MERAFE
RESOURCES

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2019

CONTENTS

Condensed Consolidated Unaudited Interim Financial Statements

for the six months ended 30 June 2019

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**")

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*

**Independent*

Company Secretary
CorpStat Governance Services (Pty) Ltd

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

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 months 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.

Preparation of this report
The following individuals were responsible for the preparation of this report:
- Masechaba Masemola CA(SA) (Financial Manager)
- Ditabe Chocho CA(SA) (Financial Director)

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2019 half year in review

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 789 million**
(June 2018: R2 721 million)

45% decrease in EBITDA to **R435 million**
(June 2018: R796 million)

61% decrease in HEPS and EPS[3] **6.6 cents**
(June 2018: 16.9 cents)

124% increase in cashflow from operating activities to **R197 million**
(June 2018: R88 million)

27% decrease in net cash to **R205 million[2]**
(December 2018: R281 million[2])

No interim dividend declared
(June 2018: R200 million)

1 Total recordable injury frequency rate
2 Net cash includes cash and cash equivalets, bank overdraft and working capital loan
3 Earnings, before interest, tax, depreciation and amortisation

Commentary

Financial review

Merafe's revenue and operating income are primarily generated from the Glencore-Merafe Chrome Venture (**Venture**) which is one of the global market leaders in ferrochrome production, with a total installed capacity of 2.3m tonnes of ferrochrome per annum. Merafe shares in 20.5% of the earnings before interest, taxation, depreciation and amortisation ("**EBITDA**") from the Venture. Merafe has one reportable segment being the mining and beneficiation of chrome ore into ferrochrome and as a result no segment report has been presented.

Merafe's share of revenue from the Venture increased by 3% from the prior period to R2 789m (June 2018: R2 721m).

Ferrochrome revenue increased by 2% from the prior period to R2 391m (June 2018: R2 342m) primarily as a result of a weaker average exchange rate and a marginal increase in ferrochrome sales volumes to 189kt (June 2018: 181kt). This is in spite of lower average realised prices.

Chrome ore revenue increased by 5% from the prior period to R397m (June 2018: R379m), driven by an 11% increase in sales volumes to 147kt (June 2018: 132kt) as well as a weaker average exchange rate. As with ferrochrome, lower average prices of chrome ore stunted the revenue growth.

Merafe's portion of the Venture's EBITDA for the six months ended 30 June 2019 is R454.4m (June 2018: R814.4m). The EBITDA includes Merafe's attributable share of standing charges of R42.2m (June 2018: R38.2m) and a foreign exchange loss of R6.4m (June 2018: foreign exchange gain of R102.6m).

After accounting for corporate costs of R19.4m (June 2018: R18.1m), which include a cash settled share-based payment expense of R227k (June 2018: R1.4m), Merafe's EBITDA was R435.1m (June 2018: R796.3m).

Profit for the six months ended 30 June 2019 amounted to R165.2m (June 2018: R425.1m), after taking into account depreciation of R205.9m (June 2018: R203.6m), net financing income of R8m (June 2018: net financing expense of R2.8m) and taxation expense of R72.0m (June 2018: R164.7m). The taxation expense includes deferred tax credit of R18.1m (June 2018: R19.2m). There is no unredeemed capital expenditure balance as at 30 June 2019 given that taxable profits exceeded capital expenditure.

Sustaining capital expenditure decreased by 30% to R121m (June 2018: R174m). This decrease was due to the timing of spending as well as cut back in response to uncertainty in the market and the need to preserve cash.

The R200m unsecured, three-year revolving credit facility with ABSA remained unutilised for the period.

As at 30 June 2019, Merafe had net cash and cash equivalents of R204.8m (Dec 2018: R280.6m) which comprised of cash held by Merafe of R145m (Dec 2018: R235.8m) and R59.8m (Dec 2018: R45.0m) being Merafe's share of the cash balance in the Venture.

Trade and other receivables increased by 7% to R987m (Dec 2018: R920m) The increase is primarily as a result of the timing of sales as well as higher revenue.

The increase in inventories is a function of higher raw materials and finished goods at a higher average cost per tonne. The increase in finished goods is a function of higher production volumes compared to sales volumes as well as higher production costs. Finished goods volumes on hand at period end represent approximately four to five months of sales.

The Board of directors of the Company ("**Board**") has decided not to declare an interim dividend (June 2018: R200m) due to prevailing market conditions.

Safety

It is with sadness that we have to report that on 14 February 2019 one of our employees died in a fall of ground incident, at our Magareng Mine. Despite the accident, the safety of our employees remains our number one priority as demonstrated by the 30% improvement of the total recordable injury frequency rate ("**TRIFR**") to 2.36 (December 2018: 3.39).

All efforts continue to be made to ensure that the highest standards of safety remain in place at all the Venture's operations.

Operational Review

Merafe's attributable ferrochrome production from the Venture for the first six months ended 30 June 2019 decreased by 2.3% to 206kt (June 2018: 211kt). The production for the period is equivalent to an installed capacity utilisation of 87% (June 2018: 88%).

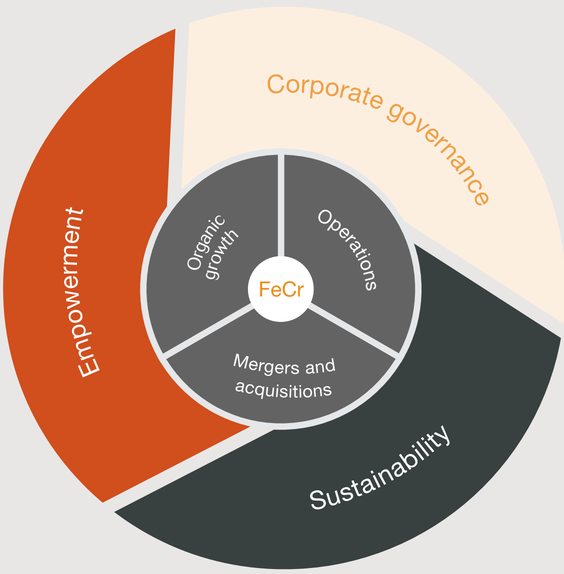
OUR BUSINESS MODEL AND STRATEGY

Ferrochrome

The aim of our business model and strategy is to ensure that our ferrochrome interests are profitable and sustainable and that they add value to all our stakeholders. We achieve this by:

- extracting chrome ore from the Venture's mines and beneficiating it in our smelters in a safe and cost-efficient manner;
- investing in projects such as the Bokamoso and Tswelopele pelletising and sintering plants and the Lion ferrochrome plant Phases I and II that improve the energy and cost efficiency of the Venture's ferrochrome operations;
- employing the Venture's proprietary Premus technology to ensure that it is the lowest-cost producer of ferrochrome in South Africa and, despite rising energy costs in South Africa, remains in the lowest quartile of the global ferrochrome production cost curve;
- using the flexibility provided by the Venture's variety of technologies to meet changing operating circumstances and customer requirements; and
- focusing on reducing costs at the operations and head office.

The Company may also consider acquisitions outside of ferrochrome on an opportunistic basis.



Total production costs per tonne of ferrochrome increased by 7.2% compared to 31 December 2018, mainly as a result of the increase in reductants and other input costs.

Despite curtailment implemented by Eskom during February and March 2019, the Venture's operations were not significantly impacted by electricity supply constraints in the first half of 2019 ("**H1 2019**").

Multiple-year wage agreements have been signed with the different unions in 2018 and, therefore there will be no wage negotiations during 2019.

Mineral Reserves, Mineral Resources and Mining Rights

There were no material changes to mineral reserves, mineral resources and mining rights of the participants in the Venture from those reported in the Integrated Annual Report for the year ended 31 December 2018.

Market Review

Global stainless steel production growth remained positive during the H1 2019, with Chinese H1 2019 melt rates reaching all-time highs of 13.6Mt^. Although positive, global growth was lower than in the prior period. Chinese and Indonesian stainless steel production now accounts for approximately 57%^ of global production, with this share expected to increase as a result of increasing output from Chinese owned stainless steel projects in Indonesia. Stainless steel production growth occurred against a backdrop of macroeconomic uncertainty, driven mainly by the US China trade war and slowing GDP growth within China.

Ferrochrome demand during the period increased by only 2.6%^ period on period as a result of softer growth in stainless steel production. This increase however was driven by significant demand from Chinese and Indonesian mills. This ferrochrome demand growth was more than offset by global ferrochrome production, which increased by 7.9%^ period on period to 7.1Mt^. The majority of this growth occurred in China where overall H1 2019 production increased by 22%^ to 2.96Mt^. Furthermore, ferrochrome exports from key producing regions, South Africa and India, increased during the period.

Ample availability of chrome ore – particularly from South Africa – underpinned the strong growth in Chinese ferrochrome production, with Chinese chrome ore imports totalling 7.4Mt* during the H1 2019. Having peaked at 3.1Mt^ in March 2019, Chinese chrome ore stocks have remained stable at 2.9Mt^ over the past months due to strong consumption from Chinese ferrochrome smelters. These strong ferrochrome production rates have not been equalled by demand within China, leading to an implied increase of Chinese ferrochrome stocks over the past months. Having increased to USD182/Mt** during March 2019 on the back of positive sentiment in the market, UG2 prices ended the period at USD143/Mt** due to weakness in the Chinese ferrochrome market.

The European benchmark ferrochrome price for H1 2019 averaged US116 cents per pound~, down 9% from the June 2018 average of US127 cents per pound~.

^ *CRU commodity market analysts*

* *Global Trade Atlas*

** *CRU Chrome Ore China UG2 42% Cr CIF (ZA orig.) USD/dmtu Avg*

~ *Fast Market (Metal bulletin) – Ferro-chrome index 50% Cr import, cif Shanghai, $/lb contained Cr*

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.

Abiel Mngomezulu	Zanele Matlala
Independent Non-executive Chairman	*Chief Executive Officer*

Sandton

5 August 2019

Summarised consolidated financial statements

Summarised consolidated statement of comprehensive income

	For the six months ended	
	30 June 2019 Unaudited R'000	30 June 2018 Unaudited R'000
Revenue	2 789 188	2 720 702
EBITDA	435 142	796 251
Depreciation	(205 853)	(203 629)
Net Financing income/(expense)	7 997	(2 820)
Profit before taxation	237 286	589 802
Taxation	(72 045)	(164 696)
Profit and total comprehensive income for the period	165 241	425 106
Basic earnings per share (cents)	6.6	16.9
Diluted earnings per share (cents)	6.6	16.9
Ordinary shares in issue	2 510 704 248	2 510 704 248
Weighted average number of shares for the period	2 510 704 248	2 510 704 248
Diluted weighted average number of shares for the period	2 510 704 248	2 510 704 248

Summarised consolidated statement of financial position

	As at	
	30 June 2019 Unaudited R'000	31 December 2018 Audited R'000
Assets		
Property, plant and equipment	3 239 952	3 277 588
Investment in subsidiaries**	–	–
Long term receivable	12 057	12 995
Deferred tax asset	18 844	17 945
Total non-current assets	3 270 853	3 308 528
Inventories*	2 250 259	2 042 621
Current tax asset	–	26 368
Trade and other receivables	987 223	920 231
Cash and cash equivalents	208 688	282 037
Total current assets	3 446 170	3 271 257
Total assets	6 717 023	6 579 785
Equity		
Share capital	25 107	25 107
Share premium	1 269 575	1 269 575
Retained earnings	3 612 895	3 598 296
Total equity attributable to equity holders	4 907 577	4 892 978
Liabilities		
Loans and borrowings non-current	12 573	9 879
Share-based payment liability	1 489	3 518
Provisions	383 059	371 904
Deferred tax liability	733 763	751 103
Total non-current liabilities	1 130 884	1 136 404
Loans and borrowings current	1 786	1 233
Trade and other payables	629 646	544 731
Share-based payment liability	1 925	3 257
Bank Overdraft	4 091	1 182
Current tax liability	41 115	–
Total current liabilities	678 563	550 403
Total liabilities	1 809 446	1 686 807
Total equity and liabilities	6 717 023	6 579 785

* *Inventory of R25.2m (Dec 2018: R8.3m) was written down for the six months ended 30 June 2019.*
** *Less than one thousand.*

Statement of changes in equity

	For the six months ended	
	30 June 2019 Unaudited R'000	30 June 2018 Unaudited R'000
Issued share capital – ordinary shares	25 107	25 107
Balance at the beginning and end of the period	25 107	25 107
Share premium – ordinary shares	1 269 575	1 269 575
Balance at beginning and end of the period	1 269 575	1 269 575
Retained earnings	3 612 895	3 539 986
Balance at beginning of the period	3 598 296	3 340 843
Total comprehensive income for the period	165 241	425 106
Dividends paid	(150 642)	(225 963)
Total equity at the end of the period	4 907 577	4 834 668

Summarised consolidated statement of cash flow

	For the six months ended	
	30 June 2019 Unaudited R'000	30 June 2018 Unaudited R'000
Profit before taxation	237 286	589 802
Finance expense	740	13 850
Finance income	(8 737)	(11 030)
Depreciation and amortisation	205 853	203 629
Movement in provisions	14 311	21 119
Embedded derivative (income)/expense	27 951	(34 792)
Vesting and payment of share grants	(3 589)	(5 077)
Adjusted for non-cash items share grants	229	1 428
Adjusted for working capital changes	(258 579)	(584 711)
Cash generated from operating activities	215 465	194 218
Interest paid	(394)	(311)
Interest received	5 079	9 575
Taxation paid	(22 800)	(115 458)
Net cash from operating activities	197 350	88 024
Acquisition of property, plant and equipment -sustaining	(121 053)	(174 040)
Acquisition of property, plant and equipment -expansionary	–	(188)
Net cash utilised in investing activities	(121 053)	(174 228)
Dividends paid	(150 642)	(225 963)
Loans raised/(repaid) during the period	3 246	(502)
Net cash utilised in financing activities	(147 396)	(226 465)
Net (decrease)/increase in cash and cash equivalents	(71 099)	(312 669)
Cash and cash equivalents at 1 January	280 855	671 656
Effect of foreign exchange rate changes	(5 160)	(27 958)
Cash and cash equivalents at 30 June	204 596[1]	331 028[2]

[1] *Closing balance of cash and cash equivalents is net of bank overdraft of R4.1m.*
[2] *Closing balance of cash and cash equivalents is net of a bank overdraft of R10.2m*

Notes to the summarised consolidated financial statements

1. Basis of preparation

These summarised consolidated interim results for the six months ended 30 June 2019 have been prepared under the supervision of Ditabe Chocho CA(SA) (Financial Director), in accordance with and containing the information required by IAS 34: *Interim Financial Reporting*, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and the Financial Pronouncements as issued by Financial Reporting Standards Council, the requirements of the Companies Act of South Africa No.71 of 2008 and the JSE Limited Listings Requirements.

1.1 Going concern

In determining the appropriate basis of preparation of the interim results, the directors are required to consider whether the Group can continue to be in operational existence for the foreseeable future. The financial performance of the Group is dependent upon the wider economic environment in which the Group operates.

These interim results are prepared on a going concern basis. The Board is satisfied that the Group is sufficiently liquid and solvent to be able to support the operations for the next twelve months.

1.2 Accounting policies

The accounting policies applied in the preparation of these interim results are in terms of International Financial Reporting Standards ("**IFRS**") and are consistent with those applied in the previous consolidated annual financial statements, except for the adoption of various revised and/or new standards.

The Group has adopted IFRS 16 Leases which became effective on 1 January 2019. IFRS 16 Leases sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 has one model for lessees which will result in almost all leases being included on the statement of financial position.

1.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the summarised consolidated interim results 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 are reviewed on an ongoing basis. Underlying assumptions are also reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the summarised consolidated interim results are as follows:

- Measurement of depreciation and impairment, useful lives and residual values of property, plant and equipment
- Inputs used in the determination of the fair value of the share-based payment transactions
- 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 and restoration costs
- Recognition of deferred tax asset and projection of future taxable income to recover the deferred tax asset
- Consolidation: control assessment
- Fair value measurement of embedded derivative

2. Determination of fair values

A number of the accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

Fair values have been determined for measurement and/or disclosure purposes based on the methods as indicated below.

2.1 Embedded derivatives

The embedded derivative is included in trade and other receivables at fair value. The fair value of the embedded derivative is based on the latest available ferrochrome prices and closing foreign exchange rate. The embedded derivative at 30 June 2019 was R32.9m liability (Dec 2018: R48.7m liability) and is based on level 2 hierarchy per IFRS 13. The valuation is based on observable market inputs of prices and exchange rates.

2.2 Share-based payment transactions

The fair value of employee share options and share grants is measured using the Black-Scholes Merton model. Measurement inputs include 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). The total balance of the share-based payment liability at 30 June 2019 was R3.4m (Dec 2018: R6.7m).

3. Headline earnings per share (cents)

	For the six months ended	
	30 June 2019 Unaudited R'000	30 June 2018 Unaudited R'000
Headline earnings per share (cents)	6.6	16.9
Diluted headline earnings per share (cents)	6.6	16.9
Profit, total comprehensive income for the period and headline earnings	165 241	425 105
4. Capital Commitments	425 699	348 822
Contracted but not provided for	132 100	138 725
Authorised but not contracted for	293 599	210 097

5. Related parties

5.1 Related party transactions and balances

During the current reporting period, management performed a re-assessment of its Related Party relationships in accordance with IAS 24, Related Party Disclosures. The Glencore Plc group is 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 were concluded on an arms-length basis and relate to Merafe's attributable 20.5% interest in the Venture. There were no outstanding commitments at period end.

Name of related party	Description of relationship	Transactions and balance[#]
Merafe Chrome and Alloys (Pty) Ltd ("**Merafe Chrome**")	Merafe Chrome is a wholly owned subsidiary of the Company	Dividends of Rnil (June 2018: R200m) were declared to the Company by Merafe Chrome.
Merafe Ferrochrome and Mining (Pty) Ltd ("**Merafe Ferrochrome**")	Merafe Ferrochrome is a wholly owned subsidiary of Merafe Chrome.	Dividends of Rnil (June 2018: R200m) were declared to Merafe Chrome by Merafe Ferrochrome. At period end, a loan of R465.6m (June 2018: R200m) is owing by the Merafe Ferrochrome to the Company. The loan account is of a short-term nature, is interest free, unsecured and does not have fixed repayment terms.
Merafe Kroondal Rehabilitation Trust (SE) (the "**Trust**")	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, 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.	There is a loan of R108k (June 2018: R97k) with the Company which relates to the payment of audit fees. The loan account is of a long-term nature, is interest free, unsecured and does not have fixed repayment terms.
Industrial Development Corporation of South Africa Limited ("**IDC**")	The IDC holds 21.8% 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.	The IDC received the non-executive directors' fees for Ms M Mosweu. IDC received dividends declared and paid by the Company, in respect of the 2018 financial year At period end there are no amounts due to the IDC.
Glencore (Nederland) B.V. ("**GN**")	GN holds 28.7% 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 the non–executive directors' fees for Mr S Blankfield. GN received dividends declared and paid by the Company, in respect of the 2018 financial year. At period end there are no amounts due to GN.
Glencore Limited (Stamford) ("**GLS**")	GLS acts as the Venture's exclusive marketing agent to sell ferrochrome on its behalf and acts as distributor in the USA and Canada.	Sale of ferrochrome of R228m (June 2018: R237m). Commission expense of R5m (June 2018: R5m). Interest expense of R3m (June 2018: R5m). Receivable at the end of June 2019 R152m (Dec 2018: R131m) which is reduced as and when GLS receives funds from customers.
Glencore International AG	Glencore International AG acts as the Venture's exclusive marketing agent to sell ferrochrome and chrome ore on its behalf. The Venture purchases various raw materials from Glencore International AG on an ongoing basis. The Venture sells chrome ore to Glencore International AG on an ad hoc basis.	Commission expense on sale of ferrochrome and chrome ore of R109m (June 2018: R104m). Marketing fee expense of R1m (June 2018: R1m). Interest income of R0.5m (June 2018: R1m). Purchase of raw materials of R138m (June 2018: R180m). Balance owing at the end of the period R25m (Dec 2018: R42m) payable on confirmation of final sales.
African Carbon Manufacturers (Pty) Ltd	African Carbon Manufacturers (Pty) Ltd sells raw materials to the Venture.	Purchase of raw materials of R12m (June 2018: R10m). Balance owing at the end of the period of R4m (Dec 2018: R2m) payable 30 days from statement date.
African Fine Carbon (Pty) Ltd	African Fine Carbon (Pty) Ltd sells raw materials to the Venture.	Purchase of raw materials of R26m (June 2018: R16m). Balance owing at the end of the period of R6m (Dec 2018: R5m) payable 30 days from statement date.

Notes to the summarised consolidated financial statements (continued)

Name of related party	Description of relationship	Transactions and balance#
Chartech Technology (Pty) Ltd	Chartech Technology (Pty) Ltd sells raw materials to the Venture.	Purchase of raw materials of R20m (June 2018: R16m). Balance owing at the end of the period of R2m (Dec 2018: R4m) payable 30 days from statement date.
Glencore Operations South Africa (Pty) Ltd (“**GOSA**”)	GOSA is Merafe Ferrochrome and Mining (Pty) Ltd’s partner in the Venture.	Employee costs of R63m (June 2018: R56m). Head-office costs of R12m (June 2018: R9m). Training costs of R4m (June 2018: R3m). Lion housing costs of R8m (June 2018: R7m). Shared services costs of R4.6m (June 2018: R4m). Balance owing at the end of the period of R18m (Dec 2018: R7m) payable 10 days after month end.
Access world (South Africa) Pty Ltd	Access World (South Africa) (Pty) Ltd is a warehousing company that provides storage facilities of ferrochrome and chrome ore to the Venture.	Storage of ferrochrome and chrome ore of R5m (June 2018: R6m). Outstanding balance owing at the end of the period of R1m (Dec 2018: R1m) payable 30 days after statement date.

6. Taxation

The Group’s effective tax rate is 30% (June 2018: 28%) for the six months ended 30 June 2019.

7. Events after the reporting period

There have been no material events subsequent to the six months ended 30 June 2019.

8. Contingent liabilities

No contingent liabilities as at 30 June 2019.

9. Directors

Ms Hlokammoni Grathel Motau was appointed as an independent non-executive director and as a member of the company’s audit and risk committee effective 1 January 2019.

Mr Jeffery Mclaughlan was appointed as an independent non-executive director effective 1 May 2019 as well as a member of the remuneration and nomination committee and chairman of the remuneration committee, effective 24 May 2019.

Mr Chris Molefe retired as Chairman of the Board effective 15 May 2019.

Mr Abiel Mngomezulu replaced Mr Molefe and was appointed as the chairman of the Board and nomination committee and stepped down as chairman of the remuneration committee (but remained a member thereof) and as a member of the audit and risk committee, with effect from 15 May 2019. Mr Mngomezulu was further appointed as a member of the social, ethics and transformation committee, with effect from 24 May 2019.

10. Review by independent auditors

These condensed consolidated unaudited interim financial statements of Merafe Resources Limited for the six months ended 30 June 2019 have not been reviewed by the Company’s independent auditor, Deloitte & Touche.

www.meraferesources.co.za

Administration

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Directorate
Z Matlala (Chief Executive Officer), D Chocho (Financial Director), A Mngomezulu* (Chairman), NB Majova*, M Vuso*, G Motau*, M Mosweu, S Blankfield, J Mclaughlan*

** Independent*

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