ANNUAL RESULTS PRESENTATION

FOR THE YEAR ENDED 31 DECEMBER 2023

MERAFE
RESOURCES

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AGENDA

KEY FEATURES

IMPROVED FINANCIAL PERFORMANCE AMID CHALLENGING ENVIRONMENT

MERAFE RESOURCES

HEALTH AND SAFETY

- 2 fatalities
- TRIFR improved by 3% year-on-year

OPERATIONAL

- Lower ferrochrome and chrome production
- Smelting production efficiencies sustained
- Cost pressures continue
- Power and logistics challenges persist
- Contribution of Eastern PGMs operation
- Approval of NPA application to Eskom

MARKET

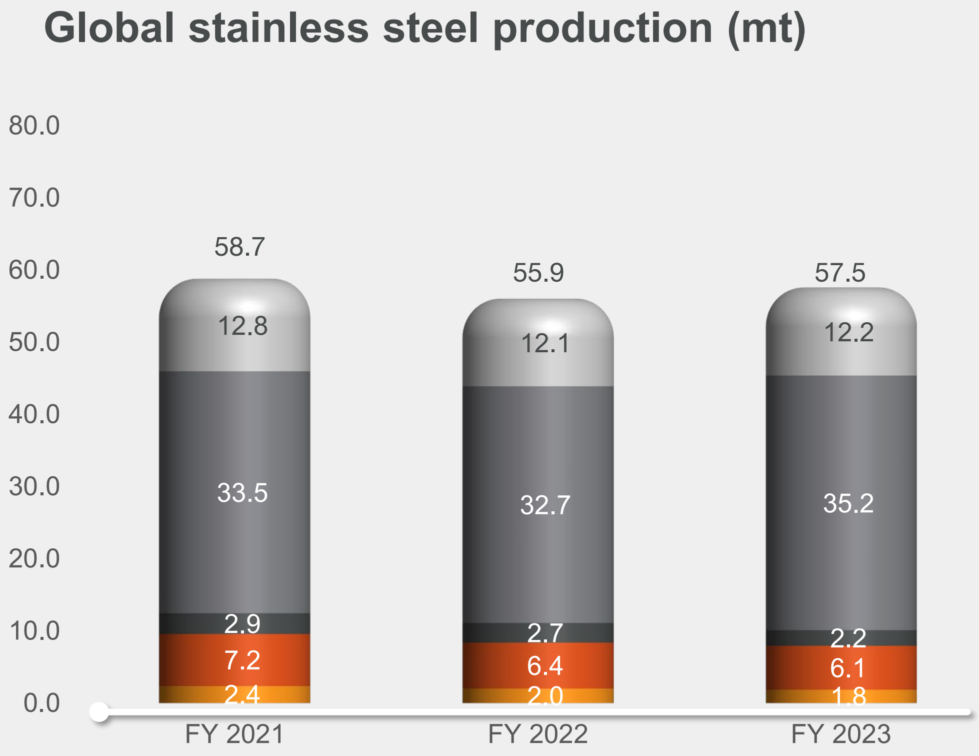
- Global market uncertainty
- Increase in global stainless-steel production
- Increase in global ferrochrome demand
- Improvement in chrome ore prices
- Weaker ZAR:USD exchange rate

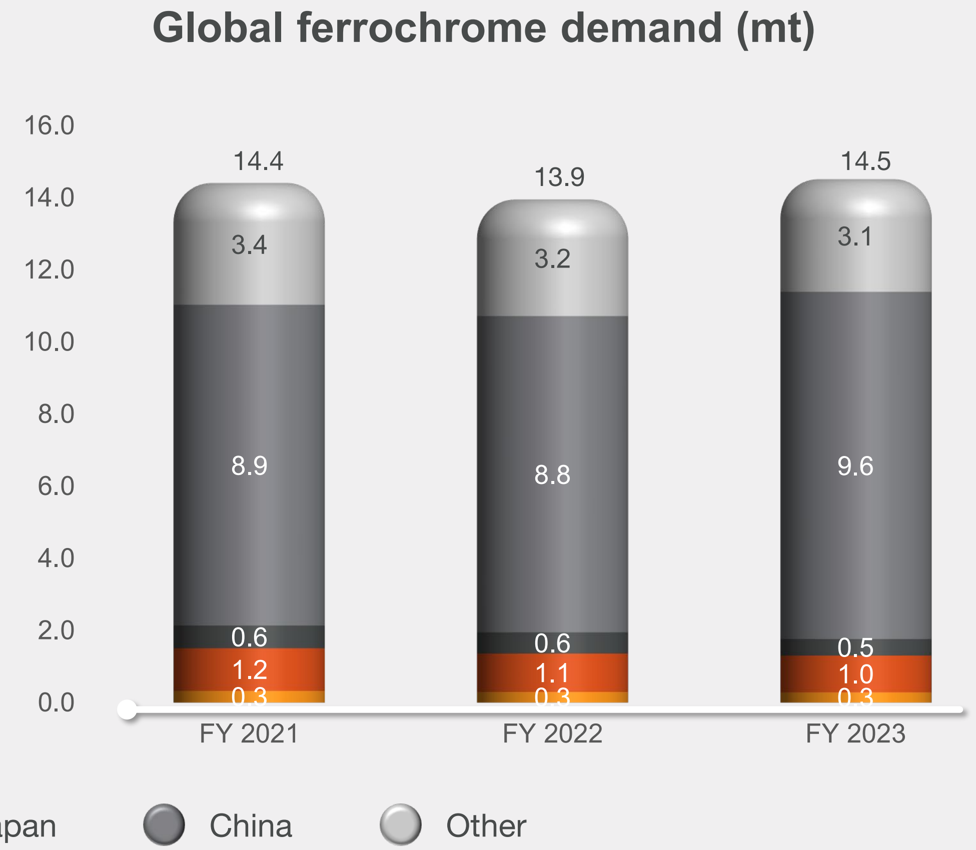
FINANCIAL

- Revenue up by 16% year-on-year
- Headline earnings per share of 60.1 cents
- Final ordinary cash dividend of 22 cents per share declared

MARKET REVIEW

UPTICK IN STAINLESS STEEL PRODUCTION AND FERROCHROME DEMAND

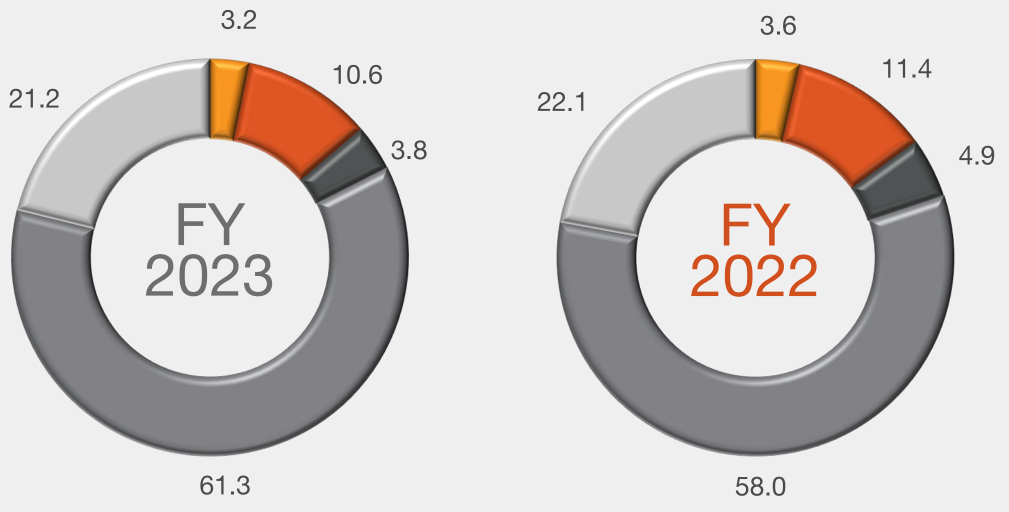




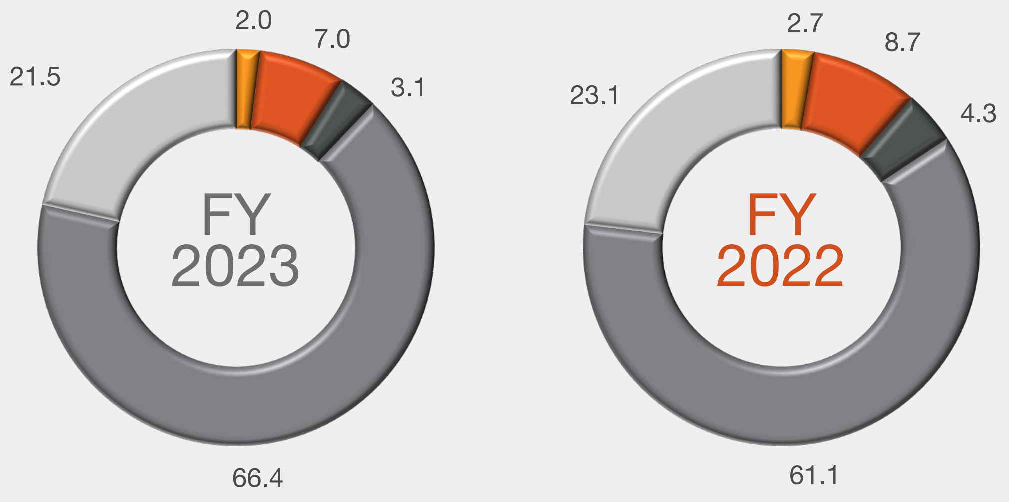
Source for all charts: CRU

CHINA REMAINS A KEY PLAYER IN DEMAND AND SUPPLY DYNAMICS

Global stainless steel production (mt)



Global ferrochrome demand (mt)

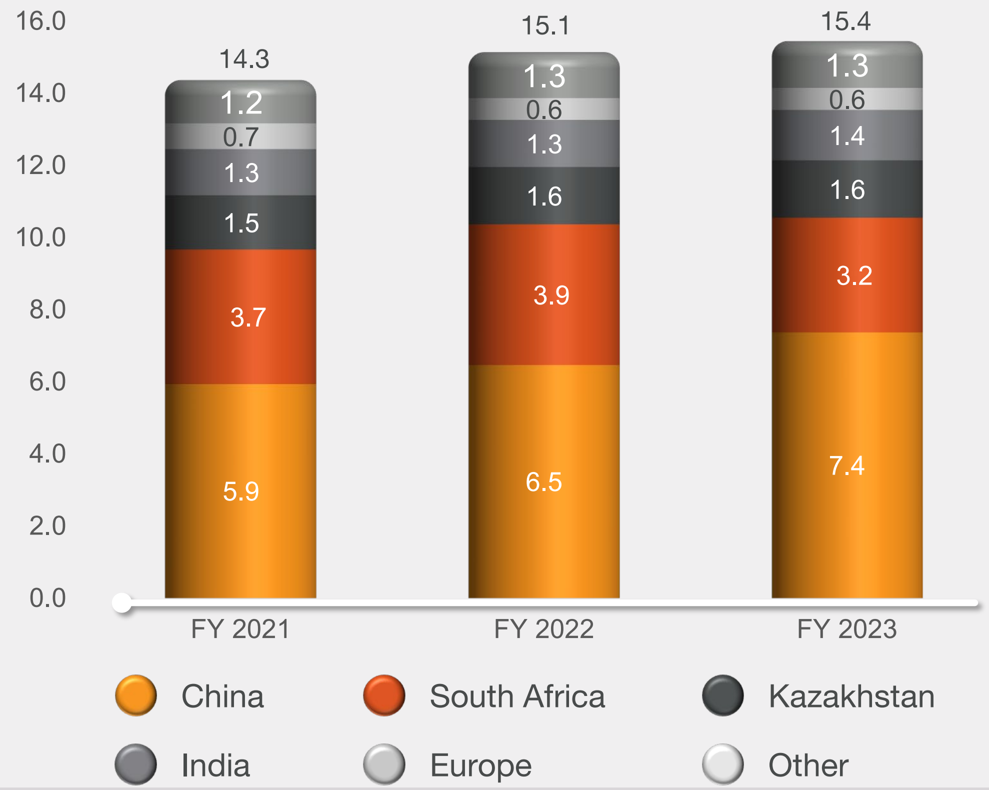


USA Western Europe Japan China Other

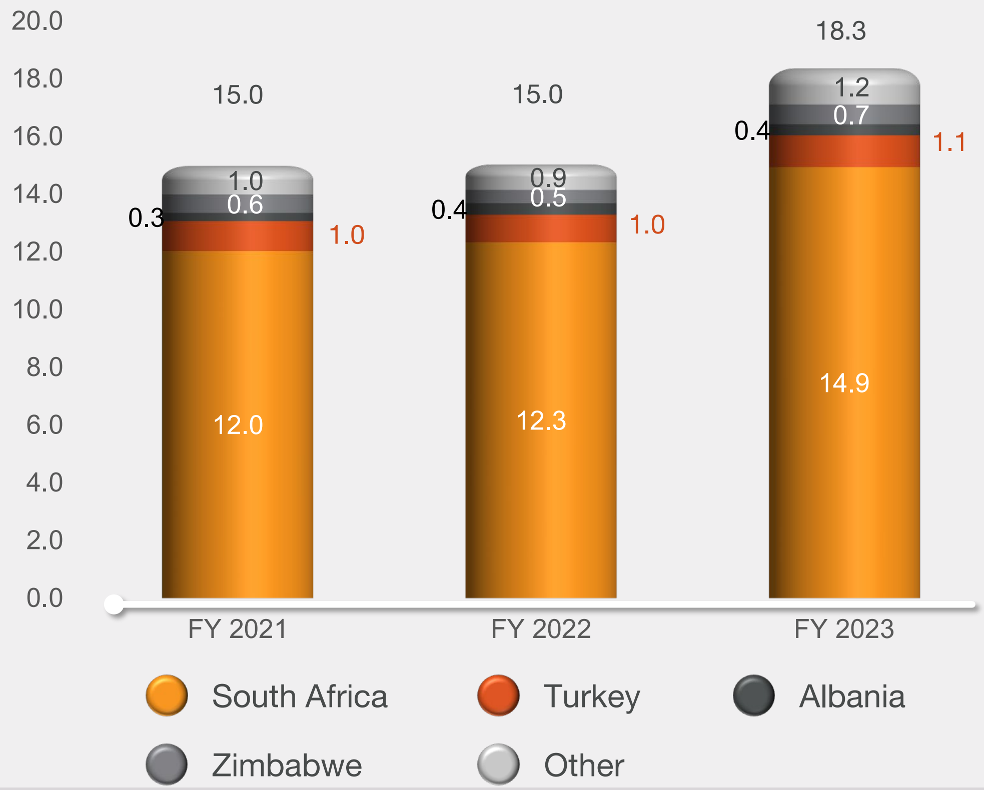
Source for all charts: CRU

CHINA'S FERROCHROME PRODUCTION GROWTH; INCREASE IN ORE IMPORTS INTO CHINA

Global ferrochrome production (mt)



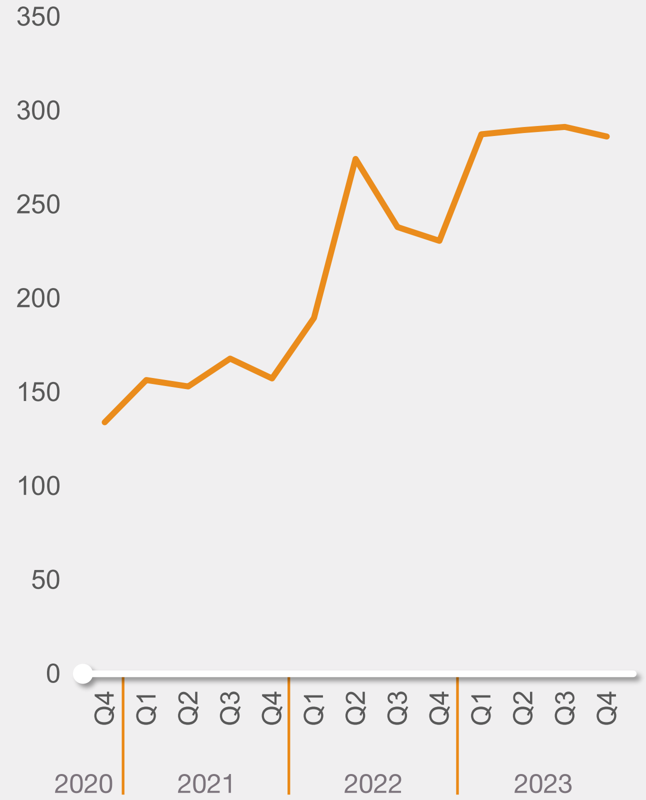
Chrome ore imports into China (mt)



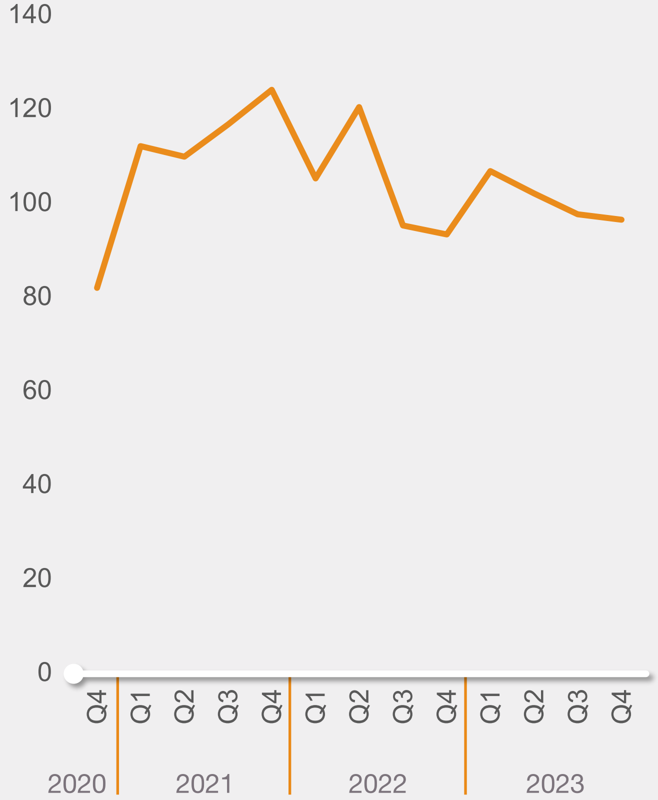
Source for all charts: CRU

MIXED BAG OF PRICES IN 2023

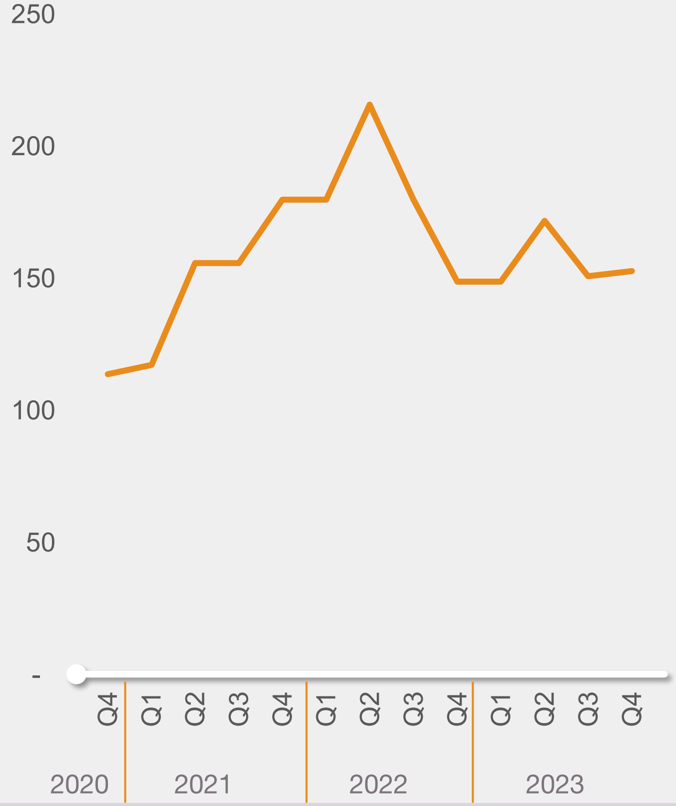
UG2 Merchant prices (USD/t)



Ferrochrome Merchant prices 49%–70% (USc/lb)*

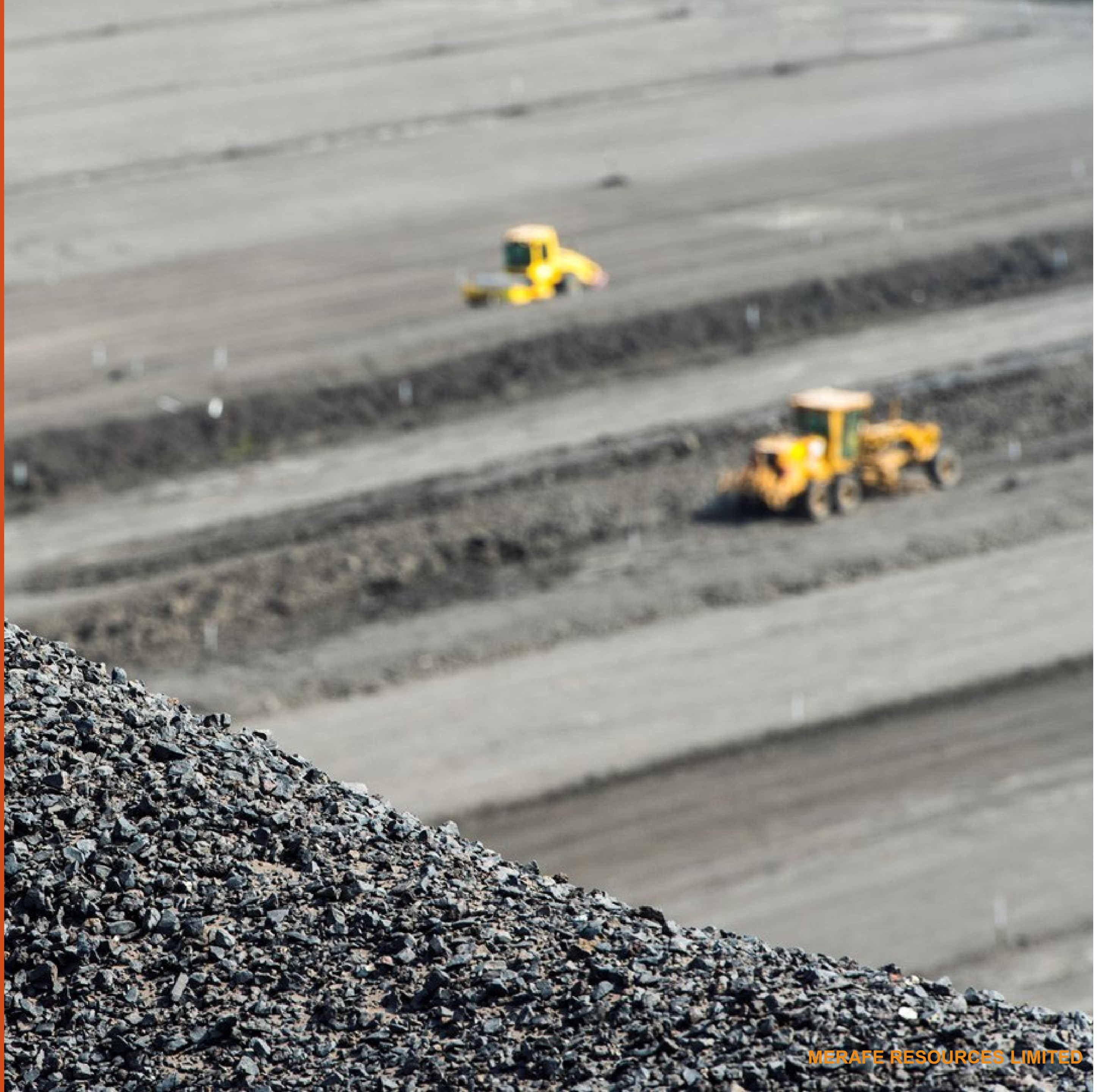


European benchmark ferrochrome price (USc/lb)



Source for all charts: CRU

* Series replaced by 48%–63% from mid May 2021

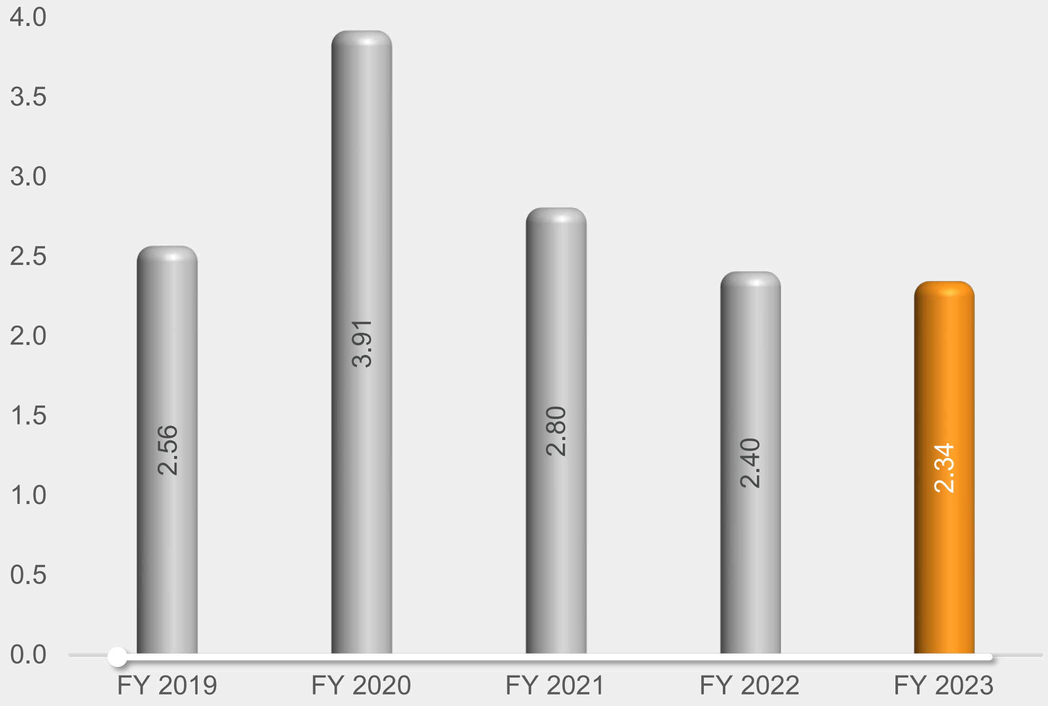


OPERATIONAL REVIEW

HEALTH AND SAFETY OF EMPLOYEES CENTRAL TO OPERATIONS

- Sadly, 2 fatalities in 2023 and 1 in January 2024
- TRIFR improved to 2.34 from 2.40 in December 2023
- Safety of our employees remains a critical focus area with the goal of achieving zero harm
- Safety campaigns and programs continue to be run for all staff to put safety top of mind

Total Recordable Injury Frequency Rate (TRIFR)



ESKOM UPDATE

- Power supply challenges led to electricity outages
- Venture impacted by load curtailment from level 3 over the reporting period
- Double-digit tariff increases, effective from April 2023, directly impact cost competitiveness
- Renewable energy sources are being explored to mitigate power shortages and cost
- Negotiated Pricing Agreement approved by Eskom and NERSA
- Conclusion of agreement to provide pricing certainty

RENEWABLE ENERGY

Co-Generation

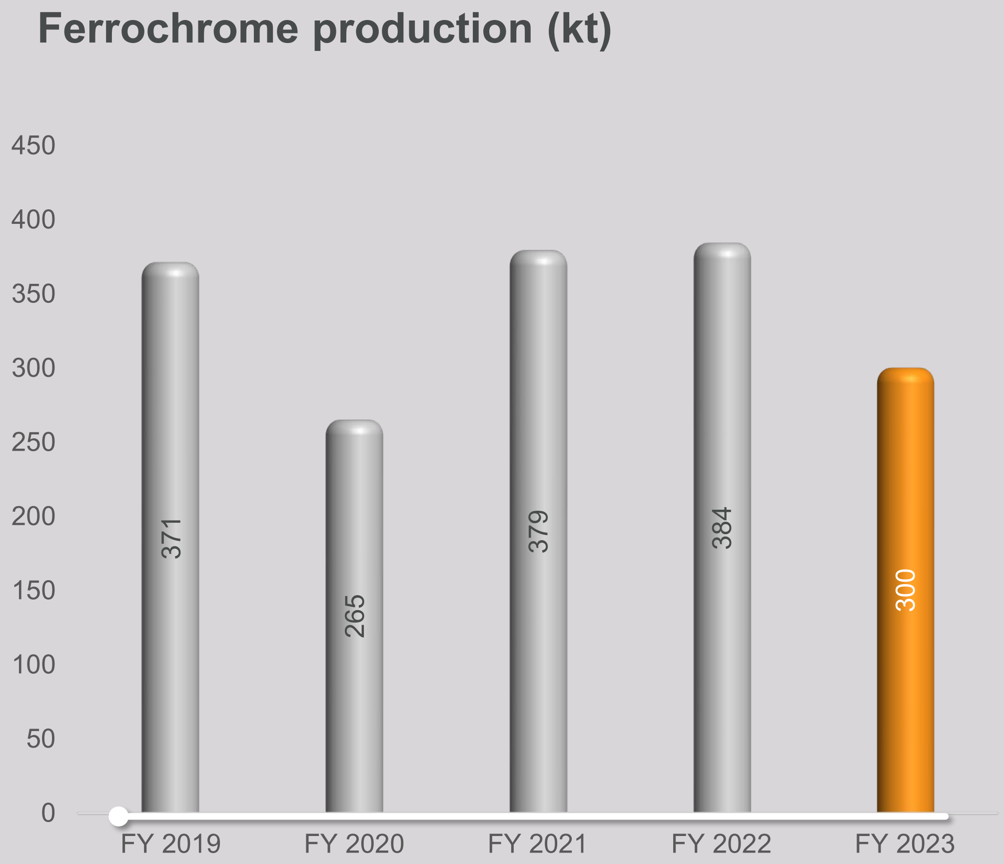
- Alternative technologies for producing electricity from off-gas are being considered

Renewable Energy

- Renewable energy from solar and wind sources under consideration for use by the Venture
- The development of both on-site (behind the meter) and off-site (wheeling) projects are at advanced stages
- Commercial structures and associated risk allocation on the renewable energy projects negotiations are being finalised
- The first 100MW off-site solar project due to achieve financial close in H1 2024

PRODUCTION SCALED BACK

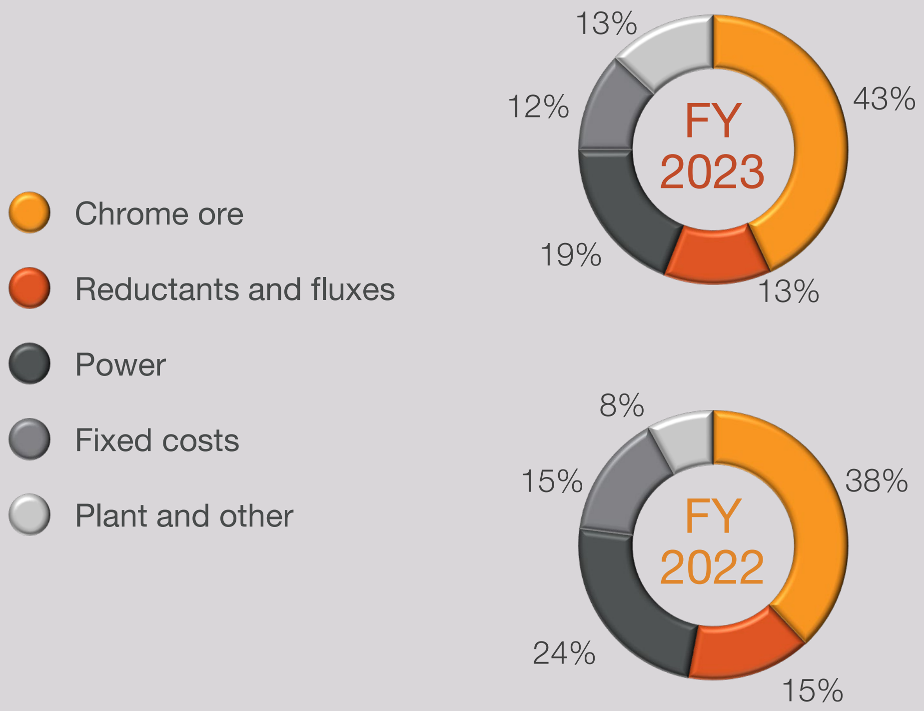
- Ferrochrome production decreased to 300kt
  - Installed capacity utilisation of 63%
  - 78% utilisation of available capacity
- Only the Lion smelter operated during the high electricity demand season
- Rustenburg smelter has not operated since the winter shutdown
- Lydenburg smelter, Rustenburg furnace 6 and Waterval mine are still under care and maintenance
- Boshoek mine sale process in final stages with few regulatory approvals outstanding



COST PRESSURES UNRELENTING

- Total production cost per tonne increased by 28% year-on-year, influenced by:
  - Higher chrome ore prices
  - Higher reductants costs
  - Higher power tariffs
  - Higher fixed costs absorbed
  - General price inflation

Breakdown of C3 production costs



PLATINUM GROUP METALS (PGMs) OPERATIONS

- One of the highlights in 2023 was the contribution of the Eastern PGMs processing plant and operation to the Venture
- PGMs production capacity increases substantially. New PGM X plant will add to growth
- Merafe's share of revenue increases to R133 million
- PGMs production volumes higher
  - Venture's feed volume was 236kt (2022: 160kt)
  - Venture's production volume was 31 431 oz (2022: 15 464 oz)
- PGMs pricing pressure
  - Platinum prices 1% lower year-on-year
  - Rhodium prices 59% lower year-on-year

ESG

- ESG compliance remains an important pillar in how we run the business
- JSE Sustainability Disclosure guidance used to enhance IAR disclosures
- Other avenues to enhance ESG disclosures to be explored
- The Venture's decarbonisation pathway, which uses 2019 levels as a base, is:
    - a 15% reduction of total emissions (scope 1,2 and 3) by 2026,
    - a 25% reduction of total emissions by 2030,
    - a 50% reduction of total emissions by 2035, and
    - net zero total emissions by 2050.

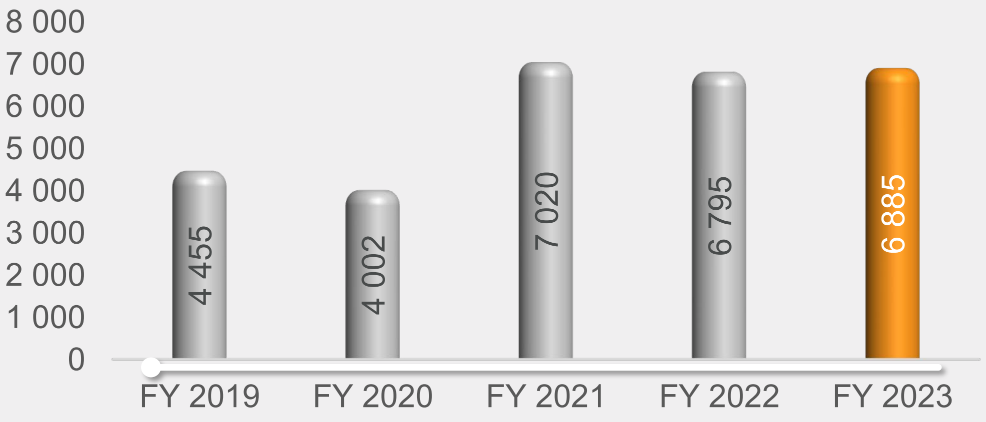
FINANCIAL REVIEW

REVENUE

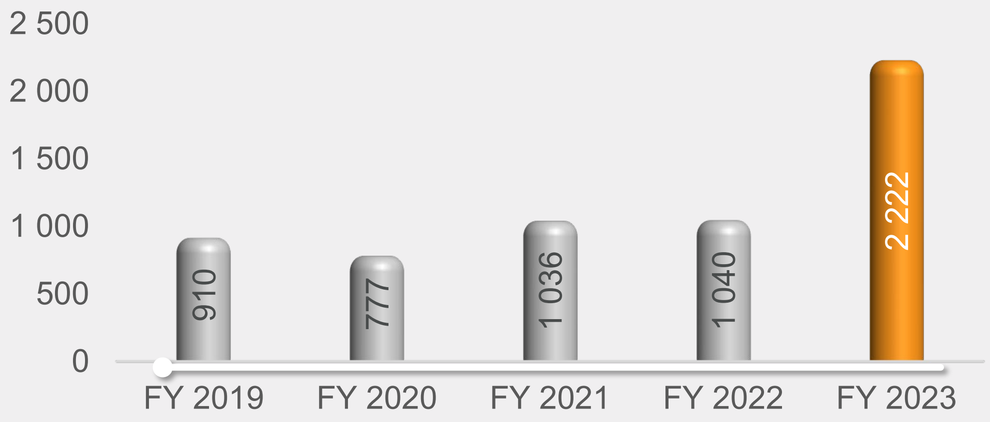
Increase in revenue year-on-year (YoY)

- Total revenue increased by 16% YoY to R9 244 million
- Ferrochrome revenue increased by 1% YoY to R6 885 million
- Chrome ore revenue increased by 114% YoY to R2 222 million
- Higher chrome ore but lower ferrochrome volume sold
- PGMs revenue increased from R100 million to R133 million
- Market dynamics led to higher chrome ore prices and volume sold
- Weaker average ZAR:USD exchange rate contributed to revenue growth
- Ferrochrome prices lower due to market pressures

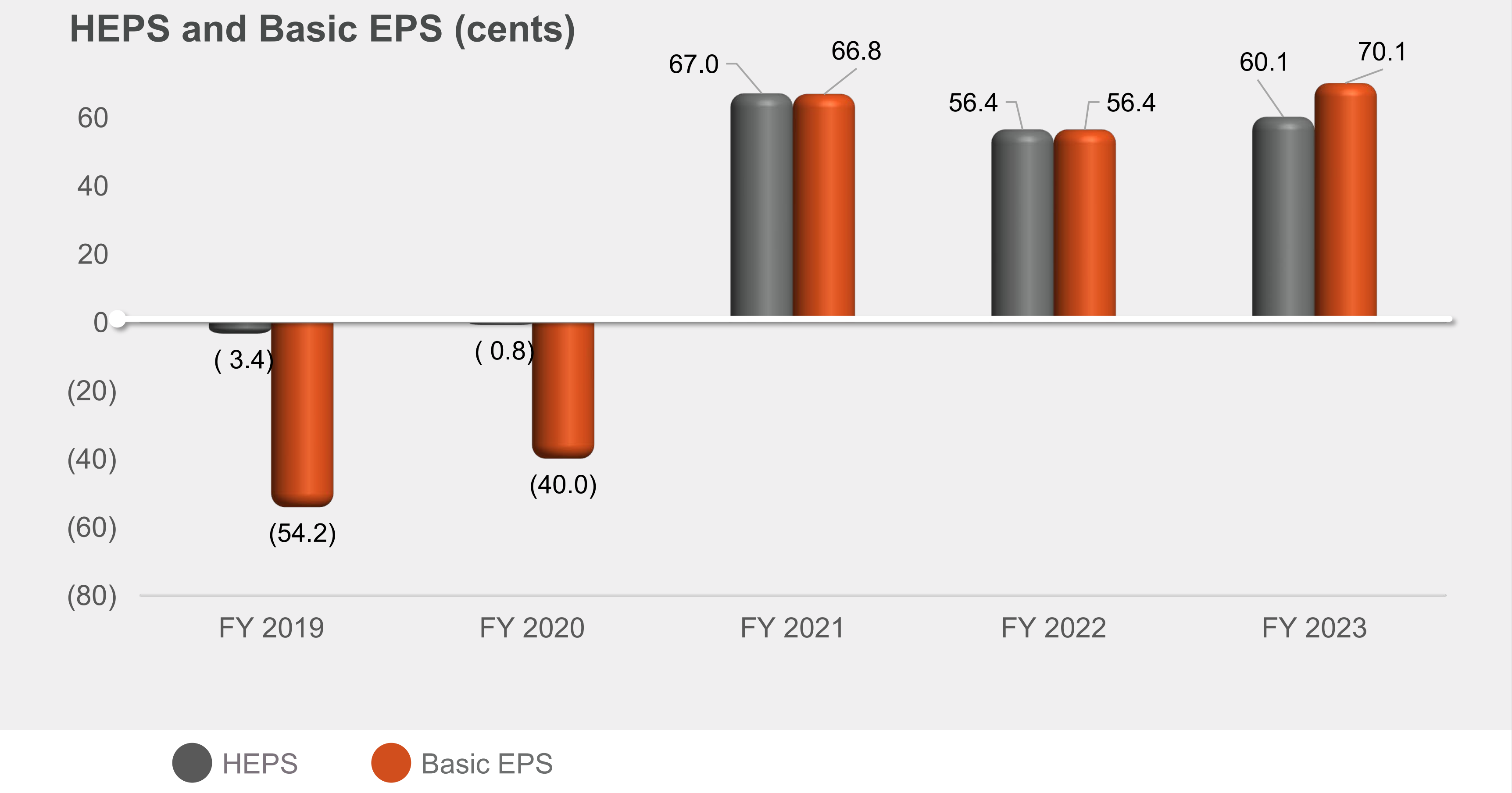
Ferrochrome revenue (R'm)



Chrome ore revenue (R'm)



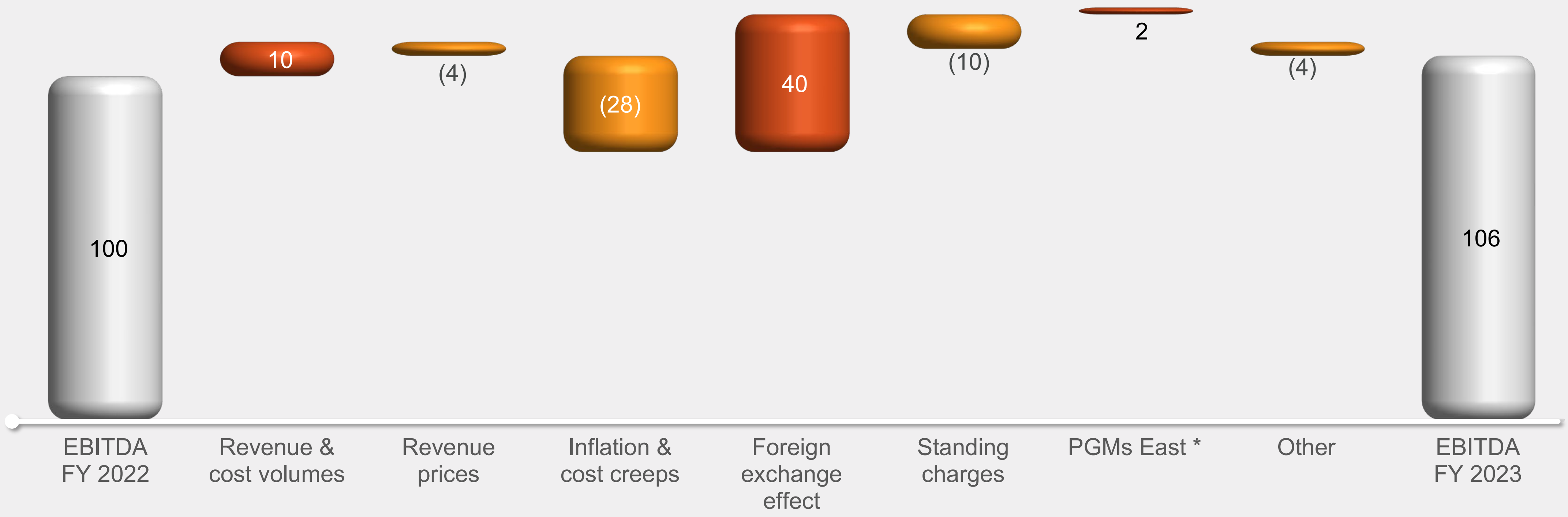
EARNINGS



- Headline earnings per share of 60.1c for the year
- Key contributors to earnings were higher chrome prices and volume sold plus a weaker ZAR:USD exchange rate

EBITDA

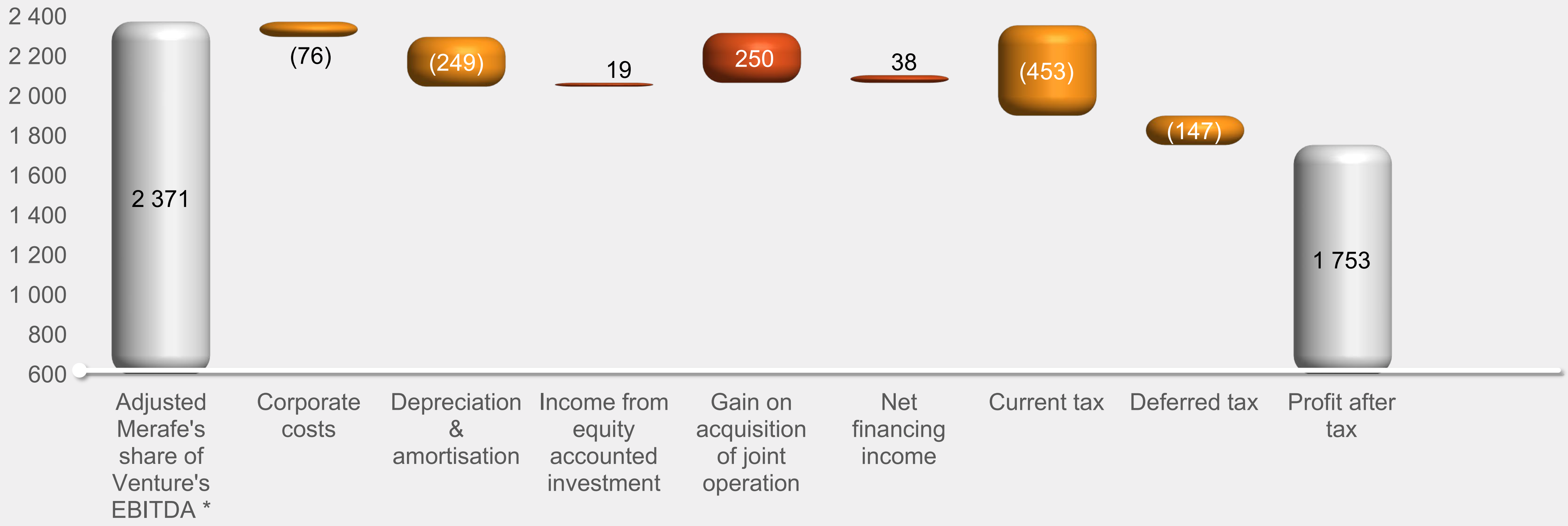
EBITDA from the Venture variance analysis: FY 2023 vs FY 2022 (%)



** = Excludes the gain on acquisition of joint operation*

EBITDA RECONCILIATION TO PROFIT

Venture's EBITDA reconciliation to Merafe's profit after tax (R'm)



** = Merafe's share of Venture's EBITDA of R2 358m add cost of sales adjustment of R13m*

FINANCIAL PERFORMANCE OVERVIEW

For the year ended	31 Dec 2023 R'm	31 Dec 2022 R'm
Ferrochrome revenue	**6 885**	**6 795**
Chrome ore revenue	**2 222**	**1 040**
PGMs revenue	**133**	**100**
Other revenue	**3**	**4**
Foreign exchange gain	**99**	**68**
Operating expenses	**(6 972)**	**(5 802)**
Merafe's share of PSV EBITDA (adjusted)*	**2 371**	**2 205**
Gain on acquisition of joint operation	**250**	**-**
Merafe's corporate costs	**(76)**	**(65)**
Merafe's EBITDA	**2 545**	**2 141**
Depreciation and amortisation	**(249)**	**(220)**
Income from equity accounted investment	**19**	**4**
Net financing income	**38**	**24**
Taxation	**(600)**	**(539)**
Earnings after tax	**1 753**	**1 410**
Headline earnings per share (cents)	**60.1**	**56.4**

** = Merafe's share of Venture's EBITDA of R2 358m add cost of sales adjustment of R13m*

Ferrochrome revenue

- Impacted by lower prices

Chrome ore revenue

- Driven by higher prices, increased sales volume and a weaker ZAR:USD exchange rate

PGMs revenue

- Influenced by inclusion of the Eastern PGMs operation

Foreign exchange gain

- A function of the ZAR:USD exchange rate

Operating expenses

- Production cost per tonne increased by 28% year-on-year. Higher production input costs and fixed cost absorption rate key reasons
- Operating expenses were also affected by general inflation

Merafe corporate costs

- VAT, inflation and legal fees key reasons

Depreciation and amortization

- Higher depreciation due to capital expenditure

Gain on acquisition of joint operation

- Gain recognised on net asset value of contribution on acquisition date

Taxation

- Comprises current tax and deferred tax
- Current tax is lower due to capital expenditure

FINANCIAL POSITION

As at	31 Dec 2023 R'm	31 Dec 2022 R'm
Total non-current assets	**1 479**	**1 170**
Current assets		
Inventories	**1 916**	**2 373**
Trade and other receivables	**1 545**	**868**
Current tax receivable	**65**	**-**
Cash and cash equivalents	**1 656**	**1 269**
Total current assets	**6 661**	**4 510**
Assets held for sale	**1**	**1**
Total assets	**6 662**	**5 681**
Total non-current liabilities	**419**	**418**
Total current liabilities	**972**	**908**
Liabilities directly associated with assets held for sale	**13**	**24**

Non-current assets

Include property, plant and equipment & intangible assets

Inventories

Increase due to market dynamics and higher production costs

Closing FeCr finished goods of 81kt represent 2 to 3 months' sales

Trade and other receivables

Increase a result of higher sales in Q4 2023 and a weaker closing ZAR:USD exchange rate

Cash and cash equivalents

Increase due to higher 2023 earnings

Liabilities

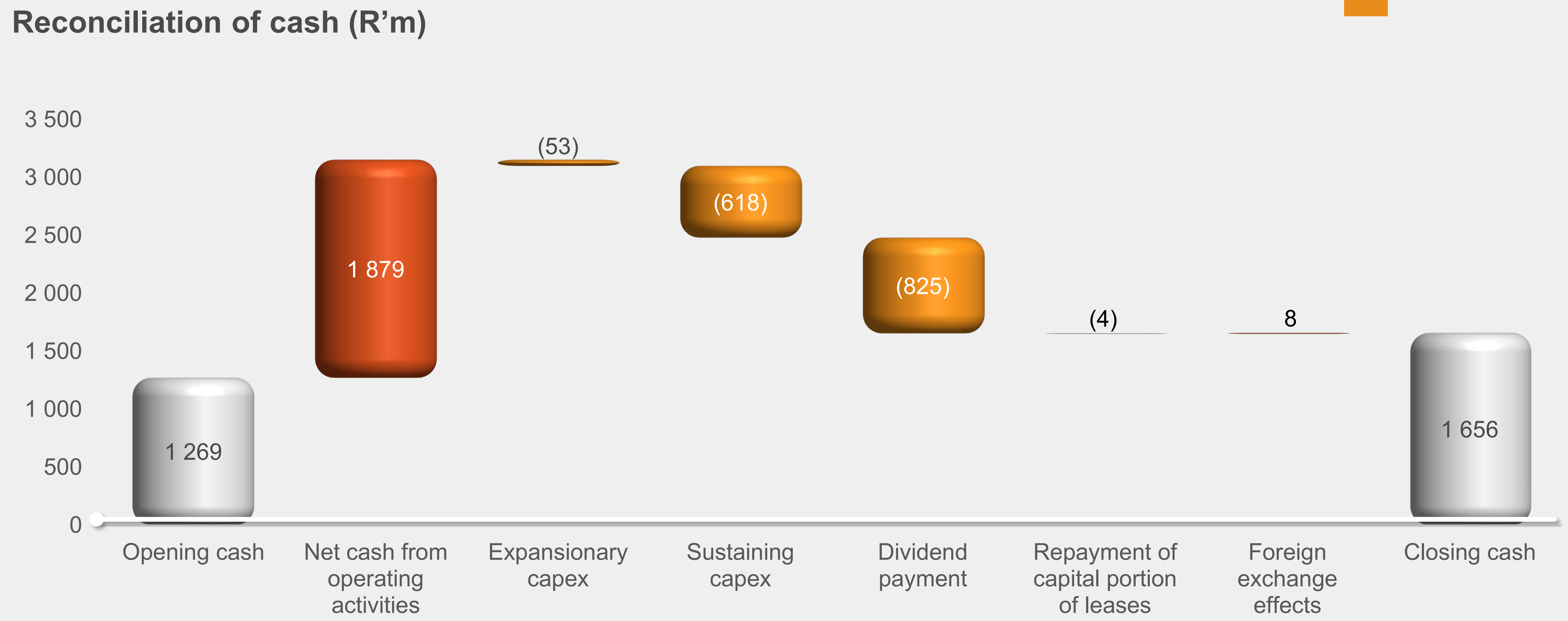
Non-current include rehabilitation provision and deferred tax liability

Current include trade and other payables

Assets held for sale & associated liabilities

These items relate to Boshoek mine which is in the sale process.

RECONCILIATION OF CASH



SUFFICIENT HEADROOM UNDER FACILITIES

As at 31 December 2023	Venture & Unicorn (Merafe's share)[2] R'm	Merafe head office R'm	Merafe total R'm
Closing cash	959	697	**1 656**

As at 31 December 2023	Venture facilities R'm	Interest bearing debt[1] R'm	Merafe total R'm
Total facilities in place	Unspecified	300	**300**
Total facilities utilised	–	–	**–**
Headroom	**Unspecified**	**300**	**300**

1) Committed unsecured three-year revolving credit facility with ABSA

2) Includes R328m cash ring-fenced for rehabilitation liabilities

DIVIDEND

DIVIDEND

MERAFE RESOURCES

1

The Board has declared a final ordinary cash dividend of **R550** million

2

The final dividend amounts to **22** cents per share before dividend tax

3

This brings the full year dividend to **R1 050** million amounting to **42** cents per share before dividend tax

4

The full year dividend works out to **70%** of headline earnings

OUTLOOK

OUTLOOK

- 2024 is expected to be a mixed bag of challenges and opportunities
- Challenges include economic slowdown, cost pressures, geopolitical tensions, ESG concerns and price volatility
- Opportunities include slowing down inflation and recovery in Europe
- Local risks include electricity challenges and logistics constraints
- Venture opportunities include implementing the NPA agreement and pursuing green energy solutions
- Focus continues to be on:
  - Efficient operations
  - Cash preservation
  - Cost control
  - Efficient capital allocation
- Committed to creating shared value for our stakeholders

THANK YOU