



2025

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**Merafe Resources Limited – Audited consolidated and
separate annual financial statements**
for the year ended 31 December

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The Group and Company financial statements have been prepared by the Financial Manager, Thatong Phakane 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 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 2 to 66, which have been prepared on the going concern basis, were approved by the Board on 6 March 2026 and were signed on their behalf by:

Steve Phiri

Chairperson of the Board

6 March 2026

Zanele Matlala

Chief Executive Officer

6 March 2026

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 66 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

6 March 2026

Ditabe Chocho

Financial Director

6 March 2026

Report of the Audit and Risk Committee

This report is provided by the Audit and Risk Committee (the Committee) appointed for the 2025 financial year of Merafe Resources Limited (Merafe).

1. Introduction

The Committee is pleased to present its report for the financial year ended 31 December 2025. 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 subsidiaries' (the Group's) 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 and the Glencore Merafe Pooling and Sharing Venture's (Venture's) 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 Companies Act, the JSE Listings Requirements 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 and 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.

Report of the Audit and Risk Committee continued

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. 2025 overview

The Chief Executive Officer and Financial Director have outlined the controls over financial reporting and presented these to the Committee. The Committee believes that Merafe's internal controls can be relied upon as a reasonable basis for the preparation of the consolidated and separate financial statements. The Committee has considered the key audit 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 its advisers on the South African Revenue Service (SARS) transfer pricing matter following the audit and its findings, as well as tax assessments for the 2016 and 2017 years of assessment. The Committee considered any risks this matter presented and put mitigating measures in place. It also considered the Company's accounting treatment and disclosure of the matter. The Committee considered the retrenchment and environmental obligations' provisions. The Committee satisfied itself with these transactions, accounting treatment and disclosure in the 2025 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 the Merafe head office. The audit scope for 2025, 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 2026 budgets and 2027/8 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.

Report of the Audit and Risk Committee continued

6. External auditor

The Committee, having considered all relevant matters, satisfied itself through enquiry that auditor independence, objectivity and effectiveness were maintained in 2025. The committee has considered the external auditor's suitability assessment in terms of paragraph 5.7(h)(iii) read with paragraphs 6.36 to 6.37 of the JSE Listings Requirements.

The Committee, in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved, considering factors such as the timing of the audit, the extent of the work required and the scope.

In line with a documented policy on the nature and extent of non-audit services 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.

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 2025 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 competence, qualifications and experience 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 JSE 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 2025 by the Board.

Matsotso Vuso CA(SA); CD(SA); RA

Chairperson – Audit and Risk Committee

6 March 2026

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

6 March 2026

Directors' report

The directors have the pleasure of submitting their report for the Group for the year ended 31 December 2025.

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), 22 ferrochrome furnaces,

Platinum Group Metals (PGMs) 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 Proprietary Limited (Unicorn Chrome).

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

Ferrochrome smelters		Chrome mines		UG2 plants and pelletisers		PGM 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%
Boshhoek 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%	Marikana	26%	Motswedi pelletising plant	100%		
				Tswelopele pelletising plant	20.5%		
				Unicorn Chrome	20.5%		

2. Group financial results

The financial statements set out the financial results of the Group and Company and have been prepared using appropriate accounting policies, conforming to 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 reduced to R5 835 million (2024: R8 443 million) and was supported by resilient prices and higher sales volumes of chrome ore. Ferrochrome prices and volumes were lower than the previous year and the average ZAR:USD exchange rate was stronger in 2025. Merafe's attributable share of the Venture's EBITDA was R580 million (2024: R1 766* million), inclusive of R633 million in standing charges (2024: R287 million) and a R165 million foreign exchange loss (2024: R29 million). A R4 million inventory write-down was recorded (2024: R79 million) in addition to the smelters' retrenchments costs of R198 million (2024: R67 million) and rehabilitation costs of R136 million (2024: R14 million).

Although there was no impairment adjustment processed against the cash-generating unit (CGU), specific asset adjustments were processed against the Bokamoso and the Tswelopele pelletising plants, as well as the Wonderkop smelter. The full carrying values of these plants were impaired, resulting in an impairment loss of R222 million (2024: R575 million) over the reporting period.

After deducting corporate costs of R69 million (2024: R85 million), which include R1 million in cash-

settled share-based credit (2024: R15 million expense), R4 million in corporate social investment (2024: R3 million), and R9 million in bonus provisions (2024: R13 million), Merafe achieved EBITDA of R533 million (2024: R1 698* million).

Cost management remained a key focus. A higher fixed costs allocation rate arising from the suspension of smelting units, increased production costs while reductions in chrome prices, reductant costs and variable power prices mitigated the overall impact, resulting in an overall 14% year-on-year increase in production costs. Despite logistical challenges, projected shipment volumes were achieved. The investment in Unicorn Chrome continued to perform well, benefiting from resilient chrome ore prices. Collaboration with co-investors will continue to explore best ways to maximise this investment's value. The margin squeeze on our smelting business was palpable resulting in the suspension of three smelting plants. The led to the commencement of the consultation process in terms of section 189 of the Labour Relations Act, No. 66 of 1995 (s189 Process) from September 2025.

Discussion with government also commenced resulting in much welcome relieve in the form of a lower electricity tariff of 87.74c/kWh. While the finalisation of this tariff paves way for the restart of Lion smelter, it is insufficient for the restart of Wonderkop and Boshhoek smelter. While discussions with Eskom continue, the s189 Process was suspended until 28 February 2026. Management is actively considering strategies to ensure the resilience and sustainability of our business.

* Restated. Refer to note 41.

Directors' report continued

2. Group financial results continued

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 cash and balances held with Central Treasury of R1 156 million on 31 December 2025 (2024: R1 434 million). The Group's Revolving Credit Facility (RCF) of R300 million was unutilised at year-end. Refer to note 28 for the disclosure of the Group's facilities and covenants associated with these facilities, including the Venture's facilities.

4. Going concern

The Group had a notice deposit, cash and balances held with Central Treasury of R1 550 million and no debt at the reporting date.

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 R533 million and made a profit after tax of R143 million in the current year. The Group and the Company maintain healthy cash balances per note 14 with access to banking and other lending facilities. The Group and Company's credit and liquidity risks have been assessed in notes 28.1 and 28.2. 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. The Group and Company's lending facilities are referenced in note 28.2.

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 2026, the Board resolved to declare a final dividend of 8 cents (2024: 8 cents) per ordinary share. This follows an interim dividend of 4 cents (2024: 20 cents) per share, bringing the total dividend for the year ended 31 December 2025 to 12 cents (2024: 28 cents) per share and amounts to 101% of headline earnings.

6. Share capital

The full details of the authorised and issued share capital of the Company are set out in note 15 of the annual financial statements. No shares were issued in 2025.

7. Directorate

Details of transactions with directors and key management are detailed in note 34.

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 Tiale	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

Directors' report continued

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 2025:

- Glencore Netherlands B.V. – 28.82% (2024: 28.82%); and
- Industrial Development Corporation of South Africa Limited – 21.88% (2024: 21.88%).

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

9. Directors' interests in Merafe Resources Limited

Refer to note 35 for the beneficial interests of directors in shares of the Company and note 34 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 2025 are as follows:

	2025 R'000	2024 R'000
Subsidiary and joint arrangements		
Total profits after income tax	158 921	677 147
Associate		
Total share of income from equity accounted investments	13 168	20 122
	172 089	697 269

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 R222 million against specific assets during the current year (2024: R575 million). Refer to notes 3 and 38 in the annual financial statements.

12. Independent external auditor

Deloitte & Touche were re-elected as the Company's independent external auditor on 13 May 2025 in accordance with section 90, read with section 61(8), of the Companies Act. They will again be proposed for re-election for the 2026 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 33 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 2025. While the Negotiated Pricing Agreements with Eskom and conclusion of the 100MW solar plant agreement with Pele Green had brought some relief, these were inadequate in sufficiently addressing the electricity pricing challenge faced by the Venture given the competitive pressure brought on by especially Chinese production. Discussions with government have brought about renewed hope for intervention that will result in the medium to long-term sustainability of ferrochrome smelting in South Africa.

Directors' report continued

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 SARS.

As previously reported, SARS finalised the audit of the transfer pricing matter on 30 October 2024 and adjusted (increased) the Company's taxable income for the 2016 and 2017 years. 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 Company for the 2016 and 2017 years.

The Company disagrees with the additional assessments. After taking several procedural steps, including submitting an objection that was ultimately denied by SARS, the Company filed a notice of appeal in November 2025. This formally initiates the Tax Court appeal process. Furthermore, the Company is currently awaiting SARS' response regarding its request to review the partial suspension of payment for the disputed tax debt.

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 Eskom

In January 2026 NERSA approved a 12-month interim tariff of 87.74c/kWh. However, the interim tariff is not enough to restart all suspended smelters which require a tariff of 62c/kWh. On 27 February 2026, in-principle support for the proposed 62c/kWh electricity tariff (Proposed Tariff) was received from Eskom and the South African government (Government). Specific terms and conditions of the Proposed Tariff are critical and engagements with Eskom and Government continue. In good faith, the Venture has extended the current termination date under s189 and 189A of the Labour Relations Act, 66 of 1995 consultation process from 28 February 2026 to 31 March 2026.

Dividend

On 6 March 2026, the Board resolved to declare a final dividend of 8 cents (2024: 8 cents) per share for the 2025 financial year. The total gross cash dividend for the year amounted to 12 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 2025 AGM held on 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 have not yet come into effect on the reporting date.

There has been an increase in the rehabilitation provision as a result of the revised rehabilitation periods for non-operating smelters (Refer to note 17).

20. Mining rights and mining operations

The directors are satisfied that there are no foreseeable material risks relating to the Mineral Resources and Mineral Reserves of the Venture and the ability of the Venture to conduct its mining operations. There are also no legal proceedings or other material conditions that may impact the ability of the Venture to continue its mining or exploration activities. The abridged Mineral Resources and Mineral Reserves statement and the detailed Mineral Resources and Mineral 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 2025; and the consolidated and separate statement of profit or loss and other comprehensive income; the consolidated and separate statement of changes in equity; and 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 2025, 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), as applicable to audits of financial statements of public interest entities, 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	R75 million (2024: R90 million).	R7 million (2024: R9 million).
How we determined it	It represents 1.3% of revenue	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 the shareholders. We reconsidered the benchmark used due to prevailing market conditions by understanding those benchmarks that would have the greatest bearing on shareholder decisions in the current year. As such, we determined revenue to be the key benchmark.	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.

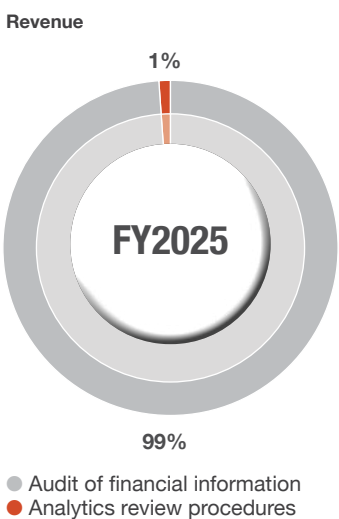
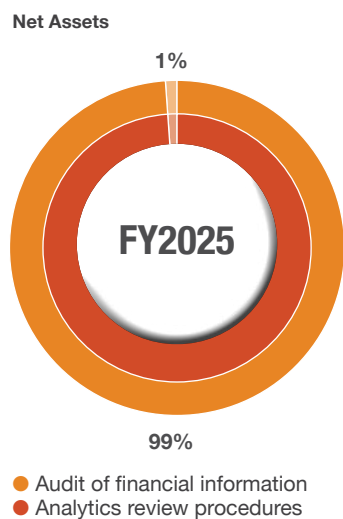
We selected components at which audit work in support of the group audit opinion needed to be performed in order to provide an appropriate basis for undertaking audit work to address the risks of material misstatement. Our selection was informed by taking into account the component's contribution to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

Based on our assessment, we performed work at 3 components (2024: 3 components). The following audit scoping was applied:

- 3 components (2024: 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 (2024: 99%), and 99% of the Group's total assets (2024: 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.

Independent auditor's report continued

Key Audit Matters continued

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 – Group	How the matter was addressed in the audit?
Impairment assessment of the Merafe Resources Limited (Group)	
As disclosed in Note 38 of the consolidated financial statements, the Merafe Resources Limited market capitalisation value at 31 December 2025 was R2.7 billion in comparison to a net asset value of R4.7 billion, comprising working capital of R3.6 billion and long term assets R1.1 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: <i>Impairments of Assets</i>. 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. Prior to the impairment assessment being performed on a cash generating unit basis, an asset specific impairment assessment was performed based on the closure of the Boeshok and Wonderkop smelters. This resulted in an impairment of R222 million against these smelters, writing the asset down to zero value. The smelters were placed on permanent care and maintenance in May 2025.	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 including the changes to the underlying business model 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's 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; • Assessed the EBITDA and budget processes to determine if budgets can be relied on; and • Recalculated the asset specific impairment assessment to their nil net book value. We considered the impairment and the disclosures relating to the 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 2025", which includes the Directors' Report, the Report of the Audit and Risk Committee's Report, and Company Secretary's certification, 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.

Independent auditor's report continued

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 nine years.

Deloitte & Touche
Registered Auditor
Per: Tumellano Morake
Partner
6 March 2026

5 Magwa Crescent
Waterfall City
Waterfall
2090

Statement of financial position

as at 31 December

		Group			Company	
R'000	Notes	2025	Restated 2024	Restated 2023	2025	2024
Assets						
Non-current assets						
Property, plant and equipment	3	1 147 920	1 124 913	1 387 714	994	575
Intangible assets	4	16 972	21 188	25 413	–	–
Investment in subsidiary*	5	–	–	–	–	–
Investment in associate	6	38 181	32 676	14 150	–	–
Long-term receivable	8	96 112	64 260	37 287	–	–
Other long-term receivable	40	17 133	17 730	14 229	17 133	17 730
Loan to subsidiary	10	–	–	–	879 485	915 892
		1 316 318	1 260 767	1 478 793	897 612	934 197
Current assets						
Inventories	9	1 898 609	1 794 492	1 916 476	–	–
Trade and other receivables	11	1 208 700	1 175 161	1 544 037	7 925	8 878
Current tax receivable	12	82 005	116 966	65 218	88	–
Other short-term financial assets**	13	393 966	360 756	327 648	–	–
Cash and cash equivalents and balances held with Central Treasury**	14	1 156 408	1 434 155	1 328 159	2 366	2 680
		4 739 688	4 881 530	5 181 538	10 379	11 558
Non-current assets held for sale		–	–	963	–	–
Total assets		6 056 006	6 142 297	6 661 294	907 991	945 755
Equity and liabilities						
Equity						
Share capital	15	1 288 876	1 288 876	1 288 876	1 288 876	1 288 876
Retained income/(accumulated loss)		3 429 932	3 587 239	3 969 665	(407 634)	(385 796)
		4 718 808	4 876 115	5 258 541	881 242	903 080
Liabilities						
Non-current liabilities						
Lease obligation	16	3 370	4 723	5 911	–	–
Deferred tax	7	84 856	186 146	271 554	–	–
Provisions	17	278 360	142 356	131 330	–	–
Share-based payment liability	18	3 685	7 254	10 040	3 685	7 254
		370 271	340 479	418 835	3 685	7 254
Current liabilities						
Trade and other payables	19	720 957	893 686	945 859	18 530	21 930
Lease obligation	16	1 353	1 150	3 148	–	–
Current tax payable	12	–	106	178	–	106
Provisions	17	240 083	17 376	10 907	–	–
Share-based payment liability	18	4 534	13 385	11 258	4 534	13 385
		966 927	925 703	971 350	23 064	35 421
Liabilities directly associated with assets held for sale		–	–	12 568	–	–
Total liabilities		1 337 198	1 266 182	1 402 753	26 749	42 675
Total equity and liabilities		6 056 006	6 142 297	6 661 294	907 991	945 755

* Less than R1 000.

** Restated. Refer to note 41.

Statement of profit or loss and other comprehensive income

for the year ended 31 December

R'000	Notes	Group		Company	
		2025	Restated 2024	2025	2024
Revenue	20	5 834 877	8 443 462	307 412	1 057 600
Foreign exchange (loss) gain		(165 170)	29 321	–	–
Operating and other expenses*		(5 136 662)	(6 774 473)	(29 437)	(36 812)
Earnings before interest, taxation, depreciation and amortisation*	21	533 045	1 698 310	277 975	1 020 788
Depreciation and amortisation	3,4	(201 348)	(354 410)	(146)	(126)
Impairments	3	(222 285)	(575 429)	–	–
Income from equity accounted investment	6	13 168	20 122	–	–
Results from operating activities*		122 580	788 593	277 829	1 020 662
Finance income*	23	68 794	99 118	142	435
Finance expense	24	(1 553)	(1 358)	–	–
Profit before taxation		189 821	886 353	277 971	1 021 097
Taxation	25	(47 233)	(219 146)	86	72
Total comprehensive income for the year		142 588	667 207	278 057	1 021 169
Earnings per share					
Basic earnings per share (cents)	26	5.7	26.7	–	–
Diluted earnings per share (cents)	26	5.7	26.7	–	–

* Restated. Refer to note 41.

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 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 1 January 2025	1 288 876	3 587 239	4 876 115
Total comprehensive income for the year	–	142 588	142 588
Dividends	–	(299 895)	(299 895)
Balance at 31 December 2025	1 288 876	3 429 932	4 718 808
Note	15		
Company			
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 1 January 2025	1 288 876	(385 796)	903 080
Total comprehensive income for the year	–	278 057	278 057
Dividends	–	(299 895)	(299 895)
Balance at 31 December 2025	1 288 876	(407 634)	881 242
Note	15		

Refer to note 39 for total dividends declared for the year.

Statement of cash flows

for the year ended 31 December

		Group		Company	
R'000	Notes	2025	Restated 2024	2025	2024
Cash flows from operating activities					
Cash generated from operations*	27	679 466	2 034 712	263 300	1 027 269
Dividends received from associate	6	7 663	1 596	–	–
Finance income received	23	38 308	66 359	143	435
Finance expense paid	24	(1 970)	(2 164)	–	–
Taxation paid	12	(113 667)	(356 374)	(109)	–
Net cash from operating activities*		609 800	1 744 129	263 334	1 027 704
Cash flows from investing activities					
Acquisition of property, plant and equipment – sustaining	3	(407 237)	(608 373)	(757)	(342)
Acquisition of property, plant and equipment – expansionary	3	(39 280)	(53 819)	–	–
Proceeds from the sale of property, plant and equipment		1 100	644	–	–
Proceeds from the sale of land and mineral rights		–	7 894	–	–
Loan to subsidiary – repaid by subsidiary		–	–	62 634	64 358
Loan to subsidiary – advanced by company		–	–	(26 226)	(37 638)
Repaid/advanced other long-term receivables		597	(3 501)	597	(3 501)
Movement in balances held with Central Treasury*		(8 719)	(128 335)	–	–
Net cash from investing activities*		(453 539)	(785 490)	36 247	22 877
Cash flows from financing activities					
Repayment of capital portion on lease liabilities		(1 150)	(3 186)	–	–
Dividends		(300 035)	(1 049 633)	(299 895)	(1 049 633)
Net cash from financing activities		(301 185)	(1 052 819)	(299 895)	(1 049 633)
Total cash movement for the year*		(144 924)	(94 180)	(314)	948
Cash at the beginning of the year*		602 730	696 910	2 680	1 732
Total cash at the end of the year*	14	457 806	602 730	2 366	2 680

* Restated. Refer to note 41.

Material accounting policies

for the year ended 31 December

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 2025 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 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 6 March 2026.

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 18).

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 38: Measurement of depreciation and impairment, useful lives and residual values of property, plant and equipment and intangible assets;
- Note 1.12 and 18: 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 17: 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, retrenchments, restoration costs and discount rate applied;

Material accounting policies continued

for the year ended 31 December

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 38: 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 28: 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 32: 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.

Material accounting policies continued

for the year ended 31 December

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 33 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.

Material accounting policies continued

for the year ended 31 December

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.

Material accounting policies continued

for the year ended 31 December

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.
- Other short-term financial asset comprise notice deposits that have maturities of 12 months or less. These are classified and measured at amortised cost.
- 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.

Material accounting policies continued

for the year ended 31 December

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 28 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.

Restructuring costs

A restructuring is recognised when the Group has a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

A constructive obligation for restructuring exists only when all of the following conditions are met:

- The Group has a detailed formal plan identifying the business or part of a business concerned, the principal locations affected, the location, function and approximate number of employees who will be compensated for termination of their services, the expenditures that will be undertaken, and when the plan will be implemented; and
- The Group has communicated the plan to those affected or has otherwise begun implementation such that a valid expectation has been created.

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.

Material accounting policies continued

for the year ended 31 December

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 No.24 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).

Material accounting policies continued

for the year ended 31 December

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.

Material accounting policies continued

for the year ended 31 December

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.

Material accounting policies continued

for the year ended 31 December

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 20 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.

Material accounting policies continued

for the year ended 31 December

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 18 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.

Material accounting policies continued

for the year ended 31 December

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 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 32 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.

Notes to the financial statements

for the year ended 31 December

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	Possible impact on financial statements
Lack of Exchangeability (Amendments to IAS 21) (Effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.)	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.	The impact of the amendment is not material.
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (Effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.)	The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.	The impact of the amendment is not material.

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	Possible impact on financial statements
Presentation and Disclosures in Financial Statements – IFRS 18 (Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.)	IFRS 18 includes requirements for all entities applying IFRS Accounting Standards for the presentation and disclosure of information in financial statements.	The Group plans to apply the new standard from 1 January 2027. The Group expects that the new standard, when initially applied, will have a material impact on its financial statements. The Group is in the process of assessment of the potential impact on its financial statements resulting from the application of IFRS 18.
Subsidiaries without Public Accountability: Disclosures – IFRS 19 (Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.)	IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	The Group is currently eligible to apply IFRS 19 and it plans to apply the new standard from 1 January 2027. The Group expects that the new standard, when initially applied will significantly reduce disclosures provided in many of the Group's notes to the financial statements.

Notes to the financial statements continued

for the year ended 31 December

3. Property, plant and equipment

Group	2025			2024		
	Accumulated depreciation and impairment		Carrying value	Accumulated depreciation and impairment		Carrying value
R'000	Cost			Cost		
Beneficiation assets						
Smelters	4 120 594	(3 817 609)	302 985	4 131 294	(3 801 753)	329 541
Pelletising plants	444 610	(430 125)	14 485	431 124	(380 453)	50 671
Right-of-use assets	31 674	(29 022)	2 652	31 674	(28 606)	3 068
Corporate assets	4 815	(3 821)	994	4 611	(4 036)	575
Mining assets						
Mines	1 708 737	(1 135 428)	573 309	1 626 912	(1 102 607)	524 305
PGMs processing plants	285 754	(32 259)	253 495	234 719	(17 966)	216 753
	6 596 184	(5 448 264)	1 147 920	6 460 334	(5 335 421)	1 124 913

Company	2025			2024		
	Accumulated depreciation		Carrying value	Accumulated depreciation		Carrying value
R'000	Cost			Cost		
Corporate assets	2 365	(1 371)	994	2 286	(1 711)	575

Reconciliation of property, plant and equipment: Group – 2025

R'000	Opening balance	Additions	Rehabilitation provision	Disposal accumulated depreciation	Disposals	Movement in capital work in progress	Depreciation	Impairment	Total
Beneficiation assets									
Smelters	329 541	223 194	(3 710)	230 184	(230 184)	7 953	(87 436)	(166 557)	302 985
Pelletising plants	50 671	23 069	–	8 623	(8 623)	1 908	(5 434)	(55 728)	14 485
Right-of-use assets	3 068	–	–	–	–	–	(416)	–	2 652
Corporate assets	575	757	–	361	(553)	–	(146)	–	994
Mining assets									
Mines	524 305	139 164	(754)	56 585	(56 585)	–	(89 406)	–	573 309
PGMs processing plants	216 753	51 035	–	–	–	–	(14 293)	–	253 495
	1 124 913	437 219	(4 464)	295 753	(295 945)	9 861	(197 131)	(222 285)	1 147 920

Impairment assessment

As mandated by IAS 36, management performed an impairment assessment on the basis set out in notes 1.17 and 38. 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 were impairment adjustments that were made relating to these specific assets that were fully written off: the Tswelopele and Bokamoso pelletising plants and the Wonderkop smelter. This brings the total impairment loss for the year to R222 million. Note 38 further explains management's impairment assessment.

Depreciation

R201 million depreciation and amortisation is recognised in the statement of profit or loss and other comprehensive income, which comprises R197 million resulting from property, plant and equipment and R4 million of amortisation resulting from intangible assets.

Notes to the financial statements continued

for the year ended 31 December

3. Property, plant and equipment continued

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 38. 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 Boshhoek 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 38 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.

Reconciliation of property, plant and equipment: Company – 2025

R'000	Opening balance	Additions	Disposal	Depreciation	Total
Corporate assets	575	757	(192)	(146)	994

Reconciliation of property, plant and equipment: Company – 2024

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

R'000	Group		Company	
	2025	2024	2025	2024
Amounts recognised in the statement of cash flows				
Additions	437 219	910 856	757	342
Acquisition of PGM X	–	–	–	–
Movement in capital work in progress	9 861	(243 096)	–	–
Assets disposed at carrying value	(192)	(4 605)	–	–
Disposal of asset for held for sale	–	(963)	–	–
Other movements	(370)	–	–	–
Acquisition of property, plant and equipment	446 518	662 192	757	342

Notes to the financial statements continued

for the year ended 31 December

4. Intangible assets

Group	2025			2024		
	Accumulated			Accumulated		
R'000	Cost	and impairment	Carrying value	Cost	and impairment	Carrying value
Mineral rights	163 006	(146 034)	16 972	163 006	(141 818)	21 188

Reconciliation of intangible assets: Group – 2025

R'000	Opening balance	Amortisation	Total
Mineral rights	21 188	(4 217)	16 972

Impairment assessment

As mandated by IAS 36, management performed an impairment assessment on the basis set out in notes 1.17 and 38. 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 38 further explains management's impairment assessment.

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 38. Significant judgement and estimates were made in determining the value-in-use calculation, and this is further explained in note 38. 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.

Notes to the financial statements continued

for the year ended 31 December

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					
	Number of shares 2025	Number of shares 2024	Percentage holding 2025	Percentage holding 2024	Carrying amount 2025	Carrying amount 2024*
Directly held						
Merafe Ferrochrome	400	400	100	100	–	–

The Company's share in the profits of subsidiary for the year ended 31 December 2025 amounted to R163 million (2024: R677 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 2025. In reporting the financial information for the Trust, information from 1 January 2025 to 31 December 2025 has been reported using management accounts.

Notes to the financial statements continued

for the year ended 31 December

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

		% effective ownership interest 2025 %	% effective ownership interest 2024 %	Carrying amount 2025 R'000	Carrying amount 2024 R'000
Name of company	Method				
Impala Chrome	Equity accounting	6.39	6.39	38 181	32 676

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	2025	2024
Revenue	649 034	962 578
Other income and expenses	(369 434)	(526 448)
Profit before tax	279 600	436 130
Tax expense	(73 381)	(121 035)
Profit after tax	206 219	315 095
Total comprehensive income for the year	206 219	315 095

Summarised statement of financial position

	Impala Chrome	
R'000	2025	2024
Assets		
Non-current	32 185	36 094
Current	842 250	680 514
Total assets	874 435	716 608
Liabilities		
Non-current	29 498	31 261
Current	216 707	143 336
Total liabilities	246 205	174 597
Total net assets	628 230	542 011
Reconciliation between the associate's summarised financial information and the carrying amount of the associate		
Associate closing net assets (equity)	628 230	542 011
Group's share in %	6.39	6.39
Group's share in net assets	40 117	34 612
Other adjustments	(1 936)	(1 936)
Carrying amount in Group	38 181	32 676
Reconciliation of the carrying value of investment in associate		
Investment at the beginning of the period	32 676	14 150
Dividends received	(7 663)	(1 596)
Share of earnings of the associate	13 168	20 122
Investment at the end of the year	38 181	32 676

Notes to the financial statements continued

for the year ended 31 December

7. Deferred tax

	Group		Company	
R'000	2025	2024	2025	2024
Property, plant and equipment	(282 227)	(308 841)	–	–
Provisions and accruals	209 684	134 444	–	–
Lease obligation	1 275	1 586	–	–
Trade and other receivables	(13 588)	(13 335)	–	–
Total deferred tax liability	(84 856)	(186 146)	–	–

The Company had an assessed tax loss of R51 million at 31 December 2025 (2024: R52 million). The tax loss has no expiry date, and no deferred tax asset has been raised due to uncertainty regarding future taxable profits.

	Group		Company	
R'000	2025	2024	2025	2024
Reconciliation of deferred tax liability				
At the beginning of the year	(186 146)	(271 554)	–	–
Temporary difference movement on property, plant and equipment	26 614	72 064	–	–
Temporary difference on trade and other receivables	(253)	(14 277)	–	–
Temporary difference on provisions and accruals	75 240	28 481	–	–
Temporary difference movement on leases	(311)	(860)	–	–
	(84 856)	(186 146)	–	–

8. Long-term receivable

Receivable at fair value – Rustenburg Chrome Mine	96 112	64 260	–	–
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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 swapped 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 these 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	2025	2024
Discount rate	%	9.65	9.01
Average exchange rate – real	ZAR/USD	18.00	19.22
Chrome Ore SA LG6 Met Grade 42%	USD/Mt	262.55	231.45

9. Inventories

	Group	
R'000	2025	2024
Raw materials	795 090	611 441
Finished goods	974 740	1 073 068
Consumable stores	128 779	109 983
	1 898 609	1 794 492

The cost of inventories recognised as an expense and included in the cost of sales amounted to R1 759 million (2024: R3 645 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 21. No inventories were encumbered during the year.

For the year ended 31 December 2025, inventory was written down to its net realisable value due to low commodity prices at the reporting date, resulting in a loss of R4 million (2024: R79 million). Refer to note 21.

Notes to the financial statements continued

for the year ended 31 December

10. Loan to subsidiary

	Group		Company	
R'000	2025	2024	2025	2024
Loan to subsidiary – Merafe Ferrochrome	–	–	879 485	915 892

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	2025	2024	2025	2024
Financial instruments:				
Trade receivables	1 107 190	1 115 047	5 670	5 614
Other receivables	24 183	8 645	1 587	2 663
Related party receivable: GOSA	67 562	49 677	–	–
	1 198 935	1 173 369	7 257	8 277
Non-financial instruments:				
Prepayments	9 764	1 792	667	601
	1 208 700	1 175 161	7 925	8 878

Trade receivables are net of a R79 million (2024: R42 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 28. 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.

R110 million (2024: R73 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 R16.56 (2024: R18.89).

The non-cash movement of the fair value adjustments of R57 million (2024: R13 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 27.

Refer to note 33 for other trade receivables from related parties.

	Group		Company	
R'000	2025	2024	2025	2024
Trade receivables per sales region				
Africa	48 204	69 543	5 670	5 614
Asia	791 040	741 008	–	–
America	145 026	210 694	–	–
Europe	122 920	93 802	–	–
	1 107 190	1 115 047	5 670	5 614
The following table shows the movement in the weight allowances that have been recognised for trade receivables				
Opening balance	41 704	35 870	–	–
Provision raised	157 922	87 094	–	–
Claims	(83 803)	(51 046)	–	–
Amounts released/reversed	(36 640)	(30 214)	–	–
Closing balance	79 183	41 704	–	–

Notes to the financial statements continued

for the year ended 31 December

12. Current tax receivable (payable)

	Group		Company	
R'000	2025	2024	2025	2024
Balance at the beginning of the year	116 860	65 040	(106)	(178)
Current tax expense	(150 523)	(321 561)	(20)	(106)
Prior year over provision	2 001	17 007	106	178
Interest received from tax authority	–	2 746	–	–
Provisional tax payments	113 667	353 628	108	–
	82 005	116 860	88	(106)
Current tax receivable	82 005	116 966	88	–
Current tax payable	–	(106)	–	(106)
Total net current tax receivable (payable)	82 005	116 860	88	(106)
Taxation paid				
Receivable (payable) at the beginning of the year	116 860	65 040	(106)	(178)
Charged to profit and loss (note 25)	(148 522)	(304 554)	86	72
(Receivable) payable at the end of the year	(82 005)	(116 860)	(88)	106
Per the statement of cash flows	(113 667)	(356 374)	(108)	–

13. Other short-term financial asset

	Group		Company	
R'000	2025	Restated 2024	2025	2024
Cash and cash equivalents consist of:				
120-day notice deposit*	393 966	360 756	–	–

The notice deposit is managed through a Treasury Service Agreement with Glencore Holding South Africa Proprietary Limited that GOSA, acting on behalf of the Venture, and Merafe Ferrochrome have entered into.

The notice deposit consists of cash set aside by the Venture for rehabilitation. The cash is not restricted but has been set aside to fund the Venture's environment rehabilitation obligations. The rehabilitation funding requirements currently mandated by the Department of Mineral Resources and Energy are financed through guarantees. Refer to note 28.

There was no additional investment made in the reporting period.

The investment earns interest at a rate of prime rate less 2.07%, which is subsequently reinvested into the investment.

* Restated. Refer to note 41.

14. Cash and cash equivalents and balances held with Central Treasury*

	Group		Company	
R'000	2025	Restated 2024	2025	2024
Bank balances	457 805	602 729	2 366	2 680
Cash and cash equivalents per IAS 7	457 805	602 729	2 366	2 680
Balance held with Central Treasury	698 603	831 426		
	1 156 408	1 434 155	2 366	2 680
Reconciliation of cash resources in the Group				
Balances held with Central Treasury*	698 603	831 426	–	–
Cash in Merafe Resources	2 366	2 680	2 366	2 680
Cash in Merafe Ferrochrome	446 835	592 002	–	–
Cash in Kroondal Rehabilitation Trust**	8 534	7 981	–	–
Cash in Unicorn Chrome	70	66	–	–
	1 156 408	1 434 155	2 366	2 680

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 28. While cash and cash equivalents are also subject to impairment requirements of *IFRS 9: Financial Instruments*, the identified impairment loss was immaterial.

* This represents Merafe's share of balances held with Central Treasury. There was reclassification of these balances out of cash and cash equivalents in the statement of cash flow in the prior periods since these do not meet the definition of cash and cash equivalents as per IAS 7: Statement of Cash Flows. The treatment was corrected in the current reporting period. Refer to note 41.

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

Notes to the financial statements continued

for the year ended 31 December

15. Share capital

	Group		Company	
R'000	2025	2024	2025	2024
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 (2024: 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.

16. Lease obligation

	Group		Company	
R'000	2025	2024	2025	2024
Lease liabilities in the statement of financial position at 31 December				
Non-current liabilities	3 370	4 723	–	–
Current liabilities	1 353	1 150	–	–
	4 723	5 873	–	–
Maturity analysis – contractual undiscounted cash flows				
Less than one year	1 865	1 867	–	–
One to five years	4 532	6 458	–	–
Total undiscounted lease liabilities at 31 December	6 397	8 325	–	–
Amounts recognised in profit and loss				
Interest on lease liabilities	110	155	–	–
Expenses relating to short-term leases that have not been capitalised	(656)	2 618	116	118
Amounts recognised in the statement of cash flows				
Total cash outflow for leases	1 867	4 147	–	–

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 R0.2 million (2024: R0.3 million) on all leases. Interest is payable at an average of 13.55% (2024: 13.26%) 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 the 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.

Notes to the financial statements continued

for the year ended 31 December

17. Provisions

Reconciliation of provision: Group – 2025

R'000	Opening balance	Change in estimate	Income statement movement	Unwinding of discount	Payments	Total
Environmental rehabilitation	159 732	(4 557)	135 164	19 008	(6 188)	303 159
Retrenchment costs	–	–	215 284	–	–	215 284
	159 732	(4 557)	350 448	19 008	(6 188)	518 443

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
						Group
					2025 R'000	2024 R'000
Non-current liabilities					278 360	142 356
Current liabilities					240 083	17 376
					518 443	159 732

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 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 28. 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.

The change in discount rate and revision of the rehabilitation period from 30 to 15 years on the non-operating smelters, had a significant impact on the rehabilitation provision. The discount rate used in the calculation of the provision as at 31 December 2025 equalled 7.5% (2024: 7.47%).

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 7.5%. This is compared to the prior year, when management assumed a risk-free real inflation rate and a nominal discount rate of 7.47%. A 10% increase in the discount rate would have an R10 million decrease in profit, and a 10% decrease would have an R11 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.

Another consequence of the smelters' suspension has been a review of the Venture's environmental provisions which has necessitated an increased rehabilitation expense in the reporting period. This arose from some rehabilitation work brought forward and spending on affected operations expected earlier than initially planned.

Retrenchment costs

During the reporting period, smelters were suspended and placed on care and maintenance. The suspension contributed to employment termination and restructuring costs. The group also engaged in a voluntary retrenchment process during the year, resulting in additional retrenchment costs.

Notes to the financial statements continued

for the year ended 31 December

18. Cash-settled share-based payment arrangements

	Group		Company	
R'000	2025	2024	2025	2024
Cash-settled share-based payment liability				
Balance at the beginning of the year	20 639	21 298	20 639	21 298
Share-based payment expense*	(1 206)	14 624	(1 206)	14 624
Share grants vested and paid	(11 214)	(15 283)	(11 214)	(15 283)
Balance at the end of the year	8 219	20 639	8 219	20 639
Non-current liability	3 685	7 254	3 685	7 254
Current liability	4 534	13 385	4 534	13 385
	8 219	20 639	8 219	20 639

* The credit charged to profit and loss is R1 million (2024: R15 million expense).

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 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.

2.8 million share grants (2024: 0.6 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, i.e. CPI + 2% per annum over the performance period, 100% of shares will vest;
- If performance is at the threshold, i.e. 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 2025, the Company may still issue 227 517 912 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.

Notes to the financial statements continued

for the year ended 31 December

18. Cash-settled share-based payment arrangements continued

The following assumptions were used in the valuation model:

	2025 2021 – 2025 share grants	2024 2020 – 2024 share grants
Risk-free rate	6.45%	7.49%
Expected volatility*	36.78%	30.83%
Expected dividend yield	7.51%	6.89%
Expected life (years)	3 – 5 years	0.25 to 4.25
Vesting periods (years)	3 – 5 years	3 to 5
Weighted average share price (Rand)	R1.16	R1.43
Weighted average exercise price (Rand)	R1.18	R1.58
Weighted average grant price (Rand)	0.3 – 1.85	R0.3 to R1.85
Weighted average option value (Rand)	R0.91	R1.07
Performance conditions	Yes	Yes
Intrinsic value of shares	R24.4m	R37.9m

* The expected volatility of 36.78% (2024: 30.83%) 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 2025:

Vesting date	Number of shares	Share grant date
01 April 2026	2 647 595	01 April 2021
01 April 2026	1 180 713	01 April 2022
01 April 2027	1 180 715	01 April 2022
01 April 2026	1 771 204	01 April 2023
01 April 2027	1 771 204	01 April 2023
01 April 2028	1 771 204	01 April 2023
01 April 2028	1 667 127	01 April 2024
01 April 2028	1 667 128	01 April 2024
01 April 2029	1 667 132	01 April 2024
01 April 2028	2 356 916	01 April 2025
01 April 2029	2 356 917	01 April 2025
01 April 2030	2 356 920	01 April 2025
	22 394 775	

The following share grants relating to executive directors were outstanding at 31 December 2025:

Vesting date	Ms Z Matlala Number of shares	Mr D Chocho Number of shares
01 April 2026	1 618 480	698 538
01 April 2026	709 641	324 299
01 April 2026	1 006 647	460 027
01 April 2027	709 641	324 299
01 April 2027	1 006 647	460 027
01 April 2027	910 671	461 946
01 April 2028	1 006 647	460 027
01 April 2028	910 671	461 946
01 April 2028	1 259 003	638 640
01 April 2029	910 671	461 946
01 April 2029	1 259 003	638 640
01 April 2030	1 259 003	638 642
	12 566 724	6 028 979

Notes to the financial statements continued

for the year ended 31 December

18. Cash-settled share-based payment arrangements continued

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

	2025 Number of shares	2024 Number of shares
Opening balance	27 070 862	31 972 423
Granted during the year	7 639 905	5 409 186
Vested during the year	(9 503 784)	(9 673 090)
Forfeited during the year	(2 812 208)	(637 657)
Closing balance	22 394 775	27 070 862

19. Trade and other payables

	Group		Company	
R'000	2025	2024	2025	2024
Financial instruments:				
Trade payables	496 954	624 308	547	1 062
Dividend payable	3 011	2 999	3 009	2 999
Other payables	13 747	10 698	–	–
	513 712	638 005	3 556	4 061
Non-financial instruments:				
Employee benefit accruals	137 330	137 974	14 973	17 869
Other short-term provisions	67 735	107 101	–	–
Other taxes payable	2 181	10 606	–	–
	720 957	893 686	18 529	21 930

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 28.

An employee benefit accrual is recognised for the employer's liability associated with the s189 process for annual leave, annual bonus and associated costs.

Other short-term provisions include provisions for community expenses (social labour plans). Other taxes payables relate to carbon and mining royalty taxes.

Refer to note 33 for other trade payables from related parties.

20. Revenue

	Group		Company	
R'000	2025	2024	2025	2024
Revenue from contracts with customers				
Ferrochrome sales*	2 295 611	5 908 878	–	–
Chrome ore sales	3 109 500	2 262 221	–	–
PGMs concentrate sales**	389 525	267 055	–	–
	5 794 636	8 438 154	–	–
Revenue other than from contracts with customers				
Management fees	1 200	1 200	7 421	7 817
Other income***	39 041	4 108	96	150
Dividend income	–	–	299 895	1 049 633
	40 241	5 308	307 412	1 057 600
	5 834 877	8 443 462	307 412	1 057 600

* Ferrochrome sales includes provisional pricing adjustments of R40 million (2024: R15 million).

** All PGMs concentrate sales are to a customer in South Africa.

*** Other income includes revenue from sale of scraps and silica as well as the fair value adjustment on the Laxness mining right swap.

Notes to the financial statements continued

for the year ended 31 December

20. 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	2025		Restated 2024	
	Revenue R'000	% of revenue in relation to total ferrochrome revenue	Revenue R'000	% of revenue in relation to total ferrochrome revenue
Africa*	119 182	5	212 617	4
Americas**	341 360	15	561 354	9
Asia	1 163 970	51	4 011 749	68
China	791 547	34	2 521 372	43
Indonesia	140 055	6	956 702	16
Other Asia***	232 368	10	533 675	9
Europe***	671 099	29	1 123 158	19
	2 295 611	100	5 908 878	100

* Includes South Africa and Turkey.

** Includes Brazil and USA.

*** Includes China, India, Japan, South Korea, Taiwan and Australia.

**** Includes Belgium, England, Italy, Netherlands, Slovenia and Spain.

Geographical areas of chrome ore sales to customers

The geographical areas of ferrochrome and chrome ore disclosure has been restated. Refer to note 41 for detail on the restatement.

Revenue destination	2025		Restated 2024	
	Revenue R'000	% of revenue in relation to total chrome ore revenue	Revenue R'000	% of revenue in relation to total chrome ore revenue
Africa*	200 877	6	507 967	22
Americas**	31 626	1	19 689	1
Asia	2 822 609	91	1 633 558	72
China	2 728 957	88	1 612 771	71
Other Asia***	93 652	3	20 787	1
Europe****	54 388	2	101 007	5
	3 109 500	100	2 262 221	100

* Includes South Africa and Egypt.

** Includes Argentina, Brazil, Canada, Mexico and USA.

*** Includes China, India, Japan, South Korea, Taiwan and Australia.

**** Includes France, Italy, Netherlands and Spain.

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

Key customers	2025		2024	
	Revenue R'000	% of revenue in relation to total ferrochrome revenue	Revenue R'000	% of revenue in relation to total ferrochrome revenue
Customer A	279 797	12	1 324 230	22
Customer B	243 683	11	955 912	16
	523 480	23	2 280 142	38

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

Key customers	2025		2024	
	Revenue R'000	% of revenue in relation to total chrome ore revenue	Revenue R'000	% of revenue in relation to total chrome ore revenue
Customer C	356 372	11	351 919	16

Notes to the financial statements continued

for the year ended 31 December

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

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

	Group		Company	
R'000	2025	Restated* 2024	2025	2024
Revenue	5 834 877	8 443 462	307 412	1 057 600
Cost of goods sold	(1 759 113)	(3 645 149)	–	–
Loss on exchange differences on other financial instruments	(23 628)	(42 521)	–	–
(Loss) gain on exchange differences in cash and cash equivalents	(141 542)	71 842	–	–
Auditors remuneration – external auditor	(5 120)	(4 495)	(1 276)	(790)
Non audit service – external auditor	(619)	(577)	(386)	(63)
Consulting and professional fees	(12 662)	(14 023)	(5 613)	(8 239)
Selling expenses	(999 776)	(1 048 366)	–	–
Commissions	(224 874)	(335 557)	–	–
Net realisable value adjustment of inventory	(4 277)	(79 293)	–	–
Marketing fees	(2 204)	(2 255)	–	–
Corporate social investment	(8 933)	(19 911)	(3 840)	(2 986)
Social labour plans	(12 026)	(186)	–	–
Skills and enterprise development	(882)	(4 150)	(435)	(1 678)
Unwinding of interest for rehabilitation provision	(19 008)	(10 328)	–	–
Profit on sale of land and mineral rights	–	19 061	–	–
Profit on sale of property, plant and equipment	406	644	–	–
Short-term and low value leases	(889)	(2 618)	(116)	(118)
Retrenchment costs	(197 766)	(67 395)	–	–
Other expenses*	(989 445)	(487 760)	(10 922)	(10 122)
Employee costs**	(899 472)	(1 072 115)	(6 848)	(12 816)
	533 045	1 698 310	277 975	1 020 788

* Restated. Refer to note 41.

** Includes remuneration relating to key management personnel (see note 34).

22. Employee costs

	Group		Company	
R'000	2025	2024	2025	2024
Salaries and wages	725 356	861 721	4 635	5 279
Bonus	17 766	13 632	1 788	3 125
Medical aid – company contributions	75 281	84 653	142	163
Leave pay provision accrual	62	388	13	95
Provident fund and post-retirement benefits	82 212	97 097	513	576
Share-based payment	1 206	14 624	(242)	3 578
	899 472	1 072 115	6 848	12 816

23. Finance income*

	Group		Company	
R'000	2025	Restated 2024	2025	2024
Bank and other cash	35 573	63 255	142	435
Interest from GHSA*	33 209	33 107	–	–
Interest received from tax authority	–	2 745	–	–
Interest from associate	12	11	–	–
Per profit and loss*	68 794	99 118	142	435
Interest earned on cash and cash equivalents	2 735	359	1	–
Interest accrued from GHSA*	(33 209)	(33 107)	–	–
Interest accrued from associate	(12)	(11)	–	–
Per the statement of cash flows	38 308	66 359	143	435

* Restated. Refer to note 41.

Notes to the financial statements continued

for the year ended 31 December

24. Finance expense

	Group		Company	
R'000	2025	2024	2025	2024
Lease liabilities	110	155	–	–
Commitment fees	1 443	1 203	–	–
Per profit and loss	1 553	1 359	–	–
Interest paid on commitment fees	(189)	–	–	–
Interest paid on lease liabilities from the Venture	607	806	–	–
Per the statement of cash flows	1 970	2 164	–	–

25. Taxation

	Group		Company	
R'000	2025	2024	2025	2024
Current tax				
Current year expense	150 523	321 561	20	106
Prior year over provision	(2 001)	(17 007)	(106)	(178)
	148 522	304 554	86	(72)
Deferred tax				
Current year credit	(101 289)	(78 154)	–	–
Prior year over provision	–	(7 254)	–	–
	(101 289)	(85 408)	–	–
	47 233	219 145	86	(72)

	Group		Company	
	2025	2024	2025	2024
Reconciliation between applicable tax rate and average effective tax rate	%	%	%	%
Applicable tax rate	27.00	27.00	27.00	27.00
Permanent differences*	(1.32)	1.47	–	–
Prior year over provision	(0.33)	(2.74)	(0.04)	(0.02)
Dividend Income	(0.17)	(0.05)	(29.13)	(27.75)
Non-taxable income	(0.47)	(1.33)	2.09	0.81
Capital gain inclusion	–	0.42	–	–
Limitation on utilisation of assessed loss	0.16	(0.05)	0.11	(0.05)
	24.88	24.72	0.03	(0.01)

* Includes legal fees, consulting fees, other costs incurred to produce non-taxable income and other permanent differences.

26. Earnings per share

26.1 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	2025	2024
From operations (cents per share)	5.7	26.7

The calculation of basic earnings per share is based on earnings attributable to ordinary shareholders of R143 million (2024: R667 million) and a weighted average number of ordinary shares outstanding during the year of 2 499 126 870 (2024: 2 499 126 870).

Notes to the financial statements continued

for the year ended 31 December

26. Earnings per share continued

26.2 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		
	2025	2024
Diluted earnings per share		
From operations (cents per share)	5.7	26.7
Group		
	2025	2024
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 R143 million (2024: R667 million) and a weighted average number of shares outstanding during the year of 2 499 126 870 (2024: 2 499 126 870).

26.3 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 R305 million (2024: R1 073 million) and a weighted average number of shares outstanding during the year of 2 499 126 870 (2024: 2 499 126 870).

Group		
	2025	2024
Headline earnings per share (cents per share)	12.2	42.9
Diluted headline earnings per share (cents per share)	12.2	42.9

R'000	Group		Group	
	2025		2024	
	Gross	Net of taxation	Gross	Net of taxation
Earnings for the year attributable to equity holders of the parent		142 588		667 207
IAS 33 earnings		161 974		405 678
IAS 16 impairment of property, plant and equipment	222 285	162 268	575 429	420 063
IAS 16 profit on sale of land and mineral rights		–	(19 061)	(13 915)
IAS 16 profit on sale of property, plant and equipment	(406)	(296)	(644)	(470)
Headline earnings		304 560		1 072 885

Group		
	2025	2024
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

Notes to the financial statements continued

for the year ended 31 December

27. Cash generated from operations

R'000	Group		Company	
	2025	Restated* 2024	2025	2024
Profit before taxation	189 821	886 353	277 971	1 021 097
Adjustments for non-cash items:				
Depreciation and amortisation	201 348	354 410	146	126
Impairment of property, plant and equipment	222 285	575 429	–	–
Effect of exchange rate fluctuations	141 542	(71 842)	–	–
Movements in rehabilitation provision	143 427	17 837	–	–
Movement in retrenchment provision	215 284	–	–	–
Income from equity accounted investment	(13 169)	(20 122)	–	–
Other non-cash movement	1 230	(943)	–	–
(Profit) on sale of land and mineral rights	–	(19 061)	–	–
(Profit) loss on sale of property, plant and equipment	(406)	(644)	191	–
Fair value adjustment on provisionally priced revenue	(56 600)	(13 486)	–	–
Movement in long-term receivable	(31 852)	(26 973)	–	–
Movement in share-based payment liability	(12 420)	(659)	(12 420)	(659)
Net realisable value inventory adjustment	4 277	79 293	–	–
Finance income*	(68 794)	(99 118)	(142)	(435)
Finance expense	1 553	1 358	–	–
Changes in working capital:				
Inventories	(108 394)	42 691	–	–
Trade and other receivables	23 062	382 362	953	6 963
Trade and other payables	(172 729)	(52 173)	(3 399)	177
	679 466	2 034 712	263 300	1 027 269

* Restated. Refer to note 41.

The financing activities that give rise to cash flows are lease obligations repaid and dividends paid, as disclosed in note 16 and 39, respectively.

Notes to the financial statements continued

for the year ended 31 December

28. 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.

28.1 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.

Notes to the financial statements continued

for the year ended 31 December

28. Financial instruments and risk management continued

28.1 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	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Exposure to credit risk				
Loan to subsidiary at amortised cost	–	–	879 485	915 892
Other long-term receivable at amortised cost	17 133	17 730	17 133	17 730
Trade and other receivables at amortised cost and fair value through profit and loss	1 198 935	1 173 369	7 257	8 277
Long-term receivable at fair value	96 112	64 260	–	–
Other short-term financial assets	393 966	360 756	–	–
Cash and cash equivalents and balances held with Central Treasury	1 156 408	1 434 155	2 366	2 680
	2 862 554	3 050 270	906 241	944 579

28.2 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.

Notes to the financial statements continued

for the year ended 31 December

28. Financial instruments and risk management continued

28.2 Liquidity risk continued

In addition, the Group maintained the following facilities at 31 December 2025:

The Company

- ABSA Bank Limited (ABSA): R1 million credit card facilities. Interest is payable at ABSA is the prime lending rate plus 6.75%. At the reporting date, the prime lending rate was 10.25%.
- 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 (2024: 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 2025, 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 2025, the three months JIBAR was 6.6%.
- 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 2025.

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 2025				
Eskom	171 113	–	–	171 113
Department of Mineral Resources and Energy	71 729	1 310	20	73 059
Customs and excise	6	–	–	6
Town councils and Maputo Port Development Company	20 754	–	–	20 754
	263 602	1 310	20	264 932
Group – 31 December 2024				
Eskom	169 678	–	–	169 678
Department of Mineral Resources and Energy	73 164	1 310	20	74 494
Custom and excise	6	–	–	6
Town councils and water boards	15 880	–	–	15 880
	258 728	1 310	20	260 058

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 2025		
Department of Mineral Resources and Energy	60	60
Facility available	60	60
Percentage utilised	100	100
Company – 31 December 2024		
Department of Mineral Resources and Energy	60	60
Facility available	60	60
Percentage utilised	100	100

Notes to the financial statements continued

for the year ended 31 December

28. Financial instruments and risk management continued

28.2 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 2026	1 to 2 year ended 31 December 2027	2 to 3 year ended 31 December 2028	3+ year ended 31 December 2029 onwards	Total
Group 2025					
Non-derivative					
Lease obligation	1 865	1 341	893	2 299	6 397
Trade and other payables	513 712	–	–	–	513 712
Total	515 577	1 341	893	2 299	520 109
Company 2025					
Non-derivative					
Trade and other payables	3 556	–	–	–	3 556

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

28.3 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	2025	2024
US Dollar exposure:		
Amounts in USD'000		
Trade and other receivables	50 961	48 212
Customer foreign currency account held with Central Treasury	37 912	37 922
Net US Dollar exposure	88 873	86 134
Exchange rates		
The following closing exchange rates were applied at reporting date:		
Average rate		
Rand: United States Dollar	17.88	18.24
Reporting date spot rate		
Rand: United States Dollar	16.56	18.89

Notes to the financial statements continued

for the year ended 31 December

28. Financial instruments and risk management continued

28.3 Market risk continued

Foreign currency sensitivity analysis

A 10% weakening of the Rand against the USD on 31 December 2025 would have increased equity and profit before tax by R147 million (2024: R163 million). A 10% strengthening of the Rand at 31 December 2025 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	
	2025 %	2024 %	2025 R'000	2024 R'000
Group				
Variable rate instruments:				
Cash and cash equivalents and balances held with Central Treasury				
Local currency*	8.18	8.79	528 587	717 802
Foreign currency	5.14	5.14	627 821	716 353
			1 156 408	1 434 155

* 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: 8.22%.

Current account: favourable – 2.16%; unfavourable – prime lending rate which is 10.25%.

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 R6 million (2024: R7 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.

28.4 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.

Notes to the financial statements continued

for the year ended 31 December

28. Financial instruments and risk management continued

28.4 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 2025				
Trade and other receivables	11	109 757	1 089 177	1 198 935
Other short-term financial assets	13		393 966	393 966
Cash and cash equivalents and balances held with Central Treasury	14	–	1 156 408	1 156 408
Long-term receivable	8	96 112	–	96 112
Other long-term receivable	40	–	17 133	17 133
		205 869	2 656 684	2 862 554
Group 2024				
Trade and other receivables	11	73 486	1 099 883	1 173 369
Other short-term financial assets	13		360 756	360 756
Cash and cash equivalents and balances held with Central Treasury	14	–	1 434 155	1 434 155
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

R'000	Notes	Amortised cost	Total
Company 2025			
Loan to subsidiary	10	879 485	879 485
Trade and other receivables	11	7 257	7 257
Cash and cash equivalents	14	2 366	2 366
Other long-term receivable	40	17 133	17 133
		906 241	906 241
Company 2024			
Loan to subsidiary	10	915 892	915 892
Trade and other receivables	11	8 277	8 277
Cash and cash equivalents	14	2 680	2 680
Other long-term receivables	40	17 730	17 730
		944 579	944 579

Categories of financial liabilities

R'000	Notes	Amortised cost	Leases	Total
Group 2025				
Trade and other payables	19	513 712	–	513 712
Lease obligation	16	–	4 723	4 723
		513 712	4 723	518 435
Group 2024				
Trade and other payables	19	638 005	–	638 005
Lease obligation	16	–	5 873	5 873
		638 005	5 873	643 878
Company 2025				
Trade and other payables	19	3 556	–	3 556
Company 2024				
Trade and other payables	19	4 061	–	4 061

Notes to the financial statements continued

for the year ended 31 December

29. 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 is 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 2025				
Financial asset				
Trade receivable held at fair value through profit or loss	–	109 757	–	109 757
Long-term receivable	–	–	96 112	96 112
	–	109 757	96 112	205 869
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

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 2024	37 287
Gain recognised in profit or loss	26 973
Balance at 31 December 2024	64 260
Gain recognised in profit or loss	37 392
Settlements	(5 540)
Balance at 31 December 2025	96 112

Notes to the financial statements continued

for the year ended 31 December

30. Capital management

The Board's policy is to maintain a strong capital base to maintain investors, debt providers and 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 2025 year-end, the gearing level was 0% (31 December 2024: 0%).

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

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

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

31. Commitments

Commitments relating to the Venture

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

R'000	Group	
	2025	2024
Contracted for but not provided for	111 363	218 246
Authorised but not contracted for	474 726	552 179
	586 089	770 425

32. Contingent liability

The Group is subject to direct and indirect tax in the South African jurisdiction. The Group's subsidiary undertakes various cross-border transactions within the Venture, subject to the Group's transfer pricing policies. As a result, significant judgment is required 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.

As previously reported, SARS finalised the audit of the transfer pricing matter on 30 October 2024 and adjusted (increased) the Company's taxable income 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 Company for the 2016 and 2017 years.

The Company disagrees with the additional assessments. After taking several procedural steps, including submitting an objection that was ultimately denied by SARS on 30 September 2025, the Company filed a notice of appeal in November 2025. This formally initiates the Tax Court appeal process. Furthermore, the Company is currently awaiting SARS' response regarding its request to review the partial suspension of payment for the disputed tax debt.

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.

Notes to the financial statements continued

for the year ended 31 December

33. Related parties

33.1 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 2025.

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 33.2 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 20. The dividend declared by Merafe Ferrochrome was R300 million (2024: R1 050 million). At the reporting date, a loan of R882 million (2024: R916 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 (2024: R0.1 million), which relates to the payment of audit fees.
Industrial Development Corporation of South Africa Limited (IDC)	The IDC holds 21.88% 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 34. 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 28.82% 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 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 34 for transactions with directors.

Notes to the financial statements continued

for the year ended 31 December

33. Related parties continued

33.1 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 marketing agent to sell ferrochrome on its behalf and acts as a distributor in the USA and Canada.	Sale of ferrochrome R355 million (2024: R554 million). Commission expense R7 million (2024: R13 million). Net interest expense R12 million (2024: R13 million). Receivable at the reporting date R107 million (2024: R134 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 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 R218 million (2024: R324 million). Chrome ore swap R0.1 million (2024: R8 million). Marketing fee expense R2 million (2024: R2 million). Net interest income R5 million (2024: R12 million). Purchase of raw materials Rnil (2024: R9 million). Balance owing at the reporting date R24 million (2024: R30 million) payable on confirmation of final sales.
Cassian Trade AG (Cassian) [#]	Cassian acts as the Venture's marketing agent to sell ferrochrome and chrome ore on its behalf. The Venture purchases various raw materials from Cassian on an ongoing basis.	Receivable at the reporting period R0.2 million (2024: R7 million) 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 R183 million (2024: R176 million). Head-office costs R66 million (2024: R38 million). Training costs R8 million (2024: R12 million). Lion staff housing R25 million (2024: R23 million). Share service centre costs R13 million (2024: R13 million). Balance owing at the end of the year R19 million (2024: R15 million) payable 10 days after month end. GOSA received the non-executive director's fees for Mr D Green as disclosed in note 34. At the reporting date, a loan receivable of R68 million (2024: R50 million) is owed to Merafe Ferrochrome.
Char Technology Proprietary Limited (Chartech) [#]	Chartech sells raw materials to the Venture.	Purchase of raw materials R27 million (2024: R129 million). Balance owing at the reporting date R1 million (2024: R9 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 (2024: R0.4 million). Balance owing at the reporting period R0.4 million (2024: R0.3 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 R699 million (2024: R831 million) and rehabilitation investment of R394 million (2024: R361 million).
Astron Energy Proprietary Limited (Astron) [#]	Astron sells fuel to the Venture.	Purchases of R33 million (2024: R35 million). Payable of R1 million (2024: 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 R47 million (2024: R42 million). Receivable of R10 million (2024: R3 million) 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 R8 million to Merafe Ferrochrome.

[#] Subsidiary of Glencore plc.

Notes to the financial statements continued

for the year ended 31 December

33. Related parties continued

33.2 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	2025	2024
Inventories	9 377 070	8 970 805
Trade and other receivables	5 400 926	9 495 137
Other short-term financial asset	1 921 787	1 759 785
Cash and cash equivalents	3 407 817	4 055 737
Lease obligation	(18 988)	(22 106)
Provision	(1 478 823)	(779 177)
Trade and other payables	(4 453 850)	(4 181 402)
Net working capital	14 155 939	19 298 779
Revenue	28 274 089	41 174 995
Net foreign exchange gain	(805 708)	143 032
Operating expenses	(24 472 191)	(32 546 364)
EBITDA	2 996 190	8 771 663

34. Key management remuneration

34.1 Non-executive directors' remuneration

R'000	2025	2024
Mr S Phiri (Chairperson)	1 386	797
Mr A Mngomezulu	–	382
Ms M Vuso	712	578
Mr J McLaughlan	628	498
Mr K Tlale	616	487
Ms N Mabusela-Aikhuere	776	606
Mr D McGluwa*	428	401
Mr D Green**	561	434
	5 107	4 183

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

* Paid to IDC

** Paid to GOSA

34.2 Executive directors' remuneration

R'000	Salary	Bonus	Fringe benefits and leave pay	Provident fund contributions	Share grants vested	Total
2025						
Ms Z Matlala	6 508	4 889	68	1 046	6 797	19 308
Mr D Chocho	4 456	2 645	117	653	2 941	10 812
	10 964	7 534	185	1 699	9 738	30 120
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

Notes to the financial statements continued

for the year ended 31 December

35. Directors' interests in Merafe Resources Limited

As at 31 December 2025, the directors of the Company are beneficially interested (directly and indirectly) in 3 553 565 (2024: 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% (2024: 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 18).

	2025		2024	
	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 2025 to the date of approval of the annual financial statements, being 6 March 2026.

36. Going concern

As stated above, the Group had cash and balances held with Central Treasury of R1 156 million and no debt at the reporting date.

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 R533 million and made a profit after tax of R143 million in the current year. Merafe Group and the Company maintain healthy cash balances per note 14 with access to banking and other lending facilities. The Group and Company's credit and liquidity risks have been assessed in notes 28.1 and 28.2. 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 28.2.

37. Events after the reporting period

Eskom

In January 2026 NERSA approved a 12-month interim tariff of 87.74c/kWh. However, the interim tariff is not enough to restart all suspended smelters which require a tariff of 62c/kWh. On 27 February 2026, in-principle support for the proposed 62c/kWh electricity tariff (Proposed Tariff) was received from Eskom and the South African government (Government). Specific terms and conditions of the Proposed Tariff are critical and engagements with Eskom and Government continue. In good faith, the Venture has extended the current termination date under s189 and 189A of the Labour Relations Act, 66 of 1995 consultation process from 28 February 2026 to 31 March 2026.

Dividend

On 6 March 2026, the Board resolved to declare a final dividend of 8 cents per share (2024: 8 cents per share) for the 2025 financial year. The total gross cash dividend for the year amounted to 12 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.

Notes to the financial statements continued

for the year ended 31 December

38. Impairment of assets

38.1 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 2025, Merafe's share price closed at 109 cents per share (2024: 140 cents per share). Based on this share price, the market capitalisation of R2.7 billion was R2.0 billion lower than the net asset value (NAV) of R4.7 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	2025	2024
Average exchange rate – real	ZAR/USD	18.00	19.22
Weighted average cost of capital – real (pre-tax)	%	10.10	16.50
Ferrochrome prices – real	\$c/lb	91	89
Chrome ore prices (CIF) – real	\$/tonne	246	206
Platinum prices – real	\$/oz	1 294	1 249
Rhodium prices – real	\$/oz	5 170	4 437
Palladium prices – real	\$/oz	1 033	1 109

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 R267 million and decrease the valuation by approximately R255 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 R1.5 billion and increase the valuation by approximately R1.5 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 R3.0 billion and increase the valuation by approximately R3.0 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 R1.1 billion and increase the valuation by approximately R1.1 billion, respectively. This analysis assumes all other variables remain constant.

38.2 Smelter assessment

During the year, 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 and the level of our operating costs, management concluded that the Bokamoso and the Tswelopele pelletising plants, as well as the Wonderkop smelter be fully impaired resulting in a total impairment write off of R222 million (2024: R575 million) at year end.

39. Dividends declared

	Group		Company	
R'000	2025	2024	2025	2024
Final dividend – prior year	199 930	549 808	199 930	549 808
Interim dividend – current year	99 965	499 825	99 965	499 825
Total dividends declared for the year	299 895	1 049 633	299 895	1 049 633

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.

Notes to the financial statements continued

for the year ended 31 December

40. Other long-term receivable

R'000	Group		Company	
	2025	2024	2025	2024
Enterprise and supplier development funds	17 133	17 730	17 133	17 730

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 ensure Broad-Based Black Economic Empowerment code compliance. The Company has provided the fund with an interest-free loan, which will be used to support SMEs.

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. Correction of prior periods

During the finalisation of the annual financial statements for the year ended 31 December 2025, the Company identified a prior period error relating to the classification of cash and cash equivalents under IAS 7: Statement of Cash Flows 7 and to enhance the breakdown of revenue from the Asian region, the Company has revised its regional revenue disclosure format for ferrochrome and chrome ore.

41.1 Prior period error – reclassification of cash deposits

The restatement does not affect the separate financial results of the Company. The restatement had no impact on earnings per share and headline earnings.

During the year, the Group identified that certain cash deposits of R361 million with the Glencore Central Treasury function for rehabilitation purposes was incorrectly classified as cash and cash equivalents in prior periods. As these deposits had a term of 120 days, they did not meet the definition of cash equivalents under IAS 7. In accordance with IAS 8, the comparative figures have been restated, and these amounts have been reclassified as short-term financial assets. Any related interest and foreign exchange impacts as a result of including this in cash and cash equivalents previously has been adjusted for accordingly in the statement of cash flows. The effect of the restatement is indicated below:

Statement of financial position

R'000	Group		Group	
	2024		2023	
	Previously stated	Currently stated	Previously stated	Currently stated
Current assets				
Other short-term financial asset		360 756		327 648
Cash and cash equivalents	1 794 911		1 655 807	
Cash and cash equivalents and balances held with Central Treasury		1 434 155		1 328 158
	1 794 911	1 794 911	1 655 807	1 655 807

41.2 Prior period error – reclassification of finance income

During the year, the Group identified that finance income of R33 million earned on cash deposits with the Glencore Central Treasury function was incorrectly included in operating and other expenses in the statement of profit or loss in prior periods. In accordance with IAS 8, the comparative figures have been restated, and this income has been reclassified to finance income. The interest income relating to the financial asset held with Central Treasury was reclassified from EBITDA. The impact is as follows:

Statement of profit or loss and other comprehensive income

R'000	Group	
	2024	2024
	Previously stated	Currently stated
Operating and other expenses	(6 741 366)	(6 774 473)
Earnings before interest, taxation, depreciation and amortisation	1 731 417	1 698 310
Results from operating activities	821 700	788 593
Finance income	66 011	99 118

Notes to the financial statements continued

for the year ended 31 December

41. Prior period restatement continued

41.3 Prior period error – reclassification of cash held with Glencore Central Treasury

During the year, the Group identified that cash of R1 192 million held with the Glencore Central Treasury was incorrectly included in cash and cash equivalents in the prior year's cash flow statement. As this balance represents cash advances and loans to other parties, it should have been classified as an investing cash flow within investing activities in accordance with IAS 7. In line with IAS 8, the comparative figures have been restated to reflect this. Any related interest and foreign exchange impacts as a result of including this in cash and cash equivalents previously has been adjusted for accordingly in the statement of cash flows. The impact is as follows:

Statement of cash flows

R'000	Group	
	2024 Previously stated	2024 Currently stated
Cash generated from operations	2 067 819	2 034 712
Net cash flows from operating activities	1 777 236	1 744 129
Movement in balances held with Central Treasury	–	(128 335)
Net cash from investing activities	(657 155)	(785 490)
Total cash movement for the year	67 262	(94 180)
Cash at the beginning of the year	1 655 807	696 910
Effect of exchange rate movement on cash balances	71 842	–
Cash at the end of the year	1 794 911	602 729

41.4 Revenue restatement

As previously reported through a SENS announcement published on 31 March 2025, following engagement with the JSE subsequent to its review of Merafe's financial statements pursuant to the JSE's proactive monitoring review process, and to enhance the breakdown of revenue from the Asian region, the company has revised its regional revenue disclosure format for ferrochrome and chrome ore as follows:

Ferrochrome revenue disaggregation

	Group			
	2024 Previously stated		2024 Currently stated	
	% of revenue in relation to total		% of revenue in relation to total	
	Revenue R'000	ferrochrome revenue	Revenue R'000	ferrochrome revenue
Africa *	211 328	4	212 617	4
Asia	4 023 250	68	4 011 749	68
China		–	2 521 372	43
Indonesia		–	956 702	16
Other Asia **		–	533 675	9
Americas ***	557 401	9	561 354	9
Europe ****	1 116 899	19	1 123 158	19
	5 908 878	100	5 908 878	100

* Includes South Africa and Turkey.

** Includes Brazil and USA.

*** Includes India, Japan, South Korea, Taiwan and Australia.

**** Includes Belgium, England, Italy, Netherlands, Slovenia and Spain.

Chrome ore revenue disaggregation

	Group			
	2024 Previously stated		2024 Currently stated	
	% of revenue in relation to		% of revenue in relation to	
	Revenue R'000	total chrome ore revenue	Revenue R'000	total chrome ore revenue
Africa *			507 967	22
Asia			1 633 558	72
China			1 612 771	71
Other Asia **			20 787	1
Americas ***			19 689	1
Europe ****			101 007	5
South Africa	506 580	22		
Asia, Australia, Mexico and Europe	1 755 641	78		
	2 262 221	100	2 262 221	100

* Includes South Africa and Egypt.

** Includes Argentina, Brazil, Canada, Mexico and USA.

*** Includes India, Japan and Australia.

**** Includes France, Italy, Netherlands and Spain.

Shareholder information

for the year ended 31 December

1. Shareholder analysis

for the year ended at 31 December 2025:

	Number of shareholders	% of shareholders	Number of shares	% of issued shares
Ordinary shares				
Public shareholders	15 710	99.99	2 495 573 305	99.86
Non-public shareholders	2	0.01	3 553 565	0.14
	15 712	100	2 499 126 870	100
Where non-public shareholders consist of:				
Directors and Associates of the Company	2	0.01	3 553 565	0.14

	Number of shareholders	% of shareholders	Number of shares	% of issued shares
Shareholder spread				
1 – 1 000 shares	9 295	59.15	1 706 506	0.07
1 001 – 10 000 shares	3 484	22.17	14 793 928	0.59
10 001 – 100 000 shares	2 151	13.69	76 323 884	3.05
100 001 – 1 000 000 shares	644	4.10	193 602 378	7.75
1 000 001 – 10 000 000 shares	113	0.72	341 366 430	13.66
10 000 001 shares and over	26	0.17	1 871 333 744	74.88
	15 713	100	2 499 126 870	100

	Number of shareholders	% of shareholders	Number of shares	% of issued shares
Distribution of shareholders				
Banks/Brokers	59	0.38	414 841 543	16.60
Close Corporations	76	0.48	31 308 621	1.25
Endowment Funds	7	0.04	1 944 290	0.08
Government	1	0.01	546 830 100	21.88
Individuals	14 971	95.28	304 863 063	12.20
Insurance Companies	8	0.05	3 491 190	0.14
Medical Schemes	2	0.01	2 025 157	0.08
Mutual Funds	43	0.27	302 825 835	12.12
Other Corporations	64	0.41	876 617	0.04
Private Companies	231	1.47	101 864 495	4.08
Public Companies	4	0.03	57 329	0.00
Retirement Funds	40	0.25	45 071 622	1.80
Strategic Investor	1	0.01	720 163 887	28.82
Trusts	206	1.31	22 963 121	0.92
	15 713	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

	Number of shares	% of shares held
Distribution of local and foreign beneficial shareholding (%)		
South African	1 408 192 137	56.35
Foreign	1 090 934 733	43.65

Shareholder information continued

for the year ended 31 December

JSE share performance

	2025	2024
Market capitalisation as at 31 December	2 724 048 288	3 498 777 618
Share price (cents)		
High	109	161
Low	108	120
Closing	109	140
Shares traded		
Volume of shares traded	567 889 793	493 780 955
Value of shares (ZAR)	660 728 104	707 898 670
Volume of shares traded as a percentage of weighted average of shares in issue (%)	23	20
Shares in issue as at 31 December	2 499 126 870	2 499 126 870

Shareholder diary

Annual general meeting	Wednesday, 13 May 2026
Financial year end	31 December 2026



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