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**")

Condensed Consolidated Unaudited Interim Financial Statements for the six months ended 30 June 2019

Sponsor:	One Capital Sponsor Services (Pty) Ltd
Executive Directors:	Z Matlala (Chief Executive Officer), D Chocho (Financial Director)
Non-executive Directors:	A Mngomezulu* (Chairman), NB Majova*, M Vuso*, G Motau*, M Mosweu, S Blankfield, J Mclaughlan*.
Company Secretary:	CorpStat Governance Services
Registered office:	Building B, 2nd Floor, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2191
Transfer secretaries:	Link Market Services South Africa (Pty) Ltd
Investor relations:	Ditabe Chocho Tel:+27 11 783 4780 / +27 83 462 3040
	Email: ditabe@meraferesources.co.za

* Independent

CEO Commentary on results

Due to the challenging operational environment characterised by weak demand and lower realised prices, Merafe has produced a subdued set of financial results for the six month ended 30 June 2019. Profit after tax decreased by 61% mainly as a result of lower ferrochrome and chrome ore prices. This effect was offset by a weaker average Rand:US$ exchange rate and higher sales volumes. Working capital, in particular high stock volumes, continues to be a focus area for the Company. No interim dividend has been declared.

Outlook

Price and exchange rate volatility are expected to continue. Global uncertainty remains a concern and will continue to have a negative impact on economies. Given the state of the market, there are likely to be ferrochrome production cuts across key markets. Surpluses are expected to narrow as a result with some improvement in prices expected.

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

Key features

- Regrettably 1 fatality
- 30% improvement in TRIFR[1] to 2.36
  (December 2018: 3.39)
- 2% decrease in ferrochrome production to 206kt
  (June 2018: 211kt)
- 3% increase in revenue to R2 789m
  (June 2018: R2 721m)
- 45% decrease in EBITDA to R435m
  (June 2018: R796m)
- 61% decrease in EPS and HEPS to 6.6 cents
  (June 2018: 16.9 cents)
- 124% increase in cashflow from operating activities to R197m
  (June 2018: R88m)
- 27% decrease in net cash to R205m[2]
  (December 2018: R281m[2])
- No interim dividend declared
  (June 2018: R200m)

[1] Total recordable injury frequency rate

[2] Net cash includes cash and cash equivalents, bank overdraft and working capital loan.

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.

Any investment decisions should be based on the full announcement as published on SENS on Monday, 5 August 2019, and also available on the Merafe website. (http://www.meraferesources.co.za/results/interims-2019/index.php)
Please refer to the following link for the full announcement on SENS:
https://senspdf.jse.co.za/documents/2019/JSE/ISSE/MRF/Interim_19.pdf

Copies of the full announcement may be requested by contacting Antoinette van Rensburg (antoinette@meraferesources.co.za / +27 11 783 4780) or our transfer secretary, Link Market Services, Valerie Radebe (Valerie@linkmarketservices.co.za / +27 011 713 0815).

The full announcement is available for inspection at the registered offices of Merafe (Building B, Second Floor, Ballyoaks office Park, 35 Ballyclare Drive, Bryanston) by contacting Ditabe Chocho or our sponsor, One Capital (17 Fricker Road, Illovo) by contacting Taryn Carter (sponsor @onecapital.co.za / +27 11 550 5000). Such inspection is available at no charge, Monday to Friday from 9:00am to 4:00pm.

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5 August 2019