

Merafe Resources Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1987/003452/06)
JSE share code: MRF ISIN: ZAE000060000
("Merafe" or the "Company" or the "Group")

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS AND CASH DIVIDEND DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2021

2021 YEAR IN REVIEW

Key features

- 30% decrease in TRIFR(1) to 2.75 (2020: 3.91(2))
- 43% increase in ferrochrome production to 379kt (2020: 265kt)
- 69% increase in revenue to R8 063 million (2020: R4 780 million)
- Decrease in production cost per tonne by 5% (2020: 8% increase)
- Increase in EBITDA(3) to R2 432 million (2020: R168 million)
- Headline earnings per share of 67 cents (2020: loss of 0.8 cents)
- Basic earnings per share of 66.8 cents (2020: loss of 40.0 cents)
- Net cash generated from operating activities increased to R1 156 million (2020: R495 million)
- Net cash of R972 million (2020: R278 million)
- Cash dividend declared 22 cents per share (2020: Rnil)

- (1) Total recordable injury frequency rate
- (2) Restated
- (3) Earnings before interest, taxation, depreciation and amortisation

CEO Commentary on results

2021 has been a year of recovery for the Glencore Merafe Pooling and Sharing Venture ("Venture"), both from a financial and operational perspective. Improved economic activity contributed to robust demand for ferrochrome, which coupled with supply constraints resulted in a marked increase in prices. This activity also led to higher volumes sold, however, the impact on revenue was somewhat dampened by a stronger Rand:USD exchange rate. Merafe achieved the highest profit after tax since the formation of the Venture in 2004. The Board of Directors of Merafe (the "Board") has declared a final cash dividend of R549.8 million on 22 March 2022, bringing the total dividends for the year to R724.7 million.

Outlook

The strong growth in stainless steel production as well as developments in China have been key to the buoyancy in the ferrochrome market in 2021. The efficiencies achieved in our operations not only responded to this demand, but assured us of the ability to operate at these levels sustainably. Our capital expenditure programme which is necessary to enable these performances was resumed in 2021 and will continue in 2022. There is expectation that global growth, while still positive, will slow down from the highs experienced in 2021. While the COVID-19 effects have been less damaging in recent periods, the pandemic remains a threat which we will continue to monitor. We accordingly remain cautious in our approach to the future and will continue to focus on efficient operations, cash preservation, cost control and efficient capital allocation. The Platinum Group Metals ("PGM") plant and green energy initiatives are some of the important and exciting projects that will receive management's attention in 2022.

In accordance with our strategy, we remain committed to maximising return to our shareholders in the near term and we will continue to assess opportunities to deliver shareholder value.

Further information

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

While the summarised consolidated financial statements in the full announcement, are not audited, the audited consolidated financial statements for the year ended 31 December 2021 from which the summarised consolidated financial statements in the full announcement were derived from have been audited by the Group's auditors, Deloitte & Touche. Their unmodified audit

report, including a key audit matter, along with the audited consolidated financial statements for the year ended 31 December 2021 are available for inspection at the Company's registered office and also available on Merafe's website at <http://www.meraferesources.co.za/results/annuals-2021/index.php>.

Any investment decisions by investors and/or shareholders should be based on the full announcement which has been published on SENS today, 22 March 2022, and is accessible via the JSE link at <https://senspdf.jse.co.za/documents/2022/JSE/ISSE/MRF/FY2021SENS.pdf> and available on Merafe's website at <http://www.meraferesources.co.za/results/annuals-2021/index.php>.

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

Declaration of an ordinary cash dividend for the year ended 31 December 2021
Notice is hereby given that a gross final cash dividend of 22 cents per share (December 2020: Rnil cents per share) has been declared payable, by the Board, to holders of ordinary shares. The dividend will be paid out of income reserves.

The ordinary dividend will be subject to a local dividend tax rate of 20%. The net local ordinary dividend, to those shareholders who are not exempt from paying dividend tax, is therefore 17.60000 cents per share. Merafe's income tax number is 9550 008 602. The number of ordinary shares issued at the date of the declaration is 2 499 126 870. The important dates pertaining to the dividend are as follows:

| | |
|--|---------------------------|
| Declaration date: | 2022 Tuesday, 22 March |
| Last day for ordinary shares to trade cum ordinary dividend: | Tuesday, 5 April |
| Ordinary shares commence trading ex-ordinary dividend: | Wednesday, 6 April |
| Record date: | Friday, 8 April |
| Payment date: | Monday, 11 April |

Shareholders will not be permitted to dematerialise or rematerialise their share certificates between Wednesday, 6 April 2022 and Friday, 8 April 2022, both days inclusive.

Sandton
22 March 2022

Sponsor
One Capital Sponsor Services (Pty) Ltd

Executive Directors
Z Matlala (Chief Executive Officer), D Chocho (Financial Director)

Non-executive Directors
A Mngomezulu (Chairman)*, D McGluwa, M Vuso*, K Tlale*, N Mabusela-Aikhuere*, D Green, J Mclaughlan*
* Independent

Company Secretary
CorpStat Governance Services (Pty) Ltd

Registered office
Building B, 2nd Floor
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35 Ballyclare Drive
Bryanston
2191

Transfer secretaries
JSE Investor Services (Pty) Ltd

Investor relations
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