

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

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023, CASH DIVIDEND DECLARATION AND
AVAILABILITY OF THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT REPORT

2023 FINANCIAL YEAR IN REVIEW

2 fatalities
(2022: No fatalities)

3% decrease in TRIFR(1) to 2.34
(2022: 2.40)

22% decrease in ferrochrome production to 300kt
(2022: 384kt)

16% increase in revenue to R9 244 million
(2022: R7 939 million)

28% increase in production cost per tonne
(2022: 30% increase)

19% increase in EBITDA(2) to R2 545 million
(2022: R2 141 million)

Headline earnings per share of 60.1 cents
(2022: 56.4 cents)

Basic earnings per share of 70.1 cents
(2022: 56.4 cents)

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

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

Final cash dividend of 22 cents per share
(2022: 13 cents per share)

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

CEO Commentary on results

Merafe achieved a record profit of R1 753 million despite a challenging economic environment. Demand for ferrochrome was weaker compared to prior years, which resulted in lower sales volumes and lower realised prices, whilst chrome ore sales volumes were significantly elevated and realised prices increased due to buoyant demand and supply constraints.

The board of directors of Merafe ("Board") resolved to declare a final cash dividend of R550 million, bringing the total dividends for the 2023 financial year to R1 050 million (2022: R625 million).

Outlook

A slowdown will likely follow the resilience that characterised our industry in 2023.

The Glencore-Merafe Chrome Venture ("Venture") has laid a foundation that should help us withstand looming headwinds. The Negotiated Pricing Agreement aids with pricing certainty and ongoing work on green energy supports not only the reduction of our greenhouse gas emissions but also with some power stability. Continued operational efficiencies assist with managing costs. Our capital expenditure improves safety and efficiencies and lessens risks from mechanical breakdowns. Our team continues to explore the best ways to mitigate the logistics constraints.

With continued economic uncertainty in 2024, we expect commodity prices to come under pressure. Given the unrelenting inflationary pressures, our margins remain at risk of being squeezed in 2024.

The anticipated slowdown in 2024 demands that we remain focused on efficient operations, cash preservation, cost control and efficient capital allocation.

We continue to focus on creating shared value for our stakeholders.

Further information

The announcement is the responsibility of the directors.

As the information in this announcement does not provide all of the details, any investment decisions should be based on the published audited consolidated annual financial statements for the year ended 31 December 2023, available through the JSE cloudlink at https://senspdf.jse.co.za/documents/2024/JSE/ISSE/MRF/AFS_2024.pdf and on Merafe's website at <https://www.meraferesources.co.za/results/annuals-2023/index.php>.

The audited consolidated annual financial statements for the year ended 31 December 2023 have been audited by the

Company's auditors, Deloitte & Touche, who expressed an unmodified audit opinion thereon.

Shareholders of Merafe ("Shareholders") are also referred to the summarised financial statements for the year ended 31 December 2023, available on the company's website at <https://www.meraferesources.co.za/results/annuals-2023/index.php>, for further detailed information pertaining to Merafe's business and operations, including detailed results commentary in respect of the year ended 31 December 2023.

Declaration of an ordinary cash dividend for the year ended 31 December 2023

Notice is hereby given that a gross final cash dividend of 22 cents per share (December 2022: 13 cents per share) has been declared by the Board on Friday, 15 March 2024, payable 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 17.6 cents per share. Merafe's income tax number is 9 550 008 602. 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:

	2024
Last day for ordinary shares to trade cum ordinary dividend:	Tuesday, 9 April
Last day for ordinary shares to trade ex ordinary dividend:	Wednesday, 10 April
Record date:	Friday, 12 April
Payment date:	Monday, 15 April

Shareholders will not be permitted to dematerialise or rematerialise their ordinary shares between Wednesday, 10 April 2024 and Friday, 12 April 2024, both days inclusive.

Availability of the Broad-Based Black Economic Empowerment annual compliance report
Shareholders are advised that the Company's latest annual compliance report prepared pursuant to section 13G(2) of the Broad-Based Black Economic Empowerment Act, No. 53 of 2003, as amended, is available on the Company's website at <https://www.meraferesources.co.za/compliance-policies-charters-and-assurance.php>.

Sandton
18 March 2024

Sponsor
One Capital Sponsor Services Proprietary Limited

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

Non-executive Directors
A Mngomezulu* (Chairperson), M Vuso*, K Tlale*,
J McLaughlan*, N Mabusela-Aikhuere*, D McGluwa,
D Green, S Phiri*
* independent

Company Secretary
CorpStat Governance Services Proprietary Limited

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