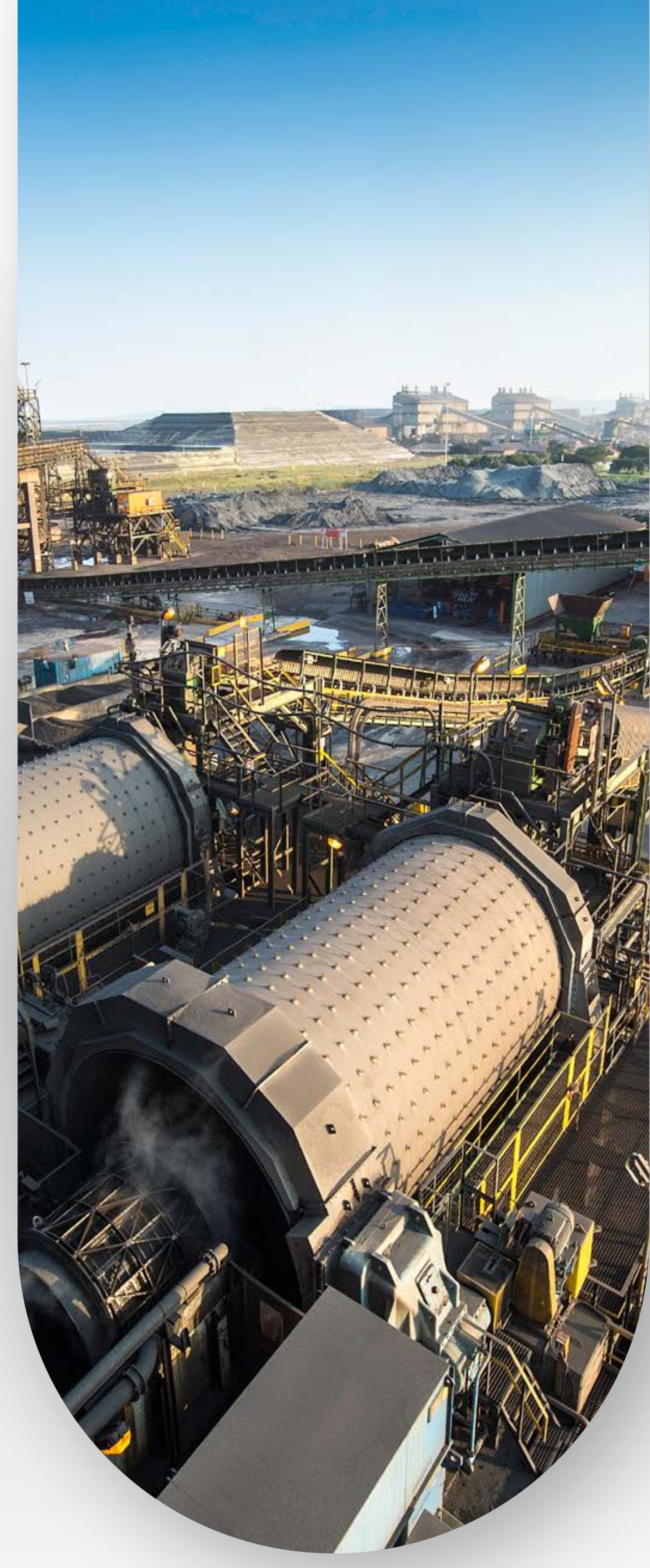

MERAFE RESOURCES

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND CASH DIVIDEND DECLARATION

FOR THE SIX MONTHS ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND CASH DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 30 JUNE 2023

CONTENTS

CEO commentary on results

Merafe achieved a profit of R1 049 million for the six months ended 30 June 2023, this is as a result of higher realised chrome ore prices and a weaker ZAR:USD exchange rate. These were somewhat offset by lower ferrochrome prices and sales volumes, as well as higher costs of ferrochrome production.

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**" or the "**Group**")

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
* *Independent*

Company Secretary

CorpStat Governance Services Proprietary Limited

Registered office

Building B, 2nd Floor
Ballyoaks Office Park
35 Ballyclare Drive
Bryanston
2191

Transfer secretaries

JSE Investor Services Proprietary Limited

Investor relations

Ditabe Chocho
Tel: +27 11 783 4780
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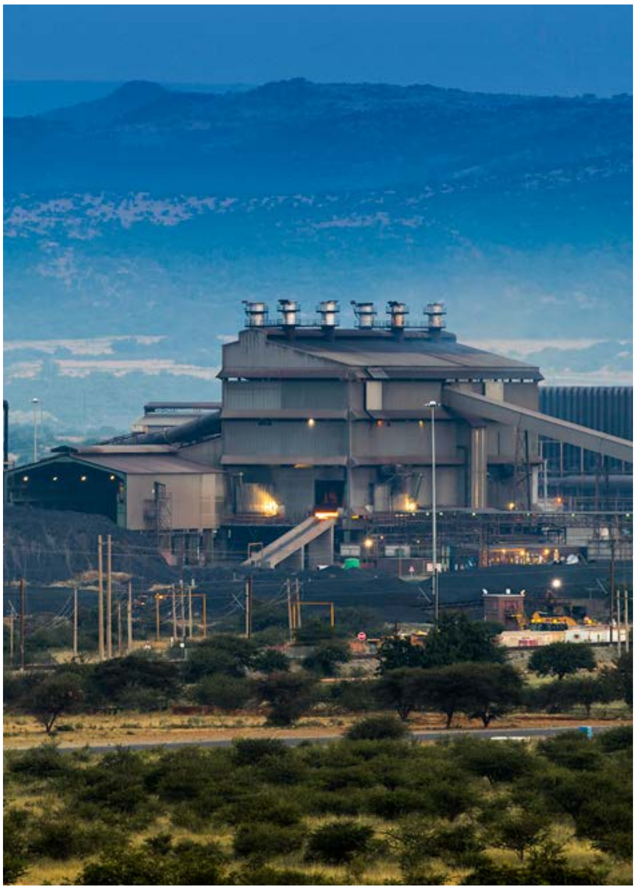
Preparation of this report

The report was prepared under the supervision of Ditabe Chocho CA(SA) (Financial Director). These unaudited condensed consolidated financial statements of Merafe for the six months ended 30 June 2023 have not been independently reviewed by the Company's independent auditor, Deloitte & Touche.

Icons used in this report

Further reading

More information available at: www.meraferesources.co.za



2023 HALF YEAR IN REVIEW

Key features

No fatalities
(June 2022: No fatalities)

17% decrease in TRIFR[1] to
2.00
(December 2022: 2.40)

9% decrease in ferrochrome production to
185kt
(June 2022: 203kt)

11% increase in revenue to
R4 764 million
(June 2022: R4 291 million)

13% increase in EBITDA[2] to
R1 548 million
(June 2022: R1 373 million)

Headline earnings per share of
42.0 cents
(June 2022: 37.0 cents)

Basic earnings per share of
42.0 cents
(June 2022: 37.0 cents)

22% increase in net asset value to
R5 054 million
(June 2022: R4 145 million)

6% increase in net cash flows from operating activities to
R795 million
(June 2022: R748 million)

26% increase in net cash to
R1 604 million
(December 2022: R1 269 million)

Interim cash dividend of
20 cents per share
(June 2022: 12 cents per share)

[1] *Total recordable injury frequency rate*
[2] *Earnings before interest, tax, depreciation and amortisation*

Icon reference

Positive performance or occurrence compared to prior corresponding period

Negative performance or occurrence compared to prior corresponding period

No changes in performance compared to prior corresponding period

COMMENTARY

Financial Review

The unaudited condensed consolidated financial results for the six months ended 30 June 2023 are presented below.

Rounding of figures may result in minor computational discrepancies of the tabulations.

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 2.3 million tonnes of ferrochrome per annum. Merafe shares 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 the extraction of associated minerals. As a result, no segment report has been presented.

Merafe's share of the revenue from the Venture increased by 11% from the prior period to R4 764 million (June 2022: R4 291 million).

Ferrochrome revenue increased by 5% from the prior period to R3 792 million (June 2022: R3 614 million) primarily as a result of an 18% weakening of the average ZAR:USD exchange rate over the period. This was partially offset by a 10% decrease in the average net cost, insurance and freight (CIF) prices and a ferrochrome sales volume decrease of 1% to 177kt (June 2022: 180kt) over the reporting period. Chrome ore revenue increased by 49% from the prior period to R936 million (June 2022: R630 million), driven by an 8% average sales price increase over the period, a weaker ZAR:USD exchange rate and a 17% increase in chrome ore sales volumes to 201kt (June 2022: 172kt). Platinum Group Metals ("**PGMs**") concentrate sold over the period, generated revenue of R35 million (June 2022: R46 million). This was negatively impacted by a weakening in the average basket price of PGMs.

Merafe's portion of the Venture's EBITDA for the six months ended 30 June 2023 is R1 581 million (June 2022: R1 397 million). The EBITDA includes Merafe's attributable share of standing charges of R82 million (June 2022: R32 million) and a foreign exchange gain of R148 million (June 2022: R27 million). The R1 million (June 2022: Rnil) write down of inventory during the six months ended 30 June 2023 was negligible. The diesel rebate matter with the South African Revenue Services ("**SARS**") as disclosed in the Company's Integrated Annual Report for the year ended 31 December 2022, continues. Accordingly, the disallowed amount (inclusive of interest payable to SARS) of R24 million (June 2022: R21 million) continues to be fully provided for at the period end.

After accounting for corporate costs of R33 million (June 2022: R24 million), which include a cash-settled share-based payment expense of R3 million (June 2022: R7 million), Merafe achieved EBITDA of R1 548 million (June 2022: R1 373 million). Corporate costs also include a bonus provision of R5 million (June 2022: R6 million).

Earnings for the six months ended 30 June 2023 amounted to R1 049 million (June 2022: R925 million), after taking into account depreciation and amortisation of R116 million (June 2022: R106 million), net financing income of R21 million (June 2022: R10 million) and taxation expense of R414 million (June 2022: R354 million). The increase in depreciation is due to depreciation on new assets procured over the reporting period. An impairment assessment on property, plant and equipment was performed at period end, resulting in no cash-generating unit impairment adjustments for the period. Additionally, there was no specific asset impairment loss for the period (June 2022: Rnil). Taxation includes a deferred tax expense of R125 million (June 2022: R48 million), which arose primarily as a result of temporary differences on property, plant and equipment as well as those relating to provisions and accruals. There is no unredeemed capital expenditure balance as of 30 June 2023 (June 2022: Rnil) as taxable profits exceeded capital expenditure.

Income of R9 million (June 2022: R1 million), being Merafe's proportionate share of the income from an associate of Unicorn Chrome (Pty) Ltd, was recorded for the period.

Sustaining capital expenditure increased by 56% to R222 million (June 2022: R143 million) as a result of capital expenditure rolled over from the previous years and price increases. Expansionary capital expenditure of R5 million (June 2022: R12 million) includes R0.3 million spent on the PGMs processing plant.

The unsecured credit facility with ABSA of R300 million remained unutilised at period end.

At 30 June 2023, Merafe had cash and cash equivalents of R1 604 million (December 2022: R1 269 million), which comprised cash held by Merafe of R325 million (December 2022: R617 million) and R1 279 million (December 2022: R652 million), being Merafe's share of the cash balance in the Venture and Unicorn Chrome. The cash held by the Venture for rehabilitation is not restricted cash but has been set aside to fund future environmental rehabilitation obligations. Merafe's share of this cash is R315 million (December 2022: R301 million) and is included in its share of the cash in the Venture of R652 million (December 2022: R652 million) referred to above. The restricted cash of R7 million is not available for general use by the Group and is held in a trust bank account for the rehabilitation of the Kroondal mine.

Trade and other receivables increased by 35% compared to the 31 December 2022 balance primarily as a result of a weaker closing ZAR:USD exchange rate. The ZAR:USD exchange rate closed at R18.85 as of 30 June 2023 (December 2022: R17.00).

Ferrochrome finished goods volume of 116kt (June 2022: 99kt) represents approximately three to four months of sales. The closing inventory value increased to R2 412 million (December 2022: R2 373 million) due to higher production costs and production exceeding sales volumes.

The board of directors ("**Board**") has declared an interim gross cash dividend of 20 cents (June 2022: 12 cents) per share.

Safety

The Venture was fatality free for the 2022 financial year and remains so for the first six months of 2023 ("**H1 2023**"). Our total recordable injury frequency rate improved by 17% to 2.00 (December 2022: 2.40).

The safety of our employees is our number one priority, and we therefore remain focused on the implementation of SafeWork 2.0 with the aim of continual improvement and the effective implementation of the fatal hazard protocols. Additional to these initiatives, a specific focus this financial year is quality assurance and verification activities on our systems and standards.

Health

COVID-19 controls remain a focus, however, we have seen a reduction in positive cases recorded and COVID-related deaths.

A total of 72 564 tests have been conducted on-site since we started carrying out tests in January 2021. For H1 2023, only 79 positive cases have been reported.

We are pleased to report that no new COVID deaths have been recorded in the 2023 financial year.

Environmental, Social and Governance

Environmental, Social and Governance (ESG) compliance remains one of our important pillars in terms of how we conduct business. Our Health, Safety, Environment, Community and Human Rights Standards were introduced in 2021 and rolled out in 2022 enabling us to be a responsible producer. We are a member of the International Council on Mining and Metals ("**ICMM**") and we subscribe to the mining principles, comprising ten sustainable development principles and eight position statements that include specific commitments on issues ranging from biodiversity to water management, public reporting on performance and obtaining independent assurance that members meet the ICMM commitments.

The Venture's decarbonisation objectives are aligned with those of Glencore plc Group. Our portfolio profile provides the flexibility to decarbonise our footprint with a target of achieving a 50% reduction in our total CO_2e emissions by 2035 against our 2019 Baseline. Some of our strategic elements towards achieving our target include managing our operational footprint as well as taking advantage of opportunities to reduce our scope 3 emissions.

Operational Review

Merafe's attributable ferrochrome production decreased by 9% from 203kt to 185kt for the six months ended 30 June 2023. The reduction is mainly due to the planned pullback in production over the winter months. Only the Lion smelter will be operating during this high electricity demand season of elevated power prices. The operations were also impacted, to a lesser extent, by stage 3 and 4 electricity load curtailments over the six months ended 30 June 2023.

Lydenburg smelter, Rustenburg furnace 6 and Waterval mine remain under care and maintenance for the foreseeable future.

The total unit cost of ferrochrome production increased by 17% from December 2022. The increase was driven by general inflation, higher chrome ore market cost and higher reductant costs.

Reductant costs were impacted by higher market prices and inadequate local supply, which necessitated some imports of coke.

Electricity tariffs increased by 19% effective 1 April 2023. The reliability of the electricity supply continues to be a risk for the business.

Logistics challenges continue with not much improvement in rail availability. The chrome industry and Transnet Freight Rail continue to collaborate on improving rail performance.

The disposal of the Boshoek mine is in its final stages and its conclusion rests largely on receipt of regulatory approvals.

Mineral Reserves, Mineral Resources and Mining Rights

There were no material changes to the Mineral Resources, Mineral Reserves and mining rights of the participants in the Venture from those reported in the Company's Integrated Annual Report for the year ended 31 December 2022.

Market Review

Global stainless steel production decreased by 2%[1] year-on-year during H1 2023 as growth in China and India was more than offset by a slowdown in the rest of the world. Europe experienced a 9%[1] decrease in melt rates while the USA saw a 14%[1] decline. Indonesia, which has been a significant source of growth in the past years, experienced a 19%[1] decline in production during H1 2023. Surplus ferrochrome supply was directed to China due to a lack of demand elsewhere in the world.

Chrome ore prices remained elevated during H1 2023 due to a lack of supply growth and continued logistics constraints out of South Africa, which represents over 90%[3] of global seaborne trade. Regions outside of South Africa have seen no meaningful supply growth despite elevated prices.

The average European ferrochrome benchmark price was US cents 161[2] per pound in H1 2023, which represents a decrease of 2%[2] from the average price for the six months ended 31 December 2022.

[1] *Commodities Research Unit (CRU) commodity market analysts*

[2] *Fast Market (Metal Bulletin) - Ferrochrome lumpy Cr charge quarterly, basis 52% Cr (and high carbon), delivered Europe, USc/lb Cr*

[3] *Trade Data Monitor (TDM) trade stats*

Outlook

Some key trends that are shaping the environment in which we operate are:

- Economic uncertainty that is characterised by rising inflation, interest rates and trade tensions. This uncertainty is making it difficult for businesses to make long-term plans, and it also leads to volatility in the markets.
- The shift to a more sustainable economy. The global market is increasingly focused on sustainability, and businesses are under pressure to reduce their environmental impact. The Venture has embraced this initiative and incorporated sustainability initiatives into strategic plans. Our green energy initiatives are a key part of these plans.
- Technological innovation has a major impact on the global market, as new technologies are being developed that are changing the way we do business. For our business, the key benefits of innovation are efficiencies and the safety of our employees.

Our business is not immune to the impact of these trends which are firmly on management's radar.

Local challenges, which include power shortages, energy costs and logistics constraints continue to be monitored by the Venture and mitigated in the best ways possible.

We expect the second half of 2023 ("**H2 2023**") to be softer on a weaker market outlook. Downward pressure on chrome ore prices, which have started coming down, is expected to translate to lower ferrochrome prices. Given the forecast inflationary pressures, our margins are at risk of being squeezed in H2 2023.

The Venture plans on producing ferrochrome only at the Lion smelter over the three-month high electricity demand winter season, a period of elevated power prices. This will assist with managing costs and lowering inventory levels as sales units are expected to be drawn down from inventory.

We remain cautious in our approach to the remaining six months of the year and will continue to focus on efficient operations, cash preservation, cost control and efficient capital allocation.

We are committed to creating shared value for our stakeholders.

Abiel Mngomezulu
Independent non-executive Chairperson

Zanele Matlala
Chief Executive Officer

Sandton

15 August 2023

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed consolidated statement of financial position

	As at 30 June 2023 Unaudited R'000	As at 31 December 2022 Audited R'000
Assets		
Property, plant and equipment	**1 188 276**	1 074 971
Intangible asset	**27 523**	29 626
Investment in associate	**15 237**	6 709
Deferred tax	**–**	6 210
Long-term receivable	**38 663**	38 663
Other long-term receivable	**14 229**	14 229
Total non-current assets	**1 283 928**	1 170 408
Inventories	**2 411 594**	2 372 540
Trade and other receivables	**1 224 075**	868 122
Cash and cash equivalents	**1 603 632**	1 268 599
Total current assets	**5 239 301**	4 509 261
Non-current asset held for sale	**963**	963
Total assets	**6 524 192**	5 680 632
Equity		
Share capital	**1 288 876**	1 288 876
Retained earnings	**3 765 214**	3 041 413
Total equity attributable to owners of the Company	**5 054 090**	4 330 289
Liabilities		
Lease obligation	**7 157**	9 059
Deferred tax	**249 924**	131 020
Environmental obligations	**275 833**	265 350
Share-based payment liability	**5 783**	12 518
Total non-current liabilities	**538 697**	417 947
Trade and other payables	**800 249**	840 039
Shareholders for dividends	**1 136**	–
Lease obligation	**3 902**	3 884
Current tax payable	**91 347**	52 073
Environmental obligations	**2 808**	4 345
Share-based payment liability	**7 702**	7 794
Total current liabilities	**907 144**	908 135
Liability directly associated with asset held for sale	**24 261**	24 261
Total liabilities	**1 470 102**	1 350 343
Total equity and liabilities	**6 524 192**	5 680 632

Condensed consolidated statement of profit or loss and other comprehensive income

	For the six months ended	
	30 June 2023 Unaudited R'000	30 June 2022 Unaudited R'000
Revenue	**4 764 417**	4 291 261
Foreign exchange gain	**147 706**	27 409
Other expenses	**(3 363 990)**	(2 945 683)
Earnings before interest, taxation, depreciation and amortisation	**1 548 133**	1 372 987
Depreciation and amortisation	**(115 893)**	(105 452)
Income from equity-accounted investment	**9 313**	–
Results from operating activities	**1 441 553**	1 267 535
Finance income	**21 572**	11 101
Finance expense	**(689)**	(774)
Income from equity-accounted investment	**–**	1 154
Profit before taxation	**1 462 436**	1 279 016
Taxation	**(413 749)**	(354 097)
Total comprehensive income for the period	**1 048 687**	924 919
Basic earnings per share (cents)	**42.0**	37.0
Diluted earnings per share (cents)	**42.0**	37.0

Condensed consolidated statement of changes in equity

	For the six months ended	
	30 June 2023 Unaudited R'000	30 June 2022 Unaudited R'000
Issued share capital – ordinary shares	**24 991**	24 991
Balance at the end of the period (issued share capital)	**24 991**	24 991
Share premium – ordinary shares	**1 263 885**	1 263 885
Balance at the end of the period (share premium)	**1 263 885**	1 263 885
Retained earnings	**3 765 214**	2 856 215
Balance at the beginning of the period	**3 041 413**	2 481 106
Total comprehensive income for the period	**1 048 687**	924 919
Dividends paid	**(324 886)**	(549 810)
Total equity at the end of the period	**5 054 090**	4 145 091

Condensed consolidated statement of cash flows

	For the six months ended	
	30 June 2023 Unaudited R'000	30 June 2022 Unaudited R'000
Profit before taxation	**1 462 436**	1 279 016
Depreciation and amortisation	**115 893**	105 452
Effect of exchange rate fluctuations	**(94 075)**	(1 584)
Income from equity accounted investment	**(9 313)**	(1 154)
Finance income	**(21 572)**	(11 101)
Finance expense	**689**	774
Movement in environmental obligations	**8 945**	14 127
Other non-cash movements	**1 658**	994
Fair value adjustment on provisionally priced revenue	**(14 784)**	58 940
Share grants vested	**(10 003)**	(2 324)
Share-based payment expense	**3 177**	6 677
Shareholders for dividends	**1 136**	–
Net realisable value inventory adjustment	**1 105**	–
Changes in working capital:		
Inventories	**(40 159)**	(284 244)
Trade and other receivables	**(355 953)**	(291 517)
Trade and other payables	**(25 007)**	149 508
Cash generated from operating activities	**1 024 173**	1 023 564
Finance income received	**20 348**	11 050
Finance cost paid	**(1 366)**	(2 034)
Dividend from associate	**785**	–
Taxation paid	**(249 363)**	(284 206)
Net cash generated from operating activities	**794 577**	748 374
Sustaining capital expenditure	**(221 703)**	(142 505)
Expansionary capital expenditure	**(5 393)**	(12 757)
Net cash utilised in investing activities	**(227 096)**	(155 262)
Dividends paid	**(324 640)**	(549 367)
Repayment of capital portion of lease liabilities	**(1 883)**	(2 205)
Net cash utilised in financing activities	**(326 523)**	(551 572)
Total cash movement for the period	**240 958**	41 540
Cash and cash equivalents at the beginning of the period	**1 268 599**	972 130
Effect of foreign exchange rate changes on cash balances	**94 075**	1 584
Cash and cash equivalents at the end of 30 June	**1 603 632**	1 015 254

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

These unaudited condensed consolidated interim results for the six months ended 30 June 2023 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*, the Financial Pronouncements as issued by the Financial Reporting Standards Council and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the requirements of the Companies Act of South Africa No. 71 of 2008 and the JSE Limited Listings Requirements.

The unaudited condensed consolidated financial statements are presented in South African Rands, and all values are rounded to the nearest thousand (R'000), except where otherwise indicated.

1.1 Going concern

In determining the appropriate basis for the 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 has undertaken a rigorous assessment of whether the Group is a going concern in light of current economic conditions taking into consideration available information about future risks and uncertainties. The projections for the Group have been prepared, covering its future performance, capital and liquidity including performing sensitivity analyses. The Group has the benefit of a healthy balance sheet and available unutilised debt facilities. The Group's forecasts and projections of its current and expected profitability, taking account of reasonably possible changes in production and performance, show that the Group will be able to operate within the level of its cash resources for at least the next 12 months.

The Board is satisfied that the Group is sufficiently liquid and solvent to be able to support the operations for the next 12 months.

1.2 Accounting policies

The accounting policies applied in the preparation of these interim results are in terms of the International Financial Reporting Standards ("**IFRS**") and are consistent with those applied in the previous consolidated annual financial statements. The Group did not early adopt any new, revised or amended accounting standards or interpretations.

1.3 Significant accounting judgements and key sources of estimation uncertainty

The preparation of the unaudited condensed consolidated financial statements 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 unaudited condensed consolidated financial statements are as follows:

- Measurement of depreciation and impairment, useful lives and residual values of property, plant and equipment and intangible assets;
- Inputs used in the determination of the fair value of the share-based payment transactions, lease classification and depreciation of right of use assets;
- Assumptions used in the 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, restoration costs and discount rate applied;
- Recognition of deferred tax asset on assessable losses;
- Fair value measurement of trade receivable subject to provisional pricing;
- Assumptions around joint control of the Venture;
- Impairment of non-financial assets – The Group determines whether any of the cash-generating units are impaired at each reporting date. This requires consideration of the current and future economic and trading environment and available valuation information, to ascertain if there are indications of impairment to those owned by the Group;
- Inventories – The Group determines whether there is obsolete inventory on an annual basis and adjustments to the net realisable value of inventory as required;
- Financial risk management – The Group assesses credit risk and the impact of liquidity risk, cash and cash equivalents and trade and other receivables. There has been no material increase in either liquidity risk and own credit risk based on this assessment; and
- The Group exercises judgement in measuring and recognising the provisions and the exposure to contingent liabilities related to unresolved tax matters. Judgements, including those involving estimations, are necessary in assessing the likelihood that a pending tax dispute will be resolved, or a liability will arise, and to quantify the possible range of the tax exposure.

The global environment, the risk of adverse impacts on our revenue, costs and capital spend by the Group, were all taken into account in determining the accounting estimates and judgements for the period.

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 indicated below.

2.1 Trade receivables subject to provisional pricing terms

Trade receivables of R104 million (December 2022: R233 million) are subject to provisional pricing terms which are accordingly accounted for at fair value through profit and loss. Level 2 hierarchy per IFRS 13.

The fair value at the reporting date is based on the latest available ferrochrome prices and closing ZAR:USD exchange rate of R18.85.

2.2 Long-term receivable

The Venture has an asset swap arrangement for mineral rights, where a receivable of R39 million (December 2022: R39 million) arises through ore recovery and the sale from mining in the rights area. Level 3 hierarchy per IFRS 13.

The discounted cashflow valuation technique was used with the key inputs being the discount rate, ZAR:USD exchange rate and a forward-looking chrome price. The cash flows are based on the life-of-mine plan of 10 years. The fair value at the reporting date is based on chrome ore prices of $197.88, an average ZAR:USD exchange rate of 15.67 and a discount rate of 9.7%. There were no transfers between fair value hierarchy levels during the period. There was also no change in the valuation technique compared to the prior corresponding period.

A security deposit payable of R4 million was received during the period due to the amendment of the arrangement and will be held for the duration of the agreement.

3. Headline earnings per share

	For the six months ended	
	30 June 2023 Unaudited R'000	30 June 2022 Unaudited R'000
Profit, total comprehensive income for the period	**1 048 687**	924 919
Headline earnings for the period*	**1 048 687**	924 919
Headline earnings per share (cents)	**42.0**	37.0
Diluted headline earnings per share (cents)	**42.0**	37.0
Ordinary shares in issue	**2 499 126 870**	2 499 126 870
Weighted average number of shares for the period	**2 499 126 870**	2 499 126 870
Diluted weighted average number of shares for the period	**2 499 126 870**	2 499 126 870

4. Revenue

Ferrochrome revenue	**3 792 241**	3 613 760
Chrome ore revenue	**936 169**	629 920
PGMs revenue	**34 584**	46 111
Revenue from contracts with customers	**4 762 994**	4 289 791
Other income	**1 423**	1 470
Revenue other than from contracts with customers	**1 423**	1 470
Total revenue	**4 764 417**	4 291 261

5. Capital commitments

Contracted but not provided for	**250 748**	222 433
Authorised but not contracted for	**448 864**	555 140
	699 612	777 573

**There were no adjustments applicable to basic earnings*

6. Related parties

Related party transactions and balances

During the current reporting period, management reviewed 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 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
Industrial Development Corporation of South Africa Limited ("**IDC**")	The IDC holds 21.9% 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 non-executive directors' fees for Mr D McGluwa. IDC receives dividends declared by the Company. At period end there are no amounts owing to the IDC.
Glencore (Nederland) B.V. ("**GN**")	GN holds 28.8% 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.	At period end there are no amounts owing to GN. GN receives dividends declared by the Company.
Glencore Limited (Stamford) ("**GLS**")	GLS acts as the Venture's exclusive marketing agent to sell ferrochrome on its behalf and acts as a distributor in the USA and Canada.	Sales of ferrochrome of R223m (June 2022: R261m). Commission expense on the sale of ferrochrome of R4m (June 2022: R7m). Interest expense of R5m (June 2022: R0.6m). Balance receivable at the end of the period R129m (December 2022: R160m), which is reduced as and when GLS receives funds from customers.
Glencore International AG ("**GIAG**")	GIAG acts as the Venture's exclusive marketing agent to sell ferrochrome and chrome ore on its behalf. The Venture purchases various raw materials from GIAG on an ongoing basis. The Venture sells chrome ore to GIAG on an *ad hoc* basis.	Commission expense on sale of ferrochrome and chrome ore of R190m (June 2022: R169m). Interest income of R9m (June 2022: R3m). Marketing fee expense of R1m (June 2022: R0.9m). Purchase of raw materials of R0.5m (June 2022: R76m). Balance owing at the end of the period R36m (December 2022: R29m) payable on confirmation of final sales.
Char Technology (Pty) Ltd ("**Chartech**")	Chartech sells raw materials to the Venture.	Purchase of raw materials of R91m (June 2022: R64m). Balance owing at the end of the period of R13m (December 2022: R17m) payable 30 days from the statement date.
Glencore Holdings South Africa (Pty) Ltd ("**GHSA**")	GHSA offers the central treasury function for the Venture.	Interest income of R32m (June 2022: R7m). Cash deposits of R964m (December 2022: R351m) and rehabilitation investment of R315m (December 2022: R301m).
Glencore Operations South Africa (Pty) Ltd ("**GOSA**")	GOSA is Merafe Ferrochrome and Mining (Pty) Ltd's partner in the Venture.	Cost recovered from PGMs tailings R2m (June 2022: R2m). Employee costs of R76m (June 2022: R68m). Head-office costs of R44m (June 2022: R15m). Lion housing costs of R10m (June 2022: R10m). Training costs of R4m (June 2022: R4m). Shared services costs of R6m (June 2022: R5m). Balance owing at the end of the period of R33m (December 2022: R18m) payable 10 days after month end. GOSA received the non-executive directors' fees for Mr D Green. Loan receivable at the end of the period of R30m (December 2022: R122m payable) is owed to Merafe Ferrochrome.
Glencore Property Management Company (Pty) Ltd ("**GPMC**")	GPMC provides rental property to the Venture.	Rental of CSI offices R0.2m (June 2022: R0.2m). Balance owing at the end of the period of R0.1m (December 2022: R0.04m) payable 30 days from the statement date.

Name of related party	Description of relationship	Transactions and balance
Access World (South Africa) (Pty) Ltd ("**Access**")	Access is a warehousing company that supplies storage facilities of ferrochrome and chrome ore to the Venture.	Storage of ferrochrome and chrome ore of Rnil (June 2022: R0.6m). At period end there are no amounts owing to Access.
Astron Energy (Pty) Ltd ("**Astron**")	Astron sells fuel to the Venture.	Purchase of fuel of R18m (June 2022: R17m). Balance owing at the end of the period of R3m (December 2022: R3m).
Impala Chrome (Pty) Ltd ("**Impala**")	Impala is an associate jointly controlled by the Venture.	Revenue from logistics, marketing and maintenance contracts of R25m (June 2022: R17m). Balance receivable at the end of the period of Rnil (December 2022: R5m).
Unicorn Chrome (Pty) Ltd ("**Unicorn**")	Unicorn is a jointly controlled chrome tailings processing operation by the Venture.	Shareholder loan receivable at the end of the period of R0.6m (December 2022: R5m).

7. Taxation

The Group's annualised effective tax rate is 28.29% (June 2022: 27.7%) for the six months ended 30 June 2023.

8. Inventories

During the reporting period, inventory of R1 million (December 2022: R1 million) was written down.

9. Asset held for sale

On 16 August 2022, the Group decided to dispose of the mineral rights and land that form part of Boshoek mine. The liability directly associated with the asset held for sale is the environmental rehabilitation obligation. The Group considered that the sale of Boshoek mine meets the criteria to be classified as held for sale. As of 30 June 2023, regulatory approvals were pending to finalise the transaction. No impairment loss has been recognised as the mineral right and land have been measured at their carrying amount.

10. Contingent liabilities

The Group is subject to direct and indirect tax in the South African jurisdiction. As a result, significant judgment is required in determining the Group's provision for income taxes. The Group's subsidiary undertakes various cross-border transactions within the Venture, subject to the Group's transfer pricing policies.

On 16 August 2022, the tax authority issued a letter of findings against the Group's operating entity, Merafe Ferrochrome. The matter relates to transfer pricing audit findings, which the Group is contesting with the South African Revenue Service. At 30 June 2023, the tax matter was still ongoing. The matter has been disclosed as a contingent liability as its outcome remains uncertain, including whether any tax exposure exists, the quantum of which cannot be reliably estimated. Accordingly, no adjustment for any effects on the Group has been made in the consolidated financial statements.

11. Events after the reporting period

As reported above, on 10 August 2023, the Board resolved to declare a gross interim cash dividend of 20 cents (2022: 12 cents) per share for the six months ended 30 June 2023.

The directors of Merafe are not aware of any material events which occurred after the reporting period and up to the date of authorisation of this report that may require adjustment or disclosure in these interim financial statements.

12. Declaration of an ordinary cash dividend for the six months ended 30 June 2023

Notice is hereby given that, on 10 August 2023, the Board resolved to declare a gross interim cash dividend of 20 cents (June 2022: 12 cents) per share, 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 16 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:

	2023
Last day for ordinary shares to trade *cum* ordinary dividend:	Tuesday, 05 September
Ordinary shares commence trading *ex*-ordinary dividend:	Wednesday, 06 September
Record date:	Friday, 08 September
Payment date:	Monday, 11 September

Shareholders will not be permitted to dematerialise or rematerialise their ordinary shares between Wednesday, 06 September 2023 and Friday, 08 September 2023, both days inclusive.

ADMINISTRATION

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