

Merafe Resources Limited  
(Incorporated in the Republic of South Africa)  
(Registration number: 1987/003452/06)  
JSE share code: MRF  
ISIN: ZAE00060000  
("Merafe" or the "Company" or the "Group")

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND DECLARATION FOR THE YEAR ENDED 31 DECEMBER 2019

Sponsor: One Capital Sponsor Services (Pty) Ltd  
Executive Directors: Z Matlala (Chief Executive Officer), D Chocho (Financial Director)  
Non-executive Directors: A Mngomezulu (Chairman)\*, NB Majova\*, M Vuso\*, G Motau\*, M Mosweu, S Blankfield, J McLaughlan\*.  
Company Secretary: CorpStat Governance Services (Pty) Ltd  
Registered office: Building B, 2nd Floor, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2191  
Transfer secretaries: Link Market Services South Africa (Pty) Ltd  
Investor relations: Ditabe Chocho Tel:+27 11 783 4780 / +27 83 462 3040  
Email: ditabe@meraferesources.co.za

\* Independent

CEO Commentary on results

With a challenging operational environment and uncertainty fuelled by year-long trade wars which have affected both the global demand for and pricing of our products, Merafe has produced an underwhelming set of financial results for the 2019 financial year. Industry dynamics led to market supply exceeding demand and resulted in lower realised CIF ferrochrome prices. The loss after tax is a deterioration from a profit in the prior year and arose mainly as a result of low commodity prices, an impairment loss on property, plant and equipment, impairment of inventory and an increase in standing charges. A total cash dividend of R100 million has been declared for the year ended 31 December 2019.

Outlook

Stainless steel production is expected to grow by 3,2% in 2020, however both chrome and ferrochrome prices are expected to remain under pressure in the short term due to oversupply. The growth forecasted does not factor in the possible impact of COVID-19 (Coronavirus) and load shedding which is expected to last for 18 to 24 months.

We will continue to manage factors within our control. Cost management, efficient and safe operations, cash preservation and efficient capital allocation will continue to be management's key areas for 2020.

The financial position of our business which is ungeared at year end remains strong and we're of the view that this positions us to withstand the difficult times ahead.

2019 year in review

Key features

- 4% decrease in revenue to R5 379 million  
(2018: R5 606 million)
- 31% decrease in net asset value to R3 381 million  
(2018: R4 893 million)
- Headline loss per share of 1.8 cents  
(2018: headline earnings of 27.2 cents per share)
- Basic loss per share of 54.2 cents  
(2018: earnings of 27.2 cents per share)
- Net cash of R354 million  
(2018: R281<sup>1</sup> million)
- 72% decrease in total dividend to R100 million  
(2018: R351 million)

<sup>1</sup> Net cash includes cash and cash equivalents and bank overdraft.

Further information

This short form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details.

While this report, in itself, is not audited, the audited consolidated annual financial statements from which the summarised consolidated financial statements were derived have been audited by the Group's auditors, Deloitte & Touche. Their unmodified audit report, including key audit matter relating to the impairment of the Group's net assets, along with the audited consolidated annual financial statements are available for inspection at the Company's registered office and also available on Merafe's website at <http://www.meraferesources.co.za/stake-annual-results.php>.

Any investment decisions by investors and/or shareholders should be based on the full announcement which is accessible via the JSE link at <https://senspdf.jse.co.za/documents/2020/JSE/ISSE/MRF/FY2019SENS.pdf> and also available on Merafe's website at <http://www.meraferesources.co.za/results/annuals-2019/index.php>

The full announcement is available for inspection at the registered offices of Merafe (Building B, Second Floor, Ballyoaks office Park, 35 Ballyclare Drive, Bryanston) or our sponsor, One Capital (17 Fricker Road, Illovo). Such inspection is available at no charge, Monday to Friday from 9:00am to 4:00pm.

Declaration of an ordinary dividend for the year ended 31 December 2019

Notice is hereby given that on 06 March 2020 the board of directors of Merafe declared a gross cash final ordinary dividend of 4 cents per share to holders of ordinary shares. The dividend will be paid out of income reserves.

The ordinary dividend will be subject to a local dividend tax rate of 20%. The net ordinary dividend, to those shareholders who are not exempt from paying dividend tax, is therefore 3.2 cents per share and 4 cents per share for shareholders exempt from paying dividend tax.

Merafe's income tax number is 9550 008 602. The number of ordinary shares issued at the date of this announcement is 2 510 704 248.

The important dates pertaining to the dividend are as follows:

Last day for ordinary shares to trade "cum" ordinary dividend:	Tuesday, 24 March 2020
Ordinary shares commence trading ex-ordinary dividend:	Wednesday, 25 March 2020
Record date:	Friday, 27 March 2020
Payment date:	Monday, 30 March 2020

Shares may not be dematerialised/rematerialised between Wednesday, 25 March 2020 and Friday, 27 March 2020, both days inclusive.

Where applicable, in terms of instructions received by the Company from certificated shareholders, the payment of the dividend will be made electronically to shareholders' bank accounts on payment date. In the absence of specific mandates, cheques will be posted to shareholders. Shareholders who have dematerialised their shares will have their accounts with their CSDP or broker credited on Monday, 30 March 2020.

Sandton  
9 March 2020