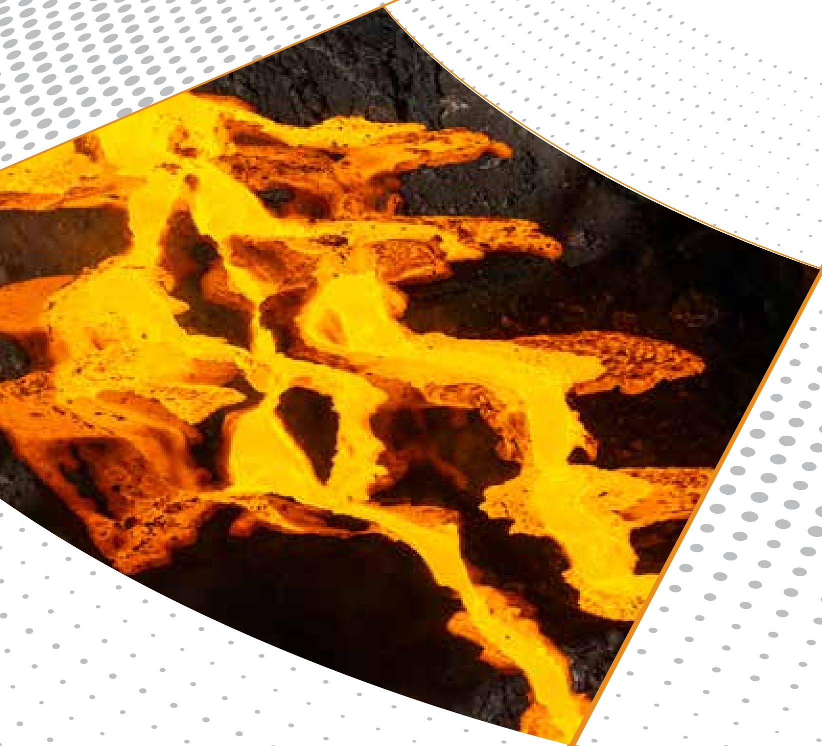
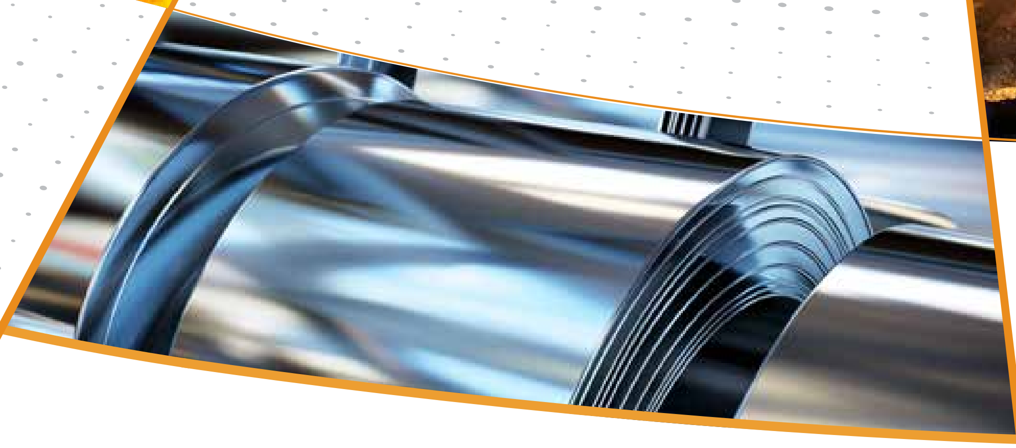




2024

Merafe Resources Limited Audited consolidated and separate annual financial statements

for the year ended 31 December

Delivering today. Investing in tomorrow.

Contents

The Group and Company financial statements have been prepared by the Financial Manager, Busisiwe Nteyi CA(SA), and were supervised by the Financial Director, Ditabe Chocho CA(SA).

Directors' responsibilities and approval

The directors are required in terms of the Companies Act, No. 71 of 2008 (Companies Act) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the financial position and changes in equity of the Group and Company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with the requirements of IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®), interpretations by the International Financial Reporting Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), the Financial Pronouncements as issued by Financial Reporting Standards Council, the Johannesburg Stock Exchange (JSE) Limited Listings Requirements (Listings Requirements) and the requirements of the Companies Act, as amended.

The annual financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors (Board) sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors confirm that the Company is in compliance with the provisions of the Companies Act, specifically relating to its incorporation and operates in compliance with its memorandum of incorporation.

The directors have reviewed the Company and Group's cash flow forecast for the 12 months from date of issue of the financial statements and, in light of this review, they are satisfied that the Company and Group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Group's consolidated and separate financial statements. The annual financial statements have been examined by the Group's external auditors and their report is presented on pages 11 to 14.

The annual financial statements set out on pages 15 to 64, which have been prepared on the going concern basis, were approved by the Board on 7 March 2025 and were signed on their behalf by:

Steve Phiri
Chairperson of the Board

7 March 2025

Zanele Matlala
Chief Executive Officer

7 March 2025

CEO and FD's responsibility statement

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

- The annual financial statements set out on pages 2 to 64, fairly present in all material respects the financial position, financial performance and cash flows of Merafe Resources Limited in terms of IFRS;
- 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;
- Internal financial controls have been put in place to ensure that material information relating to Merafe Resources Limited and its consolidated subsidiary have been provided to effectively prepare the financial statements of Merafe Resources Limited;
- 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;
- Where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in the design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- We are not aware of any fraud involving directors.

Zanele Matlala
Chief Executive Officer

7 March 2025

Ditabe Chocho
Financial Director

7 March 2025

Report of the Audit and Risk Committee

This report is provided by the Audit and Risk Committee (the Committee) appointed for the 2024 financial year of Merafe Resources Limited (Merafe).

1. Introduction

The Committee is pleased to present its report for the financial year ended 31 December 2024. 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 Listings Requirements and other applicable regulatory requirements. The report provides an overview of the work done by the Committee during the year under review.

2. Objectives

The overall objectives of the Committee are to:

- Ensure that appropriate financial reporting procedures exist and are operating, which should include consideration of all entities included in the consolidated and separate IFRS Accounting Standards as issued by the International Accounting Standards Board 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 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 subsidiary (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;
- Review and recommend the integrated annual report to the Board;
- Conduct periodic reviews and assessments of the business risks the Group faces by considering Merafe's and the Glencore Merafe Pooling and Sharing 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 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.

3. 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.

The members of the Committee are all independent non-executive directors of the Group and include:

Name	Attendance
Ms M Vuso (Chairperson)	4/4
Mr K Tlale	4/4
Ms N Mabusela-Aikhuere	4/4

In addition, Ms Z Matlala, Mr D Chocho, Mr S Phiri and Deloitte & Touche are permanent invitees to the meetings. 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 of their competence and performance via a structured checklist.

3. Composition of the Committee continued

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

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.

4. Meetings held by the Committee

The Committee performs the duties assigned to 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.

5. 2024 overview

The CEO and FD 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 matter in the independent auditor's report and is satisfied that it is correctly presented. The key audit matter assessed relate to the impairment of the Group's net assets in accordance with the requirements of IAS 36: *Impairments 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 also noted the audit materiality in the independent auditor's report.

The Committee considered work done and progress made by management and their advisors on the South African Revenue Service (SARS) transfer pricing audit for the 2016 and 2017 years of assessment. The Committee considered the letter of findings issued by SARS and the issued tax assessments for the years of assessment subject to the audit. The Committee considered any risks that this matter presented and mitigating measures put in place by management. It also considered the Company's accounting treatment and disclosure of the matter. The Committee reconsidered the treatment of the contribution of the Eastern PGMs operations to the Venture in the 2023 results. The Committee satisfied itself with this transaction's accounting treatment and amended disclosure in the 2024 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 is satisfied that there were no material areas of concern that would render the function ineffective.

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 2024, 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 its attention 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.

The Committee reviewed the 2025 budgets and 2026/7 plans, which were recommended to the Board.

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

The Committee reviewed the integrated annual report and recommended it to the Board.

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

6. External auditor

The Committee, having considered all relevant matters, satisfied itself through enquiry that auditor independence, objectivity and effectiveness were maintained in 2024. The Committee has considered the external auditor suitability assessment in terms of paragraph 3.84(g) read with paragraphs 3.86 to 3.87 of the 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 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 ensure further that the independence of the external auditor is maintained. For the year, these services comprise income and royalty tax reviews and a fair and reasonable report.

Deloitte & 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 firm for the year under review.

7. 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. The Committee considered the Company's proactive monitoring review letters from the JSE in 2024 and the Company's responses thereto. The Committee is satisfied with the Company's responses and that sufficient measures have been put in place to remedy any gaps identified.

8. 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 2024 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.

9. Financial Director and finance function

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

10. 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 2024 by the Board.

Matsotso Vuso CA(SA); CD(SA); RA
Chairperson – Audit and Risk Committee

7 March 2025

Company Secretary's certification

In terms of section 88(2)(e) of the Companies Act, No. 71 of 2008, as amended, I certify that the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act and that all such returns and notices are true, correct and up to date.

CorpStat Governance Services Proprietary Limited
Company Secretary

7 March 2025

Directors' report

The directors have the pleasure of submitting their report for the Group for the year ended 31 December 2024.

1. 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 subsidiary 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 Pooling and Sharing 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, five chrome ore mines and three 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 (Pty) Ltd (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 plants	
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%	Kroondal and Wonderkop mines	50%	Impala Merafe UG2 plant	100%	Western PGM plant	20.5%
Boshoek smelter	100%	Helena mine	20.5%	K4 UG2 plant	20.5%	Eastern PGM X plant	50%
Lion I smelter	20.5%	Magareng mine	20.5%	Rowland UG2 plant	20.5%		
				Bokamoso pelletising plant	20.5%		
Lion II smelter	20.5%			Motswedi pelletising plant	100%		
		Marikana	26%	Tswelopele pelletising plant	20.5%		
				Unicorn Chrome	20.5%		

On 5 June 2024, the Group received final regulatory approval from the Department of Mineral Resources and Energy for the sale of the Boshoek mine. All suspensive conditions of the sale were met on 20 June 2024. Prior to and up to the date of sale, Merafe Ferrochrome held a 100% ownership interest in the Boshoek mine.

2. Group financial results

The financial statements set out the financial results of the Group and Company and have been prepared using appropriate accounting policies, conforming to IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, supported by reasonable and prudent judgements where required.

Revenue was R8 443 million (2023: R9 244 million), driven by resilient chrome ore prices and higher sales volumes. Ferrochrome prices and volumes were lower than the previous year and the average ZAR:USD exchange rate was stronger in 2024. Merafe's attributable share of the Venture's EBITDA was R1 798 million (2023: R2 358 million), inclusive of R287 million in standing charges (2023: R346 million) and a R29 million foreign exchange gain (2023: R99 million). A R79 million inventory write-down was recorded (2023: R2 million) in addition to the Rustenburg Smelter retrenchments costs of R67 million (2023: Rnil).

After deducting corporate costs of R85 million (2023: R76 million), which include R15 million in cash-settled share-based payments (2023: R11 million), R3 million in corporate social investment (2023: R2 million), and R13 million in bonus provisions (2023: R11 million), Merafe achieved EBITDA of R1 731 million (2023: R2 545 million).

Waterval mine and Lydenburg smelter remained under care and maintenance, while the Boshoek mine was successfully divested in 2024. The Rustenburg smelter had been under care and maintenance from September 2023 during which period the Venture continued to pay full salaries to all permanent employees. The Venture embarked on an extensive stakeholder consultation process in terms of Section 189 of the Labour Relations Act from August 2024. Out of a total of 448 remaining affected employees, 241 employees were redeployed at other operations, while the remaining employees were retrenched (voluntarily or not).

Cost management remained a key focus. While inflation led to increased fixed costs and pricing pressure from chrome ore prices, reductions in reductant costs and power prices mitigated the overall impact, resulting in only a 2% year-on-year increase in production costs. Despite logistical challenges, projected shipment volumes were achieved. A significant accomplishment was the December 2024 finalisation of a 100MW solar power purchase agreement, furthering the Venture's decarbonisation and cost-optimisation strategies. The investment in Unicorn Chrome performed well, benefiting from resilient chrome ore prices. Collaboration with co-investors will continue to explore best ways to maximise this investment's value.

2. Group financial results continued

The Group concluded that the Boshoek smelter should be fully impaired resulting in an impairment write off of R574 million relating thereto at year end. This was in light of grounds pointing to the likely impairment of some of our smelting operations. This conclusion was reached after considering several critical factors which included the state of the ferrochrome market and the level of our operating costs.

The impact of China's substantial ferrochrome production increase (25% in 2024), exceeding stainless steel production growth, resulted in market oversupply, placing downward pressure on ferrochrome prices and impacting our smelting operations. Despite these challenges, Merafe delivered satisfactory overall results, though 2025 is anticipated to present increased challenges. Management is constantly evaluating strategies to enhance the business' resilience.

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

3. Loans and borrowings

The Group had a cash balance of R1 795 million on 31 December 2024 (2023: R1 656 million). The Group's Revolving Credit Facility (RCF) of R300 million was unutilised at year end. Refer to note 27 for the disclosure on the Group's facilities and covenants associated with these facilities, including the Venture's facilities.

4. Going concern

As stated above, the Group had a cash balance of R1 795 million and no debt at the reporting date and a positive cash balance and no debt as at 28 February 2025.

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 if the need arises. 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 R1 731 million and made a profit after tax of R667 million in the current year. Merafe Group and the Company maintain healthy cash balances per note 13 with access to banking and other lending facilities. The Group and Company's credit and liquidity risks have been assessed in notes 27.1 and 27.2. Having considered the Group and Company's key risks, current financial position, solvency and liquidity, debt levels, lending facilities available through the Venture, impairment review, as well as the Group and Company's financial budgets with their underlying business plans, the directors believe that the Group and Company have sufficient resources and cash flows to be able to continue as a going concern at least for the year ahead. The Group and Company's lending facilities are referenced in note 27.2.

5. 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, among 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 6 March 2025, the Board resolved to declare a final dividend of 8 cents (2023: 22 cents) per ordinary share. This follows an interim dividend of 20 cents (2023: 20 cents) per share, thus bringing the total dividend for the year ended 31 December 2024 to 28 cents (2023: 42 cents) per share and amounts to 65% of headline earnings.

6. Share capital

The full details of the authorised and issued share capital of the Company are set out in note 14 of the annual financial statements. No shares were issued in 2024.

7. Directorate

Details of transactions with directors and key management are detailed in note 33. The Board comprised of the following directors at the date of this report:

Directors	Designation
Mr S Phiri (Chairperson)	Non-executive Independent
Ms M Vuso	Non-executive Independent
Mr J Mclaughlan	Non-executive Independent
Mr K Tlale	Non-executive Independent
Ms N Mabusela-Aikhuere	Non-executive Independent
Mr D McGluwa	Non-executive
Mr D Green	Non-executive
Ms Z Matlala	Executive
Mr D Chocho	Executive

8. Major shareholders

The following shareholders were the registered holders of 5% or more of the issued ordinary shares in the Company at 31 December 2024:

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

The analysis of the ordinary shareholding is given on page 65.

9. Directors' interests in Merafe Resources Limited

Refer to note 34 for the beneficial interests of directors in shares of the Company and note 33 for transactions with executive and non-executive directors.

10. Details of investments in subsidiary, associate and joint arrangements

Details of material interests in a subsidiary company, associate 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 subsidiary, associate and joint arrangements for the year ended 31 December 2024 are as follows:

	2024 R'000	2023 R'000
Subsidiary and joint arrangements		
Total profits after income tax	677 147	1 769 307
Associate		
Total share of income from equity accounted investments	20 122	19 083
	697 269	1 788 390

11. 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.

The Group recognised an impairment loss of R575 million against specific assets during the current year (2023: Rnil). Refer to notes 3 and 37 in the annual financial statements.

12. Independent external auditor

Deloitte & Touche were re-elected as the Company's independent external auditor on 15 May 2024 in accordance with section 90 of the Companies Act and will again be proposed for re-election in respect of the 2025 financial year at the forthcoming Annual General Meeting (AGM) of shareholders.

13. Audit and Risk Committee

The Audit and Risk Committee's report is presented on pages 3 to 5.

14. Related party transactions

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

15. Electricity challenges

Electricity supply and pricing have been concerns for several years now although Eskom managed to bring stability to supply for most of 2024. The Negotiated Pricing Agreements with Eskom have brought some pricing relief to our business. While various national stakeholders are exploring ways of addressing the electricity supply challenges, the Venture also continues exploring other power sources – particularly green energy. The Venture has made significant progress in this regard, with the first of our green energy projects concluded in December 2024. This will see the development of a 100MW plant, via a Power Purchase Agreement with Pele Green Energy, over the coming two years.

16. 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 provisions for income taxes. The income tax and annual assessments are subject to examination within prescribed periods by the SARS.

SARS finalised the audit of the previously reported transfer pricing matter on 30 October 2024 and adjusted (increased) the Group's tax assessments for 2016 and 2017. Pursuant to the finalisation of the audit, SARS issued additional assessments on 30 October 2024 levying additional income tax, dividends tax, understatement penalties, and interest in the aggregate amount of R406 million against the Group for the 2016 and 2017 years.

The Group disagrees with the additional assessments and will lodge an objection against the additional assessments. The Group has applied for a full suspension of payment of the disputed tax debt, pending its objection and Tax Court appeal process.

Management continues to rely 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, due to the dispute, 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.

17. Events after the reporting period

Business Review

The Business Review follows sustained pressure from the prolonged economic downturn in the global ferrochrome market, which pressures are not expected to ease in the near to medium term. Should the Venture not be able to identify viable solutions to sustain profitability, it may have to consider suspension of certain ferrochrome furnaces in May 2025.

Contingent liability

Note 31 of the annual financial statements provides details of the pending transfer pricing matter with SARS. While the Group had applied for full suspension of payment, communication was received from SARS post year-end, partially suspending the payment. The amount which has not been suspended and therefore payable is R232 million. Pursuant to section 9 of the Tax Administration Act, the Company has requested SARS reconsider its decision to partially decline the request for suspension of payment.

Update regarding the chrome ore operations

The Venture has entered into a mutually beneficial enhancement to its historical agreement with Lonmin plc, as well as a new chrome management agreement with, inter alia, Sibanye Stillwater Limited. Refer to the SENS published on 19 February 2025.

It is anticipated that the new agreement will result in increased feed and improved recoveries, thereby optimising production yields and reducing operational costs across all relevant chrome recovery plants.

On 6 March 2025, the Board resolved to declare a final dividend of 8 cents (2023: 22 cents) per share for the 2024 financial year. The total gross cash dividend for the year amounted to 28 cents per share. The dividend will be paid out of income reserves.

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

18. Special resolutions

The shareholders passed all special resolutions at the 2024 AGM held on 15 May 2024.

The next AGM of the shareholders of the Company will be held (subject to any adjournment or postponement) on Tuesday, 13 May 2025.

19. Environmental and decommissioning provision

The Group's environmental rehabilitation costs are in accordance with the National Environmental Management Act No. 107 of 1998 (NEMA) 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 2021. These had not yet come into effect at the reporting date.

20. 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 Mineral Reporting Codes for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves 2016 edition and in compliance with the JSE Listings Requirements.

Independent auditor's report

To the Shareholders of Merafe Resources Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Merafe Resources Limited and its subsidiaries (the Group and Company) set out on pages 15 to 64, which comprise the consolidated and separate statement of financial position as at 31 December 2024; and the consolidated and separate statement of profit or loss and other comprehensive income; the consolidated and separate statement of changes in equity; the consolidated and separate statement of cash flows for the year then ended; and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Merafe Limited and its subsidiaries as at 31 December 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

We define materiality as the magnitude of misstatement in the consolidated and separate financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the consolidated and separate financial statements as a whole as follows:

	Financial statements – group	**Financial statements – company**
Overall materiality	R90 million (2023: R100 million).	R9 million (2023: R9.3 million).
How we determined it	It represents 6.16% of normalised profit before tax.	It represents 1% of net assets.
Rationale for benchmark applied	A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions. We determined that profit before tax remained the key benchmark and is generally accepted for listed entities. In the current year, profit before tax was normalised for unusual impairment charges.	A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions. We determined that net assets remained the key benchmark as it is of particular interest to users as it depicts the value available to shareholders after the liabilities have been settled.

Independent auditor's report continued

Scope of our Audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the structure and organisation of the Group, and assessing the risks of material misstatement at the Group level.

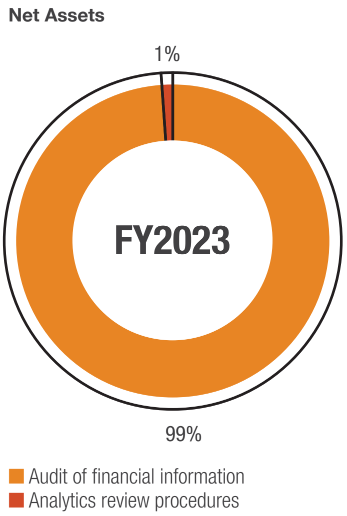
We selected components at which audit work in support of the group audit opinion needed to be performed in order to provide an appropriate basis for undertaking audit work to address the risks of material misstatement. Our selection was informed by taking into account the component's contribution to relevant classes of transactions, account balances or disclosures.

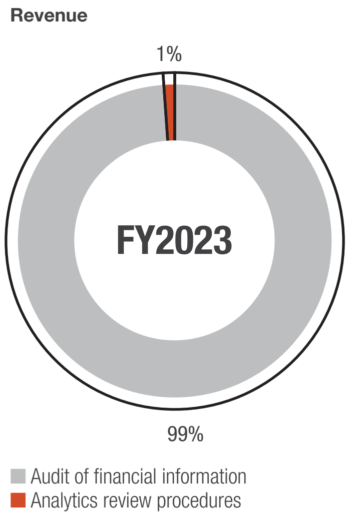
Based on our assessment, we performed work at 3 components (2023: 3 components). The following audit scoping was applied:

- 3 components (2023: 3 components) were subject to an audit of components financial information.

Residual values were addressed by risk assessment and analytical procedures performed at a group level.

These 3 components account for 99% of the Group's revenue (2023: 99%), and 99% of the Group's total assets (2023: 99%).





Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below:

Key audit matter continued

Key Audit Matter - Group	How the matter was addressed in the audit?
Impairment assessment of the Merafe Resources Limited (Group)	
As disclosed in note 37 of the consolidated financial statements, the Merafe Resources Limited market capitalisation value at 31 December 2024 was R3.5 billion in comparison to a net asset value of R5.3 billion. Based on this share price, the market capitalisation was R3.5 billion, which was R1.8 billion lower than the net asset value (NAV) of R5.3 billion. In addition, there was a significant decrease in the ferrochrome price, which when combined with the level of operating costs has put strain on the profitability of certain assets. These were indicators that the Group net asset value may be impaired in accordance with the requirements of IAS 36: *Impairments of Assets*. The Glencore Merafe Chrome Venture (Venture) is the only cash-generating unit of the Group. The directors performed an impairment assessment using value in use where the Groups net asset carrying value was compared to the recoverable amount. The recoverable amount is based on the cash flow forecasts of the Venture and the weighted average cost of capital of Merafe Resources Limited and the assessment is dependent on macro-economic factors, which include foreign currency exchange rates, commodity price forecasts as well as internal assumptions and estimates related to production levels, operating costs and customer demand. The assumptions with the most significant impact on the cash flow forecast were: • Forecasted ferrochrome production levels and customer demand for both ferrochrome and chrome ore; • Forecasted foreign currency exchange rates; • Forecasted ferrochrome commodity prices; • Forecasted Earnings before Interest, Tax and Depreciation ("EBITDA") of the Venture; and • Real weighted average cost of capital to discount the future cash flows. Critical judgement is required by the directors in determining the forecasted South African Rand/US Dollar exchange rates and forecasted ferrochrome commodity prices. The impairment assessment and resulting impairment of R574 million recognised by the Group was identified as a key audit matter due to the significance of the directors' judgement involved in determining the value in use of the Venture, together with the sensitivity of the forecasted South African Rand/US Dollar exchange rate, forecasted commodity prices and other operational and economic assumptions applied in the value in use.	In evaluating the impairment assessment of the Group's net asset value, we tested the value in use calculations prepared by directors, with a particular focus on the cash flow forecast (including the production input factors, forecasted South Africa/US Dollar exchange rates), commodity prices and the discount rate applied. Our procedures included the following: • Assessed the design and implementation of the Group's controls relating to the determination of the assumptions used in the determination of the cash flow forecasts; • Engaged our internal specialists in evaluating the reasonableness of forecasted sales volume estimates and forecasted production levels against strategies and the Life of Mine ("LOM") derived from the Reserve and Resources Statement; • Engaged our internal specialists to assist with assessing the reasonability of the following key assumptions: – Forecasted production levels; – Real average weighted cost of capital used to discount the cash flows; – South African Rand/US Dollar exchange rate used as the forecasted exchange rate; – Forecasted ferrochrome, chrome ore and related commodity prices; and – Specific operating costs and impact of other economic factors. • Re-computed the recoverable amount based on inputs and assumptions adopted by the directors; • Performed and re-computed the director' sensitivity analyses on the forecasted ferrochrome and chrome ore commodity prices including challenging management on the ferrochrome prices; • Evaluated the judgement applied by the directors in evaluating qualitative factors and judgement applied in the impairment assessment; • Assessed management's view on the qualitative factors provided; and • Assessed the EBITDA and budget processes to determine if budgets can be relied on. At year end, there were grounds pointing to the likely impairment of some of the smelting operations. After considering several critical factors which included the state of the ferrochrome market and the level of the operating costs, management concluded that the Boshoek smelter should be fully impaired resulting in an impairment write off of R574 million relating thereto at year end. Based on the audit procedures performed, we found the impairment of R574 million, as disclosed in note 37, to be reasonable. We considered the disclosures relating to impairment assessment to be appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Merafe Resources Limited Audited Consolidated and Separate Annual Financial Statements for the year ended 31 December 2024", which includes the Directors' Report, the Audit Committee's Report, and Certificate by the Company Secretary, as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and/ Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

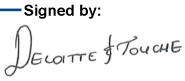
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report, unless law or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

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Merafe Resources Limited for eight years.

Signed by:



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Deloitte & Touche
Registered Auditor
Per: Tumellano Morake
Partner
7 March 2025

5 Magwa Crescent
Waterfall City
Waterfall
2090

Statement of financial position

as at 31 December

R'000	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Assets					
Non-current assets					
Property, plant and equipment	3	1 124 913	1 387 714	575	359
Intangible assets	4	21 188	25 413	–	–
Investment in subsidiary*	5	–	–	–	–
Investment in associate	6	32 676	14 150	–	–
Long-term receivable	8	64 260	37 287	–	–
Other long-term receivable	40	17 730	14 229	17 730	14 229
Loan to subsidiary	10	–	–	915 892	942 612
		1 260 767	1 478 793	934 197	957 200
Current assets					
Inventories	9	1 794 492	1 916 476	–	–
Trade and other receivables	11	1 175 161	1 544 037	8 878	15 841
Current tax receivable	12	116 966	65 218	–	–
Cash and cash equivalents	13	1 794 911	1 655 807	2 680	1 732
		4 881 530	5 181 538	11 558	17 573
Non-current assets held for sale	39	–	963	–	–
Total assets		6 142 297	6 661 294	945 755	974 773
Equity and liabilities					
Equity					
Share capital	14	1 288 876	1 288 876	1 288 876	1 288 876
Retained income/(accumulated loss)		3 587 239	3 969 665	(385 796)	(357 332)
		4 876 115	5 258 541	903 080	931 544
Liabilities					
Non-current liabilities					
Lease obligation	15	4 723	5 911	–	–
Deferred tax	7	186 146	271 554	–	–
Provision	16	142 356	131 330	–	–
Share-based payment liability	17	7 254	10 040	7 254	10 040
		340 479	418 835	7 254	10 040
Current liabilities					
Trade and other payables	18	893 686	945 859	21 930	21 753
Lease obligation	15	1 150	3 148	–	–
Current tax payable	12	106	178	106	178
Provision	16	17 376	10 907	–	–
Share-based payment liability	17	13 385	11 258	13 385	11 258
		925 703	971 350	35 421	33 189
Liabilities directly associated with assets held for sale	39	–	12 568	–	–
Total liabilities		1 266 182	1 402 753	42 675	43 229
Total equity and liabilities		6 142 297	6 661 294	945 755	974 773

* *Less than R1 000.*

Statement of profit or loss and other comprehensive income

for the year ended 31 December

		Group		Company	
R'000	Notes	**2024**	2023	**2024**	2023
Revenue	19	8 443 462	9 244 022	1 057 600	841 248
Gain on acquisition of joint operation	41	–	249 909	–	–
Foreign exchange gain		29 321	99 377	–	–
Other expenses		(6 741 366)	(7 048 087)	(36 812)	(35 732)
Earnings before interest, taxation, depreciation and amortisation	20	1 731 417	2 545 221	1 020 788	805 516
Depreciation and amortisation	3,4	(354 410)	(249 319)	(126)	(116)
Impairments	3	(575 429)	–	–	–
Income from equity accounted investment	6	20 122	19 083	–	–
Results from operating activities		821 700	2 314 985	1 020 662	805 400
Finance income	22	66 011	40 941	435	468
Finance expense	23	(1 358)	(2 670)	–	–
Profit before taxation		886 353	2 353 256	1 021 097	805 868
Taxation	24	(219 146)	(600 292)	72	(6 388)
Total comprehensive income for the year		667 207	1 752 964	1 021 169	799 480
Earnings per share					
Basic earnings per share (cents)	25	26.7	70.1	–	–
Diluted earnings per share (cents)	25	26.7	70.1	–	–

Statement of changes in equity

for the year ended 31 December

R'000	Share capital and premium	Retained income/ (accumulated loss)	Total equity
Group			
Balance at 1 January 2023	1 288 876	3 041 413	4 330 289
Total comprehensive income for the year	–	1 752 964	1 752 964
Dividends	–	(824 712)	(824 712)
Balance at 1 January 2024	1 288 876	3 969 665	5 258 541
Total comprehensive income for the year	–	667 207	667 207
Dividends	–	(1 049 633)	(1 049 633)
Balance at 31 December 2024	1 288 876	3 587 239	4 876 115
Note	14		
Company			
Balance at 1 January 2023	1 288 876	(332 100)	956 776
Total comprehensive income for the year	–	799 480	799 480
Dividends	–	(824 712)	(824 712)
Balance at 1 January 2024	1 288 876	(357 332)	931 544
Total comprehensive income for the year	–	1 021 169	1 021 169
Dividends	–	(1 049 633)	(1 049 633)
Balance at 31 December 2024	1 288 876	(385 796)	903 080
Note	14		

Refer to note 38 for total dividends declared for the year.

Statement of cash flows

for the year ended 31 December

		Group		Company	
R'000	Notes	**2024**	2023	**2024**	2023 Restated*
Cash flows from operating activities					
Cash generated from operations	26	2 067 819	2 404 525	1 027 269	803 050
Dividends received from associate	6	1 596	11 642	–	–
Finance income received	22	66 359	37 721	435	468
Finance expense paid	23	(2 164)	(3 901)	–	–
Taxation paid	12	(356 374)	(570 661)	–	–
Net cash from operating activities		1 777 236	1 879 326	1 027 704	803 518
Cash flows from investing activities					
Acquisition of property, plant and equipment – sustaining	3	(608 373)	(617 551)	(342)	(48)
Acquisition of property, plant and equipment – expansionary	3	(53 819)	(53 814)	–	–
Proceeds from the sale of property, plant and equipment		644	–	–	–
Proceeds from the sale of land and mineral rights		7 894	–	–	–
Loan to subsidiary - repaid by subsidiary		–	–	64 358	48 670
Loan to subsidiary - advanced by company		–	–	(37 638)	(26 098)
Other long-term receivable advanced	40	(3 501)	–	(3 501)	–
Net cash from investing activities		(657 155)	(671 365)	22 877	22 524
Cash flows from financing activities					
Repayment of capital portion on lease liabilities		(3 186)	(3 884)	–	–
Dividends	38	(1 049 633)	(824 712)	(1 049 633)	(824 712)
Net cash from financing activities		(1 052 819)	(828 596)	(1 049 633)	(824 712)
Total cash movement for the year		67 262	379 365	948	1 330
Cash at the beginning of the year		1 655 807	1 268 599	1 732	402
Effect of exchange rate movement on cash balances	20	71 842	7 843	–	–
Total cash at the end of the year	13	1 794 911	1 655 807	2 680	1 732

** The comparative of the Company has been restated to correct the presentation of the loan to subsidiary. The loan to subsidiary was incorrectly presented as a net cash flow movement from investing activities and has now been reclassified to present the gross cash flows for the repayment and advancement of the loan to subsidiary. Refer to note 42.*

1. General information

Merafe Resources Limited (Company) is domiciled in the Republic of South Africa. The address of the Company's registered office is Building B, Second Floor, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2191. The consolidated and separate annual financial statements as at the end of the year 31 December 2024 comprise the Company and its subsidiary (together referred to as the Group and individually as Group entities). The Group is primarily involved in the mining and beneficiation of chrome ore into ferrochrome. Where reference is made to "Group", this should be interpreted as "consolidated". Further, where reference is made to the "Group" and "consolidated" in the accounting policies, it should be interpreted as also referring to the "Company" where the context requires, unless otherwise indicated.

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below.

The accounting policies set out below are in line with IFRS Accounting Standards as issued by the International Accounting Standards Board and have been applied consistently to all periods presented in these consolidated and separate financial statements and have been applied consistently by the Group entities.

1.1 Basis of preparation

Statement of compliance

The consolidated and separate annual financial statements have been prepared in accordance with the requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board, interpretations by the International Financial Reporting Interpretations Committee (IFRIC), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (APC), the Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements and the requirements of the Companies Act No. 71 of 2008.

The consolidated and separate financial statements were authorised for issue by the Board on 7 March 2025.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following items in the statement of financial position which are measured at their fair values:
- Trade receivable subject to provisional pricing terms (refer to note 11);
- Long-term receivable (refer to note 8); and
- Share-based payment liability (refer to note 17).

Functional and presentation currency

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

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

1.2 Significant accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated and separate financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Information about significant areas of estimations, uncertainty and significant judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 1.6, 1.7, 1.17, 3, 4 and 39: Measurement of depreciation and impairment, useful lives and residual values of property, plant and equipment and intangible assets;

Note 1.12 and 17: Inputs used in the determination of the fair value of the share-based payment transactions;
Note 1.14 and 3: Lease classification and depreciation of right-of-use assets;

Note 1.10 and 16: Assumptions used in calculation of the life of the mines/smelters, estimation of the closure and restoration costs and inputs used in the calculation of the present value of the provision for closure, restoration costs and discount rate applied;

1.2 Significant accounting judgements and key sources of estimation uncertainty continued

Note 1.16 and 7: Recognition of deferred tax asset on assessable losses;

Note 1.20, 8 and 11: Fair value measurement of trade receivables subject to provisional pricing and long-term receivable; Note 1.3: Assumptions around joint control of the Venture;

Note 1.3: Assumptions around joint control of the Venture;

Note 1.17, 3 and 37: Impairment of non-financial assets. The Group determines whether any of the cash-generating units are impaired at each reporting date. This requires consideration of the current and future economic and trading environment and available valuation information, to ascertain if there are indications of impairment to those owned by the Group;

Note 9: Inventories. The Group determines whether there is obsolete inventory on an annual basis and adjustments to the net realisable value of inventory as required;

Note 29: Financial risk management. The Group assesses credit risk and cash and cash equivalents and trade and other receivables. There has been no material increase in either liquidity risk and own credit risk based on this assessment; and

Note 31: Contingent liabilities. The Group exercises judgement in measuring and recognising the provisions and the exposure to contingent liabilities related to unresolved tax matters. Judgement, including those involving estimations, are necessary in assessing the likelihood that a pending tax dispute will be resolved, or a liability will arise, and to quantify the possible range of the tax exposure.

The global environment, the risk of adverse impacts on our revenue, costs and capital spent by the Group, were all taken into account in determining the accounting estimates and judgements for the year.

1.3 Basis of consolidation

Subsidiaries and controlled entities

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

Transactions with the Glencore Merafe Pooling and Sharing Venture (Venture)

Glencore Operations South Africa Proprietary Limited (GOSA) and Merafe Ferrochrome and Mining Proprietary Limited (Merafe Ferrochrome) pooled and shared their ferrochrome assets on 1 July 2004 to form the Venture. The Venture's primary business is the production and sale of ferrochrome to the stainless steel industry. The Venture is the only operating asset of the Group and is strategic to the Group's activities. While Merafe Ferrochrome's assets form part of the Venture, Merafe Ferrochrome retains ownership of its assets and is closely involved in the Venture's operations through the Venture's executive committee, joint board and sub-committees. Merafe Ferrochrome receives 20.5% of the Venture's EBITDA and owns 20.5% of the working capital.

In the directors' view, the Venture is a joint operation as defined in IFRS 11: *Joint Arrangements* as Merafe Ferrochrome and GOSA are bound by a contractual arrangement which constitutes joint control. The Venture is not consolidated but Merafe Ferrochrome accounts for the assets, liabilities, revenues and expenses in relation to its interest in the joint operation in accordance with IFRS 11. The following significant judgements and assumptions were relevant in the joint control assessment:

- The ultimate operational decision-making responsibility in the Venture resides with the joint board. The chairman of the board, who is appointed by GOSA, has a casting vote at the joint board level on all decisions except for decisions relating to reserved matters. The reserved matters include, inter-alia, the managing of input costs relating to chrome production, operation of the various chrome-producing assets, disposal of assets forming part of the pooled operations, increasing the operational capacity of chrome-producing assets and acquiring or constructing new chrome-producing assets. These reserved matters, in directors' view, are likely to have the most significant impact on returns of the Venture and therefore would constitute its "relevant activities" as defined in IFRS 10: *Consolidated Financial Statements*. Contractually, decisions over the reserved matters require the unanimous consent of Merafe Ferrochrome and GOSA as those decisions cannot be made unilaterally.
- There is a significant disparity in holdings between Merafe Ferrochrome's interest in the Venture at 20.5% and GOSA's interest in the Venture at 79.5%. However, this does not influence the joint control conclusion as the benefits each party stands to gain from the arrangement was the determining factor in the joint control arrangement rather than other forms of arrangement. Furthermore, any dispute relating to the interpretation of the Pooling and Sharing Agreement (the Venture agreement) is to be settled by an arbitrator appointed by the Arbitration Foundation of South Africa (AFSA) and in the directors' view the AFSA provides for a neutral dispute resolution process and would not favour either GOSA or Merafe Ferrochrome.

1.3 Basis of consolidation continued

- The lack of a legal form of the Venture results in Merafe Ferrochrome and GOSA having rights to the assets and obligations for the liabilities held in the Venture. This lack of legal separation between the Venture, GOSA and Merafe Ferrochrome is further supported by the fact that the South African Revenue Services assesses the Venture and directly taxes Merafe Ferrochrome and GOSA respectively for the income generated by the Venture.
- In terms of the Venture agreement, Merafe Ferrochrome and GOSA maintain legal ownership of their respective assets contributed to the Venture and upon winding up of the Venture, GOSA and Merafe Ferrochrome will also receive a portion of any new assets acquired by the parties post 1 July 2004 and to the extent that an asset relates to their existing assets, be required to acquire the other party's portion at fair value which indicates that the parties have rights to the assets of the Venture. The lack of a legal form of the Venture results in GOSA and Merafe Ferrochrome having rights to the assets and obligations for the liabilities held in the Venture and consequently the classification of a joint operation in terms of IFRS 11.
- GOSA and Merafe Ferrochrome are the shareholders of Unicorn Chrome. Unicorn Chrome is jointly controlled by GOSA and Merafe Ferrochrome in terms of the Venture Agreement.

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

Refer to note 32 for the items that represent the Group's share of the working capital and EBITDA of the Venture.

1.4 Investment in associate

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. It generally accompanies a shareholding of between 20% and 50% of the voting rights.

The Group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in an associate in excess of the Group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the Group and an associate are eliminated to the extent of the Group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group reduces its level of significant influence or loses significant influence, the Group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.5 Foreign currency

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

1.6 Property, plant and equipment

Recognition and measurement

Mining assets including mine development costs

Mining assets, including mine development costs and mine plant facilities, are stated at cost less accumulated depreciation and accumulated impairment. Costs include pre-production expenditure incurred in the development of the mine and the present value of future decommissioning costs. Development costs incurred to develop new ore bodies, to define mineralisation in existing ore bodies and to establish or expand productive capacity are capitalised. Mine development costs in the ordinary course of maintaining production are expensed as incurred. Initial development and pre-production costs relating to a new ore body are capitalised until the ore body achieves commercial levels of production, at which time the asset is deemed to be available for use and is amortised as set out below.

Land, non-mining assets and corporate assets

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

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

Exploration and evaluation expenditure

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

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

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

Subsequent costs

Subsequent costs on property, plant and equipment are capitalised when the costs enhance the value or output up to the assets' original expectation and its costs can be measured reliably. Costs incurred on repairing and manufacturing are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

Depreciation

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

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

Mining assets including mine development costs

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

Capital work in progress

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

1.6 Property, plant and equipment continued

Land, non-mining assets and corporate assets

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

Derecognition

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

1.7 Intangible assets

Mineral and surface rights recognition and measurement

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

Mineral and surface rights amortisation

Mineral rights that are being depleted are amortised over their estimated useful lives using the units of production method, based on proven and probable ore reserves. Mineral rights that have no commercial value are impaired in full. The amortisation methods, estimated remaining useful lives and residual values are reviewed at least annually.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

1.8 Financial instruments

Financial assets

On initial recognition financial assets are classified and measured at fair value through profit or loss, amortised cost, or fair value through other comprehensive income. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. Subsequent to initial recognition financial assets are not reclassified unless the Group changes its business model for managing its financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group classifies non-derivative financial assets into financial assets carried at amortised cost:
- Loans and receivables which include trade receivables and intercompany loans are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost. Subsequent to initial recognition debt instruments are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.
- Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are classified and measured at amortised cost.
- No impairment has been recognised on other long-term receivables as the expected credit losses are considered immaterial.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Trade receivables subject to provisional pricing terms are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, these receivables are measured at fair value, and changes therein are accounted as described below under note 11.

1.8 Financial instruments continued

Financial liabilities

All financial liabilities are recognised initially on the trade date, which is the date the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss (FVTPL).

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

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs.

Other financial liabilities comprise lease obligations and trade and other payables.

Note 27 presents the financial instruments held by the Group based on their specific classifications.

1.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the entity in which they are declared.

1.10 Provisions

Provision for closure and restoration costs

Long-term environmental obligations are based on the Group's environmental management plan, in compliance with current environmental and regulatory requirements.

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

These estimates are reviewed at least annually and changes in the measurement of the provision that result from the subsequent changes in the estimated timing or amount of cash flows, or a change in discount rate, are added to, or deducted from, the cost of the related asset in the current period. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in the statement of profit or loss. If the asset value is increased and there is an indication that the revised carrying value is not recoverable, an impairment test is performed in accordance with the accounting policy on 'Impairment of non-financial assets'. Annual movements in the provision relating to passage of time, i.e. unwinding of discount, are expensed as incurred.

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

Other short-term provisions

A provision is recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will occur and where a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties associated with the obligation.

1.11 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is determined on the following basis:
- Finished goods on hand are valued using the weighted average cost and comprises material costs, labour costs and allocated production-related overhead costs. Where the production process results in more than one product being produced, cost is allocated between the various products according to the ratio of contribution of these metals to gross sales revenue. Financing and storage costs related to inventory are expensed as incurred.
- Consumable stores and raw materials are valued at weighted average cost and include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

1.12 Employee benefits

Short-term employee benefits

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

Defined contribution plans

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

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

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

Share-based payment transaction

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

Share-based payment arrangements in which the Group received goods or services as consideration of its own equity instruments are settled in cash.

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

1.13 Revenue

Contracts with customers

The Group recognises revenue from customers on the sales of ferrochrome, chrome ore and PGMs concentrate sales. Revenue is derived principally from the sale of ferrochrome and chrome ore which are sold on Cost and Freight (CFR) or Cost, Insurance and Freight (CIF) Incoterms. Revenue is measured at the net of returns and allowances, trade discounts and volume rebates. Revenue is measured based on consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties. The same recognition and presentation principles apply to revenues arising from physical settlement of forward sale contracts that do not meet the own use exemption.

Revenue from PGM concentrate is recognised when the buyer, pursuant to a sales contract, obtains control of the product at the agreed delivery point. Revenue is measured at the amount of consideration that the Group expects to be entitled to when the performance obligation is satisfied.

The revenue is recognised when the performance obligation related to the sale of goods to customers is recognised, which is when the product is delivered to the destination specified by the customer (which is typically the vessel on which it is shipped, the destination port or the customer's premises) and the buyer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset. For certain sales, the sales price is determined on a provisional basis at the date of sale as the final selling price is subject to movements in market prices up to the date of final pricing, normally ranging from 30 to 120 days after initial booking (provisionally priced sales).

1.13 Revenue continued

Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable. The ferrochrome is provisionally invoiced to the distribution agents at a price that is linked to the ruling benchmark price when the risks and rewards pass to the distribution agents. The trade receivable is recognised at fair value and is included in the statement of financial position. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value are recognised as an adjustment to revenue once the distribution agent receives the final price via the sale to the stainless steel customer. In all cases, fair value is estimated by reference to forward market prices. Revenue from the sale of material by-products is included within revenue. Where a by-product is not regarded as significant, revenue may be credited against cost of goods sold.

The sale of goods is also done through distribution agreements noted below with the Glencore plc Group. Determining whether the Group is acting as an agent or principal is based on an evaluation of when control of the goods is taken by the Group, including inventory risk and responsibility for the delivery of goods or services.

Ferrochrome and chrome ore marketing arrangement with Glencore International AG (GIAG)

Glencore is acting as agent and the Group is acting as principal for ferrochrome and chrome ore sales.

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

The Group is acting as principal for the ferrochrome sales to the distribution agents when control of the goods passes from the Group to the distribution agents.

The distribution agents are acting as principal for subsequent sales to stainless steel customers and the performance obligation for revenue recognition is met when the product is delivered to the destination specified by the customer, which is typically the vessel on which it is shipped, the destination port or the customer's premises and the buyer has gained control through their ability to direct the use of, and obtain substantially all the benefits from the asset.

Management fees

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

The Company charges its wholly-owned subsidiary Merafe Ferrochrome management fees for the recovery of costs from the subsidiary, and are recognised when the costs are recovered net of Value Added Taxation. This is when the performance obligations are considered met.

1.14 Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

The Group recognises a right-of-use asset as property, plant and equipment and a lease liability at the lease commencement date except for short-term leases (defined as leases with a lease term of 12 months or less and leases of low value assets). The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early. The lease liability is measured at amortised cost using the effective interest method.

1.15 Finance income and expenses

Finance income

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

Finance expenses

Finance expenses comprise of commitment fees, interest on tax-related items and interest on leases.

1.16 Tax

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The current tax rate and the applicable tax rate for deferred tax balances is 27%.

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

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

Dividend withholding tax

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

1.17 Impairment of assets

Financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

Loss allowances on the loan to subsidiary are measured at an amount equal to lifetime of the ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

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

Although payment terms range between 30 and 120 days depending on the region of the customer, there have been no defaults on payments and shipments are subject to letters of credit providing security in the event of default. Management ensures strict controls over monitoring debtors aging. GIAG (agent for sales purposes) also provides credit risk cover on the debtors balances and assumes 60% credit on ferrochrome sales and 100% on chrome ore sales substantially reducing the risk of any ECLs.

1.17 Impairment of assets continued

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

The Group considers an event of default has materialised and the financial asset is credit impaired when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay the Group. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off.

Non-financial assets

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

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

An impairment loss is recognised if the carrying amount of the asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of the CGU is allocated to reduce the carrying amount of the asset in the unit on a pro rata basis.

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

1.18 Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. The Group has one reportable segment being the mining and beneficiation of chrome ore into ferrochrome and associated minerals. Internal management accounts are prepared monthly on the basis of one reportable segment which is reviewed monthly by the Financial Director and Chief Executive Officer.

Ferrochrome, chrome ore and associated minerals are the products produced by the Venture. Most of the products produced are used in the manufacturing of stainless steel. Refer to note 19 for geographical areas of ferrochrome and chrome ore sales and information on customers that individually comprise more than 10% of total ferrochrome and chrome ore sales.

1.19 Dividend distributions

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

1.20 Determination of fair values

A number of the Group accounting policies and disclosures require the determination of fair value, for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods as indicated below. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. The carrying values of financial assets and liabilities as reflected in the statement of financial position are a reasonable approximation of their fair values, unless otherwise stated in the respective note. To maintain consistency and comparability in fair value measurements and related disclosures, a fair value hierarchy that categorises the inputs to the valuation techniques used to measure fair value is categorised into three levels. Level one inputs are defined as inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date. Level two inputs are inputs other than quoted prices included within Level one that are observable for the asset or liability, either directly or indirectly. Lastly, Level three inputs are unobservable inputs for the asset or liability. Refer to note 28.

Long-term receivable

The fair value of long-term receivable is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Net trade receivables

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

Trade receivable subject to provisional pricing terms

The fair value of the receivable is based on the latest available ferrochrome prices and closing foreign exchange rate. Derivative instruments are carried at fair value for which the Group evaluates the quality and reliability of the assumptions and data used to measure fair value in the three hierarchy levels, Level one, two and three.

Non-derivative financial liabilities

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

Share-based payment transactions

Employee share grants are valued using measurement inputs which include the share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on Government bonds). Service and non- market performance conditions attached to the transactions are not taken into account in determining fair value. Refer to note 17 for details regarding the assumptions used in the valuation model.

Investments in subsidiary and loan to subsidiary

Investment in subsidiary is measured at cost. The loan to the subsidiary is initially measured at fair value and subsequently at amortised cost. The fair value is determined based on the present value of cash flows, discounted at the Group interest rate for debt over the period based on the resources and reserves of the Group.

1.21 Mining royalty

The mining royalty requires the payment of a royalty for the benefit of the National Revenue Fund, in respect of the transfer of mineral resources. The mining royalty is payable on chrome ore in lumps, chips and fines as listed in schedule 2 of the Mineral and Petroleum Resources Royalty Act, No. 28 of 2008 (the MPRR Act).

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

Management is required to make certain judgements in determining the gross sale value of the extracted ore tonnages. Gross sales are calculated using third party sales prices.

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

1.22 Other income

Dividend income

Dividend income derived from an investment in a subsidiary is classified as revenue for the Company. Dividend income is recognised at fair value when the Company's right to receive the dividend is established.

1.23 Earnings per share

The Group presents basic and diluted earnings per share. Basic earnings per share is calculated on the profits attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is determined by adjusting the profits/losses attributable to shareholders, if applicable, and the weighted number of all potentially dilutive ordinary shares.

The calculation of headline earnings is in accordance to the SAICA revised IFRS Circular 01/2023. Headline earnings per share (HEPS) is calculated by adjusting the profits attributable to the ordinary shareholders of Merafe Resources for all separate identifiable remeasurements. The result is then divided by the weighted average number of ordinary shares in issue/outstanding during the period. Diluted headline earnings per share is calculated by dividing headline earnings by the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares which comprise grants granted to employees and future cash-settled share-based payments.

1.24 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount will be recovered principally through sale rather than use and the sale is considered to be highly probable within 12 months of classification as held for sale. Non-current assets (or disposal groups) held for sale are measured at the lower of the carrying amount and fair value less incremental, directly attributable, cost to sell (excluding taxation and finance charges) and are not depreciated.

1.25 Contingent liability

The Group applies judgement in assessing the potential outcome of uncertain legal and regulatory matters. The Group does not recognise contingent liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision or a tax liability is recognised. The Group has disclosed contingent liabilities where economic outflows are considered possible but not probable.

The Group presently has an outstanding tax matter for which the timing of resolution and potential economic outflow are uncertain. Note 31 presents the matter assessed as having possible future economic outflows where no reliable measurement can be made, to the extent that disclosure does not prejudice the Group.

1.26 Business combinations

Acquisitions of businesses (assets and liabilities acquired) are accounted for using the acquisition method. The cost of the acquisition is measured as the aggregate of the fair values at the acquisition date of assets given and liabilities incurred or assumed. Acquisition-related costs are recognised in profit or loss during the period incurred. At the acquisition date, the sum of the consideration transferred exceeds the Group's interest in the net fair value of the acquiree's identifiable net assets, this excess is recognised immediately in profit or loss as a bargain purchase gain.

2. New standards, amendments and interpretations

2.1 Standards and interpretations effective and adopted in the current year

The Group has adopted the following amendments to standards that were effective for the current financial year. These standards, amendments to standards and interpretations did not have a material impact on the Group's financial statements.

Standards and amendments	Subject	Effective date: Financial years beginning on or after:
Classification of liabilities as current or non-current and non-current liabilities with covenant (Amendments to IAS 1)	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.	1 January 2024
Lease liability in a sale and leaseback (Amendments to IFRS 16)	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale	1 January 2024
Non-current liabilities with covenants (Amendments to IAS 1)	The amendment clarifies how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability.	1 January 2024
Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)	The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.	1 January 2024

2.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2025 or later periods:

Standards and amendments	Subject	Effective date: Financial years beginning on or after:
General requirements for disclosure of sustainability-related financial information – IFRS S1	IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	The standard is not mandatory in South Africa yet and therefore the Group does not intend to adopt this standard until such time that it becomes mandatory
Climate-related disclosures – IFRS S2	IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	The standard is not mandatory in South Africa yet and therefore the Group does not intend to adopt this standard until such time that it becomes mandatory
Lack of exchangeability – (Amendments to IAS 21)	The amendments contain guidance to specify when a currency is exchangeable into another currency and how to determine the spot exchange rate when it is not.	1 January 2025
Classification and measurement of financial Instruments (Amendments to IFRS 9 and IFRS 7)	The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.	1 January 2026
Presentation and Disclosures in Financial Statements – IFRS 18	IFRS 18 includes requirements for all entities applying IFRS Accounting Standards for the presentation and disclosure of information in financial statements.	1 January 2027
Subsidiaries without Public Accountability: Disclosures – IFRS 19	IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027

3. Property, plant and equipment

Group R'000	**2024** Cost	Accumulated depreciation and impairment	Carrying value	2023 Cost	Accumulated depreciation and impairment	Carrying value
Beneficiation assets						
Smelters	4 131 294	(3 801 753)	329 541	4 033 345	(3 202 504)	830 841
Pelletising plants	431 124	(380 453)	50 671	422 522	(365 167)	57 355
Right-of-use assets	31 674	(28 606)	3 068	31 674	(27 648)	4 026
Corporate assets	4 611	(4 036)	575	4 110	(3 916)	194
Mining assets						
Mines	1 626 912	(1 102 607)	524 305	1 423 384	(1 060 338)	363 046
PGMs processing plants	234 719	(17 966)	216 753	142 906	(10 654)	132 252
	6 460 334	(5 335 421)	1 124 913	6 057 941	(4 670 227)	1 387 714

Company R'000	**2024** Cost	Accumulated depreciation	Carrying value	2023 Cost	Accumulated depreciation	Carrying value
Corporate assets	2 286	(1 711)	575	1 944	(1 585)	359

Reconciliation of property, plant and equipment: Group – 2024

R'000	Opening balance	Additions	Rehabilitation provision	Disposals	Disposal accumulated depreciation	Movement in capital work in progress	Depreciation	Impairment	Total
Beneficiation assets									
Smelters	830 841	457 738	(626)	(217 893)	217 893	(141 270)	(241 713)	(575 429)	329 541
Pelletising plants	57 355	28 299	586	(10 267)	10 267	(10 016)	(25 553)	–	50 671
Right-of-use assets	4 026	–	–	–	–	–	(958)	–	3 068
Corporate assets	194	507	–	(6)	6	–	(126)	–	575
Mining assets									
Mines	363 046	255 756	(614)	(36 859)	32 254	(14 755)	(74 523)	–	524 305
PGMs processing plants	132 252	168 556	312	–	–	(77 055)	(7 312)	–	216 753
	1 387 714	910 856	(342)	(265 025)	260 420	(243 096)	(350 185)	(575 429)	1 124 913

Impairment assessment

As mandated by IAS 36, management performed an impairment assessment on the basis set out in notes 1.17 and 37. Significant judgement and estimates were made in determining the value-in-use calculation. The recoverable amount was determined using the value-in-use calculation via a discounted cash flow model. Based on the results of the assessment, no CGU impairment adjustment was recognised for the current reporting period. There was an impairment of the Boshoek smelter by R574 million, in addition to the impairment of another specific asset by R1 million. This brings the total impairment loss for the year to R575 million. Note 37 further explains management's impairment assessment.

Depreciation

R354 million depreciation and amortisation is recognised in the statement of profit or loss and other comprehensive income, which comprises R350 million resulting from property, plant and equipment and R4 million of amortisation resulting from intangible assets.

3. **Property, plant and equipment** continued

Reconciliation of property, plant and equipment: Group – 2023

R'000	Opening balance	Additions	Acquisition of PGM X	Disposals	Disposal accumulated depreciation	Movement in capital work in progress	Depreciation	Total
Beneficiation assets								
Smelters	717 249	173 556	–	(101 347)	80 845	118 457	(157 919)	830 841
Pelletising plants	46 013	27 244	–	(10 471)	9 682	7 122	(22 235)	57 355
Right-of-use assets	4 995	–	–	–	–	–	(969)	4 026
Corporate assets	260	50	–	(286)	286	–	(116)	194
Mining assets								
Mines	258 476	127 243	–	(101 752)	94 890	42 398	(58 209)	363 046
PGMs processing plants	47 978	800	54 939	–	–	34 193	(5 658)	132 252
	1 074 971	328 893	54 939	(213 856)	185 703	202 170	(245 106)	1 387 714

Impairment assessment*

As mandated by IAS 36, management performed an impairment assessment on the basis set out in notes 1.17 and 37. Significant judgement and estimates were made in determining the value-in-use calculation, and this is further explained in note 37. The recoverable amount was determined using the value-in-use calculation via a discounted cash flow model. Based on the results of the assessment, no CGU adjustment was recognised for the current reporting period. There was no specific asset impairment.

The Group has revised the wording of the disclosure of the prior year's impairment assessment in notes 3 and 4 to be consistent with the current year's disclosure of the impairment assessment.

Depreciation

R249 million depreciation and amortisation is recognised in the statement of profit or loss and other comprehensive income, which comprises R245 million resulting from property, plant and equipment and R4 million of amortisation resulting from intangible assets.

Change in estimate

An amount of R114 million of change in estimate on the environmental rehabilitation provision is included in the additions for the Group. This is a non-cash item for the Group's statement of cash flows.

Reconciliation of property, plant and equipment: Company – 2024

R'000	**Opening balance**	**Additions**	**Depreciation**	**Total**
Corporate assets	359	342	(126)	575

Reconciliation of property, plant and equipment: Company – 2023

R'000	Opening balance	Additions	Depreciation	Total
Corporate assets	427	48	(116)	359

	Group		**Company**	
R'000	**2024**	2023	**2024**	2023
Amounts recognised in the statement of cash flows*				
Additions	910 856	328 893	342	48
Acquisition of PGM X	–	54 939	–	–
Movement in capital work in progress	(243 096)	202 170	–	–
Assets disposed at carrying value	(4 605)	(28 153)	–	–
Disposal of asset for held for sale	(963)	–	–	–
Change in estimate on the environmental rehabilitation provision	–	113 516	–	–
Acquisition of property, plant and equipment	662 192	671 365	342	48

** Disclosure for amounts recognised in the statement of cash flows has been presented to improve the understandability and clarity of the cash flows from the acquisition of property, plant and equipment. The prior year disclosure has been added for comparability of the financial statements. The enhancement has no impact on the primary financial statements.*

4. Intangible assets

Group R'000	**2024** **Cost**	**Accumulated amortisation and impairment**	**Carrying value**	2023 Cost	Accumulated amortisation and impairment	Carrying value
Mineral rights	163 006	(141 818)	21 188	163 006	(137 593)	25 413

Reconciliation of intangible assets: Group – 2024

R'000	Opening balance	Amortisation	Total
Mineral rights	25 413	(4 225)	21 188

Impairment assessment

As mandated by IAS 36, management performed an impairment assessment on the basis set out in notes 1.17 and 37. Significant judgement and estimates were made in determining the value-in-use calculation. The recoverable amount was determined using the value-in-use calculation via a discounted cash flow model. Based on the results of the assessment, no CGU impairment adjustment was recognised for the current reporting period. Note 37 further explains management's impairment assessment.

Reconciliation of intangible assets: Group – 2023

R'000	Opening balance	Amortisation	Total
Mineral rights	29 626	(4 213)	25 413

Impairment assessment*

As mandated by IAS 36, management performed an impairment assessment on the basis set out in notes 1.17 and 37. Significant judgement and estimates were made in determining the value-in-use calculation, and this is further explained in note 37. The recoverable amount was determined using the value-in-use calculation via a discounted cash flow model. Based on the results of the assessment, no CGU impairment adjustment was recognised for the current reporting period. There was no specific asset impairment.

**The Group has revised the wording of the disclosure of the prior year's impairment assessment in notes 3 and 4 to be consistent with the current year's disclosure of the impairment assessment.*

5. Investment in subsidiary

The following table lists the entity controlled by the Group, either directly or indirectly through a subsidiary.

Company

	Issued share capital					
Directly held	**Number of shares 2024**	Number of shares 2023	**Percentage holding 2024**	Percentage holding 2023	**Carrying amount 2024***	Carrying amount 2023*
Merafe Ferrochrome	400	400	100	100	–	–

The Company's share in the profits of subsidiary for the year ended 31 December 2024 amounted to R677 million (2023: R1 769 million).

* *Less than R1 000.*

Controlled entities

Merafe Kroondal Rehabilitation Trust is consolidated as a controlled entity of the Company.

Refer to note 1.3 for further details on the consolidation of controlled entities. There have been no significant changes in the nature and risks associated with this entity.

Trust with different reporting dates

The end of the reporting year of Merafe Kroondal Rehabilitation Trust is 28 February. The financial information used in the consolidation of the results is as at 31 December 2024. In reporting the financial information for the Trust, information from 1 January 2024 to 31 December 2024 has been reported using management accounts.

6. Investment in associate

The investment in the associate, Impala Chrome Proprietary Limited (Impala Chrome), is a result of the acquisition of the 20.5% interest in Unicorn Chrome, which has been proportionately consolidated in the consolidated financial statements. Unicorn Chrome is jointly controlled by the Group and GOSA. Unicorn Chrome holds the 31.15% investment in Impala Chrome. The Group's effective shareholding in Impala Chrome equates to 20.5% of 31.15%.

Group

Name of company	Method	**% effective ownership interest 2024**	% effective ownership interest 2023	**Carrying amount 2024 R'000**	Carrying amount 2023 R'000
Impala Chrome	Equity accounting	6.39	6.39	32 676	14 150

The principal place of business of Impala Chrome is the North West province.

Summarised financial information of material associate

Summarised statement of profit or loss and other comprehensive income

	Impala Chrome	
R'000	**2024**	2023
Revenue	962 578	892 823
Other income and expenses	(526 448)	(483 680)
Profit before tax	436 130	409 143
Tax expense	(121 035)	(110 310)
Profit after tax	315 095	298 833
Total comprehensive income for the year	315 095	298 833

Summarised statement of financial position

	Impala Chrome	
R'000	**2024**	2023
Assets		
Non-current	36 094	46 414
Current	680 514	453 039
Total assets	716 608	499 453
Liabilities		
Non-current	31 261	37 808
Current	143 336	209 735
Total liabilities	174 597	247 543
Total net assets	542 011	251 910
Reconciliation between the associate's summarised financial information and the carrying amount of the associate		
Associate closing net assets (equity)	542 011	251 910
Group's share in %	6.39	6.39
Group's share in net assets	34 612	16 086
Other adjustments	(1 936)	(1 936)
Carrying amount in Group	32 676	14 150
Reconciliation of the carrying value of investment in associate		
Investment at the beginning of the period	14 150	6 709
Dividends received	(1 596)	(11 642)
Share of earnings of the associate	20 122	19 083
Investment at the end of the year	32 676	14 150

Associate with different reporting dates

The end of the reporting year of Impala Chrome is 30 June. The financial information used in the consolidation of the results is as at 31 December 2024. In reporting the financial information for the associate, information from 1 January 2024 to 31 December 2024 has been reported using management accounts.

7. Deferred tax

R'000	Group 2024	Group 2023	Company 2024	Company 2023
Property, plant and equipment	(308 841)	(380 697)	–	–
Provisions and accruals	134 444	99 670	–	–
Lease obligation	1 586	2 446	–	–
Trade and other receivables	(13 335)	7 027	–	–
Total deferred tax liability	(186 146)	(271 554)	–	–

The Company had an assessed tax loss of R52 million at 31 December 2024 (2023: R52 million). The tax loss has no expiry date, and no deferred tax asset has been raised on this loss.

R'000	Group 2024	Group 2023	Company 2024	Company 2023
Reconciliation of deferred tax liability				
At the beginning of the year	(271 554)	(124 810)	–	6 210
Temporary difference movement on property, plant and equipment	72 064	(83 456)	–	–
Temporary difference on trade and other receivables	(14 277)	(32 002)	–	–
Temporary difference on provisions and accruals	28 481	(30 237)	–	(6 210)
Temporary difference movement on leases	(860)	(1 049)	–	–
	(186 146)	(271 554)	–	–

8. Long-term receivable

R'000	Group 2024	Group 2023	Company 2024	Company 2023
Receivable at fair value – Rustenburg Chrome Mining	64 260	37 287	–	–

In 2017, the Venture entered into an asset swap arrangement with Rustenburg Chrome Mine Proprietary Limited (RCM) through which the Venture's mineral rights were swopped for RCM's mineral rights. The resultant receivable arises as payment for the Venture's mineral rights through ore recovery and sale from mining in the rights area, expected to be concluded in 2032. No ECLs were recognised for this receivable as the debtor is revalued at each reporting period based on the latest mining plans and probabilities and measured at its fair value based on the inputs and forward-looking commodity prices.

The following key assumptions were used in the calculation of the discounted cash flow model (10 years) at the reporting date:

	Unit of measure	2024	2023
Discount rate	%	9.01	8.50
Average exchange rate – real	ZAR/USD	19.22	17.80
Chrome Ore SA LG6 Met Grade 42%	USD/Mt	231.45	197.88

9. Inventories

R'000	Group 2024	Group 2023
Raw materials	611 441	793 058
Finished goods	1 073 068	995 104
Consumable stores	109 983	128 314
	1 794 492	1 916 476

The cost of inventories recognised as an expense and included in the cost of sales amounted to R3 645 million (2023: R3 973 million), which is a decrease from the prior year due to the lower volumes of ferrochrome sold partially offset by higher cost of production. Refer to note 20. No inventories were encumbered during the year.

For the year ended 31 December 2024, inventory was written down to its net realisable value due to low commodity prices at the reporting date, resulting in a loss of R79 million (2023: R2 million). Refer to note 20.

10. Loan to subsidiary

	Group		Company	
R'000	**2024**	2023	**2024**	2023
Loan to subsidiary – Merafe Ferrochrome	–	–	915 892	942 612

The loan is unsecured, interest-free, and has no fixed repayment term. The loan is repayable on demand with less than a year's notice; however, it is not expected to be settled within one year from the reporting date. Loss allowances on intercompany loans are measured at an amount equal to the lifetime of the ECLs, as the loans are repayable on demand and discounted by an effective interest rate of 0%. Merafe Ferrochrome has sufficient cash to repay the loan if it was demanded at the reporting date and no ECL is recognised.

11. Trade and other receivables

	Group		Company	
R'000	**2024**	2023	**2024**	2023
Financial instruments:				
Trade receivables	1 115 047	1 354 882	5 614	12 862
Other receivables	8 645	11 184	2 663	2 608
Related party receivable: GOSA	49 677	177 119	–	–
	1 173 369	1 543 185	8 277	15 470
Non-financial instruments:				
Prepayments	1 792	852	601	371
	1 175 161	1 544 037	8 878	15 841

Trade receivables are net of a R42 million (2023: R36 million) commodities weight loss allowance. The commodity weight loss allowance is estimated using an estimated percentage of allowance per category of goods sold and by reference to past exposure experience. Trade receivables relating to local and foreign sales have an average payment term of between 30 and 120 days and are non-interest-bearing. The Group's exposure to credit and currency risks related to trade and other receivables are disclosed in note 27. No ECLs have been incurred and provided for. Refer to note 1.17, *Impairment of assets*, for further information regarding the accounting policy for ECL on trade receivables.

R73 million (2023: R67 million) of trade receivables subjected to provisional pricing terms are accounted for at fair value through profit and loss—level 2 hierarchy per IFRS 13: *Fair Value Measurement*. The fair value at the reporting date is based on the latest available ferrochrome prices and a closing foreign exchange rate of R18.89 (2023: R18.27).

The non-cash movement of the fair value adjustments of R13 million (2023: R0.78 million) is related to trade receivables carried at fair value that have been treated as a non-cash flow in the statement of cash flows. Refer to note 26.

Refer to note 32 for other trade receivables from related parties.

	Group		Company	
R'000	**2024**	2023	**2024**	2023
Trade receivables per sales region				
Africa	69 543	87 694	5 614	12 862
Asia	741 008	1 021 460	–	–
America	210 694	122 445	–	–
Europe	93 802	123 283	–	–
	1 115 047	1 354 882	5 614	12 862
The following table shows the movement in the weight allowances that have been recognised for trade receivables				
Opening balance	35 870	24 118	–	–
Provision raised	87 094	80 194	–	–
Claims	(51 046)	(43 220)	–	–
Amounts released	(30 214)	(25 222)	–	–
Closing balance	41 704	35 870	–	–

12. Current tax receivable (payable)

	Group		Company	
R'000	**2024**	2023	**2024**	2023
Balance at the beginning of the year	65 040	(52 073)	(178)	–
Current tax expense	(321 561)	(460 092)	(106)	(178)
Prior year over provision	17 007	6 544	178	–
Interest received from tax authority	2 746	123	–	–
Provisional tax payments and refunds	353 628	570 538	–	–
	116 860	65 040	(106)	(178)
Current tax receivable	116 966	65 218	–	–
Current tax payable	(106)	(178)	(106)	(178)
Total net current tax receivable (payable)	116 860	65 040	(106)	(178)
Taxation paid*				
Receivable (payable) at the beginning of the year	65 040	(52 073)	(178)	–
Charged to profit and loss (note 24)	(304 554)	(453 548)	72	(178)
(Receivable) payable at the end of the year	(116 860)	(65 040)	106	178
Per the statement of cash flows	(356 374)	(570 661)	–	–

** In the current year, the Group has included a reconciliation for the taxation paid. The prior year disclosure has been added for comparability of the financial statements. The enhancement has no impact on the primary financial statements.*

13. Cash and cash equivalents

	Group		Company	
R'000	**2024**	2023	**2024**	2023
Cash and cash equivalents consist of:				
Cash on hand	–	26	–	–
Bank balances	1 434 104	1 328 082	2 680	1 732
Short-term deposits	360 807	327 699	–	–
	1 794 911	1 655 807	2 680	1 732
Reconciliation of cash in the Group				
Cash in the Venture	831 426	631 249	–	–
Cash in the Venture for rehabilitation*	360 756	327 648	–	–
Cash in Merafe Resources	2 680	1 732	2 680	1 732
Cash in Merafe Ferrochrome	592 002	687 672	–	–
Cash in Kroondal Rehabilitation Trust**	7 981	7 401	–	–
Cash in Unicorn Chrome	66	105	–	–
	1 794 911	1 655 807	2 680	1 732

Cash at the bank earns interest at a floating rate based on daily bank deposit rates. Call deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group, and interest is earned at the respective call deposit rates.

The Group's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in note 27. While cash and cash equivalents are also subject to impairment requirements of IFRS 9: *Financial Instruments*, the identified impairment loss was immaterial.

* *The cash held by the Venture for rehabilitation is not restricted but has been set aside to fund the environmental rehabilitation. The rehabilitation funding requirements currently mandated by the Department of Mineral Resources and Energy are financed through guarantees. Refer to note 27.*

** *The cash held is not available for general use by the Group and is held in a trust bank account to rehabilitate Kroondaal mine.*

14. Share capital

	Group		Company	
R'000	**2024**	2023	**2024**	2023
Authorised				
3 500 000 000 ordinary shares of 1 cent each	35 000	35 000	35 000	35 000
Issued and fully paid				
2 499 126 870 (2023: 2 499 126 870) ordinary shares of 1 cent each	24 991	24 991	24 991	24 991
Share premium				
Balance at the beginning and the end of the year	1 263 885	1 263 885	1 263 885	1 263 885
Total issued share capital and premium	1 288 876	1 288 876	1 288 876	1 288 876

All ordinary shares have equal voting rights. There are no restrictions on the distribution of dividends or repayment of capital in terms of the memorandum of incorporation of the Company.

15. Lease obligation

	Group		Company	
R'000	**2024**	2023	**2024**	2023
Lease liabilities in the statement of financial position at 31 December				
Non-current liabilities	4 723	5 911	–	–
Current liabilities	1 150	3 148	–	–
	5 873	9 059	–	–
Less than one year	1 867	4 148	–	–
One to five years	6 458	8 324	–	–
Total undiscounted lease liabilities at 31 December	8 325	12 472	–	–
Amounts recognised in profit and loss				
Interest on lease liabilities	155	193	–	–
Expenses relating to short-term leases that have not been capitalised	2 618	278	118	117
Amounts recognised in the statement of cash flows				
Total cash outflow for leases	4 147	5 304	–	–

These financial liabilities for the Group are secured by leases over property, plant and equipment, which is included in note 3. Lease repayments are repayable in monthly instalments averaging R0.3 million (2023: R0.5 million) on all leases. Interest is payable at an average of 13.26% (2023: 12.6%) per annum. Contingent rent, special renewal terms and specific escalation clauses do not apply to the leases. No restrictions are imposed by the current lease arrangements.

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

16. Provision

Reconciliation of provision: Group – 2024

R'000	Opening balance	Change in estimate	Income statement movement	Unwinding of discount	Payments	Total
Environmental rehabilitation	142 237	(342)	14 402	10 328	(6 893)	159 732

Reconciliation of provision: Group – 2023

R'000	Opening balance	Change in estimate	Income statement movement	Unwinding of discount	Reclassification to asset held for sale	Payments	Total
Environmental rehabilitation	269 695	(113 516)	(31 466)	10 873	11 693	(5 042)	142 237

	Group	
	2024 R'000	2023 R'000
Non-current liabilities	142 356	131 330
Current liabilities	17 376	10 907
	159 732	142 237

Environmental rehabilitation

The provision for closure and restoration costs is for liability for the rehabilitation of land involved in any prospecting or mining operations of the Group and to discharge any liability which may arise in terms of the Atmospheric Pollution Prevention Act No. 45 of 1965, the Environment Conservation Act, No. 73 of 1989, the Minerals Act, No. 50 of 1991, the Water Act, No. 54 of 1956, NEMA No. 107 of 1998 and any such other legislation that may be enacted in the future. The environmental obligations and corresponding liability remain the sole responsibility of the Venture. The draft NEMA Financial Provision Regulations No. 765, gazetted on 27 August 2021, were not enacted at the reporting date.

The Venture has provided guarantees to the Department of Mineral Resources and Energy with respect to the liability for closure and restoration costs. These guarantees are in the name of Glencore, relate to the Venture, and are disclosed in note 27. The guarantees are not recognised as liabilities in the financial statements. The estimated cost of rehabilitation is based on environmental plans in accordance with current technology, environmental and regulatory requirements and the measurements of an independent professional surveyor. The change in estimate relates to a reassessment of the provision based on changes in discount rates, expected timing of rehabilitation for operations and closure cost estimates based on the most recent assessment performed.

The measurement of the environmental rehabilitation and decommissioning provisions is a key area where management's judgement is required. The closure provisions are measured at the present value of the expected future cash flows required for rehabilitation and decommissioning. This calculation involves using specific estimates and assumptions when determining the amount and timing of the future cash flows and the discount rate. The closure provisions are updated at each reporting date for changes in the estimates of the amount or timing of future cash flows, inflationary changes in the expected cash flows, utilisation of prior year provisions and changes in the discount rate. The life of mine plan (LoMP) on which accounting estimates are based only includes proved and probable ore reserves as disclosed in Merafe's annual ore reserves and mineral resources statement.

During the current period, the discount rate applied in calculating the environmental rehabilitation provision was increased from 7.3% to 7.47%, resulting in a change in estimate of R0.3 million (2023: R114 million credit). The discount rate of 7.47% (2023: 7.3%) was estimated using the one-year historical average of a 20-year government bond yield.

In the prior year, the Group's investment in Boshoek mine had been classified as held for sale as disclosed in note 39. All conditions precedent to the disposal were concluded, and the environmental obligation associated with the sale of Boshoek mine was derecognised on 20 June 2024.

For calculating the provision for closure and restoration costs, management has assumed a risk-free real inflation rate representative of future cash flows and a nominal discount rate of 7.47%. This is compared to the prior year, when management assumed a risk-free real inflation rate and a nominal discount rate of 7.3%. A 10% increase in the discount rate would have a R16 million decrease in profit, and a 10% decrease would have a R17 million increase in profit. The timing of the cash outflows relating to the provision is uncertain but is expected to range between one and thirty years. The short-term portion of the provision refers to the best estimate for ongoing rehabilitation activities.

17. Cash-settled share-based payment arrangements

	Group		Company	
R'000	**2024**	2023	**2024**	2023
Cash-settled share-based payment liability				
Balance at the beginning of the year	21 298	20 312	21 298	20 312
Share-based payment expense*	14 624	11 115	14 624	11 115
Share grants vested and paid	(15 283)	(10 129)	(15 283)	(10 129)
Balance at the end of the year	20 639	21 298	20 639	21 298
Non-current liability	7 254	10 040	7 254	10 040
Current liability	13 385	11 258	13 385	11 258
	20 639	21 298	20 639	21 298

* *The expense is charged to profit and loss R15 million (2023: R11 million).*

Cash-settled grants

Shareholders approved the Share Incentive Scheme (Scheme) on 13 April 2010. Over time, various share grants and options were issued to directors and employees of the Company.

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

0.6 million share grants (2023: 1.1 million) were forfeited due to performance conditions not being met.

The Monte Carlo option pricing model was used to determine the fair value of the share grants.

The vesting of the grants is based solely on performance measured based on two conditions: 50% based on Merafe's total shareholder return (TSR) and 50% based on HEPS growth.

If Merafe's TSR over the three years places it in one of the top four positions, then 50% of the number of performance shares granted (TSR Portion) will vest in equal proportions on the 3rd, 4th and 5th anniversaries of their grant. If Merafe's TSR over the three years places it in 6th position, then one-third of the TSR Portion will vest in equal proportions on the 3rd, 4th and 5th anniversaries of their grant. If Merafe's performance over the three years lies between any of the above points, then a prorated number of the TSR Portion will vest in equal proportions on the 3rd, 4th and 5th anniversaries of their grant. No share grants will vest for positions seven and less.

Vesting of the other 50% of grant shares will be in accordance with the following policy as determined by the Board:
- The performance shares allocated will be subject to performance against the growth in HEPS measure;
- If performance meets or exceeds the target, ie CPI + 2% per annum over the performance period, 100% of shares will vest;
- If performance is at the threshold, ie CPI + 1% per annum over the performance period, 50% of shares subject to this measure will vest;
- For performance below the threshold, 0% of shares subject to this measure will vest; and
- Linear vesting will take place between different performance milestones.

In terms of the rules of the Scheme, the Company retains the discretion and the right to settle awards through the issue of new shares or in cash. As at 31 December 2024, the Company may still issue 97 885 481 Merafe shares to settle any awards contemplated under the Scheme upon vesting.

Accordingly, the Company may still issue up to the maximum number of shares contemplated under the Scheme to settle any awards.

17. Cash-settled share-based payment arrangements continued

The following assumptions were used in the valuation model:

	2024 **2020 – 2024 share grants**	2023 2019 – 2023 share grants
Risk-free rate	7.49%	7.97%
Expected volatility*	30.83%	36.88%
Expected dividend yield	6.89%	8.28%
Expected life (years)	0.25 to 4.25	0.25 to 4.25
Vesting periods (years)	3 to 5	3 to 5
Weighted average share price (Rand)	R1.43	R1.27
Weighted average exercise price (Rand)	R1.58	R1.36
Weighted average grant price (Rand)	R0.3 to R1.85	R0.3 to R1.85
Weighted average option value (Rand)	R1.07	R0.86
Performance conditions	Yes	Yes
Intrinsic value of shares	R37.9 million	R41.6 million

* *The expected volatility of 30.83% (2023: 36.88%) is based on the historic volatility of the Merafe share price over the past five years.*

The following share grants relating to employees and executive directors were outstanding at 31 December 2024:

Vesting date	Number of shares	Share grant date
1 April 2025	6 387 846	1 April 2020
1 April 2025	2 647 592	1 April 2021
1 April 2025	1 405 178	1 April 2022
1 April 2026	2 647 595	1 April 2021
1 April 2026	1 405 179	1 April 2022
1 April 2026	1 921 035	1 April 2023
1 April 2027	1 405 181	1 April 2022
1 April 2027	1 921 035	1 April 2023
1 April 2027	1 803 060	1 April 2024
1 April 2028	1 921 035	1 April 2023
1 April 2028	1 803 061	1 April 2024
1 April 2029	1 803 065	1 April 2024
	27 070 862	

The following share grants relating to executive directors were outstanding at 31 December 2024:

Vesting date	Ms Z Matlala Number of shares	Mr D Chocho Number of shares
1 April 2025	3 904 904	1 685 363
1 April 2025	1 618 480	698 539
1 April 2025	709 641	324 299
1 April 2026	1 618 480	698 539
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 2027	910 671	461 946
1 April 2028	1 006 647	460 027
1 April 2028	910 671	461 946
1 April 2029	910 671	461 946
	15 022 741	6 821 257

17. Cash-settled share-based payment arrangements continued

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

	2024 Number of shares	2023 Number of shares
Opening balance	31 972 423	34 751 401
Granted during the year	5 409 186	5 763 105
Vested during the year	(9 673 090)	(7 463 859)
Forfeited during the year	(637 657)	(1 078 224)
Closing balance	27 070 862	31 972 423

18. Trade and other payables

	Group		Company	
R'000	**2024**	2023	**2024**	2023
Financial instruments:				
Trade payables	624 308	757 706	1 062	413
Dividend payable	2 999	2 206	2 999	2 206
Other payables	10 698	50 846	–	988
	638 005	810 758	4 061	3 607
Non-financial instruments:				
Employee benefit accruals	137 974	135 101	17 869	18 146
Other short-term provisions	107 101	—	—	—
Other taxes payable	10 606	—	—	—
	893 686	945 859	21 930	21 753

Trade payables are non-interest-bearing and are normally settled on 30 to 45-day terms. Other payables are non-interest-bearing and are normally settled on 30-day terms. An accrual is recognised for the employer's liability for annual leave, annual bonus and associated costs. The accrual for annual leave is recognised when the employee renders the service, and the accrual is updated on a monthly basis. Employee benefits include an accrual for bonuses in terms of the Group's bonus scheme. The Group's exposure to currency, credit and liquidity risk related to trade and other payables are disclosed in note 27.

Other short-term provisions include provisions for community expenses (social labour plans) and the retrenchment costs related to the closure of the Rustenburg smelter. Other taxes payables relate to carbon and mining royalty taxes.

Refer to note 32 for other trade payables from related parties.

19. Revenue

	Group		Company	
R'000	**2024**	2023	**2024**	2023
Revenue from contracts with customers				
Ferrochrome sales*	5 908 878	6 885 467	–	–
Chrome ore sales	2 262 221	2 222 204	–	–
PGMs concentrate sales**	267 055	133 470	–	–
	8 438 154	9 241 141	–	–
Revenue other than from contracts with customers				
Management fees	1 200	1 200	7 817	16 393
Other income***	4 108	1 681	150	143
Dividend income	–	–	1 049 633	824 712
	5 308	2 881	1 057 600	841 248
	8 443 462	9 244 022	1 057 600	841 248

* *Ferrochrome sales includes provisional pricing adjustments of R15 million (2023: R32 million).*
** *All PGMs concentrate sales are to a customer in South Africa.*
*** *Other income includes revenue from sale of scraps and silica.*

19. Revenue continued

Geographical areas of ferrochrome sales to customers

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

Revenue destination	2024 Revenue R'000	2024 % of revenue in relation to total ferrochrome revenue	2023 Revenue R'000	2023 % of revenue in relation to total ferrochrome revenue
Africa*	211 328	4	207 443	3
Americas**	557 401	9	362 759	5
Asia***	4 023 250	68	5 093 698	74
Europe****	1 116 899	19	1 221 567	18
	5 908 878	100	6 885 467	100

* *Includes South Africa.*
** *Includes Brazil and USA.*
*** *Includes China, India, Japan, South Korea, Taiwan, Singapore and Australia.*
**** *Includes England, Finland, Italy, Luxembourg, Netherlands, Slovenia and Spain.*

Geographical areas of chrome ore sales to customers

Revenue destination	2024 Revenue R'000	2024 % of revenue in relation to total chrome ore revenue	2023 Revenue R'000	2023 % of revenue in relation to total chrome ore revenue
South Africa	506 580	22	482 837	22
Asia, Australia, Mexico and Europe	1 755 641	78	1 739 367	78
	2 262 221	100	2 222 204	100

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

Key customers	2024 Revenue R'000	2024 % of revenue in relation to total ferrochrome revenue	2023 Revenue R'000	2023 % of revenue in relation to total ferrochrome revenue
Customer A	1 324 230	22	1 783 005	26
Customer B	955 912	16	1 535 696	22
	2 280 142	38	3 318 701	48

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

Key customers	2024 Revenue R'000	2024 % of revenue in relation to total chrome ore revenue	2023 Revenue R'000	2023 % of revenue in relation to total chrome ore revenue
Customer C	351 919	16	–	–

20. Earnings before interest, taxation, depreciation and amortisation (EBITDA)

The following items have been taken into account in arriving at EBITDA:

	Group		Company	
R'000	**2024**	2023	**2024**	2023
Revenue	8 443 462	9 244 022	1 057 600	841 248
Gain on acquisition of joint operation	–	249 909	–	–
Cost of goods sold	(3 645 149)	(3 973 275)	–	–
(Loss) gain on exchange differences on other financial instruments	(42 521)	91 534	–	–
Gain on exchange differences in cash and cash equivalents	71 842	7 843	–	–
Auditors remuneration – external auditor	(4 495)	(4 368)	(790)	(2 231)
Non-audit service – external auditor	(577)	–	(63)	–
Consulting and professional fees	(14 023)	(12 909)	(8 239)	(6 322)
Selling expenses	(1 048 366)	(1 094 768)	–	–
Commissions	(335 557)	(376 260)	–	–
Net realisable value adjustment of inventory	(79 293)	(2 046)	–	–
Marketing fees	(2 255)	(2 269)	–	–
Corporate social investment	(19 911)	(26 909)	(2 986)	(2 255)
Social labour plans	(186)	(6 898)	–	–
Skills and enterprise development	(4 150)	(3 104)	(1 678)	(727)
Unwinding of interest for rehabilitation provision	(10 328)	(11 318)	–	–
Profit on sale of land and mineral rights	19 061	–	–	–
Profit (loss) on sale of property, plant and equipment	644	(29)	–	–
Short-term and low value leases	(2 618)	(278)	(118)	(117)
Retrenchment costs	(67 395)	–	–	–
Other expenses	(454 653)	(551 689)	(10 122)	(7 377)
Employee costs*	(1 072 115)	(981 967)	(12 816)	(16 703)
	1 731 417	2 545 221	1 020 788	805 516

* *Includes remuneration relating to key management personnel (see note 33).*

	Group		Company	
R'000	**2024**	2023	**2024**	2023

21. Employee costs

Salaries and wages	861 721	794 057	5 279	2 756
Bonus	13 632	11 076	3 125	2 208
Medical aid – company contributions	84 653	75 919	163	123
Leave pay provision accrual	388	(334)	95	67
Provident fund and post-retirement benefits	97 097	89 466	576	434
Share-based payment	14 624	11 115	3 578	11 115
	1 072 115	981 300	12 816	16 703

22. Finance income*

Bank and other cash	63 255	40 731	435	468
Interest received from tax authority	2 745	123	–	–
Interest from associate	11	87	–	–
Per profit and loss	66 011	40 941	435	468
Interest earned on cash and cash equivalents	359	–	–	–
Interest accrued on cash and cash equivalents	–	(3 220)	–	–
Interest accrued from associate	(11)	–	–	–
Per the statement of cash flows	66 359	37 721	435	468

** In the current year, the Group has included a reconciliation to depict how the finance income received, as disclosed in the cash flow statement, is derived. The prior year disclosure has been added for comparability of the financial statements. The enhancement has no impact on the primary financial statements.*

23. Finance expense*

	Group		Company	
R'000	**2024**	2023	**2024**	2023
Lease liabilities	155	193	–	–
Commitment fees	1 203	1 146	–	–
Bank interest	–	1 331	–	–
Per profit and loss	1 358	2 670	–	–
Interest paid on commitment fees	–	3	–	–
Interest paid on lease liabilities from the Venture	806	1 227	–	–
Per the statement of cash flows	2 164	3 901	–	–

** In the current year, the Group has included a reconciliation to depict how the finance expense paid, as disclosed in the cash flow statement, is derived. The prior year disclosure has been added for comparability of the financial statements. The enhancement has no impact on the primary financial statements.*

24. Taxation

	Group		Company	
R'000	**2024**	2023	**2024**	2023
Current tax				
Current year expense	321 561	460 092	106	178
Prior year over provision	(17 007)	(6 544)	(178)	–
	304 554	453 548	(72)	178
Deferred tax				
Current year (credit) expense	(78 154)	145 788	–	6 210
Prior year (over) under provision	(7 254)	956	–	–
	(85 408)	146 744	–	6 210
	219 146	600 292	(72)	6 388

	Group		Company	
	2024	2023	**2024**	2023
Reconciliation between applicable tax rate and average effective tax rate	**%**	%	**%**	%
Applicable tax rate	27.00	27.00	27.00	27.00
Permanent differences*	1.47	0.33	–	0.65
Derecognition of deferred tax asset	–	0.26	–	0.77
Prior year over provision	(2.74)	(0.24)	(0.02)	–
Dividend income	(0.05)	(0.12)	(27.75)	(27.63)
Non-taxable income**	(1.33)	(1.73)	0.81	–
Capital gain inclusion	0.42	–	–	–
Limitation on utilisation of assessed loss	(0.05)	–	(0.05)	–
	24.72	25.50	(0.01)	0.79

* *Includes legal fees, consulting fees, other costs incurred to produce non-taxable income and other permanent differences.*
** *Includes the once off gain on acquisition of joint operation.*

25. Earnings per share

25.1 Basic earnings per share

Basic earnings per share is determined by dividing earnings attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	Group	
Basic earnings per share	**2024**	2023
From operations (cents per share)	26.7	70.1

The calculation of basic earnings per share is based on earnings attributable to ordinary shareholders of R667 million (2023: R1 753 million) and a weighted average number of ordinary shares outstanding during the year of 2 499 126 870 (2023: 2 499 126 870).

25. Earnings per share continued

25.2 Diluted earnings per share

In determining diluted earnings per share, the earnings attributable to the equity holders of the parent and the weighted average number of ordinary shares are adjusted for the effects of all potentially dilutive ordinary shares.

	Group	
Diluted earnings per share	**2024**	2023
From operations (cents per share)	26.7	70.1

	Group	
	2024	2023
Weighted average number of ordinary shares ('000)		
Total number of shares in issue at the beginning and end of the year	2 499 127	2 499 127
Weighted average number of shares used for basic earnings and diluted earnings per share ('000)	2 499 127	2 499 127

The calculation of diluted earnings per share is based on earnings attributable to ordinary shareholders of R667 million (2023: R1 753 million) and a weighted average number of shares outstanding during the year of 2 499 126 870 (2023: 2 499 126 870).

25.3 Headline earnings and diluted headline earnings per share

Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted average number of ordinary shares outstanding during a period.

The calculation of headline earnings per share is based on earnings attributable to ordinary shareholders of R1 073 million (2023: R1 503 million) and a weighted average number of shares outstanding during the year of 2 499 126 870 (2023: 2 499 126 870).

	Group	
	2024	2023
Headline earnings per share (cents per share)	42.9	60.1
Diluted headline earnings per share (cents per share)	42.9	60.1

	Group		Group	
	2024		2023	
R'000	**Gross**	**Net of taxation**	Gross	Net of taxation
Earnings for the year attributable to equity holders of the parent		667 207		1 752 964
IAS 33 earnings		405 678		(249 888)
IFRS 3 gain on acquisition of joint operation	–	–	(249 909)	(249 909)
IAS 16 impairment of property, plant and equipment	575 429	420 063	–	–
IAS 16 profit on sale of land and mineral rights	(19 061)	(13 915)	–	–
IAS 16 (profit) loss on sale of property, plant and equipment	(644)	(470)	29	21
Headline earnings		1 072 885		1 503 076

	Group	
	2024	2023
Weighted average number of ordinary shares ('000)		
Weighted average number of shares used for the headline and diluted headline earnings per share	2 499 127	2 499 127

26. Cash generated from operations

	Group		Company	
R'000	**2024**	Restated* 2023	**2024**	2023
Profit before taxation	886 353	2 353 256	1 021 097	805 868
Adjustments for non-cash items:				
Depreciation and amortisation	354 410	249 319	126	116
Impairments	575 429	–	–	–
Gain on acquisition of joint operation	–	(249 909)	–	–
Effect of exchange rate fluctuations	(71 842)	(7 843)	–	–
Movements in rehabilitation provision	17 837	(25 635)	–	–
Income from equity accounted investment	(20 122)	(19 083)	–	–
Other non-cash movement	(943)	4 422	–	–
(Profit) on sale of land and mineral rights	(19 061)	–	–	–
(Profit) loss on sale of property, plant and equipment	(644)	29	–	–
Fair value adjustment on provisionally priced revenue	(13 486)	(781)	–	–
Movement in long-term receivable	(26 973)	1 376	–	–
Movement in share-based payment liability	(659)	–	(659)	–
Share grants vested	–	(10 129)	–	(10 129)
Share-based payment expense	–	11 115	–	11 115
Net realisable value inventory adjustment	79 293	2 046	–	–
Finance income	(66 011)	(40 941)	(435)	(468)
Finance expense	1 358	2 670	–	–
Changes in working capital:				
Inventories	42 691	454 168	–	–
Trade and other receivables	382 362	(417 133)	6 963	(5 739)
Trade and other payables	(52 173)	97 578	177	2 287
	2 067 819	2 404 525	1 027 269	803 050

The financing activities that give rise to cash flows are lease obligations repaid and dividends paid, as disclosed in note 15 and note 38, respectively.

* Cash flows from operations have been restated to correct for the omission of non-cash movements resulting from the gain on the acquisition of the joint operation of R250 million with adjustments to changes in working capital movements. The changes to working capital included R0.15 million increase in inventory, R258 million decrease in trade and other receivables and R8 million decrease in trade and other payables. The previous disclosure was restated as follows:

Cash generated from operations restatement (extract)	Group		
R'000	Previously reported 31 Dec 2023	Restatement	Currently reported 31 Dec 2023
Gain on acquisition of joint operation	–	(249 909)	(249 909)
Changes in working capital:			
Inventories	454 018	150	454 168
Trade and other receivables	(675 134)	258 001	(417 133)
Trade and other payables	105 820	(8 242)	97 578
Total	(115 296)	–	(115 296)

27. Financial instruments and risk management

Principles of risk management

The Group is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk.

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

The Board has overall responsibility for establishing and overseeing the Group's risk management framework. The Board has established an Audit and Risk Committee responsible for monitoring the Group's risk management policies. The Committee reports directly to the Board on its activities.

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

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

The overall objective of the Venture's treasury department is to effectively manage credit risk, liquidity risk and market risks in accordance with the Group's strategy, as the Group's activities expose it to a variety of risks. Other responsibilities of the Venture's treasury department include management of the Group's cash resources, approval of counter-parties and relevant transaction limits and the monitoring of all significant treasury activities undertaken by the Group. The Venture manages the treasury department through a Central Treasury function.

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

The Group's significant financial instruments comprise of financial assets and financial liabilities measured at amortised cost. The primary purpose of these financial instruments is to finance the Group's acquisitions and ongoing operations.

27.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group minimises credit risk by ensuring that the exposure is spread over several counterparties.

Credit risk exposure arises from transactions in the Group's ordinary course of business and applies to all financial assets. Counterparties are assessed before, during and after the conclusion of transactions to ensure exposure to credit risk is limited to an acceptable level. There is no material concentration of credit risk in cash and cash equivalents, trade and other receivables and loans.

Cash and cash equivalents

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

27. Financial instruments and risk management continued

27.1 Credit risk continued

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which the customers operate, have less of an influence on credit risk. Management has considered recoverability of trade and other receivables noted in notes 1.17 and 11, and no significant ECLs are expected. Trade receivables are presented in the statement of financial position net of any provision for impairment. No trade receivables are past due.

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

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

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

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
R'000	**2024 R'000**	2023 R'000	**2024 R'000**	2023 R'000
Exposure to credit risk				
Loan to subsidiary at amortised cost	–	–	915 892	942 612
Other long-term receivable at amortised cost	17 730	14 229	17 730	14 229
Trade and other receivables at amortised cost and fair value through profit and loss	1 173 369	1 543 185	8 277	15 470
Long-term receivable at fair value	64 260	37 287	–	–
Cash and cash equivalents at amortised cost	1 794 911	1 655 807	2 680	1 732
	3 050 270	3 250 508	944 579	974 043

27.2 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Liquidity risk is the risk that the Group will not be able to meet its financial obligations on time. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

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

27. Financial instruments and risk management continued

27.2 Liquidity risk continued

In addition, the Group maintained the following facilities at 31 December 2024:

The Company

- ABSA Bank Limited (ABSA): R1 million credit card facilities. Interest is payable at ABSA is the prime lending rate plus 7.5%. At the reporting date, the prime lending rate was 11.25%.
- ABSA: R0.3 million guarantee facility.
- ABSA: R5 million daylight facility.

Merafe Ferrochrome

- ABSA: R20 million guarantee facility.
- ABSA: R5 million daylight facility.
- ABSA facility: This is a R300 million (2023: R300 million) revolving credit facility, and the interest is calculated at three months JIBAR plus a margin of 220 basis points. As at 31 December 2024, the facility was unutilised with a zero balance. A commitment fee is payable on the unused portion of the facility, which is payable quarterly in arrears. The commitment fee is 0.4% per annum. As at 31 December 2024, the three months JIBAR was 7.6%.
- The financial covenants relating to the facility are as follows: the interest cover ratio for any measurement period should not be less than four times, and the net debt to EBITDA ratio for any measurement period should not be more than 2.5 times. There was no utilisation of the facility during the year and, therefore, no requirement to meet covenants.

The Venture

- GOSA, acting on behalf of the Venture, and Merafe Ferrochrome have a Treasury Service Agreement with Glencore Holdings South Africa Proprietary Limited (Service Provider/GHSA). Loans, overdraft funding, and issuance of guarantee instruments are among the services offered by the Service Provider to the Venture.
- Interest is charged on overnight funding: USD – Secured Overnight Financing Rate plus 1.05%; ZAR – Prime lending rate less 1.75%.
- The overdraft facilities remain undrawn as at 31 December 2024.

As indicated, GHSA also issues guarantees on behalf of the Venture. At year-end, the Venture had the following guarantees in place (Merafe's attributable portion):

R'000	GHSA	ABSA	FNB	Total
Group – 31 December 2024				
Eskom	169 678	–	–	169 678
Department of Mineral Resources and Energy	73 164	1 310	20	74 494
Customs and excise	6	–	–	6
Town councils and Maputo Port Development Company	15 880	–	–	15 880
	258 728	1 310	20	260 058
Group – 31 December 2023				
Eskom	53 200	–	–	53 200
Department of Mineral Resources and Energy	71 653	1 310	20	72 983
Custom and excise	6	–	–	6
Town councils and water boards	15 375	–	–	15 375
	140 234	1 310	20	141 564

The above guarantees in the name of GHSA relate to the Venture. The guarantees are not assessed for ECLs as per IFRS 9 as they are guaranteed by the individual banks and measured at fair value.

R'000	ABSA	Total
Company – 31 December 2024		
Department of Mineral Resources and Energy	60	60
Facility available	60	60
Percentage utilised	100	100
Company – 31 December 2023		
Department of Mineral Resources and Energy	60	60
Facility available	60	60
Percentage utilised	100	100

27. Financial instruments and risk management continued

27.2 Liquidity risk continued

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

R'000	Current year ended 31 December 2025	1 to 2 year ended 31 December 2026	2 to 3 year ended 31 December 2027	3+ year ended 31 December 2028 onwards	Total
Group 2024					
Non-derivative					
Lease obligation	1 867	1 921	1 345	3 192	8 325
Trade and other payables	638 005	–	–	–	638 005
Total	639 872	1 921	1 345	3 192	646 330
Company 2024					
Non-derivative					
Trade and other payables	4 061	–	–	–	4 061

R'000	Current year ended 31 December 2024	1 to 2 year ended 31 December 2025	2 to 3 year ended 31 December 2026	3+ year ended 31 December 2027 onwards	Total
Group 2023					
Non-derivative					
Lease obligation	4 148	1 867	1 921	4 536	12 472
Trade and other payables	810 758	–	–	–	810 758
Total	814 906	1 867	1 921	4 536	823 230
Company 2023					
Non-derivative					
Trade and other payables	3 607	–	–	–	3 607

27.3 Market risk

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

Currency risk

Foreign currency

In the ordinary course of business, the Group enters into transactions denominated in foreign currencies (primarily USD). As a result, the Group was subject to transactions and translation exposure from fluctuations in foreign currency exchange rates.

The Group's exposure to foreign currency risk is as follows:

Group	2024	2023
US Dollar exposure:		
Amounts in USD'000		
Trade and other receivables	48 212	61 249
Customer foreign currency account	37 922	30 937
Net US Dollar exposure	86 134	92 186
Exchange rates		
The following closing exchange rates were applied at reporting date:		
Average rate		
Rand: United States Dollar	18.24	18.62
Reporting date spot rate		
Rand: United States Dollar	18.89	18.27

27. Financial instruments and risk management continued

27.3 Market risk continued

Foreign currency sensitivity analysis

A 10 per cent weakening of the Rand against the USD on 31 December 2024 would have increased equity and profit before tax by R163 million (2023: R168 million). A 10 per cent strengthening of the Rand at 31 December 2024 against the USD would have an equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant. This sensitivity does not represent the profit and loss impact that would be expected from a movement in foreign currency exchange rates over the course of a period.

Interest rate risk profile

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments were:

	Average effective interest rate		**Carrying amount**	
Group	**2024 %**	2023 %	**2024 R'000**	2023 R'000
Variable rate instruments:				
Cash and cash equivalents				
Local currency*	8.79	8.72	1 078 558	1 090 515
Foreign currency	5.14	5.00	716 353	565 292
			1 794 911	1 655 807

* *Cash balances in local currency earned an effective interest as follows at reporting date:*

The Venture

Current account: 8.15%.

The Company and Merafe Ferrochrome

Access call deposit: 9.28%.
Current account: favourable – 2.16%; unfavourable – prime lending rate which is 11.25%.

Sensitivity analysis for interest rate risk

Cash and cash equivalents

An increase of 50 basis points in interest rates will increase equity and profit or loss by R9 million (2023: R8 million). A decrease of 50 basis points in interest rates would have an equal but opposite effect. This analysis assumes all other variables remain constant.

27.4 Categories of financial instruments

The following tables present the carrying values and fair values of the Group's financial instruments. Fair value is the price expected to be received to sell an asset or paid to transfer a liability in a market at the measurement date under current market conditions. Where available, market values have been used to determine fair values. When market values are unavailable, fair values are calculated by discounting expected cash flows at prevailing market interest and exchange rates. The estimated fair values have been determined using market information and appropriate valuation methodologies but are not necessarily indicative of the amounts that the Group could realise in the ordinary course of business. Amortised costs approximate fair value.

27. Financial instruments and risk management continued

27.4 Categories of financial instruments continued

The financial assets and liabilities are presented by class in the tables below at their carrying values.

Categories of financial assets

R'000	Notes	Fair value through profit or loss	Amortised cost	Total
Group 2024				
Trade and other receivables	11	73 486	1 099 883	1 173 369
Cash and cash equivalents	13	–	1 794 911	1 794 911
Long-term receivable	8	64 260	–	64 260
Other long-term receivable	40	–	17 730	17 730
		137 746	2 912 524	3 050 270
Group 2023				
Trade and other receivables	11	66 931	1 476 254	1 543 185
Cash and cash equivalents	13	–	1 655 807	1 655 807
Long-term receivable	8	37 287	–	37 287
Other long-term receivable	40	–	14 229	14 229
		104 218	3 146 290	3 250 508

R'000	Notes	Amortised cost	Total
Company 2024			
Loan to subsidiary	10	915 892	915 892
Trade and other receivables	11	8 277	8 277
Cash and cash equivalents	13	2 680	2 680
Other long-term receivable	40	17 730	17 730
		944 579	944 579
Company 2023			
Loan to subsidiary	10	942 612	942 612
Trade and other receivables	11	15 470	15 470
Cash and cash equivalents	13	1 732	1 732
Other long-term receivables	40	14 229	14 229
		974 043	974 043

Categories of financial liabilities

R'000	Notes	Amortised cost	Leases	Total
Group 2024				
Trade and other payables	18	638 005	–	638 005
Lease obligation	15	–	5 873	5 873
		638 005	5 873	643 878
Group 2023				
Trade and other payables	18	810 758	–	810 758
Lease obligation	15	–	9 059	9 059
		810 758	9 059	819 817
Company 2024				
Trade and other payables	18	4 061	–	4 061
Company 2023				
Trade and other payables	18	3 607	–	3 607

28. Fair value estimation

A number of the Group's accounting policies and disclosures require the measurement of fair values. The Group uses appropriate valuation techniques when sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Refer to note 1.20 for the accounting policy and valuation of these financial instruments.

The Group's assets and liabilities that are measured at fair value are classified into different levels based on the extent that quoted prices are used in the calculation of fair value and the levels have been defined as follows:
- Level 1: fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); or
- Level 3: fair value based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the fair value measurement hierarchy of the Group's assets and liabilities measured at fair value:

R'000	Level 1	Level 2	Level 3	Total
Group 2024				
Financial asset				
Trade receivable held at fair value through profit or loss	–	73 486	–	73 486
Long-term receivable	–	–	64 260	64 260
	–	73 486	64 260	137 746
Group 2023				
Financial asset				
Trade receivable held at fair value through profit or loss	–	66 931	–	66 931
Long-term receivable	–	–	37 287	37 287
	–	66 931	37 287	104 218

The following valuation techniques are used in measuring Level 2 and Level 3 fair value for financial instruments:

Level 2 are based on quoted market metal prices and exchange rates.

Level 3 instruments are determined with a discounted cash flow model using risk-free ZAR interest rate, exchange rates and long-term forecast commodity prices.

There were no transfers between fair value hierarchy levels in the current and prior years. There was no change in valuation techniques compared to the prior year.

Reconciliation of level 3 financial assets

The table below sets out the reconciliation of financial assets that are measured at fair value based on inputs that are not based on observable market data (level 3):

Group	R'000
Balance at 1 January 2023	38 663
Loss recognised in profit or loss	(1 376)
Balance at 31 December 2023	37 287
Gain recognised in profit or loss	26 973
Balance at 31 December 2024	64 260

29. Capital management

The Board's policy is to maintain a strong capital base to maintain investors, debt providers and the market confidence in the business. The Group's objective when managing capital is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities to maximise stakeholder returns sustainably.

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

The Board has actively pursued a policy of debt reduction, and its objective is to maintain its net gearing level to a maximum of 25% versus total assets. This ratio is calculated taking into account interest-bearing debt excluding cash balances divided by total assets. At 31 December 2024 year-end, the gearing level was 0% (31 December 2023: 0%).

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

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

Neither the Company nor its subsidiary are subject to externally imposed capital requirements.

30. Commitments

Commitments relating to the Venture

The Group's capital commitments at year end in respect of the Venture were:

	Group	
R'000	**2024**	2023
Contracted for but not provided for	218 246	208 960
Authorised but not contracted for	552 179	306 128
	770 425	515 088

31. 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 provisions for income taxes. The income tax and annual assessments are subject to examination within prescribed periods by the SARS.

SARS finalised the audit of the previously reported transfer pricing matter on 30 October 2024 and adjusted (increased) the Group tax assessments for 2016 and 2017. Pursuant to the finalisation of the audit, SARS issued additional assessments on 30 October 2024 levying additional income tax, dividends tax, understatement penalties, and interest in the aggregate amount of R406 million against the Group for the 2016 and 2017 years.

The Group disagrees with the additional assessments and will lodge an objection against the additional assessments. The Group has applied for a full suspension of payment of the disputed tax debt, pending its objection and Tax Court appeal process.

Management continues to rely 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 due to the dispute 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.

32. Related parties

32.1 Related party transactions and balances

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

All related party transactions relate to Merafe's attributable 20.5% interest in the Venture. Income and receivable amounts are shown in brackets. There are no outstanding commitments as at 31 December 2024.

Name of related party	Description of relationship	Transactions and balances
The Venture	In July 2004, GOSA and Merafe Ferrochrome pooled and shared ferrochrome assets to form the Venture.	Refer to note 32.2 for the amounts included in the consolidated financial statements of the Group.
Merafe Ferrochrome and Mining Proprietary Limited	Merafe Ferrochrome is a wholly-owned subsidiary of Merafe Resources.	Merafe Resources charges Merafe Ferrochrome a management fee as per note 19. The dividend declared by Merafe Ferrochrome was R1 050 million (2023: R823 million). At the reporting date, a loan of R916 million (2023: R965 million) is owed by Merafe Ferrochrome.
Merafe Kroondal Rehabilitation Trust (SE)	The Trust, which was registered on 31 May 2006, was established to provide funds for the rehabilitation of land involved in any prospecting or mining operations of Merafe Ferrochrome of the Kroondal mine and to discharge any liability which might arise in terms of the Atmospheric Pollution Prevention Act of 1965, the Environment Conservation Act 45, No. 50 of 1991, the Water Act, No. 54 of 1956 and any such other legislation as may be enacted in the future. The environmental obligations and corresponding liability remain the sole responsibility of the Venture. The trust is a subsidiary of Merafe Resources and is consolidated.	A loan account is recognised with Merafe Resources of R0.1 million (2023: R0.1 million), which relates to the payment of audit fees.
Industrial Development Corporation of South Africa Limited (IDC)	The IDC holds 21.9% of the issued share capital of Merafe Resources and has the ability to exercise significant influence over Merafe Resources as a result of its shareholding.	The IDC received the non-executive director's fees for Mr D McGluwa as disclosed in note 33. The IDC received dividends declared by Merafe Resources. At the reporting date, there are no amounts due to the IDC.
Glencore (Nederland) B.V. (GN)	GN holds 28.8% of the issued share capital of the Company and has the ability to exercise significant influence over the Company as a result of its shareholding.	GN received dividends declared by Merafe Resources. At the reporting date, there are no amounts due to the GN.
Mr S Phiri, Mr J Mclaughlan, Mr K Tlale, Ms M Vuso, Ms N Mabusela-Aikhuere, Mr D Gluwa, Mr D Green, Ms Z Matlala, Mr D Chocho	Directors of Merafe Resources.	Refer to note 33 for transactions with directors.

32. Related parties continued

32.1 Related party transactions and balances continued

Name of related party	Description of relationship	Transactions and balances
Glencore Limited (Stamford) (GLS)#	GLS acts as the Venture's exclusive marketing agent to sell ferrochrome on its behalf and acts as a distributor in the USA and Canada.	Sale of ferrochrome R554 million (2023: R342 million). Commission expense R13 million (2023: R7 million). Interest expense R13 million (2023: R12 million). Receivable at the reporting date R134 million (2023: R99 million) is reduced as and when GLS receives funds from customers and is receivable 120 days after the bill of lading.
Glencore International AG (GIAG)#	GIAG acts as the Venture's exclusive marketing agent to sell ferrochrome and chrome ore on its behalf. The Venture purchases various raw materials from GIAG on an ongoing basis. The Venture sells chrome ore to GIAG on an ad hoc basis.	Commission expense on sale of ferrochrome and chrome ore R324 million (2023: R369 million). Chrome ore swap R8 million (2023: Rnil). Marketing fee expense R2 million (2023: R2 million). Net interest income R12 million (2023: R19 million). Purchase of raw materials R9 million (2023: R50 million). Balance owing at the reporting date R30 million (2023: R40 million) payable on confirmation of final sales.
Cassian Trade AG (Cassian)#	Cassian acts as the Venture's exclusive marketing agent to sell ferrochrome and chrome ore on its behalf. The Venture purchases various raw materials from Cassian on an ongoing basis.	Balance owing at the reporting period R7 million (2023: Rnil) is due 30 days from the statement date.
Glencore Operations South Africa Proprietary Limited (GOSA)#	GOSA is Merafe Ferrochrome partner in the Venture.	Employee costs R176 million (2023: R171 million). Head-office costs R38 million (2023: R89 million). Training costs R12 million (2023: R8 million). Lion housing R23 million (R21 million). Share service centre costs R13 million (2023: R11 million). Balance owing at the end of the year R15 million (2023: R120 million) payable 10 days after month end. GOSA received the non-executive director's fees for Mr D Green as disclosed in note 33. At the reporting date, a loan receivable of R50 million (2023: R177 million) is owed to Merafe Ferrochrome.
Char Technology Proprietary Limited (Chartech)#	Chartech sells raw materials to the Venture.	Purchase of raw materials R129 million (2023: R152 million). Balance owing at the reporting date R9 million (2023: R14 million) payable 30 days from the statement date.
Glencore Property Management Company Proprietary Limited (GPMC)#	GPMC provides rental property to the Venture.	Rental of CSI offices R0.4 million (2023: R0.4 million). Balance owing at the reporting period R0.3 million (2023: R0.4 million) payable 30 days from the statement date.
Glencore Holdings South Africa Proprietary Limited (GHSA)#	GHSA offers the Central Treasury Function for the Venture.	Cash deposits of R831 million (2023: R631 million) and rehabilitation investment of R361 million (2023: R328 million).
Astron Energy Proprietary Limited (Astron)#	Astron sells fuel to the Venture.	Purchases of R35 million (2023: R37 million). Payable of R3 million (2023: R3 million) is due 30 days after the statement date.
Impala Chrome Proprietary Limited (Impala)	Impala is an associate jointly controlled by the Venture.	Revenue from logistics, marketing and maintenance contracts R42 million (2023: R54 million). Receivable of R3 million (2023: Rnil) is due 30 days after the statement date.
Unicorn Chrome Proprietary Limited (Unicorn)	Unicorn is a jointly controlled operation by the Venture.	Unicorn declared a dividend of R2 million to Merafe Ferrochrome.

Subsidiary of Glencore plc.

32. Related parties continued

32.2 Transactions with the Venture

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

The consolidated financial statements include the following items that represent the working capital and EBITDA of the Venture in its totality.

	Group	
R'000	**2024**	2023
Inventories	8 970 805	9 643 724
Trade and other receivables	9 495 137	5 022 843
Cash and cash equivalents	5 815 522	4 677 549
Lease obligation	(22 106)	(35 575)
Provision	(779 177)	(755 151)
Trade and other payables	(4 181 402)	(4 492 466)
Net working capital	19 298 779	14 060 924
Revenue	41 174 995	45 748 413
Net foreign exchange gain	143 032	484 765
Operating expenses	(32 546 364)	(34 228 606)
EBITDA	8 771 663	12 004 572

33. Key management remuneration

33.1 Non-executive directors' remuneration

R'000	**2024**	2023
Mr S Phiri (Chairperson)	797	–
Mr A Mngomezulu	382	872
Ms M Vuso	578	517
Mr J Mclaughlan	498	460
Mr K Tlale	487	485
Ms N Mabusela-Aikhuere	606	571
Mr D McGluwa*	401	394
Mr D Green**	434	411
	4 183	3 710

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

Change in directorate

On 18 January 2024, the Group announced the appointment of Mr Steve Phiri as an independent non-executive director of the Board, effective 1 February 2024.

On 15 May 2024, the Group announced the retirement of Mr Abiel Mngomezulu as an independent non-executive director of the Board, effective 15 May 2024. He was replaced by Mr Steve Phiri who was appointed as the Chairperson on 15 May 2024.

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

33.2 Executive directors' remuneration

R'000	**Salary**	**Bonus**	**Fringe benefits and leave pay**	**Provident fund contributions**	**Share grants vested**	**Total**
2024						
Ms Z Matlala	6 083	5 899	272	932	9 345	22 531
Mr D Chocho	4 227	3 192	612	401	4 033	12 465
	10 310	9 091	884	1 333	13 378	34 996
2023						
Ms Z Matlala	5 730	5 231	289	851	6 169	18 270
Mr D Chocho	3 537	2 550	289	399	2 642	9 417
	9 267	7 781	578	1 250	8 811	27 687

34. Directors' interests in Merafe Resources Limited

As at 31 December 2024, the directors of the Company are beneficially interested (directly and indirectly) in 3 553 565 (2023: 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.

The Company's executive directors and their immediate families control 0.14% (2023: 0.14%) of its voting shares. In addition to their salaries, the Company 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 scheme (refer to note 17).

	2024		2023	
	Number of shares		Number of shares	
	Direct	**Indirect**	Direct	Indirect
Ms Z Matlala	2 945 000	–	2 945 000	–
Mr D Chocho	608 565	–	608 565	–
	3 553 565	–	3 553 565	–

There have been no changes in these holdings from 31 December 2024 to the date of approval of the annual financial statements, being 7 March 2025.

35. Going concern

As stated above, the Group had a cash balance amounting to R1 795 million and no debt at the reporting date and a positive cash balance and no debt as at 28 February 2025.

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, if the need arises. 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 R1 731 million and made a profit after tax of R667 million in the current year. Merafe Group and the Company maintain healthy cash balances per note 13 with access to banking and other lending facilities. The Group and Company's credit and liquidity risks have been assessed in notes 27.1 and 27.2. Having considered the Group and Company's key risks, current financial position, solvency and liquidity, debt levels, lending facilities available through the Venture, impairment review, as well as the Group and Company's financial budgets with their underlying business plans, the directors believe that the Group and Company have sufficient resources and cash flows to be able to continue as a going concern at least for the year ahead. The Group and Company's lending facilities are referenced in note 27.2.

36. Events after the reporting period

Business Review

The Business Review follows sustained pressure from the prolonged economic downturn in the global ferrochrome market, which pressures are not expected to ease in the near to medium term. Should the Venture not be able to identify viable solutions to sustain profitability, it may have to consider suspension of certain ferrochrome furnaces in May 2025.

Contingent liability

Note 31 of the annual financial statements provides details of the pending transfer pricing matter with SARS. While the Group had applied for full suspension of payment, communication was received from SARS post year-end, partially suspending the payment. The amount which has not been suspended and therefore payable is R232 million. Pursuant to section 9 of the Tax Administration Act, the Company has requested SARS reconsider its decision to partially decline the request for suspension of payment.

Update regarding the chrome ore operations

The Venture has entered into a mutually beneficial enhancement to its historical agreement with Lonmin plc, as well as a new chrome management agreement with, inter alia, Sibanye Stillwater Limited. Refer to the SENS published on 19 February 2025.

It is anticipated that the new agreement will result in increased feed and improved recoveries, thereby optimising production yields and reducing operational costs across all relevant chrome recovery plants.

On 6 March 2025, the Board resolved to declare a final dividend of 8 cents (2023: 22 cents) cents per share for the 2024 financial year. The total gross cash dividend for the year amounted to 28 cents per share. The dividend will be paid out of income reserves.

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

37. Impairment of assets

37.1 CGU assessment

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

On 31 December 2024, Merafe's share price closed at 140 cents (2023: 130 cents) per share. Based on this share price, the market capitalisation of R3.5 billion was R1.8 billion lower than the net asset value (NAV) of R5.3 billion. As per IAS36.12(d), if the carrying amount of net assets of an entity is higher than its market capitalisation, this is an impairment indicator. The impairment indicator was prevalent at both the interim period and at year-end.

As the impairment indicator remained at year-end, management estimated the recoverable amount of the Group's assets by calculating the value in use of the Group. This calculation was based on the future cash flows expected to be derived from the Venture. No impairment adjustment was considered necessary at year-end. The following long-term average assumptions were used in the calculation of the value-in-use (VIU) model (30 years) at the reporting date:

Assumptions

	Unit of measure	**2024**	2023
Average exchange rate – real	ZAR/USD	19.22	17.72
Weighted average cost of capital – real (pre-tax)	%	16.50	16.40
Ferrochrome prices – real	USDc/lb	89	96
Chrome ore prices (CIF) – real	USD/tonne	206	177
Platinum prices – real	USD/oz	1 249	1 134
Rhodium prices – real	USD/oz	4 437	4 118
Palladium prices – real	USD/oz	1 109	1 029

The inputs into the VIU model include key macroeconomic assumptions as detailed above as well as operational assumptions. These assumptions are necessary given the uncertainty that underlies future outcomes. In determining the final VIU amount, Merafe considered scenarios involving possible changes in the macro assumptions while keeping operational assumptions constant. The sensitivity ranges are indicated below. There was no CGU impairment recognised for the current reporting period.

Key sensitivity analysis for impairment

Change in weighted average cost of capital

A decrease/increase of 5% in the weighted average cost of capital will increase the valuation by approximately R226 million and decrease the valuation by approximately R197 million respectively. This analysis assumes that all other variables remain constant.

Change in exchange rate

A decrease (i.e. stronger ZAR)/increase of 5% in the exchange rates will decrease the valuation by approximately R2.3 billion and increase the valuation by approximately R2.3 billion respectively. This analysis assumes that all other variables remain constant.

A decrease (i.e. stronger ZAR)/increase of 10% in the exchange rates will decrease the valuation by approximately R4.4 billion and increase the valuation by approximately R4.5 billion respectively. This analysis assumes that all other variables remain constant.

Change in ferrochrome and chrome ore prices

A decrease/increase of 5% in the ferrochrome and chrome ore prices will decrease the valuation by approximately R2.6 billion and increase the valuation by approximately R2.6 billion respectively. This analysis assumes all other variables remain constant.

37.2 Smelter assessment

At year end, there were grounds pointing to the likely impairment of some of our smelting operations. After considering several critical factors which included the state of the ferrochrome market, the drop in ferrochrome prices and the level of our operating costs, management concluded that the Boshoek smelter should be fully impaired resulting in an impairment write off of R574 million relating thereto at year end. This brings the total impairment loss for the year to R575 million.

38. Dividends declared

	Group		Company	
R'000	**2024**	2023	**2024**	2023
Final dividend – prior year	549 808	324 887	549 808	324 887
Interim dividend – current year	499 825	499 825	499 825	499 825
Total dividends declared for the year	1 049 633	824 712	1 049 633	824 712

The dividend declared is calculated based on the number of ordinary shares in issue at the declaration date. Dividends are paid out of income reserves.

39. Non-current asset held for sale

	Group	
R'000	**2024**	2023
Land and mineral rights held for sale and previously included in property, plant and equipment	–	963
Liabilities directly associated with the assets held for sale	–	(12 568)
	–	(11 605)

On 16 August 2022, the Group decided to dispose of the mineral rights and land that form part of Boshoek mine. The liability directly associated with the asset held for sale is the environmental rehabilitation obligation. The Group considered that the sale of Boshoek mine met the criteria to be classified as held for sale for the following reasons:

- The Group had obtained the required internal approvals for the sale;
- The Boshoek mine was available for immediate sale and a buyer had been identified and the sale agreement concluded; and
- The actions required for the fulfilment of the suspensive conditions were expected to be completed within 12 months of classification as held for sale.

Section 11 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 was approved by the Department of Mineral Resources and Energy on 7 December 2023. Final regulatory approval was received from the Department of Mineral Resources and Energy on 5 June 2024, and all suspensive conditions of the sale were met on 20 June 2024. The Group's portion of the cash consideration received for the sale of Boshoek mine was R7.9 million.

Boshoek mine remained classified as a non-current asset held for sale for the period until the date of sale. Prior to and up to the date of sale, it was on care and maintenance.

40. Other long-term receivable

	Group		Company	
R'000	**2024**	2023	**2024**	2023
Enterprise and supplier development funds	17 730	14 229	17 730	14 229

On 19 December 2022, the Company established an enterprise and supplier development funding programme to support small and medium enterprises (SMEs) through responsible investment and ensuring Broad-Based Black Economic Empowerment code compliance. The Company has provided the fund with an interest-free loan, which will be used to support the SMEs. During the current year, the Company provided an additional R3.5 million interest-free loan in a different fund.

The loan is accounted for at amortised cost. The Company expects repayment of the capital amount on winding up of the fund at the end of a two-year period from the reporting date. At the reporting date, there was no indication of a deterioration of the credit risk on the loan since initial recognition. The loan is considered to have a low credit risk of default, and the beneficiaries of the fund have a strong capacity to meet the contractual cash flow obligations in the near term. The expected credit loss over the next 12 months is immaterial.

41. Gain on acquisition of joint operation

Through its wholly-owned subsidiary, Merafe Ferrochrome, the Group agreed with GOSA to acquire a participation interest in the Eastern PGM Plants located at Thorncliffe mine. The new joint operation relates to all associated minerals produced pursuant to the Eastern Mining Right and was incorporated into the Venture in terms of the Venture agreement. The acquisition of the Eastern PGM operation was part of the Group's growth strategy. Joint control was obtained in accordance with the Venture agreement.

Effective 6 September 2023, the new joint operation consisted of an Eastern PGM Plant and a second plant (PGM X) that will treat PGM-bearing materials to extract and produce PGMs concentrate. The PGM East plant was classified as a business combination as defined by IFRS 3: *Business Combinations*, and the values for the assets acquired and liabilities assumed approximate fair value at the acquisition date. Merafe Ferrochrome acquired the assets and liabilities of PGM X, which was under construction at book value.

	Group	
R'000	**2024**	2023
Assets		
Non-current	–	54 939
Current	–	203 212
Total assets	–	258 151
Liabilities		
Non-current	–	269
Current	–	7 973
Total liabilities	–	8 242
Total fair value of identifiable assets and liabilities assumed	–	249 909

No consideration was paid by Merafe Ferrochrome for the purchase of the Eastern PGM operation. As a result, and in terms of IFRS 3, a gain on acquiring a joint operation for R250 million was recognised in the statement of profit or loss and other comprehensive income.

Merafe Ferrochrome incurred acquisition-related costs of R0.8 million, comprising of advisory and legal expenses. These costs were included in other expenses (note 20).

	Group	
R'000	**2024**	2023
Revenue and EBITDA of Eastern PGM plant since the acquisition date included in the consolidated statement of comprehensive income for the reporting period		
Revenue	–	59 522
EBITDA for the year	–	37 410
Eastern PGM plant contribution had it been consolidated from 1 January 2023		
Revenue	–	193 892
EBITDA for the year	–	140 255

42. Restatement due to change in presentation in the statement of cash flows

The comparative of the Company has been restated to correct the presentation of the loan to subsidiary. The loan to subsidiary was incorrectly presented as a net cash flow movement from investing activities and has now been reclassified to present the gross cash flows for the repayment and advancement of the loan to subsidiary. The restatement has no impact on the loan to subsidiary. In addition, the restatement has no impact on the statement of financial position, statement of profit and loss and other comprehensive income and statement of changes in equity. The previous presentation was restated as follows:

Statement of cash flows (extract)		**Company**	
R'000	Previously reported 31 Dec 2023	Restatement	Currently reported 31 Dec 2023
Cash flows from investing activities			
Settlement of loan to subsidiary	22 572	(22 572)	–
Loan to subsidiary - repaid by subsidiary	–	48 670	48 670
Loan to subsidiary - advanced by company	–	(26 098)	(26 098)
Total	22 572	–	22 572

Shareholder information

for the year ended 31 December

1. Shareholder analysis

for the year ended at 31 December 2024:

Ordinary shares	Number of shareholders	% of shareholders	Number of shares	% of issued shares
Public shareholders	15 914	99.99	2 495 573 305	99.86
Non-public shareholders	2	0.013	3 553 565	0.14
	15 916	100	2 499 126 870	100
Where non-public shareholders consist of:				
Directors and Associates of the Company	2	0.013	3 553 565	0.14

Shareholder spread	Number of shareholders	% of shareholders	Number of shares	% of issued shares
1 – 1 000 shares	8 513	53.49	1 675 250	0.07
1 001 – 10 000 shares	3 829	24.06	16 299 699	0.65
10 001 – 100 000 shares	2 624	16.49	96 700 651	3.87
100 001 – 1 000 000 shares	802	5.04	238 005 922	9.52
1 000 001 – 10 000 000 shares	121	0.76	356 434 387	14.26
10 000 001 shares and over	27	0.17	1 790 010 961	71.63
	15 916	100	2 499 126 870	100

Distribution of shareholders	Number of shareholders	% of shareholders	Number of shares	% of issued shares
Banks/Brokers	60	0.38	240 787 441	9.63
Close Corporations	87	0.55	32 997 992	1.32
Endowment Funds	13	0.08	3 559 898	0.14
Government	1	0.01	546 830 100	21.88
Individuals	14 979	94.11	354 134 876	14.17
Insurance Companies	12	0.08	5 654 644	0.23
Medical Schemes	2	0.01	2 025 157	0.08
Mutual Funds	49	0.31	293 204 383	11.73
Other Corporations	62	0.39	767 332	0.03
Private Companies	267	1.68	179 545 116	7.18
Private Equity	1	0.01	3 682 280	0.15
Public Companies	1	0.01	50 000	0.00
Retirement Funds	84	0.53	78 302 654	3.13
Strategic Investor	1	0.01	720 163 887	28.82
Trusts	297	1.87	37 421 110	1.50
	15 916	100	2 499 126 870	100

2. Major shareholders

Beneficial shareholders holding 5% or more:

	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

3. Geographical ownership

Distribution of local and foreign beneficial shareholding (%)	Number of shares	% of shares held
South African	1 475 763 165	59.05
Foreign	1 023 363 705	40.95

JSE share performance

	2024	2023
Market capitalisation as at 31 December	3 498 777 618	3 248 864 931
Share price (cents)		
High	161	145
Low	120	104
Closing	140	130
Shares traded		
Volume of shares traded	493 780 955	327 834 705
Value of shares (ZAR)	707 898 670	417 726 619
Volume of shares traded as a percentage of weighted average of shares in issue (%)	20	13
Shares in issue as at 31 December	2 499 126 870	2 499 126 870

Shareholder diary

Financial year end	31 December 2024
Annual general meeting	Tuesday, 13 May 2025

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