (Merafe Resources)	Dividends were paid to Merafe Resources by Merafe Chrome of R175m (2016: R50m). A loan account is recognised with Merafe Resources and Merafe Ferrochrome as per note 13 and note 5. Balance owing to Merafe Resources of R1.5bn (2016: R1.4bn). The loan account is of a long-term nature, is interest free, unsecured and does not have fixed repayment terms.
Merafe Ferrochrome and Mining Proprietary Limited (Merafe Ferrochrome)	Merafe Ferrochrome is a wholly–owned subsidiary of Merafe Chrome.	Merafe Resources charges Merafe Ferrochrome a management fee as per note 14. Dividends were paid to Merafe Chrome of R175m (2016: R50m). At year end a loan of R226m (2016: R76m) is owing by Merafe Resources to Merafe Ferrochrome. The loan account is of a short-term nature, is interest free, unsecured and does not have fixed repayment terms.

Merafe Resources Limited

Notes to the financial statements

for the year ended 31 December 2017

22.1 Related party transactions and balances *(continued)*

Name of related party	Description of relationship	Transactions and balance
Horizon Nature Conservation Trust (SE)	The Trust, which was registered on 15 July 1998, was established to provide funds for the rehabilitation of land involved in any prospecting or mining operations of Merafe Ferrochrome's Horizon mine and to discharge any liability which may arise in terms of the Atmospheric Pollution Prevention Act of 1965, the Environment Conservation Act, No 73 of 1989, the Minerals Act, No 50 of 1991, the Water Act, No 54 of 1956 and any such other legislation as may be enacted in the future.	No transactions during the year ended 31 December 2017 as the trust was deregistered during 2016.
Merafe Kroondal Rehabilitation Trust (SE)	The Trust, which was registered on 31 May 2006, was established to provide funds for the rehabilitation of land involved in any prospecting or mining operations of Merafe Ferrochrome of the Kroondal mine and to discharge any liability which might arise in terms of the Atmospheric Pollution Prevention Act of 1965, the Environment Conservation Act, No 50 of 1991, the Water Act, No 54 of 1956 and any such other legislation as may be enacted in the future. The environmental obligations and corresponding liability remains the sole responsibility of the Venture.	A loan account is recognised with Merafe Resources of R97k (2016: R84k) which relates to the payment of audit fees. The loan account is of a long-term nature, is interest free, unsecured and does not have fixed repayment terms.
Merafe Resources Limited Share Incentive Scheme	The Trust was established for the purpose of implementing the company's share incentive scheme in 1999. The trust operates and administers share options which the company may grant to participants.	No transactions occurred during the year. The trust is dormant.
Industrial Development Corporation of South Africa Limited (IDC)	The IDC holds 21.8% of the issued share capital of Merafe Resources Limited and has the ability to exercise significant influence over Merafe Resources Limited as a result of its shareholding.	The IDC received the non–executive directors' fees for Ms M Mosweu as disclosed in Note 22.2. IDC received dividends declared by Merafe Resources. At year end there are no amounts due to the IDC.
Glencore (Nederland) B.V. (GN)	GN holds 28.7% of the issued share capital of Merafe Resources Limited and has the ability to exercise significant influence over Merafe Resources Limited as a result of its shareholding.	No transactions occurred during the year. GN received dividends declared by Merafe Resources

Merafe Resources Limited

Notes to the financial statements
for the year ended 31 December 2017

22.1 Related party transactions and balances *(continued)*

Name of related party	Description of relationship	Transactions and balance
Mr C Molefe, Ms M Mosweu, Ms B Majova, Mr Z van der Walt[1], Mr A Mngomezulu, Ms K Nondumo, Ms Z Matlala, Ms K Bissessor, Mr S Blankfield	Directors of Merafe Resources Limited. There were no changes in directorate during 2017.	Refer to note 22.1 for transactions with directors.
Glencore Limited (Stamford)	GLS acts as the Venture's exclusive marketing agent to sell ferrochrome on its behalf and acts as distributor in the USA and Canada.	Sale of ferrochrome (R738m) (2016: (R624m)) Commission expense R21m (2016: R15m) Interest expense R5m (2016: R4m) Receivable at the end of the year (R205m) (2016: (R196m)) which is reduced as and when GLS receives funds from customers.
Glencore International AG	Glencore International AG acts as the Venture's exclusive marketing agent to sell ferrochrome and chrome ore on its behalf. The Venture purchases various raw materials from Glencore International AG on an ongoing basis. The Venture sells chrome ore to Glencore International AG on an ad hoc basis	Commission expense on sale of ferrochrome and chrome ore R229m (2016: R220m) Marketing fee expense R2m (2016: R2m) Interest income (R4m) (2016: (R1m) Purchase of raw materials R227m (2016: R131m) Sale of chrome ore Rnil (2016: (R800k)) Balance owing at the end of the year R36m (2016: R62m) payable on confirmation of final sales
African Carbon Manufacturers (Pty) Ltd	African Carbon Manufacturers (Pty) Ltd sells raw materials to the Venture	Purchase of raw materials R18m (2016: R14m) Balance owing at the end of the year R2m (2016: R1m) payable 30 days from statement date.
African Fine Carbon (Pty) Ltd	African Fine Carbon (Pty) Ltd sells raw materials to the Venture	Purchase of raw materials R22m (2016: R11m) Balance owing at the end of the year R3m (2016: R1m) payable 30 days from statement date.
Chartech Technology (Pty) Ltd	Chartech Technology (Pty) Ltd sells raw materials to the Venture	Purchase of raw materials R28m (2016: R32m) Balance owing at the end of the year R2m (2016: R3m) payable 30 days from statement date

[1] Resigned 7 March 2016. No change in directors in 2017.

Merafe Resources Limited

Notes to the financial statements
for the year ended 31 December 2017

22.1 Related party transactions and balances *(continued)*

Name of related party	Description of relationship	Transactions and balance
Glencore Property Management Company	Glencore Property Management Company (Pty) Ltd owns and manages employee housing at the Lion operation.	Lion housing lease R6m (2016: R12m) Balance owing at the end of the year Rnil (2016: R1m)
Glencore Operations South Africa	Glencore Operations South Africa (Pty) Ltd is Merafe Ferrochrome and Mining (Pty) Ltd's partner in the Venture.	Employee costs R32m (2016: R29m) Head-office costs R23m (2016: R21m) Training costs R4m (2016: R4m) Lion housing R7m (2016: Rm) Purchases of raw materials from Eland Division Rnil (2016: R2m) Balance owing at the end of the year R2m (2016: R19m) payable 10 days after month end.
Access world (South Africa) Pty Ltd	Access World (South Africa) (Pty) Ltd is a warehousing company that provides storage facilities of ferrochrome and chrome ore to the Venture.	Storage of ferrochrome and chrome ore R12m (2016: R14m) Outstanding balance owing at the end of the year R3m (2016: R2m) payable 30 days after statement date.

22.2 Transactions with key management personnel and non-executive directors

	Company	
	2017	2016
Directors' fees - Non-executive directors	**R'000**	R'000
C Molefe	**(651)**[1]	(606)[1]
A Mngomezulu	**(467)**	(464)
BN Majova	**(442)**	(479)
M Mosweu	**(289)**	(256)
Z van der Walt	**-**[2]	(98)
K Nondumo	**(430)**	(430)
S Blankfield	**(322)**[3]	(322)[3]
	(2 601)	(2 655)

The above fees relate to services rendered as directors. No other services were rendered.

[1] *Includes cell phone allowance.*

[2] *Resigned effective 7 March 2016.*

[3] *Paid to GOSA*

22. Related parties *(continued)*

22.2 Transactions with key management personnel *(continued)*

	Company 2017 R'000	2016 R'000
Executive directors and prescribed officers remuneration		
Ms ZJ Matlala		
Salary	**(4 310)**	(4 027)
Bonus	**(4 422)**	(4 060)
Fringe benefits and leave pay	**(133)**	(167)
Provident fund contributions	**(350)**	(432)
Share grants vested	**(4 574)**	(2 733)
Options granted exercised	**(1 911)**	-
	(15 700)	(11 419)
Cost of share options exercised	**7 221**	-
Proceeds on disposal of share options exercised	**(9 132)**	-
Mr B McBride		
Share options exercised	**-**	(883)
	-	(883)
Cost of share options and grants exercised	**-**	1 862
Proceeds on disposal of share options and share grants exercised	**-**	(2 745)

22. Related parties *(continued)*

22.2 Transactions with key management personnel *(continued)*

	Company	
	2017	2016
	R'000	R'000
Ms K Bissessor		
Salary	**(1 927)**	(1 870)
Bonus	**(1 796)**	(1 649)
Fringe benefits and leave pay	**(143)**	(350)
Provident fund contributions	**(292)**	(312)
Share grants vested	**(650)**	(262)
Options granted exercised	**(3 090)**	-
	(7 898)	(4 443)

Total key management personnel remuneration	**(23 598)**	(16 745)
Short-term employee benefits	**(13 373)**	(12 867)
Share grants and options	**(10 225)**	(3 878)

Note: In accordance with the Remuneration Policy, the 2017 bonus will be paid during March 2018.

There are no fixed term director service contracts and there are no director service contracts with provisions for predetermined compensation on termination of the contracts in excess of one year's salary and benefits.

22.3 Directors interests in Merafe Resources Limited

As at 31 December 2017, the directors of the company are beneficially interested (directly and indirectly) in 2 774 915 (31 December 2016: 2 774 915) shares in the company. During the financial year no material contracts were entered into in which directors and prescribed officers of the company had an interest and which significantly affected the group.

Executive directors of the company and their immediate families control 0.1% (31 December 2016: 0.1%) of the voting shares of the company. In addition to their salaries, the company also contributes to a provident fund (defined contribution plan) and medical aid fund on their behalf. Executive directors also participate in the company’s share incentive schemes (refer note 8).

22. Related parties *(continued)*

22.3 Directors interests in Merafe Resources Limited *(continued)*

	2017		2016	
	Direct	**Indirect**	Direct	Indirect
	Number of shares		Number of shares	
Ms K Bissessor	**700 000**	**-**	700 000	-
Ms Z Matlala	**2 012 305**	**-**	2 012 305	-
Ms B Majova	**-**	**62 610**	-	62 610
	2 712 305	**62 610**	2 712 305	62 610

22.4 Transactions with the Glencore–Merafe Chrome Venture

The Venture resulted in Glencore and Merafe Ferrochrome pooling and sharing their ferrochrome assets. The Venture's head-office is located at Portion 27, Farm Waterval 306 JQ, Rustenburg, 0302. While Merafe Ferrochrome's assets form part of the Venture, Merafe Ferrochrome retains ownership of its assets and is closely involved in the Venture's operations through the Chrome Executive Committee, Joint Board and sub–committees (Treasury, Transformation, Sustainable Development and Health and Safety) formed to oversee the combined operation of both companies. The group receives 20.5% of the Venture's earnings before interest, tax, depreciation and amortisation (EBITDA) and owns 20.5% of the Venture's working capital.

Included in the consolidated financial statements are the following items that represent the group's share of the working capital and EBITDA of the Venture.

	Year ended 31 December 2017 R'000	Year ended 31 December 2016 R'000
Inventories	**1 487 330**	1 099 611
Trade and other receivables	**884 373**	1 274 843
Net cash	**207 650**	54 615
Finance leases	**(12 138)**	(13 468)
Long-term provisions	**(157 104)**	(151 747)
Trade and other payables	**(517 764)**	(565 026)
Net working capital	**1 892 347**	1 698 828
Revenue	**5 888 861**	5 701 567
Foreign exchange (losses)/gains	**(73 354)**	(78 185)
Operating expenses: the Venture	**(4 110 034)**	(4 447 099)
EBITDA	**1 705 473**	1 176 283

Merafe Resources Limited

Notes to the financial statements
for the year ended 31 December 2017

23. Contingencies

To the best of our knowledge and belief, other than as set out elsewhere in this report, there are no contingencies in both the current and prior year which may materially affect the financial position of the group.

	Group		Company	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000
24. Operating leases				
Non–cancellable operating lease rentals are payable as follows:				
Less than one year	**(1 715)**	(1 473)	-	–
Between one and five years	**(1 038)**	(2 585)	-	–
Greater than five years	**(533)**	(395)	-	–
	(3 286)	(4 453)	-	–

The group leases various items of office equipment, mine properties and buildings. The lease payments escalate between 7% to 10% per annum for both the prior and current year.

25. Capital commitments

The group's capital commitments at year end in respect of the Venture were:				
– contracted for but not provided for	**52 448**	47 886	-	–
– authorised but not contracted for	**131 641**	123 399	-	–
	184 089	171 285	-	–

	Group		Company	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000
26. Working capital loan				
Debtors factoring facility	**72 272**	309 133	**-**	-
	72 272	309 133	**-**	-

This balance relates to a Standard Bank debtors factoring facility of US$100m and is uncommitted. Interest on this facility is charged at US$ LIBOR plus a margin of 1.6%.

27. Events after the reporting date

A final dividend of R226m (2016 : R100.4m) was declared on 1 March 2018. No other material facts or circumstances occurred after reporting date that may require adjustment or disclosure in these annual financial statements.

28. Dividends

An interim dividend of R75m (2016: R20m) was declared on 7 August 2017. Refer to note 27 on final dividend.

29. Going Concern

Having considered the group's key risks, current financial position, assessment of solvency and liquidity, debt levels, facilities, impairment review as well as the group's financial budgets with their underlying business plans, the directors believe that the company and the group has sufficient resources and expected cash flows to continue as a going concern for the year ahead.

30. Impairment assessment

As per IAS 36, an entity shall assess at the end of each reporting period whether there is an indication that an asset may be impaired. If such an indication exists, the entity shall estimate the recoverable amount of the asset.

At 31 December 2017, Merafe's share price closed at 149c per share. Based on this share price, the market capitalisation was R3.741bn, R894m less than the net asset value of R4.635bn. As per IAS36.12(d), if the carrying amount of net assets of an entity is higher than its market capitalisation, this is an impairment indicator.

Since an impairment indicator was present at year end management estimated the recoverable amount of its assets. The value in use was used to calculate the recoverable amount. This calculation was based on the present future cash flows expected to be derived from the Venture. The following key assumptions were used in the calculation of the value in use model (30 years):

Assumption	Unit of measure	Value
Average exchange rate – real	USD/ZAR	13.00
Weighted average cost of capital – real	%	10%
Ferrochrome prices – real	$c/lb	95.50 – 98.00
Chrome ore prices (CIF) – real	$/ton	281

Taking the above assumptions into account, the valuation of Merafe 20.5% of the Venture significantly exceeds the net asset value. Management are therefore satisfied that the carrying value of Merafe's assets are recoverable therefore no impairment loss should be recognised.

Merafe Resources Limited

Shareholder Information

1. Distribution of ordinary shareholders

	Number of shareholders	% of all members	Number of shares held	% of issued capital
Public shareholders	6 235	99.92	1 240 935 346	49.43
Non–public shareholders	5	0.08	1 269 768 902	50.57
Directors and their associates	3	0.05	2 774 915	0.11
Glencore Netherlands B.V.	1	0.02	720 163 887	28.68
Industrial Development Corporation of South Africa Limited	1	0.02	546 830 100	21.78
	6 240	100	2 510 704 248	100

2. Holders holding 5% or more of shares in issue

	Number of shares held	% issued share capital
Glencore Nederlands B.V.	720 163 887	28.68
Industrial Development Corporation of South Africa	546 830 100	21.78

3. Shareholding spread

	Number of shareholders	% of all shareholders	Number of shares held	% of share capital
1 – 1000 shares	1 388	22.24	617 942	0.02
1 001 – 5 000 shares	1 517	24.32	4 474 052	0.18
5001 – 10 000 shares	888	14.23	7 251 432	0.29
10 001 – 100 000 shares	1 887	30.24	64 568 724	2.57
100 001 – 1 000 000 shares	430	6.89	132 936 405	5.29
1 000 001 and more shares	130	2.08	2 300 855 693	91.64
	6 240	100	2 510 704 248	100

4. Distribution of shareholders

	Number of shareholders	% of all shareholders	Number of shares held	% of share capital
Diluted funds	28	0.45	332 459 056	13.24
Pension funds	62	0.99	96 549 761	3.85
Private companies	58	0.93	5 982 524	0.24
Individuals	5 521	88.48	175 430 848	6.99
Close corporations	76	1.22	6 779 732	0.27
Other corporations	267	4.28	1 725 519 846	68.73
Nominees and other institutions	207	3.32	105 627 694	4.21
Banks	21	0.34	62 354 787	2.48
	6 240	100	2 510 704 248	100

Merafe Resources Limited

Shareholder Information *(continued)*

5. JSE share performance

	2017	2016
Market capitalisation as at 31 December	**3 740 949 330**	4 142 662 009
Share Price (cents)		
High	**201**	165
Low	**108**	50
Closing	**149**	165
Shares traded		
Volume of shares traded	**821 628 038**	722 152 424
Value of shares (ZAR)	**1 339 214 073**	718 875 538
Volume of shares traded as a percentage of weighted average of shares in issue	**32.73%**	28.76%
Shares in issue as at 31 December	2 510 704 248	2 510 704 248

6. Distribution of local and foreign beneficial shareholding

	% of issued capital
South African	58.12
Foreign	41.88

SHAREHOLDERS' DIARY

Meetings

Annual General Meeting for the 2017 financial year will be held on 8 May 2018.

Reports

Interim reports for the six months to 30 June 2018 to be released on 6 August 2018.
Annual results for the twelve months to 31 December 2018 to be released and published in March 2019.