

Notes to the financial statements continued

for the year ended 31 December

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 Direct	Indirect	Number of shares 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.