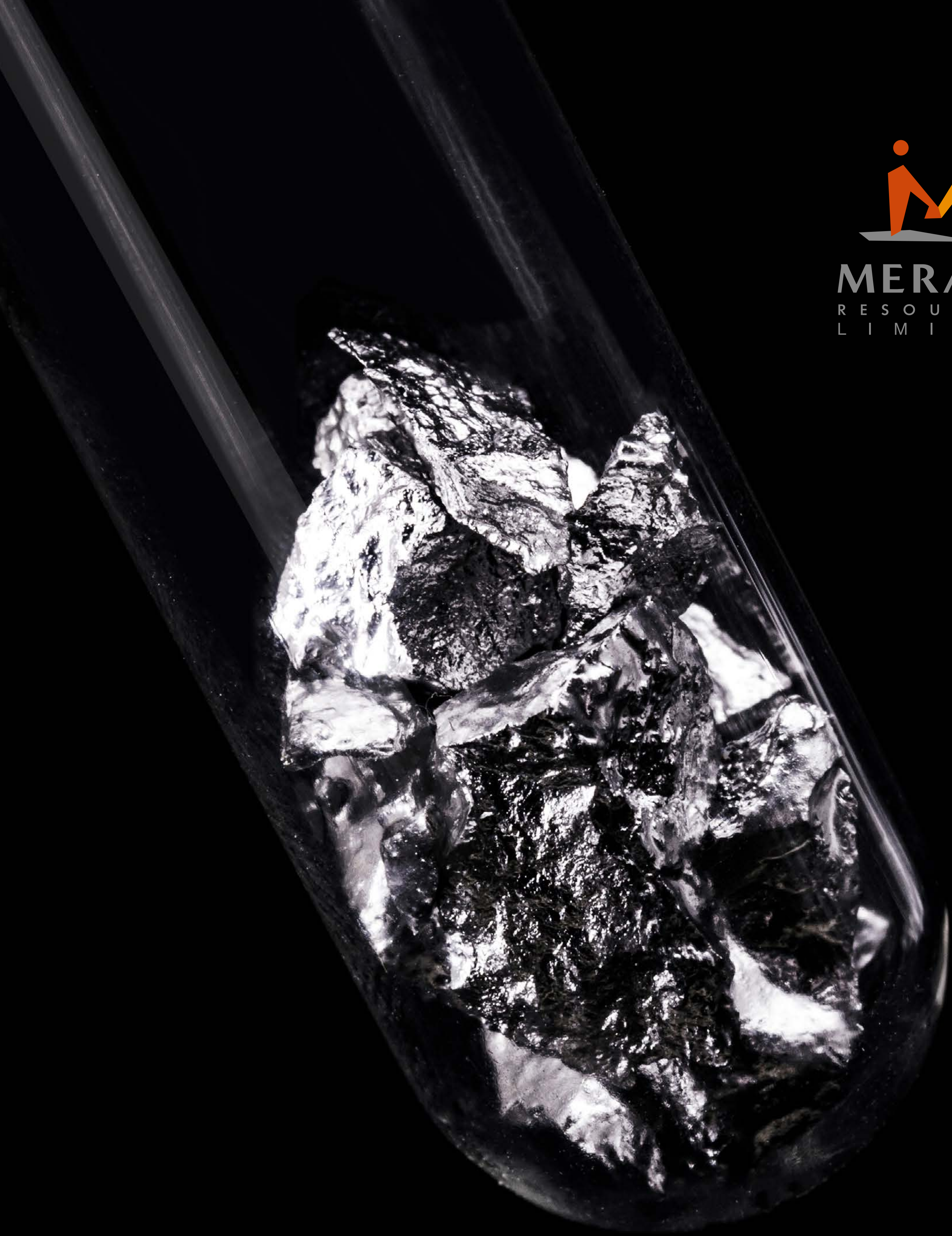


MERAFE RESOURCES LIMITED INTEGRATED ANNUAL REPORT 2023

ABOUT THIS REPORT

We present to you the Integrated Annual Report for the Merafe Group, which includes Merafe Resources Limited (Merafe), a company listed on the JSE, Merafe Ferrochrome and Mining Proprietary Limited (Merafe Ferrochrome) and its subsidiaries for the year ended 31 December 2023 (in this report referred to as “Merafe”, the “Merafe Group” or “Group” or the “Company”). The scope of this report also includes the Glencore-Merafe Chrome Venture (the Venture).

There has been no significant change in our size, structure or products since our previous Integrated Annual Report and there are no specific limitations on the scope or boundary of this report.

As we did last year, the 2023 summarised financial and sustainability information and the annual general meeting notice, will be sent to shareholders and the 2023 Integrated Annual Report will be available on our website, www.meraferesources.co.za. Printed copies of the Integrated Annual Report will be available on request from the Company Secretary.

We welcome the opportunity that an integrated approach to reporting offers us to break down reporting silos and provide a broader explanation of our performance, underpinned by a strategic focus, connectivity of information, a future orientation and an inclusive and responsible approach to stakeholders.

We use the capitals model (natural, human, social, manufactured and financial capital) for our reporting, as recommended in the International Integrated Reporting Committee’s Integrated Reporting Framework, and by the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV).

We depend on a variety of resources and relationships for our success. The extent to which we are depleting these or building them up has an important impact on the availability of the resources at our disposal and the relationships that support our long-term viability.

By seeing these resources and relationships in terms of “capital”, the capital model provides us with a basis for understanding sustainability in terms of the economic concept of wealth creation or “capital” and encourages us to consider how wider environmental and social issues can affect our long-term profitability.

In addition to following the recommendations contained in King IV, The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code) 2016 Edition and the JSE Limited Listings Requirements, we are guided by the Global Reporting Initiative’s (GRI) G4 Guidelines and our internally developed policies and procedures in terms of measuring our progress towards sustainability.

Deloitte & Touche audits the Merafe Group’s consolidated and separate annual financial statements (in this report referred to as “annual financial statements”).

Our annual financial statements are in compliance with International Financial Reporting Standards (IFRS), SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and financial pronouncements as issued by the Financial Reporting Standards Council, and are drawn up in accordance with the Companies Act, No. 71 of 2008. A copy of our annual financial statements is available on our website www.meraferesources.co.za.

An independent auditor’s report is published in the annual financial statements. Our annual financial statements form part of our online Integrated Annual Report for 2023. They are also available from our Company Secretary in either electronic or printed format.

The data and information relating to the Venture is subject to the annual internal and external reviews, audits and processes of the Venture (set out on page 60 of this report) to ensure that the information relating to the Venture in this report is accurate and reliable. Merafe’s attributable portion of the data of the Venture reported from page 23 to page 39 is 20.5%.

The board of directors of Merafe (the Board) acknowledges its responsibility for overseeing the integrity and completeness of this Integrated Annual Report, and has applied its collective mind to its preparation and presentation. As a collective, the Board believes that it has appropriately and diligently considered matters material to stakeholders and that the report accurately reflects the performance and strategy of the Group.

About the Capitals model

The Capitals model (Natural, Human, Social, Manufactured and Financial Capital) we have adopted provides a basis for understanding sustainability in terms of the economic concept of wealth creation or “capital”.

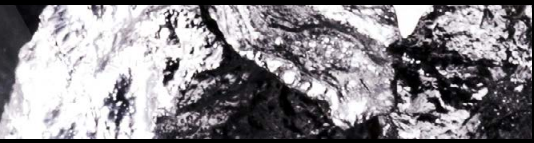
A sustainable organisation will maintain and, where possible, enhance these stocks of capital assets, rather than deplete or degrade them.

The model allows us to broaden our understanding of financial sustainability by allowing us to consider how the wider environmental and social issues can affect our long-term profitability.

Glossary

A glossary of terms and definitions forms part of our 2023 Integrated Annual Report available on our website www.meraferesources.co.za. The Company’s compliance with the GRI guidelines is set out in a table on our website www.meraferesources.co.za and forms part of the Merafe online Integrated Report for 2023. We would welcome your feedback on our reporting for 2023 and any suggestions you may have in terms of what you would like to see incorporated in our report for the year ending 31 December 2024. Please contact our Financial Director, Ditabe Chocho, at ditabe@meraferesources.co.za.

CONTENTS







Icons used in this report

- This icon refers to further reading
- This icon refers to more information available at: www.meraferesources.co.za
- Positive performance or occurrence compared to prior year
- Negative performance or occurrence compared to prior year
- No change in performance compared to prior year

Forward-looking statements

Certain statements in this report constitute "forward-looking statements". Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performances, objectives or achievements of the Merafe Group (as well as the industry in which it operates) to be materially different from future results, performances, objectives or achievements expressed or implied by these forward-looking statements.

The performance of the Merafe Group is subject to the effect of changes in commodity prices, currency fluctuations, uncertainty around the cost and supply of electricity, the risks involved in mining and smelting operations and the operating procedures and performance of the Venture. The Company undertakes no obligation to update publicly or to release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of these pages or to reflect the occurrence of unanticipated events.

OUR STORY

2001–2003

The SA Chrome Boshoek Ferrochrome Project (smelter facilities, pelletising and sintering plant, mine and UG2 plant) is completed and becomes operational.

2004

SA Chrome enters into the Venture with Xstrata to create the leading global ferrochrome producer.

2005–2010

The Venture's Lion I Smelter Project is successfully completed; SA Chrome changes its name to Merafe Resources; Merafe acquires Samancor's 50% interest in the Gemini Joint Venture with Xstrata at the Ventures Wonderkop operation as well as a 50% interest in the Kroondal resources and a 26% interest in the Marikana resources; the Venture completes the Bokamoso pelletising and sintering plant at the Wonderkop smelter; the Venture's mining rights are converted into new order rights under the MPRDA.

2010–2020

The Venture's Lion II Smelter Project is successfully completed; the Venture completes the Tswelopele pelletising and sintering plant at its Rustenburg smelter; the Venture acquires significant reserves at its Eastern operations; Glencore takes over Xstrata and becomes Merafe's partner in the Venture.

2021–2023

Merafe and Glencore enter into PGM Venture agreements at the Venture's Western and Eastern operations.

The Merafe Group and Glencore (formerly Xstrata) formed the Venture in July 2004 when we pooled our chrome operations to create the leading global ferrochrome producer.

OUR BUSINESS

We are listed on the Johannesburg Stock Exchange (JSE) and A2X in the General Mining sector under the share code MRF. Our business is the 20.5% participation through our wholly-owned subsidiary, Merafe Ferrochrome, in the earnings before interest, tax, depreciation and amortisation (EBITDA) of the Venture in which Glencore Operations South Africa Proprietary Limited (Glencore) has a 79.5% participation.

Our major shareholders are Glencore (Netherlands) B.V. (Glencore BV) and the Industrial Development Corporation of South Africa (IDC). See page 65 for more detailed shareholder information.

STAKEHOLDER RELATIONSHIPS

We believe our commitment and achievements in terms of empowerment, sustainability and good governance have allowed us to establish sound relationships with our stakeholders. A diagram setting out the stakeholders that Merafe and the Venture have identified, together with the issues we have identified that could have a material impact on our stakeholders, is set out on page 4.

Merafe Empowerment as at 31 December 2023

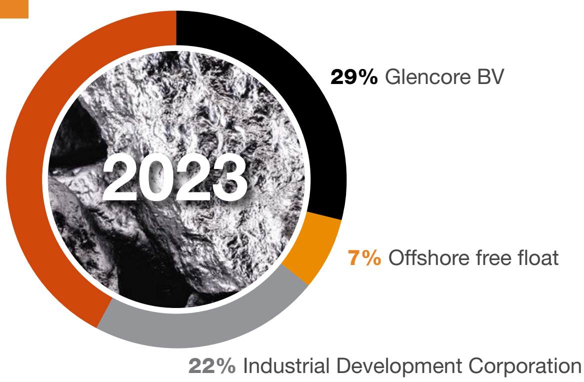
78% of our **Board members** are black (2022: 78%)

88% of our **employees** are black (2022: 88%)

33% of our **Board members** are female (2022: 33%)

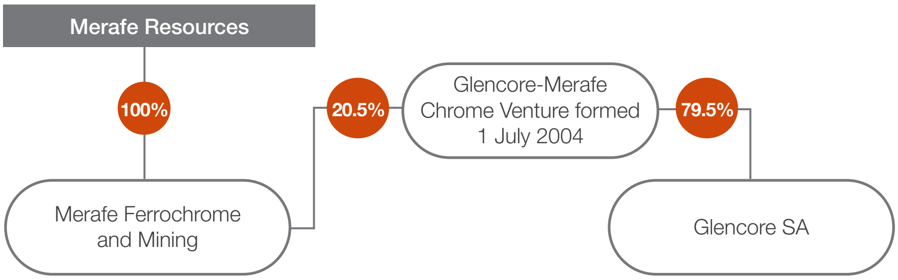
63% of our **employees** are female (2022: 63%)

OUR SHAREHOLDERS



For more information on the assets we pooled, of which we have retained ownership, and the additional assets we have invested in since participating in the Venture, see the tables on pages 22 and 61.

OUR GROUP STRUCTURE



Governance and sustainability

We are committed to good governance and sustainability as reflected in our report. Merafe continues to apply the principles of King IV and the SRI Index reporting criteria in its business. Please see our King IV register on pages 45 and 46 of this report as well as the sections on Performance and Transparency and Accountability.

Our approach to risk

We recognise that risk is inevitable in business and that it goes hand-in-hand with opportunity. We have established a risk management system that allows us to pursue business opportunities and grow shareholder value, monitor risk in our investments and develop and protect our people, the environment in which the Venture operates and our reputation. Our approach to risk management is discussed in the Transparency and Accountability section of this report on page 59.

Our material issues

Our material issues and our materiality determination process are set out on pages 8 and 9.

FINANCIAL

Cash balance
R1 656 million
(2022: R1 269 million)

Revenue
R9 244 million
(2022: R7 939 million)

***EBITDA**
R2 545 million
(2022: R2 141 million)

Net profit
R1 753 million
(2022: R1 410 million)

Final cash dividend
22 cps
(2022: 13 cps)

Headline earnings per share
60.1 cps
(2022: 56.4 cps)

11% increase in net cash generated from operating activities
R1 879 million
(2022: R1 698 million)

** Earnings before interest, taxation, depreciation and amortisation*

SAFETY

Fatalities
2
(2022: NIL)

Total recordable injury frequency rate (TRIFR)
2.34
(2022: 2.40)

OPERATIONAL

Ferrochrome sales volume
327kt
(2022: 350kt)

Ferrochrome production
300kt
(2022: 384kt)

Average ferrochrome CIF price
105 USc/lb
(2022: 111 USc/lb)

Positive performance or occurrence compared to prior year

Negative performance or occurrence compared to prior year

No change in performance compared to prior year

SUCCESSES

- Improved EBITDA and financial performance
- No debt at Merafe and positive cash reserves
- Platinum Group Metals (PGMs) investment

CHALLENGES

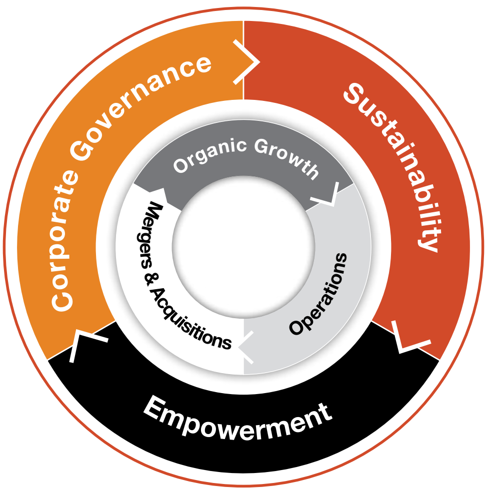
- Safety
- Electricity pricing and availability
- Rail and port infrastructure
- Production costs
- Global conflict and uncertainty
- Recession and inflationary fears

OUR BUSINESS MODEL AND STRATEGY

The aim of our business model and strategy is to ensure that our ferrochrome interests are profitable and sustainable and that they add value to all our stakeholders. We achieve this by:

- extracting chrome ore from the Venture's mines and beneficiating it in our smelters in a safe and cost-efficient manner;
- investing in projects such as the Bokamoso and Tswelopele pelletising and sintering plants and the Lion ferrochrome plant phases I and II that improve the energy and cost efficiency of the Venture's ferrochrome operations;
- employing the Venture's proprietary Premus technology to ensure that it is the lowest cost producer of ferrochrome in South Africa and, despite rising energy costs in South Africa, remains in the lowest quartile of the global ferrochrome production cost curve;
- using the flexibility provided by the Venture's variety of technologies to meet changing operating circumstances and customer requirements; and
- focusing on reducing costs at the operations and head office.

The Company may also consider acquisitions outside of ferrochrome on an opportunistic basis.



STAKEHOLDERS

In this report we have identified material issues and risks that could impact the stakeholders of Merafe and the Venture. These issues and risks were identified during engagements that Merafe and the Venture had with their stakeholders. We provide an overview of our stakeholders' issues on this page and a table setting out our stakeholders, our methods of engaging with them and the issues arising from these engagements. This forms part of our online report and can be found in our 2023 online report under stakeholders. The material issues are set out on pages 8 and 9 of this report and our approach to risk can be found on page 59.

Providers of debt	Government and regulators	Merafe employees	Our partners in the Venture	Suppliers	Shareholders and investors
Impact of Rand/US Dollar exchange rate on cash flows	Job creation	Health and safety	Sustainability	Historically Disadvantaged South Africans (HDSA) procurement requirements	Potential for future returns
Impact of ferrochrome prices on cash flows	Regulatory compliance	Remuneration, incentives and benefits	Accountability and transparency	Contract terms	Impact of Rand/US Dollar exchange rate on cash flows
Risk management	Tax compliance	Career opportunities	Risk management	Payment terms	Impact of ferrochrome prices on cash flows
Ability to repay borrowings	Employment equity	Training and skills development	Financial stability	**Assurance providers**	Project progress and funding
Compliance with covenants	Empowerment credentials		Empowerment credentials	Regulatory compliance	Sustainability
Operational performance	Health and safety		Alignment of interests	Governance	Impact of industrial action
				Internal controls	Safety record
				Transparency	Good governance

The Venture

Customers	Government and regulators	Venture employees	Communities	Suppliers	Trade unions
Pricing	Job creation	Health and safety	Infrastructure development	Contract terms	Training and skills development
Product availability	Training and development	Career opportunities	Job creation	Payment terms	Consultation on future operational changes
Quality of product	Black empowerment credentials	Training and skills development	Enterprise development	HDSA procurement requirements	Employment equity
Contract terms and delivery	Employment equity	Consultation on future operational changes	Local employment opportunities	**Assurance providers**	Housing benefits
Reliability of supply	Environment	Employment equity	Portable skills development	Regulatory compliance	Workers' rights
	Regulatory compliance	Housing benefits	Local procurement	Governance	Remuneration, incentives and benefits
	Compliance with Mining Charter	Workers' rights	Stakeholder responsiveness	Internal controls	Health and safety
	Mining rights	Remuneration, incentives and benefits	Corporate social investment	Transparency	
	Health and safety		Environment		

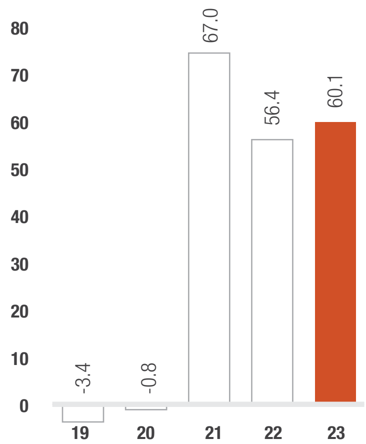
FIVE-YEAR HISTORICAL REVIEW OF KEY INDICATORS

Safety statistics

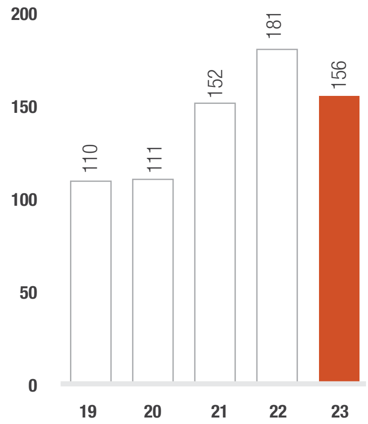
	2023	2022	2021	2020	2019
Fatalities	2	–	–	1	1
Total recordable injury frequency rate (TRIFR)	2.34	2.40	2.80*	3.91	2.56

** Restated from 2.75 to 2.80*

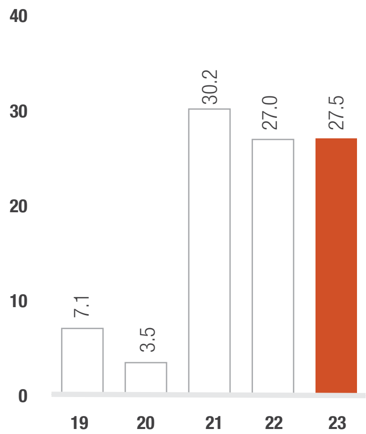
Headline earnings per share (cents)



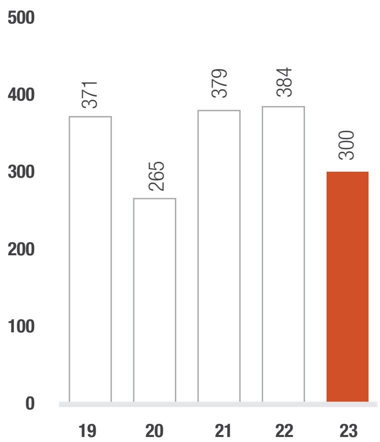
Average European benchmark ferrochrome price (USc/lb)



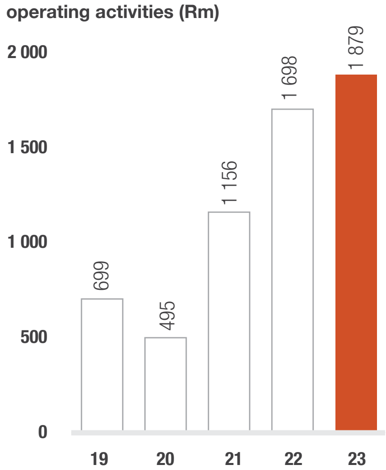
EBITDA margin (%)



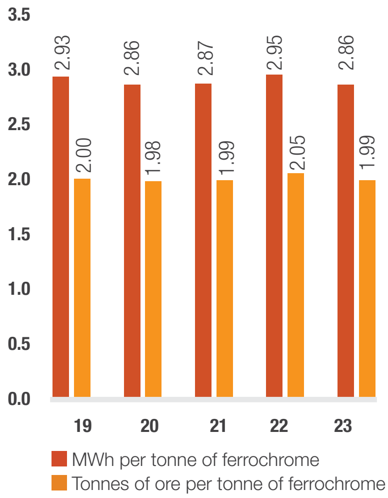
Attributable ferrochrome production tonnes (Kt)



Net cash generated from operating activities (Rm)



Power and ore consumption efficiencies



Key statistics for 2023

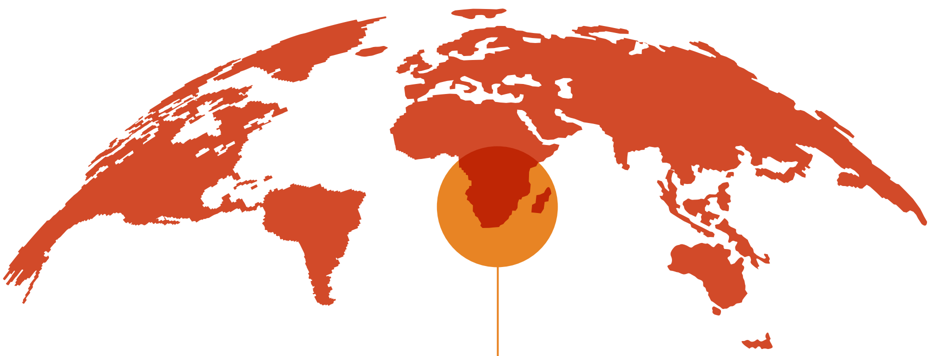
Chrome is a metallurgical marvel. It brings critical properties to the metals with which it is alloyed.

Global ferrochrome production increased from 15.1mt in 2022 to 15.4mt in 2023

Ferrochrome demand increased from 13.9mt in 2022 to 14.5mt in 2023

South Africa's share of global ferrochrome production was 3.2mt (2022: 3.9mt)

China imported approximately 14.9mt chrome ore from South Africa (2022: 12.3mt)



The global position of ferrochrome

Elements influencing the global demand for and pricing of ferrochrome:

- Global economic conditions
- Exchange rates
- Stainless steel demand
- Growth of Chinese ferrochrome industry
- Chrome ore exports

South African chrome industry

Facts

- Approximately **3.2mt** of the world's ferrochrome production of **15.4mt** was supplied by South Africa in 2023
- Over **72%** of the world's chrome reserves are in South Africa
- The industry provides a significant number of direct and indirect jobs in South Africa

Challenges faced by South African ferrochrome producers

- Increasing production costs
  - electricity
  - labour
- Socio-political challenges
- Legislative uncertainty
- Commodity prices and demand
- Chrome ore exports
- Electricity supply
- Logistics

Ferrochrome production and its role in stainless steel

Produced by high-temperature reduction (smelting) of chromite, ferrochrome contains iron, chrome, minor amounts of carbon and silicon, and impurities such as sulphur, phosphorous and titanium.

Chrome is a metallurgical marvel. It brings critical properties to the metals with which it is alloyed.

Add it to carbon steel in the form of ferrochrome and the steel becomes "stainless" – corrosion resistant, mechanically strong, heat resistant, hard wearing and shiny. Stainless steel is used almost everywhere in modern life, from nuclear reactors to exhaust pipes, architecture, kitchenware and a host of other applications.

Specialty steels produced for applications such as tools, injection moulds, camshafts, etc. also derive the high mechanical strength, hardness and heat resistance required from their chrome content.

Our competitive advantage

Elements influencing the global demand for and pricing of ferrochrome:

- Lowest-cost producer in South Africa
- Flexibility provided by variety of cost-efficient technologies
- Savings in energy consumption per tonne of alloy produced as a result of major investments in energy efficiency (Lion Complex and two pelletising and sintering plants)
- Lion II achieves further energy efficiencies
- Significant chrome ore reserves and access to UG2

Global stainless steel production increased from 55.9mt in 2022 to 57.5mt in 2023

Stainless steel production in China was 35.2 million tonnes (mt) in 2023

90% of the ferrochrome produced is used in stainless steel and speciality steels

Note: Changes in prior year statistics are not material and arise due to adjustments by CRU.

For more information on ferrochrome production, consumption, stainless steel production and chrome ore imports, see the CEO's strategic review on page 10 and the graphs on pages 11 to 12.

This source of information set out in our operating context is CRU International Limited (CRU). See pages 11 and 12 of this report and the note on page 12.

The directors' statement regarding the materiality determination process

As the Board of Merafe, we acknowledge our responsibility to ensure the integrity of the Integrated Annual Report, including the determination of material issues. We acknowledge that we have applied our collective mind in determining the material issues for Merafe and have used the materiality process described on page 9.

We believe that this process is suitably designed to identify our material issues. The material issues disclosed in this section accurately reflect the outcome of this process and have taken into consideration our business model, operating context, stakeholder concerns and strategic plan.

	POSSIBLE IMPACT:	OUR RESPONSE:
MI1 Global economic environment	The global economic environment can have a positive or negative impact on the demand for the ferrochrome and chrome ore that the Venture produces. When it is doing well, demand increases and prices tend to follow suit. The volatility of the Rand/US Dollar exchange rate also affects our profitability. In the current financial year, for instance, the weakening of the Rand against the US Dollar again improved our profitability. All our stakeholders are affected by our ability to be profitable and sustainable. Global conflict and the Russia/Ukraine and the Middle East conflict might affect markets.	We cannot influence the Rand/US Dollar exchange rate or the global economy, and market demand dictates the price of ferrochrome. Both Merafe and the Venture can, however, take action to contain costs and remain profitable. The Venture's investment in increasing the energy efficiency of its operations and reducing the cost of the reductants makes it the lowest cost producer in South Africa. The Venture will monitor the Russia/Ukraine and the conflict in the Middle East as well as other global conflicts and attempt to manage any situation which has the potential of affecting operations negatively.
MI2 Power prices and the availability of electricity	Loss of sales is highly likely if increased costs make our product prices uncompetitive. A further possible impact is the loss of production because of electricity shortages. Should the Venture be unable to secure electricity supply for new projects, it would be unable to grow its operations. This issue could impact shareholders, Merafe management and employees as well as Venture management, Venture employees, communities and customers.	The Venture's continued development and application of energy-efficient technology allows it to maintain its position as South Africa's lowest cost producer of ferrochrome and therefore the most competitive South African producer. The Venture regularly engages with Eskom and is represented on the Energy Intensive User Group. See page 24 of this report.
MI3 Infrastructure and logistics	The deterioration of South African infrastructure and associated services (railways and harbours) impacts the reliability of delivery of the Venture's products. It also impacts the transportation of raw materials to our operations.	The Venture uses different ports for product delivery. Road haulers are also used to complement other transportation modes. The Venture will continue to engage proactively with key stakeholders to attempt to find solutions to critical logistics issues which has worsened over the years.
MI4 Climate change	Climate change can impact business continuity, profitability, health and safety and environmental aspects. The Venture's operations give rise to a significant quantity of indirect and direct greenhouse gas (GHG) emissions and are also exposed to the potential impacts of climate change resulting from GHGs.	The Venture continually engages with legislators, researchers and industry bodies to track and evaluate the situation and develop an improved awareness of and preparation for the risks associated with climate change. The Venture continues to take steps to reduce its carbon footprint. These include the development of energy-efficient technology and research into the use of alternative sources of energy. See pages 23 to 27 of this report.
MI5 Water	Water is an important input in our operations. All stakeholders are impacted by this issue.	With regard to water, we ensure that we have adequate supply and storage facilities. We have access to different water schemes, we reuse a large proportion of water and we have access to underground water. In 2017, as part of its water conservation and water demand management strategy, the Venture implemented compressive model base water balance at all our sites. All of the mines and water reticulation is comprehensively mapped and assimilated into the model to ensure all water streams are covered. The models also have a predictive function, which simulates any process changes to assess the impact on the whole water reticulation. See page 26 of this report.
MI6 Our social licence to operate	Dissatisfied communities embarking on action to remove the Venture's social licence to operate would create an unsustainable working environment and cause significant reputational damage. Communities, investors, the Department of Mineral Resources (DMRE), employees and local municipalities would all be affected.	Community social issues are addressed regularly with goodwill, commitment and leadership. By addressing social issues, the South African mining industry can achieve a more sustainable environment for itself and the communities in which it operates. See pages 37 to 39 of this report.

Materiality determination process

- The Board sets and approves three-year strategic plans for the Company. On an annual basis, the Board reviews and adjusts the strategic plan where necessary.
- The Board, through the Audit and Risk Committee and Board strategic workshops, annually considers the risks (see page 59 of this report) the Company may face, and a risk matrix listing the risks and their importance is updated quarterly. There are approximately four Board and separate Board committee meetings during a year and further separate executive, management and Board strategy sessions to set a new strategic plan and/or assess the current plan in operation.
- Key to our process is consultation with stakeholders (see page 4 of this report). Stakeholder feedback is then discussed at management, executive and Board strategic meetings and incorporated into the strategic plan and risk register.
- The executive and management of Merafe participate in the Venture (including participation in executive committee and Board meetings of the Venture), which assists with the assessment and consideration of the Venture's material issues (see page 48 of this report).
- During the integrated reporting process, the Board and its committees assessed the report to ensure that our reporting is aligned in terms of strategy, key risks and issues material to both Merafe and its stakeholders.

	POSSIBLE IMPACT:	OUR RESPONSE:
MI7 **Exposure to one commodity**	Diversification into other commodities would provide us with a buffer against the cyclical nature of ferrochrome, which can and has negatively impacted our profitability in certain years. This issue could impact our shareholders, management and employees.	In August 2014, the Board announced its strategy to focus mainly on ferrochrome and chrome in the medium-term and this was the main focus from 2015 to date. The Board, by participating in the Venture, ensures that the competitive advantages enjoyed by the Venture as set out on page 7 mitigate this risk of exposure to one commodity. The Company, however, will also consider acquisitions outside of ferrochrome on an opportunistic basis. See page 10 of the Chief Executive Officer's review for the Company's new investment in PGMs in 2023.
MI8 **Venture in which we do not have a majority stake**	By not having a majority stake in the Venture, decisions that are taken in the best interest of the Venture may on the other hand negatively impact Merafe.	Contractual provisions and partnering with a world-class operator and global ferrochrome leader are all helpful in bolstering our overall sustainability. We continually strive to ensure the interests of both partners in the Venture are aligned and to maintain strong relationships based on mutual respect between both management teams.
MI9 **Empowerment credentials**	These credentials are important to maintain a competitive advantage. Any future acquisitions in the mining industry will require empowerment to be ensured.	In 2015 Glencore BV acquired the shares of Royal Bafokeng Holdings Limited. The "once empowered, always empowered" principle allows the company to benefit from continued recognition of black ownership. The empowerment credentials of Merafe and the Venture however continue to be a focus. See the Chairperson's report on page 43 for more details as well as the report of the Chief Executive Officer on page 10.
MI10 **Safety, health and wellbeing of Merafe's employees and the Venture's employees and contractors**	Maintaining a safe and healthy environment is one of the cornerstones of our success. Employee morale is affected by how we manage this issue. Significant reputational damage is also a key factor. This issue could impact employees, contractors and their families, DMRE, Mine Health and Safety Inspectorate, trade unions and investors.	The Venture invests in safety training and efforts to transform its safety culture into one where every employee takes responsibility for their safety and that of their fellow employees. See pages 31 to 32 of this report.
MI11 **Industrial action in the mining industry and in particular in the operations of the Venture**	Loss of production impacts on profitability. We also need to consider increased costs and the possible damage to property. The safety of the Venture's employees is also at risk; intimidation of employees by strikers and a breakdown in the relationship with Venture employees are all important factors affecting not only Venture employees but their families, communities, the DMRE and shareholders.	Communication and mutual understanding and respect are fostered daily with employees to enhance the working relationship. We also invest time and effort in establishing an understanding with the trade unions. The Venture also abides by the collective agreements in place and negotiates with the unions with the aim of reaching an agreement on annual wage increases. See pages 34 and 35 of this report.
MI12 **Chrome ore imports into China**	Ferrochrome sales to China are impacted by the export of unbeneficiated chrome ore from South Africa, which is facilitating the growth of a ferrochrome industry in China (see page 7 of this report). Profitability would be negatively impacted as would shareholders, Merafe management, Merafe employees, Venture partners, Venture employees and communities, as well as government stakeholders (for example, South African Revenue Service (SARS).	The strategy of being one of the lowest cost producers mitigates this risk. The Venture further believes that market forces over the medium term will reduce this risk (see the Chief Executive Officer's strategic review on page 10 and the graphs on page 11). The Venture supports a tax on chrome ore exports, and in October 2020, cabinet announced the introduction of a chrome ore export tax. Details however are still awaited around implementation by government.

CHIEF EXECUTIVE OFFICER'S STRATEGIC REVIEW

Our strategy remains unchanged and we continue to focus on ferrochrome and chrome ore production and maximising cash flows from the Venture. We continue to evaluate growth opportunities together with our Venture partner.

Safety

Regrettably, there were two fatalities at the Venture's smelters, Boshoek and Rustenburg, in the second half of the year. Another fatality occurred at Wonderkop smelter in January 2024. Our condolences are extended to their families, friends and colleagues.

We remain committed to ensuring the safety of the Venture's employees by implementing safety programmes such as SafeWork 2.0 with the aim of improving safety standards.

Financial review

Merafe achieved a record profit of R1 753 million in a year full of challenges.

Ferrochrome revenue increased by 1% despite lower volumes sold and lower realised prices as a result of weaker market conditions. However, chrome revenue increased significantly driven by both sales volume and realised price increases.

Operational review

Merafe's attributable ferrochrome production decreased by 22% from 384kt to 300kt for the year ended 31 December 2023. The reduction is mainly due to the planned pullback in production over the winter months. Only the Lion smelter was operating during this high electricity demand season of elevated power prices. The operations were also impacted, to a lesser extent, by stage 3 and 4 electricity load curtailments for the year ended 2023.

Lydenburg smelter, Rustenburg furnace 6 and Waterval Mine remain under care and maintenance for the foreseeable future.

The total unit cost of ferrochrome production increased by 28% from December 2022. The increase was driven by general inflation, higher chrome ore market cost and higher reductant costs.

Reductant costs were impacted by higher market prices and inadequate local supply, which necessitated some imports of coke.

Logistics challenges continue with not much improvement in rail availability. The chrome industry and Transnet Freight Rail continue to collaborate on improving rail performance.

Eskom

Reliability of electricity supply and above inflation cost increases remain key risks for our business. Electricity tariffs increased by 18.65% effective 1 April 2023 and NERSA has approved tariff hikes of 12.75% effective 1 April 2024.

NERSA has approved the Negotiated Pricing Agreement ("NPA") application between Glencore/Merafe and Eskom. The parties are in the process of finalising the agreements. This should facilitate price and planning predictability for the JV smelters.

Renewable energy projects

As part of the Venture's strategy to ensure stable and consistent supply at optimal cost of electricity to the operations, both off-site and on-site projects are being pursued.

Off-site: Negotiations with independent power producers are at advanced stages with the first 100MW solar project expected to achieve financial close in H1 2024. An implementation pipeline is being developed in order to ensure carbon reduction targets are achieved.

On-site: Project development has commenced at various operations to maximise the generation potential and enable the development of a phased implementation plan.

Eastern PGMs plant

In the third quarter of the 2023 financial year, the JV partners reached an agreement for the PGMs plant, located at Thorncliffe Mine (Eastern PGMs plant), to be contributed to the Venture. The inclusion of this plant has resulted in Merafe's attributable PGMs production volume increasing from 3 170 oz to 6 443 oz.

Market review

Chinese ferrochrome production increased by 14% year-on-year, outpacing domestic demand. The introduction of additional low-cost capacity in China has heightened pressure on global alloy conversion spreads, resulting in production cutbacks in other regions worldwide. Ferrochrome demand outside of China experienced a year-on-year decrease as stainless steel melt rates in the EU and the US reached multi-year lows.

Chrome ore prices remained elevated during 2023, up 24% year-on-year, due to persistent logistical constraints out of South Africa and constrained global supply growth.

The average European ferrochrome benchmark price was US cents 156 per pound in 2023, which represents a decrease of 14.5% from the 2022 average price.

Strategic review

Our strategy remains unchanged and we continue to focus on ferrochrome and chrome ore production and maximising cash flows from the Venture. We continue to evaluate growth opportunities together with our Venture partner.

Outlook

Uncertainties, fuelled by geopolitical tensions are likely to persist.

With global inflation easing, we expect interest rates cuts in the latter half of the year, which could stimulate demand.

Stainless steel production is expected to increase by 5% in 2024, which should incentivise ferrochrome production.

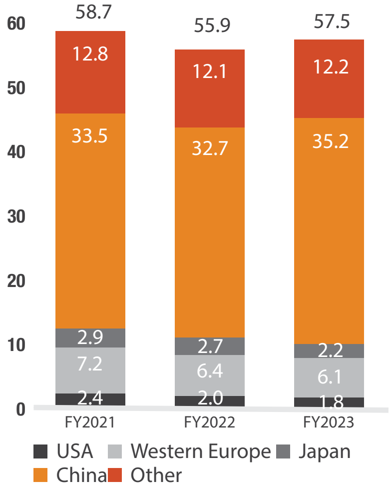
Production costs are expected to remain high but softer than 2023.

Ferrochrome prices are expected to be weaker on the back of softer production costs.

ZANELE MATLALA
Chief Executive Officer | 15 March 2024

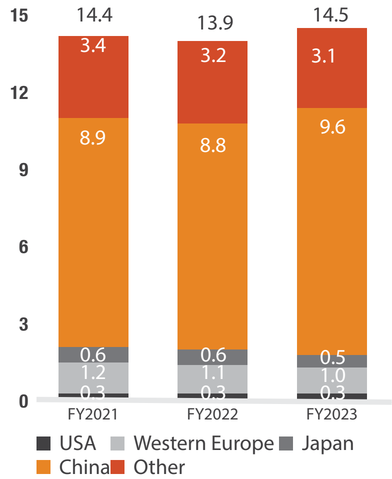
Key market indicators

Global stainless steel production (mt)



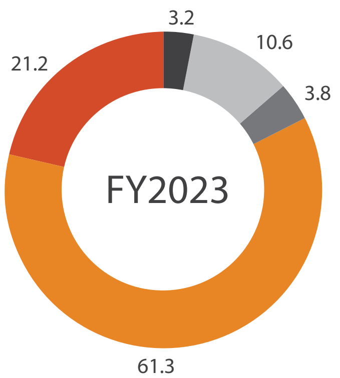
Source: CRU

Global ferrochrome demand (mt)

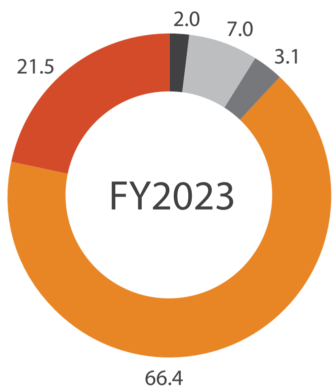


Source: CRU

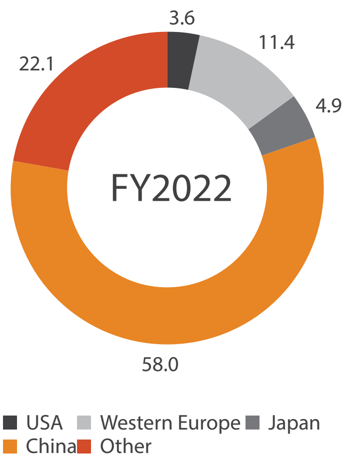
Global stainless steel production (%)



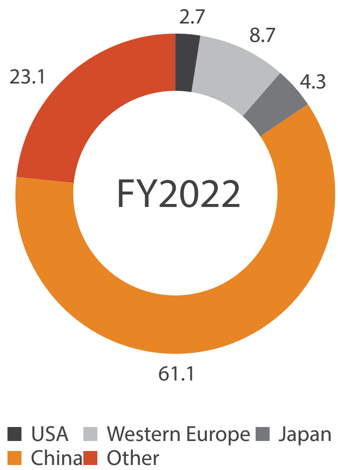
Global ferrochrome demand (%)



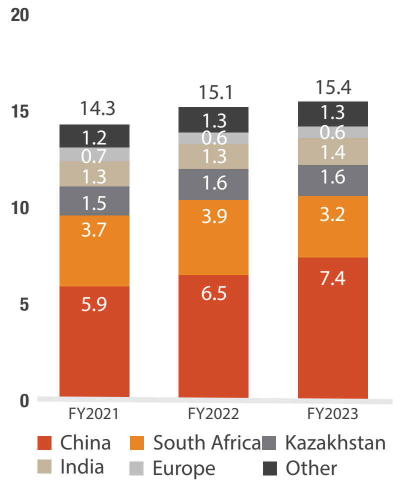
Global stainless steel production (%)



Global ferrochrome demand (%)

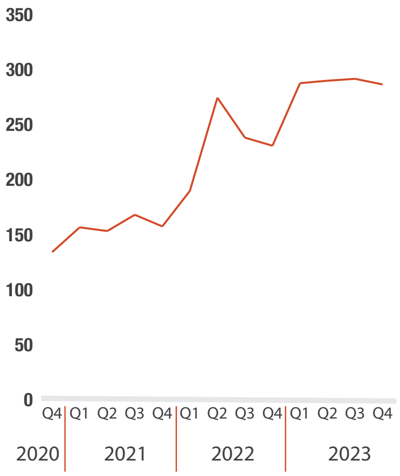


Global ferrochrome production (mt)

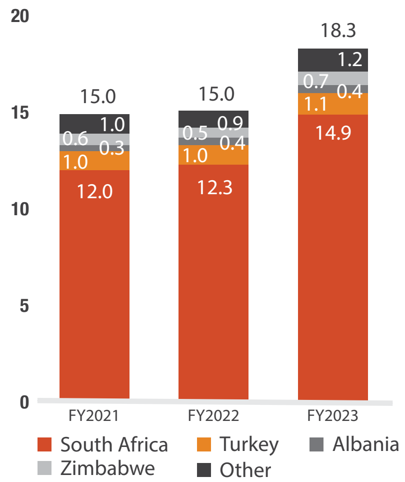


Source: CRU

UG2 Merchant prices (USD/t)

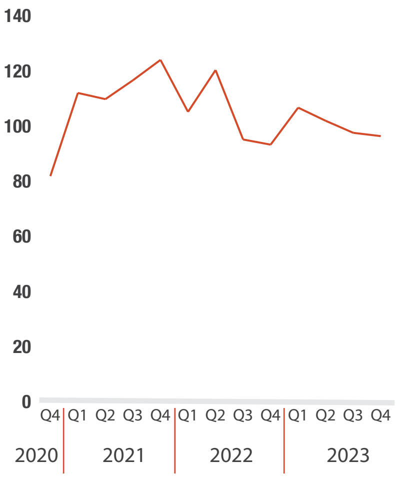


Chrome ore imports into China (mt)



Source: CRU

Ferrochrome Merchant prices 49%–70% (USc/lb)*



**** Series replaced by 48%–63% from mid May 2021***

Note: The source of information on pages 11 and 12 of this report is CRU. This market information is continually updated by CRU. Such updates may amend previous information or projections. To the extent that there is any significant or material change to information provided by CRU and used in this or previous reports then this will be stated.

European benchmark ferrochrome price (USc/lb)

Financial capital makes it possible for other types of capital to be owned and traded. Financial capital is also representative of how successful we have been at achieving the sustainable development of our natural, human, social and manufactured capitals.

FINANCIAL CAPITAL FOCUS AREAS

MATERIAL ISSUES

- **Global economic environment**
- **Ferrochrome demand and prices**
- **Energy supply and prices**
- **Rand/US Dollar exchange rate**
- **Production costs**

Sustainable organisations need a clear understanding of how financial value is created, in particular, dependence on other forms of capital. We enhance our financial capital by:

- effective risk management;
- corporate governance structures;
- ensuring the equitable use of wealth created; and
- assessing the wider economic impact of our activities on society.

MATERIAL ISSUES See pages 8 and 9

MI1 MI2 MI3 MI4 MI7 MI12

KEY POINTS 2023

Revenue
R9 244 million
(2022: R7 939 million)

EBITDA
R2 545 million
(2022: R2 141 million)

Net Profit
R1 753 million
(2022: R1 410 million)

Cash balance of
R1 656 million
2022: R1 269 million)

Final and interim dividends for 2023
R1 050 million
(2022: R625 million)

** For a complete appreciation of the financial results, this Financial capital section must be read in conjunction with the complete set of audited consolidated annual financial statements available on the website www.meraferesources.co.za. The Board has used its discretion in determining the material matters to be reported in this section.*

The Company's consolidated financial statements for the year ended 31 December 2023 were approved by the Board on 15 March 2024 and are available on the Company's website on this link: https://www.meraferesources.co.za/results/annuals-2023/pdf/afs.pdf

The summarised financial statements on pages 17 and 18 are an extract from audited consolidated financial statements but are not themselves audited. The following individuals were responsible for the preparation of the financial statements: Busisiwe Nteyi CA(SA), Financial Manager and Ditabe Chocho CA(SA), Financial Director.

Overview

The year 2023 was complex for the chrome mining industry. It saw challenges and setbacks against a backdrop of steady, resilient growth.

Challenges included volatile prices for ferrochrome, which reduced from 2022 highs. Chrome ore prices, which increased mainly due to logistics problems, more than compensated for this challenge. Volatility is another challenge that always creates uncertainty for producers and traders. Due to a planned pullback in production in response to market conditions, only the Lion smelter operated over the three-month high electricity demand winter season, a period of elevated power prices. These factors resulted in lower ferrochrome production for the year, allowing the business to destock high volumes of finished stock that had built up. Geopolitical and economic instability continued as evidenced by the ongoing wars in Ukraine and the Middle East and global economic slowdowns that impacted demand and supply chains.

On the positive front, we've seen overall market growth. Despite the challenges, the ferrochrome market continued to expand, driven by increasing demand for stainless steel and other uses.

The business continues to manage all controllable costs as best as possible despite persistent cost pressures. For this reason, the approval of our Negotiated Pricing Agreement ("NPA") application with Eskom by both the National Energy Regulator of South Africa and Eskom is a welcome development since, among other benefits, it gives the business certainty on electricity tariffs over the term of the agreement.

A key achievement for the year was the inclusion of the Eastern Platinum Group Metals ("PGMs") operation in the Venture (refer to SENS announcement dated 7 September 2023). This operation increases the combined capacity of the Venture's PGMs processing plants and allows for further economies of scope. The addition of another PGM processing plant, PGM X, is underway, which will give the business additional scale.

We refer you to material issues on pages 8 and 9 for a review of financial matters impacting the business and our responses thereto.

Merafe recorded basic earnings from operations of R1 753 million (2022: R1 410 million), translating to basic earnings per share of 70.1 cents (2022: 56.4 cents). The headline earnings per share for the year were 60.1 cents (2022: 56.4 cents). Favourable chrome ore prices, higher volumes of chrome ore sold, and a weaker average ZAR: USD exchange rate were the main contributors to this performance.

Financial performance

Revenue was R9 244 million (2022: R7 939 million), amounting to a year-on-year increase of 16% despite 7% lower volumes of ferrochrome sold at 327kt (2022: 350kt). Higher realised chrome ore prices, higher chrome ore volumes sold, a weaker ZAR:USD exchange rate, and revenue from the Eastern PGMs operations improved revenue performance against the comparative period.

The average ferrochrome CIF price decreased by 6% to US105c/lb (2022: US111c/lb). Ferrochrome revenue was 1% higher at R6 885 million (2022: R6 795 million), supported by the ZAR:USD exchange, which weakened by 13% to R18.45 (2022: R16.37). Chrome ore sales volumes for the year increased by 77% to 470kt (2021: 265kt), and, on average, CIF chrome ore prices increased by 11% to USD262 (2022: USD237). The resultant chrome ore revenue was 114% higher at R2 222 million (2022: R1 040 million). PGMs revenue now includes results from PGMs operations in the West, the Kroondal plant, and those in the East. PGMs revenue increased to R133 million (2022: R100 million). Although the average basket price of PGMs achieved decreased by 36% to 1 284 USD/oz (2022: 2 007 USD/oz), higher volumes sold of 6 588 oz (2022: 3 055 oz) and a weaker average ZAR:USD exchange rate more than made up for the price impact.

Total operating expenses (excluding Merafe head office costs)

Operating expenses increased by 20% to R6 972 million (2022: R5 802 million). This increase was influenced by higher chrome ore sales volumes and inflationary pressures, as evidenced by our unit production cost, which increased by 28% year-on-year.

The main contributors to operating costs were:

- the increased cost of chrome ore inputs to our production;
- the increased cost of reductants;
- the increased cost of electricity due to Eskom's tariff adjustments;
- other inflationary increases, which include higher staff costs incorporating increases agreed with labour unions; and
- an increase in selling expenses due to higher chrome ore volumes sold.

The cost of reductants and fluxes increased due to insufficient local anthracite and coke. This led to the importation of this stock, resulting in higher costs.

Standing charges also increased to R346 million (2022: R108 million) due to a planned pullback in production over the more expensive winter months.

The adjustments resulting from the impairment of PPE in earlier years have decreased the depreciation charge that was capitalised to inventory by R13 million (2022: R25 million decrease).

The diesel rebate matter with SARS is ongoing and has yet to be resolved. Accordingly, the disallowed amount (net of income tax) of R20 million (2022: R17 million) and interest payable to SARS of R5 million (2022: R5 million) continue to be fully provided for at year end.

Foreign exchange adjustments

The volatility of the Rand against the US Dollar resulted in a foreign exchange gain of R99 million for the year (2022: R68 million).

EBITDA

All the above factors increased Merafe's share of the Venture's EBITDA for the year to R2 358 million (2022: R2 228 million). Merafe's EBITDA was R2 545 million (2022: R2 141 million) after accounting for its corporate costs, which were R76 million (2022: R65 million). Corporate costs include a share-based payment expense (which is influenced by the Company's share price) of R11 million (2022: R13 million), Corporate Social Investment spend of R2 million (2022: R3 million), and a bonus provision of R11 million (2022: R12 million). The higher corporate costs include an expensed VAT apportionment adjustment of R4 million (2022: R1 million), higher legal fees, and various sundry expenses.

Gain on acquisition of joint operation

Merafe's EBITDA also includes a gain on contribution to the Venture of PGM operation in the Eastern Limb.

The SENS announcement published by the Company on 7 September 2023 refers to the contribution of the Eastern PGMs production plant to the Venture. This plant's contribution led to a gain of R250 million for the Group arising from the net asset value of the operation which was acquired for no consideration by Merafe. Effective from 1 January 2023, the Group started benefiting from this operation.

Depreciation and impairment

Merafe's share price at the end of the financial year traded at a discount to its net asset value per share, thereby indicating possible impairment. Consequently, a calculation of the recoverable amount had to be made as per IAS 36: Impairment of Assets. The recoverable amount was primarily based on Merafe's share of the value-in-use of the Venture as the cash-generating unit ("CGU"). The recoverable amount includes the valuation of Unicorn Chrome (Pty) Ltd ("Unicorn Chrome"). The directors have considered that no conclusive evidence supports recognising any impairment for the year. No operational or market factors identified by management point to possible impairment other than the market capitalisation of the Group being lower than the asset value of the business.

Impairment losses from prior years have led to a much lower depreciation charge for historical assets for reporting periods since 2020. However, capital expenditures made over subsequent years have gradually increased the depreciation expense. Depreciation of R249 million (2022: R219 million) was expensed for the year.

Income from equity-accounted investments

Due mainly to high chrome ore prices, Impala Chrome (Pty) Ltd, Unicorn Chrome's only investment, had its best financial performance in 2023 since our acquisition of the investment in May 2020. Accordingly, Merafe's share of income from equity-accounted investment increased to R19 million (2022: R4 million).

Net finance income

Finance costs, mainly from commitment fees from our Absa Bank Limited's ("Absa's") Revolving Credit Facility ("RCF") and interest on the utilised portion of the RCF, amounted to R3 million (2022: R1 million). Interest on cash reserves was the source of finance income of R41 million for the year (2022: R26 million).

Taxation

The taxation expense includes a deferred tax charge of R147 million (2022: R36 million) due to temporary differences on property, plant and equipment, receivables, provisions, and accruals. Due to its taxable profits exceeding its capital expenditure as at 31 December 2023, Merafe had no unredeemed capital expenditure balance at year end (2022: Rnil). This resulted in a current tax expense of R453 million (2022: R503 million). The current tax expense was lower due to the increase in capital expenditure for the year.

Profit for the year

Merafe reported a profit after tax of R1 753 million (2022: R1 410 million) for the year ended 31 December 2023.

Financial position

Ferrochrome production at our operations was 22% lower than the comparative period, primarily due to production pullback, as discussed earlier. The pullback, which enabled a drawdown of ferrochrome finished goods, decreased inventory volumes from 109kt to 81kt at year end. The above finished goods levels represent approximately two to three months of sales, a decrease from three to four months in the prior year. The closing inventory balance was R1 916 million at year end (2022: R2 373 million). The key reason for the higher closing trade and other receivables balance of R1 545 million (2022: R868 million) was higher sales volumes in the last quarter of 2023. Working capital remains crucial to our financial position, and we continue to focus on optimising its levels. The Venture's debt facilities are unutilised, and the business remains ungeared at the end of the financial year.

Our rehabilitation obligation is assessed periodically by an independent expert. For the year under review, the liability was assessed to be lower due to the upward revision of the discount rate. The provision for environmental rehabilitation decreased by R139 million, reducing total provisions from R294 million to R155 million. Our provisioning already caters for the impact of the National Environmental Management Act.

Boshoek Mine, which was on care and maintenance, is still in the process of being sold and has been classified as held for sale. At year end, only regulatory approvals remained as the outstanding conditions to be met.

Cash position

The closing cash balance was R1 656 million (2022: R1 269 million). This comprises Merafe's share of cash in the Venture and Unicorn Chrome of R959 million (2022: R652 million) and Merafe's cash of R697 million (2022: R617 million). The cash movement includes net cash outflow from working capital movements, mainly affected by an increase in trade and other receivables by R675 million, countered by a decrease in inventories by R454 million and an increase in trade and other payables by R106 million. Additionally, there was an outflow of cash from investing activities due to sustaining capital expenditure of R618 million (2022: R466 million), expansionary capital expenditure of R54 million (2022: R18 million), and payment of both the 2022 final dividend and the 2023 interim dividend of R825 million (2022: R850 million) in total. Expansionary capital includes R47 million (2022: R15 million) spent on the PGMs processing plants.

As earlier mentioned, the Venture has set aside cash, ringfenced for its future environmental rehabilitation obligations. This cash is not restricted. With the approval of the NPA application, there will be a call for increased Eskom guarantees by the Venture. Accordingly, this cash may, in the future, also include cash set aside for Eskom guarantees. This cash is available to back any Eskom and Department of Minerals Resources and Energy bank guarantees put in place. Merafe's share of the cash sits at R328 million (2022: R301 million) and is included in its share of the cash in the Venture and Unicorn Chrome of R959 million referred to above.

Debt position

Merafe's credit facility with Absa and the Glencore debt facilities available to the Venture through Glencore Holdings South Africa (Pty) Ltd were unutilised at year end. Although R200 million of Merafe's R300 million committed revolving credit facility with Absa was used to fund the 2023 interim dividend, this utilised portion had been fully repaid by year end.

Contingent liability

The Group is subject to direct and indirect tax in the South African jurisdiction. The Group's subsidiary undertakes various cross-border transactions within the Venture, subject to the Group's transfer pricing policies. As a result, significant judgement is required to determine the Group's income tax provision. The income tax and annual assessments are subject to examination within prescribed periods by the South African Revenue Services ("SARS").

At 31 December 2023, the previously reported transfer pricing matter with SARS was still ongoing. The Group has a deadline of 30 April 2024 to respond to SARS' letter of audit findings for the 2016 and 2017 years of assessment, which the Group is contesting with SARS. Management still relies on opinions from external legal and tax advisers to inform and support the significant judgement required in interpreting relevant tax legislation. The matter has been disclosed as a contingent liability as its outcome remains uncertain, and any potential tax exposure cannot be reliably estimated. Accordingly, the consolidated financial statements have no adjustment for any effects on the Group.

Share buy-back

The Board has considered whether the share buy-back programme should be resumed and concluded that a dividend is preferable at this stage.

Dividend

The Board has declared a final cash dividend of R550 million (2022: R325 million). This amounts to 22 cents (2022: 13 cents) per share and brings the total dividend for the year to R1 050 million (2022: R625 million).

Outlook

Looking ahead:

- The market is expected to continue growing in the coming years, driven by factors such as infrastructure development and the rise of electric vehicles;
- Price stability and production predictability are crucial for ensuring industry health. Although volumes will grow, the expectation is that price volatility will continue with risk on the downside;
- ESG matters will likely gain prominence and become even more important. The Venture continues to explore sustainable practices for its operations, and its green energy initiatives will not only contribute to the decarbonisation of its footprint but to power stability as well;
- Additionally, the NPA will enable our business to plan with more pricing certainty;
- Inclusion of the Eastern PGMs further grows our business and strengthens our PGMs footprint; and
- While a thawing of geopolitical tensions was expected in 2023, further tensions were experienced, and a spillover to 2024 has been inevitable.

Overall, 2023 was a year of resilience and adaptation for the ferrochrome industry. While facing headwinds, it laid the groundwork for continued growth and a focus on sustainable practices in the future. However, a resilient 2023 appears set to be followed by a looming slowdown in 2024.

DITABE CHOCHO
Financial Director | 15 March 2024

The full set of audited consolidated financial statements from which these summarised consolidated financial statements have been derived, were prepared under the supervision of Ditabe Chocho CA(SA), Financial Director. The directors take full responsibility for the preparation of the summarised consolidated financial statements.

		As at	
Summarised consolidated statement of financial position	Notes	**31 December 2023 Audited R'000**	31 December 2022 Audited R'000
Assets			
Property, plant and equipment		1 387 714	1 074 971
Intangible asset		25 413	29 626
Investment in associate		14 150	6 709
Deferred tax		–	6 210
Long-term receivable		37 287	38 663
Other long-term receivable		14 229	14 229
Total non-current assets		1 478 793	1 170 408
Inventories		1 916 476	2 372 540
Trade and other receivables		1 544 037	868 122
Current tax receivable		65 218	–
Cash and cash equivalents		1 655 807	1 268 599
		5 181 538	4 509 261
Non-current asset held for sale	11	963	963
Total assets		6 661 294	5 680 632
Equity			
Share capital		1 288 876	1 288 876
Retained income		3 969 665	3 041 413
Total equity attributable to owners of the company		5 258 541	4 330 289
Liabilities			
Lease obligation		5 911	9 059
Deferred tax		271 554	131 020
Environmental obligations		131 330	265 350
Share-based payment liability		10 040	12 518
Total non-current liabilities		418 835	417 947
Trade and other payables		945 859	840 039
Lease obligation		3 148	3 884
Current tax payable		178	52 073
Environmental obligations		10 907	4 345
Share-based payment liability		11 258	7 794
		971 350	908 135
Liabilities directly associated with the assets held for sale		12 568	24 261
Total liabilities		1 402 753	1 350 343
Total equity and liabilities		6 661 294	5 680 632

		For the year ended	
Summarised consolidated statement of profit or loss and other comprehensive income	Notes	**31 December 2023 Audited R'000**	31 December 2022 Audited R'000
Revenue	5	9 244 022	7 939 061
Gain on contribution of joint operation	6	249 909	–
Foreign exchange gain		99 377	68 310
Other expenses		(7 048 087)	(5 866 720)
Earnings before interest, taxation, depreciation, amortisation and impairment		2 545 221	2 140 651
Depreciation and amortisation		(249 319)	(219 473)
Impairment		–	(236)
Income from equity-accounted investment		19 083	3 944
Results from operating activities		2 314 985	1 924 886
Finance income		40 941	26 078
Finance expense		(2 670)	(1 487)
Profit before taxation		2 353 256	1 949 477
Taxation		(600 292)	(539 467)
Total comprehensive income for the year		1 752 964	1 410 010
Basic earnings per share (cents)		70.1	56.4
Diluted earnings per share (cents)		70.1	56.4

Summarised consolidated statement of changes in equity

	For the year ended 31 December 2023 Audited R'000	31 December 2022 Audited R'000
Issued share capital – ordinary shares	24 991	24 991
Balance at the end of the year (issued share capital)	24 991	24 991
Share premium – ordinary shares	1 263 885	1 263 885
Balance at the end of the year (share premium)	1 263 885	1 263 885
Balance at beginning of the year	3 041 413	2 481 106
Total comprehensive income for the year	1 752 964	1 410 010
Dividends paid	(824 712)	(849 703)
Balance at the end of the year (retained earnings)	3 969 665	3 041 413
Total equity for the end of the year	5 258 541	4 330 289

Summarised consolidated statement of cash flows

	For the year ended 31 December 2023 Audited R'000	31 December 2022 Audited R'000
Profit before tax	2 353 256	1 949 477
Depreciation and amortisation	249 319	219 473
Effect of exchange rate fluctuations	(7 843)	49 623
Income from equity-accounted investment	(19 083)	(3 944)
Finance income	(40 941)	(26 078)
Finance expense	2 670	1 487
Impairment	–	236
Movement in rehabilitation provision	(25 635)	11 478
Other non-cash movement	4 422	4 223
Loss/(profit) on sale of property, plant and equipment	29	(650)
Fair value adjustment on provisionally priced revenue	(781)	63 933
Movement in long-term receivable	1 376	(25 219)
Share grants vested	(10 129)	(2 284)
Share-based payment expense	11 115	12 848
Net realisable value inventory adjustment	2 046	1 288
Changes in working capital:		
Inventories	454 018	(721 650)
Trade and other receivables	(675 134)	622 565
Trade and other payables	105 820	(22 555)
Cash generated from operating activities	2 404 525	2 134 251
Interest received	37 721	23 666
Interest paid	(3 901)	(3 358)
Dividends from associates	11 642	–
Taxation paid	(570 661)	(456 863)
Net cash generated from operating activities	1 879 326	1 697 696
Acquisition of property, plant and equipment – sustaining	(617 551)	(466 396)
Acquisition of property, plant and equipment – expansionary	(53 814)	(17 841)
Proceeds from the sale of property, plant and equipment	–	697
Movement in other long-term receivable	–	(14 229)
Net cash utilised in investing activities	(671 365)	(497 769)
Repayment of capital portion on lease liabilities	(3 884)	(4 131)
Dividends paid	(824 712)	(849 703)
Net cash utilised in financing activities	(828 596)	(853 834)
Total cash movement for the year	379 365	346 093
Cash at the beginning of the year	1 268 599	972 129
Effect of exchange rate movement on cash balances	7 843	(49 623)
Total cash at the end of the year	1 655 807	1 268 599

Manufactured Capital in the mining context relates to the mining and smelting process and how it is conducted as well as the assets which are being mined and beneficiated. It is important to an organisation's sustainability because its efficient use allows an organisation to be flexible and innovative and increases the speed at which it delivers.

MANUFACTURED CAPITAL FOCUS AREAS

MATERIAL ISSUES

- Health and safety
- Project execution
- Pricing and the availability of electricity
- Raw material availability
- Business continuity and profitability
- Investing in new technology to increase energy efficiency
- Industrial action
- Community issues

We enhance our Manufactured Capital by:

- employing our infrastructure, technologies and processes to use our resources most efficiently; and
- devising technology and management systems that reduce our waste and emissions.

MATERIAL ISSUES See pages 8 and 9

MI1 MI2 MI3 MI4 MI5 MI6 MI10 MI11

KEY POINTS 2023

Merafe's attributable ferrochrome production **300kt** (2022: 384kt)

Cost of ferrochrome production per tonne increased by **28%** (2022: 30% increase)

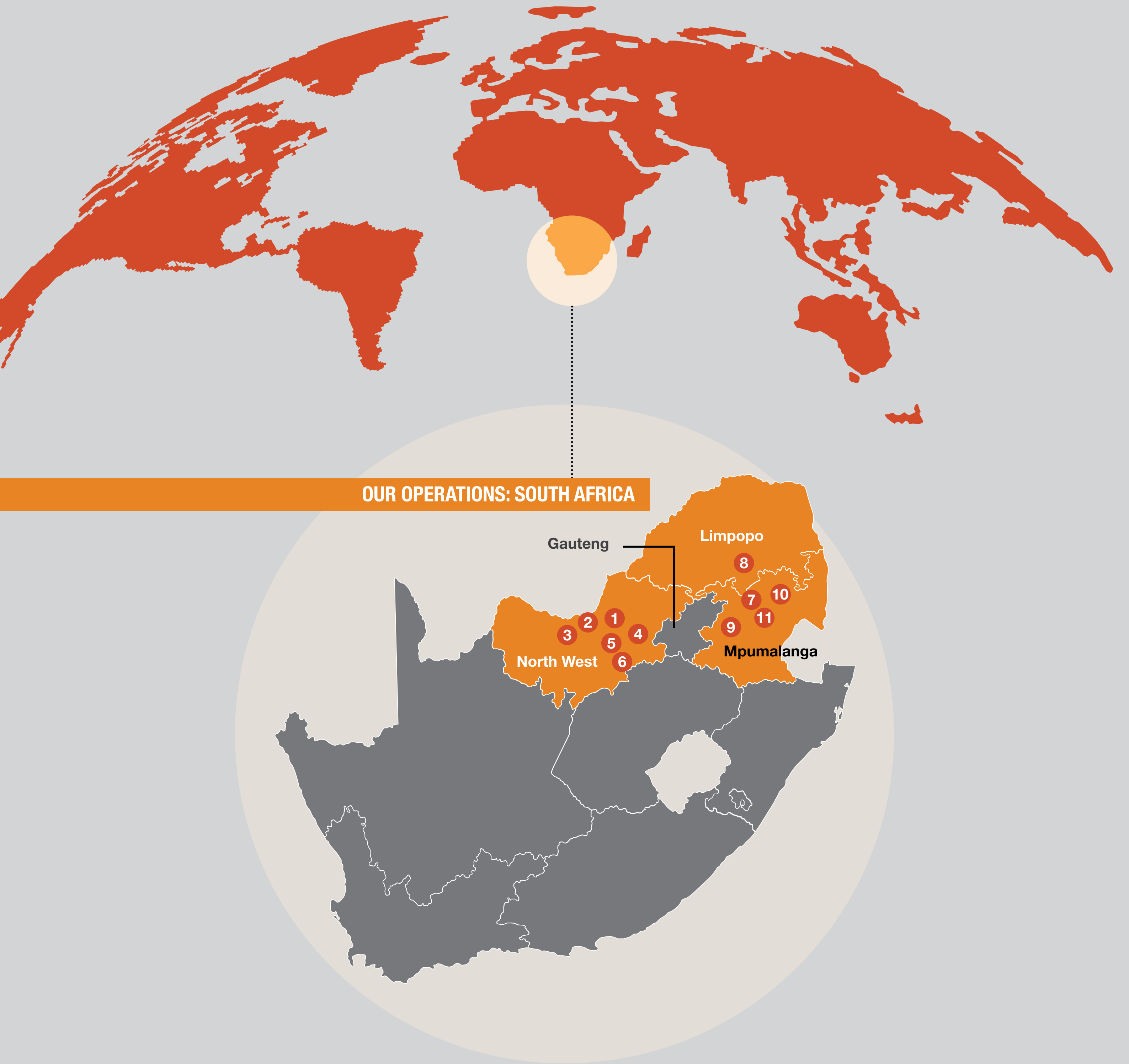
Fatalities **2** (2022: Nil)

TRIFR performance of **2.34** (2022: 2.40)

No industrial action

Railway and port challenges

Pricing and availability of electricity challenges



Glencore-Merafe Chrome Venture operations

1 Rustenburg ferrochrome plant and Tswelopele pelletising and sintering plant

2 Boshoek ferrochrome plant and Motswedi pelletising and sintering plant

3 Boshoek Mine

4 Wonderkop ferrochrome plant and Bokamoso pelletising and sintering plant

5 Waterval (east and west) and Marikana Mines

6 Kroondal Mine and PGM plant

7 Thorncliffe Mine and PGM plants

8 Lion ferrochrome plant

9 Lydenburg ferrochrome plant

10 Helena Mine

11 Magareng Mine

Operational review

Merafe's attributable ferrochrome production decreased by 22% from 384kt to 300kt for the year ended 31 December 2023. The reduction in production was mainly due to a planned pull back in production in response to weaker market conditions. During the three-month high electricity demand winter season, a period of elevated electricity tariffs, only Lion smelter operated. Post the winter period the Rustenburg smelter was not brought back to production as weaker market conditions persisted.

In the third quarter of the 2023 financial year, the JV partners reached an agreement for the PGMs plant, located at the Thorncliffe Mine (Eastern PGMs plant), to be contributed to the JV. The inclusion of this plant has contributed to increased PGMs production volumes from 3 170 oz to 6 443 oz.

Total unit cost of ferrochrome production rose by 28%. The increase was mainly due to higher inflation, higher ore market costs, higher reductants and higher plant costs. Plant costs per unit were impacted by lower volumes produced.

Massive logistic challenges continue to plague the industry, contributing to increased logistic costs. The increased reliance on road transportation, combined with higher diesel cost has pushed this cost component higher.

The Venture's decarbonisation objectives are aligned with those of Glencore Plc. Our portfolio profile provides the flexibility to decarbonise our footprint with a target of achieving a 50% reduction in our total CO_2e emissions by 2035. Some of our strategic elements towards achieving our target include managing our operational footprint as well as taking advantage of opportunities to reduce our scope 3 emissions.

Eskom

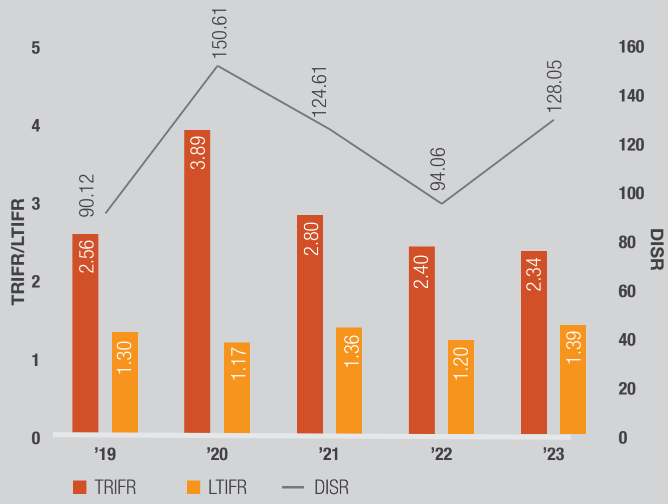
Reliability of electricity supply and above inflation cost increases remain key risks for our business. Electricity tariffs increased by 18.65% effective 1 April 2023 and NERSA has approved tariff hikes of 12.75% effective 1 April 2024.

NERSA has approved the Negotiated Pricing Agreement application between Glencore/Merafe and Eskom. The parties are in the process of finalising the agreement. This should facilitate price and planning predictability for the JV smelters.

Reductants

The cost of reductants was impacted by increased market prices and a shortage of local supply of anthracite and coke, necessitating imports which are more expensive.

Venture safety performance



Safety

Sadly, the Venture had two fatalities during the last half of 2023 and one fatality in the first month of 2024. Our total recordable injury frequency rate improved by 3% to 2.34 (December 2022: 2.40).

The safety of our employees is our number one priority, and we therefore, remain focused on implementing the SafeWork 2.0 with the aim of continual improvement and the effective implementation of the fatal hazard protocols. In addition to these initiatives, a specific focus this financial year was quality assurance and verification activities on our systems and standards. In 2024, a particular emphasis will be placed on contractor management.

Health

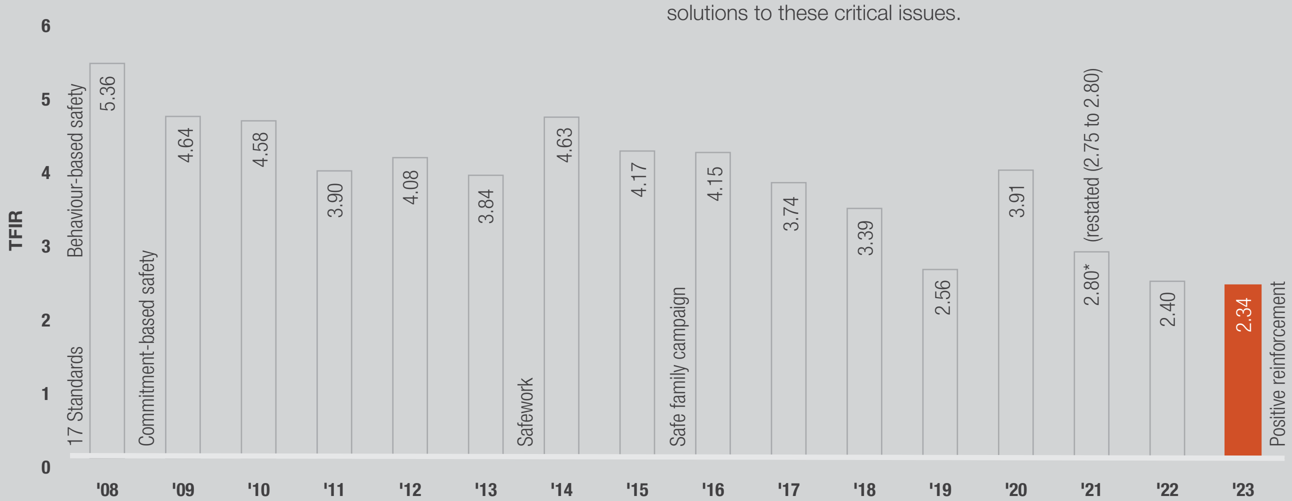
COVID-19 cases have reduced significantly over the years. We will continue to monitor these to identify any concerning trends so that necessary controls can be implemented if required.

We remain committed to creating a healthy work environment and will review all our health risk assessments during 2024. Additionally, we will continue to monitor the occupational health of our workforce.

Railways and ports

The deteriorating infrastructure of the railways and the ports continues to be a challenge to the South African ferrochrome industry. The inability of the railways to transport our product and inefficiency at the ports causes an excessive reliance on road transport. Inefficiency at the ports also results in backlog and delays at the harbours. This not only results in delays in shipping our product (and impacts the reputation of South African producers as being reliable suppliers), but also creates opportunities for corruption and theft. The Venture continues to engage proactively with the governmental departments in its attempt to find solutions to these critical issues.

TRIFR 2008–2023



Chrome ore production

Production

The Chrome mines' (including UG2) saleable chrome ore production for 2023 is 7% less than the previous year.

Chrome produced at the mines in 2023 was 5% less than in 2022 mainly due to the drop in the head grade and labour instability *(resignations of drill rig and bolter operators)* in our Eastern Operations.

Lower tonnages (11%) at the UG2 operations were mainly due to less feed received from external PGMs concentrators.

Costs

The Chrome mines' (including UG2) saleable chrome ore production costs for 2023 were 14% more than the prior year.

Production costs from mines were 14% more than the prior year mainly due to less volumes produced coupled with above inflationary increases.

Production costs from the UG2 platinum tailings were 12% more than the prior year mainly due to higher prices paid for raw material from PGMs producers *(linked to Chrome ore market prices)* and lower volume.

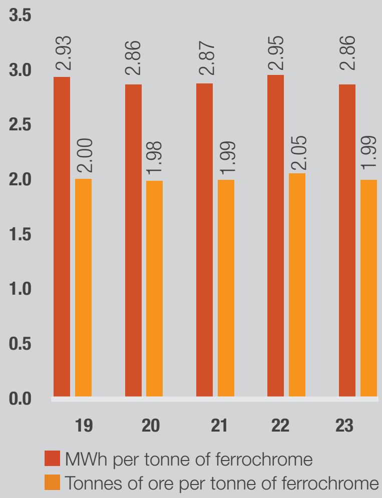
Resources and reserves

The Venture has in excess of 30 years of ore available at the current rate of mining.

Quantitative data of the Venture

The quantitative data of the Venture is set out from pages 23 to 39 of the report. Merafe's attributable portion of such data is 20.5%.

Power and ore consumption efficiencies



The Glencore-Merafe Chrome Venture's operations

Ferrochrome

Plants	Capacity	Technology	Mines
Western Limb (North West province)			
Wonderkop	553 000 tpa FeCr	Bokamoso pelletising and sintering plant using Outotec technology	Kroondal, Waterval and Marikana
	6 furnaces	Conventional semi-enclosed furnaces	
Rustenburg*	430 000 tpa FeCr	Tswelopele pelletising and sintering plant using Outotec technology	Kroondal, Waterval and Marikana
	6 furnaces	Conventional semi-enclosed furnaces	
Boshoek	240 000 tpa FeCr	Motswedi pelletising and sintering plant using Outotec technology	Waterval, Kroondal and Boshoek
	2 furnaces	Enclosed furnaces	
Eastern Limb (Mpumalanga and Limpopo provinces)			
Lydenburg**	396 000 tpa FeCr	Premus – kilns	Thorncliffe, Helena and Magareng
	4 furnaces	Three enclosed furnaces and one semi-enclosed furnace	
Lion Phase I	360 000 tpa FeCr	Premus – kilns	Thorncliffe, Helena and Magareng
	2 furnaces	Enclosed furnaces	
Lion Phase II	360 000 tpa FeCr	Premus – kilns	Thorncliffe, Helena and Magareng
	2 furnaces	Enclosed furnaces	

** Furnace 6 under care and maintenance.*
*** Smelter under care and maintenance.*

The Venture has access to various UG2 plants in the Western Limb including EPL, Kanana, Kl, K2, K4 and Rowland, and Mototolo in the Eastern Limb. The Venture constructed and operates PGM processing plants at its Western and Eastern operations.

Natural capital includes the natural resources and processes needed by an organisation to produce its products.

This includes renewable (timber and water) and non-renewable (fossil fuels, minerals and metals) resources and processes such as energy consumption, waste creation, emissions, etc. Without access to the natural capital contained in our mineral reserves and resources, our business would not exist.

Environmental Policy Statement

"Our ambition is to be a leader in environmental performance, and to minimise harm to the environment, through environmental stewardship and responsible resource management across our global operations."

See the online 2023 Integrated Annual Report for the full Environmental Policy of Glencore and the Venture, which is also on our website at www.meraferesources.co.za

We maintain and enhance **NATURAL CAPITAL** through:

- **Reducing** our dependence on fossil fuels
- **Wherever possible, using renewable resources** from well-managed and restorative ecosystems
- **Protecting** biodiversity and ecosystems
- **Managing** resources and reserves efficiently
- **Reducing** waste by reusing or recycling it whenever possible

NATURAL CAPITAL FOCUS AREAS

ENERGY	CLIMATE CHANGE	HEALTH AND SAFETY	WATER	WASTE
• Pricing and the availability of electricity • Business continuity and profitability • Investing in new technologies to increase energy efficiency	• Environmental aspects of climate change • The Venture's production of significant quantities of indirect and direct greenhouse gas emissions ("GHGs") • Investing in new technologies to reduce emissions	• Safety of employees • Health of employees • Training • Remuneration	• Use and availability • Recycling	• Incidents and compliance • Disposal and recycling

MATERIAL ISSUES See pages 8 and 9

MI1 MI2 MI4 MI5 MI10 MI11

Natural capital: climate change and energy

KEY POINTS 2023

The CO_2e generated per tonne of ferrochrome produced was

+5.30tCO_2e and *5.68tCO_2e

(2022: 5.35tCO_2e and 5.74tCO_2e)

*+Location / *Market based*

The energy use per tonne of ferrochrome produced was

15.0GJ

(2022: 14.5GJ)

Stakeholder impact

The Venture stakeholders benefit from its energy efficiencies, which have made it one of the lowest cost ferrochrome producers in the world and the lowest cost producer in South Africa.

Managing climate change and carbon emissions

The Venture focuses on understanding the current and future impact of climate change on its operations. Climate change risks are included in each operation's risk assessment. It measures and interprets energy and GHGs data to identify areas of opportunity. The Venture continuously researches and identifies potential energy and GHG reduction opportunities and evaluates the feasibility of implementing these opportunities. It also actively participates in discussions on climate change legislation *via* various industry organisations.

The Venture's efforts to continually evaluate and improve its energy efficiency are in line with the societal demand to reduce the emissions of GHGs.

The Venture uses the Greenhouse Gas Protocol as an accounting and reporting standard for our emissions. To align with the IPCC's 6th Assessment Report ("AR6"), instead with the IPCC's 5th ("AR5"), the Global Warming Potentials ("GWPs") were updated back to the 2019 baseline. In 2022 the Venture embarked on a process to improve emission report with respect to our Scope 2 emissions. In that regard Scope 2 emissions will now be reported on a market-based and location-based basis. This will enable the Venture to show the impact of renewable energy generation and purchases on our Scope 2 emissions as the Venture may decarbonise faster than the country's grid. Previously, the Venture only reported location-based emissions. This protocol was developed in partnership with the World Resources Institute and the World Business Council for Sustainable Development. It divides GHG emissions into different types, categorising them as either direct (Scope 1) or indirect (Scope 2) emissions.

- Scope 2 Location based is GHG emission based on average energy generation emission factors for defined locations, including local sub-national or national boundaries (using mostly grid-average emission factors).
- Scope 2 Market based is GHG emissions based on GHG emissions emitted by the generators from which the asset contractually purchases electricity bundled with instruments or unbundled instruments on their own, and for which a specific emission factor is known.

For 2023 the location based emission factor obtained from the IEA was 0.9001kgCO_2e/kWh. The market based emission factor was 1.01kgCO_2e/kWh.

A representative of the Venture served on the council of the Energy Intensive User Group during 2023. The Venture, which participates in the Minerals Council of South Africa and the Ferro Alloys Producers Association environmental forum, represents the ferroalloys industry at Business Unity South Africa. The Venture's representatives play a leading role in these forums and they comment on climate change and carbon tax legislation.

The Venture also engages with government via these forums to ensure that the potential impact the proposed legislation will have on our industry and Company is understood.

During 2023, the Venture again played an important role in the engagement process between business and the Department of Fisheries, Forestry and the Environment, DMRE and National Treasury on matters relating to GHG emissions, Carbon Tax, Just Transition and Renewable Energy Generation.

Climate change performance is included in the health, safety, environment and community performance indicators that the Venture uses as part of its performance appraisals.

We are working with global specialists and draw on local expertise within our operational teams to identify value accretive abatement opportunities to further reduce our carbon footprint.

The Glencore Alloys Group Environmental Manager is responsible for climate change-related issues in the Venture.

THE VENTURE'S FOCUS FOR 2024

Climate Change and Energy Strategy	▸ The Venture has a systematic approach to decarbonisation through its Climate Change and Energy Strategy. ▸ Strategic elements include managing operational footprint, reducing emissions, collaborating with supply chains and transparent reporting.
Emission Reduction Targets	▸ The Venture aligns with Glencore's target to reduce total emissions by 15% by 2026 and 50% by 2035 (based on 2019 levels). ▸ These targets align with international climate change scenarios and pathways.
Scope 3 Emissions Calculation	▸ Rule Book to accurately calculate Scope 3 emissions, aligned with the Venture's Greenhouse Gas Protocol has been developed. ▸ The Scope 3 emissions have been calculated for 2019 to 2022. The 2023 data will be completed by the end of May 2024, Once completed, the Scope 3 emissions from 2019 to end 2024 will be available on the Merafe website.
Independent Verification	▸ Scope 1 and Scope 2 GHG emissions of the Venture are independently verified annually, complying with legal requirements.
Business Costs and Reporting	▸ The Venture is compiling information on business costs associated with climate change.
ESG Integration	▸ ESG considerations are incorporated into performance KPIs related to executive employee remuneration policies.

See our online annual report 2023 for the Venture's Renewable Energy 2024 Update.

RENEWABLE ENERGY STRATEGY

The renewable energy strategy to support 50% total CO_2e emission reduction by 2035 (as set out above) is reliant on five pillars.

01	RENEWABLE ENERGY	Offsite renewable energy: Wind and solar power transmitted *via* Eskom network.	Onsite renewable energy: Solar power generated at operations based on geographic location.
02	CO-GENERATION	Integrated heat and gas from operations to produce electricity	
03	ESKOM OPTIMISATION	Utilise available short-term Negotiated Pricing Agreement (NPA) initiatives	
04	PROCESS ENERGY IMPROVEMENT	Optimise processes to be as energy efficient as possible	
05	ENERGY STORAGE	Long duration energy storage	

Understanding the Venture's carbon footprint

The Venture generates GHG emissions from its smelting processes and from its energy use. The use of fossil fuels in the form of reductants in the furnaces contributes directly to the creation of GHGs, and the electricity supplied from coal-fired power stations contributes indirectly to the creation of GHGs. The Venture and Merafe are committed to minimising GHG emissions and improving our energy efficiency, and recognise the magnitude and importance of this challenge. The Venture also actively engages in public policy, specifically through collaboration with the DEFF on a carbon process aimed at estimating the country's annual carbon emissions.

The risks associated with climate change

Climate change remains a key longer-term risk for the Venture. The potential risks are complex in that they include operational risks such as business continuity, health and safety, environmental aspects and regulatory aspects. Risks are both physical and financial. For example, should the Venture's operations be damaged by flooding and extreme storms, this could cause business interruptions. The reduced availability of water could also interrupt business operations and have health impacts.

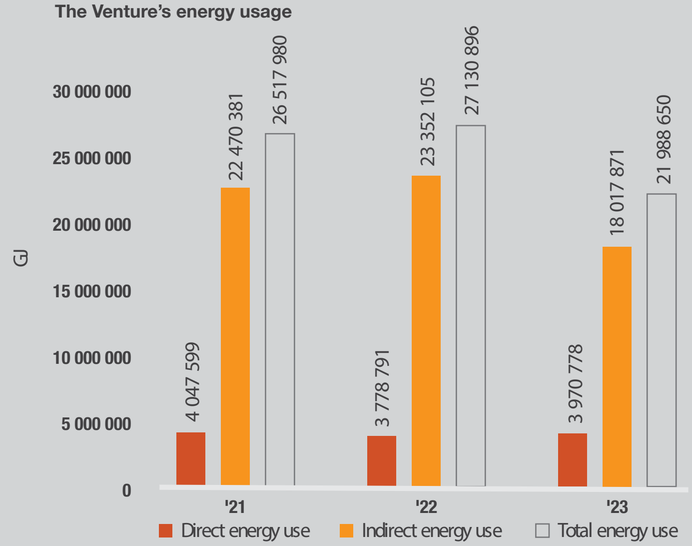
Restatements

Restatements of prior-year data occur due to improvements in testing and/or methodology. Any restatement of prior-year data relating to energy usage and emissions set out on page 25 of this report is not significant or material.

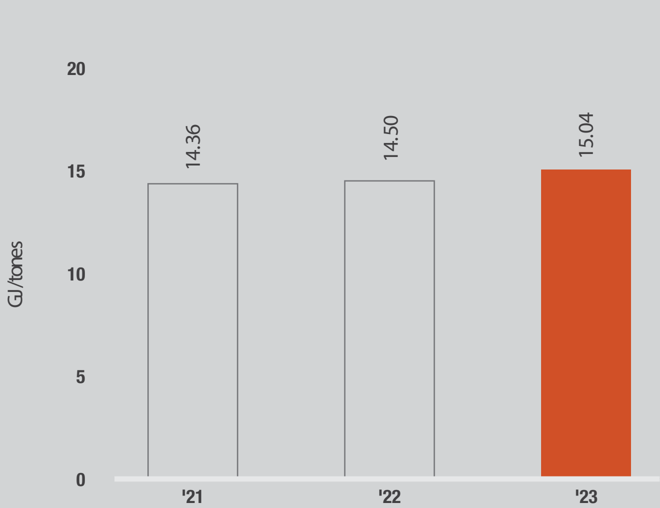
The Venture's energy consumption

Total energy consumption in the Venture's operations decreased as a result of lower production in 2023. The energy usage per tonne of ferrochrome produced increased from 14.50GJ/tonne to 15.04GJ/tonne The energy consumption and performance of the Company in any year is dependent on the production performance in that year and the contribution of the most energy-efficient plants in the Venture to that production.

The Venture's energy usage



Total energy use per tonne of ferrochrome produced



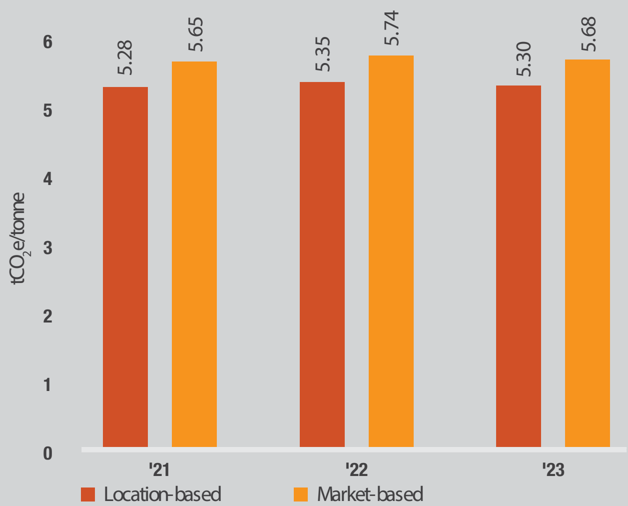
The Venture's emissions

To align with the IPCC's 6th Assessment Report (AR6) instead of the IPCC's 5th (AR5) the Global Warming Potentials (GWPs) were updated back to the 2019 baseline. The Venture's total Scope 1 (direct) and Scope 2 (indirect) emissions decreased in 2023 as a result of lower production. The CO_2e generated per tonne of ferrochrome produced decreased in 2023. The emissions performance of the Company in any year is dependent on the production performance in that year and the contribution of the most energy-efficient plants in the Venture to that production.

GHG emissions (tCO_2e)		Location-based	Market-based
2021	Scope 1	3 958 362	3 958 362
	Scope 2	5 784 249	6 481 031
	Total	9 742 610	10 439 393
2022	Scope 1	3 999 688	3 999 688
	Scope 2	6 014 144	6 738 620
	Total	10 013 832	10 738 308
2023	**Scope 1**	**3 239 639**	**3 239 639**
	Scope 2	**4 503 662**	**5 059 058**
	Total	**7 743 301**	**8 298 697**

In 2023, the Venture commenced a project to accurately calculate its Scope 3 emissions. The project has been completed and a third-party independent specialist is reviewing the data collection methodologies to determine compliance with the Greenhouse Gas Emissions Protocols. This work will be completed by the end of May 2024. Thereafter, the Scope 3 footprint from 2019 to 2023 will be disclosed in Glencore's Annual Climate Report and the Ventures Scope 3 emissions data will be uploaded to the Merafe website.

Total CO_2e generated per tonne of ferrochrome produced



Environment includes the natural resources and processes needed by an organisation to produce its products.

NATURAL CAPITAL ENVIRONMENT FOCUS AREAS

MATERIAL ISSUES

- Water
- Environmental incidents
- NO_x SO_x emissions
- Waste
- Biodiversity and land use

This section of our report focuses on the Venture's environmental approach, impact and performance. We rely on the Venture's effective environmental policies and procedures to ensure our investment is managed responsibly.

MATERIAL ISSUES See pages 8 and 9

MI1 MI4 MI5 MI6

KEY POINTS 2023

The Venture's use of recycled or re-used water increased in 2023

Water conservation plans are in place at all the operations of the Venture

An integrated approach to environmental responsibilities

The Venture's long-term success depends on prioritising environmental issues and integrating environmental responsibility into its strategic planning, management systems and day-to-day operations.

Management accountability is central to Glencore's integrated approach, which reviews its environmental risks and opportunities annually as part of its business strategy and planning process. Each site has a comprehensive environmental management system in place. The system provides access to aspects and the impact of all activities, from pre-feasibility to the operational phase, including closure and rehabilitation. The Venture's objective is to ensure environmental legal compliance, optimise its monitoring and measurement practices and to minimise and manage any waste and emission generation in an environmentally responsible manner. Environmental responsibilities are clearly included into legal appointments and job descriptions.

Restatements

Restatements of prior-year data occur due to improvements in testing and/or methodology. Any restatement of prior-year data relating to water usage set out on page 26 of this report is not significant or material.

Water

Water is a finite and precious natural resource essential to the sustainability of the communities in which the Venture operates. It is also necessary for its mining and metallurgical processes.

The Venture's operations are regulated through its Water Use Licences. One of the key legal compliance requirements is the development and annual updates of operations' Integrated Water and Waste Management Plan. The plans are underpinned by principles of responsible and sustainable water usage and pollution prevention. Various water treatment technologies including bioremediation have been implemented across the Venture's operations. The initiatives do not only mitigate water pollution but enable re-use of process water and reduces reliance on municipal potable water. The recent heat wave and interruption of electricity supply prompted operations to review their water risk assessments focusing on water availability and associated corrective measures. Based on the requirements of the Venture's HSEC & HR Strategic overview, the assets have set catchment context based local targets. The implementation of the enabling actions to achieve the targets will include local partnerships with other companies to improve the water quality in the catchment.

Water use and availability

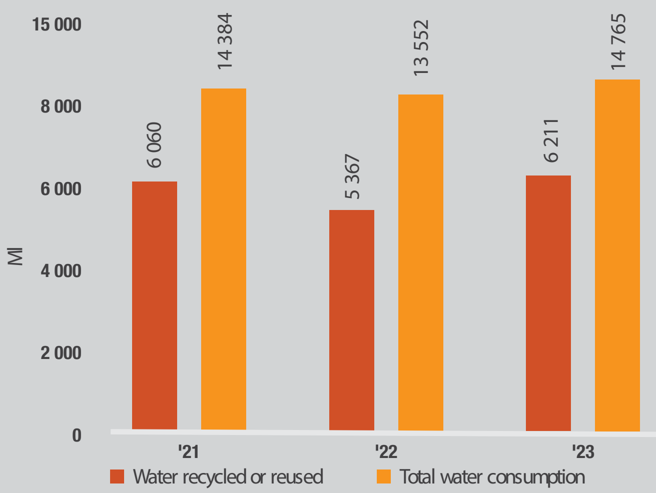
The Venture's operations work with the Department of Water and Sanitation, local communities, local authorities, the farming community and other industry users to ensure the sustainability of water resources and equitable access to water resources for stakeholders.

We recognise access to safe and clean water and sanitation as salient human rights. We seek to fully understand and minimise our operational water footprint and manage our activities in a way that protects our shared water resources. We are committed to ensuring good water management is in place at all of our assets and undertake detailed assessments, monitoring and implementation of corrective actions. Our assets consult their host communities and other relevant local water users to understand local priorities and to collaborate on sustainable solutions.

The availability of water is a key consideration when the Venture plans the expansion or construction of an operation. It uses the results of the environmental and social impact assessments it undertakes to guide its decision-making and to ensure it has the least possible impact on local water resources during the various phases of its projects.

All of the Venture's operations have water conservation plans. They have previously set water intensity targets and have measures in place to help them be as water efficient as possible. In addition, its operations are identifying possible water reduction projects.

The Venture's water usage



Waste management and effluent and biodiversity management

Waste management and effluent

The mineral waste produced by the Venture in 2023 is set out below:

Mineral waste

Aligned with legislation, our trained employees conduct internal management of waste streams where appropriate. The Venture treats and disposes of waste responsibly and reuse and recycle waste where practicable. We continuously raise employee awareness with waste reduction and sorting with our multi-coloured refuse bin system.

Category	2023 tonnes	2022 tonnes	2021 tonnes
Mineral waste – produced	**3 948 129**	4 335 010	4 401 937
Non-mineral waste – disposed	**8 261**	9 714	12 601
Non-mineral waste – recycled	**6 051**	7 051	6 476

Biodiversity management

Biodiversity remains a key longer-term risk for the Venture. The Biodiversity management for the Venture focuses on shifting towards Task Force on Nature related Financial Disclosure (TNFD) requirements. TNFD is a risk management and disclosure framework. The Venture is currently on LEAP (Locate, Evaluate, Assess and Prepare) assessment. This process entails assessing the business footprint where are our direct assets and operations, nature interface, priority location identification, the corresponding risks to the Venture, evaluating dependencies and impacts, preparing to respond and report or disclose in line with the TNFD disclosure recommendations. The Venture is also modernising biodiversity surveys with eDNA sampling and analysis. Environmental DNA (eDNA) is traces of DNA that animals leave behind in the environment, particularly water, it can be thought of as fingerprints left in water or the natural environment. The first ever eDNA sample for the Venture was taken at Boshoek Smelter.

Incidents and compliance

It is always the Venture's aim to have no environmental incidents at its operations. It monitors, reports, investigates and remediates any incidents that occur and applies lessons learnt to prevent similar incidents in the future. Its operations are required to report any environmental high-potential risk incidents, including near-misses, that could have resulted in a category 4 or 5 incident, even when the actual impact was less significant. Environmental incidents recorded at the Venture's operations also include incidents that occur as a result of contractor activity.

Restatements

Restatements of prior-year data occur due to improvements in testing and/or methodology. Any restatement of prior-year data relating to waste, environmental incidents and emissions set out on page 27 of this report is not significant or material.

Environmental incidents

Category	2023	2022	2021	2020
Category 1 – negligible (causing negligible, reversible environmental impact, requiring very minor or no remediation)	**78**	59	53	38
Category 2 – minor (causing minor, reversible environmental impact, requiring minor remediation)	**17**	12	5	10
Category 3 – significant (causing moderate, reversible environmental impact with short-term effect, requiring significant remediation)	**–**	1	–	1
Category 4 – major (causing serious environmental impact, with medium-term effect, requiring significant remediation)	**–**	–	–	–
Category 5 – disastrous (causing disastrous environmental impact, with long-term effect, requiring major remediation)	**–**	–	–	–

Note: The Venture received no environmental fines at its operations in 2023. There were no category 4 and 5 incidents in 2023.

NO_x and SO_x performance

The Venture's emissions

Category	2023 tonnes	2022 tonnes	2021 tonnes	2020 tonnes
NO_x (oxides of nitrogen) Stack emissions (total mass)	**3 616**	2 143	1 782	840
SO_x (oxides of sulphur) Stack emissions (total mass)	**3 035**	4 764	4 876	3 281
Total particulates Stack emissions (total mass)	**2 445**	1 860	1 979	1 219

The increase in NO_x in 2023 was mainly caused by loadshedding which impacted efficiency combustion and stability in the furnaces.

The decrease in SO_x was mainly driven by low sulphur content in the type of reductants used and not directly related to production volumes.

The emission data is based on quarterly emission data which is used to calculate emission factors and then applied to the year.

The nature of the operations at the Venture's semi-closed furnaces means that dilution air enters the air pollution control equipment. NO_x is formed as a secondary emission through the air pollution control equipment due to the presence of nitrogen in the air. Small process changes in terms of gas volume and temperature can result in step changes in NO_x emissions. The emissions at the Venture comply with Atmospheric Emissions License Limits.

Product stewardship

The Venture monitors and addresses the impacts and risks associated with the use of its products throughout their life cycles, including during stages outside of its control, such as use, recovery, recycling and disposal.

It works with national and international industry associations, its customers and suppliers to understand the environmental health and safety risks of its products and to find ways to mitigate these risks.

No products produced by the Venture, or their packaging materials, were reclaimed during 2023.

To ensure the quality of its products, the Venture aligns its systems with the requirements of ISO 9001:2015 and some of its smelters are certified. Its laboratories are ISO 17025 accredited, which ensures that the methods and equipment it uses are accurate.

Land use

For further information on land use, see the Mineral Resources and Reserves Statement being Appendix 1.

Merafe's attributable portion of the quantitative data of the Venture set out from page 23 to 39 of this report is 20.5%.

Introduction

The purpose of this report is to document an abridged version of the Mineral Resources and Mineral Reserves of Merafe Resources ("**Merafe**") in accordance with the requirements of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves ("**The SAMREC Code**") 2016 Edition. All Merafe's operations are part of a pooling and sharing venture with Glencore Operations South Africa Proprietary Limited (the Glencore-Merafe Chrome Venture ("**the Venture**"). Merafe has a 20.5% attributable beneficial interest in the Mineral Resources and Mineral Reserves of the Venture. The estimates in this document are as at 31 December 2023. To state the Mineral Resources and Mineral Reserves estimates for 31 December 2023, the budgeted production for July 2023 to December 2023 has been subtracted from the total estimates. The Mineral Resources and Mineral Reserves information in the tables on the following pages is based on information compiled by a Competent Person (as defined by The SAMREC Code).

Type of mining and mining activities

The Venture has chrome mining operations along the Western- and Eastern Limbs of the Bushveld Complex. The operations along the Western Limb of the Bushveld Complex comprise the Kroondal Mine. The LG6 Package at Kroondal Mine is mined underground using trackless mining methods on a Bord-and-Pillar lay-out. Kroondal will be targeting a production rate of 146ktpm for 2023. Boshoek Mine is 20km north-west of Rustenburg. The MG1, LG5 and LG6 Chromitite Layers have been mined in several open pits. The opencastable ore has almost been depleted and the mine has been put on care and maintenance. Townlands Extension 9 is an exploration project. The *status quo* has remained the same since the application for a retention permit in November 2017. The DMR accepted the application and the Venture is still awaiting the granting and execution of the application. No exploration costs have to be expended on the project from the date of execution of the application for the subsequent three years. Pending the outcome of the application no third party may legally apply for a Prospecting Right over this property. Thorncliffe-, Magareng- and Helena Mines are situated along the southern portion of the Eastern Limb of the Bushveld Complex. The MG1 and MG2 Chromitite Layer is being mined underground using trackless mining methods on a Bord-and-Pillar mining lay-out. Thorncliffe, Magareng and Helena Mines are situated within the same Mining Right area, but are situated on different farm properties. The farms of St George and Richmond have been incorporated into the Mining Right of the Eastern Chrome Mines Complex. The Ventures silica deposit lies 15km west of Rustenburg. The quartzite is mined mainly to supply the Ventures furnaces with silica.

Comparison of Mineral Resources and Mineral Reserves estimates with previous year's estimates

The annual Mineral Resource and Mineral Reserve estimates are compared with the previous year's statement and reconciled each year after the estimates have been finalised. Changes in the year-on-year tonnage and grade estimates are mainly due to mining depletion and changes in the Mineral Resource and Mineral Reserves tonnages and grades due to additional geological information. In addition, disposed or lapsed rights will also impact total resources and reserves.

The biggest impact to the year-on-year changes in the Mineral Resource tonnages for the Venture is mainly due to mining depletion of 7.235 Mt. There is a gain of 2.060 Mt at Thorncliffe and Magareng mainly due to the addition of pillars and a gain at Kroondal Gemini of 0.921 Mt due to the addition of pillars.

The most significant changes in the year on year estimation of the Mineral Reserves is due to the mining depletion of 5.442 Mt of ROM. The net change excluding mining depletion is an increase of 2.191 Mt. There is a gain at Klipfontein and Richmond mainly due to a change in the five-year mining plan.

There is no material difference in the silica Mineral Resource estimates from December 2022 to December 2023 and the change is mostly attributed to mining depletion. The change in the Mineral Reserves for Rietvly is mainly as a result of mining depletion.

Material risk factors

There are no foreseen material risk factors that could affect the validity of the current Mineral Resource and Mineral Reserve statement. All the legislative requirements have been met with respect to the rights to mining and prospecting for which the Mineral Resources and Mineral Reserves have been reported. All the operating mines are mining under new order, executed, Mining Rights. The Prospecting Rights of all the prospecting areas have been converted to new order Prospecting Rights.

Competent Persons

The Competent Persons involved in the Abridged Mineral Resources and Mineral Reserves statement are:

Competent Person	Job Description	Operation	Highest Qualification	Professional Affiliation	Years of Experience	Years with Alloys
Sulayman Yousuf Vaid	Group MRM	Head Office	ND Mine Survey	SAGC GTgMS0114	30 (Gold/Platinum/ Chrome)	16
Lindiwe Nkambule	MRM ECM	ECM	BSc Hons Geology	SACNASP 121632	7 (Platinum/Chrome)	8
Mogomotsi Maputle	MRM WCM	WCM	BSc Hons Geology	SACNASP 400071/14	20 (Platinum/Chrome)	16
Dean Richards	Director	Obsidian Consulting	BSc Hons Geology	SACNASP 400190/08	33 (Gold/Diamonds/ Platinum/Chrome/ Iron Ore)	18

For the complete Mineral Resources and Mineral Reserves Statement including definitions of the categorisation of mineral resources and reserves as per The SAMREC Code 2016, descriptions and exploration activities, geological settings of the reserves (including maps and diagrams), legal entitlement, methods and assumptions, material risk factors and a summary of environmental funding and management, see Appendix 1 to this report and our online Integrated Annual Report for 2023.

See page 63 for the Directors' statement on mining rights and mining operations.

Chrome Mineral Resources statement

Bushveld Complex – Western Limb

Name of operation	Attributable Portion	Mining method	Commodity	Measured Mineral Resources 31.12.23	Measured Mineral Resources 31.12.22	Indicated Mineral Resources 31.12.23	Indicated Mineral Resources 31.12.22	Measured and Indicated Resources 31.12.23	Measured and Indicated Resources 31.12.22	Inferred Mineral Resources 31.12.23	Inferred Mineral Resources 31.12.22	Competent Person
Western Chrome Mines – LG6 Chromitite Package and MG1 Chromitite Layer												
Waterval	20.5%	UG	Ore (mt) Cr_2O_3 (%)	16.231 41.31	16.231 41.31	1.03 42.59	1.03 42.6	17.257 41.4	17.26 41.4	0.675 43	0.7 43	MM/DR
Marikana West	20.5%	UG	Ore (mt) Cr_2O_3 (%)	2.974 42.43	2.974 42.43	1.69 42.60	1.69 42.6	4.67 42.5	4.67 42.5	– –	– –	MM/DR
Kroondal	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	9.279 42.69	9.104 42.72	0.53 41.46	0.65 41.5	9.810 42.6	9.76 42.6	– –	– –	MM/DR
Kroondal Gemini	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	11.483 42.09	12.544 42.09	0.73 41.03	0.80 41.2	12.210 42.0	13.35 42.0	– –	– –	MM/DR
Marikana East	20.5%	UG	Ore (mt) Cr_2O_3 (%)	4.591 42.23	4.593 42.24	0.53 41.81	0.53 41.9	5.117 42.2	5.12 42.2	– –	– –	MM/DR
Klipfontein/Waterval	20.5%	UG	Ore (mt) Cr_2O_3 (%)	17.017 42.01	13.105 42.01	27.97 41.98	29.90 42.0	44.988 42.0	43.00 42.0	90.818 42	92.7 42	MM/DR
Boshoek	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	– –	– –	17.09 40.53	17.09 40.5	17.093 40.5	17.09 40.5	– –	– –	MM/DR
Townlands Extension 9	20.5%	UG	Ore (mt) Cr_2O_3 (%)	– –	– –	12.94 41.39	12.94 41.4	12.945 41.4	12.94 41.4	– –	– –	MM/DR
Total – LG6			Ore (mt) Cr_2O_3 (%)	61.575 41.98	58.551 42.05	62.51 41.5	62.51 41.5	124.09 41.7	123.19 41.7	91.5 42	93.4 42	
Western Chrome Mines – Tailings												
Kroondal Dam	20.5%	Tailings	(mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	1.96 17.3	1.89 17.2	MM
Waterval East Dam	20.5%	Tailings	(mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	0.05 22.3	0.60 14.9	MM
Waterval West Dam	20.5%	Tailings	(mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –			
Cashan Dam	20.5%	Tailings	(mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	0.04 16.9	0.03 16.9	MM
Total Tailings			(mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	2.04 17.4	2.52 16.7	
Bushveld Complex – Eastern Limb												
Eastern Chrome Mines – MG1 Chromitite Layer												
Thorncliffe	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	37.367 40.39	39.329 40.39	3.37 40.7	3.55 40.7	40.734 40.4	42.88 40.4	– –	– –	LUN/DR
Helena	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	21.096 39.91	21.312 39.88	11.36 38.6	11.38 38.5	32.455 39.4	32.69 39.4	8.278 38	8.3 38	LUN/DR
De Grooteboom	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	1.037 40.22	1.037 40.22	0.50 40.3	0.50 40.3	1.541 40.2	1.54 40.2	– –	– –	LUN/DR
Richmond	20.5%	UG	Ore (mt) Cr_2O_3 (%)	7.041 40.62	7.461 40.53	19.22 40.8	17.28 40.8	26.263 40.8	24.74 40.7	24.572 41	26.5 41	LUN/DR
St George	20.5%	UG	Ore (mt) Cr_2O_3 (%)	0.715 40.41	0.716 40.41	4.73 39.4	4.73 39.4	5.440 39.5	5.44 39.5	13.442 39	13.4 39	LUN/DR
Total – MG1			Ore (mt) Cr_2O_3 (%)	67.257 40.26	69.855 40.24	39.18 40.0	37.44 39.9	106.43 40.2	107.29 40.1	46.3 40	48.3 40	
Eastern Chrome Mines – MG2 Chromitite Layer												
Thorncliffe	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	– –	– –	18.29 35.1	17.64 35.1	18.288 35.1	17.64 35.1	32.0 36	32.5 36	LUN/DR
Helena	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	49.02 40	49.2 40	LUN/DR
Richmond	20.5%	UG	Ore (mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –		31.0 36	30.96 36	LUN/DR
St George	20.5%	UG	Ore (mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –		17.52 39	17.52 39	LUN/DR
Total – MG2			Ore (mt) Cr_2O_3 (%)	– –	– –	18.3 35	17.639 35.10	18.3 35	17.639 35.10	129.5 38	130.3 38	
Total – MG1 and MG2			Ore (mt) Cr_2O_3 (%)	67.257 40.26	69.855 40.24	57.46 38.4	55.08 38.4	124.72 39.4	124.93 39.4	175.8 38	178.5 38	
Eastern Chrome Mines – Tailings												
Thorncliffe Dam	20.5%	Tailings	(mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	5.09 18.8	4.88 18.9	SYV
Helena Paste	20.5%	Tailings	(mt) Cr_2O_3 (%)	– –	– –	–	– –	– –	– –	0.09 17.2	0.16 17.2	SYV
Total Tailings	20.5%	Tailings	(mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	5.17 18.8	5.04 18.8	

Notes:

Tonnages are quoted as million metric dry tonnes.

Grades are quoted as %Cr_2O_3.

The measured and indicated Mineral Resources are inclusive of those Mineral Resources modified to produce Mineral Reserves.

No cut-off grades are applied to the chromitite layers currently being mined because of the exceptional regional grade consistency and continuity.

The Mineral Resources are estimated as chromitite tonnages and grades to reflect the grades of the various individual chromitite layers. Both the LG6 and MG1 chromitite layers which the Venture is currently mining, are discrete solid chromitite layers.

Merafe and Glencore have entered into an agreement for the treatment of current and historical tails at the Western and Eastern operations for extraction of PGMs. PGM values of the historic tails are not available as when deposition occurred no analysis on PGM grades were required. The current tailings have been analysed over the last 2-3 years and averages a PGM 4E grade of 5.15 g/t in the East and 3.1g/t in the West.

Competent Persons:

SYV – Sulayman Yousuf Vaid, Glencore Operations SA, (SAGC – GTgMS0114). Lead Competent Person responsible for Mineral Resources and Mineral Reserves.

MM – Mogomotsi Maputle, Glencore Operations SA, Western Chrome Mines, (SACNASP – 400071/14). Responsible for Mineral Resources and Mineral Reserves.

LUN – Lindiwe Unity Nkambule, Glencore Operations SA, Eastern Chrome Mines, (SACNASP – 121635). Responsible for Mineral Resources and Mineral Reserves.

DR – Dean Richards, Obsidian Consulting Services (SACNASP – 400190/08). Responsible for geostatistical analysis of data, Mineral Resource classification and construction of tonnage and grade block models and reporting of tonnage and grades from block models.

Chrome Mineral Reserve statement

Bushveld Complex – Western Limb

Name of operation	Attributable portion	Mining method	Commodity	Proved Ore Reserves 31.12.23	Proved Ore Reserves 31.12.22	Probable Ore Reserves 31.12.23	Probable Ore Reserves 31.12.22	Total Ore Reserves 31.12.23	Total Ore Reserves 31.12.22	Competent Person
Western Chrome Mines – LG6 Chromitite Package and MG1 Chromitite Layer										
Waterval	20.5%	UG	Ore (mt)	–	–	–	–	–	–	MM/DR
			Cr_2O_3 (%)	–	–	–	–	–	–	
Marikana West	20.5%	UG	Ore (mt)	–	–	–	–	–	–	MM/DR
			Cr_2O_3 (%)	–	–	–	–	–	–	
Kroondal	20.5%	UG/OC	Ore (mt)	2.321	2.078	0.510	0.609	2.83	2.69	MM/DR
			Cr_2O_3 (%)	28.67	29.19	27.9	28.2	28.5	29.0	
Kroondal Gemini	20.5%	UG/OC	Ore (mt)	5.394	6.632	0.593	0.654	5.99	7.29	MM/DR
			Cr_2O_3 (%)	30.69	30.52	29.7	29.9	30.6	30.5	
Marikana East	20.5%	UG	Ore (mt)	–	–	–	–	–	–	MM/DR
			Cr_2O_3 (%)	–	–	–	–	–	–	
Klipfontein/Waterval	20.5%	UG	Ore (mt)	0.244	0.075	0.854	0.092	1.10	0.17	MM/DR
			Cr_2O_3 (%)	28.13	28.21	28.3	28.0	28.2	28.1	
Boshoek	20.5%	UG/OC	Ore (mt)	–	–	0.58	0.58	0.58	0.58	MM/DR
			Cr_2O_3 (%)	–	–	26.1	26.1	26.1	26.1	
Total – LG6			Ore (mt)	7.958	8.786	2.54	1.94	10.50	10.72	
			Cr_2O_3 (%)	30.02	30.19	28.0	28.1	29.5	29.8	

Bushveld Complex – Eastern Limb

Name of operation	Attributable portion	Mining method	Commodity	Proved Ore Reserves 31.12.23	Proved Ore Reserves 31.12.22	Probable Ore Reserves 31.12.23	Probable Ore Reserves 31.12.22	Total Ore Reserves 31.12.23	Total Ore Reserves 31.12.22	Competent Person
Eastern Chrome Mines – MG1 Chromitite Layer										
Thorncliffe	79.5%	UG/OC	Ore (mt)	14.910	17.552	2.37	2.54	17.28	20.09	LUN/DR
			Cr_2O_3 (%)	35.42	34.71	33.8	33.2	35.2	34.5	
Helena	79.5%	UG/OC	Ore (mt)	1.499	1.506		–	1.50	1.51	LUN/DR
			Cr_2O_3 (%)	29.19	32.46		–	29.2	32.5	
Richmond	79.5%	UG/OC	Ore (mt)	3.524	3.745	2.943	1.46	6.47	5.20	LUN/DR
			Cr_2O_3 (%)	35.66	35.40	33.3	33.5	34.6	34.9	
St George	79.5%	UG/OC	Ore (mt)	–	–	–	–	–	–	
			Cr_2O_3 (%)	–	–	–	–	–	–	
Total – MG1			Ore (mt)	19.933	22.803	5.31	4.00	25.25	26.80	
			Cr_2O_3 (%)	35.00	34.67	33.5	33.3	34.7	34.5	
Eastern Chrome Mines – MG2 Chromitite Layer										
Thorncliffe	79.5%	UG/OC	Ore (mt)			2.26	3.59	2.26	3.59	LUN/DR
			Cr_2O_3 (%)			26.7	26.9	26.7	26.9	
Total – MG1 and MG2			Ore (mt)	19.933	22.803	7.57	7.59	27.51	30.39	
			Cr_2O_3 (%)	35.00	34.67	31.5	30.3	34.0	33.6	

Notes:

Tonnages are quoted as million metric dry tonnes.
Grades are quoted as %Cr_2O_3.
No cut-off grades are applied to the chromitite layers currently being mined due to the exceptional regional grade consistency and continuity. A minimum mining cut of 1.8m is applied to the ore reserve tonnage to accommodate the mechanised mining equipment employed by the underground mining operations. External waste is included to make up the minimum cut where applicable. The chromitite layers are mined mainly underground using trackless mechanised mining methods on a bord-and-pillar mine layout design.

Competent Persons:

SYV – Sulayman Yousuf Vaid, Glencore Operations SA, (SAGC – GT g MS 0114). Lead Competent Person responsible for Mineral Resources and Mineral Reserves.
MM – Mogomotsi Maputle, Glencore Operations SA, Western Chrome Mines, (SACNASP – 400071/14). Responsible for Mineral Resources and Mineral Reserves.
LUN – Lindiwe Unity Nkambule, Glencore Operations SA, Eastern Chrome Mines, (SACNASP – 121635). Responsible for Mineral Resources and Mineral Reserves.

Statement by Competent Person

This summary has been reviewed and the relevant data extracted and compiled by Sulayman Yousuf Vaid (SYV). SYV is the Lead Competent Person, registered with the South African Geomatics Council (SAGC, PO Box 752799, Garden View, 2047), Reg. No. -GT gMS 0114 and holds a National Diploma in Mine Surveying. SYV is a Mine Surveyor with 30 years' experience in Mine Survey, Mine planning and resource and reserve estimations and is directly linked to the mining industry and currently a full-time employee of Glencore Operations South Africa. The Company declares that it has written confirmation from the Lead Competent Person that the information disclosed in terms of these paragraphs is compliant with The SAMREC Code and, where applicable, the relevant Section 12 and Table 1 requirements and that it may be published in the form and context in which it was intended.

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15 March 2024

See Appendix 1 to this report and our online Integrated Annual Report 2023 for the complete Mineral Resources and Mineral Reserves Statement. For Merafe ownership of specific mines contributed to the Venture see page 61 of this report.
Restatements of the prior year data occur due to improvements in testing and/or methodology. Any restatement of prior year data on pages 29 or 30 of this report or in Appendix 1 is not significant or material.

- safety
- health and wellness
- our employees
- training and development

The Venture believes in the possibility of a zero-harm operation. We believe that all occupational diseases and injuries can be prevented and that we must therefore all take responsibility to avoid occupational diseases and injuries. The development and well being of our employees is a core value of the Venture.

HUMAN CAPITAL FOCUS AREAS

MATERIAL ISSUES

- The safety and health of our employees and our contractors
- The training and development of our employees and our contractors
- Fair remuneration

We need a healthy, motivated and skilled workforce. Intellectual Capital and knowledge management are also recognised as key intangible creators of wealth. Damaging Human Capital by abuse of human rights or labour rights or compromising health and safety has financial and reputational costs.

The Venture enhances its human capital by:

- giving employees and community members access to training, development and lifelong learning, and capturing and sharing knowledge;
- ensuring adequate safety arrangements are in place; and
- incentives and remuneration.

Stakeholder impact and engagement with stakeholders

The stakeholders most affected by the ability of Merafe and the Venture to keep our employees safe and healthy are their families and dependants.

MATERIAL ISSUES See pages 8 and 9

MI1 MI6 MI9 MI10 MI11

Human capital: safety

KEY POINTS 2023

Fatalities
2
(2022: NIL)

Total recordable injury frequency rate
(TRIFR) 2.34
(2022: 2.40)

Lost-time injury frequency rate
(LTIFR) 1.39
(2022: 1.20)

Disabling injury severity rate
(DISR) 128.05
(2022: 94.06)

The Venture had
no safety and health penalties
in 2023

Merafe's attributable portion of the quantitative data of the Venture set out from page 23 to 39 of this report is 20.5%.

The Venture's policies and approach to safety management

The Venture's operations maintain stringent safety and risk management systems, which it aligns with the international standards: ISO 45001 and ISO 31000. Glencore collates best practice from each of its assets and from externally recognised leaders in safety management and shares this knowledge across the Glencore Group. Through Glencore, all the operations of the Venture are members of the International Council of Minerals and Mining.

The Venture takes a proactive and preventative approach towards safety, aiming to instil a positive safety culture in which everyone fully integrates its safety values into their working lives. It reviewed its approach to safety by updating its risk management framework. Glencore's fatal hazard protocols and high-potential risk incident reporting processes have been rolled out in the Venture. There are weekly meetings and discussions around the reporting of high-potential risk incidents.

Glencore's Chief HSA Officer is responsible for safety, health and wellness.

Safety programme overview

Objective	Supporting actions
Zero fatalities	We reviewed and strengthened our incident investigation process to include 24-hour notification of senior management and the Glencore corporate sustainability team for fatal incidents and launched a mandatory on-site fatality investigation process following any fatal incident. The Venture's senior management must then report to the Glencore Board HSEC Committee on fatalities and the subsequent independent investigations in person. Any lessons learned that could further improve general fatality prevention are shared across the Group. We ensure independent third-party assistance is on-site within 72 hours of a fatal incident. We developed SAFEWORK, a Group initiative to foster a safety culture based on behaviours and consequences at all levels. We maintain Fatal Hazard Protocols and safety standards (which are reviewed annually) and life-saving behaviours (part of the SAFEWORK programme) across the Group.
Reduction of TRIFR	The Venture focused on reducing the TRIFR. The supporting actions resulted in the TRIFR reducing from 4.58 (2010 baseline) to 2.34 in 2023.

The Glencore Fatal Hazard Protocols and Life Saving Behaviours, which provide a set of tools that are initially focused on the fatal risks, are being rolled out in the Venture as part of SAFEWORK.

The life-saving behaviours are aimed at strengthening the focus in the Venture on behaviours and consequences rather than a rules-based culture. The fatal risk categories that Glencore has identified as being most hazardous and responsible for the majority of its fatalities include: energy isolation, working at heights, mobile equipment, ground/strata failure, confined space and electrical safety. Over and above this, the Venture specifically highlights people–vehicle interaction as a key danger area.

In 2023, there were 59 (2022: 60) recorded injuries in a workforce of 10 685 (including contractors). An in-depth analysis by the Venture revealed that no one single factoral cause stood out in 2023, but that "at risk behaviour" remains a major problem. As safety is the number one priority in the Venture, a number of campaigns were rolled out and re-emphasised including SAFEWORK, Life Saving Behaviours and SafeWork coaching.

The effect of COVID-19 and the stop/start of operations as a result of market uncertainty negatively impacted safety at the operations.

The Venture implemented the Fatal Hazard Protocols in 2015 and continually implements positive reinforcement programmes.

Accountability

Safety in the Venture is always the direct responsibility of Glencore's senior management, who provide the leadership, systems and processes for the prevention of incidents and the elimination of fatalities in the Venture.

The formal management structure documents responsibility for safety from the Glencore Board down to each individual Venture employee and contractor.

The Venture puts considerable effort into embedding a safety culture in its operations. Its leaders are aware that they are expected to put safety before production or other considerations and to personally endorse safety initiatives and engage with employees at all levels to discuss safety issues and priorities. It concludes health and safety agreements with the trade unions.

The sustainable development policies in place in the Venture are aligned with the Glencore Group Sustainable Development Standards. They set out its commitment to zero injuries and fatalities.

The role of training

The Venture's investment in safety training is detailed on page 36 in the Human Capital section of this report. It continues to use virtual reality training, combined with easy-to-read written instructions, on all its different procedures. The training is designed to ensure that employees cannot complete their training on a procedure until they have shown they fully understand it. Training, as can be seen from the detail on page 36 of this report, was a major focus during the year. Focus for 2023 was again on supervisory development training, ensuring that all supervisors understand their legal responsibility, life-saving behaviours, fatal hazard protocols and critical controls.

Human Capital includes health, safety, knowledge, skills, intellectual outputs, motivation and the capacity for relationships of individuals.

KEY POINTS 2023

Noise-induced hearing losses
One
(2022: three)

Employees who test positive for HIV are encouraged to register for treatment

Employees receive HIV and Aids counselling, care and support free of charge

Health programmes at the Venture aim to eliminate occupational illness

Organisations depend on individuals to function. They need a healthy, motivated and skilled workforce. Intellectual capital and knowledge management are also recognised as key intangible creators of wealth. Damaging Human Capital by abuse of human rights or labour rights or compromising health and safety has direct as well as reputational costs.

We enhance our Human Capital by providing healthcare and training and education in health matters.

Our policy and approach

A business needs a healthy workforce that is able to work at its full potential. The health programmes provided by the Venture aim to eliminate and address occupational illnesses, public health issues and the overall wellbeing of its employees and contractors.

Typically, occupational illnesses such as noise-induced hearing loss (NIHL) are only diagnosed some time after the event that caused them. As a result, the occupational illnesses currently occurring in the Venture's operations are usually the result of historic mining and smelting practices.

The Venture has identified NIHL as a major occupational health risk for its employees and has employed a full-time audiologist to counteract this risk. Any of its workers exposed to the internationally accepted noise level limit of 85 decibels or above were issued with personalised noise clippers for hearing protection. The equipment it provides includes variphones/noise clippers, which are custom-made for comfort and are 100% leak tight.

Employees are trained in the use, maintenance, storage and care of this equipment. Any employees or contractors at risk of being exposed to noise that could damage their hearing are personally monitored and regularly tested as part of our hearing conservation programmes.

Wherever possible, the Venture reduces the noise from the equipment it uses in its operations to levels below the internationally recommended standards using design modifications, exclusive zones and "buy quiet" programmes for new or upgraded equipment. The Venture's operations have reduced machinery noise to less than 110 decibels. There was one NIHL case in 2023 (2022: three).

All the Venture's operations undergo an annual risk assessment of their baseline risks and legal audits are conducted by an external legal company accompanied by subject matter specialists in a three-year cycle.

HIV and Aids

HIV and Aids is a human rights issue, which Merafe and the Venture address through their policies and programmes. To ensure these policies are accessible to the Venture's employees and contractors, they are available in all the languages spoken by its employees.

Employees can choose to receive HIV and Aids counselling, care and support. Any HIV-positive employees of the Venture can receive treatment they need free of charge, together with the support and education that will make it possible for them to maintain their antiretroviral treatment programme through the membership of a medical aid.

All the Venture's occupational health nurses have been trained in the management of HIV and TB and the impact of HIV and TB. All employees who visit its occupational health clinics are screened for TB. Those whose screening tests indicate they may have TB are referred to healthcare facilities for TB investigation and treatment. The Venture's wellness programme has been incorporated into the annual/periodic medicals conducted at each operation. Medical records remain on site and are only seen by the Occupational Medical Practitioner and the nurses included in the wellness programme.

All Venture employees who are HIV-positive are encouraged to receive antiretroviral treatment.

The Venture's HIV and Aids policies commit to:

- providing employees and contractors with the knowledge they need to protect themselves and their families from HIV and Aids through workplace education programmes that explain clearly how HIV can be contracted, what can be done to prevent contracting and transferring HIV, and what should be done to enhance the quality and length of life of those who are HIV-positive;
- encouraging employees and contractors to know their HIV status and providing counselling and testing facilities for them;
- running HIV and Aids campaigns that involve employees at every level of the organisation;
- ensuring that every employee attends an HIV and Aids education session during working hours, followed by an individual wellness counselling session with a healthcare provider;
- ensuring that testing for HIV is voluntary and that employees are only tested for HIV and Aids after giving their informed consent;
- guaranteeing the confidentiality of employees' medical information;
- providing pre- and post-test counselling for employees or contractors wishing to be tested for HIV and Aids;
- forming public-private partnerships with local, provincial and national government structures in joint projects to fight HIV and Aids in the communities in which the Venture operates; and
- facilitating the training of peer educators and establishing and training home-based care workers through the Venture's corporate social investment programme.

Organisations depend on individuals to function. They need a healthy, motivated and skilled workforce.

KEY POINTS 2023

- No protected or unprotected strikes
- The Venture has recognition agreements in place at most of its operations
- Approximately 63% of the Venture's workforce is unionised
- 18% of the Venture's workforce in 2023 was female
- Merafe had a total workforce of 8 employees and the Venture 6 719 employees at 31 December 2023
- Key focus of the Venture is on retention strategies for junior and senior management HDSAs
- 100% of Merafe executives, senior and middle management are Black (2022: 100%)
- 60% of Merafe executives, senior and middle management are Women (2022: 60%)

Intellectual Capital and knowledge management are also recognised as key intangible creators of wealth. Damaging Human Capital by abuse of human rights or labour rights or compromising health and safety has financial and reputational costs.

We enhance our Human Capital by:

- giving employees and community members access to training, development and lifelong learning and capturing and sharing knowledge;
- respecting human rights;
- paying fair remuneration to our employees and our business partners; and
- creating satisfying work opportunities.

Our approach to our employees

Glencore's Code of Conduct, which is applied in the Venture, recognises and upholds the rights of employees to a safe workplace, collective representation, just compensation, job security and opportunities for development, all of which are based on the core belief that our people are fundamental to our success.

Glencore's Human Resources Director is responsible for labour relations in the Venture.

Both Merafe and the Venture are committed to providing a workplace based on:

- mutual respect;
- fairness;
- integrity;
- non-discrimination;
- equal opportunity at all levels; and
- open and two-way engagement with our employees and their representatives.

Labour relations

We consult with stakeholders in advance of any significant changes to our business.

Engagement and resolving disputes amicably plays a very important role in labour relations. The Venture undertakes to consult with its employees and their recognised representatives in advance of significant operational changes in an effort to reach consensus about any necessary business actions.

Collective bargaining and freedom of association is considered a fundamental right for the Venture's employees. Collective agreements, particularly around terms and conditions of employment and company benefits, are negotiated between the parties with due regard to the relevant legislation. The Venture seeks to reach agreement with the unions on annual wage increases for implementation in July each year.

The Venture is committed to treating all its employees with dignity and in a manner that is culturally sensitive. Unfair discrimination on the basis of race, gender, religion, political or sexual orientation, national extraction or social origin is not tolerated.

Disciplinary and grievance policies and procedures are in place at Merafe and the Venture.

Industrial action at the Venture in 2023

There were no protected or unprotected strikes during 2023.

In 2022, the Venture signed three-year wage agreements with the western smelters and the eastern smelters. During 2023 a three-year wage agreement was signed for the Western Chrome Mines.

Union membership

The Venture has recognition agreements with NUMSA and approximately 63% of its workforce is unionised.

MATERIAL ISSUES

- Industrial action in the mining industry and the Venture
- Meeting our employment equity and human resource development targets and exceeding the Mining Charter scorecard targets
- Employee work satisfaction
- Maximising local employment in the Venture
- Retaining skilled employees and securing the next generation of skilled employees
- Remuneration

See our online Integrated Annual Report for 2023 for the Venture's code of conduct.

The total workforce of the Venture by employment type*

Category	2023	2022
Full-time employees	**6 260**	6 182
Temporary/fixed-term employees	**459**	417
External contractors+	**3 966**	3 993
Total	**10 685**	10 592

** The numbers are the 2023 average numbers. The number of full-time employees and fixed-term employees at 31 December 2023 was 6 719.*

Maximising local employment

Hiring policies

When hiring employees we give preference, where possible, to members of the local community and, in some instances, the Venture offers training opportunities to community members to develop the skills they need to become our employees.

Diversity, equal opportunity and remuneration

Management and site employment equity committees monitor employment equity in the Venture's operations every month and report the results to the Venture, which in turn reports to Glencore and Merafe.

The Venture bases its employment equity policies on providing equal opportunities to all potential and existing employees.

The Venture prides itself on remuneration practices that are fair. The Venture's remuneration practices are not influenced by gender, race, religion, discriminatory or arbitrary factors. They are based on fairness, internal equity, and equal pay for work of equal value. Our sustainability framework and environmental, social and environmental values are considered a key component of the remuneration strategy ensuring that the Venture is a responsible operator who cares about the communities and the environment wherein it operates. Safety is also a key performance indicator in the determination of short term and long term remuneration incentives.

Employee challenges

- Maximising local employment in the Venture
- Achieving employment equity that is supported by everyone in the workplace
- Making careers in mining more accessible to women in the Venture
- Engaging with the Venture's employees and the trade union through open communication channels to achieve labour peace
- Providing a workplace that is free from discrimination

Venture workforce by employment and gender type at 31 December 2023

Permanent and fixed-term	Male	Female	Total
Senior management	**79**	**12**	**91**
Middle management	**110**	**69**	**179**
Supervisors, administrators, technicians	**985**	**440**	**1 425**
Operational, maintenance, production	**4 272**	**747**	**5 019**
Grand total	**5 446**	**1 268**	**6 714**

Diversity in the Venture

The term diversity used in this section of the report is based on the Mining Charter Scorecard's definition of HDSAs, which includes African males and females, coloured males and females, Indian males and females and white females. Ongoing transformation is a priority and is discussed at all levels. The Venture is again focusing on its retention strategies with specific reference to senior management and junior management HDSAs.

Venture employment equity	% Mining Charter target 2023	% achieved 2023	% achieved 2022
Senior management	**60**	**52**	50
Middle management	**60**	**72**	71
Junior management	**70**	**67**	65
Core skills	**60**	**95**	95

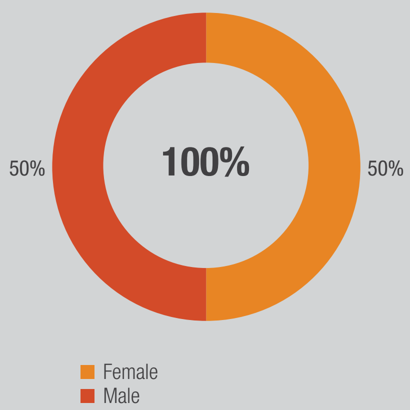
Diversity in Merafe

Mining Charter	% Mining Charter target 2023	% achieved 2023	% achieved 2022
Top management (includes Board)	**60**	**88**	88
Senior management (Exco)	**60**	**100**	100
Middle management	**60**	**100**	100

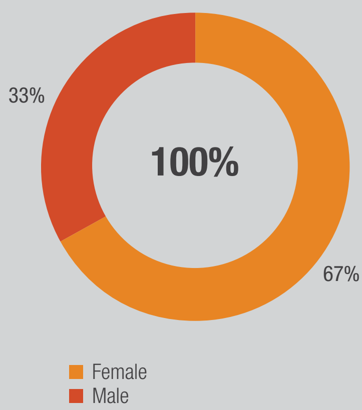
There are no junior managers employed by Merafe.

Merafe achieved a Level 5 Broad-Based Black Economic Empowerment (B-BBEE) status under the Codes of Good Practice in 2023. A copy of the certificate is on the Company website www.meraferesources.co.za together with an explanation and reasons for the rating.

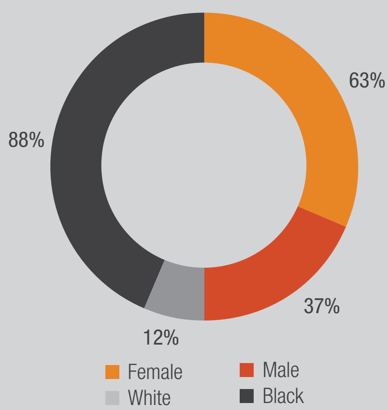
Merafe executives (gender)



Merafe senior and middle management (gender)



Merafe employees (gender and race)



The Venture provides full-time adult education and training for its employees and portable skills training that equips employees for careers beyond the Venture.

KEY POINTS 2023

Overall, the Venture invested in Skills Development **R299.79 million** (2022: R289.67 million)

The Venture invested **R185.50 million** in other Training and Development Initiatives (2022: R187.29 million)

1 019 582 Venture total training hours (2022: 804 751)

The Venture invested **R78.54 million** in artisan and other learnerships (2022: R65.17 million)

An average of **R17 360** was invested in training for each member of the Venture's workforce (employees and contractors) (2022: R17 682)

95.41 average training hours per permanent employee (2022: 73)

359 266 training hours for contractors (2022: 323 465)

90.59 average training hours per external contractor employee (2022: 81)

The Venture invested **R35.75 million** bursaries, scholarships, AET and community training (2022: R36.68 million)

Development and training

Both Merafe and the Venture are committed to meeting their human resource development targets and retaining and developing their skilled employees.

The Venture provides:

- development and training opportunities for HDSAs that will help them to further their careers;
- career development opportunities that allow it to develop and retain high-potential employees;
- training that addresses risk-tolerant or ingrained behaviours that impact negatively on our operations; and
- training on its Code of Conduct and Sustainable Development Standards and HSEC Standards and Protocols.

It continually evaluates its training methods and the best way to communicate with the various age groups and cultures in its workforce.

Training hours

	2023	2022
Total training hours	**1 019 582**	804 751
Total training hours for permanent employees	**641 030**	481 286
Average training hours per permanent employees	**95**	73
Total training hours for contractors	**359 266**	323 465
Average training hours per contractor	**90**	81
Number of health issues training sessions	**7 516**	8 656
Number of safety issues training sessions	**21 876**	21 550
Number of human rights issues training sessions	**15 701**	16 847
Number of environmental training sessions	**10 715**	11 416
Community health training	**127**	137
Community environmental training	**199**	214
Community human rights training	**185**	226

** Permanent employees: 6 719 (average)*
*** Number of contractors: 3 966 (average)*

Development of staff was a key focus in 2023 across all sites. Increased focus on computer-based training made training more efficient and structured.

Leadership development

The Venture invites senior managers whom it has identified as having leadership potential to participate in leadership programmes at universities. The Venture also provides them with additional training, support and career development opportunities. 81% (2022: 70%) of junior leaders who attended a programme to enhance their supervisory skills were HDSAs. 85% of middle management employees participating in management level programmes were HDSAs.

See the table on page 48 of this report for detail of the structure of the Venture's joint Board and top management of the Venture where executives of Glencore and Merafe are members.

Social Capital is any value added to the activities and economic outputs of an organisation by human relationships, partnerships and cooperation.

SOCIAL CAPITAL FOCUS AREAS

MATERIAL ISSUES

- Our social licence to operate
- Uncertainty of the socio-political environment. Organisations rely on social relationships and interactions to achieve their objectives. Externally, social structures help create a climate of consent or a licence to operate, in which trade and the wider functions of society are possible. Organisations also rely on wider socio-political structures to create a stable society in which to operate, e.g. government and public services, effective legal systems, trade unions and other organisations.

Being responsive to stakeholders enables the Venture to:

- contribute to open, transparent and fair governance;
- source materials ethically and treat suppliers, customers and citizens fairly;
- respect and comply with local, national and international law;
- pay our taxes;
- invest in the social infrastructure;
- provide communication;
- minimise any negative social impacts on our operations and maximise the positive impacts they can have; and
- support the development of the communities in which the Venture operates.

SOCIO-ECONOMIC DEVELOPMENT

The stakeholders most affected by the ability of Merafe and the Venture to keep our employees safe and healthy are their families and dependants.

- giving employees and community members access to training, development and lifelong learning, and capturing and sharing knowledge;
- ensuring adequate safety arrangements are in place; and
- incentives and remuneration.

MATERIAL ISSUES See pages 8 and 9

MI1 MI6 MI9

KEY POINTS 2023

The Venture spent **R96 million** on corporate social investment (2022: R121 million)

58% capital and consumable procurement spend of the Venture was B-BBEE spend (2022: 64%)

60% services procurement spend of the Venture was B-BBEE spend (2022: 61%)

The Venture spent **R20 million** on Enterprise Development in 2023 (2022: R19 million)

The Venture total procurement spend was **R28.3 billion** (2022: R28.2 billion)

Merafe's attributable portion of the quantitative data of the Venture set out from page 23 to 39 of this report is 20.5%.

Corporate social investment

The Venture

The Venture's corporate social investment (CSI) spend for the 12-month period to December 2023 was R96 million (2022: R121 million). Merafe contributes to 20.5% of this spend.

This included expenditure on *inter alia* Enterprise and Job Creation Projects, Education and skills development, Social and Community Development Projects, Health and Wellness Projects, strengthening of local institutions and Culture and Art Projects.

The Venture projects includes:

- Supporting TVET College in Mashishing with the construction of an additional eight lecture rooms
- Infrastructure projects include, community halls in Ga-makua and community crèches
- Upgrade of road infrastructure in Steelpoort
- Building classrooms for Rustenburg Primary School
- Estralita Centre for the disabled In Lydenburg
- Solar Infrastructure at House Sering
- Collaborative project in Limpopo is the rebuild of the steel bridge
- Ongoing project of electrification for 1 800 homes in Steelpoort
- Expansion of the power station in Ikemeleng
- Building of the Tshukudu multi-purpose centre
- Our ongoing sanitary towel donation drive has enabled more than 11 721 girls in three provinces to stay in school during their menstruation

Merafe

The Merafe CSI spend in 2023 was R2.2 million in addition to its contribution (20.5%) of the Venture's CSI spend referred to above.

Merafe has been supporting both Meriti Secondary School (Meriti) and Boitekong Secondary School (Boitekong) with the implementation of a variety of infrastructure, curriculum and social welfare projects through Adopt-a-School Foundation (the Foundation). Both schools are in the North West province and are situated within communities that are characterised by poverty, violence, crime, alcohol and substance abuse, family disorganisation and despair. These structural impediments have infiltrated themselves into the school environment as identified by the projects and affect the normal functioning of teaching and learning within the schools. The projects are facilitated to address these problems, hence engagement of all stakeholders including learners, educators, service providers from the community, and parents.

In 2023, the projects included Health, Sanitation and Sexuality Education projects, Moral Regeneration Projects and Psychosocial Support Services implemented across both schools. The third and final stage of these projects was completed in October 2023. The greatest achievement of this project has been to see the change in mindset and attitudes of our learners, which has been reflected in how they engage with their learning and learning environment.

Health, Sanitation and Sexuality Education Projects: The aim and objectives of the Health, Sanitation and Sexuality Education project is to provide a conducive space and platform to educate and empower teenagers (both female and male learners) in schools, to make informed decisions relating to sexual relations in order to curb teenage pregnancy at schools. The programme involves learners as active participants (led by Peer Educators) with the support of educators, parents, and relevant stakeholders within the community.

Moral Regeneration Project: Social ills and violence at communities and schools continue to have an impact on the children's well-being and their learning opportunity. The overall goal of the project is to engage learners in dialogue sessions on issues pertaining to sound morals and values (address issues of violence), and help learners develop social, ethical, emotional, physical, and cognitive competencies to enable them to set personal goals, as well as participate in the creation of a conducive learning environment.

Psychosocial Support Services: To address the needs of vulnerable learners at school, Psychosocial Support has been added to the projects. The service provider, Hartbeespoort Parent and Child Counselling Centre provides Psychosocial Support services to learners as an addition to the project. The process involves the identification of learners with social problems and creates sustainable referral pathways with external stakeholders, including follow up of all referred cases.

In addition, in 2023, Merafe also supported various education programmes at the schools, including educator development (in mathematics, physical and life sciences) and supplementary lessons in mathematics, physical and life sciences for learners.

Enterprise development

The Venture

Small and medium enterprises (SMEs) play a key role in job creation in South Africa, and our investment in their development is an integral part of Merafe and the Venture's contribution to the socio-economic capacity of communities. It also increases our ability to procure from black-owned enterprises. The Venture has enterprise development commitments in terms of the Mining Charter Scorecard. The Venture spent R20 million (2022: R19 million) on enterprise development in 2023.

In partnership with AgriSETA Accredited Short Learning Programmes we have trained farmers in Animal Health, Poultry, Cattle and Vegetable farming.

The Venture is further playing a pivotal role in the establishment of a Special Economic Zone (SEZ) in Steelpoort.

Merafe

Merafe has invested R14 million to establish an enterprise and supplier development fund, which supports SMEs through responsible investment to promote the growth and sustainability of black suppliers. Merafe has partnered with a service provider to identify black SMEs in local communities to support through various enterprise development funding initiatives.

Skills development and job creation

The Venture

The Venture recognises its commitment to employing local people whenever possible, which benefits both the Venture and the local communities. Direct employment at the Venture's operations, indirect employment through contractors, and using local suppliers provide an income for thousands of families.

Our commitment to employing local people includes providing training opportunities and skills development that enable community members to meet the Venture's competency requirements.

Our community portable skills development assisted 634 unemployed youths with skills in various areas like road work repairs, brick making, plumbing, baking, basic computer skills, and beauty and cosmetic skills which will give them the opportunity to pursue employment as an entrepreneur. We further introduced solar panel installation and maintenance and are training emerging entrepreneurs at our local business incubation hubs as well as at the Gordon Institute of Business Science.

See page 4 of this report for a review of stakeholder engagement.
See page 36 of this report for further information on the range of skills training the Venture provides and its investment in this training.

Merafe

Merafe is committed to empowering the future generation through our comprehensive bursary programme. In 2023, Merafe sponsored three black female beneficiaries studying for degrees in the engineering field.

The bursary programme offers holistic support, including financial aid, mentorship, and career and soft skills development throughout the student's academic journey.

In addition to the above, Merafe sponsored a short skill learning programme with The Hope Factory for black unemployed female beneficiaries. The Short Skills Programme is SETA-accredited and aims to equip individuals with entrepreneurial knowledge and skills.

Procurement

The Venture's performance in terms of the discretionary procurement targets of the Mining Charter Scorecard is set out below:

In terms of the new Mining Charter, procurement spend by the Venture for 2023 was approximately R28.3 billion. Of this R19.47 billion was on discretionary spend. R8.63 billion of the discretionary spend was on mining goods (57.98% B-BBEE spend) and R10.84 billion on services (60.38% B-BBEE spend).

	Total procurement spend R	Non-discretionary spend R	Discretionary spend R	B-BBEE spend R	%*
Capital + Consumables (Mining Goods)	8 851 189 136	223 690 347	8 627 498 789	5 001 921 081	57.98
Services	19 439 126 335	8 596 259 085	10 842 867 250	6 547 123 942	60.38
Total	**28 290 315 471**	**8 819 949 432**	**19 470 366 039**	**11 549 045 023**	

**B-BBEE spend as a % of discretionary spend.*

Public health and HIV and Aids

The Venture favours a united approach to public health, whereby we collaborate with government, international organisations and NGOs to make the most impact at community level. The public-private partnerships formed by the Venture provide communities access to prevention, treatment and care for HIV and Aids as well as other communicable and associated diseases.

The Venture supports the government's HIV counselling and treatment campaign by providing funding and testing sites. It has also funded health clinics and hospices in the communities in which it operates, including an HIV and Aids clinic in Lydenburg in Mpumalanga province. There is also a health clinic at the Lion ferrochrome plant in Limpopo province.

Respecting the rights of communities

Neither Merafe nor the Venture tolerate any form of discrimination and our policies clearly state that we do not tolerate any form of discrimination, and that all our employees and stakeholders are to be treated with dignity and in a manner that is culturally appropriate, irrespective of gender, background or race.

Human rights and ethics

Merafe subscribes to the fundamental principles of human rights as enshrined in our country's Constitution and Bill of Rights. Our policies and practices have been aligned with both to ensure that all our employees and stakeholders are treated with dignity and in a manner that is culturally appropriate, irrespective of gender, background or race. Furthermore, Glencore is a signatory to and has accepted the Voluntary Principles of Security and Human Rights.

Ethics

The Merafe Code of Ethics governs the way we do business and the way our directors and employees engage with our stakeholders. The Code, which is binding on our directors, employees and contractors, provides guidelines for behaviour which is above reproach.

Merafe has a formal whistleblowing policy in place for the confidential reporting of any breaches of its Code of Ethics Policy. There were no reports of any breaches in 2023.

Traditional authorities

Merafe supports the International Council on Mining and Metals (ICMM) and upholds the performance expectations associated with Traditional Authorities. Our engagements with Traditional Authorities around our operations assisted the Venture in enhancing transparency, resolving complaints and grievances promptly, and embedding cooperation with doorstep communities.

Stakeholder responsiveness

Merafe and the Venture address material issues we have identified that could impact negatively or positively on our key stakeholders. These stakeholders include national, provincial and local government in their roles as regulators and partners; the trade unions in their role as representatives of the Venture's employees who are from local communities; and our investors and business partners who are affected by all aspects of our business. The impact of our most material issues in regard to the Human, Natural, Social and Manufactured Capitals on our stakeholders, together with our responsiveness on these issues, is outlined in this report.

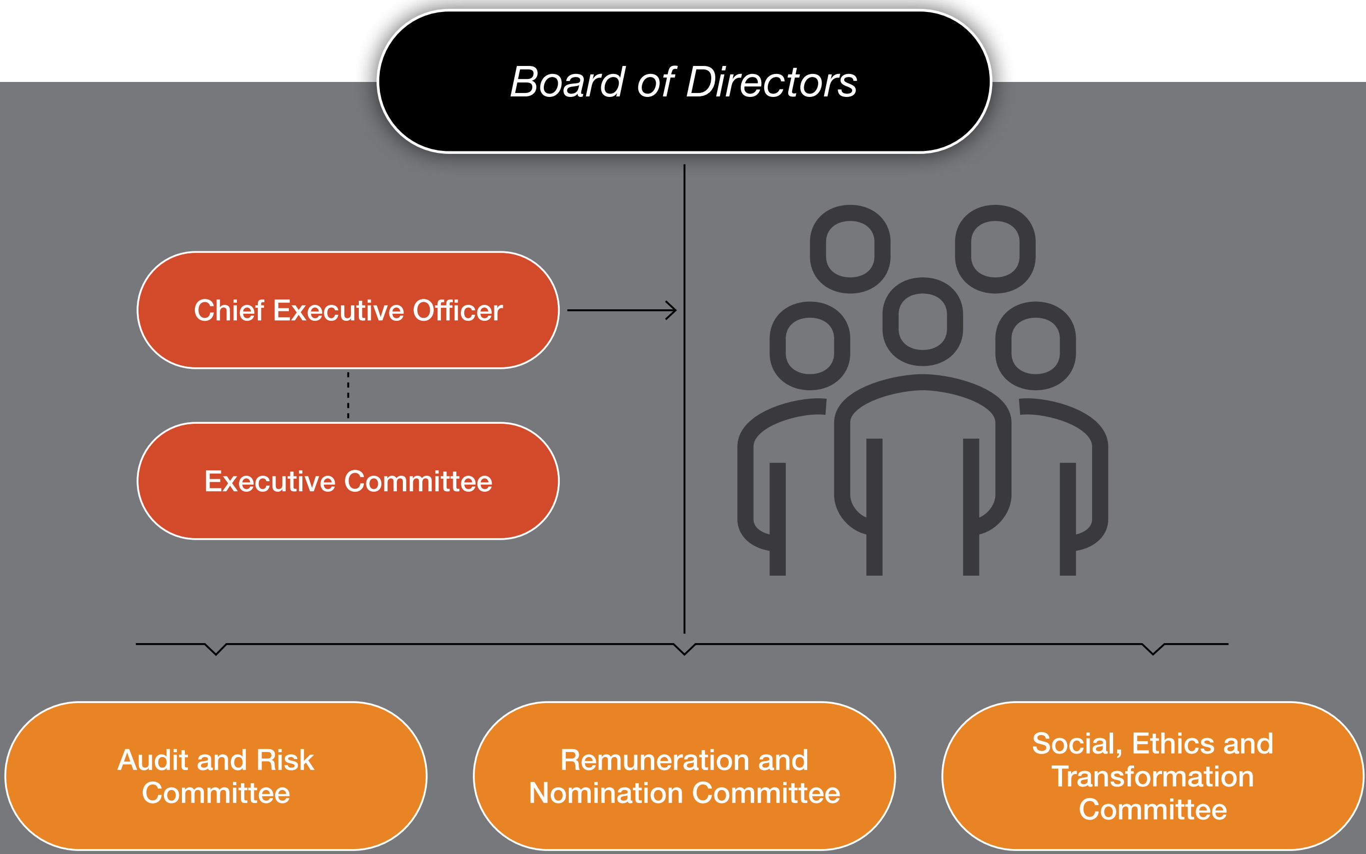
While Merafe has direct relationships with certain key stakeholders in connection with community matters, we also have indirect relationships through our partnership with Glencore in the Venture. As managers of the Venture's day-to-day operations, Glencore takes responsibility for engaging with the Venture's stakeholders.

All the Venture's operations and projects are expected to review the stakeholder engagement plans every year which includes Traditional Authorities. The Venture's operations held formal community stakeholder meetings where possible during the year. Virtual engagements continued during periods of lockdown.

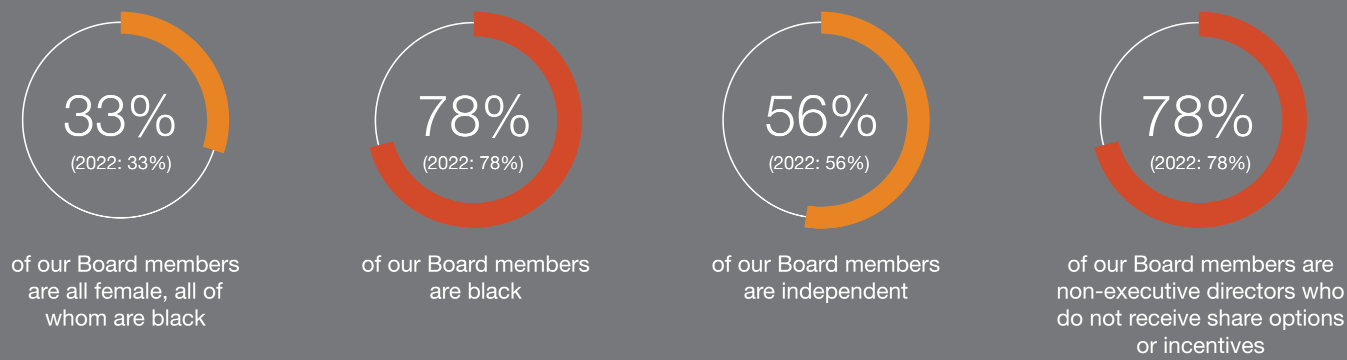
Our corporate social investment and social labour plans are aligned to the objectives outlined in the 2030 UNSDGs, the National Development Plan for South Africa and the Integrated Development Plans for Local Municipalities.

All the Venture's operations and projects are expected to review the stakeholder engagement plans every year. The Venture's operations held formal community stakeholder meetings during the year.

GOVERNANCE STRUCTURE



The Board at 31 December 2023 comprised of Abiel Mngomezulu, Matsotso Vuso, Katlego Tlale, Jeff Mclaughlan, David McGluwa, Nonhlanhla Mabusela-Aikhuere, Daniel Green, Zanele Matlala and Ditabe Chocho.



See the stakeholder engagement table on our website www.meraferesources.co.za for details of the Venture's engagement and Merafe's engagement during 2023. See our website www.meraferesources.co.za for further information on governance, social and environmental information of the Venture and Merafe as well as externally developed principles, charters and initiatives to which Merafe and the Venture subscribe.

Directorate as at 15 March 2024

Non-executive directors

Abiel Mngomezulu (70)

Chairperson (Independent)
BSc (Hons), MSc Engineering (Mining)

Abiel joined the Merafe Board as an independent non-executive director in September 2010 and became Chairperson in May 2019. He was previously the President and Chief Executive Officer of Mintek, a state-owned enterprise responsible for mineral extraction technologies and beneficiation. Abiel also served on several boards of state-owned institutions involved in the mining sector. Of late he has been the board Chairperson at the South African Diamond and Precious Metals Regulator (SADPMR) and a director at Tshikululu Social Investment.

Committee memberships:

N A S R

Matsotso Vuso (51)

(Independent)
CA(SA), CD(SA) RA

Matsotso joined the Merafe Board in July 2018. She is the founder of Nyamezela Group of Companies, a multi-disciplinary group of companies with solutions spread across manufacturing of smart electricity meters, energy management, business advisory services, consulting and contracting engineering. She has extensive experience in statutory and IT assurance, financial investments analysis and financial restructurings.

She also serves on other boards as an independent director.

Committee memberships:

A

Katlego Tlale (38)

(Independent)
BCom (Acc), CA(SA)

Katlego joined the Merafe Board in December 2020. He is currently the Group Chief Financial Officer of Letsema Group, a black-owned professional services firm which is part of a diversified investment company.

Prior to joining Letsema, Katlego was employed by Gold One Group Limited where he managed group reporting and treasury. He completed his articles at KPMG Inc. where he was a member of the firm's mining audit practice.

Committee memberships:

A

Jeff Mclaughlan (65)

(Independent)
MBA, NDIP Elect, Cert Eng

Jeff joined the Merafe Board in May 2019. He holds a Master's degree in Business Administration and Finance from the Open University, an Advanced Professional Management Programme from the University of South Africa (Unisa) and a National Diploma in Electrical and Instrumentation. He has more than 38 years' experience in the South African mining sector including various roles at Middelburg Steel and Alloys Proprietary Limited, Consolidated Metallurgical Industries Limited, Xstrata South Africa Proprietary Limited and Glencore Operations South Africa Proprietary Limited. Jeff served two terms as President of the International Chrome Development Association and stood down in June 2017. He is a member of the Institute of Electrical and Mechanical Engineers, South Africa.

Committee memberships:

R N

Nonhlanhla Mabusela-Aikhuere (48)

(Independent)
BCompt, CTA and CA(SA)

Nonhlanhla joined the Merafe Board in July 2021. Nonhlanhla is an ex-investment banker with more than ten years' experience in project and structured finance transactions. She completed her accounting articles at KPMG Inc. where she spent a year in the corporate finance department. She spent four years of her career at Nedbank Capital as a senior transactor in the power, oil and gas project finance department. She has also held various Chief Executive Officer positions in the mining and mining services space.

She also serves as an independent member of the IDC Executive Credit and Investment Committee and as a member of the DBSA Infrastructure Fund Advisory Committee, and is also a board member of South African Forestry Company Limited.

Committee memberships:

S A

Company secretary

William Somerville (67)

CorpStat Governance Services

FCIS, ACMA, Dip Corporate Law

Appointed as Company Secretary on 1 October 2014.

Note regarding the Company Secretary

The Company Secretary fulfils no executive management function and is not a director and provides services on an outsourced basis. Accordingly, the Board is satisfied that the Company Secretary maintains an arm's-length relationship with the executive team, the Board and the individual directors.

Non-executive directors CONTINUED

Executive directors

David McGluwa (49)

(Non-Independent)
Executive Development Programme (GIBS), B.Comm, Corporate Credit Analysis (New York Institute of Finance)

David joined the Merafe Board in July 2021. David has held various senior roles at the Industrial Development Corporation (IDC) since 1999, prior to which he worked at First National Bank for four years. David was nominated to be director of the Board by the IDC, which has a 22% shareholding in Merafe.

Committee memberships:

S

Daniel Green (36)

(Non-Independent)
CA(SA)

Daniel joined the Merafe Board as a non-independent non-executive director in November 2021. Daniel is a CA(SA) and has worked in banking, finance, marketing and mining corporate advisory for the past thirteen years, the last eight of which have been in a number of roles within the Glencore Group. Daniel is currently the head of Business Development for Glencore's Ferroalloys and South African Coal divisions.

Committee memberships:

R N

Steve Phiri (67)

(Independent)
B Iuris, LLB, LLM

Ditshebo Stephen ("Steve") joined the Merafe Board in February 2024. Steve has more than 20 years of experience in the South African mining sector including, *inter alia*, roles at Royal Bafokeng Platinum Limited (where he served as CEO), Royal Bafokeng Holdings Proprietary Limited (where he served as a non-executive director) and at Merafe (where he was CEO from 2003 to 2010 and a non-executive director of the Board from 2010 to 2015). He is a member of the Council of International Platinum Association and was a board member of the International Platinum Association before becoming its President/ Chairman. Steve was also previously the Vice President of the Chamber of Mines (later the Minerals Council of South Africa).

Zanele Matlala (60)

Chief Executive Officer
BCom, BCompt (Hons), CA(SA)

Zanele joined the Merafe Board in 2005 as an independent non-executive director. She was appointed Merafe's Chief Financial Officer on 1 October 2010 and Chief Executive Officer on 1 June 2012. She is a non-executive director of Dipula Income Fund, Stefanutti Stocks Holdings Limited and RAC Limited.

Committee memberships:

S A R N

Ditabe Chocho (53)

Financial Director
CA(SA)
MSc Financial Management

Ditabe joined Merafe in August 2018, having previously been the Company's Chief Financial Officer in 2013 and 2014. Ditabe is a qualified South African Chartered Accountant and he has extensive experience in financial and investment management gained during his tenure at various companies including Uranium One Limited, the Industrial Development Corporation of SA Limited and Zico Capital Proprietary Limited. He also served as Chief Financial Officer of MultiChoice Africa Proprietary Limited (MultiChoice) and subsequently served as Chief Financial Officer and Chief Operating Officer of DSTV Online, a division of MultiChoice in 2012.

Committee memberships:

S A R N

A Audit and Risk Committee
N Nomination Committee
R Remuneration Committee
S Social, Ethics and Transformation Committee
Chairperson
Invitee

Age of Directors at 15 March 2024

61 years or older	51–60 years	50 years or younger
3	3	4

Tenure of Directors at 15 March 2024

9 years +	5–8 years	0–4 years
2	2	6

Chairperson's report

Overview

Merafe's performance in 2023, was again exceptional. This is manifested in our reported revenue, EBITDA, profit after tax and net cash on hand at the end of the reporting period. I am also pleased to report that the operations of the Venture performed well with regard to production (despite the planned pullback) and its identified sustainability criteria with the exception of two fatalities at our operations which I discuss in more detail below.

Over the past two years, I commented in this overview on the Judicial Commission of Inquiry into State Capture and that this shone a welcome light on corruption and state capture in our country and the undermining of state institutions and enterprises that took place. Unfortunately, due to how intricate most of these corrupt tendencies were, a year after President Cyril Ramaphosa announced government's plans to act on the recommendations of the commission of inquiry into state capture, barring the work of the Special Investigative Unit, very little on the face of it has been achieved by way of legislative reform or convictions. The lack of real progress in combatting crime and corruption is a concern to all South African citizens and continues to impact negatively our access to foreign and local investment which is key to growing the economy that would address the key challenges of unemployment and poverty facing the country.

The continued resilience of South Africans in dealing with the challenges they face will again be tested in 2024. It is only sustained ethical leadership in business and society led by ethical government that can lead to a turnaround in sentiment and create a conducive environment for new investments.

Apart from crime, corruption and unemployment, two issues are of particular concern in order for the business to compete on the international stage:

- Firstly, loadshedding (both the frequency and intensity) increased during the reporting year, negatively affecting CPI and electricity prices. Despite some companies and citizens moving off the grid and becoming self-sufficient and government funding relief, Eskom's threat to the economy extended beyond loadshedding as capacity constraints remained a major risk to businesses in the country resulting in stagflation; and
- Secondly, transport infrastructure is increasingly becoming a major risk to the economy. Rail freight infrastructure is collapsing, and road freight can only take up some of the demand. Segments, heavily dependent on infrastructure, struggled to grow in the respective sectors i.e. the primary sector (agriculture and mining), secondary sector (manufacturing and construction) and tertiary sector (trade, transport, communications, financial and business services and personal services).

This is further commented on below in this report.

On the global front, conflicts are unfortunately continuing unabated in the Ukraine and the Middle East with both having no clear end in sight. It is difficult to assess the longer-term impact on global markets and business, but the suffering of ordinary global citizens is a sad state of affairs, and again leadership is needed to end wars and conflict and to find solutions around global issues.

Our Chief Executive Officer mentions in her report, on page 10, the issues that impacted the performance of the Company in 2023. Of specific importance is that, despite excellent performance, the South African ferrochrome market share will continue to be lost to international ferrochrome production because of the rising energy costs in South Africa and on the back of cheap South African un-beneficiated chrome ore exports. The government and industry need to continue working together to ensure local beneficiation of its resources and efficient use of its existing infrastructure.

Despite an ever-changing world and business environment, we will continuously remain focused on making our business a success whilst providing a positive contribution to our stakeholders and the broader society.

Financial performance

As I mentioned in the introduction, 2023 was an excellent year in terms of all the key financial indicators such as revenue, EBITDA, profit after tax, net cash generated and net cash on hand.

The financial performance of the Company has been addressed in the Chief Executive Officer's report on page 10 and the Financial Capital section of this report on page 13. The Chief Executive Officer has also provided commentary on the strategy of the Company going forward and the benefit the Company has gained from its focus on ferrochrome (and ancillary businesses) and maximising cash flows from the Venture.

Safety

Safety remains the number one priority of Merafe and the Venture. It is thus with great sadness and regret that I have to report that there were two fatalities at our operations. The first fatality was at our Boshoek operation in September 2023 and the second fatality was at our Rustenburg operation in November 2023. Our condolences are extended to family, friends and loved ones of the deceased. After a number of fatality-free years this is a setback for the Venture and of great concern to the Board. The fatalities remain under investigation.

These unfortunate events occurred despite the considerable efforts made by the Venture in 2023 and improvements in a number of areas.

For further information, see the Safety section on page 32 of this report for further details and safety information, as well as the efforts made by the Venture in respect of safety. Please also see the Manufactured Capital section on page 19 The Venture is continuing to do all it can to ensure that the high standards of safety are maintained.

Key challenges

Despite the excellent performance of the Company in 2023, power costs and continuous failures at Eskom remain a concern for the Company and our industry. Above average tariff increases together with supply challenges remain serious areas of focus for the Venture and the industry. The Venture continues to be impacted by loadshedding and this hinders the ability of the Venture to be a reliable partner to our global customers. There needs to be a long-term and sustainable solution to the country's power supply and pricing. It is in light of this that the approval of the Venture's Negotiated Pricing Agreement application by Eskom and the National Energy Regulator of South Africa is a welcome development. This should help the Venture with price certainty.

The Venture is continuing the construction of renewable energy facilities and supply of power. For more information, please see the Manufactured Capital section on page 21 of this report.

As reported in 2022, the infrastructure of the railways and the ports has deteriorated even further and this continues to be a challenge to the South African ferrochrome industry. The inability of the railways to transport our product and inefficiencies at the ports has caused an excessive reliance on road transport resulting in backlogs and delays at the harbours. This not only results in delays in shipping our product (and negatively impacting the reputation of South African producers), but also creates opportunities for corruption and theft. The Venture continues to engage proactively with the governmental departments to attempt to find solutions to these critical issues, however frustrating and challenging it is. For more detail on this challenge to our industry please see the Manufactured Capital section (page 21) The Chief Executive's Review (page 10) and the section on Material Issues (page 8 and 9) of this report.

Water, a crucial input in our operations, is becoming a creeping problem in South Africa. Fortunately, the Venture has been proactive in mitigating/managing this risk by ensuring that adequate supply and storage facilities are in place at the operations. For more detail on this challenge to our industry please see the Natural Capital section (page 23).

Strategy

We continue to take a long-term view of our business. In terms of achieving our strategic objectives, our ferrochrome interests will continue to benefit from investments in low-cost production facilities and technology at its operations. This has improved the Venture's sustainability by increasing the Venture's cost efficiency and production capacity in difficult trading conditions, but this also allows the Venture to take advantage of improving global conditions and demand as we saw last year.

We reported last year that we will continue to assess opportunities outside ferrochrome where this makes commercial sense. I am pleased to report that in 2021, we participated and invested in a PGMs plant in our western operations with our Venture partners and the plant performed well in 2023. Further, I am pleased to report that in 2023 we reached a similar agreement with our Venture partners regarding PGMs in the eastern operation with a commencement date of 1 January 2023. The positive performance of our PGM business can be seen in the results. For further information in this regard see the report of the Chief Executive Officer on page 10.

We remain committed to ensuring the long-term sustainability of both Merafe and the Venture and complying with legislation and overcoming any of the challenges we may encounter.

Our approach to sustainability and assurance

The directors have followed the materiality determination processes described in this report and have applied the results of these processes to formulate the material issues in this report. As you will see from the Material Issue section, the COVID risk, after careful consideration, was removed as a material issue. However, COVID-19 and its impact will continue to be closely monitored.

Merafe relies on the Venture and Glencore to obtain quantitative data with regard to sustainability indicators. I refer you to the Sustainability review and summary on page 60 of this report for information on Merafe 's and the Venture's review processes.

As we indicated last year, on an annual basis, the Board does a gap analysis of how the Company performed in terms of King IV as well as the steps taken to address issues where the Company was non-compliant. We are pleased to report that, while acknowledging that this is a work in progress, the Company in most material respects is compliant with King IV. Where we have fallen short, we have provided an explanation as well as the areas we will focus on in 2024. For more details on our reporting on King IV, I refer you to the Governance section on pages 45 and 46 for the full report and compliance analysis.

During the year, the Board and the relevant committees took note and assessed the JSE's pro-active financial statement monitoring report, the JSE's guidance papers on sustainability and climate change reporting and assessed changes to the JSE Listings Requirements.

We agree with the assertion in King IV that good governance has its foundation in effective and ethical leadership and transparency and that integrated thinking and reporting on economic, social and environmental dimensions is key to this. Board decisions need to be made in an integrated manner, understanding the impact on these dimensions as well as the impact on value creation in the short-, medium- and longer-term.

Stakeholder inclusivity and responsiveness is key to the process. We are pleased to note that we have been reporting in an integrated manner and in terms of the Capitals – as recommended by King IV – for some years now and the feedback from stakeholders has been positive.

The Board

As Chairperson of our unitary Board, I am responsible for the overall effectiveness of the Board and its committees and for ensuring that we provide Merafe with effective leadership, uphold ethical standards, and are responsible, accountable, fair and transparent. I am also responsible for ensuring that we implement strategies aimed at achieving our economic, social and environmental performance objectives.

There is a clear separation between my responsibilities and those of the Chief Executive Officer, which is documented in our Board Charter. Our Chief Executive Officer is expected to focus on our business and ensure it is run effectively and in accordance with the strategic decisions of the Board.

We interact with our stakeholders at our annual general meetings and at presentations made by our executive management team when our interim and annual results are released. This year we again increased our focus on stakeholder relationships and in particular our relationships with our shareholders and our Venture partner. The Board has delegated the responsibility for engagement with our shareholders and potential investors to the Chief Executive Officer and the Financial Director.

I convey my thanks to our non-executive and executive directors for their valuable contributions to the Merafe Board deliberations and decision-making during 2023.

In February 2024, the Board welcomed Mr. Steve Phiri as an independent non-executive director and he will no doubt make a significant contribution to Board deliberations in the coming years.

The Board is satisfied that it has discharged its responsibilities as set out in the Board Charter. I look forward with enthusiasm to the members' contributions to the Board in the coming year.

Merafe team and Glencore

On behalf of the Board, I would like to thank the Merafe management team and our Venture partner, Glencore, for their hard work in delivering another exceptional financial and operational performance in the year under review.

Future outlook

The performance we had this year again provides confidence for the future and our diversification into PGMs together with our Venture partner is promising. We are also confident that strategy for cash preservation will also bring future benefits to the Company. I thank all stakeholders for their continued support.

ABIEL MNGOMEZULU
Chairperson | 15 March 2024

Introduction

Merafe is committed to high standards of corporate governance and it endorses the four governance outcomes set out in the King IV Report on Corporate Governance for South Africa, 2016 (King IV), namely an ethical culture, good performance, effective control and legitimacy.

King IV register

The register set out below provides an overview of Merafe's application of the principles contained in King IV. The register should be read in conjunction with the 2023 Integrated Annual Report.

Leadership	
Principle 1 The governing body should lead ethically and effectively.	The Merafe Board (the "Board") leads ethically and effectively. Disclosure of interests is a standard agenda item at Board and committee meetings and there is an annual declaration by all directors. Further, there is a Code of Ethics in place which applies to all directors and all employees. It is displayed on Merafe's website www.meraferesources.co.za. There is also a Director Induction and Training Programme, which is reviewed annually. Further, various aspects of Principle 1 are covered in Merafe's Board Charter and other key documents. The Code of Ethics and the Board Charter are on Merafe's website www.meraferesources.co.za and form part of the 2023 Integrated Annual Reporting suite. The Company has a policy to guide directors on dealing in Company securities and no director or employee may buy or sell the Company's shares during a closed period.
Organisational ethics	
Principle 2 The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	The ethical tone at Merafe is set by the Board and applies throughout the organisation. Merafe's Code of Ethics applies to all directors, employees and suppliers. There is a Whistle-Blowing Line and reports are provided to the Social, Ethics and Transformation Committee and the Audit and Risk Committee on a confidential basis. In respect of any ethical breaches discovered by staff and the external auditors, the relevant laws and regulations are applied. More information on Merafe and the Venture's Whistle-Blowing Policy is on our website www.meraferesources.co.za.
Responsible corporate citizen	
Principle 3 The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	The Board's approach to being a responsible corporate citizen is supported by various policies and the work done by the Social, Ethics and Transformation Committee. Various safety, health, environmental and community aspects are covered by the above committee with inputs from the Venture as set out in this report.
Strategy and performance	
Principle 4 The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	The Board recognises that all these elements are inseparable, and Merafe follows the Six Capitals approach as described in this report. This integrated approach is taken by the Board at its meetings, strategy sessions and committee meetings. All budgets and strategic plans (medium- and longer-term) are approved by the Board. Risks and opportunities are covered in strategy sessions and meetings of the Audit and Risk Committee and the Board in an integrated manner.
Reporting	
Principle 5 The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments regarding the organisation's performance, and its short-, medium- and long-term prospects.	The Board is responsible for the integrity of the information contained in this report and other reports, including the annual financial statements and interim and year-end results presentations. It is assisted in this regard by the Board committees which review and recommend their respective reports to the Board in accordance with their terms of reference. Reports are provided in printed and online form. The approved reporting framework is set out on the inside front cover of this report. Matters material to Merafe are reflected in this report on pages 8 and 9. Please further see page 50 for Merafe's approach to the reporting of material matters and quantitative data set out in the report.
Primary role and responsibilities of the Board	
Principle 6 The governing body should serve as the focal point and custodian of corporate governance in the organisation.	The Board is the focal point and custodian of corporate governance in the Company. Various key policies supporting the Company's strategy are in place. The Board has an annual strategy session and performance is measured against agreed targets. The Board oversees the implementation and execution of the strategy by management. The Board has a Board Charter, a copy of which is on our website www.meraferesources.co.za, and which is reviewed annually against best practices. The Board is satisfied that in respect of the 2023 financial year, it has discharged its duties as set out in the Board Charter.
Composition of the Board	
Principle 7 The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	Assisted by the Remuneration and Nomination Committee, the Board reviews its knowledge, skills, experience, diversity and independence annually, or as circumstances change as set out on page 49. The Company has a diversity policy and has set targets in this regard. This policy has been updated to comply with the JSE Listings Requirements, where further diversity criteria, namely race, culture, age, field of knowledge, skills and experience, have been prescribed. The composition of the Board in terms of race and gender is set out on page 40. The Board comprises a majority of non-executive members, most of whom are independent. The King IV recommendations for director independence, Board composition, chair, induction and training, managing conflicts and nomination and appointments of directors are met. The Chairperson of the Remuneration Committee is the lead independent director of the Company.
Committees of the Board	
Principle 8 The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.	Merafe has three standing Board committees (as described in this report on pages 47 and 48), to which specific duties and responsibilities have been delegated. They operate under written terms of reference which are reviewed annually and are on our website www.meraferesources.co.za. The composition of the Board and committees are in line with King IV, the Companies Act and the JSE Listings Requirements, as applicable.

Board performance evaluation	
Principle 9 The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	The performance and effectiveness of the Board and its committees are reviewed at least every two years in line with King IV. This process comprises a self-evaluation questionnaire and is co-ordinated and reported on by the Company Secretary. Areas for improvement are documented and actioned. Performance reviews of individual directors and the Board Chairperson are done every two years. During the first quarter of 2024, an effectiveness evaluation of the committees and the Board had commenced.
Appointment and delegation to management	
Principle 10 The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	The Board Charter sets out matters reserved for the Board and is reviewed annually. In addition, there is a Corporate Approvals Framework (approved by the Board and reviewed annually) which sets out matters delegated to management and those reserved for the Board. The Board appoints the CEO and the incumbent is accountable to the Board for leading the implementation of strategy, policy and running the day-to-day business of the Company. The King IV recommendations for the CEO in respect of appointment, roles and responsibilities, succession and performance evaluation are complied with. With regards to the Company Secretary, we refer you to our reporting in accordance with 3.84(h) of the JSE Listings Requirements on page 49 of this report.
Risk governance	
Principle 11 The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.	The Board governs and is responsible for risk. It is assisted by the Audit and Risk Committee, which evaluates risk and guides the Board. Merafe has a Risk Management Policy and Framework, a detailed Risk Register and also a Tax Risk Register. Risk matters are a standard agenda item at every Audit and Risk Committee. In this regard we refer you to pages 8 and 9 (Material issues) and page 59 (Approach to Risk management) of this report. Opportunities flowing from risk assessments form part of the overall approach to risk governance. Emerging risk trends are identified and monitored regularly.
Technology and information governance	
Principle 12 The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	IT governance is a standard agenda item at meetings of the Audit and Risk Committee. Merafe has a very small head office but is reliant on technology. Various IT-related policies are in place and due to the small head office, integration of IT and business occurs. Merafe (as opposed to the Venture) has limited investment in technology but is aware of its importance and also the need to protect information. Merafe regularly assesses the vulnerability of its IT environment through expert third parties. All shortcomings arising from these reviews are addressed.
Compliance governance	
Principle 13 The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	The Board governs compliance, which is monitored by a combination of management controls, compliance via the Venture, external audit, sponsors and the Company Secretary. There is no dedicated in-house compliance function nor is one required, given Merafe's size and structure. Merafe relies on processes within the Venture. Compliance is a standard agenda item for the Audit and Risk Committee, which reports to the Board. During the year, the Board and the relevant committees took note of the Companies Amendment Bill and also considered the draft changes to the JSE Listings Requirements.
Remuneration governance	
Principle 14 The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term.	The Board takes responsibility for remuneration governance. It is assisted by the Remuneration and Nomination Committee, which oversees that the organisation remunerates fairly, responsibly and transparently so as to promote the delivery of strategic objectives and the creation of value in a sustainable manner. It makes recommendations to the Board in this regard. The Remuneration Report is set out on pages 51 to 58 of this report.
Assurance	
Principle 15 The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	Merafe follows a combined assurance model, with assurance being provided by management, Merafe's external auditors, the Venture's internal audit function and the external auditors. Oversight on assurance is provided by the Audit and Risk Committee which reports to the Board. For more information, please see page 47 of this report. During the year, Ligwa Advisory Services (LIGWA) continued to act as Merafe's independent internal auditors, reporting functionally to the Audit and Risk Committee. Merafe also receives a statement from an Independent Competent Person on the Mineral Resources and Mineral Reserves as well as other assurance as set out on page 60 of this report.
Stakeholders	
Principle 16 In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	The Board has identified its key stakeholders and material issues and risks that could impact the stakeholders of Merafe and the Venture, as set out on pages 4, 8 and 9 of this report. The methods of engaging with stakeholders and issues arising from these engagements are set out in a table referred to in the 2023 Integrated Report. There is ongoing engagement with shareholders via various mechanisms, including interim and year-end reports, the Integrated Annual Report, presentations, quarterly reports, shareholder meetings and the annual general meeting. A stakeholder framework is in place.

The company complies with King IV principles, save as otherwise noted and explained in this Integrated Annual Report. We recognise that King IV is a journey and the Board will continue to spend time in 2024 analysing our practices to support the various principles and outcomes in terms of King IV as well as assessing and implementing the recommendations of the JSE guidance papers on sustainability and climate change.

The structure and roles and responsibilities of the Merafe Board and committees

Board and Board committees	Roles and responsibilities	Members/invitees	Member and attendance
			Board meetings 2023
Merafe Board	The Chairperson is responsible for ensuring that: ▶ the Board provides effective leadership; ▶ the Board maintains ethical standards; ▶ Merafe develops and implements strategies aimed at achieving its sustainability; and ▶ the Board and its committees are effective. The Board is responsible for: ▶ governance of the Merafe Group on behalf of its shareholders and stakeholders; ▶ its own governance; ▶ strategy, strategic decision-making and risk tolerance; ▶ assessment of performance; ▶ engagement with stakeholders; ▶ Merafe's approach to its social responsibility, safety, health, the environment, ethics and risk; and ▶ IT governance. **Key issues in 2023 included:** Safety, Merafe strategy, stakeholder engagement, Merafe sustainability, the Venture performance and sustainability, IT governance and risk management, approval of annual financial statements and Integrated Annual Report, approval of interim results and considering the payment of dividends, impairment considerations, review of Board committee composition, composition review and approval of various charters, policies and mandates and committees' terms of reference, King IV analysis, review of effectiveness of internal controls, review of compliance and consideration of investment and diversification opportunities and conducting new transactions, attending and finalising transactions involving PGMs, considering changes to the JSE Listings Requirements and the Companies Amendment Bill.	Abiel Mngomezulu (c) Matsotso Vuso Katlego Tlale David McGluwa Nonhlanhla Mabusela-Aikhuere Daniel Green Jeff Mclaughlan Zanele Matlala (CEO) Ditabe Chocho (FD)	4/4 3/4 4/4 4/4 4/4 4/4 4/4 4/4 4/4
			Committee meetings 2023
Audit and Risk Committee	All members of this committee are independent non-executive directors (as required by the Companies Act). The committee: ▶ monitors the adequacy of financial controls and reporting; reviews the audit plans of the external auditors and adherence to these plans; considers and determines the principles for approving the use of the external auditors for non-audit services; ensures that financial reporting complies with IFRS, the Companies Act and tax legislation; reviews and makes recommendations on all financial matters; ▶ oversees Merafe's integrated reporting as well as the assurance function; and ▶ assists the Board in identifying all material risk and sustainability issues to which the Company is exposed. It ensures that the requisite risk management culture, policies, practices, systems and resources are in place and are functioning effectively. **Key issues in 2023 included:** Review work of external auditors, assess independence of external auditors, review risk register, monitor compliance with statutory requirements, assess adequacy of internal controls and compliance, monitor and consider all tax returns and matters related to SARS, risk management workshop, oversee forex and interest rate hedging policies, IT governance implementation, assess formal tax strategy and policy document, reviewed and approved Integrated Annual Report and assurance process, recommend annual financial statements and reviewed interim results and impairment considerations, recommended Integrated Annual Report for approval by Board, assessment of Financial Director, review terms of reference, review internal audit function, King IV analysis and compliance as well as the attestation by the CEO/FD in the annual financial statements, review of JSE's pro-active financial statement monitoring report, assessing JSE guidance papers on sustainability and climate change reporting, assessing changes to the JSE Listings Requirements, noting the Companies Amendment Bill and overseeing internal auditors. The committee also reviewed and assessed relevant legislation applicable to Merafe, the Venture and the Committee and assessed the Company's compliance with King IV.	Matsotso Vuso (c) Katlego Tlale Nonhlanhla Mabusela-Aikhuere Abiel Mngomezulu* Zanele Matlala (CEO)* Ditabe Chocho (FD)* ** Invitees*	3/4 4/4 4/4 4/4 4/4 4/4

Board and Board committees	Roles and responsibilities	Members/invitees	Member and attendance
			Committee meetings 2023
Remuneration and Nomination Committee	The committee: ▶ makes recommendations to the Board for its consideration and final approval regarding remuneration strategy and policy; ▶ assists the Board in ensuring that directors and executives are remunerated fairly and responsibly; ▶ ensures the disclosure of directors and other executive remuneration is accurate, complete and transparent; ▶ assists the Board with ensuring that remuneration policies are adopted to promote the achievement of strategic business objectives and encourage individual performance, and with monitoring remuneration policies; ▶ makes recommendations on non-executive directors' fees; and ▶ develops policy around the appointment of directors, investigates potential Board members for necessary skills and competence and makes appropriate recommendations to the Board. **Key issues in 2023 included:** Composition of all committees, attending benchmarking exercise of directors' executive remuneration, recommended approval of remuneration policy to Board, approved CEOs (individual) and business performance KPIs, evaluated Executive Committee's individual and business performance against objectives, reviewed executive contracts, reviewed remuneration policy and approval of the Board diversity policy, and noting the Companies Amendment Bill.	Abiel Mngomezulu[1] Jeff Mclaughlan[2] Daniel Green Zanele Matlala (CEO)* Ditabe Chocho (FD)* ** Invitees* *[1] Chair Nomination Committee* *[2] Chair Remuneration Committee*	3/3 3/3 3/3 3/3 3/3
Social, Ethics and Transformation Committee	The roles and responsibilities of the Social, Ethics and Transformation Committee are set out in the Social, Ethics and Transformation Committee report on page 50. **Key issues in 2023 included:** The key issues are set out in the Social, Ethics and Transformation Committee report on page 50.	Nonhlanhla Mabusela-Aikhuere (c) Abiel Mngomezulu David McGluwa Zanele Matlala (CEO) Ditabe Chocho (FD)	3/3 3/3 2/3 3/3 3/3

The structure and roles and responsibilities of the Venture's Joint Board

Management structure	Roles and responsibilities	Members
Executive Committee of the Venture	The Executive Committee consists of the heads of all the Venture's divisions and the Managing Director of the Venture. The committee meets at least once a month, recommends policies and strategies and is responsible for the implementation of strategy and carrying out the Board's mandates and directives. It deals with all executive management business and is responsible for all material matters that are not the responsibility of the Board. It also assists with the execution of Merafe's compliance and disclosure obligations.	Merafe is represented by Zanele Matlala and Ditabe Chocho.
The Joint Board of the Venture	The Joint Board meets quarterly with the aim of ensuring proper governance of the activities of the Venture. Members of Merafe's management team also attend and participate in the Venture's monthly Executive Committee and sustainable development meetings and quarterly Audit Committee and Treasury meetings.	The Joint Board consists of two representatives from Glencore and two representatives from Merafe (Zanele Matlala and Ditabe Chocho). Currently, Glencore appoints the Chairperson of the Joint Board.

See our website www.meraferesources.co.za for our Board Charter, Code of Ethics and the Board diversity policy. See the annual financial statements, which form part of our online Integrated Annual Report for 2023 for the Audit and Risk Committee's report as well as page 47 of this report. For a more detailed overview of the responsibilities of the Board and the committees, see the terms of reference of the Board and committees on our website, which form part of our online Integrated Annual Report for 2023.

Reporting in terms of paragraph 3.84 of the JSE Listings Requirements on Board governance processes

Requirement	Principle	Merafe's approach and compliance
3.84(a)	There must be a policy evidencing a clear balance of power and authority at Board level to ensure that no one director has unfettered powers.	Our Board Charter clearly demonstrates that there is a clear balance of power and authority at Board level and that no one director has unfettered powers. We refer you to pages 41 and 42 of this report.
3.84(b)	Issuers must have a CEO and a Chairperson and these positions must not be held by the same person. The Chairperson must either be an independent director or the issuer must appoint a lead independent director as defined in King IV.	The CEO and Chairperson positions in Merafe are held by different people and Merafe's Chairperson is an independent non-executive director as defined in King IV. We refer you to pages 42 and 43 of this report. Mr Mngomezulu is the Chairperson. In accordance with King IV, the Board conducted an in-depth review of both his performance and independence and concluded that his independence was not affected or impaired by his length of service. Mr Mngomezulu is due to retire at the 2024 annual general meeting and has not offered himself for re-election, having served on the Board since September 2010.
3.84(c)	All issuers must in accordance with King IV appoint an (i) Audit Committee, (ii) a committee responsible for remuneration, and (iii) a Social and Ethics Committee. The composition of such committees must comply with the Companies Act and should be considered in accordance with King IV and each committee must consist of three members. The composition of such committees, a brief description of their mandates, the number of meetings held and any other relevant information must be disclosed in the annual report.	Merafe has combined its Audit and Risk Committee. Its membership is set out on page 47 of this report. The committee currently has three members, all of whom are independent non-executive directors, as required by the Companies Act and set out in King IV. The Chairperson of the Board, Chief Executive Officer and Financial Director are invited to attend committee meetings. As previously indicated, Merafe has appointed a combined Remuneration and Nomination Committee. The committee has three members, two of whom are independent non-executive directors. The Chairperson of the Board is a member of the Remuneration Committee and is Chairperson of the Nomination Committee. Merafe has a Social, Ethics and Transformation Committee. It comprises five members, with the majority being non-executive directors. The composition of the committees, the mandates, activities and number of meetings held are set out on pages 47 to 48 of this report. Our Chief Executive Officer and Financial Director continued to serve as permanent invitees to the Audit and Risk Committee.
3.84(d)	A brief *curriculum vitae* of each director standing for election or re-election must accompany the relevant notice of meeting.	Brief *curricula vitae* of our directors can be found on pages 41 and 42 of this report.
3.84(e)	Capacity of directors in relation to executive, non-executive and independent must be categorised and disclosed in the relevant documentation.	The *curricula vitae* mentioned at 3.84(d) also contain information as to whether a director is independent, non-executive or executive. The composition of the Merafe committees is in accordance with the requirements of the JSE Listings Requirements, the Companies Act and King IV.
3.84(f)	Issuers must have a full-time executive financial director.	Merafe has a full-time Financial Director who does not hold any other position nor does he have any other commitments that could be considered as full or part-time employment.
3.84(g)	The provisions deal with the duties of the Audit Committee which include (i) considering, on an annual basis, and satisfying itself on the appropriateness of the expertise and experience of the financial director; (ii) ensuring that the issuer has appropriate financial reporting procedures which are operating, which includes consideration of all entities included in the group IFRS financial statements and en-sure that it has access to all the financial information of the issuer to allow the issuer to effectively prepare and report on its financial statements; (iii) considering the information detailed in paragraph 3.84(g)(iii) and provided by the audit firm and individual auditor in their assessment of the suitability of the appointment or reappointment of the auditor; and (iv) ensuring that the appointment of the auditor is presented and included as a resolution at the annual general meeting of the issuer pursuant to section 61(8) of the Companies Act.	Our Audit and Risk Committee annually considers and satisfies itself of the appropriateness of the expertise and experience of the Financial Director, and has reported in its Audit and Risk Committee report that it is satisfied with the appropriateness of the expertise and experience of the Financial Director. The Audit and Risk Committee, as contemplated in paragraphs 3.84(g)(ii) to (iv), also ensured that Merafe has established appropriate financial reporting procedures and that those procedures are operating, which included consideration of all entities included in the consolidated group IFRS financial statements; ensured that it has access to all the financial information of Merafe to allow Merafe to effectively prepare and report on the financial statements of Merafe; requested from the audit firm (and if necessary consults with the audit firm on) the information detailed in paragraph 3.84(g)(iii) read with paragraphs 3.86 to 3.87 in their assessment of the suitability for appointment of their current or a prospective audit firm and designated individual partner both when they are appointed for the first time and thereafter annually for every reappointment and notwithstanding the provisions of section 90(6) of the Companies Act; ensured that the appointment of the auditor is presented and included as a resolution at the annual general meeting of Merafe pursuant to section 61(8) of the Companies Act.
3.84(h)	The provision deals with the competence, qualifications and experience of the Company Secretary and the Board responsibility in relation thereto.	The Remuneration and Nomination Committee as well as the Board assessed the competence, qualifications and experience of the Company Secretary (CorpStat Governance Services, represented by William Somerville) against various criteria and a rating scale, and they have agreed that the firm is sufficiently qualified, competent and experienced to hold the position of Company Secretary. The Board made their assessment in a closed Board meeting with the Company Secretary being recused from the meeting.

Requirement	Principle	Merafe's approach and compliance
3.84(i)	The provision deals with a broader diversity policy.	Merafe's diversity policy prescribes that at least 30% of the Board shall be female. At 31 December 2023, three of the nine directors were female (33%). Merafe's diversity policy prescribes targets for the racial composition of the Company, namely that the majority of the Board should be black. Seven of the nine directors are black (78%). Please see pages 41 and 42 depicting the Merafe board of directors and which covers the broader diversity information as contemplated by the JSE Listings Requirements. Merafe has a Board diversity policy which includes additional diversity criteria, namely culture, age, field of knowledge, skills and experience (in addition to gender and race). The Remuneration and Nomination Committee undertakes, when nominating and recommending directors to the Board, to take into account the principles and aims of the diversity policy of the Company.
3.84(j)	The provision deals with the remuneration policy and implementation report.	The remuneration policy and implementation report are set out on pages 51 to 58 of this report.
3.84(k)	The provision deals with the Chief Executive Officer and Financial Director's responsibility statements in respect of the annual financial statements.	See Chief Executive and Financial Director's responsibility statement on page 3 of the annual financial statements and on page 63 of this report.

Compliance with Companies Act and memorandum of incorporation

Merafe is in compliance with the provisions of the Companies Act, No. 71 of 2008, or relevant laws of establishment, specifically relating to its incorporation and is operating in conformity with its memorandum of incorporation.

Social, Ethics and Transformation Committee Report

The Social, Ethics and Transformation Committee (the Committee) was established by the board of directors on 21 February 2012, in accordance with the requirements of the Companies Act, No. 71 of 2008 (the Act), section 72(4) and Regulation 43(2).

The Committee has an independent role. Its members include three non-executive directors, two of whom are independent and two executive directors.

The Committee assists the Board in monitoring the Group's activities in terms of legislation, regulation and codes of best practice relating to:
- ethics;
- stakeholder engagement, including employees, customers, communities and the environment; and
- strategic empowerment and compliance with transformation codes and is responsible for:
  - monitoring the Company's activities relating to social and economic development, good corporate citizenship, the environment and health and public safety;
  - ensuring appropriate short- and long-term targets are set by management;
  - monitoring progress on strategic empowerment and performance against targets;
  - monitoring changes in the application and interpretation of empowerment charters and codes; and
  - monitoring functions required in terms of the Act and its regulations.

To meet its responsibilities, the Committee receives reports on the progress that both Merafe and the Venture have made in terms of the issues covered by its terms of reference. A senior representative of the Venture attends specific committee meetings where the focus is on the Venture.

In addition to the above, the Committee:
- reviewed the Company's Code of Ethics, the Board Charter, the Committee's terms of reference, and CSI policy;
- assessed Merafe's and the Venture's transformation performance with specific reference to the Mining Charter and the B-BBEE Codes of Good Practice;
- noted the Companies Amendment Bill;
- continually assessed Merafe's corporate social investment; in this regard, the Committee continued to oversee and support the projects as set out on page 38 of this report; and
- assessed the Venture's corporate social investments which Merafe contributes to as set out on pages 38 and 39 of this report.

The focus of the Committee in 2024 will continue to be in the fields of education and health in schools identified in areas within the vicinity of our operations. The Committee will also focus on King IV compliance aiming at continual improvement, as well as the JSE guidance papers on sustainability and climate change reporting, Merafe's transformation performance with reference to the Mining Charter and the B-BBEE Codes of Good Practice will also be assessed.

The members of the Committee believe that Merafe is substantively addressing the issues it is required to monitor in terms of the Act and that it has discharged its responsibilities as set out in its terms of reference.

MS MABUSELA-AIKHUERE
Chairperson | 15 March 2024

See our website www.meraferesources.co.za for our Board Charter, Code of Ethics and the Board diversity policy. See the annual financial statements, which form part of our online Integrated Annual Report for 2023 for the Audit and Risk Committee's report as well as page 47 of this report. For a more detailed overview of the responsibilities of the Board and the committees, see the terms of reference of the Board and committees on our website, which form part of our online Integrated Annual Report for 2023.

This Remuneration Report is in accordance with King IV. A glossary of terms used in this report is contained in our online Integrated Annual Report of 2023 which is on our website. If unable to access the online report please note the following key references used: "Policy" means the remuneration policy of the Company; the "Company" or "Merafe" means Merafe Resources Limited and its subsidiaries; the "Committee" means the Remuneration and Nomination Committee of the Company; the "Board" means the board of directors of the Company; "executive directors" and "non-executive directors" means executive and/or non-executive directors of the Company; the "CEO" means the Chief Executive Officer of the Company; and "FD" means the Financial Director of the Company.

Statement of voting at annual general meeting

The annual general meeting of the Company for the financial year ended 31 December 2022 was held on 17 May 2023 and the requisite ordinary resolutions of a non-binding advisory nature endorsing the Policy and the remuneration implementation report were passed by the requisite majority of shareholders, as a result no engagement with dissenting shareholders was required. The Policy resolution (Ordinary Resolution 6.1) was passed by a 98.41% majority, with 76.40% of the Company's shares being voted. The implementation report resolution (Ordinary Resolution 6.2) was passed by a 98.41% majority, with 76.40% of the Company's shares being voted. The special resolutions to approve the non-executive remuneration was passed by the required majority (all above 99% and includes remuneration for the Board Committees).

The Company continues to engage on the Remuneration Report and the Policy with its stakeholders.

Background statement

Remuneration philosophy, strategy and policy

Remuneration philosophy

The Company's guiding philosophy is to employ high-calibre, high-performing employees who subscribe to the values and culture of our Company. We recognise that our employees are integral to the achievement of our corporate objectives and they are accordingly remunerated for their contribution and the value they deliver.

Our Company is committed to fair, responsible and transparent remuneration across the business in respect of all employees on all levels. Both the fixed and variable elements of remuneration aim to support Company performance and value creation in the short-, medium- and long-term, as well as to support the achievement of strategic objectives within the Company's risk appetite.

This Policy is applicable to all employees of the Company.

Our remuneration strategy and policy are reviewed at least annually by the Committee to ensure that they are appropriate and relevant in the support of sustainable business performance and in promoting an ethical culture and responsible corporate citizenship.

Remuneration strategy

Our remuneration strategy is designed to be aligned with our business strategy and the execution thereof to promote positive outcomes. Since we strive to attract, retain, motivate and reward employees for executing our business strategy, their remuneration must clearly be market-related and independent third parties are used by the Committee for the purpose of benchmarking to the appropriate segment. The general principle of our remuneration strategy is to structure executive and employee remuneration to include:

- a guaranteed annual package and benefits;
- an annual variable performance incentive; and
- ownership of shares through the long-term incentive scheme, which is based on performance with the aim of creating a strong alignment to shareholder goals.

The remuneration strategy and policy are communicated to all employees during the year, together with our expectations around their contribution to the success of our organisation.

Remuneration policy

The key principles of the policy are that:

- the policies are governed by the Committee which are reviewed at least annually to ensure that they are relevant and support Company strategy;
- guaranteed remuneration is targeted at the median to 25th percentile of the relevant market against which pay is benchmarked, in order to attract and retain high-calibre and high-performing employees;
- it is Company policy that all employees are members of medical and retirement funds and have Group life and disability cover;
- annual salary adjustments are governed by factors such as the consumer price index (CPI), retention strategies, the producer price index (PPI), industry performance, projected growth, contractual arrangements, affordability, and industry average increase surveys, which will be taken into consideration in setting the recommended increase. The Committee will approve or set the overall increase percentage that will be applied on a Company-wide basis. Salary adjustments are at the discretion of the Board;
- variable pay is an important component of remuneration at Merafe and both annual and long-term performance-based schemes which support our business strategy are in place;
- the short-term incentive scheme performance measures are assessed by the Committee and these measures are determined by taking into account corporate, individual, financial and non-financial criteria. The measures are applicable to the time period to which the scheme relates;
- the long-term incentive scheme measures are based on total shareholder return and growth in headline earnings per share;
- executive remuneration is aligned to shareholder value creation through the long-term incentive scheme;
- where necessary, both short-term and long-term incentive schemes are benchmarked against the appropriate comparator group by the Committee; and
- the over-riding principle governing payments for non-executive directors is that they will be made in the context of good governance and aligned to the relevant market.

Remuneration and Nomination Committee

Responsibility for the reward strategy rests with the Board who in turn appoint the Committee. The Committee comprises at least three members, the majority of whom are independent non-executive directors and is governed by formal terms of reference.

The terms of reference clearly deal with, *inter alia*, matters such as:

- composition of the Committee;
- roles and responsibilities of the Committee;
- delegated authority;
- tenure and rotation of the Committee members;
- reporting requirements and compliance;
- access to information and resources;
- meeting procedures to be followed; and
- arrangements for the evaluation of the Committee's performance.

The primary role of the Committee is to ensure that the Company's directors and senior executives are fairly rewarded for their individual contributions to the Company's overall performance. The Committee also aims to ensure that remuneration is appropriate to attract, retain and motivate the right calibre of directors and senior executives who will strive to achieve the overall goals of the Company. The Committee must demonstrate to all stakeholders that the remuneration of senior executives is set by a committee of Board members who:

- have no personal interest in the outcome of their decisions;
- give due regard to the interest of the shareholders and the financial and commercial health of the Company;
- take cognisance of market-related remuneration, incentive bonuses and share incentive schemes as well as market trends; and
- play an active role in succession planning activities, notably for the CEO and executive management.

See our online Integrated Annual Report for 2023, under Remuneration Report for our remuneration policy which is also attached as Appendix 2 to this report.

The Committee is responsible for making recommendations to the Board on the remuneration policy for directors and, to the extent that it deems necessary, makes comparisons between remuneration packages currently available to the Company's own executive directors and those available to directors of other companies of a similar size in the comparable industry. Comparisons are also made with other companies in South Africa and, if relevant, internationally.

The Committee also takes into account a number of principles, being, *inter alia*:

- industry standards and comparisons with businesses in the same industry;
- expertise and qualifications of individuals;
- the risks associated with companies in the mining sector;
- the importance of the individual to the Company and his/her contribution;
- retention measures and motivation for the executive not to leave the Company;
- restraint of trade provisions; and
- nature of the position (role expectations, workload, etc.).

Remuneration policy

Statement of fair, responsible and transparent remuneration

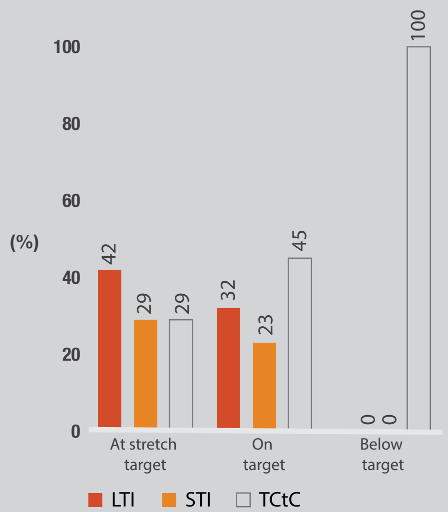
The Board approves a policy that articulates and gives effect to its direction on fair, responsible and transparent remuneration.

The Policy for the remuneration of executive directors and other senior management is set by taking appropriate account of remuneration and employment conditions of the industry, the Venture and the Company's specific circumstances.

Key principles

The Policy is governed by the Committee which regularly reviews the Policy to ensure that it is relevant and supports the Company strategy. To this end, see key principles under remuneration policy on page 51 of this report.

Target reward mix for Chief Executive Officer



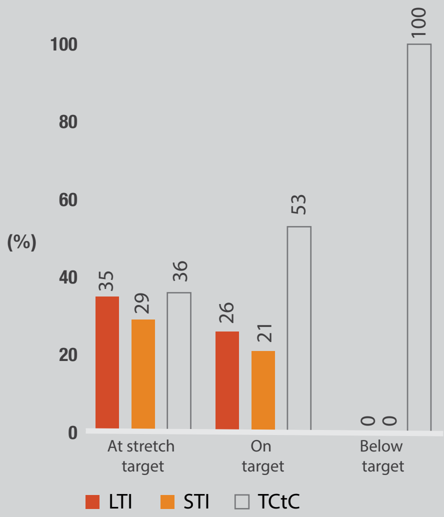
Executive pay mix

Executive pay mix is defined as the balance targeted between the major components of executive remuneration, namely:

- Guaranteed pay – based on Total Guaranteed Cost of Employment (TCtC);
- Variable pay for performance which consists of the following:
  - Short-term incentives (STI) in the form of annual cash incentives; and
  - The expected value from long-term incentives (LTI).

Note: Expected value is defined as the present value of the future reward outcome of an offer, given the targeted future performance of the Company and of its share price. It should not be confused with the term "fair value" which is used when establishing the accounting cost for reflection in a Company's financial statements. Neither should it be confused with the term "face value" which is used to define the current value of the underlying share at the time of an offer.

Target reward mix for Financial Director



The Company's targeted pay mix aims to align the incentives of employees with the interests of shareholders. It is recognised that, through acquisitions and business combinations over time, there will always be some deviation from the targeted pay mix structure across the Company. However, the balance between TCtC, STI and LTI for executive directors is shown for illustrative purposes in the schematic above, at various performance levels.

Guaranteed pay

Merafe aims to establish and maintain an integrated pay line with pay levels that ensure that it is able to remain competitive, while managing costs.

Executive remuneration in respect of guaranteed pay is expressed in terms of TCtC.

An employee's TCtC consists of the following elements:

- basic salary;
- car and other cash allowances and/or perquisites;
- employer contributions to the medical aid;
- employer contributions to the retirement fund; and
- employer contributions to risk benefits.

Salaries are reviewed annually and are targeted at the median to 25th percentile of the relevant market. The Company conducts benchmarking exercises at least every second year against the top management reward surveys conducted by the large consultancies. The benchmark used is the median to 25th percentile of the total guaranteed cost of employment for similar positions in similarly-sized listed companies.

The Committee has regard principally to companies in the South African market, which are of similar size, complexity and scope to the Company. The Committee also takes into account business performance, salary practices prevailing for other employees in the Company and, when setting individual salaries, the individual's performance and experience in the role.

Although salaries are reviewed annually, the Board reserves the right not to grant increases should circumstances so dictate. In addition, benefits offered are also reviewed on an annual basis to ensure that employees' needs are addressed fairly, and that schemes are cost effective, well governed and competitive.

Short-term incentives

Merafe's annual incentives are aimed at rewarding a combination of both business and individual performance in order to support a Company-wide performance culture. The incentive pool is determined as a percentage of net profit after tax and the scheme is therefore self-funding. Financial and non-financial criteria as well as individual performance determine the distribution of the pool to individuals.

Incentive awards are at the discretion of the Board after due consideration of Company and individual performance.

The Committee follows a less mechanistic approach in determining the bonus awards in order to reward outstanding performance more appropriately and to ensure that undue windfalls are mediated.

As indicated above, the incentive scheme performance measures are assessed by the Committee and these measures are determined by taking into account the Company's financial and non-financial criteria as well as individual performance.

All STI awards are based on performance against, *inter alia*, the following measures:

- Company measures: These include but are not limited to profitability, growth of business, cost management, sustainability and safety.
- Individual measures: For the CEO and FD, these are over and above the Company measures and include but are not limited to stakeholder engagement, talent management, leadership and reporting.

Targets are set by the Board on an annual basis as determined by Company strategy, business plan and operating conditions. Targets are set to ensure that performance is measured appropriately in accordance with a five-point rating scale. In addition, the Board will apply appropriate weights to measures in order to focus behaviour and performance, related to the strategic focus for the performance period.

Although measures and targets are determined at the start of the performance period, the Board may revise these measures and targets should prevailing business conditions indicate this to be necessary or in response to any other changes in the operating environment. All such changes, which represent the discretionary aspect of the policy, will be disclosed on an annual basis.

As indicated above, individual performance is primarily assessed from a predetermined criteria of key performance areas or value drivers.

The selection of these is informed by the Company's business plan. These metrics are assessed against a five-point scale as follows:

Rating	Description	Definition
1	Poor	Indicates poor performance. All or most threshold targets not met.
2	Needs improvement	Performance against target is fair, however, performance against key measures is below threshold or target.
3	Satisfactory	Performance on target in respect of most or all measures.
4	Good	Performance exceeds target on most or all measures. Has reached stretched target on a number of key measures.
5	Outstanding/ excellent	Significant outperformance. All stretched targets met or exceeded.

The total STI pool available is capped at 3% of net profit after tax. No incentives are payable where the net profit after tax in any financial year is less than R139 million. These parameters are reviewed by the Board on an annual basis for relevance and appropriateness.

In addition, the percentage for STI is capped for the various categories of employees as set out below:

Position	Maximum % of TCtC
Chief Executive Officer	100
Financial Director	80
Senior management	60
Management	50
Administrative staff	30

The total pool for incentives that become available for distribution will not be exceeded at any time.

STI potential is benchmarked between the median and 75th percentile of the relevant market, which is deemed appropriate when considered along with the guaranteed pay benchmarked at between the median and 25th percentile of the market.

The final incentive calculation is undertaken by aggregating the incentive claims of all participants and comparing this to the pool derived from Company performance.

Long-term incentives

Background

The purpose of the share incentive scheme is to serve as an incentive and reward to employees 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 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.

The share incentive scheme further seeks to align employee interests with those of shareholders and to support a culture of ownership, with a focus on Company performance and sustainable growth.

Long-term incentives, in the form of a share incentive scheme, have been in existence in the Company since 1999. The current share scheme was approved by the Company shareholders on 13 April 2010, under which both share options and share grants may be issued.

Eligibility and participation

All employees of the Company are eligible for share allocations in respect of the share incentive scheme rules, subject to Board approval and the prevailing implementation policy.

Shares to be allocated

Under the rules of the share incentive plan, the following shares may be offered:

- Share options which will be granted at the offer price.
- Share grants being full value shares.

Vesting rules and settlement

Generally, share options vest one-third per year on the third, fourth and fifth anniversaries and are settled by physical delivery of shares against receipt of payment of the option price. The options lapse after seven years if not exercised, while employed within the Group.

Share grants are granted by the Board on the recommendation of the Committee. They vest one-third per year on the third, fourth and fifth anniversaries and are settled by physical delivery of shares. Alternatively, the Company has the right to settle in cash the value of shares granted.

Equity settlement will take the form of repurchasing of shares on the open market for the benefit of the employee whose shares have vested. The Company reserves the right to issue new shares for purposes of settlement.

Participation and termination rules

In the event of an employee leaving the Group for a reason approved by the directors, such as retirement or disability (no fault terminations), all performance shares granted will vest, subject to the application of performance conditions. No pro-rating of shares will apply. All approved terminations will be disclosed on an annual basis.

In the event of the death of an employee, all performance shares allocated will vest with no performance conditions or pro-rating applied.

In the event of either a no-fault termination or an employee's death, the employee or his/her estate has 12 and 24 months respectively to exercise share options granted to that employee. In the event of retirement at the earliest date allowed by the retirement fund, the employee will have one year to exercise their share options allocated.

In the event of voluntary termination (i.e. resignation) or a fault termination (i.e. those who leave as a result of resignation, dismissal or poor performance), any right to any shares and all allocations will lapse immediately upon termination. No further claims may be laid to such lapsed shares, whether full value or shares options.

In the event of a change in contract of employment, e.g. lateral moves or promotions, the participant will remain entitled to previous share allocations, subject to vesting periods, vesting schedules and prevailing performance conditions and criteria as set out during the initial share allocation.

In the event of a reconstruction or takeover, share allocations will vest on a *pro-rata* basis subject to the Committee evaluating the applicable performance conditions and determining the number of shares per participant.

Performance vs retention shares

In 2018, the Committee revised the allocation policy for more share grants to be subject to performance conditions as opposed to retention shares as illustrated below:

Revised LTI allocation policy

	Targeted offer value % of TCtC	Balance performance/ retention
Chief Executive Officer	60	100/0
Financial Director	45	100/0
Senior management	40	100/0
Management	35	100/0
Administration	25	100/0

Since 2018, all share allocations are performance-based. In order to balance back to the reward mix and expected outcomes, the targeted value of the share allocation as a percentage of TCtC was increased as per the table above.

Performance conditions

The performance conditions for all existing performance-oriented share grants will remain in place, but future grants will be governed by two metrics:

(1) comparison of Merafe's Total Shareholder Return (TSR) over a three-year period with that of a selection of JSE-listed, small cap mining and resources companies; and

(2) growth in headline earnings per share (CPI + a specified percentage as determined by the Board) over a three-year period. The two measures will weigh 50/50 or as determined by the Board from time to time. Measures will be applied per performance share allocation and will remain in force for the duration of the performance period. Performance measures and targets are approved for and applicable to a specific performance period. No retesting of performance conditions is allowed.

The Committee will assess performance against target once the applicable performance period is completed and approve the vesting of performance shares to the extent that targets are met.

Performance measure I: Total Shareholder Return
The comparator group for TSR is made up as follows:

TSR comparator group

Company	Ticker
Thungela Resources Limited	TGA
Harmony Gold Mining Limited	HAR
Pan African Resources plc	PAN
Merafe Resources Limited	MRF
Tharisa plc	THA
MC Mining Limited	MCZ
DRDGOLD Limited	DRD
Wesizwe Platinum Limited	WEZ
Hulamin Limited	HLM
ArcelorMittal Limited	ACL
Northam Platinum Holdings Limited	NPH
Salungano Group	SLG

Assuming that a group of 12 (11 + Merafe) companies are adopted as the comparator group of companies, vesting of the performance-based share grants will be in accordance with the following policy:

- 50% of performance shares allocated will be subject to performance against the TSR measure;
- If Merafe's TSR over the three-year period places it in one of the top four positions, then the full number of performance shares granted subject to this measure will vest in equal proportions on the third, fourth and fifth anniversaries of their grant;
- If Merafe's performance over the three-year period places it in fifth position, then two-thirds of the number of performance shares granted will vest in equal proportions on the third, fourth and fifth anniversaries of their grant;
- If Merafe's TSR over the three-year period places it in sixth position, then one-third of the number of performance shares granted will vest in equal proportions on the third, fourth and fifth anniversaries of their grant; and
- If Merafe's TSR over the three-year period places it below sixth position, then none of the performance shares will vest.

The table below provides details of the revised vesting schedule for performance shares subject to the TSR measure:

Revised vesting schedule TSR

Vesting schedule over three years – TSR

Merafe TSR position/ranking relative to peers	Vesting quantity % of allocation*
Position 1–4	100
Position 5	66.6
Position 6	33.3
Position 7 and lower	0

** Vesting over three years in equal portion.*

Performance measure II: Growth in headline earnings per share

Assuming that the performance targets below are set by the Board as illustrated in the table below, vesting of the performance-based share grants will be in accordance with the following policy:

- 50% of performance shares allocated will be subject to performance against the growth in headline earnings per share (HEPS) measure.
- If performance meets or exceeds target, i.e. CPI + 2% over the performance period, 100% of shares will vest.
- If performance is at threshold, i.e. CPI + 1% over the performance period, 50% of shares subject to this measure will vest.
- For performance below threshold, 0% of shares subject to this measure will vest.
- Linear vesting will take place between different performance milestones.

Vesting schedule for growth in HEPS measure

Vesting schedule over three years – growth in HEPS

HEPS target	Vesting quantity % of allocation* proposed
On target CPI + 2%	100%
Threshold CPI + 1%	50%
Below threshold	0%

** Vesting over three years in equal portion.*

LTI offer policy

The following principles will govern the LTI offer policy:

- Share options will only be given at the discretion of the Board as and when circumstances dictate and only to executive management that have direct line of sight in terms of Company performance.
- Full value shares, with performance conditions, will be granted to all employees on an annual basis subject to ongoing satisfactory individual performance, the expected value of which will be in accordance with the Company's reward strategy–pay mix.
- Full value shares may be offered to new appointees as an attraction measure, the value of which will be determined and approved by the Committee, and will be subject to a minimum three-year vesting period.
- Share grants will be in favour of performance-based shares, with all shares granted subject to performance measures over a three-year period.
- Share grants will be offered to employees with only performance-based shares and no retention shares.
- The value of the share grant will be calculated as a percentage of the current TCtC guaranteed package.
- No offer shall be made which together with any other scheme shares would exceed 5% of total issued share capital of the Company.
- The maximum aggregate number of shares granted or options allocated to a single participant shall be limited to 1% of the total issued share capital of the Company.
- Prior to vesting, no participant will qualify to receive any dividends declared.
- The Company will communicate to participants, at least on an annual basis, in terms of shares granted, vesting and/or any changes in rules or conditions of participation.
- All share grants and options will be disclosed over its lifetime in the annual Remuneration Report.

Contracts of employment

Senior and executive management are subject to the Company's standard terms and conditions of employment where notice periods are between three and six months. In line with the recommendations set out in King IV, Company policy prevents any senior or executive manager from being compensated for loss of office.

In the event of a change of control of the Company (as defined in the Companies Act) where the Company no longer requires an executive to fulfil their specific role post the change of control, the Company shall pay to the executive 12 months' remuneration on the last day of the notice period and after completion of handover of duties, for existing executives as at 2019. From 2020 onwards, all newly appointed executives will have their termination payments aligned to their contractual notice period.

Retention measures

The Committee reserves the right to apply retention measures should circumstances indicate. Retention measures may include cash or equity awards and will be appropriately disclosed on an annual basis.

Malus and clawback

Any remuneration previously paid to executive directors, that is subsequently found to have been as a result of criminal or otherwise illegal activities, must be repaid to the Company.

In the event of a restatement of the Company's results (other than a restatement caused by a change in accounting policy, standards or interpretation), which results in lower performance-based remuneration had it been calculated on the restated results, the Committee shall review such performance-based remuneration, determine the amount to be recovered from the executive and take steps to recover the amount.

The Board reserves the right to cancel any share allocation for all or individual participants if during the vesting period there is evidence of serious underperformance or misrepresentation of information, e.g. gross negligence, overstatement of performance, unnecessary risk taking, poor governance or non-compliance.

Non-executive directors' fees

The remuneration of non-executive directors is provided in the context of good governance, and is primarily based upon a methodology which takes into account expertise, contribution by the director and meeting attendance.

Standard duties of non-executive directors include preparation for and attendance at Board meetings, annual general meetings and results presentations. If required, the directors may be requested to perform work outside of their standard duties and for this they will be remunerated based upon the time spent and their level of expertise. Non-executive directors' pay is aimed at aligning with remuneration principles applicable to executive pay.

Independent benchmarks are conducted at least every second year to inform the levels of remuneration for non-executive directors and the intent is to target remuneration between the lower quartile (25th percentile) to the median quartile (50th percentile) of listed companies of similar size (comparator or peer group), in order to ensure that appropriately qualified and experienced directors are appointed.

Non-executive directors' fees are tabled for approval by the shareholders of the Company on an annual basis. The fees paid to non-executive directors for different roles such as chairperson may vary from the fees paid to other non-executive directors. Fees are split between a retainer (60%) and per meeting fee (40%), which is aligned with industry practice.

Non-executive directors do not participate in any share-based incentive scheme or any other incentive scheme that the Company may implement to avoid any potential conflict of interest.

Review

This policy was approved by the Company in March 2023 and will be reviewed annually against current legislation and practice for approval by shareholders during the annual general meeting.

In the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the votes exercised at the annual general meeting, Merafe undertakes to engage with dissenting shareholders to understand their concerns.

Implementation Report for 2023

The implementation of the Policy approved by shareholders at the annual general meeting in May 2023 is set out below:

Executive pay

	2023 R'000	2022 R'000
ZJ Matlala		
Salary	**5 730**	5 573
Bonus	**5 899**	5 231
Fringe benefits	**289**	267
Provident contributions	**851**	761
Share grants vested	**6 169**	1 473
Total	**18 938**	13 305

	2023 R'000	2022 R'000
D Chocho		
Salary	**3 537**	3 369
Bonus	**3 192**	2 550
Fringe benefits	**289**	269
Provident contributions	**399**	389
Share grants vested	**2 642**	462
Total	**10 059**	7 039

Short-term incentives

The executive directors were assessed by the Committee according to the table set out below which was then used as a basis for awarding bonuses for 2023:

Key factors	Key measurement items
Profitability	EBITDA compared to budget and previous year
Growth of business	Grow assets and revenue
Cost management	Effective cost management at Venture's and Merafe level
Sustainability	B-BBEE rating to amended scorecard, corporate social investment, environmental incidents
Safety	Total recordable injury frequency rate, fatalities
Stakeholder engagement	Stakeholder engagement programme including interactions with SARS, partners, shareholders, employees, etc.
Talent management	Succession planning, managing employees, training, mentoring
Reporting	Interim and annual reporting

As per the Policy, the Committee applied a less mechanistic and more holistic approach, which has resulted in the following bonus allocation:

	2023 % allocation of cost to Company	2022 % allocation of cost to Company
Chief Executive Officer	**81**	81
Financial Director	**65**	65

Directors' interests in Merafe Resources Limited

As at 31 December 2023, the directors of the Company are beneficially interested (directly and indirectly) in 3 553 565 (31 December 2022: 3 553 565) 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 0.14% (31 December 2022: 0.14%) 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.

	2023 Number of Shares		2022 Number of Shares	
	Direct	**Indirect**	Direct	Indirect
Z Matlala	**2 945 000**	**–**	2 945 000	–
D Chocho	**608 565**		608 565	
Total	**3 553 565**	**–**	3 553 565	–

No additional directors' interests have been noted post 31 December 2023 until the date of approval of this report, being 15 March 2024.

Long-term incentives – 2023

The award of long-term incentives for 2023 under the Company's share option and grant schemes are set out below:

Cash-settled share-based payment arrangements

The following share grants relating to executive directors were outstanding at 31 December 2023:

Vesting date	Z Matlala: Number of Shares	D Chocho: Number of Shares
1 April 2024	781 971	337 500
1 April 2024	3 904 903	1 685 363
1 April 2024	1 618 480	698 538
1 April 2025	3 904 903	1 685 363
1 April 2025	1 618 480	698 538
1 April 2025	709 641	324 299
1 April 2026	1 618 480	698 538
1 April 2026	709 641	324 299
1 April 2026	1 006 647	460 027
1 April 2027	709 641	324 299
1 April 2027	1 006 647	460 027
1 April 2028	1 006 647	460 027
	18 596 081	**8 156 818**

Performance conditions

The performance conditions are set out on pages 54 and 55 of this report.

Share allocations

Share grant allocations were implemented based on the VWAP of the previous day's trading as follows:

	2023			2022		
	% allocation of cost to Company	**Number of shares**	**Vesting period**	% allocation of cost to Company	Number of shares	Vesting period
Chief Executive Officer	**60**	**3 019 940**	**1 April 2026 1 April 2027 1 April 2028**	60	2 128 923	1 April 2025 1 April 2026 1 April 2027
Financial Director	**45**	**1 380 082**	**1 April 2026 1 April 2027 1 April 2028**	45	972 896	1 April 2025 1 April 2026 1 April 2027

Note: As per the Policy, from 2019, 100% of the grants are subject to performance conditions for the CEO and FD, respectively.

Approved non-executive directors' fees for 2023

The special resolutions to approve the non-executive fees for 2023 at the annual general meeting which were passed by the requisite 75% majority are set out below:

	2023					
	Total fees per annum R	**Retainer 60% R**	**Monthly retainer fees R**	**Retainer per quarter R**	**Fees per attendance 40% R**	**Fees per attendance per meeting R**
Board Chairperson	**735 528**	**441 317**	**36 776**	**110 329**	**294 211**	**73 553**
Board Member	**333 719**	**200 231**	**16 686**	**50 058**	**133 488**	**33 372**
Audit and Risk Committee Chairperson	**240 840**	**144 504**	**12 042**	**36 126**	**96 336**	**24 084**
Audit and Risk Committee Member	**151 025**	**90 615**	**7 551**	**22 654**	**60 410**	**15 103**
Remuneration and Nomination Committee Chairperson	**140 601**	**84 360**	**7 030**	**21 090**	**56 241**	**14 060**
Remuneration and Nomination Committee Member	**85 823**	**51 494**	**4 291**	**12 874**	**34 329**	**8 582**
Social, Ethics and Transformation Committee Chairperson	**130 186**	**78 113**	**6 509**	**19 528**	**52 075**	**13 019**
Social, Ethics and Transformation Committee Member	**85 823**	**51 494**	**4 291**	**12 874**	**34 329**	**8 582**

Non-executive directors' fees paid for 2023

	Directors' fees 2023 R'000	**Total 2023 R'000**	**Retainer 2023 R'000**	**Attendance 2023 R'000**	**Total 2023 R'000**
Mr A Mngomezulu (Chairperson)	**872**	**872**	**553**	**319**	**872**
Ms M Vuso	**517**	**517**	**345**	**172**	**517**
Mr J Mclaughlan	**460**	**460**	**285**	**176**	**460**
Mr K Tlale	**485**	**485**	**291**	**194**	**485**
Ms N Mabusela-Aikhuere	**571**	**571**	**369**	**202**	**571**
Mr D McGluwa*	**394**	**394**	**252**	**142**	**394**
Mr D Green**	**411**	**411**	**252**	**159**	**411**
Total	**3 710**	**3 710**	**2 346**	**1 365**	**3 710**

* *Paid to IDC*
** *Paid to GOSA*

See the online 2023 Integrated Annual Report and the annual financial statements for additional and supporting information.

Non-executive directors' fees proposed for 2024

The 2024 proposed fees, exclusive of VAT, in accordance with the policy are set out below and result in an overall increase of 6.1% from the previous year. This increase and the allocation take into account the previous benchmarking exercise and inflation.

	2024					
	Total fees per annum R	**Retainer 60% R**	**Monthly retainer fees R**	**Retainer per quarter R**	**Fees per attendance 40% R**	**Fees per attendance per meeting R**
Board Chairperson	**860 568**	**516 341**	**43 028**	**129 085**	**344 227**	**86 057**
Board Member	**333 718**	**200 231**	**16 686**	**50 058**	**133 487**	**33 372**
Audit and Risk Committee Chairperson	**244 453**	**146 672**	**12 223**	**36 668**	**97 781**	**24 445**
Audit and Risk Committee Member	**153 290**	**91 974**	**7 665**	**22 994**	**61 316**	**15 329**
Remuneration and Nomination Committee Chairperson	**160 504**	**98 703**	**8 225**	**24 676**	**65 802**	**16 450**
Remuneration and Nomination Committee Member	**100 413**	**60 248**	**5 021**	**15 062**	**40 165**	**10 041**
Social, Ethics and Transformation Committee Chairperson	**152 319**	**91 391**	**7 616**	**22 848**	**60 928**	**15 232**
Social, Ethics and Transformation Committee Member	**100 413**	**60 248**	**5 021**	**15 062**	**40 165**	**10 041**

Areas of focus for 2024

Key activities for the Committee in 2024 will be, *inter alia*, the approval of the remuneration and bonuses for executive directors and senior management.

The Committee will also assess fees to be paid to non-executive directors. Focus will be placed on the key principles of King IV and the Company's commitment to these principles and reviewing the remuneration policy. In addition, the Company will, if required, engage with shareholders to discuss issues of mutual concern.

Compliance statement

The Board and the Committee are committed to maintaining high standards of corporate governance and to support and apply the principles of good governance advocated by the Institute of Directors South Africa (IoDSA) and King IV.

The Board and the Committee are of the view that the objectives stated in the Policy have been achieved for the period under review. The Board and the Committee are also satisfied that they have fulfilled their responsibilities in accordance with their terms of reference with regard to remuneration within the Company.

JEFF MCLAUGHLAN
Chairperson – Remuneration Committee | 15 March 2024

Approach to risk management

The Merafe Board is responsible for our governance of risk and for setting levels of risk tolerance. It has tasked the Audit and Risk Committee with assisting the Board in carrying out its risk responsibilities. The process of risk management has been delegated to management and the Audit and Risk Committee, acting on behalf of the Board, ensures that there is ongoing assessment and monitoring of our risks. The Merafe Executive Committee is accountable to the Board for designing, implementing and monitoring Merafe's risk management processes and senior managers are responsible for effectively managing risks within their respective areas of responsibility.

Merafe's risk management policy and framework (available on our website) describes our risk management philosophy, approach and process and guides the implementation of our risk management process in a uniform manner across the Company.

Certain risks are inherent in a mining business and these need to be managed effectively. The Venture's risk management system allows it to pursue business opportunities and grow shareholder value, while at the same time developing and protecting its people, assets, environment and reputation. Its processes are defined within a risk framework that is well understood across its operations.

Both Merafe and the Venture undertake comprehensive quarterly risk reviews, the results of which are included in their annual business plans and regularly reviewed.

The Board will continue in 2024 to focus on the principal risks set out hereunder and also attempt to identify any further emerging risks in a fast-changing environment.

This summary should be read in conjunction with Material Issues set out on pages 8 and 9 of this report.

Principal risks

Our principal risks, which include risks related to the Venture, are the following:

- The possible negative impact on our earnings of commodity price volatility, currency exchange rate fluctuations and the health of the global economy. Controlling costs is the most effective manner to weather such volatility and the Venture prides itself on being a low-cost producer and cost control is a key management performance measurement.

  The Venture's development of cost-efficient proprietary technology plays a significant part in its cost reduction. We are also engaging with government regarding carbon taxes and electricity costs. The preventative actions the Venture takes to reduce the impact of such volatility, which include managing production levels, scaling down mining and smelting activities during downturns in global demand and maintaining its position as the lowest cost ferrochrome producer in South Africa, are described in the principal risks and uncertainties table.
- Lack of reliable and competitively priced energy supply could impact the Venture's ability to operate. The Venture has an ongoing programme, and is engaged with various governmental departments, to assess and monitor energy-related risks, including scenario analyses. We also manage the risk by implementing energy-efficiency plans and assessing the risks associated with energy supply at the design phase of our projects.
- The Venture operates in a high-risk safety environment, with potential injuries, illnesses and fatalities being inherent to the Venture's operations. As such, the company is subject to extensive health, safety and environmental regulations and legislation as well as community expectations. The Venture has invested heavily in workplace safety training, programmes and initiatives to promote and reward safe behaviour at all of our operations by all of our employees and adopting a zero-tolerance policy to non-adherence of these requirements.

  HIV and Aids and other diseases (such as the current COVID-19 pandemic) remain major healthcare challenges for our industry, and if the Venture's employees suffer from symptoms associated with any of these diseases it could have a negative impact on its production levels and our profitability. The Venture gives these issues priority and significant resources are committed to providing a safe and healthy workplace, keeping our impact on the environment to a minimum and addressing the impact of HIV and Aids and other diseases on our employees and the communities in the vicinity of our operations.
- A possible tailings facility/dam failure as well as any insufficient capacity at any of the facilities represent significant risks to the operations and reputation of the Venture. Our tailings dams are regularly monitored by competent engineers to ensure that any risks of failure are detected promptly to allow corrective measures to be implemented. Capacity monitoring technologies are also employed to ensure that sufficient capacity is available as and when required.
- The Department of Water and Sanitation are planning on the implementation of substantial increases in water tariffs over the next three to ten years with increased requests from governmental institutions for mining houses to invest in water infrastructure to assist in providing a secure water supply. This could increase production costs and limit expansion potential of the Venture's operations. Actions to mitigate this risk are the implementation of contracts undertaken with water providers, as well as the increase of reservoir facilities to ensure constant supply when water is scarce. The Venture has also successfully reduced its water consumption per tonne of product produced.
- A breach in the Venture's Information Technology (IT) system by fraudsters in an attempt to gain confidential information or to sabotage the operation of the company could result in external parties having access to confidential and sensitive information that can be used against the Company. Furthermore, systems could become unavailable or not function correctly. The Venture makes significant investments in IT security measures to minimise the risk of potential breaches wherever possible.
- The socio-political and economic climate in South Africa (especially in light of the COVID-19 pandemic and the current electricity/energy crisis) has seen a significant increase in unemployment in the country. This scenario creates opportunities for increased crime and industrial unrest, causing the risk of the Venture not winning broad support for its activities from local communities.

  Both of these possibilities could result in disruptions affecting our profitability. To reduce these risks, the Venture's stakeholder engagement and responsiveness efforts play a critical role. In addition, Merafe and the Venture invest in social and labour plan commitments, which include local economic development, healthcare and education projects. We also invest in corporate social responsibility initiatives.
- Delays or non-delivery of final product to customers could occur should any breakdowns in the supply chain be experienced. The COVID-19 pandemic and the current electricity/energy crisis has highlighted this uncertainty. Additional storage facilities have been secured at various ports to ensure that stock holdings are available when and as required to meet contractual deliveries.
- Any disruption in the supply of raw materials to the production process could have detrimental consequences on the Venture's ability to operate. Supply contracts are entered into as far as possible to secure delivery and raw material stock holdings have been increased to ensure that enough is available should an industry shortage be experienced.
- A lack of key and skilled employees within the business to support the transformation strategy of the Venture could result in financial loss and reputational damage. The Venture continues to implement management retention strategies and staff training programmes to enhance the transformation of the group. Investors' negative perceptions of the South African mining industry impact on investors' appetite for investment in South African mining stocks. Merafe focuses on maintaining relationships with our existing investors and building new relationships. To achieve this our team regularly makes presentations and has discussions with investors and potential investors. We also keep investors informed through our reporting and our website www.meraferesources.co.za.
- Inability to obtain debt finance due to a downgrading of Merafe's credit status could adversely affect our financial position. To counteract this risk we maintain a strong balance sheet, low gearing, a good reputation and relationship with our bankers and have tangible assets to secure financing.
- Empowerment credentials: In this regard see our commentary in the Material issues section on page 9 of this report and the Chairperson's report on page 43 of this report.

See our online Integrated Annual Report for 2023 for more information on Merafe's and the Venture's risks and stakeholder engagement.

Merafe and the Venture

Merafe relies on the Venture and Glencore to obtain quantitative data with regard to sustainability indicators of the Venture as set out in this report.

Merafe's attributable portion of the data of the Venture reported from page 23 to page 39 is 20.5%.

The Venture, *via* the Glencore Sustainability Database, undergoes a process of internal and independent reviews and processes of their key sustainability indicators.

The sustainability data and information falls under the Sustainability and Human Resources Development departments of both the Venture and Glencore. The information set out in this report is signed off by the Venture and Glencore.

The Venture's sustainability data and information was subjected to various internal and external reviews and processes during 2023.

See our online Integrated Annual Report for 2023 under Sustainability review and assurance for a schedule detailing the Venture's internal and external reviews and audits.

With regard to the above internal and external reviews and processes, the Venture and Glencore have confirmed to the Board of Merafe that there are no material issues arising therefrom which would impact on the reliability, accuracy and completeness of the Venture's information and data set out in this report.

As a result of the internal and external reviews and processes as outlined (together with the signing off of the data by the Venture and Glencore), the Merafe Board is satisfied that the information set out in this report in respect of the Venture's data is reliable, accurate and complete.

The Venture's Mineral Resources and Mineral Reserves Statement to 31 December 2023 is signed off by a Competent Person as defined by The SAMREC Code, a summary of which is on pages 28 to 30 of this report. The full report is on our website www.meraferesources.co.za and attached as Appendix 1 to this report.

The Board follows the materiality determination process as set out on page 9 of this report to determine its material matters.

In respect of the Remuneration Policy of the Company and remuneration of the Company's Board and executives, the Remuneration Committee appoints independent advisors to assist the Committee in ensuring that the policy was in line with best practice and that remuneration was properly benchmarked. For more details in this regard see the Remuneration Report on pages 51 to 58 of this report.

Directors' report for the year ended 31 December 2023

The Directors Report for the year ended 31 December 2023 is set out on pages 9 to 13 of the annual financial statements and an abridged version is set out below.

Nature of business

Merafe was incorporated in South Africa with interests in the ferrochrome and chrome industry. The activities of the Group are undertaken through the Company and its principal subsidiaries and joint arrangements. The Group operates in South Africa. Merafe holds 100% of the issued share capital in Merafe Ferrochrome and Mining Proprietary Limited (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, PGM processing plants in the Western and Eastern limbs of the Bushveld Complex, six chrome ore mines and five UG2 plants, situated in the North West, Limpopo and Mpumalanga Provinces of South Africa. The Venture is one of the largest ferrochrome producers in the world with an installed capacity of 2.3 million tonnes per annum. Merafe Ferrochrome's share of the earnings before interest, taxation, depreciation and amortisation (EBITDA) is 20.5%. Merafe Ferrochrome shares in the revenue, expenses and liabilities at 20.5%. The Venture comprises assets that both GOSA and Merafe Ferrochrome have granted the right of use but own in different proportions. Merafe Ferrochrome through the Venture agreement, has a 20.5% interest in Unicorn Chrome Proprietary Limited (Unicorn Chrome). Listed below are the operations to which Merafe Ferrochrome has granted the right-of-use to the Venture:

Ferrochrome smelters		Chrome mines		UG2 plants and pelletisers		PGM plant	
Asset	**Merafe Ferrochrome's interest**	**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%	2 Impala Kanana UG2 plants	100%	Western PGM plant	20.5%
Boshoek smelter	100%	Kroondal and Wonderkop Mine	50%	3 Lonmin UG2 plants	20.5%	Eastern PGM X plant	50.0%
Lion I smelter	20.5%	Helena Mine	20.5%	Bokamoso pelletising plant	20.5%		
Lion II smelter	20.5%	Magareng Mine	20.5%	Motswedi pelletising plant	100%		
		Marikana	26%	Tswelopele pelletising plant	20.5%		
				Unicorn Chrome	20.5%		

Effective 6 September 2023, Merafe acquired 0% ownership and 20.5% participation rights in the Eastern PGM plant and 50% ownership and 20.5% participation rights in the second PGM X plant located in the eastern chrome mine operations. The new joint operation relates to all PGM-bearing material produced pursuant to Eastern Mining Right included in the Venture.

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.

Revenue was R9 244m (2022: R7 939m) supported by high chrome ore prices and a weaker ZAR:USD exchange rate. Although ferrochrome volumes sold were lower than in 2022, chrome ore volumes sold were much higher. Merafe's portion of the Venture's EBITDA for the year ended 31 December 2023 is R2 358m (2022: R2 228m). The EBITDA includes Merafe's attributable share of standing charges of R346m (2022: R108m) and a foreign exchange gain of R99m (2022: R68m). The Company wrote down inventory by R2m during the year (2022: R1m).

After accounting for corporate costs of R76m (2022: R65m), which include a cash-settled share-based payment expense of R11m (2022: R13m), Merafe achieved EBITDA of R2 545m (2020: R2 141m). Corporate costs also include corporate social investment expenses of R2m (2022: R3m) and a bonus provision of R11m (2022: R12m).

Waterval Mine and Lydenburg smelter are still under care and maintenance. Boshoek Mine, also under care and maintenance, is being sold conditional upon final regulatory approvals. Boshoek Mine continues to be classified as held for sale in terms of IFRS 5.

When we thought that 2022 was the worst load-shedding year to date, 2023 proved beyond doubt that it deserved that honour. In November 2023, Martin Creamer's *Engineering News* reported that "just shy of 16 000 GWh of energy had been shed in 2023, which is double the 8 000 GWh of 2022 and eight times the 2 000 GWh of 2021". The impact on the economy has been dire as evidenced by, South Africa's low growth rate, amongst other things. Once again, although affected by the resultant load curtailments, the Venture has been sufficiently nimble in its approach and used the downtime as efficiently as possible. Downtime, including the period of planned shutdown in winter, was used to attend to plant maintenance. Costs remain a concern for the Venture, and these remain tightly managed by the business. Mainly due to high chrome ore prices, increased reductant costs and a higher fixed costs absorption rate, unit production costs increased by 28% compared to the prior year. Logistics were yet again a challenge, not only for the Venture, but for the country in general. Our team has had to be alert and sharp-witted to ensure that products reach our customers despite these challenges.

Two highlights for the year were the contribution of the Eastern PGM operations to the Venture and the approval of our application for a Negotiated Pricing Agreement (NPA) with Eskom. The contributed PGM operations add to the existing Western operations and increase the scale of the PGM business, thereby further cementing our economies of scope. The NPA, once finalised, will give us pricing certainty for the term of the agreement.

The high chrome ore prices and improvements in operations have led to our investment in Unicorn Chrome rendering its best performance to date. The Venture will continue to work with our co-investors in the ultimate asset to optimise its value.

That the business was able to produce a great set of results despite the challenges is a testament to the resilience of our business and the quality of our management team. Indications are that 2024 will see a slowdown in pricing and a narrowing of margins, thereby putting the Venture under pressure. With the foundation laid, Merafe plans to build and solidify the 2023 gains.

Full details of the financial position and cash flows of the Group and Company are set out in the consolidated and separate annual financial statements.

Loans and borrowings

The Group had a cash balance of R1 656m on 31 December 2023 (2022: R1 269m). Although R200m thereof was used to pay the 2023 interim dividend, the Group's Revolving Credit Facility (RCF) of R300m was unutilised at year-end. Refer to note 27 for the disclosure of the Group's facilities and for covenants associated to these facilities, including the Venture's facilities.

Going concern

As stated above, the Group has a cash balance amounting to R1 656m and no debt at the reporting date and a cash balance of R2 228m and no debt as of 29 February 2024.

The Group benefits from unutilised debt facilities through its 20.5% share of the Venture, which the Board considers sufficient to sustain the business for at least the next 12 months in the event that need arose. The Group's forecasts and projections of its short- to medium-term profitability, taking account of likely changes in production and performance, show that the Group will be able to operate within the level of its cash resources and facilities for at least 12 months from the approval date of the annual financial statements.

The Group generated EBITDA of R2 545m and made a profit after tax of R1 753m in the current year. Merafe Group and the Company maintain healthy cash.

Dividend policy and ordinary cash dividend

The Company has a hybrid dividend policy with features of a stable and 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, amongst other things, 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 earnings prospects, availability of distributable reserves and other factors. Dividends are recognised when they are declared by the Board of the Company.

On 15 March 2024, the Board declared a final dividend of 22 cents (2022: 13 cents) per ordinary share. This follows an interim dividend of 20 cents (2022: 12 cents) per share, thus bringing the total dividend for the year ended 31 December 2023 to 42 cents (2022: 25 cents) per share and amounts to 70% of headline earnings.

Share capital

The full details of the authorised and issued share capital of the Company are set out in note 14 to the annual financial statements. No shares were issued in 2023.

Directorate

Details of transactions with directors and key management are detailed in note 33 of the annual financial statements. The Board composition during the year under review is set out on pages 9 to 13 of the annual financial statements and on pages 41 and 42 of this report. There have been no changes to the directorate for the year under review.

Major shareholders

The following shareholders were the registered holders of 5% or more of the issued ordinary shares in the Company at 31 December 2023:

- Glencore Netherlands B.V. – 28.82%;
- Industrial Development Corporation of South Africa Limited – 21.88%; and
- Ninety One – 6.21%.

The analysis of the ordinary shareholding is given on page 79 of the annual financial statements and page 65 of this report.

Directors' interests in Merafe Resources Limited

Refer to note 34 of the annual financial statements and page 56 of this report for the beneficial interests of directors in shares of the Company as well as note 33 of the annual financial statements for transactions with key management personnel and non-executive directors.

Details of investments in subsidiaries, associates and joint arrangements

Details of material interests in subsidiary companies, associates and joint arrangements are presented in the annual financial statements in notes 5 and 6. The interests of the Group in the profits and losses of its subsidiaries, associates and joint arrangements for the year ended 31 December 2023 are as follows:

	2023 R'000	2022 R'000
Subsidiaries		
Total profits after income tax	**1 769 307**	1 422 541
Associates		
Total share of income from equity accounted investments	**19 083**	3 944
Total	**1 788 390**	1 426 485

Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Group or in the policy regarding their use during the year. During the current year, there was no impairment loss recognised by the Group (2022: R0.24m) against the assets, refer to note 3 and note 37 to the annual financial statements.

Independent external auditor

Deloitte and Touche were re-elected as the Company's independent external auditor on 17 May 2023 in accordance with section 90 of the Companies Act and will again be proposed for re-election in respect of the 2024 financial year at the forthcoming annual general meeting (AGM) of shareholders.

Audit and Risk Committee

The Audit and Risk Committee's report is presented on pages 4 to 7 of the annual financial statements and pages 64 and 65 of this report.

Related party transactions

Details of related party transactions are set out in note 32 to the annual financial statements.

Electricity challenges

Electricity supply and pricing have been concerns for several years now. This is why developments on the NPA front have been welcomed by our business, particularly on the pricing front. While various national stakeholders are exploring ways of addressing the electricity supply challenges, the Venture also continues to explore other sources of power – in particular, green energy. The Venture has made significant progress in this regard and we expect to conclude the first of our green energy projects in the first half of 2024.

Contingent liability

The Group is subject to direct and indirect tax in the South African jurisdiction. The Group's subsidiary undertakes various cross-border transactions within the Venture, subject to the Group's transfer pricing policies. As a result, significant judgment is required in determining the Group's provisions for income taxes. The income tax and annual assessments are subject to examination within prescribed periods by the South African Revenue Service (SARS).

On 31 December 2023, the previously reported transfer pricing matter with SARS was ongoing. The Group has a deadline of 30 April 2024 by which to respond to SARS' letter of audit findings for the 2016 and 2017 years of assessment, which the Group is contesting with SARS. Management still relies on opinions obtained from external legal and tax advisers to inform and support the significant judgement required in interpreting relevant tax legislation. The matter has been disclosed as a contingent liability as its outcome remains uncertain and any potential tax exposure cannot be reliably estimated. Accordingly, the consolidated financial statements have made no adjustment for any effects on the Group.

Events after the reporting period

On 15 March 2024, the Board resolved to declare a final dividend of 22 cents (2022: 13 cents) per share for the 2023 financial year. The total gross cash dividend for the year amounted to 42 cents per share. The dividend will be paid out of income reserves. On 18 January 2024, the Group announced the appointment of Mr Ditshebo Stephen

Phiri as an independent non-executive director of the Board effective 1 February 2024.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report is authorised that may require adjustment or disclosure in these annual financial statements.

Special resolutions

All special resolutions were passed by the shareholders at the 2023 AGM held on 17 May 2023.

The next AGM of the shareholders of the Company will be held (subject to any adjournment or postponement) on Wednesday, 15 May 2024.

Environmental and decommissioning provision

The Group's environmental rehabilitation costs are in accordance with the National Environmental Management Act (NEMA) No. 107 of 1998, and Regulation No. 1147 of 20 November 2015. There are proposed amendments to the 2015 financial provisioning regulations of the same Act, which were gazetted on 27 August 2022. These had not yet come into effect at the reporting date.

Mining rights and mining operations

The directors are satisfied that there are no foreseeable material risks relating to the Resources and Reserves of the Venture and the ability of the Venture to conduct its mining operations. The abridged Mineral Resources and Reserves statement and the detailed Resources and Reserves statement have been signed off by a competent person in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code) 2016 Edition.

CEO's and FD's responsibility statement

Each of the directors, whose names are stated below hereby confirm that:

(a) the annual financial statements set out on pages 17 and 18, fairly present in all material respects the financial position, financial performance and cash flows of Merafe Resources Limited in terms of IFRS;

(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to Merafe Resources Limited and its consolidated subsidiaries have been provided to effectively prepare the annual financial statements of Merafe Resources Limited;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and

(f) we are not aware of any fraud involving directors.

ZANELE MATLALA Chief Executive Officer	**DITABE CHOCHO** Financial Director
15 March 2024	15 March 2024

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

The consolidated and separate financial statements of Merafe Resources Limited were approved by the Board on 15 March 2024 and signed by:

ABIEL MNGOMEZULU Chairperson	**ZANELE MATLALA** Chief Executive Officer
15 March 2024	15 March 2024

The CEO's and FD's responsibility statement as required by paragraph 3.84(k) of the JSE Listings Requirements is set out in full and on page 3 in the annual financial statements which forms part of our online Integrated Annual Report for 2023.

See page 22 of this report for a table on the Venture's plants, technology and mines and page 28 for further information on the reserves and resources of the Venture.

See our online Integrated Annual Report for 2023 for our annual financial statements.

This report by the Audit and Risk Committee (the Committee) in respect of the 2023 financial year is set out in full in the annual financial statements on pages 4 to 7 and an abridged version is set out below.

Introduction

The Committee is pleased to present its report for the financial year ended 31 December 2023. The Committee confirms that it has adopted formal terms of reference as its Audit and Risk Committee Charter (the Charter) and has discharged all of its responsibilities for the current financial year, in compliance with the Charter. The report has been prepared based on the requirements of the Companies Act, King IV Report on Corporate Governance for South Africa, 2016 (King IV Code/King IV), the JSE Listings Requirements and other applicable regulatory requirements. The report provides an overview of the work done by the Committee during the year under review.

Objectives

The overall objectives of the Committee are to ensure that appropriate financial reporting procedures exist and are operating, which include consideration of all entities included in the consolidated and separate IFRS financial statements, to ensure that it has access to all the financial information of Merafe to allow Merafe to effectively prepare and report on the financial position of the Group and Company; assess the adequacy of the internal financial controls and the accounting systems, including the Company's authority framework; oversee a process by which internal audit performs an assessment of the effectiveness of the Company's system of internal control and risk management, including internal financial controls; review the summarised financial statements, interim financial statements and annual financial statements and recommend these to the Board for approval; assess and evaluate the Group's and Company's combined assurance and provide independent oversight of the effectiveness thereof; nominate the external auditor who in the opinion of the Committee is considered independent for appointment, determine and approve external audit fees, set the Company and its subsidiaries (the Group) policy on non-audit services provided by the external auditor and ensure that the appointment complies with legislation; ensure that the appointment of the external auditor is presented and included as a resolution at the forthcoming annual general meeting of Merafe shareholders pursuant to section 61(8) of the Companies Act; monitor compliance with legal requirements and debt covenants; recommend budgets and plans to the Board; consider and recommend to the Board any dividend; conduct periodic reviews and assessments of the business risks the Group faces by considering Merafe's and the Glencore-Merafe Chrome Venture (Venture) risk reports; receive and deal with any concerns from within, outside the Company or on its own initiative in relation to accounting practices, internal audit of the Company or any related matter and ensure that all issues are addressed; make submissions to the Board on any matter concerning the Group's and Company's accounting policies, financial control, records and reporting. This includes a review of key matters requiring judgement such as impairment; review the Company's related party transactions; receive and deal with any concern or complaints from the whistleblowing line, whether from within or outside the company; perform duties that are attributed to it by the Act, the Johannesburg Stock Exchange (JSE) and King IV Code; and consider the JSE's proactive monitoring reports. The objectives of the Committee were adequately met during the year under review.

Composition of the Committee

The Committee consists of three independent non-executive directors, all with the necessary qualifications and experience to execute their responsibilities, with two members forming a quorum. Details of the members, the appointments and attendances is set out on page 5 of the annual financial statements and set out on page 47 of this report.

The Committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act and Regulation 42 of the Companies Regulation, 2011.

In addition, Ms Z Matlala, Mr D Chocho, Mr A Mngomezulu and Deloitte and Touche are also permanent invitees to the meeting. Internal auditors are invitees to all meetings. At the date of this report there have been no changes to the composition of the Committee. Members of the Committee are independent and are nominated annually by the Board for re-election at the annual general meeting. Independence of the long-standing Committee members is assessed annually by the Remuneration and Nomination Committee of the Board. Additionally, every second year, the Committee performs a self-evaluation on their competence and performance *via* a structured checklist. At least once a year, a session is held with the independent external auditor where management is not present as a way to strengthen the independent oversight role of the Committee. The session facilitates an exchange of views and concerns about the scope of the audit.

Meetings held by the Committee

The Committee performs the duties laid upon it by Section 94(7) of the Companies Act by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors. The Committee held four meetings during the year and the quorum was met at all the meetings. Refer to the composition of the Committee for meeting attendance.

2023 overview

The Chief Executive Officer and Financial Director have outlined the controls over financial reporting and presented these to the Committee. The Committee believes that Merafe's internal controls can be relied upon as a reasonable basis for the preparation of the consolidated and separate financial statements. The Committee has considered the key audit matters set out in the independent auditor's report and is satisfied that it is correctly presented. The key audit matters assessed relate to the impairment of the Group's net assets in accordance with the requirements of IAS 36: *Impairment of Assets*. The Committee reviewed the approach to the impairment assessment and the assumptions and sensitivities underlying the model. The Committee is satisfied with the conclusion reached.

The Committee considered work done and progress made by management and their advisors on the SARS' letter of audit findings for the 2016 and 2017 years of assessment. The Committee considered any risks this matter presented and put mitigating measures in place. It also considered the Company's accounting treatment and disclosure of the matter. The Committee considered the contribution of the Eastern PGMs operations to the Venture. The Committee satisfied itself with this transaction's accounting treatment and disclosure in the 2023 results.

The Committee reviewed Merafe's Risk Policy and Framework to ensure continued relevance and assessed performance against the risk appetite statements.

The Committee considered the nature of the operations, risks and internal control environment at the Merafe head office and continued to rely on the internal audit function at the Venture, which provides reports to the Merafe head office on a quarterly basis. The Committee has satisfied itself with the internal audit function at the Venture through the review of their scope of work, quarterly review of their reports and evaluation of their findings and are satisfied that there were no material areas of concern that would render the function ineffective.

The Committee reviewed the 2024 budgets and 2025/6 plans, which were recommended to the Board.

The Committee retained the appointment of an independent internal auditor from an external firm to focus on assignments specific to Merafe head office. The audit scope for 2023, which was risk-based, was considered and agreed upon. The Committee has also satisfied itself with the scope of work relating to and the findings and remediations arising from the internal audit assignments specific to Merafe head office, which were carried out.

The Committee reviewed the independence, effectiveness and overall performance of the internal audit function. The Committee is of the opinion that nothing has come to the attention of the Committee that caused it to believe that the Group's system of internal controls and risk management is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The Committee is satisfied with the effectiveness of the internal audit function.

The Committee also reviewed all legal and regulatory matters that could have a significant impact on the Group and is satisfied with the compliance thereof.

The Committee reviewed the summarised financial statements, interim financial statements and consolidated and separate financial statements and recommended these to the Board for approval.

The Committee is satisfied that it has discharged its duties as set out in its terms of reference for the year under review.

External auditor

The Committee, having considered all relevant matters, satisfied itself through enquiry that auditor independence, objectivity and effectiveness were maintained in 2023. The Committee has satisfied itself that the external auditor and lead partner, Ms Tumellano Lavhengwa, are not included in the JSE's list of disqualified auditors and has considered the external auditor suitability assessment in terms of paragraph 3.84(g)(iii) read with paragraph 3.86 to 3.87 of the JSE Listings Requirements.

The Committee, in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved, considering factors such as the timing of the audit, the extent of the work required and the scope. In line with a documented policy on the nature and extent of non-audit services that the external auditor can provide to the Company, the Committee pre-approves all audit and permitted non-audit services by the external auditor. This is to further ensure the independence of the external auditor is maintained. For the year, these services comprise of income and royalty tax reviews. Deloitte and Touche have served as the Company's external auditor since 4 May 2017. The performance of the external auditor is reviewed by the Committee annually. The Committee also considered and is satisfied with the quality of the audit for the year under review.

JSE proactive monitoring

The Committee is committed to quality financial reporting. Accordingly, the Committee regularly reviews and considers the JSE proactive monitoring reports to ensure that, where applicable, the recommendations are implemented in the preparation of the annual financial statements.

Financial reporting

The review of the consolidated and separate financial statements is also the responsibility of the Committee. The Committee has evaluated the consolidated and separate financial statements of the Company for the year ended 31 December 2023 and based on the information provided to the Committee, considers that they comply, in all material respects, with the requirements of the various statutes and regulations governing disclosure and reporting.

Financial Director and finance function

The Committee reviewed the performance, experience and expertise of the Financial Director, Ditabe Chocho, and continues to be satisfied of his suitability to hold office as the Financial Director in terms of the Listing Requirements. The Committee also considered the appropriateness of the expertise, continued improvement and adequacy of the finance function. The Committee is satisfied that there were no material areas of concern that would render the internal financial controls ineffective.

Consolidated and separate annual financial statements

Having taken all of the above assessments into account, the Committee recommended the approval of the consolidated and separate financial statements for the year ended 31 December 2023 by the Board.

MATSOTSO VUSO CA(SA); CD(SA); RA
Chairperson – Audit and Risk Committee

15 March 2024

Shareholder information as at 31 December 2023:

1. Distribution of shareholders

	Number of shareholders	% of shareholders	Number of shares	% of issued shares
Ordinary shares				
Public shareholders	14 449	99.99	2 495 573 305	99.86
Non-public shareholders	2	0.01	3 553 565	0.14
	14 451	100.00	2 499 126 870	100
Where non-public shareholders consist of:				
Directors and Associates of the Company	2	0.01	3 553 565	0.14

	Number of shareholders	% of shareholders	Number of shares	% of issued shares
Shareholder spread				
1 – 1000 shares	7 526	52.08	1 541 658	0.06
1 001 – 10 000 shares	3 571	24.71	15 476 215	0.63
10 001 – 100 000 shares	2 517	17.42	92 545 443	3.70
100 001 – 1 000 000 shares	700	4.84	199 780 641	7.99
1 000 001 – 10 000 000 shares	137	0.95	2 189 782 913	87.62
Totals	14 451	100	2 499 126 870	100

	Number of shareholders	% of shareholders	Number of shares	% of issued shares
Category				
Banks/Brokers	56	0.39	227 084 821	9.09
Close Corporations	85	0.59	31 372 153	1.26
Endowment Funds	8	0.06	3 187 041	0.13
Government	1	0.01	546 830 100	21.88
Individuals	13 531	93.63	285 826 497	11.44
Insurance Companies	15	0.10	4 669 583	0.19
Medical Schemes	2	0.01	2 025 157	0.08
Mutual Funds	52	0.36	454 011 023	18.17
Other Corporations	76	0.53	1 585 229	0.06
Private Companies	234	1.62	98 791 439	3.95
Private Equity	1	0.01	3 682 280	0.15
Public Companies	4	0.03	4 109 028	0.16
Retirement Funds	83	0.57	81 570 213	3.26
Strategic Investor	1	0.01	720 163 887	28.82
Trusts	302	2.09	34 218 419	1.37
Totals	14 451	100	2 499 126 870	100

2. Major shareholders

The following shareholders have a holding of greater than 5% of the issued shares of the company:

	Number of shares	% of shares held
Glencore Netherlands B.V.	720 163 887	28.82
Industrial Development Corporation of South Africa Limited	546 830 100	21.88
Ninety One	188 176 769	6.21

3. JSE share performance

	2023	2022
Market capitalisation as at 31 December	3 248 864 931	3 298 847 468
Share Price (cents)		
High	145	192
Low	104	108
Closing	130	132
Shares traded		
Volume of shares traded	327 834 705	716 172 359
Value of shares (ZAR)	417 726 619	1 073 308 064
Volume of shares traded as a percentage of weighted average of shares in issue (%)	13	29
Shares in issue as at 31 December	2 499 126 870	2 499 126 870
Distribution of local and foreign beneficial shareholding (%)		
South African	62	63
Foreign	38	37

Shareholders' diary

Meetings

Annual General Meeting for the 2023 financial year will be held on 15 May 2024.

Reports

Interim results for the six months to 30 June 2024 to be released in August 2024.

Annual results for the 12 months to 31 December 2024 to be released and published in March 2025.

NOTICE OF THE ANNUAL GENERAL MEETING

Merafe Resources Limited
(Incorporated in the Republic of South Africa)
(Registration number 1987/003452/06) ISIN: ZAE000060000
JSE and A2X share code: MRF
(hereinafter referred to as **Merafe Resources** or the **Company** or the **Group**)

Notice is hereby given in terms of section 62(1) of the Companies Act, No. 71 of 2008, as amended (**Companies Act**) that the 37th (thirty-seventh) annual general meeting of shareholders of the Company (the annual general meeting) will only be accessible through electronic participation, as permitted in terms of clause 21 of Merafe Resources' memorandum of incorporation (**MOI**) and the Companies Act at 11:00 on Wednesday, 15 May 2024 (**Notice**), subject to any cancellation, postponement or adjournment, for the purpose of transacting the business as outlined in this Notice, and to consider and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions set out below.

Important dates

Record date to receive the Notice:	Friday, 5 April 2024
Last date to trade to be eligible to attend, participate in and vote at the annual general meeting:	Monday, 29 April 2024
Record date to be eligible to attend, participate in and vote at the annual general meeting:	Friday, 3 May 2024
Last date for lodging forms of proxy (by 11:00):	Monday, 13 May 2024*

Accordingly, the date on which a person must be registered as a shareholder in the register of the Company for purposes of being entitled to attend, participate and vote at the annual general meeting is Friday, 3 May 2024.

** For administrative purposes only. If forms of proxy are not received by this date, they must be submitted to the Chairperson of the annual general meeting electronically before the appointed proxy exercises any of the relevant shareholder rights at the annual general meeting.*

Interpretation and definitions

For the avoidance of doubt and to the extent that the terms have not been defined in the Integrated Annual Report for the year ended 31 December 2023 (2023 Integrated Annual Report), reference in this Notice to the following words and expressions:

- "**Companies Act**" means the Companies Act, No. 71 of 2008, as amended;
- "**Group**" means the Company and all its subsidiaries at the date of this Notice;
- "**King IV**" means the King IV Report on Corporate Governance for South Africa, 2016;
- "**Listings Requirements**" means the Listings Requirements of the JSE Limited; and
- "**MOI**" means Memorandum of Incorporation of the Company.

Any words and expressions defined in the Companies Act or the Listings Requirements, as the case may be, which are not defined in this Notice, shall bear the same meanings in this Notice as those ascribed to them in the Companies Act or the Listings Requirements, as the case may be.

Section A: Ordinary Resolutions

For Ordinary Resolutions 1 to 6 (inclusive) to be duly adopted, the support of more than 50% (fifty percent) of the voting rights exercised on each ordinary resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the relevant resolution, must be exercised in favour of such resolution.

1. Ordinary Resolution Number 1: Adoption of annual financial statements

"Resolved that the Group audited annual financial statements, including the reports of the directors, the auditor and the Audit and Risk Committee, for the financial year ended 31 December 2023, be and are hereby considered and accepted."

The summarised form of the financial statements is included in the 2023 Integrated Annual Report. A copy of the complete Group audited annual financial statements for the financial year ended 31 December 2023 can be obtained from www.meraferesources.co.za or on request during normal business hours at the Company's registered address, Building B, 2nd Floor, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2191.

Note to Ordinary Resolution Number 1

In terms of the provisions of section 61(8)(a)(ii) of the Companies Act, a company's annual financial statements must be presented to its shareholders at the first shareholders' meeting after the annual financial statements have been approved by the board of directors of the Company (**Board**).

2. Ordinary Resolution Numbers 2.1 to 2.2: Re-election of retiring directors

Ordinary Resolution 2.1

"Resolved that Mr D Green who, in terms of the MOI, retires by rotation at this annual general meeting and, being eligible, stands and offers himself for re-election, be and is hereby re-elected."

Ordinary Resolution 2.2

"Resolved that Mr D McGluwa who, in terms of the MOI, retires by rotation at this annual general meeting and, being eligible, stands and offers himself for re-election, be and is hereby re-elected."

Retirement of Mr A Mngomezulu

Mr Mngomezulu, who in terms of the MOI, retires by rotation at this annual general meeting, has not offered himself for re-election. He has served on the Board of the Company since September 2010.

Notes to Ordinary Resolution Numbers 2.1 to 2.2

- The reason for Ordinary Resolution numbers 2.1 to 2.2 is that in terms of the provisions of the MOI, one-third of the non-executive directors, or if their number is not a multiple of three, then the number nearest to, but not less than one-third, are required to retire at each annual general meeting and, being eligible, may offer themselves for re-election.

- The Board has evaluated the performance and contribution of the directors standing for re-election and has recommended the re-election of the directors.
- Abridged *curricula vitae* of the directors of the Company standing for re-election are set out on page 42 of the 2023 Integrated Annual Report, of which this Notice forms part.

3. Ordinary Resolution Number 3: Confirmation of appointment of director

"Resolved that the appointment by the Board of Mr DS Phiri as a director of the Company with effect from 1 February 2024 be and is hereby confirmed in accordance with the MOI in order to become permanent."

Notes to Ordinary Resolution Number 3

The reason for the resolution is that in terms of the MOI, shareholders are required to confirm an appointment made by the Board during the year in order for that appointment to become permanent.

An abridged *curriculum vitae* of Mr Phiri is set out on page 42 of the 2023 Integrated Annual Report, of which this Notice forms part.

4. Ordinary Resolution Numbers 4.1 to 4.3: Appointment of members to the Audit and Risk Committee for the forthcoming financial year

"Resolved that the following members, by separate Ordinary Resolutions numbered 4.1 to 4.3 (inclusive), being eligible and offering themselves for election, be and are hereby appointed as members of the Audit and Risk Committee for the financial year ending 31 December 2024:

4.1 Ms M Vuso;

4.2 Mr K Tlale; and

4.3 Ms N Mabusela-Aikhuere."

Notes to Ordinary Resolution Numbers 4.1 to 4.3

- Ordinary Resolutions numbered 4.1 to 4.3 (inclusive) above constitute separate and divisible ordinary resolutions and will be considered by separate vote.
- The reason for Ordinary Resolutions numbered 4.1 to 4.3 (inclusive) is that in terms of the provisions of section 94(2) of the Companies Act, a company shall at every annual general meeting elect an Audit Committee comprising at least three members.
- The Nomination Committee conducted an assessment of the independence and performance, where applicable, of each of the directors proposed to be members of the Audit and Risk Committee and the Board considered and accepted the findings of the Nomination Committee. The Board is also satisfied that the proposed members meet the provisions of section 94(4) of the Companies Act, that they are independent according to King IV (Principle 7; recommended practice 28) and that they possess the required qualifications and experience as prescribed in Regulation 42 of the Companies Regulations, 2011 and therefore recommends their appointment.

Abridged *curricula vitae* of each of the independent non-executive directors proposed to be appointed to the Audit and Risk Committee appear on page 41 of the 2023 Integrated Annual Report, of which this Notice forms part.

5. Ordinary Resolution Number 5: Re-appointment of external auditors of the Company

"Resolved that the re-appointment of Deloitte & Touche as the external registered auditors of the Company, and being independent from the Company, be and is hereby approved and Ms Tumellano Lavhengwa (IRBA No. 389401) be and is hereby re-appointed as the designated audit partner for the financial year ending 31 December 2024."

Notes to Ordinary Resolution Number 5

- The reason for this resolution is that in terms of section 90(1) of the Companies Act, a company is required to appoint an auditor at every annual general meeting.
- The duty to nominate auditors for appointment lies with the Audit and Risk Committee.
- The Audit and Risk Committee conducted an assessment of the performance and independence of the external auditors and considered whether or not the external auditors comply with the provisions of the Companies Act and paragraph 3.84(g)(iii) read with paragraphs 3.87 – 3.90 of the Listings Requirements, and the Board considered and accepted the findings. The Board is satisfied that the proposed external auditors and Ms Tumellano Lavhengwa comply with the relevant provisions of the Companies Act and the Listings Requirements.

6. Ordinary Resolution Number 6: Authority to sign all documents required to give effect to all resolutions in this Notice

"Resolved that any one of the directors of the Company or Company Secretary be and is hereby authorised to do all such things and sign all such documents and procure the doing of all such things and the signature for all such documents as may be necessary or incidental to give effect to all ordinary and special resolutions passed at the annual general meeting."

Section B: Ordinary Resolutions of a non-binding nature

7. Non-binding Advisory vote: Remuneration Policy and Remuneration Implementation Report

For Ordinary Resolutions numbered 7.1 and 7.2 to be duly adopted so that no engagement with dissenting shareholders will be required, the support of more than 75% (seventy-five percent) of the voting rights exercised on each ordinary resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the relevant resolution, must be exercised in favour of such resolution.

Ordinary Resolution Number 7.1: Non-binding advisory vote on Remuneration Policy

"Resolved that the Company's Remuneration Policy be and is hereby endorsed by way of a non-binding advisory vote."

Ordinary Resolution Number 7.2: Non-binding advisory vote on Remuneration Implementation Report

"Resolved that the Company's Remuneration Implementation Report be and is hereby endorsed by way of a non-binding advisory vote."

The Remuneration Policy and Remuneration Implementation Report of the Company are set out on pages 51 to 58 of the 2023 Integrated Annual Report and the Remuneration Policy and Remuneration Implementation Report can be obtained from www.meraferesources.co.za or on request during normal business hours at the Company's registered address, Building B, 2nd Floor, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2191.

Notes to Ordinary Resolution Numbers 7.1 and 7.2

- The Listings Requirements require and Principle 14: sub-practice 37 of King IV recommends that companies table their remuneration policy and implementation report at every annual general meeting for a non-binding advisory vote by shareholders. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation.

- These resolutions are of an advisory non-binding nature only and failure to pass these resolutions will therefore not have any legal consequences relating to existing arrangements. However, the Board will take the outcome of the vote into consideration when considering the Company's Remuneration Policy and Remuneration Implementation Report.
- Shareholders are reminded that in terms of the Listings Requirements and King IV, should 25% (twenty-five percent) or more of the votes cast be against one or both of these non-binding ordinary resolutions, the Company undertakes to engage with shareholders as to the reasons therefore and undertakes to make recommendations based on the feedback received.

Section C: Special Resolutions

For Special Resolutions numbered 1.1 to 1.8, 2 and 3 to be duly adopted, the support of at least 75% (seventy-five percent) of the voting rights exercised on each special resolution must be exercised by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution concerned in favour of such resolution.

8. Special Resolution Numbers 1.1 to 1.8: Approval of non-executive directors' fees

"Resolved that the fees, which will be payable to the non-executive directors for their services to the Board and committees of the Board with effect from 1 January 2024, as set out below, be and are hereby approved by separate Special Resolutions numbered 1.1 to 1.8 (inclusive)."

	Special Resolution Number	2024 Total fees per annum R	Retainer 60% R	Monthly retainer fees R	Retainer per quarter R	Fees per attendance 40% R	Fees per attendance per meeting R
Board Chairperson	1.1	**860 568**	**516 341**	**43 028**	**129 085**	**344 227**	**86 057**
Board Member	1.2	**333 718**	**200 231**	**16 686**	**50 058**	**133 487**	**33 372**
Audit and Risk Committee Chairperson	1.3	**244 453**	**146 672**	**12 223**	**36 668**	**97 781**	**24 445**
Audit and Risk Committee Member	1.4	**153 290**	**91 974**	**7 665**	**22 994**	**61 316**	**15 329**
Remuneration and Nomination Committee Chairperson	1.5	**160 504**	**98 703**	**8 225**	**24 676**	**65 802**	**16 450**
Remuneration and Nomination Committee Member	1.6	**100 413**	**60 248**	**5 021**	**15 062**	**40 165**	**10 041**
Social, Ethics and Transformation Committee Chairperson	1.7	**152 319**	**91 391**	**7 616**	**22 848**	**60 928**	**15 232**
Social, Ethics and Transformation Committee Member	1.8	**100 413**	**60 248**	**5 021**	**15 062**	**40 165**	**10 041**

The 2024 proposed fees in accordance with the Remuneration policy are set out above and would result in an overall increase of 6.1% from the previous year. This increase and the allocation take into account the previous benchmarking exercise and inflation. The above fees are exclusive of value added tax (VAT).

Notes to Special Resolution Numbers 1.1 to 1.8

- Special Resolutions numbered 1.1 to 1.8 (inclusive) above constitute separate and divisible special resolutions and will be considered by separate vote.
- The reason for and the effect of these resolutions is to approve the remuneration payable by the Company to its non-executive directors for their services as non-executive directors of the Company. In terms of the provisions of section 66(8) and section 66(9) of the Companies Act, remuneration may only be paid to the directors for their services as directors in accordance with the MOI and only by a special resolution approved by the shareholders within the previous two years.

The 2023 non-executive fees (exclusive of VAT) are set out in the table below for comparative purposes:

	2023 Total fees per annum R	Retainer 60% R	Monthly retainer fees R	Retainer per quarter R	Fees per attendance 40% R	Fees per attendance per meeting R
Board Chairperson	735 528	441 317	36 776	110 329	294 211	73 553
Board Member	333 719	200 231	16 686	50 058	133 488	33 372
Audit and Risk Committee Chairperson	240 840	144 504	12 042	36 126	96 336	24 084
Audit and Risk Committee Member	151 025	90 615	7 551	22 654	60 410	15 103
Remuneration and Nomination Committee Chairperson	140 601	84 360	7 030	21 090	56 241	14 060
Remuneration and Nomination Committee Member	85 823	51 494	4 291	12 874	34 329	8 582
Social, Ethics and Transformation Committee Chairperson	130 186	78 113	6 509	19 528	52 075	13 019
Social, Ethics and Transformation Committee Member	85 823	51 494	4 291	12 874	34 329	8 582

9. Special Resolution Number 2: Loans or other financial assistance to related or inter-related companies

"Resolved that, subject to compliance with the provisions of the MOI and the Companies Act, each as presently constituted and as amended from time to time, the Board be and is hereby authorised, for a period of two years from the date of the annual general meeting, on such terms and conditions that the Board may determine, to provide any direct or indirect financial assistance (financial assistance will herein have the meaning attributed to such terms in section 45(1) of the Companies Act) to a related or inter-related company or corporation (or to a member of a related or inter-related corporation) or any person related to any of them."

Notes to Special Resolution Number 2

In terms of section 45 of the Companies Act, a company is required to obtain shareholder approval, by way of passing a special resolution for the provision by it of direct or indirect financial assistance to a related or inter-related company or corporation, or any person related to any such company or corporation.

The Company has at all relevant times and prior to the effective date of the Companies Act, being 1 May 2011, provided financial assistance to its subsidiaries and related and inter-related companies. To facilitate the achievement by the Group of its strategic goals, it is necessary that this assistance continues. The main purpose for this authority is therefore to grant the Board the authority to authorise the Company to provide inter-group loans and other financial assistance for purposes of funding the activities of the Group. However, in accordance with the provisions of section 45 of the Companies Act, the Board undertakes that it will not adopt a resolution to authorise such financial assistance, unless the Board is satisfied that:

- immediately after providing any direct or indirect financial assistance approved in terms of this resolution, the Company would satisfy the solvency and liquidity test as contemplated in section 45(3)(b) of the Companies Act;
- the terms under which the financial assistance is proposed to be given are or will be fair and reasonable to the Company; and
- written notice of any such resolution by the Board shall be given to all shareholders of the Company and any trade union representing its employees:
  - within 10 (ten) business days after the Board adopted the resolution, if the total value of the financial assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds 0.1% (zero point one percent) of the Company's net worth at the time of the resolution; or
  - within 30 (thirty) business days after the end of the financial year, in any other case.

10. Special Resolution Number 3: General authority to repurchase Company shares

"Resolved that, the Company, or a subsidiary of the Company, be and is hereby authorised, by way of a general authority, to acquire ordinary shares of 1 cent each (ordinary shares) issued by the Company in terms of the provisions of sections 46 and 48 of the Companies Act and in terms of the Listings Requirements, it being recorded that the Listings Requirements currently require, *inter alia*, that the Company may make a general repurchase of securities only if:

- any such repurchase of ordinary shares is effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- authorised by the MOI;
- the general authority shall be valid until the next annual general meeting of the Company, provided that it shall not extend beyond 15 months from the date of this Special Resolution Number 3;
- when the Company has cumulatively repurchased 3% (three percent) of the number of ordinary shares in issue on the date of passing of Special Resolution Number 3, and for each 3% (three percent) thereof, in aggregate acquired thereafter, an announcement is published as soon as possible, in terms of the Listings Requirements;
- at any one time, only one agent is appointed to effect any repurchase on the Company's behalf;
- the Company or its subsidiary will not repurchase securities during a prohibited period as defined in terms of the Listings Requirements unless the Company has a repurchase programme in place where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and have been submitted to the JSE in writing prior to the commencement of the prohibited period;
- the Company will instruct only one independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE in writing and including the details required in terms of paragraph 5.72(h) of the Listings Requirements;
- any general repurchase by the Company of its own ordinary shares shall not, in aggregate, in any one financial year exceed 10% (ten percent) of the Company's issued ordinary shares as at the date of passing of this Special Resolution Number 3;
- in determining the price at which the ordinary shares are repurchased by the Company or its subsidiary in terms of this general authority, the maximum price at which such shares may be repurchased will not be greater than 10% (ten percent) above the weighted average of the market value for such ordinary shares for the 5 (five) business days immediately preceding the date of repurchase of such shares;
- in the case of acquisitions by a subsidiary of the Company, such acquisitions, together with shares held by all subsidiaries of the Company, shall be limited to an aggregate maximum of 10% (10 percent) of the Company's issued share capital; and
- the directors of the Company have passed a resolution that they have authorised the repurchase, that the Company and its subsidiaries have passed the solvency and liquidity test and since the test was performed, there have been no material changes to the financial position of the Group."

Further information pertinent to Special Resolution Number 3

The directors of the Company, after considering the effect of the maximum repurchase, confirm that no repurchase will be implemented in terms of this authority unless:

- the Company and the Group will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the date of the Notice;
- the consolidated assets of the Company and the Group, fairly valued in accordance with the accounting policies used in the latest audited annual Group financial statements, will exceed its consolidated liabilities for a period of 12 months after the date of the Notice;

- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the Notice;
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the Notice; and
- the directors of the Company have passed a resolution that they have authorised the repurchase, that the Company and its subsidiaries have passed the solvency and liquidity test and since the test was performed, there have been no material changes to the financial position of the Group.

In terms of paragraph 11.26(c) of the Listings Requirements, the directors of the Company hereby state that the intention of the Company and its subsidiaries is to utilise the general authority to repurchase Company shares, if at some future date the cash resources of the Company are in excess of its requirements.

The Listings Requirements require the following disclosures with respect to general repurchases, some of which appear elsewhere in the 2023 Integrated Annual Report:

- Major shareholders – pages 62 and 66 of the 2023 Integrated Annual Report
- Share capital of the Company – page 66 of the 2023 Integrated Annual Report and note 14 of the 2023 Group audited annual financial statements

Directors' responsibility statement

The directors, whose names are given on pages 41 and 42 of the 2023 Integrated Annual Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to Special Resolution Number 3 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the aforementioned resolution contains all information required by law and the Listings Requirements.

No material changes to report

Other than the facts and developments reported on in the 2023 Integrated Annual Report, there are no material changes in the financial or trading position of the Company and its subsidiaries that have occurred subsequent to the 31 December 2023 year end until the date of this Notice.

Reason and effect

The reason for and effect of Special Resolution Number 3 is to authorise the Company and/or its subsidiaries by way of a general authority to acquire the Company's issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the Company subject to the limitations set out above and in compliance with section 48 of the Companies Act.

11. General

To transact such other business that may be transacted at an annual general meeting.

12. Actions required by Merafe Resources' shareholders

12.1 The actions, which shareholders of the Company are required to take in order to follow their rights, to pass and adopt, with or without modification, the ordinary and special resolutions set out in this Notice are as set out below. If you are in any doubt as to the action you should take in relation to this Notice, please contact your stockbroker, Central Securities Depository Participant (**CSDP**), legal advisor, accountant, banker or other professional advisor immediately.

12.2 Record dates

12.2.1 The record date for shareholders to be recorded on the securities register of the Company in order to receive notice of the annual general meeting is Friday, 5 April 2024.

12.2.2 The record date for shareholders to be recorded on the securities register of the Company in order to be able to attend, participate in and vote at the annual general meeting is Friday, 3 May 2024 (**Record Date**).

12.2.3 The last date to trade in the Company's shares in order to be recorded on the securities register of the Company in order to be able to attend, participate in and vote at the annual general meeting is Monday, 29 April 2024.

12.3 Voting and attendance at the annual general meeting

12.3.1 If you are a shareholder on the Record Date, you are entitled to attend, participate in and vote at the annual general meeting or may appoint one or more proxies to attend, participate in and vote thereat instead. A proxy need not be a shareholder of the Company. A form of proxy, in which the relevant instructions for its completion are set out, is enclosed for the use of a certified shareholder or "own-name" registered dematerialised shareholder who wishes to be represented at the annual general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting at the annual general meeting (in preference of that proxy).

12.3.2 Forms of proxy must be lodged with the Company's transfer secretaries or at the Company's registered offices not less than 48 hours before the commencement of the annual general meeting (for administrative purposes only) or submitted to the Chairperson of the annual general meeting electronically, as set out in the Notice, before the appointed proxy exercises any of the relevant shareholder rights at the annual general meeting.

12.3.3 Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own-name" registration, who wish to attend the annual general meeting in person should contact their CSDP or broker to provide them with the necessary Letter of Representation in terms of their custody agreement.

12.3.4 Dematerialised shareholders, other than "own-name" registered dematerialised shareholders, who are unable to attend the annual general meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.

12.3.5 In terms of Schedule 14.10 of the Listings Requirements, equity securities held by a share trust or scheme will not have their votes at general or annual general meetings taken into account for purposes of resolutions passed or to be passed in accordance with the Listings Requirements. Accordingly, votes cast by the Merafe Resources Limited Share Incentive Scheme (such scheme constituted by the document as approved by shareholders on 13 April 2010) will not have its votes taken into account for purposes of the adoption of such resolutions.

12.4 Representation by proxy

In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy is set out below:

12.4.1 A shareholder entitled to attend and vote at the annual general meeting may appoint any individual (or two or more individuals) as a proxy or as proxies to attend, participate in and vote at the annual general meeting in the place of the shareholder. A proxy need not be a shareholder of the Company.

12.4.2 A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the annual general meeting.

12.4.3 A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.

12.4.4 The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.

12.4.5 The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.

12.4.6 If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's existing MOI to be delivered by the Company to the shareholder, must be delivered by the Company to (a) the shareholder; or (b) the proxy or proxies, if the shareholder has:

(i) directed the Company to do so in writing; and

(ii) paid any reasonable fee charged by the Company for doing so.

12.4.7 Attention is also drawn to the Notes to the form of proxy.

12.4.8 The completion of a form of proxy does not preclude any shareholder attending the annual general meeting.

Identification

In terms of section 63(1) of the Companies Act, any person attending or participating in the annual general meeting must present reasonably satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as proxy for a shareholder) has been reasonably verified. A barcoded identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted as a form of identification at the annual general meeting.

Electronic participation

Shareholders who wish to participate in and/or vote electronically at the annual general meeting should contact The Meeting Specialists (**TMS**) on proxy@tmsmeetings.co.za or on +27 11 520 7952/0/1 as soon as possible and by no later than 11:00 on Monday, 13 May 2024. Shareholders may still register to participate in and/or vote electronically at the annual general meeting after this date, provided, however, that those shareholders are fully verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the annual general meeting. Dematerialised shareholders would still need to submit proxies via their CSDP or obtain a letter of representation to attend the meeting. TMS will assist shareholders with all the requirements for electronic participation and is obliged to validate the information of each shareholder's entitlement to participate in and/or vote at the annual general meeting before providing it with the necessary means to access the annual general meeting electronically and/or the electronic voting platform.

Shareholders will be liable for their network charges in relation to electronic participation in and/or voting at the annual general meeting and it will not be for the expense of the JSE Limited (**JSE**), Merafe Resources or TMS. Neither the JSE, Merafe Resources or TMS can be held accountable in the case of loss of network connectivity or network failure due to insufficient airtime/internet connectivity/power outages which would prevent a shareholder from participating in and/or voting at the annual general meeting electronically.

Notwithstanding the availability of the electronic voting platform, shareholders may still submit forms of proxy to TMS (in the case of certificated shareholders and dematerialised shareholders with "own-name" registration) or provide instructions to their appointed CSDP or broker (in the case of dematerialised shareholders without "own-name" registration) by no later than 11:00 on Monday, 13 May 2024 or the time and date stipulated by the CSDP or broker, respectively.

By order of the Board

W SOMERVILLE (on behalf of CorpStat Governance Services)
Company Secretary | 15 March 2024

FORM OF PROXY

Merafe Resources Limited
(Incorporated in the Republic of South Africa)
(Registration number 1987/003452/06) ISIN: ZAE000060000
JSE and A2X share code: MRF (**Merafe Resources** or the **Company**)

Only for use by shareholders who have not dematerialised their shares or shareholders who have dematerialised their shares with "own-name" registration. All other dematerialised shareholders must contact their Central Securities Depository Participant (**CSDP**) or broker to make the relevant arrangements concerning voting and/or attendance at the annual general meeting.

A shareholder is entitled to appoint one or more proxies (none of whom need to be shareholders of Merafe Resources) to attend, speak and vote or abstain from voting in the place of that shareholder at the annual general meeting.

Form of proxy for the thirty-seventh annual general meeting

I/We (name in block letters)
of (address)

(contact number)

(email address)

Being the holder/s of ordinary shares in the Company hereby appoint (see note 1)

1. or failing him/her

2. or failing him/her

3. The Chairperson of the Company, or failing him, the Chairperson of the annual general meeting, as my/our proxy to vote on my/our behalf at the annual general meeting of the Company to be held by electronic communication at 11:00 on Wednesday, 15 May 2024, subject to any cancellation, postponement or adjournment.

We desire to vote as follows (see note 2):

		Number of votes		
Ordinary and Special Resolutions		**For**	**Against**	**Abstain**
1	Ordinary Resolution Number 1: Adoption of annual financial statements			
2	Ordinary Resolution Numbers 2.1 to 2.2: Re-election of retiring directors:			
	2.1 Mr D Green			
	2.2 Mr D McGluwa			
3	Ordinary Resolution Number 3: Confirmation of appointment of Mr DS Phiri			
4	Ordinary Resolution Numbers 4.1 to 4.3: Appointment of members to the Audit and Risk Committee for the forthcoming financial year			
	4.1 Ms M Vuso			
	4.2 Mr K Tlale			
	4.3 Ms N Mabusela-Aikhuere			
5	Ordinary Resolution Number 5: Re-appointment of external auditors of the Company, Deloitte & Touche and appointment of Ms Tumellano Lavhengwa as the designated audit partner			
6	Ordinary Resolution Number 6: Authority to sign all documents required to give effect to all resolutions in the notice of annual general meeting			
7	Ordinary Resolution Numbers 7.1 and 7.2			
	7.1 Remuneration Policy			
	7.2 Remuneration Implementation Report			
8	Special Resolution Numbers 1.1 to 1.8: Approval of non-executive directors' fees			
	1.1 Board Chairperson			
	1.2 Board Member			
	1.3 Audit and Risk Committee Chairperson			
	1.4 Audit and Risk Committee Member			
	1.5 Remuneration and Nomination Committee Chairperson			
	1.6 Remuneration and Nomination Committee Member			
	1.7 Social, Ethics and Transformation Committee Chairperson			
	1.8 Social, Ethics and Transformation Committee Member			
9	Special Resolution Number 2: Loans or other financial assistance to related or inter-related companies			
10	Special Resolution Number 3: General authority to repurchase Company shares			

Signed at on 2024

Please see notes overleaf.

NOTES TO THE FORM OF PROXY

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the Chairperson of the annual general meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the annual general meeting of shareholders will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. Failure to comply will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting of shareholders as he/she deems fit with respect to all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by the proxy.
3. Forms of proxy must be lodged with, posted or faxed to, the transfer secretaries' registered office: JSE Investor Services Proprietary Limited, One Exchange Square, 2 Gwen Lane, Sandown, Sandton, 2196 (PO Box 4844, Johannesburg 2000) or +27 11 713 0800, or the Company's registered offices: Building B, 2nd Floor, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2191 (PO Box 652157, Benmore, 2010), or email info@meraferesources.co.za to be received by no later than 11:00 on Monday, 13 May 2024. If forms of proxy are not received by this date, they must be submitted to the Chairperson of the annual general meeting electronically, as set out in the notice of the annual general meeting, before the appointed proxy exercises any of the relevant shareholder's rights at the annual general meeting.
4. The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative or other legal capacity (such as power of attorney or other written authority) must be attached to this form of proxy unless previously recorded by Merafe Resources.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
7. On a show of hands, every shareholder shall have only one vote, irrespective of the number of shares he/she holds or represents, provided that a proxy shall, irrespective of the number of shareholders he/she represents, have only one vote.
8. On a poll, every shareholder present in person or represented by proxy shall have one vote for every Merafe Resources share held by such shareholder.
9. A resolution put to the vote shall be decided on a poll.
10. In terms of section 58 of the Companies Act:
    - a shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;
    - a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
    - irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
    - any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
    - if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company;
    - a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise;
    - if the instrument appointing a proxy has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a shareholder must be delivered by such company to:
        - the relevant shareholder; or
        - the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so; and

- if a company issues an invitation to its shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of proxy instrument:
    - the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised;
    - the invitation or form of proxy instrument supplied by the company must:
        - bear a reasonably prominent summary of the rights established in section 58 of the Companies Act;
        - contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name and, if desired, an alternative name of a proxy chosen by the shareholder; and
        - provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting;
    - the company must not require that the proxy appointment be made irrevocable; and
    - the proxy appointment remains valid only until the end of the meeting, or any adjournment thereof, at which it was intended to be used.

ADMINISTRATION

Merafe Resources Limited

Company registration number: 1987/003452/06

Business address and registered office

Building B, 2nd Floor
Ballyoaks Office Park
35 Ballyclare Drive
Bryanston
2191
Telephone: +27 11 783 4780
Email: info@meraferesources.co.za
www.meraferesources.co.za

Company Secretary

CorpStat Governance Services Proprietary Limited
Fernridge Office Park
1st Floor
Block 4
Cnr Bram Fisher and Hunter Street
Randburg
2194
Telephone: +27 11 326 0975
Email: w.somerville@mweb.co.za

Auditors

Deloitte and Touche
5 Magwa Crescent
Waterfall City
Gauteng
2090

Attorneys

Bowman Gilfillan Inc.
11 Alice Lane
Sandhurst
Sandton
2196

PO Box 785812
Sandton
2146

Bankers

Absa Bank Limited
Absa Towers West
15 Troye Streeet
Johannesburg
2001

Standard Bank
30 Baker Street
Rosebank
Johannesburg
2196

Transfer secretaries

JSE Investor Services Proprietary Limited
One Exchange Square
2 Gwen Lane
Sandown
Sandton 2196

PO Box 4844
Johannesburg 2000
Telephone: +27 11 713 0800

Sponsor

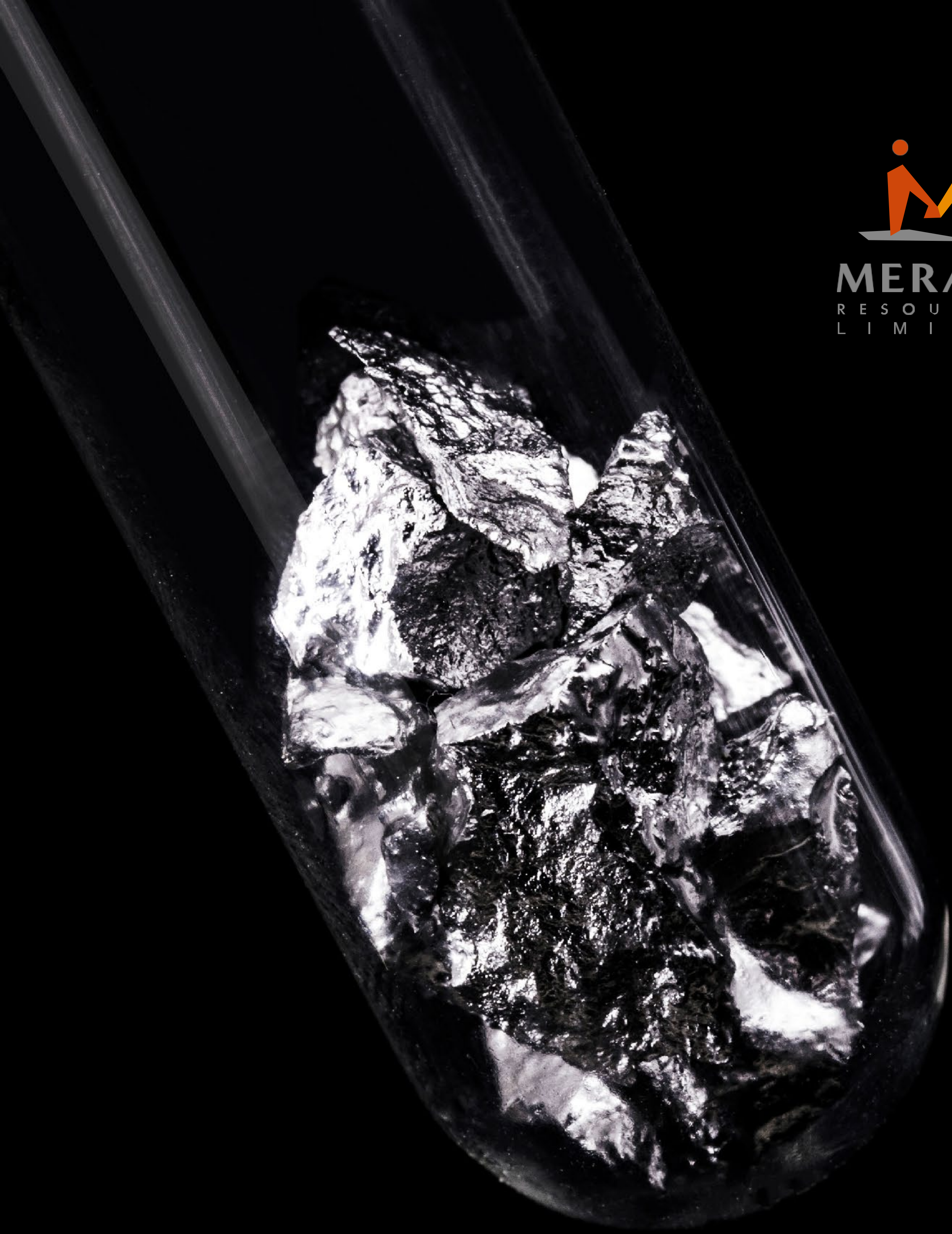
One Capital Sponsor Services Proprietary Limited
17 Fricker Road
Illovo
2196

PO Box 784573
Sandton
2146

Directorate

A Mngomezulu* (Chairperson), D McGluwa, D Green,
N Mabusela-Aikhuere*, M Vuso*, K Tlale*, J Mclaughlan*, S Phiri*,
Z Matlala (Chief Executive Officer), D Chocho (Financial Director)

* Independent



APPENDIX 1 Mineral Resources and Mineral Reserves Statement 31 December 2023

MINERAL RESOURCES AND MINERAL RESERVES STATEMENT

INTRODUCTION

The purpose of this report is to document the Mineral Resources and Mineral Reserves of Merafe Resources Limited (Merafe) which is done in accordance with the requirements of The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code) 2016 Edition and where applicable the relevant provisions of Section 12 of the JSE Listings Requirements and The SAMREC Code and parts of Table 1 requirements. Merafe's operations are part of a pooling and sharing venture (PSV) with Glencore Operations South Africa (Pty) Ltd (hereafter called the Venture). Merafe has a 20.5% participation interest in the Mineral Resources and Mineral Reserves of the Venture. The estimates in this document are as at the 31st December 2023 and reported on a total basis with the attributable beneficial interest percentage disclosed below. The mined-out limits have been surveyed as at the 30th June 2023. To arrive at a Mineral Resources and Mineral Reserves estimate for 31st December 2023, the re-adjusted production for July 2023 to December 2023 has been deducted from the total estimates. The Mineral Resources and Mineral Reserves information in the tables on the following pages is based on information compiled by Competent Persons (as defined by The SAMREC Code). The references in the side column refers to the applicable paragraph of the JSE Listings Requirements, Section 12 (Mineral Companies).

12.13 (i)(2)

12.13 (i)(3)

12.13(i)(4)

STATEMENT BY COMPETENT PERSON

The Mineral Resources and Mineral Reserves statement has been reviewed and the relevant data extracted and compiled by Sulayman Yousuf Vaid (SYV). SYV is the Lead Competent Person, registered with the South African Geomatics Council (SAGC, P.O Box 752799, Garden View, 2047), Reg. No. -GT gMS 0114 and holds a National Diploma in Mine Surveying. SYV is a Mine Surveyor with 30 years' experience in Mine Survey, Mine planning and resource and reserve estimations and is directly linked to the mining industry and currently a full-time employee of Glencore Operations South- Africa. The Company declares that it has written confirmation from the Lead Competent Person that the information disclosed in terms of these paragraphs compliant with The SAMREC Code and, where applicable, the relevant Section 12 and Table 1 requirements and that it may be published in the form and context in which it was intended.

12.13 (i)(5)

12.13 (i)(6)

Sulayman Yousuf Vaid
Glencore Operations South Africa (Pty) Ltd
39 Melrose Blvd, Birnam, Sandton, 2076
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DEFINITIONS

The following definitions have been applied in estimation and categorisation of the Mineral Resources and Mineral Reserves disclosed within this document.

A '**Mineral Resource'** is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

An **Inferred Mineral Resource** is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

An **Indicated Mineral Resource** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation.

A **Measured Mineral Resource** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Mineral Reserve or to a Probable Mineral Reserve.

A **Mineral Reserve** is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

A **Probable Mineral Reserve** is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proved Mineral Reserve.

A **Proved Mineral Reserve** is the economically mineable part of a Measured Mineral Resource. A Proved Mineral Reserve implies a high degree of confidence in the Modifying Factors.

BRIEF DESCRIPTION OF EXPLORATION ACTIVITIES

The Venture's exploration activities aim to increase geological knowledge and confidence in its Mineral Resource base and to comply with legislative requirements. Exploration is done on two fronts; exploration drilling ahead of operations in current mining areas to support the mining activities, and secondly project areas are explored to define and quantify new resources. *12.13 (iii)(1)*

Exploration is carried out on an annual basis, primarily through the drilling of vertical exploration drillholes. Geophysical surveys (mainly airborne magnetic surveys) have been conducted on all major operating mines and projects. The bulk of the exploration drillholes are drilled, as far as possible, on a pre-determined grid whilst further drillholes are drilled to target geological anomalies and to provide geological and geotechnical information to support effective mine planning.

A total of 21 diamond core drillholes were drilled in FY2023 with a total meterage of 8 019m and at a cost of R10.709m. Assay expenditure amounted to R0.154m. The exploration drilling is outsourced to a third party and all assay work is done by a SANAS accredited 3rd party laboratory. Of all the holes drilled no inconsistency was found when compared to the block model and no new geological disturbances or areas of concern were identified. *12.13 (iii)(1)* *12.13 (iii)(1) and (9)*

No feasibility studies were conducted during the reporting period on any of the Venture's mines or projects.

GEOLOGICAL SETTING AND GEOLOGICAL MODEL

The Venture's chrome ore-bodies occur in the Bushveld Complex and its silica deposit occurs in the Magaliesberg Formation of the Transvaal Super Group (Figure 1). Both these geological occurrences are found in South Africa. Chrome ore is mined from both underground (mostly) and opencast workings, whilst silica is mined opencast only. The Venture's operations are indicated below. *12.13 (iii)(2)* *12.13 (iii)(12)*

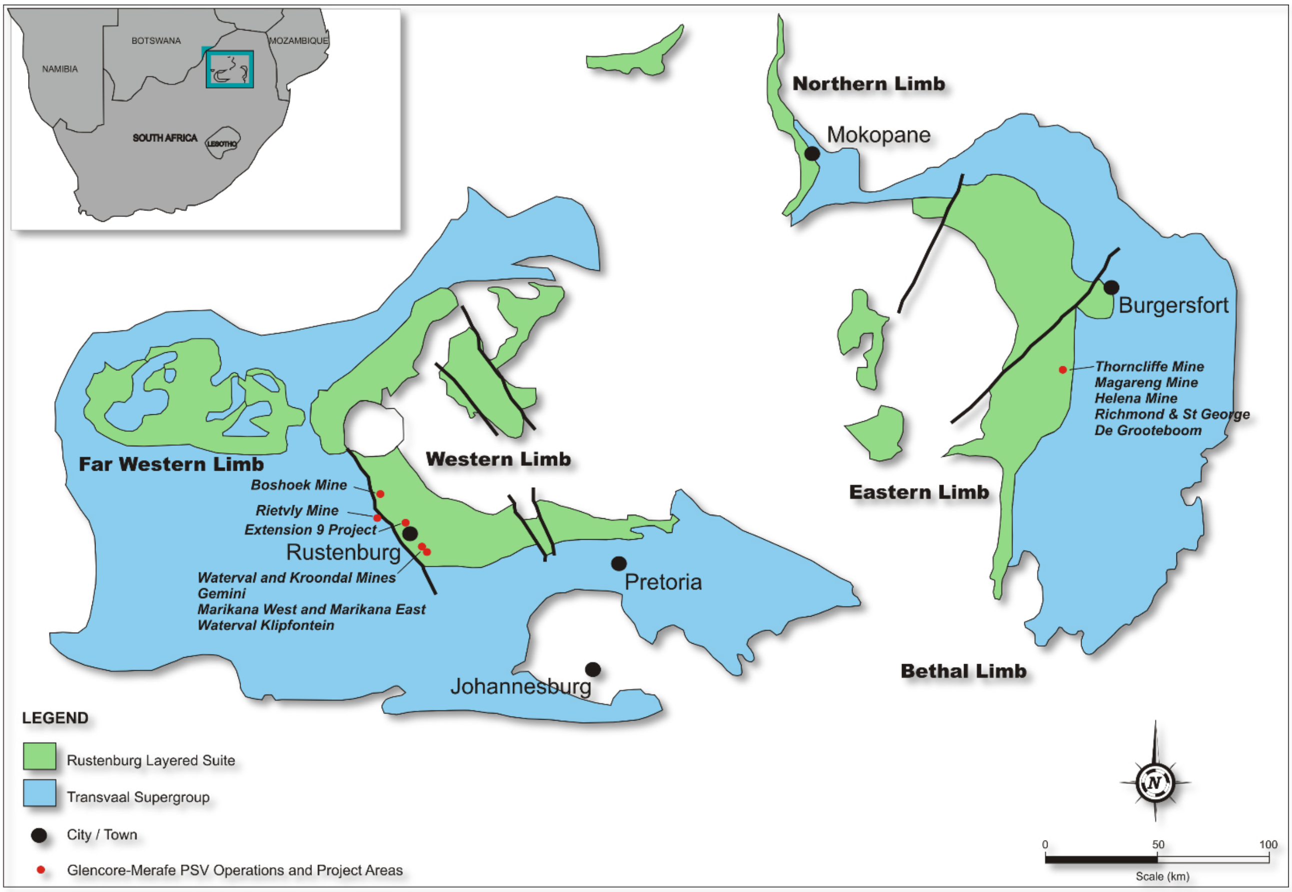


Figure 1: Location of the Venture's Operations

The Bushveld Complex

The 2 billion year old Bushveld Complex ("the Complex") is the world's largest known layered igneous intrusion and covers an area of 65 000km². The Complex is host to the majority of the world's PGM, chromite and vanadium resources.

The Complex is divided into five compartments; the western limb, the eastern limb, the northern limb, the far western limb and the Bethal limb (Figure 1). Merafe has operations on the Eastern - and Western Limbs of the complex. The Bushveld Complex is divided vertically into four suites of rocks; the Rooiberg Group, the Rustenburg Layered Suite, the Rashoop Granophyre Suite and the Lebowa Granite Suite. The mafic Rustenburg Layered Suite hosts the chromite deposits of the complex in the highly continuous chromitite layers of the Critical Zone. The complex reaches a vertical thickness of up to 9 000m. The Critical Zone contains 14 individually recognisable chromitite layers with varying thicknesses and grades.

The primary chromitite layers targeted for chromite extraction are the LG6A and LG6 Chromitite Layers, usually mined as a package, and the MG1 Chromitite Layer. The LG6 Package consists of the lower LG6 Chromitite Layer, which is separated from the LG6A Chromitite Layer by a pyroxenite (waste) middling. The

MG1/2 Chromitite Layers consists of a single chromitite layer, with occasional discontinuous internal waste lenses.

The lithological units comprising the chromitite layers are modelled separately in terms of tonnage and grades for the purposes of mine planning and resource and reserve estimation.

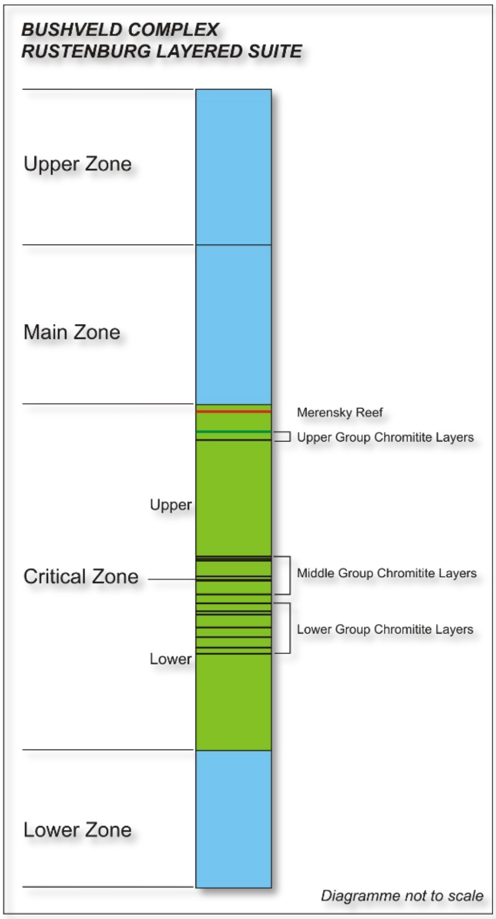


Figure 2: Schematic stratigraphy of the Rustenburg Layered Suite with special reference to the chromitite layers.

Magaliesberg Formation

The Magaliesberg Formation is made up of a package of individual layers of shale, quartzite and hornfels, which form a sub-formation of the Pretoria Group of the Transvaal Supergroup. The quartzite layers of the formation were formed by the deposition of sandstone sediments into the Transvaal Basin around 2.2 billion years ago. The Magaliesberg Formation is a massive sequence of quartzite and minor hornfels lithologies reaching a few hundred meters in thickness. The predominantly quartzite rocks form a prominent topographical ridge (mountain range) around the rim of the Bushveld Complex.

The Rietvly deposit is situated just to the west of Rustenburg town. The ore-body strikes north-south and dip towards the east at dip angles varying between 32^0 and 62^0. Jointing throughout the formation is prominent. The quartzite is very pure, with an average SiO_2 content of over 90%. There are no indications on surface of major geological disturbances. The Rustenburg Fault is developed to the southeast of the mine (just off the mine property).

TYPE OF MINING AND MINING ACTIVITIES

The Venture has chrome mining operations along the Western - and Eastern Limbs of the Bushveld Complex. The operations along the Western Limb of the Bushveld Complex comprise the Waterval - and Kroondal Mines. Kroondal started in the early 80's with production and Waterval started off as a merger of the Purity and Cashan Mines in 1989 with the addition of Waterval West area. The Waterval Mine has been placed on care and maintenance during 2020. The LG6 Package is mined at Kroondal Mine employing a trackless mining method on a Bord-and-Pillar lay-out. Kroondal is targeting a production rate of 146ktpm. *12.13 (iii)(3)*

Boshoek Mine is 20km north-west of Rustenburg. The MG1, LG5 and LG6 Chromitite Layers have been mined in several open pits. The opencastable ore has almost been depleted and the mine has been put on care and maintenance.

Townlands Extension 9 is an exploration project. A Retention Permit has been applied for in November 2017. The DMRE accepted the application and the Venture is awaiting the granting and execution of the retention application. No exploration costs have to be expanded on the project from the date of execution of the application for the subsequent 3 years. Pending the outcome of the application no 3rd party may legally apply for a Prospecting Right over this property.

Thorncliffe -, Magareng - and Helena Mines are situated along the southern portion of the Eastern Limb of the Bushveld Complex. The MG1 plus MG2 Chromitite Layer is being mined underground using trackless mining methods on a Bord-and-Pillar mining lay-out. Thorncliffe Mine started mining in March 1997, building up to a steady state production of 116ktpm ROM (current 3-year budget). Helena Mine started producing in November 2008 and Magareng in October 2010. Both Magareng and Helena Mines are currently producing at a steady state of ~114ktpm of ROM (current 3-year budget). Thorncliffe, Magareng and Helena Mines are situated within the same Mining Right area but are situated on different farm properties. St George and Richmond farm areas are now part of the Eastern Chrome Mines Mining Rights area. The Mineral Resources and Mineral Reserves for the Eastern Mines Complex are reported per farm area.

The Venture's silica deposit lies 15km west of Rustenburg. Rietvly Silica is an opencast mine that started mining in 1979. The quartzite is mined mainly to supply the Venture's furnaces with silica. The budget production rate is 39.45ktpm.

ORE PRODUCTION

The Venture has mined 5.552Mt ROM ore from 1st January 2023 to 31 December 2023 against a budget of 5.849Mt. The main ROM production losses for 2023 were due to conveyor breakdowns, geological conditions, key labor resignations. ROM production for the 2022 financial year was 5.638Mt. *12.13 (iii)(4)*

Saleable chrome concentrate amounted to 3.403Mt against a budget of 3.735Mt. This lower than budget figure is directly linked to the lower than budget ROM production.

The estimates in this statement reflect the Mineral Resources and Mineral Reserves as at the 31st December 2023.

LEGAL ENTITLEMENT

The Venture has the legal entitlement to the minerals being reported on and there are no legal proceedings or other material conditions that may impact on the Venture's ability to continue mining. *12.13 (iii)(5)*

Certain Section 102 and Section 11 applications under the MPRDA (Minerals and Petroleum Resources Development Act) remain in the ordinary administrative process, and the Venture has little reason to believe these will not be granted in due course.

12.13 (iii)(10)

No material risks are known which can negatively impact the Mineral Resources and Mineral Reserves Statement.

DESCRIPTION OF THE METHOD AND ASSUMPTIONS MADE TO ESTIMATE MINERAL RESOURCES AND MINERAL RESERVES

Chrome

Raw geological data is validated through various steps and routines before finally being compiled into a final corporate network based database. The database data is statistically and geostatistically analysed to determine the inherent characteristics and variability of the data. The ore-body characteristics that are analysed are the distribution and variability of the thickness and SG's of the various chromitite layers as well as all the critical grade elements (Cr_2O_3, FeO total and SiO_2). The results of the geostatistical analysis are used as input parameters for the creation of grade and thickness block models covering the entire mining or project areas. The block models form the basis from which the tonnage and grades are reported for the various Mineral Resources and Mineral Reserves blocks and categories. *12.13 (iii)(7)*

The Mineral Resource categories are based on the data point density as well as the structural geology. A data point density of approximately 200m x 200m and less is used for the classification of Measured Mineral Resources. For Indicated Mineral Resources a density of between 200m and 400m is used. Inferred Mineral Resources is classified where the sample point density is wider than 400m x 400m, but within 800m from existing drillhole intersections. Geologically complex areas where high variability is anticipated, are downgraded to reflect the confidence in the geoscientific knowledge and certainty. In certain cases the mining extraction and geological loss rates are increased to reflect the anticipated mining and geological complexities. The geostatistical analysis of the exploration data in all the mines and projects have indicated semi-variogramme ranges varying from 250m to 2 000m for the various reef parameters. Geological structural characteristics are used in addition to support the drilling density. Geologically complex areas are drilled at denser drill spacing's. Other factors that are taken into consideration are regional geology and the proximity of other operating or work-out mines and projects. All the non-mineralised areas, and areas that may not be mined for various legislative or other reasons are excluded from the Mineral Resources, e.g. boundary pillars, crown pillars, large potholes, transgressive geological bodies, fault zones, etc.

The Mineral Reserves are estimated by applying modifying factors to convert the Indicated Mineral Resources to Probable Mineral Reserves and the Measured Mineral Resources to Proved Mineral Reserves. The following modifying factors are used; - an estimated geological loss factor (determined by losses in historically mined-out areas and projected forward), the predetermined mining extraction rate as supplied by the Rock Engineering practitioners, ore losses and ore contamination resulting from mining over break. All Modifying factors are reviewed annually and are adjusted if required.

The Mineral Reserve areas are restricted to the 5-year detailed mine plan footprint, except in some instances of Thorncliffe and Kroondal mining areas. In these cases portions of the Mineral Reserves fall outside the 5 year mining footprint.

The Mineral Resources and Mineral Reserves are reported per Mining Right and/or farm boundary areas and not necessarily per mine as some of the mines straddle more than one Mining Right.

Silica

The silica Mineral Resources are estimated by modelling the quartzite hill that is being mined. The volume of the quartzite hill is determined from the 1340m level (amsl) to the topographical surface as at the end of June every year. During 2023 the mined surface was surveyed on the 30th June 2023. The remaining topographical surface is reconstructed every year by removing the mining depletion. The remaining volume represents the remaining in-situ quartzite resources.

The quartzite is exposed by the opencast mine workings as well as along the original slopes of the hill. The exploration core drillholes, the beneficiation process, the quartzite exposed along the slopes of the hill as well as rock exposures due to mining activities have been used as criteria for classifying the deposit as an Indicated Mineral Resource. The Mineral Reserves have been declared for an opencast mining period of 5 years.

COMPARISON OF MINERAL RESOURCES AND MINERAL RESERVES ESTIMATES WITH THE PREVIOUS YEAR'S ESTIMATES

12.13 (iii)(8)

The annual Mineral Resources and Mineral Reserves estimates are compared with the previous year's statement and reconciled each year after the estimates have been finalised. Changes in the year-on-year tonnage and grade estimates are mainly due to mining depletion and changes in the Mineral Resources and Mineral Reserves tonnages and grades due to additional geological information. In addition, disposed or lapsed rights will also impact total resources and reserves.

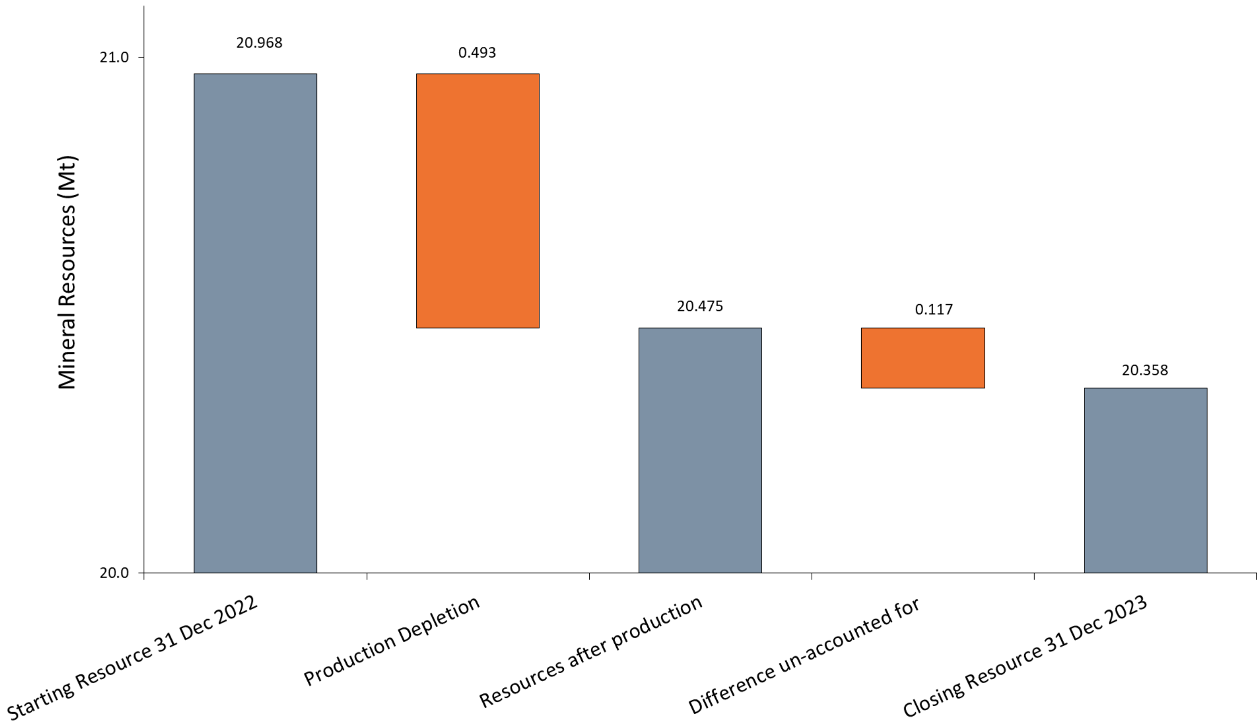
Mineral Resource Reconciliation

The biggest impact to the year-on-year changes in the Mineral Resources tonnages for the Venture is mainly due to mining depletion of 7.235Mt. There is a gain of 2.060 Mt at Thorncliffe and Magareng mainly due to the addition of pillars and a gain at Kroondal Gemini of 0.921 Mt due to the addition of pillars.

The net movement after mining depletion is a gain of 3.282Mt.

The graphs below indicate the year-on-year net Mineral Resource movements.

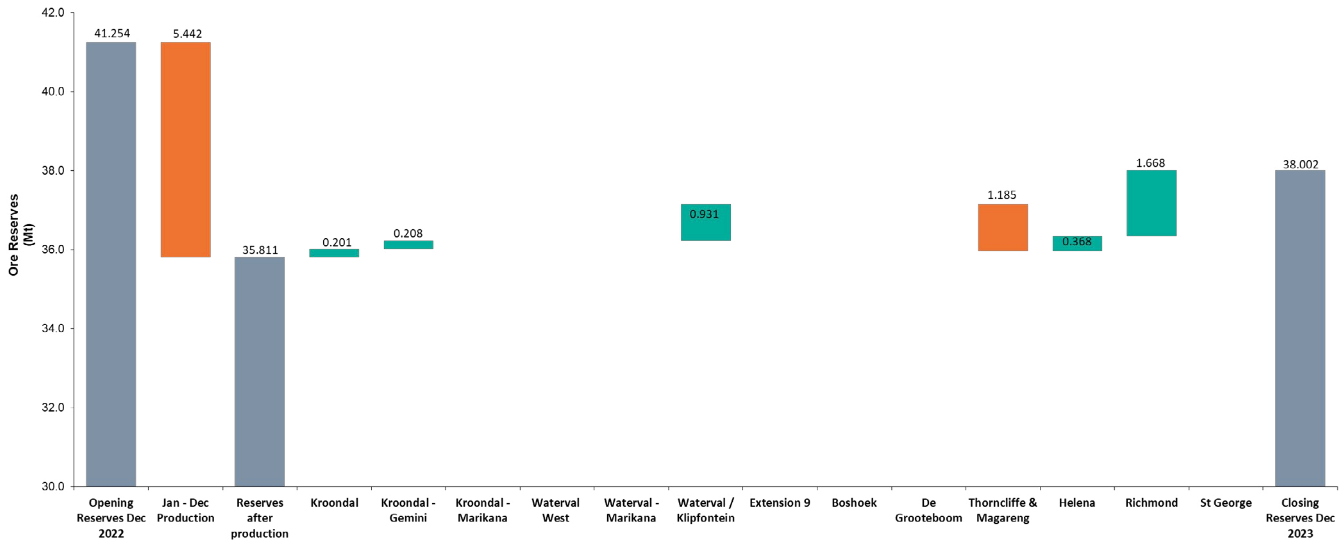
There is no material difference in the silica Mineral Resource estimate from December 2022 to December 2023 and the change is mostly attributed to mining depletion. The graph below shows the year-on-year Mineral Resource movement of Rietvly Silica.



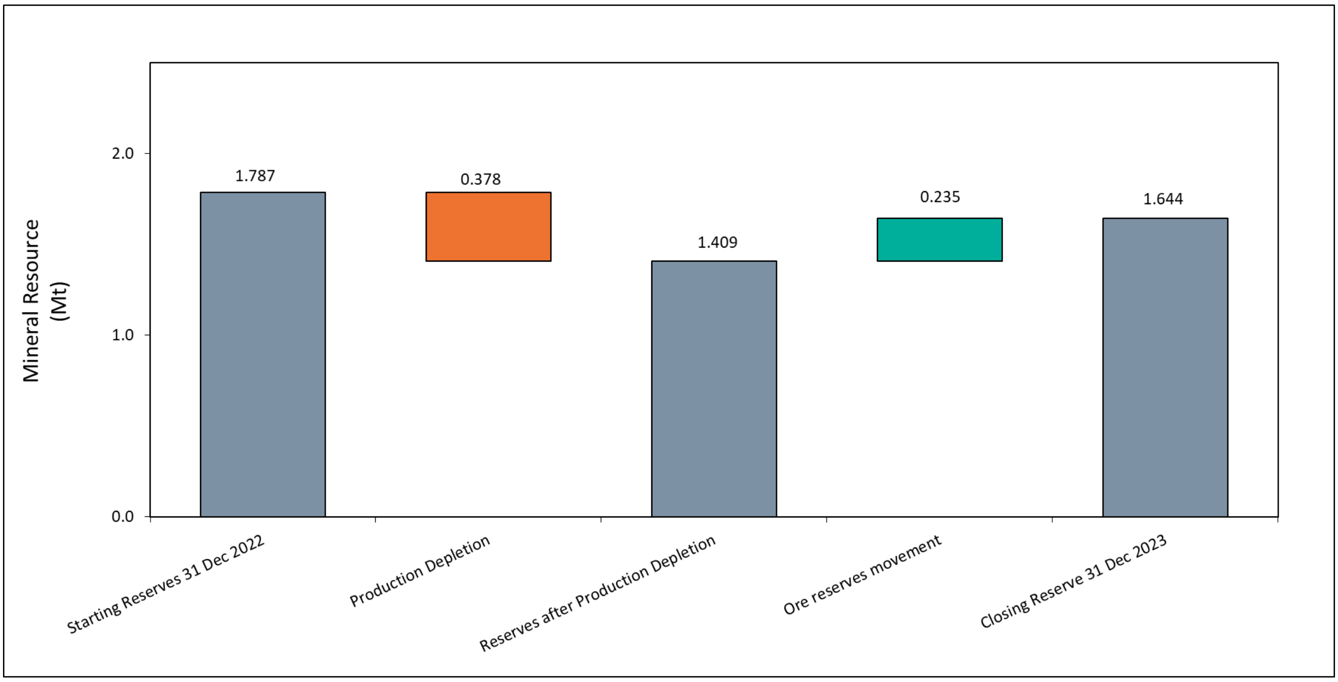
Mineral Reserve Reconciliation

The most significant changes in the year-on-year estimation of the Mineral Reserves is due to the mining depletion of 5.442Mt of ROM. The net change excluding mining depletion is an increase of 2.191Mt. There is a gain at Klipfontein and Richmond mainly due to a change in the 5 year mining plan.

The graphs below indicate the year-on-year Mineral Reserve movements.



The change in the Mineral Reserves for Rietvly is mainly as a result of mining depletion. The graph below shows the year-on-year Mineral Reserve movement for the Rietvly Silica operation. There is a gain of 0.235Mt due to change in the 5-year plan.



AUDITING

An internal audit was conducted on the 2023 resource and reserves estimation process during November 2023. A few minor issues were identified. All these findings have been addressed and corrected for the final estimation report. The internal audit focused mainly on the calculations of the estimation process. *T7.1*

STATEMENT REGARDING INFERRED MINERAL RESOURCES AND FEASIBILITY STUDIES

No feasibility studies were conducted during the reporting period on any of the mines or projects and hence no Inferred Mineral Resources have been included in any feasibility studies. *12.13 (iii)(1)*

No Inferred Mineral Resources have been modified to Mineral Reserves for the stated final Mineral Reserves. The 30-year Life of Mine (LOM) plans which is used internally for financial purposes include Inferred Mineral Resources. *12.13 (iii)(9)*

MATERIAL RISK FACTORS

There are no foreseen material risk factors that could affect the validity of the current Mineral Resources and Mineral Reserves statement. All the legislative requirements have been met with respect to the rights to mining and prospecting for which the Mineral Resources and Mineral Reserves have been reported. All the operating mines are mining under new order, executed, Mining Rights. The Prospecting Rights of all the prospecting areas have been converted to new order Prospecting Rights. *12.13 (iii)(10)*

SUMMARY OF ENVIRONMENTAL FUNDING AND MANAGEMENT

12.13 (iii)(13)

All Venture operations have developed and implemented their own environmental management programs (EMP), and systems which are fully aligned with ISO 14001 and the ICMM principles of sustainable development.

Baseline environmental, biodiversity and landscape function studies are conducted at the feasibility or exploration phase of projects and environmental risk assessments associated with impacts on environment, biodiversity and landscape functions are undertaken for new operations or major changes to existing operations. Information from these studies is used, in consultation with the affected parties and concerned external stakeholders, for the development and implementation of environmental, biodiversity and landscape function management systems and programmes.

All operations report in a centralised database on all the Global Reporting Index (GRI4) requirements, which include energy consumption, water, waste, soil and air emissions. Various audits are conducted across the operations. These range from internal audits to third party external audits which includes legal compliance. The Venture also makes use of specialist reports where necessary.

The Venture sets targets and effectively measures environmental performance against such targets and benchmarks their performance against leading practices in the industry. Such targets and performances are reviewed at regular intervals to ensure continual improvement of environmental performance. The Venture has introduced KPI's on the implementation of water and energy management plans.

All employees are coached and trained regarding the efficient use of natural resources, reducing input material and waste.

All mining operations closure plans and quantified closure cost were originally estimated by an external consultant as per the DMR Quantum Regulations.

Merafe Ferrochrome and Mining (Pty) Ltd 20.5% share of the Venture's provision for rehabilitation is set out in note 16 in the Merafe 2023 Annual Financial Statements on page 51. The Merafe 2023 Annual Financial Statements are available on the Merafe website and/or from the Company Secretary of Merafe.

The Closure and Rehabilitation plans for all operations were updated during 2022 to determine the associated closure cost and required provision for rehabilitation. The updates are conducted on a 3-year cycle by a third-party specialist. However, the financial provisions were adjusted internal in 2023. The adjusted provisions have been audited by an external auditor during 2023.

MINERAL RESOURCES AND MINERAL RESERVES STATEMENT

The reporting date for the Mineral Resources and Mineral Reserves is the 31st December 2023. *12.13 (iii)(6)*

The Mineral Resources and Mineral Reserves are reported as ROM (pre beneficiation plant) on a total basis with the attributable beneficial interests indicated. *12.13 (i)(2)*

Chrome Mineral Resources

				Measured Mineral Resources		Indicated Mineral Resources		Measured and Indicated Resources		Inferred Mineral Resources		
Name of operation	Attributable Portion	Mining method	Commodity	31.12.23	31.12.22	31.12.23	31.12.22	31.12.23	31.12.22	31.12.23	31.12.22	Competent Perso
BUSHVELD COMPLEX - WESTERN LIMB												
WESTERN CHROME MINES - LG6 Chromitite Package												
Waterval	20.50%	UG	Ore (Mt)	16.231	16.231	1.03	1.03	17.257	17.26	0.675	0.7	MM/DR
			Cr_2O_3 (%)	41.31	41.31	42.59	42.6	41.4	41.4	43	43	
Marikana West	20.5%	UG	Ore (Mt)	2.974	2.974	1.69	1.69	4.67	4.67	-	-	MM/DR
			Cr_2O_3 (%)	42.43	42.43	42.60	42.6	42.5	42.5	-	-	
Kroondal	20.5%	UG/OC	Ore (Mt)	9.279	9.104	0.53	0.65	9.810	9.76	-	-	MM/DR
			Cr_2O_3 (%)	42.69	42.72	41.46	41.5	42.6	42.6	-	-	
Kroondal Gemini	20.5%	UG/OC	Ore (Mt)	11.483	12.544	0.73	0.80	12.210	13.35	-	-	MM/DR
			Cr_2O_3 (%)	42.09	42.09	41.03	41.2	42.0	42.0	-	-	
Marikana East	20.5%	UG	Ore (Mt)	4.591	4.593	0.53	0.53	5.117	5.12	-	-	MM/DR
			Cr_2O_3 (%)	42.23	42.24	41.81	41.9	42.2	42.2	-	-	
Klipfontein/Waterval	20.5%	UG	Ore (Mt)	17.017	13.105	27.97	29.90	44.988	43.00	90.818	92.7	MM/DR
			Cr_2O_3 (%)	42.01	42.01	41.98	42.0	42.0	42.0	42	42	
Boshoek	20.5%	OC/UG	Ore (Mt)	-	-	17.09	17.09	17.093	17.09	-	-	MM/DR
			Cr_2O_3 (%)	-	-	40.53	40.5	40.5	40.5	-	-	
Townlands Extension 9	20.5%	UG	Ore (Mt)	-	-	12.94	12.94	12.945	12.94	-	-	MM/DR
			Cr_2O_3 (%)	-	-	41.39	41.4	41.4	41.4	-	-	
Total			**Ore (Mt)** **Cr_2O_3(%)**	61.575 41.98	58.551 41.98	62.51 41.5	64.64 41.5	124.09 41.7	123.19 41.7	91.5 42	93.4 42	
BUSHVELD COMPLEX - EASTERN LIMB												
EASTERN CHROME MINES - MG1 Chromitite Layer												
Thorncliffe	20.5%	UG/OC	Ore (Mt)	37.367	39.329	3.37	3.55	40.734	42.88	-	-	LUN/DR
			Cr_2O_3 (%)	40.39	40.39	40.7	40.7	40.4	40.4	-	-	
Helena	20.5%	UG/OC	Ore (Mt)	21.096	21.312	11.36	11.38	32.455	32.69	8.278	8.3	LUN/DR
			Cr_2O_3 (%)	39.91	39.88	38.6	38.5	39.4	39.4	38	38	
De Grooteboom	20.5%	UG/OC	Ore (Mt)	1.037	1.037	0.50	0.50	1.541	1.54	-	-	LUN/DR
			Cr_2O_3 (%)	40.22	40.22	40.3	40.3	40.2	40.2	-	-	
Richmond	20.5%	UG	Ore (Mt)	7.041	7.461	19.22	17.28	26.263	24.74	24.572	26.5	LUN/DR
			Cr_2O_3 (%)	40.62	40.53	40.8	40.8	40.8	40.7	41	41	
St George	20.5%	UG	Ore (Mt)	0.715	0.716	4.73	4.73	5.440	5.44	13.442	13.4	LUN/DR
			Cr_2O_3 (%)	40.41	40.41	39.4	39.4	39.5	39.5	39	39	
Total - MG1			**Ore (Mt)** **Cr_2O_3(%)**	67.257 40.26	69.855 40.24	39.18 40.0	37.44 39.9	106.43 40.2	107.29 40.1	46.3 40	48.3 40	
EASTERN CHROME MINES - MG2 Chromitite Layer												
Thorncliffe	20.5%	UG/OC	Ore (Mt)	-	-	18.29	17.64	18.288	17.64	32.0	32.5	LUN/DR
			Cr_2O_3 (%)	-	-	35.1	35.1	35.1	35.1	36	36	
Helena	20.5%	UG/OC	Ore (Mt)	-	-	-	-	-	-	49.02	49.2	LUN/DR
			Cr_2O_3 (%)	-	-	-	-	-	-	40	40	
De Grooteboom	20.5%	UG/OC	Ore (Mt)	-	-	-	-	-	-	-	-	LUN/DR
			Cr_2O_3 (%)	-	-	-	-	-	-	-	-	
Richmond	20.5%	UG	Ore (Mt)	-	-	-	-	-	-	31.0	30.96	LUN/DR
			Cr_2O_3 (%)	-	-	-	-	-	-	36	36	
St George	20.5%	UG	Ore (Mt)	-	-	-	-	-	-	17.52	17.52	LUN/DR
			Cr_2O_3 (%)	-	-	-	-	-	-	39	39	
Total - MG2			**Ore (Mt)**	-	-	- 18.3	17.639	- 18.3	17.639	129.5	130.3	
			-	-	-	35	35.10	- 35	35.10	38	38	
Total - MG1 and MG2			**Ore (Mt)**	67.257	69.855	57.46	55.08	124.72	124.93	175.8	178.5	
				40.26	40.24	38.4	38.4	39.4	39.4	38	38	
BUSHVELD COMPLEX - TOTAL												
Total Chrome - East and West			**Chrome Ore (Mt)**	128.832	128.406	119.98	119.72	248.81	248.12	267.3	271.9	
				41.08	41.04	40.0	40.1	40.6	40.6	**40**	**40**	

Chrome Ore Reserves

Name of operation	Attributable Portion	Mining method	Commodity	Proved Ore Reserves 31.12.23	Proved Ore Reserves 31.12.22	Probable Ore Reserves 31.12.23	Probable Ore Reserves 31.12.22	Total Ore Reserves 31.12.23	Total Ore Reserves 31.12.22	Competent Perso
BUSHVELD COMPLEX - WESTERN LIMB										
WESTERN CHROME MINES - LG6 Chromitite Package										
Waterval	20.5%	UG	Ore (Mt)	-	-	-	-	-	-	MM/DR
			Cr_2O_3 (%)	-	-	-	-	-	-	
Marikana West	20.5%	UG	Ore (Mt)	-	-	-	-	-	-	MM/DR
			Cr_2O_3 (%)	-	-	-	-	-	-	
Kroondal	20.5%	UG/OC	Ore (Mt)	2.321	2.078	0.510	0.609	2.83	2.69	MM/DR
			Cr_2O_3 (%)	28.67	29.19	27.9	28.2	28.5	29.0	
Kroondal Gemini	20.5%	UG/OC	Ore (Mt)	5.394	6.632	0.593	0.654	5.99	7.29	MM/DR
			Cr_2O_3 (%)	30.69	30.52	29.7	29.9	30.6	30.5	
Marikana East	20.5%	UG	Ore (Mt)	-	-	-	-	-	-	MM/DR
			Cr_2O_3 (%)	-	-	-	-	-	-	
Klipfontein/Waterval	20.5%	UG	Ore (Mt)	0.244	0.075	0.854	0.092	1.10	0.17	MM/DR
			Cr_2O_3 (%)	28.13	28.21	28.3	28.0	28.2	28.1	
Boshoek	20.5%	UG/OC	Ore (Mt)	-	-	0.58	0.58	0.58	0.58	MM/DR
			Cr_2O_3 (%)	-	-	26.1	26.1	26.1	26.1	
Townlands Extension 9	20.5%	UG	Ore (Mt)	-	-	-	-	-	-	MM/DR
			Cr_2O_3 (%)	-	-	-	-	-	-	
Total			**Ore (Mt)**	7.958	8.786	2.54	1.94	10.50	10.72	
			Cr_2O_3(%)	30.02	30.19	28.0	28.1	29.5	29.8	
BUSHVELD COMPLEX - EASTERN LIMB										
EASTERN CHROME MINES - MG1 Chromitite Layer										
Thorncliffe	20.5%	UG/OC	Ore (Mt)	14.910	17.552	2.37	2.54	17.28	20.09	LUN/DR
			Cr_2O_3 (%)	35.42	34.71	33.8	33.2	35.2	34.5	
Helena	20.5%	UG/OC	Ore (Mt)	1.499	1.506	-	-	1.50	1.51	LUN/DR
			Cr_2O_3 (%)	29.19	32.46	-	-	29.2	32.5	
De Grooteboom	20.5%	UG/OC	Ore (Mt)	-	-	-	-	-	-	LUN/DR
			Cr_2O_3 (%)	-	-	-	-	-	-	
Richmond	20.5%	UG/OC	Ore (Mt)	3.524	3.745	2.943	1.46	6.47	5.20	LUN/DR
			Cr_2O_3 (%)	35.66	35.40	33.3	33.5	34.6	34.9	
St George	20.5%	UG	Ore (Mt)	-	-	-	-	-	-	LUN/DR
			Cr_2O_3 (%)	-	-	-	-	-	-	
Total - MG1			**Ore (Mt)**	19.933	22.803	5.31	4.00	25.25	26.80	
			Cr_2O_3(%)	35.00	34.67	33.5	33.3	34.7	34.5	
EASTERN CHROME MINES - MG2 Chromitite Layer										
Thorncliffe	20.5%	UG/OC	Ore (Mt)	-	-	2.26	3.59	3.59	-	LUN/DR
			Cr_2O_3 (%)	-	-	26.7	26.9	26.9	-	
Helena	20.5%	UG/OC	Ore (Mt)	-	-	-	-	-	-	LUN/DR
			Cr_2O_3 (%)	-	-	-	-	-	-	
De Grooteboom	20.5%	UG/OC	Ore (Mt)	-	-	-	-	-	-	LUN/DR
			Cr_2O_3 (%)	-	-	-	-	-	-	
Richmond	20.5%	UG/OC	Ore (Mt)	-	-	-	-	-	-	LUN/DR
			Cr_2O_3 (%)	-	-	-	-	-	-	
St George	20.5%	UG	Ore (Mt)	-	-	-	-	-	-	LUN/DR
			Cr_2O_3 (%)	-	-	-	-	-	-	
Total - MG2			**Ore (Mt)**	-	-	2.26	3.59	2.26	3.59	-
			Cr_2O_3(%)	-	-	26.7	26.9	26.7	26.9	

Total - MG1 and MG2	**Ore (Mt)**	19.933	22.803	7.57	7.59	27.51	30.39
	Cr_2O_3(%)	35.0	34.7	31.5	30.3	34.5	33.6
BUSHVELD COMPLEX - TOTAL							
Total - Chrome	**Chrome Ore (Mt)**	27.891	31.588	10.11	9.52	38.00	41.11
	Cr_2O_3(%)	33.58	33.43	30.6	29.8	32.8	32.60

BUSHVELD COMPLEX - WESTERN LIMB

WESTERN CHROME MINES - Tailings												
Kroondal Dam	**20.5%**	Tailings	(Mt)	-	-	-	-	-	-	1.96	1.89	MM
			Cr_2O_3(%)	-	-	-	-	-	-	17.3	17.2	
Waterval East Dam	**20.5%**	Tailings	(Mt)	-	-	-	-	-	-	0.05	0.60	MM
			Cr_2O_3(%)	-	-	-	-	-	-	22.3	14.9	
Waterval West Dam	**20.5%**	Tailings	(Mt)	-	-	-	-	-	-			MM
			Cr_2O_3(%)	-	-	-	-	-	-			
Cashan Dam	**20.5%**	Tailings	(Mt)	-	-	-	-	-	-	0.04	0.03	MM
			Cr_2O_3(%)	-	-	-	-	-	-	16.9	16.9	
Subtotal			**Tailings (Mt)**	-	-	-	-	-	-	2.04	2.52	
			Cr_2O_3(%)	-	-	-	-	-	-	17.4	16.7	

BUSHVELD COMPLEX - EASTERN LIMB

EASTERN CHROME MINES - Tailings												
Thorncliffe Dam	**20.5%**	Tailings	(Mt)	-	-	-	-	-	-	5.09	4.88	SYV
			Cr_2O_3(%)	-	-	-	-	-	-	18.8	18.9	
Helena Paste	**20.5%**	Tailings	(Mt)	-	-	-	-	-	-	0.09	0.16	SYV
			Cr_2O_3(%)	-	-	-	-	-	-	17.2	17.2	
Subtotal			**Tailings (Mt)**	-	-	-	-	-	-	5.17	5.04	
			Cr_2O_3(%)	-	-	-	-	-	-	18.8	18.8	

Notes :

Tonnages are quoted as million metric dry tonnes for the chromitite layers.

Grades are quoted as $\%Cr_2O_3$.

The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce Mineral Reserves.

No cut-off grades are applied to the chromitite layers currently being mined. The chromitite layers show exceptional regional grade consistency and continuity.

The Mineral Resources are estimated as chromitite tonnages and grades to reflect the grades of the various individual chromitite layers. Both the LG6 and MG1 Chromitite Layers which the Venture is currently mining, is discrete solid chromitite layers. Along the Western Limb of the Bushveld Complex, the LG6 Chromitite Package is mined on the Waterval and Kroondal properties. The Klipfontein/Waterval property is an extension area for both the Waterval and Kroondal Mines. Thorncliffe, Magareng and Helena Mines, along the Eastern Limb of the Bushveld Complex are mining the MG1 Chromitite Layer.

Changes in the year-on-year Mineral Resource tonnage and grade estimates are mainly due to mining depletion and changes due to additional geological information gained through exploration.

The Mineral Reserves are estimated and declared for a mining footprint of 5 years. Some areas have footprints that extend beyond 5 years. The LOM periods for the operating mines based on all the Mineral Resources (excluding Inferred Mineral Resources) converted to Mineral Reserves vary from 13 years to over 30 years. The Mining Rights expire from 2022 to 2039 for the various operating mines.

Merafe and Glencore have entered into an agreement for the treatment of Current and historical tails at the Western and Eastern operations for extraction of PGM's. PGM values of the historic tails are not available as when deposition occurred no analysis on PGM grades were required the current tailings has been analysed over the last 2-3 years and is averaging a PGM 4E grade of 5.15 g/t in the East and 3.1g/t in the West.

Competent Persons:

SYV – Sulayman Yousuf Vaid, Glencore Operations SA, (Professional Affiliation: SAGC Reg. No. -GT gMS 0114). Highest qualification ND Mine Survey and 30 years of experience. Lead Competent Person responsible for Mineral Resources and Mineral Reserves.

MM – Mogomotsi Maputle, Glencore Operations SA, Western Chrome Mines, (Professional Affiliation: SACNASP – 400071/14). Highest qualification Bsc Hons Geology. 21 years of experience. Responsible for Mineral Resources and Mineral Reserves.

LUN – Lindiwe Unity Nkambule, Glencore Operations SA, Eastern Chrome Mines, (Professional Affiliation: SACNASP – 121635). Highest qualification Bsc Hons Geology. 8 years of experience. Responsible for Mineral Resources and Mineral Reserves.

DR –Dean Richards, Obsidian Consulting Services (Professional Affiliation: SACNASP – 400190/08). Highest qualification Bsc Hons Geology. 33 years of experience. Responsible for geostatistical analysis of data, Mineral Resource classification and construction of tonnage and grade block models and reporting of tonnage and grades from block models.

Chrome Mineral Reserve Statement

Notes:

Tonnages are quoted as million metric dry tonnes for the chromitite layers.

Grades are quoted as %Cr_2O_3

No cut-off grades are applied to the chromitite layers currently being mined due to the exceptional regional grade consistency and continuity. A minimum mining cut of 1.8m is applied to the Mineral Reservse tonnage to accommodate the mechanised mining equipment employed by the underground mining operations. External waste is included to make up the minimum cut where applicable.

The chromitite layers are mined mainly underground using trackless mechanised mining methods on a board-and-pillar mine lay-out design.

Changes in the year-on-year Mineral Reserves tonnage and grade estimates are mainly due to mining depletion and changes due to additional geological information gained through exploration.

Competent Persons:

SYV – Sulayman Yousuf Vaid, Glencore Operations SA, (SAGC Reg. No. -GT gMS 0114). Lead Competent Person responsible for Mineral Resources and Mineral Reserves.

MM – Mogomotsi Maputle, Glencore Operations SA, Western Chrome Mines, (SACNASP – 400071/14). Responsible for Mineral Resources and Mineral Reserves.

LUN – Lindiwe Unity Nkambule, Glencore Operations SA, Eastern Chrome Mines, (SACNASP – 121635). Responsible for Mineral Resources and Mineral Reserves.

DR –Dean Richards, Obsidian Consulting Services (SACNASP – 400190/08). Responsible for geostatistical analysis of data, Mineral Resource classification and construction of tonnage and grade block models and reporting of tonnage and grades from block models.

Silica Mineral Resources

Name of operation	Attributable Portion	Mining method	Commodity	Measured Mineral Resources 31.12.23	Measured Mineral Resources 31.12.22	Indicated Mineral Resources 31.12.23	Indicated Mineral Resources 31.12.22	Measured and Indicated Resources 31.12.23	Measured and Indicated Resources 31.12.22	Inferred Mineral Resources 31.12.23	Inferred Mineral Resources 31.12.22	Competent Person
MAGALIESBERG QUARTZITE FORMATION												
Rietvly Silica Mine - Quartzite												
Rietvly	**20.5%**	OC	Ore (Mt)	-	-	20.97	20.97	20.97	20.97	-	-	MM
			SiO_2 (%)	-	-	90.76	90.76	90.76	90.76	-	-	
Total			**Ore (Mt)**	-	-	-	20.97	20.97	20.97	-	-	
			SiO_2 (%)	-	-	90.76	90.76	90.76	90.76	-	-	
Stockpiles												
Rietvly	**20.5%**		Product (Mt)	0.09	0.10	-	-	-	-	-	-	MM
			SiO_2 (%)	90.76	90.76	-	-	-	-	-	-	
Total			**Product (Mt)**	**0.09**	0.09	0.10	-	-	-	-	-	
			SiO_2 (%)	90.76	90.76	-	-	-	-	-	-	
Grand Total			**Product (Mt)**	0.09	0.10	20.97	20.97	20.97	20.97	-	-	
			SiO_2 (%)	90.76	90.76	90.8	90.8	90.8	90.8	-	-	

Silica Mineral Reserves

Name of operation	Attributable Portion	Mining method	Commodity	Proved Ore Reserves 31.12.23	Proved Ore Reserves 31.12.22	Probable Ore Reserves 31.12.23	Probable Ore Reserves 31.12.22	Total Ore Reserves 31.12.23	Total Ore Reserves 31.12.22	Competent Person
MAGALIESBERG QUARTZITE FORMATION										
Rietvly Silica Mine - Quartzite										
Rietvly	**20.5%**	OC	Ore (Mt)	-	-	1.79	1.79	1.79	1.79	MM
			SiO_2 (%)	-	-	91	91	91	91	
Total			**Ore (Mt)**	-	-	**1.79**	1.79	1.79	1.79	
			SiO_2 (%)	-	-	91	91	91	91	
Stockpile										
Rietvly	**20.5%**		Product (Mt)	-	-	-	-	-	-	MM
			SiO_2 (%)	-	-	-	-	-	-	
Total			**Product (Mt)**	-	-	-	-	-	-	
			SiO_2 (%)	-	-	-	-	-	-	
Total			**Ore (Mt)**	-	-	1.79	1.79	1.79	1.79	
			SiO_2 (%)	**0.00**	**0.00**	90.8	90.8	90.8	90.8	

Notes:

Tonnages are quoted as million metric dry tonnes

Grades are quoted as $\%SiO_2$.

The Rietvly silica ore is mined through opencast mining methods and the ROM (Run-of-Mine) ore is crushed, washed and sized on site to produce a final sized and quality graded product. No silica cut-off grades are applied to the Mineral Resource estimation. The quartzite is mined mainly to supply the Ventures furnaces with silica.

Changes in the year-on-year tonnage and grade estimates are mainly due to mining depletion, reclassification of the Mineral Resource categories and changes in the Mineral Resource tonnages and grades due to additional geological information gained through exploration.

No significant changes have been recorded in the year-on-year Mineral Resource estimation.

The LOM for Rietvly Silica is 5 years based on the declared Mineral Reserves and a production rate of ~39.45ktpm Plant Feed. The Mining Right expires in 2037.

Competent Persons:

SYV – Sulayman Yousuf Vaid, Glencore Operations SA, (SAGC Reg. No. -GT gMS 0114). Lead Competent Person responsible for Mineral Resources and Mineral Reserves.

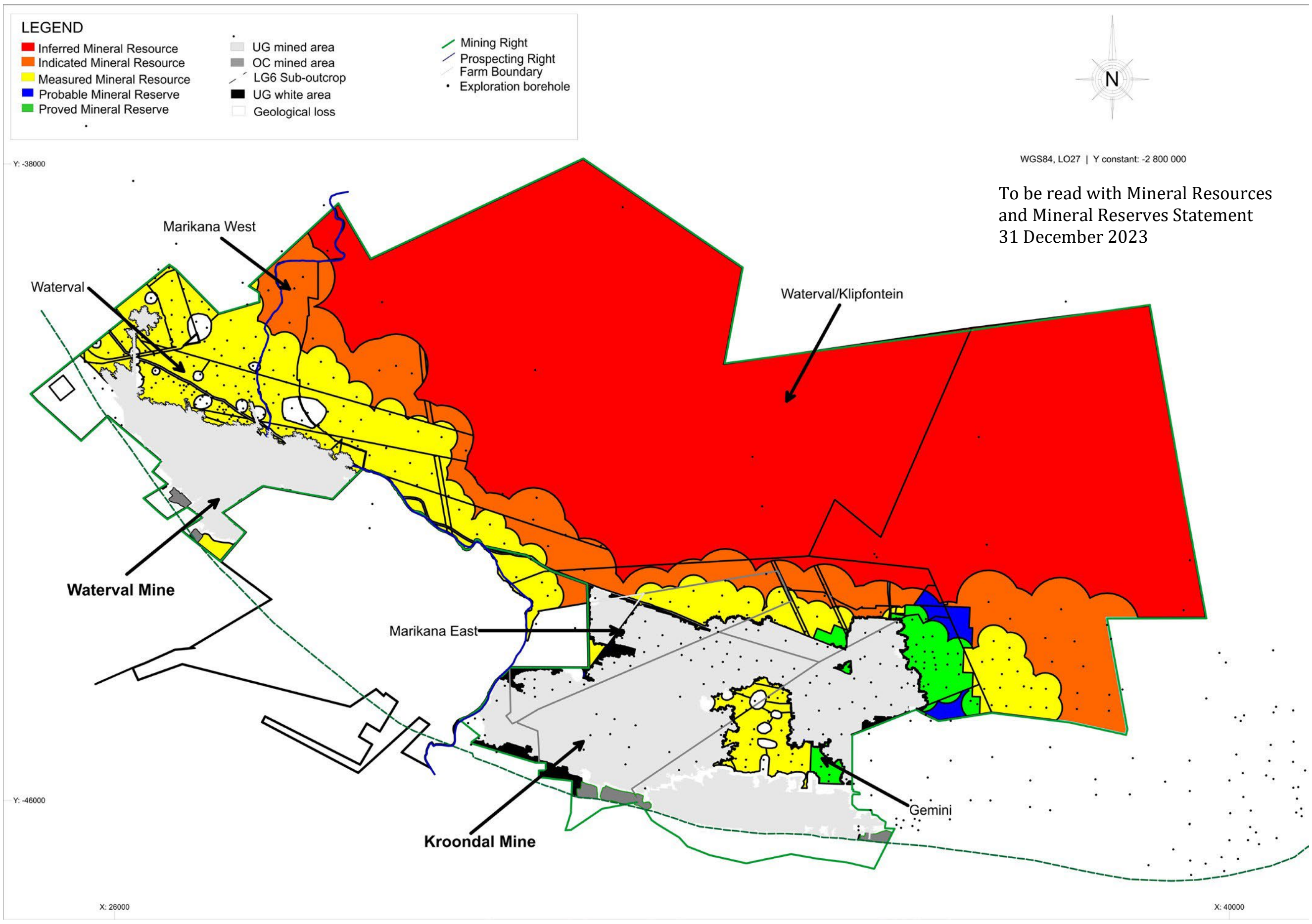
MM – Mogomotsi Maputle, Glencore Operations SA, Western Chrome Mines, (SACNASP – 400071/14). Responsible for Mineral Resources and Mineral Reserves.

MINERAL RESOURCES AND MINERAL RESERVES MAPS

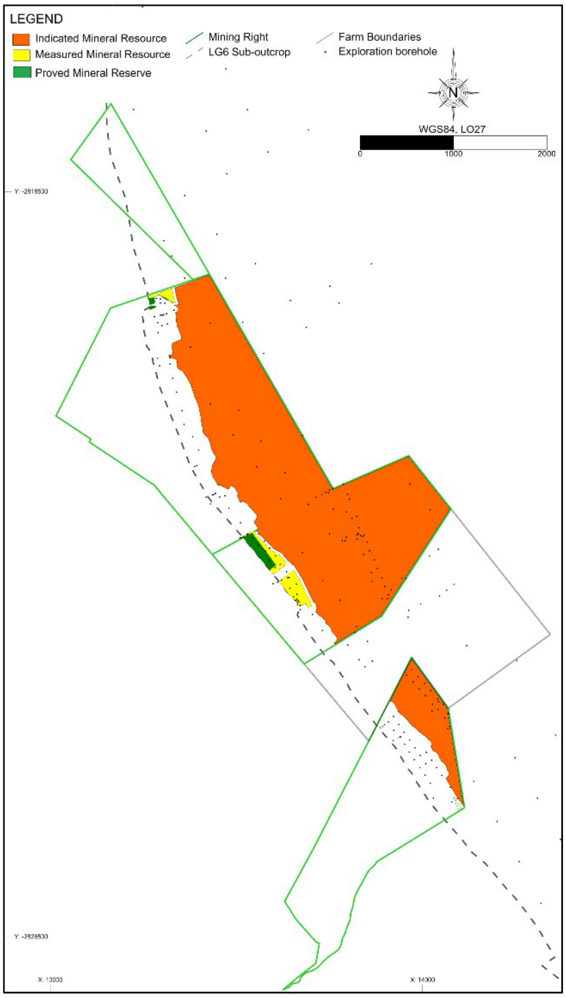
The plans below indicate the various Mineral Resources and Mineral Reserves categories of the Venture. *12.13 (iii)(12)*

Chrome - Bushveld Complex, Western Limb.

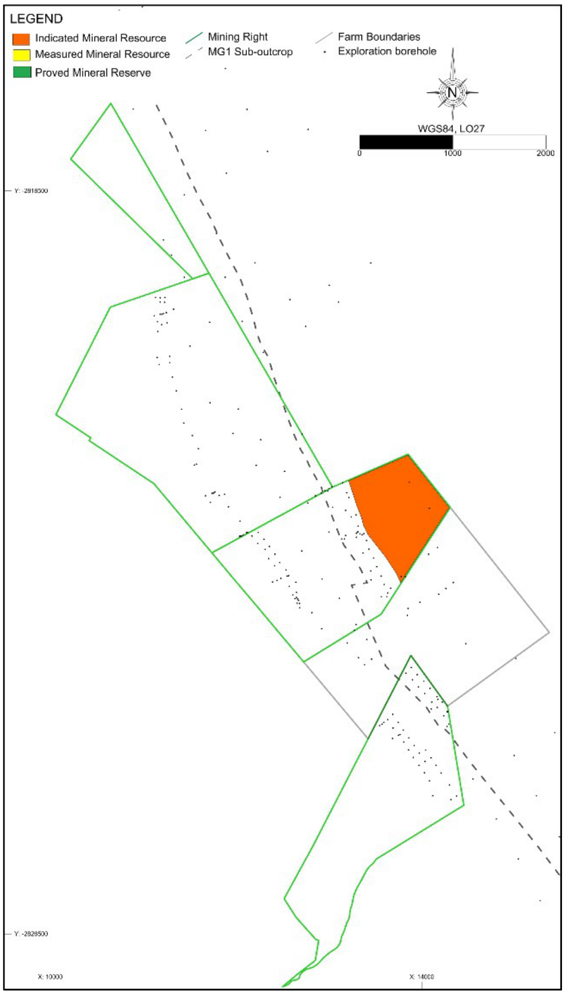
Waterval and Kroondal Mines - LG6 Chromitite Package Mining.



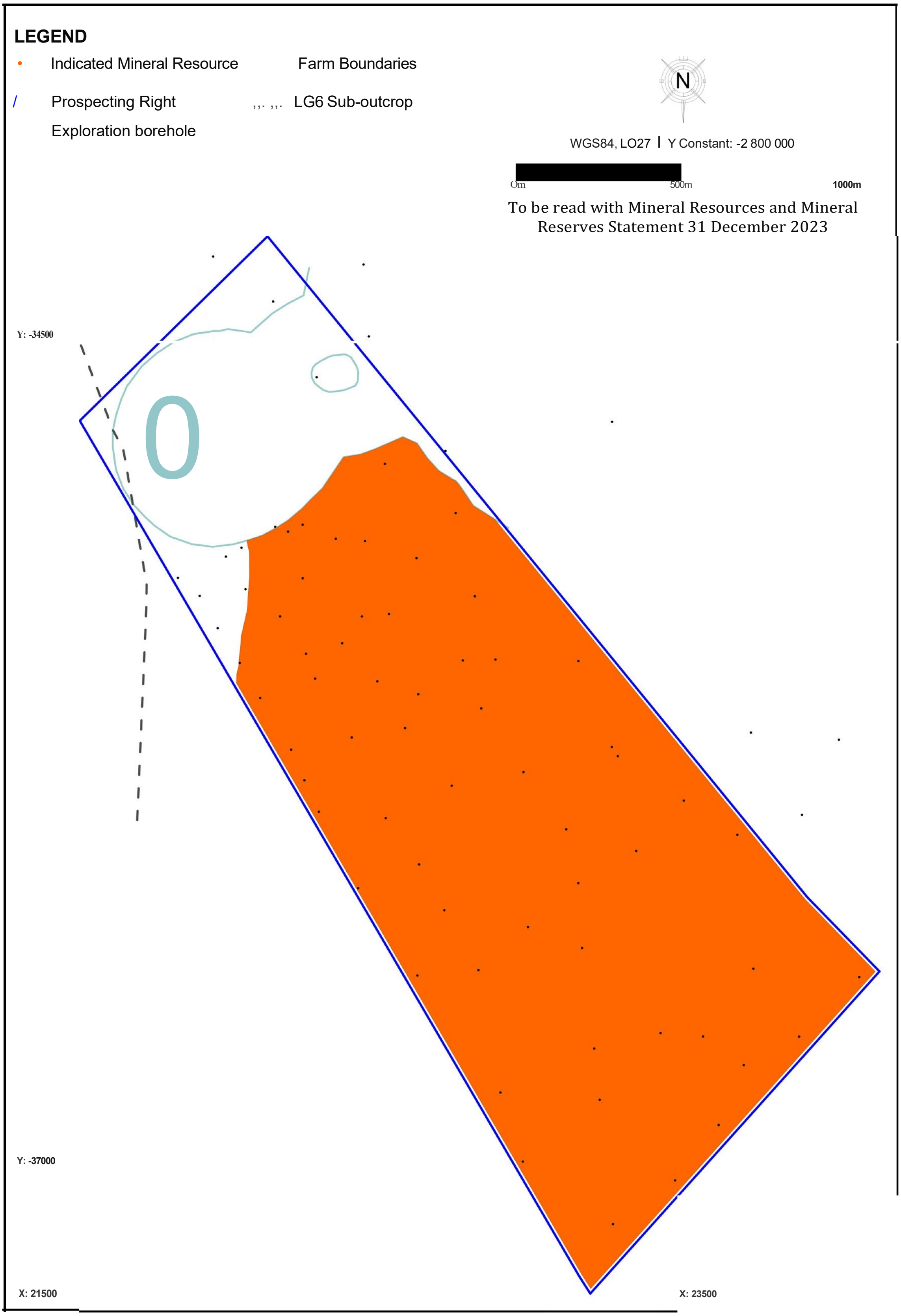
Boshoek Mine- LG6 Chromitite Layer.



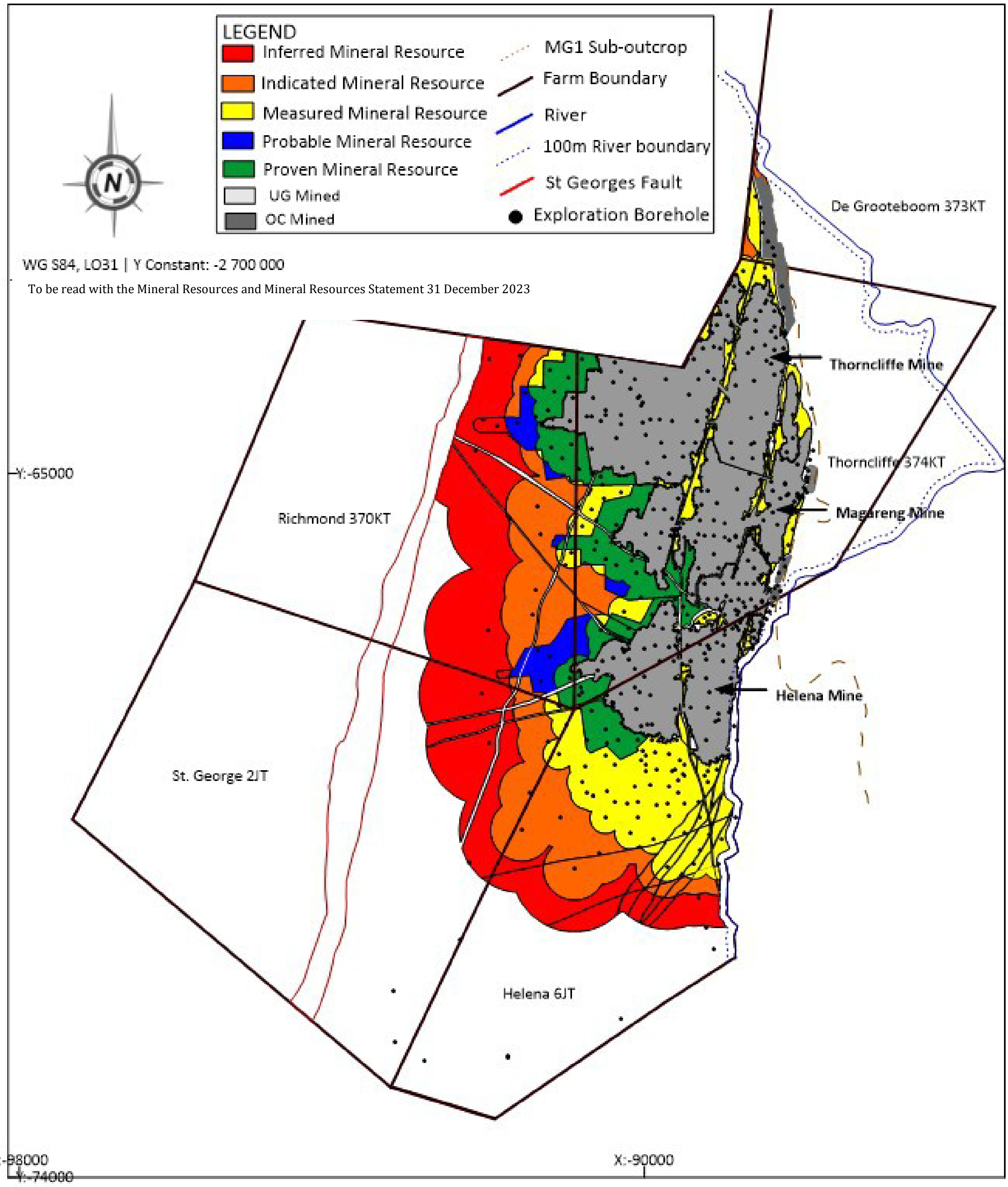
Boshoek Mine - MG1 Chromitite Layer.

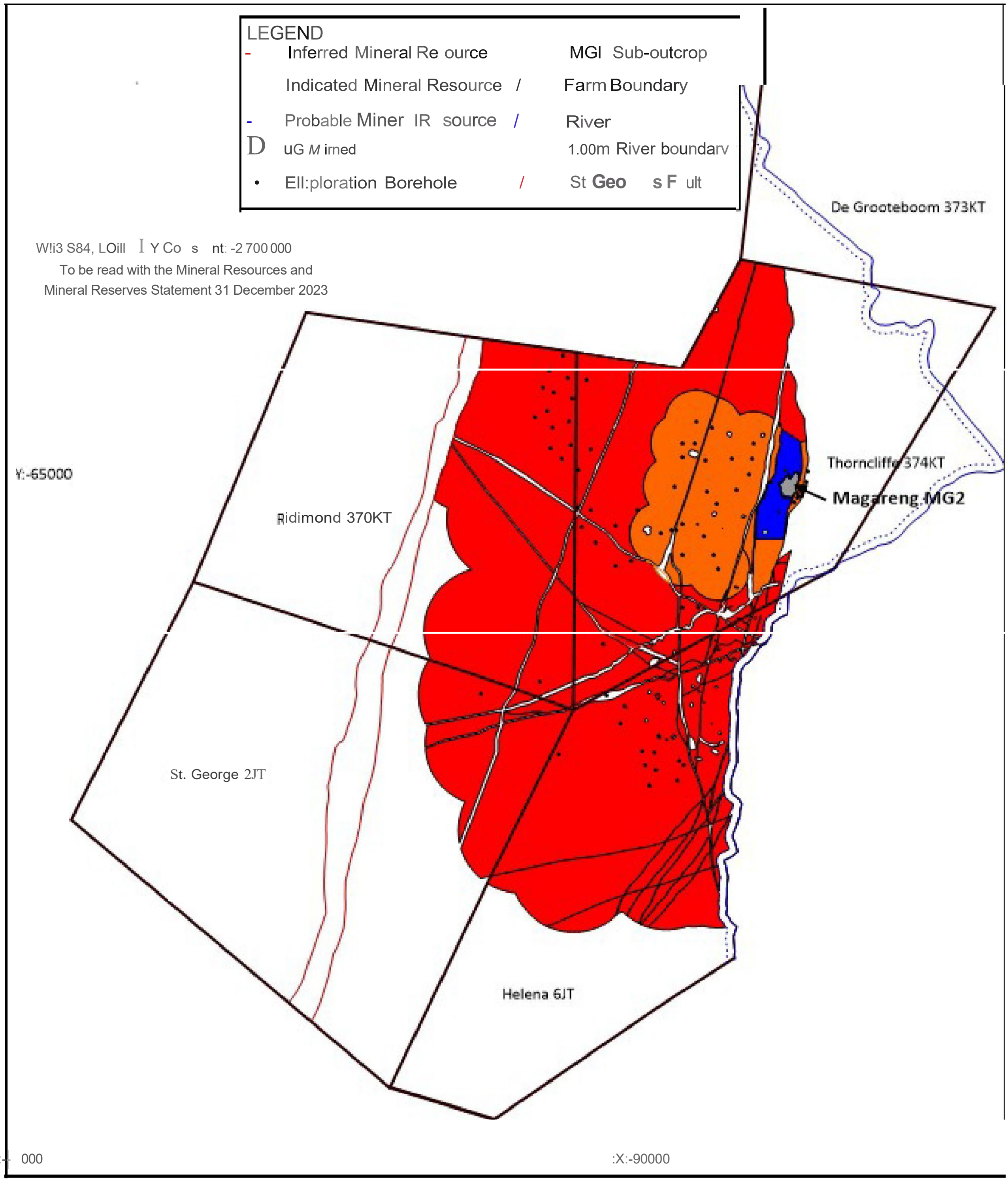


Extension 9 - LG6 Chromitite Package.



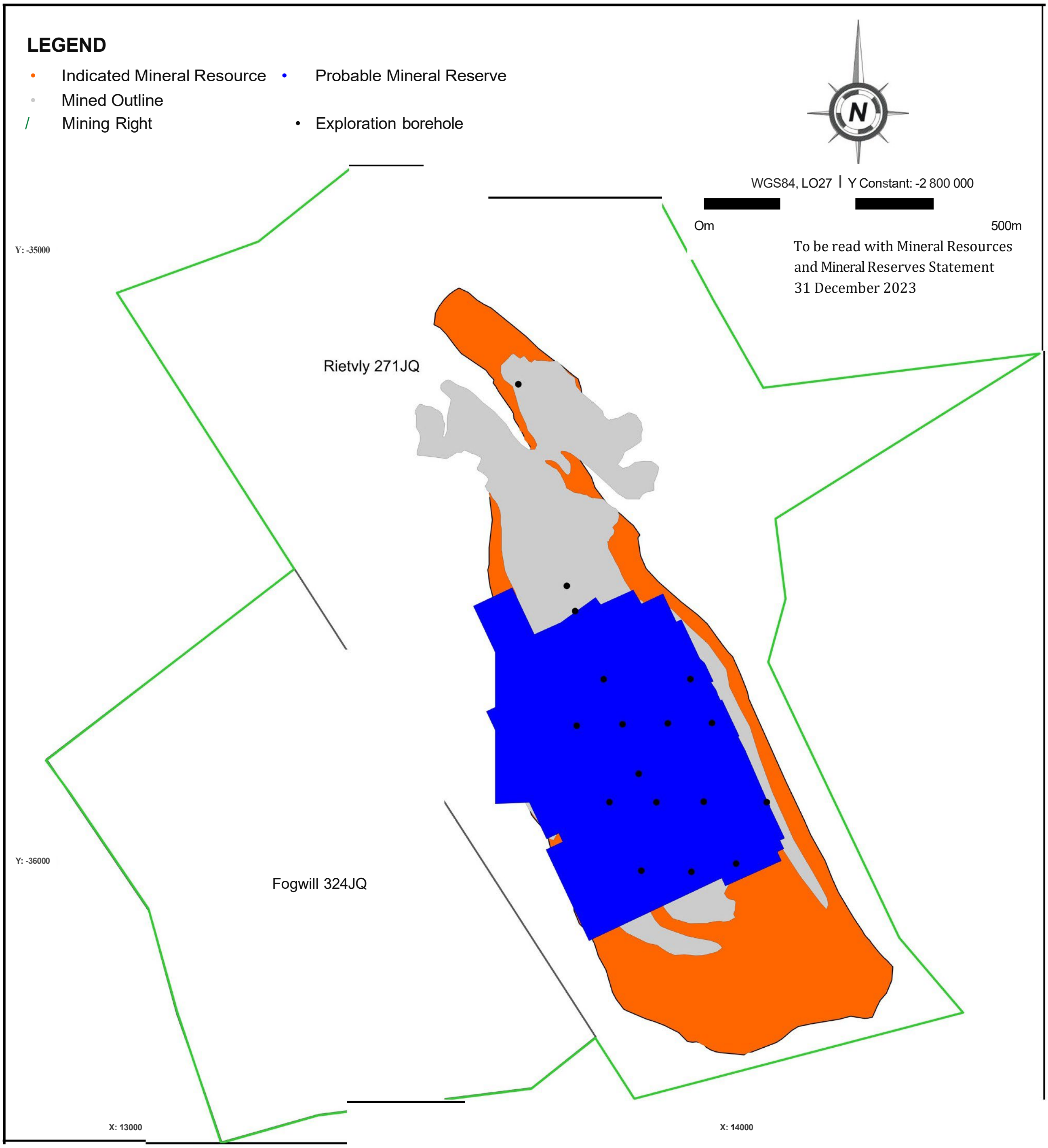
Thorncliffe, Magareng and Helena Mines – MG1 Chromitite Layer Mining.




LEGEND
Inferred Mineral Re ource
Indicated Mineral Resource
Probable Miner IR source
uG M irned
Ell:ploration Borehole
MGI Sub-outcrop
Farm Boundary
River
1.00m River boundarv
St Geo s F ult
W!i3 S84, LOill Y Co s nt: -2 700 000
To be read with the Mineral Resources and
Mineral Reserves Statement 31 December 2023
De Grooteboom 373KT
Y:-65000
Ridimond 370KT
Thorncliffe 374KT
Magareng MG2
St. George 2JT
Helena 6JT
:X:-90000

Silica

Rietvly Silica Mine



MERAFE
RESOURCES
LIMITED

APPENDIX 2 Remuneration Policy
31 December 2023

TABLE OF CONTENTS

1. Remuneration Policy

1.1. REMUNERATION PHILOSOPHY, STRATEGY AND POLICY

Remuneration philosophy

Merafe Resources Limited's ("Merafe's" or the "Company's") guiding philosophy is to employ high-calibre, high-performing employees who subscribe to the values and culture of our Company. We recognise that our employees are integral to the achievement of our corporate objectives, and they are accordingly remunerated for their contribution and the value they deliver.

Our Company is committed to fair, responsible and transparent remuneration across the business in respect of all employees on all levels. Both the fixed and variable elements of remuneration aim to support Company performance and value creation in the short-, medium- and long-term, as well as to support the achievement of strategic objectives within the Company's risk appetite.

This policy is applicable to all employees of the Company.

Our remuneration strategy and policy are reviewed at least annually by the Remuneration and Nomination Committee ("Committee") to ensure they are appropriate and relevant in the support of sustainable business performance and in promoting an ethical culture and responsible corporate citizenship.

Remuneration strategy

Our remuneration strategy is designed to be aligned with our business strategy and the execution thereof to promote positive outcomes. Since we strive to attract, retain, motivate and reward employees for executing our business strategy, their remuneration must clearly be market-related and independent third parties are used by the Committee for the purpose of benchmarking to the appropriate segment. The general principle of our remuneration strategy is to structure executive and employee remuneration to include:

- a guaranteed annual package and benefits;
- an annual variable performance incentive; and
- ownership of shares through the long-term incentive scheme, which is based on performance with the aim of creating a strong alignment to shareholder goals.

The remuneration strategy and policy are communicated to all employees during the year, together with our expectations around their contribution to the success of our organisation.

Remuneration policy

The key principles of the policy are that:

- the policies are governed by the Committee which are reviewed at least annually to ensure they are relevant and support Company strategy;
- guaranteed remuneration is targeted at the median to 25th percentile of the relevant market against which pay is benchmarked, in order to attract and retain high-calibre and high performing employees;
- it is Company policy that all employees are members of medical and retirement funds and have group life and disability cover;
- annual salary adjustments are governed by factors such as the consumer price index (CPI), retention strategies, the producer price index (PPI), industry performance, projected growth, contractual arrangements, affordability, and industry average increase surveys, which will be taken into consideration in setting the recommended increase. The Committee will approve or set the overall increase percentage that will be applied on a Company basis. Salary adjustments are at the discretion of the Board;
- variable pay is an important component of remuneration at Merafe and both annual and long-term performance-based schemes which support our business strategy are in place;
- the short-term incentive scheme performance measures are assessed by the Committee and these measures are determined by taking into account corporate, individual, financial and non-financial criteria. The measures are applicable to the time period to which the scheme relates;
- the long-term incentive scheme measures are based on total shareholder return and growth in headline earnings per share;
- executive remuneration is aligned to shareholder value creation through the long-term incentive scheme;
- where necessary, both short-term and long-term incentive schemes are benchmarked against the appropriate comparator group by the Committee; and
- the over-riding principle governing payments for non-executive directors is that they will be made in the context of good governance and aligned to the relevant market.

1.2. REMUNERATION AND NOMINATION COMMITTEE

Responsibility for the reward strategy rests with the Company's Board of Directors ("Board") who in turn appoint the Committee. The Committee comprises at least three members, the majority of whom are independent non-executive directors and is governed by formal Terms of Reference.

The Terms of Reference clearly deal with, *inter alia*, matters such as:

- composition of the Committee;
- roles and responsibilities of the Committee;
- delegated authority;
- tenure and rotation of the Committee members;
- reporting requirements and compliance;
- access to information and resources;
- meeting procedures to be followed; and
- arrangements for the evaluation of the Committee's performance.

The primary role of the Committee is to ensure that the Company's directors and senior executives are fairly rewarded for their individual contributions to the Company's overall performance. The Committee also aims to ensure that remuneration is appropriate to attract, retain and motivate the right calibre of directors and senior executives, who will strive to achieve the overall goals of the Company. The Committee must demonstrate to all stakeholders that the remuneration of senior executives is set by a committee of Board members who:

- have no personal interest in the outcome of their decisions;
- give due regard to the interest of the shareholders and the financial and commercial health of the Company;
- take cognisance of market-related remuneration, incentive bonuses and share incentive schemes as well as market trends; and
- play an active role in succession planning activities, notably for the Chief Executive Officer ("CEO") and executive management.

The Committee is responsible for making recommendations to the Board on the remuneration policy for directors and, to the extent that it deems necessary, makes comparisons between remuneration packages currently available to the company's own executive directors and those available to directors of other companies of a similar size in the comparable industry. Comparisons are also made with other companies in South Africa ("RSA") and, if relevant, internationally.

The Committee shall also take into account a number of principles, being *inter alia*:

- industry standards and comparisons with businesses in the same industry;
- expertise and qualifications of individuals;
- the risks associated with companies in the mining sector;
- the importance of the individual to the Company and his/her contribution;
- retention measures and motivation for the executive not to leave the Company;
- restraint of trade provisions; and
- nature of the position (role expectations, workload, etc.).

1.3. EXECUTIVE PAY MIX

Executive pay mix is defined as the balance targeted between the major components of executive remuneration, namely:

- guaranteed pay – based on Total Guaranteed Cost of Employment ("TCtC")
- variable pay for performance which consists of the following:
  - Short-term incentives in the form of annual cash incentives ("STI"); and
  - The expected value from long-term incentives ("LTI").

Note: Expected value is defined as the present value of the future reward outcome of an offer, given the targeted future performance of the Company and of its share price. It should not be confused with the term "fair value" which is used when establishing the accounting cost for reflection in a Company's financial statements. Neither should it be confused with the term "face value" which is used to define the current value of the underlying share at the time of an offer.

The Company's targeted pay mix aims to align the incentives of employees with the interests of shareholders. It is recognised that through acquisitions and business combinations over time, there will always be some deviation from the targeted pay mix structure across the Company. However, the balance between TCtC, STI and LTI for executive directors is shown for illustrative purposes in the schematic below, at various performance levels.

Table 1: Target reward mix for Chief Executive Officer (%)

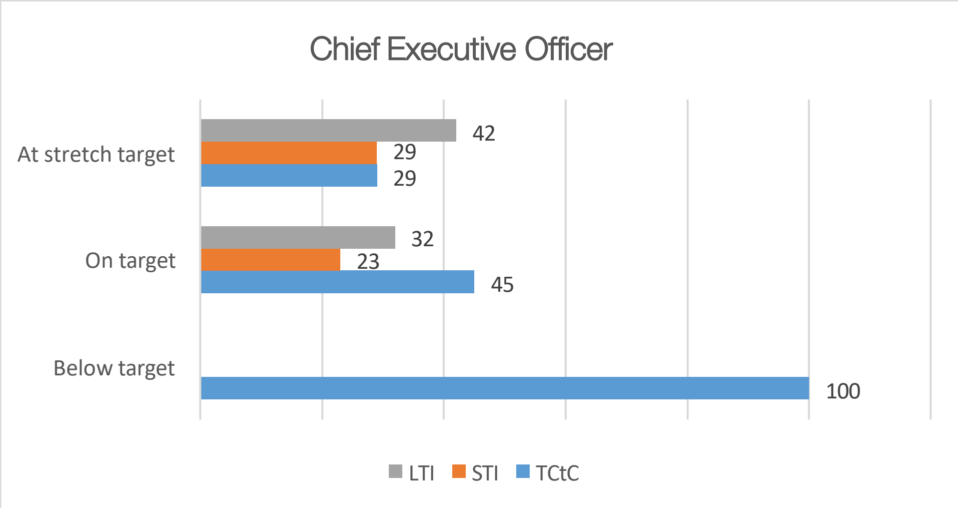
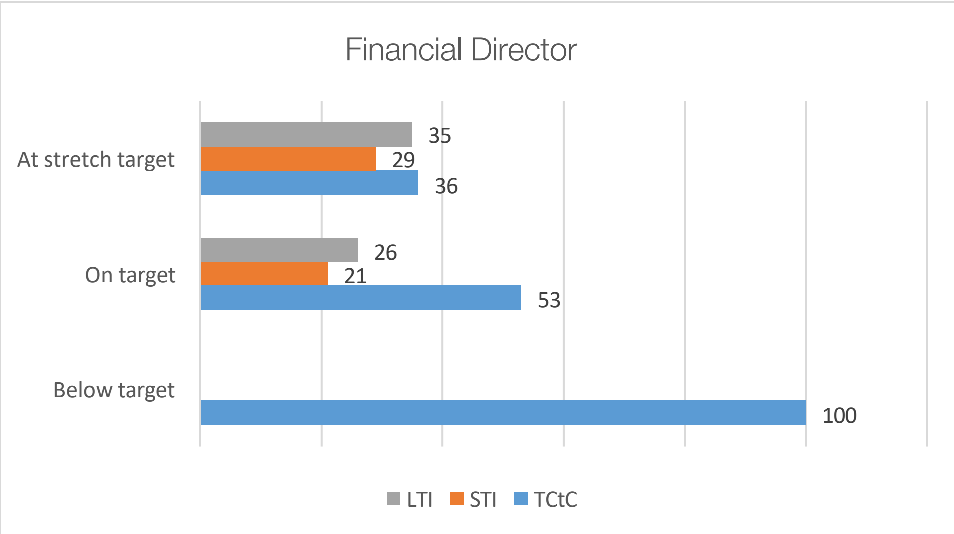


Table 2: Target reward mix for Financial Director (%)



1.4. GUARANTEED PAY

Merafe aims to establish and maintain an integrated pay line with pay levels that ensure that it is able to remain competitive, while managing costs. Executive remuneration in respect of guaranteed pay is expressed in terms of TCtC.

An employee's TCtC consists of the following elements:

- basic salary;
- car and other cash allowances and/or perquisites;
- employer contributions to the medical aid;
- employer contributions to the retirement fund; and
- employer contributions to risk benefits.

Salaries are reviewed annually and are targeted at the median to 25th percentile of the relevant market. The Company conducts benchmarking exercises at least every second year against the top management reward surveys conducted by large consultancies. The benchmark used is the median to 25th percentile total guaranteed cost of employment for similar positions in similarly-sized listed companies.

The Committee has regard principally to companies in the RSA market, which are of similar size, complexity and scope to the Company. The Committee also takes into account business performance, salary practices prevailing for other employees in the Company and, when setting individual salaries, the individual's performance and experience in the role.

Although salaries are reviewed annually, the Board reserves the right not to grant increases should circumstances so dictate. In addition, benefits offered are also reviewed on an annual basis to ensure that employees' needs are addressed fairly, and that schemes are cost effective, well governed and competitive.

1.5. SHORT-TERM INCENTIVES (STI)

Merafe's annual incentives are aimed at rewarding a combination of both business and individual performance in order to support a Company-wide performance culture. The incentive pool is determined as a percentage of net profit after tax and the scheme is therefore self-funding. Financial and non-financial criteria as well as individual performance determine the distribution of the pool to individuals. Incentive awards are at the discretion of the Board after due consideration of Company and individual performance.

The Committee follows a less mechanistic approach in determining the bonus awards in order to reward outstanding performance more appropriately and to ensure that undue windfalls are mediated.

As indicated above, the incentive scheme performance measures are assessed by the Committee and these measures are determined by taking into account the Company's financial and non-financial criteria as well as individual performance.

All STI awards are based on performance against, *inter alia*, the following measures:

- Company measures: These include but are not limited to profitability, funding, growth of business, cost management, sustainability and safety; and
- Individual measures: For the CEO and Financial Director ("FD"), these are over and above the Company measures and include but are not limited to stakeholder engagement, talent management, leadership and reporting.

Targets are set by the Board on an annual basis as determined by Company strategy, business plan and operating conditions. Targets are set to ensure that performance is measured appropriately in accordance with a five-point rating scale. In addition, the Board will apply appropriate weights to measures in order to focus behaviour and performance, related to the strategic focus for the performance period.

Although measures and targets are determined at the start of the performance period, the Board may revise these measures and targets should prevailing business conditions indicate this to be necessary or in response to any other changes in the operating environment. All such changes, which represent the discretionary aspect of the policy, will be disclosed on an annual basis.

As indicated above, individual performance is primarily assessed from predetermined criteria of key performance areas or value drivers. The selection of these is informed by the Company's business plan.

These metrics are assessed against a five-point scale as follows:

Rating	Description	Definition
1	Poor	Indicates poor performance. All or most threshold targets not met.
2	Needs improvement	Performance against target is fair, however, performance against key measures is below threshold or target.
3	Satisfactory	Performance on target in respect of most or all measures.
4	Good	Performance exceeds target on most or all measures. Has reached stretched target on a number of key measures.
5	Outstanding/ excellent	Significant out performance. All stretched targets met or exceeded.

The total STI pool available is capped at 3% of net profit after tax. No incentives are payable where the net profit after tax in any financial year is less than R139 million. These parameters are reviewed by the Board on an annual basis for relevance and appropriateness.

In addition, the percentage of STI is capped for the various categories of employees as set out below:

Position	Maximum % of TCtC
Chief Executive Officer	100%
Financial Director	80%
Senior management	60%
Management	50%
Administrative staff	30%

The total pool for incentives that become available for distribution will not be exceeded at any time.

STI potential is benchmarked between the median and 75th percentile of the relevant market which is deemed appropriate when considered along with the guaranteed pay benchmarked at between the median and 25th percentile of the market.

The final incentive calculation is undertaken by aggregating the incentive claims of all participants and comparing this to the pool derived from company performance.

1.6. LONG-TERM INCENTIVES

Background

The purpose of the share incentive scheme is to serve as an incentive and to reward employees 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 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.

The share incentive scheme further seeks to align employee interests with those of shareholders and to support a culture of ownership, with a focus on Company performance and sustainable growth.

Long-term incentives, in the form of a share incentive scheme, have been in existence in the Company since 1999. The current share scheme was approved by the Company shareholders on 13 April 2010, under which both share options and share grants may be issued.

Eligibility and participation

All employees of the Company are eligible for share allocations in respect of the share incentive scheme rules, subject to Board approval and the prevailing implementation policy.

Shares to be allocated

Under the rules of the share incentive plan, the following shares may be offered:

- share options which will be granted at the offer price; and
- share grants being full value shares.

Vesting rules and settlement

Generally, share options vest one-third per year on the third, fourth and fifth anniversaries and are settled by physical delivery of shares against receipt of payment of the option price. The options lapse after seven (7) years if not exercised, whilst employed within the Group.

Share grants are granted by the Board on the recommendation of the Committee. They vest one third per year on the third, fourth and fifth anniversaries and are settled by physical delivery of shares. Alternatively, the Company has the right to settle in cash the value of shares granted.

Equity settlement will take the form of repurchasing of shares on the open market for the benefit of the employee whose shares have vested. The Company reserves the right to issue new shares for purposes of settlement.

Participation and termination rules

In the event of an employee leaving the Group for a reason approved by the directors, such as retirement or disability (no fault terminations), all performance shares granted will vest, subject to the application of performance conditions. No pro-rating of shares will apply. All approved terminations will be disclosed on an annual basis.

In the event of the death of an employee, all performance shares allocated will vest with no performance conditions or pro-rating applied.

In the event of either a no-fault termination or an employee's death, the employee or his/her estate has 12 and 24 months respectively to exercise share options granted to that employee. In the event of retirement at the earliest date allowed by the retirement fund, the employee will have one year to exercise their share options allocated.

In the event of voluntary termination (i.e. resignation) or a fault termination (i.e. those that leave as a result of a dismissal or poor performance), any right to any shares and all unvested allocations will lapse immediately upon termination. No further claims may be laid to such lapsed shares, whether full value or shares options.

In the event of a change in contract of employment, e.g. lateral moves or promotions, the participant will remain entitled to previous share allocations, subject to vesting periods, vesting schedules and prevailing performance conditions and criteria as set out during the initial share allocation.

In the event of a reconstruction or takeover, share allocations will vest on a *pro-rata* basis subject to the Committee evaluating the applicable performance conditions and determining the number of shares per participant.

Performance vs. retention shares

In 2018, the Committee revised the allocation policy for more share grants to be subject to performance conditions as opposed to retention shares as illustrated below:

Table 3: LTI allocation policy

	Targeted offer value % of TCtC	Balance performance/retention
Chief Executive Officer	60	100/0
Financial Director	45	100/0
Senior management	40	100/0
Management	35	100/0
Administration	25	100/0

Since 2018, all share allocations are performance-based. In order to balance back to the reward mix and expected outcomes, the targeted value of the share allocation as a percentage of TCtC was increased as per the table above.

Performance conditions

The performance conditions for all existing performance-oriented share grants will remain in place, but future grants will be governed by two metrics:

(1) comparison of Merafe's Total Shareholder Return ("TSR") over a three-year period with that of a selection of JSE listed, small cap mining and resources companies, and

(2) growth in Headline Earnings per share (CPI + a specified percentage as determined by the Board) over a three-year period. The two measures will weigh 50/50 or as determined by the Board from time to time. Measures will be applied per performance share allocation and will remain in force for the duration of the performance period. Performance measures and targets are approved for and applicable to a specific performance period. No re-testing of performance conditions is allowed.

The Committee will assess performance against targets once the applicable performance period is completed and approve the vesting of performance shares to the extent that targets are met.

Performance measure I: TSR

The comparator group for TSR is constituted as follows:

Table 4: TSR Comparator Group

No	Company	Ticker
1	Thungela Resources Limited	TGA
2	Harmony Gold Mining Company	HAR
3	Pan African Resources plc	PAN
4	Merafe Resources Limited	MRF
5	Tharisa plc	THA
6	MC Mining Limited	MCZ
7	DRDGold Limited	DRD
8	Wesizwe Platinum Limited	WEZ
9	Hulamin Limited	HLM
10	Arcelor Mittal Limited	ACL
11	Northam Platinum Holdings Limited	NPH
12	Salungano Group	SLG

Assuming that a group of 12 (11 + Merafe) companies are adopted as the comparator group of companies, vesting of the performance-based share grants will be in accordance with the following policy:

- 50% of performance shares allocated will be subject to performance against the TSR measure;
- if Merafe's TSR over the three-year period places it in one of the top four positions, then the full number of performance shares granted subject to this measure will vest in equal proportions on the third, fourth and fifth anniversaries of their grant;
- if Merafe's performance over the three-year period places it in fifth position, then two thirds of the number of performance shares granted will vest in equal proportions on the third, fourth and fifth 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 third, fourth and fifth anniversaries of their grant; and

- if Merafe's TSR over the three-year places it below sixth position, then none of the performance shares will vest.

Table 5 below provides details of the revised vesting schedule for performance shares subject to the TSR measure:

Table 5: Vesting schedule TSR

Vesting schedule over three years - TSR	
Merafe TSR position/ ranking relative to peers	Vesting quantity % of allocation*
Position 1 - 4	100
Position 5	66.6
Position 6	33.3
Position 7 and lower	0
* Vesting over three years in equal portion	

Performance measure II: Growth in Headline Earnings per share (HEPS)

Assuming that the performance targets below are set by the Board as illustrated in Table 6, vesting of the performance-based share grants will be in accordance with the following policy:

- 50% of performance shares allocated will be subject to performance against the growth in HEPS measure;
- if performance meets or exceeds target, i.e. CPI + 2% per annum over the performance period, 100% of shares will vest;
- if performance is at threshold, i.e. CPI + 1% per annum over the performance period, 50% of shares subject to this measure will vest;
- for performance below threshold, 0% of shares subject to this measure, will vest; and
- linear vesting will take place between different performance milestones.

Table 6: Vesting schedule for Growth in HEPS measure

Vesting schedule over three years - Growth in HEPS	
HEPS target	Vesting quantity % of allocation* Proposed
On target CPI + 2% p.a.	100%
Threshold CPI + 1% p.a.	50%
Below threshold	0%
* Vesting over three years in equal portion	

LTI offer policy

The following principles will govern the LTI offer policy:

- share options will only be given at the discretion of the Board as and when circumstances dictate and only to executive management that have direct line of sight in terms of Company performance;
- full value shares, with performance conditions, will be granted to all employees on an annual basis subject to ongoing satisfactory individual performance, the expected value of which will be in accordance with the Company's reward strategy – pay mix;
- full value shares may be offered to new appointees as an attraction measure, the value of which will be determined and approved by the Committee, and will be subject to a minimum of three years vesting period;
- share grants will be in favour of performance-based shares, with all shares granted subject to performance measures over a three-year period;
- share grants will be offered to employees with only performance-based shares and no retention shares;
- the value of the share grant will be calculated as a percentage of the current TCtC guaranteed package;
- no offer shall be made which together with any other scheme shares would exceed 5% of total issued share capital of the Company;
- the maximum aggregate number of shares granted or options allocated to a single participant, shall be limited to 1% of the total issued share capital of the Company;
- prior to vesting, no participant will qualify to receive any dividends declared;
- the Company will communicate to participants, at least on an annual basis, in terms of shares granted, vesting and/or any changes in rules or conditions of participation; and
- all share grants and options will be disclosed over its lifetime in the annual Remuneration Report.

1.7. CONTRACTS OF EMPLOYMENT

Senior and executive management are subject to the Company's standard terms and conditions of employment where notice periods are between three and six months. In line with the recommendations set out in the King IV Report, company policy prevents any senior or executive manager from being compensated for loss of office.

None of the senior or executive management have extended employment contracts or special termination benefits or balloon payments.

In the event of a change of control of the Company (as defined in the Companies Act) where the Company no longer requires an executive to fulfil their specific role post the change of control, the Company shall pay to the executive twelve months remuneration on the last day of the notice period and after completion of handover of duties, for existing executives as at 2019. From 2020 onwards, all newly appointed executives will have their termination payments aligned to their contractual notice period.

1.8. RETENTION MEASURES

The Committee reserves the right to apply retention measures should circumstances so indicate. Retention measures may include cash or equity awards and will be appropriately disclosed on an annual basis.

1.9. MALUS AND CLAWBACK

Any remuneration previously paid to executive directors that is subsequently found to have been the result of criminal or otherwise illegal activities, must be repaid to the Company.

In the event of restatement of the Company's results (other than a restatement caused by a change in accounting policy, standards or interpretation) which results in lower performance-based remuneration calculated on the restated results, the Committee shall review such performance- based remuneration, determine the amount to be recovered from the executive and take steps to recover the amount.

The Board reserves the right to cancel any share allocation for all or individual participants if during the vesting period there is evidence of serious underperformance or misrepresentation of information e.g. gross negligence, overstatement of performance, unnecessary risk taking, poor governance and non-compliance.

1.10. NON-EXECUTIVE DIRECTORS' FEES

The remuneration of non-executive directors is provided in the context of good governance and is primarily based upon a methodology which takes into account expertise, contribution by the director and meeting attendance. Standard duties of non-executive directors include preparation for and attendance at Board meetings, AGMs and results presentations. If required, the directors may be requested to perform work outside of their standard duties and for this they will be remunerated based upon the time spent and their level of expertise. Non-executive directors' pay is aimed at aligning with remuneration principles applicable to executive pay.

Independent benchmark advice is sought on an annual basis as to levels of remuneration for non- executive directors and the intent is to target remuneration between the lower quartile (25^{th} percentile) to the median quartile (50^{th} percentile) of listed companies of a similar size (comparator or peer group), in order to ensure that appropriately qualified and experienced directors are appointed.

Non-executive directors' fees are tabled for approval by the shareholders of the company on an annual basis. The fees paid to different roles such as chairman may vary from the fees paid to other non-executive directors.

Fees are split between a retainer (60%) and per meeting fee (40%), which is aligned to industry practice.

Non-executive directors will not participate in any share-based incentive scheme or any other incentive scheme that the company may implement, to avoid any potential conflict of interest.

1.11. REVIEW

This policy was approved by the Company and will be reviewed annually against current legislation and practice for approval by shareholders during the Annual General Meeting. In the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the votes exercised at the annual general meeting, Merafe undertakes to engage with shareholders to understand their concerns.