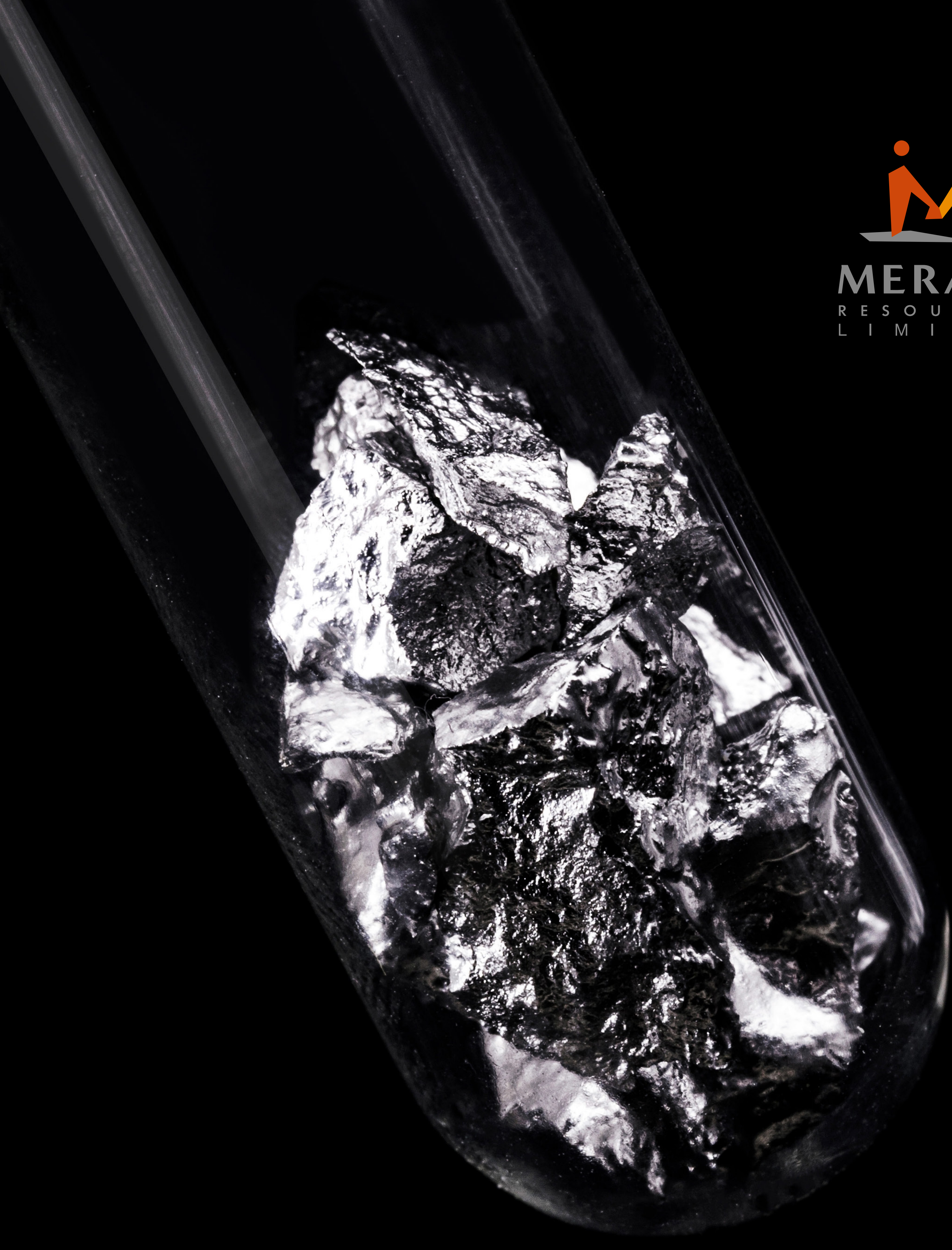

MERAFE RESOURCES LIMITED

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND CASH DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND CASH DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 30 JUNE 2024

Contents

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:

S Phiri* (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
Email: ditabe@meraferesources.co.za

CEO commentary on results

Merafe achieved a profit of R720 million for the six months ended 30 June 2024, as a result of higher realised chrome ore prices and a weaker ZAR:USD exchange rate. Ferrochrome prices remain strained and cost increases continue to put pressure on margins. The efficiency of our operations provided some buffer to protect our profitability.

Preparation of this report

This 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 2024 have not been independently reviewed by the Company's independent auditor, Deloitte & Touche.

2024 HALF YEAR IN REVIEW

Key features

FINANCIAL

Revenue	EBITDA[1]	Headline earnings per share	Basic earnings per share
0.4%	27%	28.2 cents	28.8 cents
R4 744 million	R1 131 million		
(June 2023: R4 764 million)	(June 2023: R1 548 million)	(June 2023: 42.0 cents)	(June 2023: 42.0 cents)

Net asset value	Net cash flows from operating activities	Cash	Interim cash dividend
3%	7%	4%	20 cents
R5 428 million	R852 million	R1 717 million	
(December 2023: R5 259 million)	(June 2023: R795 million)	(December 2023: R1 656 million)	(June 2023: 20 cents per share)

SAFETY

Fatalities	TRIFR[2]
1	8%
	2.52
(December 2023: 2 fatalities)	(December 2023: 2.34)

OPERATIONAL

Ferrochrome production	Chrome ore sales volumes	PGMs sales volumes
17%	25%	76%
154kt	251kt	6 536oz
(June 2023: 185kt)	(June 2023: 201kt)	(June 2023: 1 555oz)

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

- Positive performance or occurrence compared to prior corresponding period
- Negative performance or occurrence compared to prior corresponding period
- No change in performance compared to prior corresponding period

COMMENTARY

Financial review

The unaudited condensed consolidated financial results for the six months ended 30 June 2024 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, which includes a management fee, decreased by 0.4% from the prior period to R4 744 million (June 2023: R4 764 million).

Ferrochrome revenue decreased by 10% from the prior period to R3 397 million (June 2023: R3 792 million). Key contributors to the reduced revenue were a 6% decrease in the average net cost, insurance and freight (CIF) prices and a 6% decrease in ferrochrome sales volumes to 167kt (June 2023: 177kt). A 3% weakening of the average ZAR:USD exchange rate over the period provided some cushion. Chrome ore revenue increased by 30% from the prior period to R1 213 million (June 2023: R936 million), driven by a 25% increase in chrome ore sales volumes to 251kt (June 2023: 201kt) and a weaker ZAR:USD exchange rate. This performance was further enhanced by a 1% increase in average sales prices over the period. Platinum Group Metals ("**PGMs**") concentrate sold over the period generated revenue of R131 million (June 2023: R35 million), driven by a 76% increase in sales volumes from 1 555oz to 6 536oz and the weakening in the average basket price of PGMs. Higher sales volumes result from the contribution of the Eastern PGMs operation to the Venture.

Operating and other expenses increased by 7% to R3 600 million (June 2023: R3 364 million). This increase was influenced by higher chrome ore sales volumes and inflationary pressures, as evidenced by our unit production cost, which increased by 10% period-on-period. Inflationary pressures on our unit production cost came from higher chrome ore prices, increased costs of electricity and general inflation. A higher fixed costs absorption rate due to lower production further contributed to this increase. Operating and other expenses include Merafe's attributable share of standing charges of R124 million (June 2023: R82 million). Additionally, included in these expenses is a nominal write down of inventory of R1 million (June 2023: R1 million) during the six months ended 30 June 2024.

Operating and other expenses also include corporate costs of R45 million (June 2023: R33 million). Corporate costs include a cash-settled share-based payment expense of R12 million (June 2023: R3 million) and a bonus provision of R6 million (June 2023: R5 million).

Merafe achieved EBITDA of R1 131 million (June 2023: R1 548 million). This represents a 27% decrease in earnings and a key driver of the variance is the foreign exchange adjustment which has swung to a loss of R13 million (June 2023: R148 million gain).

Earnings for the six months ended 30 June 2024 amounted to R720 million (June 2023: R1 049 million), after taking into account depreciation and amortisation of R169 million (June 2023: R116 million), net financing income of R30 million (June 2023: R21 million) and taxation expense of R284 million (June 2023: R414 million). The increase in depreciation is due to depreciation on new assets procured during 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 2023: Rnil). Taxation includes a deferred tax expense of R71 million (June 2023: R125 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 2024 (June 2023: Rnil) as taxable profits exceeded capital expenditure.

Income of R11 million (June 2023: R9 million), being Merafe's proportionate share of the income from an associate of Unicorn Chrome Proprietary Limited ("**Unicorn Chrome**"), was recorded for the period.

Sustaining capital expenditure increased by 1% to R226 million (June 2023: R222 million) as a result of capital expenditure rolled over from the previous year and price increases. Expansionary capital expenditure of R27 million (June 2023: R5 million) includes R21 million spent on the PGMs processing plant. Construction of the PGMX plant is in progress and this should come into production in H2 2024.

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

At 30 June 2024, Merafe had cash and cash equivalents of R1 717 million (December 2023: R1 656 million), which comprised cash held by Merafe of R550 million (December 2023: R697 million) and R1 167 million (December 2023: R959 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 R344 million (December 2023: R315 million) and is included in its share of the cash in the Venture of R1 167 million (December 2023: R959 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 19% compared to the 31 December 2023 balance primarily as a result of higher revenue generated over Q2 2024.

At period end, the 68kt (June 2023: 116kt) of ferrochrome finished goods on hand represented two to three months of sales. The closing inventory value decreased to R1 667 million (December 2023: R1 916 million) as a result of inventory drawn down over the reporting period.

The board of directors ("**Board**") has declared an interim gross cash dividend of 20 cents per share (June 2023: 20 cents per share).

Safety

Sadly, as previously reported with our 2023 year end results, the Venture had a fatality in the first month of 2024. Our total recordable injury frequency rate increased by 8% to 2.52 (December 2023: 2.34).

The safety of our employees is our number one priority, and we therefore remain focused on the continuous improvement of our safety performance. We have crafted a safety turnaround strategy which focuses on four key areas, namely – risk management, effective supervision, safety culture and contractor management.

Health

We continue monitoring pandemics and other related disease for any concerning trends that might have an impact on our workforce to ensure that necessary controls can be implemented.

We remain committed to creating a healthy work environment and will review all our health risk assessments. We also have our pre-, annual and exit medical surveillance to continue monitoring the occupational health of our workforce. The implementation of our Health Standards and Health Hazards Exposure Limits remains a core strategic focus.

Environmental, Social and Governance

Environmental, Social and Governance ("**ESG**") compliance remains an important pillar in how we conduct business. Our Health, Safety, Environmental, Community and Human Rights Standards were introduced in 2021 and rolled out in 2022, enabling us to be a responsible producer. All our sites have completed the first line of defence assurance on compliance with the standards. Management's plans have been developed to address identified gaps and propel efforts towards continuous improvement. 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. We have developed catchment context local water targets and biodiversity targets at each site to support our sustainability commitments. The conducted biodiversity footprint assessment provides a solid base from which we will improve our biodiversity performance to achieve the set targets.

The Venture's decarbonisation objectives are aligned with those of the Glencore plc Group. Our portfolio profile provides the flexibility to decarbonise our footprint. We aim to achieve a 50% reduction in our total CO_2 emissions by 2035 compared to our 2019 Baseline. Some of our strategic elements towards achieving our target include managing our operational footprint and taking advantage of opportunities to reduce our scope three emissions.

Operational review

Merafe's attributable ferrochrome production decreased by 17% from 185kt to 158kt for the period ended 30 June 2024. The reduction in production was as a result of Rustenburg smelter being idled for the period in review.

Saleable PGMs production increased from 1 455oz to 6 738oz as a result of the inclusion of the Eastern PGM plant and improved yields.

Total unit cost of production increased by 10%. The increase was mainly due to higher ore market cost, electricity tariff and fixed costs. Fixed cost per unit were higher due to lower production volumes.

The Negotiated Pricing Agreements between the Venture and Eskom have been finalised and implemented with effect from 1 January 2024.

Consultation process in terms of Section 189 ("S189") of the Labour Relations Act

The Venture has commenced a S189 consultation process at Rustenburg smelter. The smelter was idled from September 2023 in response to deteriorating market conditions. During this period, various options were evaluated, however none could be implemented without eroding value.

Mineral Reserves, Mineral Resources and Mining Rights

There were no material changes to the 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 2023.

Market review

In the first half of 2024 ("**H1 2024**"), ferrochrome production in China increased by 28%[1] period-on-period. This surge was fuelled by the introduction of new low-cost production capacity, which has exerted considerable pressure on ferrochrome production margins globally, leading to the idling or shutdown of higher-cost producers. Ferrochrome production outside of China decreased by 7%[1] over the same period.

Global stainless steel melt rates increased by 7%[1] H1 period-on-period, driven by robust growth in China, India and Indonesia. This was partially offset by a decline in production in Europe, the United States and South Korea.

Chrome ore prices remained elevated and rose by 4%[1] period-on-period in H1 2024 due to constrained global supply growth and strong demand from China.

[1] *CRU commodity market analysts*

Outlook

Our outlook has not changed much from year end. As articulated then, 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. Technological innovation is having 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 2024 ("**H2 2024**") to be softer given 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 2024.

Given the conclusion of the Negotiated Pricing Agreement with Eskom, the Venture plans on producing ferrochrome at all its smelters. The only smelters that will not be operational are Lydenburg, which is still on care and maintenance, and Rustenburg, which has been idle since June 2023.

We remain cautious in our approach to the remaining six months of the financial 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.

Steve Phiri
Independent non-executive Chairperson

Zanele Matlala
Chief Executive Officer

Sandton
8 August 2024

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed consolidated statement of financial position

	Notes	As at 30 June 2024 Unaudited R'000	As at 31 December 2023 Audited R'000
Assets			
Property, plant and equipment		1 473 382	1 387 714
Intangible assets		23 298	25 413
Investment in associate		25 121	14 150
Long-term receivable		37 287	37 287
Other long-term receivable		14 030	14 229
Total non-current assets		1 573 118	1 478 793
Inventories		1 666 500	1 916 476
Trade and other receivables		1 831 741	1 544 037
Current tax receivable		39 191	65 218
Cash and cash equivalents		1 717 241	1 655 807
Total current assets		5 254 673	5 181 538
Non-current asset held for sale	10	-	963
Total assets		6 827 791	6 661 294
Equity			
Share capital		1 288 876	1 288 876
Retained earnings		4 139 444	3 969 665
Total equity attributable to owners of the Company		5 428 320	5 258 541
Liabilities			
Lease obligation		5 322	5 911
Deferred tax		342 262	271 554
Environmental obligations		134 121	131 330
Share-based payment liability		6 128	10 040
Total non-current liabilities		487 833	418 835
Trade and other payables		889 211	945 859
Lease obligation		1 835	3 148
Current tax payable		-	178
Environmental obligations		8 761	10 907
Share-based payment liability		11 831	11 258
Total current liabilities		911 638	971 350
Liability directly associated with asset held for sale	10	-	12 568
Total liabilities		1 399 471	1 402 753
Total equity and liabilities		6 827 791	6 661 294

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
continued

Condensed consolidated statement of profit or loss and other comprehensive income

	Notes	For the six months ended 30 June 2024 Unaudited R'000	For the six months ended 30 June 2023 Unaudited R'000
Revenue	4	4 744 334	4 764 417
Foreign exchange (loss)/gain		(12 864)	147 706
Operating and other expenses		(3 600 408)	(3 363 990)
Earnings before interest, taxation, depreciation and amortisation		1 131 062	1 548 133
Depreciation and amortisation		(168 702)	(115 893)
Income from equity-accounted investment		10 971	9 313
Results from operating activities		973 331	1 441 553
Finance income		30 460	21 572
Finance expense		(679)	(689)
Profit before taxation		1 003 112	1 462 436
Taxation		(283 525)	(413 749)
Total comprehensive income for the period		719 587	1 048 687
Basic earnings per share (cents)		28.8	42.0
Diluted earnings per share (cents)		28.8	42.0

Condensed consolidated statement of changes in equity

	For the six months ended 30 June 2024 Unaudited R'000	For the six months ended 30 June 2023 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
Balance at the end of the period (share premium)	1 263 885	1 263 885
Retained earnings	4 139 444	3 765 214
Balance at the beginning of the period	3 969 665	3 041 413
Total comprehensive income for the period	719 587	1 048 687
Dividends declared	(549 808)	(324 886)
Total equity at the end of the period	5 428 320	5 054 090

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
continued

Condensed consolidated statement of cash flows	For the six months ended 30 June 2024 Unaudited R'000	30 June 2023 Unaudited R'000
Profit before taxation	1 003 112	1 462 436
Depreciation and amortisation	168 702	115 893
Effect of exchange rate fluctuations	(5 682)	(94 075)
Income from equity-accounted investment	(10 971)	(9 313)
Finance income	(30 460)	(21 572)
Finance expense	679	689
Movement in environmental obligations	(11 923)	8 945
Other non-cash movement	-	1 658
Profit on sale of property, plant and equipment	(19 395)	-
Asset held for sale	13 098	-
Fair value adjustment on provisionally priced revenue	(40 405)	(14 784)
Share grants vested	(15 283)	(10 003)
Share-based payment expense	11 944	3 177
Unclaimed dividends for shareholders	-	1 136
Net realisable value inventory adjustment	724	1 105
Changes in working capital:		
Inventories	249 251	(40 159)
Trade and other receivables	(247 299)	(355 953)
Trade and other payables	(56 650)	(25 007)
Cash generated from operating activities	1 009 442	1 024 173
Finance income received	30 506	20 348
Finance cost paid	(1 139)	(1 366)
Dividend from associate	-	785
Taxation paid	(186 967)	(249 363)
Net cash generated from operating activities	851 842	794 577
Acquisition of property, plant and equipment – sustaining	(225 955)	(221 703)
Acquisition of property, plant and equipment – expansionary	(27 267)	(5 393)
Proceeds on disposal of property, plant and equipment	8 227	-
Movement in other long-term receivable	199	-
Net cash utilised in investing activities	(244 796)	(227 096)
Dividends paid	(549 393)	(324 640)
Repayment of capital portion of lease liabilities	(1 901)	(1 883)
Net cash utilised in financing activities	(551 294)	(326 523)
Total cash movement for the period	55 752	240 958
Cash and cash equivalents at the beginning of the period	1 655 807	1 268 599
Effect of foreign exchange rate changes on cash balances	5 682	94 075
Cash and cash equivalents at the end of 30 June	1 717 241	1 603 632

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 2024 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*, and for a South African company, 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 Johannesburg Stock Exchange (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 the 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 twelve months.

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 the International Financial Reporting Standards ("IFRS") and are consistent with those applied in the previous consolidated annual financial statements. The Group adopted the amendments to IAS 1 for the first time in the current year. The impact of the amendment is not material.

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;
- 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 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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
continued

1. Basis of preparation (continued)

1.3 Significant accounting judgements and key sources of estimation uncertainty (continued)

- Contingent liabilities – 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 expenditure 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 R182 million (December 2023: R67 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 R18.24.

2.2 Long-term receivable

The Venture has an asset swap arrangement for mineral rights, where a receivable of R37 million (December 2023: R37 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 USD197.88 per metric ton, an average ZAR:USD exchange rate of 17.80 and a discount rate of 8.5%. 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.

3. Headline earnings per share

	For the six months ended		
		30 June 2024 Unaudited R'000	30 June 2023 Unaudited R'000
	Gross	Net of taxation	Net of taxation
Earnings for the period attributable to equity holders of the parent		719 587	1 048 687
IAS 33 earnings		719 587	1 048 687
IAS 16 gains on the disposal of land and mineral rights	(19 061)	(13 914)	-
IAS 16 gains on the disposal of land and rights	(334)	(244)	-
Headline earnings		705 429	1 048 687
Headline earnings per share (cents)		28.2	42.0
Diluted headline earnings per share (cents)		28.2	42.0
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

	For the six months ended	
	30 June 2024 Unaudited R'000	30 June 2023 Unaudited R'000
Ferrochrome revenue	3 397 162	3 792 241
Chrome ore revenue	1 213 449	936 169
PGMs revenue	131 172	34 584
Revenue from contracts with customers	4 741 783	4 762 994
Other income	2 551	1 423
Revenue other than from contracts with customers	2 551	1 423
Total revenue	4 744 334	4 764 417

5. Capital commitments

	For the six months ended	
	30 June 2024 Unaudited R'000	30 June 2023 Unaudited R'000
Contracted but not provided for	255 176	250 748
Authorised but not contracted for	519 153	448 864
Total capital commitments	744 329	699 612

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.

6. Related parties (continued)

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. The IDC receives dividends declared by the Company. At period end there are no amounts due 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 due 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 R348m (June 2023: R223m). Commission expense on the sale of ferrochrome of R8m (June 2023: R4m). Interest expense of R4m (June 2023: R5m). The balance receivable at the reporting date, R315m (December 2023: R99m), is reduced as and when GLS receives funds from customers and is receivable 120 days after the bill of lading.
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 R182m (June 2023: R190m). Interest income of R11m (June 2023: R9m). Marketing fee expense of R1m (June 2023: R1m). Purchase of raw materials of R1m (June 2023: R0.5m). Balance owing at the end of the period R43m (December 2023: R40m) payable on confirmation of final sales.
Char Technology Proprietary Limited ("**Chartech**")	Chartech sells raw materials to the Venture.	Purchase of raw materials of R63m (June 2023: R91m). The balance owed at the reporting date is R10m (December 2023: R14m), payable 30 days from the statement date.
Glencore Holdings South Africa Proprietary Limited ("**GHSA**")	GHSA offers the central treasury function for the Venture.	Interest income of R45m (June 2023: R32m). Cash deposits of R823m (December 2023: R631m) and rehabilitation investment of R344m (December 2023: R328m).

6. Related parties (continued)

Name of related party	Description of relationship	Transactions and balance
Glencore Operations South Africa Proprietary Limited ("**GOSA**")	GOSA is Merafe Ferrochrome and Mining Proprietary Limited's partner in the Venture.	Cost recovered from PGMs tailings Rnil (June 2023: R2m). Employee costs of R76m (June 2023: R76m). Head-office costs of R7m (June 2023: R44m). Lion housing costs of R10m (June 2023: R10m). Training costs of R6m (June 2023: R4m). Shared services costs of R6m (June 2023: R6m). Balance owing at the end of the period of R17m (December 2023: R120m) payable 10 days after month end. GOSA received the non-executive directors' fees for Mr D Green. At the reporting date, a loan of R148m (December 2023: R177m) is owed to Merafe Ferrochrome.
Glencore Property Management Company Proprietary Limited ("**GPMC**")	GPMC provides rental property to the Venture.	Rental of CSI offices R0.2m (June 2023: R0.2m). Balance owing at the reporting date of R0.04m (December 2023: R0.4m) payable 30 days from the statement date.
Astron Energy Proprietary Limited ("**Astron**")	Astron sells fuel to the Venture.	Purchase of fuel of R18m (June 2023: R18m). The balance owed at the reporting date is R4m (December 2023: R3m).
Cassian Trade AG ("**Cassian Trade**")	Cassian Trade acts as the Venture's exclusive marketing agent to sell ferrochrome and chrome ore on its behalf.	Receivable at the reporting date of R6m (December 2023: Rnil).
Impala Chrome Proprietary Limited ("**Impala**")	Impala is an equity accounted investment by Unicorn Chrome Proprietary Limited which provides logistics support to the Venture.	Revenue from logistics, marketing and maintenance contracts of R19m (June 2023: R25m). Receivable at the reporting date of R2m (December 2023: Rnil).
Unicorn Chrome Proprietary Limited ("**Unicorn**")	Unicorn is a jointly controlled chrome tailings processing operation by the Venture.	Balance receivable at the end of the period of Rnil (December 2023: Rnil).

7. Taxation

The Group's annualised effective tax rate is 28.26% (June 2023: 28.29%) for the six months ended 30 June 2024.

8. Inventories

During the reporting period, inventory of R1 million (December 2023: R2 million) was written down.

9. Change in estimate

During the current period, the discount rate applied in calculating the environmental rehabilitation provision was increased from 7.3% to 7.6%. This resulted in a change in estimate adjustment of R6 million (December 2023: R114 million). The decrease in the environmental rehabilitation provision was applied to property, plant and equipment and the remainder was applied to the statement of profit or loss and other comprehensive income.

10. Asset held for sale

On 16 August 2022, the Group agreed with GOSA to dispose of the mineral rights and land that form part of Boshoek mine. The liability directly associated with Boshoek mine was the environmental rehabilitation obligation, which formed part of the sale. The final regulatory approval was received from the Department of Mineral Resources and Energy on 5 June 2024, and all suspensive conditions of the sale were met on 20 June 2024.

Boshoek mine remained classified as a non-current asset held for sale for the period until the date of sale. Prior to and up to the date of sale, it was on care and maintenance.

11. Contingent liabilities

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

On 31 December 2023, the previously reported transfer pricing matter was ongoing, which the Group is contesting with SARS. The Group responded to the SARS letter of audit findings for the 2016 and 2017 years of assessment on 30 April 2024. SARS is reviewing the Group's response and feedback was pending at the reporting date. Management relies on opinions obtained from external legal and tax advisers to inform and support the significant judgement required in interpreting relevant tax legislation. The matter has been disclosed as a contingent liability as its outcome remains uncertain, and any potential tax exposure cannot be reliably estimated. Accordingly, no adjustment for any effects on the Group has been made in the consolidated financial statements.

12. Events after the reporting period

As reported above, on 8 August 2024, the Board resolved to declare an interim cash dividend of 20 cents (June 2023: 20 cents) per share for the six months ended 30 June 2024.

The directors 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.

13. Declaration of an ordinary cash dividend for the six months ended 30 June 2024

Notice is hereby given that, on 8 August 2024, the Board resolved to declare a gross interim cash dividend of 20 cents (June 2023: 20 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 Merafe shareholders ("**Shareholders**") who are not exempt from paying dividend tax is therefore 16 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, 03 September
Ordinary shares commence trading *ex*-ordinary dividend:	Wednesday, 04 September
Record date:	Friday, 06 September
Payment date:	Monday, 09 September

Shareholders will not be permitted to dematerialise or rematerialise their ordinary shares between Wednesday, 04 September 2024 and Friday, 06 September 2024, both days inclusive.

www.meraferesources.co.za

ADMINISTRATION

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D Chocho (Financial Director)

Non-executive directors

S Phiri* (Chairperson), M Vuso*, K Tlale*, J Mclaughlan*, N Mabusela-Aikhuere*, D McGluwa, D Green

* *Independent*