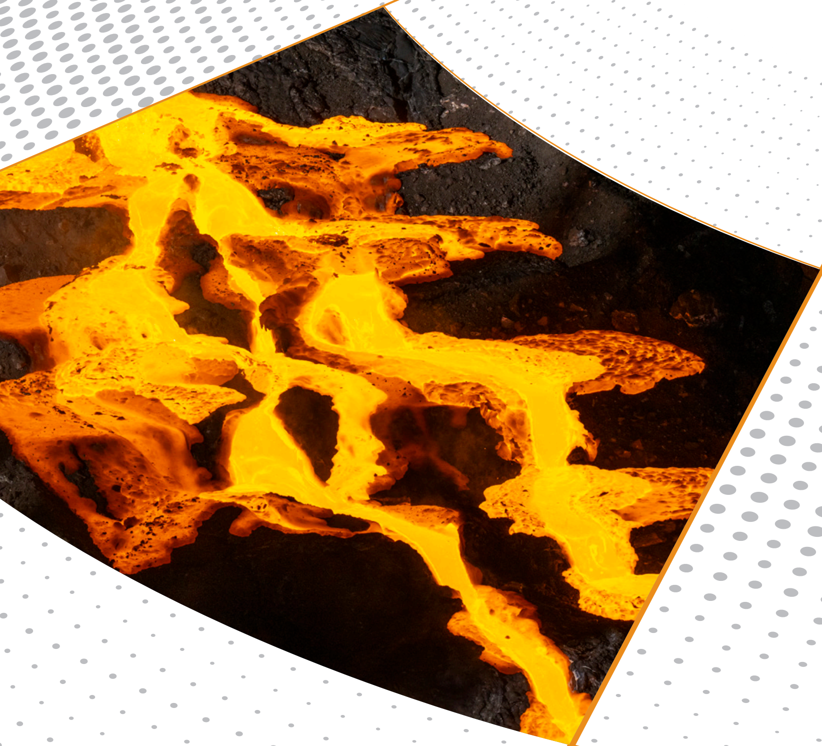
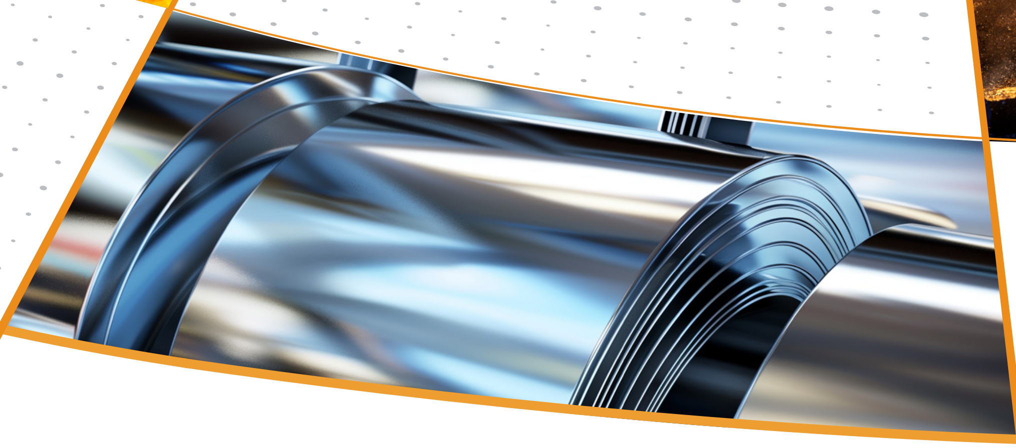
MERAFE
RESOURCES





2025 Merafe Resources Limited Unaudited Condensed Consolidated Financial Statements and cash dividend declaration

for the six months ended 30 June 2025

Delivering today. Investing in tomorrow.

Contents

CEO commentary on results

Sustained pressure from the prolonged economic downturn in the global ferrochrome market has led to a significant profit decline of R233 million for the six months ended 30 June 2025. The challenges (such as high energy costs and increased competition from China) faced by the ferrochrome industry in South Africa, have led to the suspension of several of the Group's smelting operations in Q2 of 2025. Additionally, there was reduced demand for chrome ore units in H1 of 2025.

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 2025 have not been independently reviewed by the Company's independent auditor, Deloitte & Touche.

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

2025 half year in review

Financial

47% decrease in revenue to
R2 519 million
(June 2024: R4 744 million)

56% decrease in EBITDA[1] to
R500 million
(June 2024: R1 131 million)

55% decrease in headline earnings per share to
12.6 cents
(June 2024: 28.2 cents)

68% decrease in basic earnings per share to
9.3 cents
(June 2024: 28.8 cents)

0.7% increase in net asset value to
R4 909 million
(December 2024: R4 876 million)

36% decrease in cash to
R1 142 million
(December 2024: R1 795 million)

Interim cash dividend of
4 cents per share
(June 2024: 20 cents per share)

Net cash utilised in operating activities of
R159 million
(June 2024: R852 million net cash generated from operating activities)

Safety

35% decrease in TRIFR[2] to
1.50
(December 2024: 2.31)

No fatalities
(June 2024: 1 fatality)

Operational

14% decrease in chrome ore sales volumes to
217kt
(June 2024: 251kt)

27% decrease in ferrochrome production to
112kt
(June 2024: 154kt)

55% decrease in ferrochrome sales volumes to
76kt
(June 2024: 167kt)

9% increase in Platinum Group Metals (PGMs) sales volumes to
7 112oz
(June 2024: 6 536oz)

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

Commentary

Financial review

The unaudited condensed consolidated financial results for the six months ended 30 June 2025 are presented below.

Rounding of figures may result in minor computational discrepancies in 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 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 47% from the prior period to R2 519 million (June 2024: R4 744 million).

Ferrochrome revenue decreased by 60% from the prior period to R1 359 million (June 2024: R3 397 million). Key contributors to the reduced revenue were a 12% decrease in the average net cost, insurance and freight (CIF) prices and a 55% decrease in ferrochrome sales volumes to 76kt (June 2024: 167kt). The average ZAR:USD exchange rate strengthened, further dampening revenue. Chrome ore revenue decreased by 17% from the prior period to R1 004 million (June 2024: R1 213 million), driven by a 14% decrease in chrome ore sales volumes to 217kt (June 2024: 251kt) and a stronger ZAR:USD exchange rate. This performance was worsened by a 2% decrease in average sales prices over the period. PGMs concentrate sold over the period generated revenue of R156 million (June 2024: R131 million), well supported by the 7% higher average basket price of PGMs and 9% more concentrate sold. The revenue increase was in spite of a stronger ZAR:USD exchange rate.

Operating and other expenses decreased by 46% to R1 939 million (June 2024: R3 600 million). This decrease was primarily due to lower ferrochrome and chrome ore volumes sold. The impact of production costs was mixed, evidenced by ferrochrome total unit production costs, which decreased by 5% compared to the average cost for 2024 and chrome ore total unit production costs, which increased by 7% over the same period. Inflationary pressures on our unit production costs came from higher labour, engineering, maintenance and utilities costs. These were offset mainly by lower chrome ore, UG2 and reductants prices. A higher fixed cost absorption rate due to lower ferrochrome production negatively impacted the total unit production cost for ferrochrome. Operating and other expenses include Merafe's attributable share of standing charges of R214 million (June 2024: R124 million). There was a nominal write down of inventory of R2 million (June 2024: R1 million) during the six months ended 30 June 2025.

Operating and other expenses also include corporate costs of R35 million (June 2024: R45 million). Included in corporate costs is a cash-settled share-based payment credit of R1 million (June 2024: R12 million expense) and a bonus provision of R5 million (June 2024: R6 million).

Included in Merafe's EBITDA of R500 million (June 2024: R1 131 million) is a foreign exchange loss of R81 million (June 2024: R13 million).

Earnings for the six months ended 30 June 2025 amounted to R233 million (June 2024: R720 million), after taking into account depreciation, amortisation and impairments of R219 million (June 2024: R169 million), net financing income of R20 million (June 2024: R30 million) and a taxation expense of R73 million (June 2024: R284 million). The decrease in depreciation is due to the full write off of the Boshoek smelter in 2024. Although there was no impairment adjustment processed against the cash-generating unit (CGU), specific asset adjustments were processed against the Bokamoso and the Tswelopele pelletising plants, as well as the Wonderkop smelter. The full carrying values of these plants were impaired, resulting in an impairment loss of R113 million (June 2024: Rnil) over the reporting period.

Income of R5 million (June 2024: R11 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 decreased by 23% to R173 million (June 2024: R226 million) due to cash preservation initiatives in response to adverse market conditions. Expansionary capital expenditure of R30 million (June 2024: R27 million) includes R25 million spent on the Eastern PGMs operations.

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

At 30 June 2025, Merafe had cash and cash equivalents of R1 142 million (December 2024: R1 795 million), which comprised cash held by Merafe of R449 million (December 2024: R603 million) and R693 million (December 2024: R1 192 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 R378 million (December 2024: R361 million) and is included in its share of the cash in the Venture of R693 million (December 2024: R1 192 million) referred to above.

Trade and other receivables decreased by 9% compared to the 31 December 2024 period.

Ferrochrome finished goods volume of 118kt (December 2024: 83kt) represents approximately nine to 10 months of sales. The closing inventory value increased to R2 472 million (December 2024: R1 794 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 4 cents per share (June 2024: 20 cents per share).

Safety

There were no fatalities in the Venture's operations during the six-month period (December 2024: one fatality). The total recordable injury frequency rate improved to 1.50 (December 2024: 2.31).

The safety of our employees remains our top priority. We are committed to continuously improving our safety performance, focusing on the four key areas identified in our turnaround strategy: risk management, effective supervision, safety culture and contractor management.

Health

In the six-month period, there was one case of occupational illness recorded in the Venture (June 2024: nil). Reduction of exposure at sources remains our priority.

The Venture's commitment to creating a healthy work environment remains steadfast. We will continue promoting not only the health and safety of our workers but also the wellbeing of the communities in which we operate. Our approach goes beyond the workplace, recognising that a healthy community supports a thriving workforce. Through proactive health initiatives, partnerships with local organisations and sustainable practices, we have and will continue to create lasting, positive impacts that extend far beyond our facilities.

We will review all health risk assessments and maintain our pre-, annual and exit medical surveillance to monitor the occupational health of our workforce. Implementing our Health Standards and Health Hazards Exposure Limits is a core strategic focus, integrated with our baseline review to confirm exposures through quantitative data analysis.

Environmental, Social and Governance

Environmental, Social and Governance (ESG) compliance is a fundamental pillar of our business operations. Our social impact has grown stronger, reflecting our commitment to people and communities. The Venture's supplier code of conduct outlines the expectations and requirements for suppliers, especially those providing metals and minerals. It aligns with the Organisation for Economic Co-Operation and Development's Due Diligence Guidance for sourcing minerals responsibly from conflict-affected and high-risk areas. We foster strong relationships with employees, suppliers, customers and communities by promoting fair labour practices, employee rights and a commitment to diversity, equity and inclusion. The Venture's local employment and procurement strategy prioritises enterprise development and job creation for women, youth and other vulnerable groups, supported by targeted capacity-building initiatives for entrepreneurship and employment readiness.

The Venture has engaged with its communities to share feedback on the outcomes of the Human Rights Impact Assessments, ensuring transparency and inclusive dialogue. The priority human rights risks identified include:

- worker health and safety – addressing occupational hazards and promoting safe working conditions;
- road safety – mitigating traffic-related risks for both employees and local communities;
- contractor practices – ensuring that contractors align with our human rights and safety standards; and
- security – strengthening responsible security practices through training and oversight in line with Voluntary Principles on Security and Human Rights.

As a member of the International Council on Mining and Metals, the Venture adheres to the mining principles, which include 10 sustainable development principles and eight position statements covering issues from biodiversity to water management. We recorded no major or catastrophic environmental incidents in the reporting period. We have completed the assessment of material water-stress risks and set local water targets, implementing actions to reduce impacts and improve performance against these targets. Additionally, we have embarked on a project to visualise our knowledge base using geographic information system solutions to support decision-making processes.

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 significantly from 154kt in June 2024 to 112kt for the six-month period ended 30 June 2025. The decrease is due to the suspension of smelting operations in response to adverse market conditions.

Operations at the Boshoek and Wonderkop smelters were suspended during the second quarter of 2025 following the business review process. In addition, the Lion smelter operations have been suspended to allow for scheduled maintenance and planned rebuilds.

Total unit cost of ferrochrome production decreased by 5% from December 2024 as a result of lower chrome ore market costs, reductants, power and fixed costs that were offset by increased plant and other costs.

Merafe's saleable chrome ore production decreased by 8% period-on-period due to trackless mobile machinery and conveyor breakdowns.

Total unit cost of chrome ore production increased by 7% from December 2024 to R1 645/tonne, which is in line with mining inflation.

Saleable PGM production increased from 6 738oz to 7 073oz.

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 Merafe's Integrated Annual Report for the year ended 31 December 2024.

Marketing review

Stainless steel production across key regions recorded robust growth in the first half of the year. Output in China and Indonesia each increased by 6.3%[1] period-on-period, while India posted a 6.6%[1] rise. In contrast, production in the United States remained flat, and European output declined by 7.8%[1], reflecting ongoing structural challenges and cost pressures.

Sustained demand for chrome ore, combined with limited supply growth, supported elevated pricing levels. Chrome ore exports to China were 8.3mt[1] in May 2025 (June 2024: 8.4mt[1]), 6.9mt[1] being from South Africa.

Ferrochrome conversion spreads remained at historically low levels, driven by the continued increase in low-cost Chinese production. This trend highlights China's growing dominance in global ferrochrome supply, now accounting for approximately 53%[1] of total output.

[1] *CRU Data.*

Outlook

The South African ferrochrome and chrome ore sectors are at a crucial juncture. While challenges related to energy supply and global competition persist, the recent proactive measures by the South African government to support the ferrochrome industry through policy interventions and incentivising beneficiation present a cautiously optimistic outlook, particularly for our ferrochrome business in the medium to long term. Our chrome business will need to adapt to potential shifts in domestic demand, while continuing to monitor the significant influence of the Chinese market. Both sectors of our business will benefit from further stability in energy supply and the effective implementation of proposed regulatory changes. The Venture will continue to engage with key stakeholders towards finding sustainable solutions, particularly for our smelting business.

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 2025

Unaudited condensed consolidated statement of financial position

as at

	30 June 2025 Unaudited R'000	31 December 2024 Audited R'000
Assets		
Property, plant and equipment	**1 111 772**	1 124 913
Intangible assets	**19 074**	21 188
Investment in associate	**37 207**	32 676
Long-term receivable	**58 720**	64 260
Other long-term receivable	**17 133**	17 730
Total non-current assets	**1 243 906**	1 260 767
Inventories	**2 472 073**	1 794 492
Trade and other receivables	**1 068 321**	1 175 161
Current tax receivable	**79 585**	116 966
Cash and cash equivalents	**1 141 865**	1 794 911
Total current assets	**4 761 844**	4 881 530
Total assets	**6 005 750**	6 142 297
Equity		
Share capital	**1 288 876**	1 288 876
Retained earnings	**3 620 305**	3 587 239
Total equity attributable to owners of the Company	**4 909 181**	4 876 115
Liabilities		
Lease obligation	**4 074**	4 723
Deferred tax	**197 552**	186 146
Environmental obligations	**146 760**	142 356
Share-based payment liability	**3 527**	7 254
Total non-current liabilities	**351 913**	340 479
Trade and other payables	**720 458**	893 686
Lease obligation	**1 248**	1 150
Current tax payable	**1**	106
Environmental obligations	**18 277**	17 376
Share-based payment liability	**4 672**	13 385
Total current liabilities	**744 656**	925 703
Total liabilities	**1 096 569**	1 266 182
Total equity and liabilities	**6 005 750**	6 142 297

Unaudited condensed consolidated statement of profit or loss and other comprehensive income

for the six months ended

	Notes	30 June 2025 Unaudited R'000	30 June 2024 Unaudited R'000
Revenue	4	**2 519 450**	4 744 334
Foreign exchange loss		**(80 651)**	(12 864)
Other expenses		**(1 939 167)**	(3 600 408)
Earnings before interest, taxation, depreciation and amortisation		**499 632**	1 131 062
Depreciation and amortisation		**(105 960)**	(168 702)
Impairments	10	**(112 800)**	–
Income from equity-accounted investment		**5 171**	10 971
Results from operating activities		**286 043**	973 331
Finance income		**20 432**	30 460
Finance expense		**(653)**	(679)
Profit before taxation		**305 822**	1 003 112
Taxation		**(72 826)**	(283 525)
Total comprehensive income for the period		**232 996**	719 587
Earnings per share			
Basic earnings per share (cents)		**9.3**	28.8
Diluted earnings per share (cents)		**9.3**	28.8

Unaudited condensed consolidated statement of changes in equity

for the six months ended

	30 June 2025 Unaudited R'000	30 June 2024 Unaudited R'000
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
Balance at the beginning of the period	**3 587 239**	3 969 665
Total comprehensive income for the period	**232 996**	719 587
Dividends declared	**(199 930)**	(549 808)
Balance at the end of the period (retained earnings)	**3 620 305**	4 139 444
Total equity at the end of the period	**4 909 181**	5 428 320

Unaudited condensed consolidated statement of cash flows

for the six months ended

	30 June 2025 Unaudited R'000	30 June 2024 Unaudited R'000
Profit before taxation	**305 822**	1 003 112
Depreciation and amortisation	**105 960**	168 702
Impairments	**112 800**	–
Effect of exchange rate fluctuations	**89 699**	(5 682)
Movement in environmental obligations	**5 306**	(11 923)
Income from equity-accounted investment	**(5 171)**	(10 971)
Other non-cash movement	**(2 283)**	–
Profit on sale of property, plant and equipment	**(124)**	(19 395)
Asset held for sale	**–**	13 098
Fair value adjustment on provisionally priced revenue	**(11 571)**	(40 405)
Movement in long-term receivable	**5 540**	–
Share grants vested	**(11 214)**	(15 283)
Share-based payment (credit)/expense	**(1 225)**	11 944
Finance income	**(20 432)**	(30 460)
Finance expense	**653**	679
Net realisable value inventory adjustment	**1 580**	724
Changes in working capital:		
Inventories	**(679 160)**	249 251
Trade and other receivables	**118 411**	(247 299)
Trade and other payables	**(173 230)**	(56 650)
Cash (utilised in)/generated from operating activities	**(158 639)**	1 009 442
Finance income received	**23 156**	30 506
Finance cost paid	**(974)**	(1 139)
Dividend from associate	**639**	–
Taxation paid	**(24 144)**	(186 967)
Net cash (utilised in)/generated from operating activities	**(159 962)**	851 842
Acquisition of property, plant and equipment – sustaining	**(189 409)**	(225 955)
Acquisition of property, plant and equipment – expansionary	**(14 095)**	(27 267)
Proceeds on disposal of property, plant and equipment	**142**	8 227
Movement in other long-term receivables	**597**	199
Net cash utilised in investing activities	**(202 765)**	(244 796)
Dividends paid	**(200 069)**	(549 393)
Repayment of capital portion of lease liabilities	**(551)**	(1 901)
Net cash utilised in financing activities	**(200 620)**	(551 294)
Total cash movement for the period	**(563 347)**	55 752
Cash and cash equivalents at the beginning of the period	**1 794 911**	1 655 807
Effect of foreign exchange rate movement on cash balances	**(89 699)**	5 682
Total cash at 30 June	**1 141 865**	1 717 241

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 2025 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, as amended, and the JSE Limited Listings Requirements.

The unaudited condensed consolidated financial statements are presented in South African Rand, 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 operational in 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 analysis. 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 IFRS Accounting Standards 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 Critical 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 is 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-mine/smelter, 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 receivables subject to provisional pricing.
- Assumptions around joint control of the Venture.
- Impairment of non-financial assets – the Group determines whether any of the CGUs 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 non-financial assets 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, cash and cash equivalents and trade and other receivables. There has been no material increase in either liquidity risk or own credit risk based on this assessment.
- 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 and the risk of adverse impacts on the Group's revenue, costs and capital expenditures were all taken into account in determining the accounting estimates and judgements for the period.

2. Determination of fair values

A number of 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 disclosure purposes based on the methods indicated below.

2.1 Trade receivables subject to provisional pricing terms

Trade receivables of R162 million (December 2024: R73 million) are subject to provisional pricing terms and accordingly, are accounted for at fair value through profit and loss. Level 2 hierarchy per IFRS 13 Fair Value Measurement.

The fair value at the reporting date is based on the latest available ferrochrome prices and a closing ZAR:USD exchange rate of R17.72 (December 2024: R18.89).

2.2 Long-term receivable

In 2017, the Venture entered into an asset swap arrangement with Rustenburg Chrome Mine Proprietary Limited (RCM) through which the Venture's mineral rights were swapped for RCM's mineral rights. A receivable of R59 million (December 2024: R64 million) arises through ore recovery and the sale from mining in the rights area. No expected credit losses were recognised for this receivable as the debtor is revalued at each reporting period based on the latest mining plans and probabilities and measured at its fair value based on these inputs and forward-looking commodity prices. Level 3 hierarchy per IFRS 13 Fair Value Measurement.

The discounted cash flow 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 USD231.45 per metric tonne, an average ZAR:USD exchange rate of R19.22 and a discount rate of 9.01%. 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.

Reconciliation of Level 3 fair value measurements

	For the period ended	
	30 June 2025 Unaudited R'000	31 December 2024 Audited R'000
Opening balance	**64 260**	37 287
Total gains or losses in profit or loss	**–**	26 973
Recovery	**(5 540)**	–
Closing balance	**58 720**	64 260

Notes to the unaudited condensed consolidated financial statements continued

3. Headline earnings per share

	For the six months ended			
		30 June 2025 Unaudited R'000		30 June 2024 Unaudited R'000
	Gross	**Net of taxation**	Gross	Net of taxation
Earnings for the year attributable to equity holders of the parent		**232 996**		719 587
IAS 33 earnings		**232 996**		719 587
Adjusted for:				
Less: IAS 16 gains on the disposal of land and mineral rights			(19 061)	(13 914)
Less: IAS 16 gains on the disposal of property, plant and equipment	**(123)**	**(90)**	(334)	(244)
Add: IAS 36 Impairment of property, plant and equipment	**112 800**	**82 344**		
Headline earnings		**315 250**		705 429
Headline earnings per share (cents)		**12.6**		28.2
Diluted headline earnings per share (cents)		**12.6**		28.2
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

	30 June 2025	30 June 2024
Ferrochrome revenue*	**1 358 917**	3 397 162
Chrome ore revenue	**1 003 512**	1 213 449
PGMs revenue**	**156 065**	131 172
Revenue from contracts with customers	**2 518 494**	4 741 783
Other income***	**956**	2 551
Revenue other than from contracts with customers	**956**	2 551
Total revenue	**2 519 450**	4 744 334

* *Ferrochrome sales include provisional pricing adjustments of R19 million (June 2024: R18 million).*
** *All PGMs concentrate sales are to customers in South Africa.*
*** *Other income includes revenue from sale of scraps and silica.*

Geographical areas of ferrochrome sales to customers

The majority of customers are stainless steel mills located at the following revenue destinations:

	2025		2024 Restated#	
	Revenue R'000	**% of revenue in relation to total ferrochrome revenue**	Revenue R'000	% of revenue in relation to total ferrochrome revenue
Revenue destination				
Africa*	**65 591**	**5**	103 298	3
Americas**	**171 161**	**13**	332 501	10
Asia	**724 245**	**53**	2 305 206	68
China	**562 745**	**41**	1 422 356	42
Indonesia	**31 031**	**2**	635 414	19
Other Asia***	**130 469**	**10**	247 436	7
Europe****	**397 920**	**29**	656 157	19
	1 358 917	**100**	3 397 162	100

* *Includes South Africa.*
** *Includes Brazil and the USA.*
*** *Includes India, Japan, the Middle East, South Korea, Taiwan and Australia.*
**** *Includes Finland, France, Italy, Luxembourg, Netherlands, Slovenia, Spain and the United Kingdom.*
\# *Disaggregation of revenue was previously only presented in the Company's annual financial statements. The revenue in relation to ferrochrome and chrome ore has been restated to depict the geographical destination of revenue earned in line with the requirements of IFRS 15.*

Geographical areas of chrome ore sales from customers

	2025		2024 Restated#	
	Revenue R'000	**% of revenue in relation to total ferrochrome revenue**	Revenue R'000	% of revenue in relation to total ferrochrome revenue
Revenue destination				
Africa*	**156 477**	**16**	236 311	19
Americas**	**5 690**	**–**	10 678	1
Asia	**808 103**	**81**	937 944	78
China	**799 005**	**80**	931 780	77
Other Asia***	**9 098**	**1**	6 164	1
Europe****	**33 242**	**3**	28 516	2
	1 003 512	**100**	1 213 449	100

* Includes South Africa.
** Includes Brazil and the USA.
*** Includes India, Japan, the Middle East, South Korea, Taiwan, Singapore and Australia.
**** Includes France, Italy, Netherlands, Slovenia, Spain and the United Kingdom.
# Disaggregation of revenue was previously only presented in the Company's annual financial statements. The revenue in relation to ferrochrome and chrome ore has been restated to depict the geographical destination of revenue earned in line with the requirements of IFRS 15.

Sales to the following customers individually comprise more than 10% of total sales:

	2025		2024 Restated#	
	Revenue R'000	**% of revenue in relation to total ferrochrome revenue**	Revenue R'000	% of revenue in relation to total ferrochrome revenue
Key customers				
Customer A	**463 140**	**34**	642 761	19
Customer B	**168 953**	**12**	634 428	19
	632 093	**46**	1 277 189	38

Disaggregation of revenue was previously only presented in the Company's annual financial statements. The revenue in relation to ferrochrome and chrome ore has been restated to depict the geographical destination of revenue earned in line with the requirements of IFRS 15.

Sales to the following customers individually comprise more than 10% of total chrome ore sales:

	2025		2024 Restated#	
	Revenue R'000	**% of revenue in relation to total ferrochrome revenue**	Revenue R'000	% of revenue in relation to total ferrochrome revenue
Key customers				
Customer C	**–**	**–**	176 290	15

Disaggregation of revenue was previously only presented in the Company's annual financial statements. The revenue in relation to ferrochrome and chrome ore has been restated to depict the geographical destination of revenue earned in line with the requirements of IFRS 15.

5. Capital commitments

	2025	2024
Contracted but not provided for	**255 688**	255 176
Authorised but not contracted for	**507 671**	519 153
Total capital commitments	**763 359**	774 329

Notes to the unaudited condensed consolidated financial statements continued

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. At the end of the period, there were no outstanding commitments.

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 the reporting date, 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.	GN receives dividends declared by the Company. At the reporting date, 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 a distributor in the USA and Canada.	Sales of ferrochrome of R168m (June 2024: R348m). Commission expense on the sale of ferrochrome of R4m (June 2024: R8m). Interest expense of R2m (June 2024: R4m). The balance receivable at the reporting date, R69m (December 2024: R134m), 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 R93m (June 2024: R182m). Interest income of R1m (June 2024: R11m). Marketing fee expense of R1m (June 2024: R1m). Purchase of raw materials of R1m (June 2024: R1m). The balance owed at the reporting date is R24m (December 2024: R30m), payable on confirmation of final sales.
Glencore Operations South Africa Proprietary Limited (GOSA)	GOSA is Merafe Ferrochrome and Mining Proprietary Limited's partner in the Venture.	Employee costs of R82m (June 2024: R76m). Head office costs of R10m (June 2024: R7m). Lion housing costs of R12m (June 2024: R10m). Training costs of R5m (June 2024: R6m). Shared services costs of R6m (June 2024: R6m). The balance owed at the end of the period is R4m (December 2024: R15m), payable 10 days after month end. GOSA received the non-executive directors' fees for Mr D Green. At the reporting date, a loan of R51m (December 2024: R50m) is owed to Merafe Ferrochrome.

Name of related party	Description of relationship	Transactions and balance
Char Technology Proprietary Limited (Chartech)	Chartech sells raw materials to the Venture.	Purchase of raw materials of R26m (June 2024: R63m). Balance owing at the reporting period date of Rnil (December 2024: R9m) 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 R35m (June 2024: R45m) Cash deposits of R315m (December 2024: R831m) and rehabilitation investment of R378m (December 2024: R361m).
Glencore Property Management Company Proprietary Limited (GPMC)	GPMC provides rental property to the Venture.	Rental of CSI offices R0.1m (June 2024: R0.2m). Balance owing at the reporting date of R0.04m (December 2024: R0.3m) payable 30 days from the statement date.
Astron Energy Proprietary Limited (Astron)	Astron sells fuel to the Venture.	Purchase of fuel of R18m (June 2024: R18m). The balance owed at the reporting date is R3m (December 2024: R3m).
Cassian Trade AG (Cassian Trade)	Cassian Trade acts as the Venture's marketing agent to sell ferrochrome and chrome ore on its behalf.	Receivable at the reporting date of Rnil (December 2024: R7m).
Impala Chrome Proprietary Limited (Impala)	Impala is an equity-accounted investment, which provides logistics support to the Venture.	Revenue from logistics, marketing and maintenance contracts of R18m (June 2024: R19m). Receivable at the reporting date of R6m (December 2024: R3m).
Unicorn Chrome Proprietary Limited (Unicorn)	Unicorn is a jointly controlled operation by the Venture.	Unicorn declared a dividend of R0.6m to Merafe Ferrochrome.

Notes to the unaudited condensed consolidated financial statements continued

7. Taxation

The Group's annualised effective tax rate is 23.8% (June 2024: 28.26%) for the six months ended 30 June 2025.

8. Inventories

During the reporting period, inventory of R2 million (June 2024: R1 million) was written down.

9. Change in estimate

Assumptions based on the current economic environment have been made, which management believes provide a reasonable basis upon which to estimate the future liability. Actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works, which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates.

The discount rate used in the calculation of the provision as at 30 June 2025 equalled 11.9% (December 2024: 7.6%). There was no change in estimate effect that affected property, plant and equipment in the current period.

10. Impairment of property, plant and equipment

During the reporting period, impairment adjustments were made relating to these specific assets that were fully written off: the Tswelopele and Bokamoso pelletising plants and the Wonderkop smelter. The resulting impairment loss was R110 million (June 2024: Rnil). This was in light of grounds pointing to the likely impairment of some of our smelting operations. This conclusion was reached after considering several critical factors, which included the adverse state of the ferrochrome market and the uncompetitive level of our operating costs.

11. Contingent liabilities

The Group is subject to direct and indirect tax in the South African jurisdiction. The Group's subsidiary undertakes various cross-border transactions within the Venture, subject to the Group's transfer pricing policies. As a result, significant judgement is required to determine the Group's provisions for income taxes. The income tax and annual assessments are subject to examination within prescribed periods by the South African Revenue Service (SARS).

As previously reported, SARS finalised the audit of the Group's transfer pricing matter relating to the 2016 and 2017 years of assessment on 30 October 2024. Pursuant to the finalisation of the audit, SARS issued additional assessments on 30 October 2024 levying additional income tax, dividends tax, understatement penalties and interest in the aggregate amount of R406 million against the Group for the 2016 and 2017 years.

The Group disagrees with the additional assessments and, on 25 June 2025, lodged an objection with SARS against the additional assessments. Additionally, the Group had applied for a full suspension of payment of the disputed tax debt, which SARS partially suspended resulting in R232 million being payable. Pursuant to section 9 of the Tax Administration Act of 2011, as amended, the Company has requested SARS to reconsider its decision not to fully suspend payment and is awaiting SARS' response.

Management continues to rely 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, due to the dispute, remains uncertain and any potential tax exposure cannot be reliably estimated. Accordingly, the consolidated financial statements have made no adjustment for any effects on the Group.

12. Events after the reporting period

As reported above, on 8 August 2025, the Board resolved to declare an interim cash dividend of 4 cents (2024: 20 cents) per share for the six months ended 30 June 2025.

The directors are not aware of any material events that 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 2025

Notice is hereby given that, on 8 August 2025, the Board resolved to declare a gross interim cash dividend of 4 cents (June 2024: 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, payable to those Merafe shareholders (Shareholders) who are not exempt from paying dividend tax is therefore 3.2 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:

	2025
Last day for ordinary shares to trade *cum* ordinary dividend:	Tuesday, 2 September
Ordinary shares commence trading *ex*-ordinary dividend:	Wednesday, 3 September
Record date:	Friday, 5 September
Payment date:	Monday, 8 September

Shareholders will not be permitted to dematerialise or rematerialise their ordinary shares between Wednesday, 3 September 2025 and Friday, 5 September 2025, both days inclusive.

Administration

Merafe Resources Limited
Company registration number: 1987/003452/06

Business address and registered office
Building B, 2nd Floor
Ballyoaks Office Park
35 Ballyclare Drive
Bryanston
2191
Telephone: +27 11 783 4780
Email: info@meraferesources.co.za
www.meraferesources.co.za

Company Secretary
CorpStat Governance Services Proprietary Limited
Fernridge Office Park
1st Floor
Block 4
Cnr Bram Fisher and Hunter Street
Randburg
2194
Telephone: +27 11 326 0975
Email: w.somerville@mweb.co.za

Auditors
Deloitte & Touche
5 Magwa Crescent
Waterfall City
Gauteng
2090

Attorneys
Bowman Gilfillan Inc.
11 Alice Lane
Sandhurst
Sandton
2196

PO Box 785812
Sandton
2146

Bankers
Absa Bank Limited
Absa Towers West
15 Troye Street
Johannesburg
2001

Standard Bank
30 Baker Street
Rosebank
Johannesburg
2196

Transfer secretaries
JSE Investor Services Proprietary Limited
One Exchange Square
2 Gwen Lane
Sandown
Sandton
2196

PO Box 4844
Johannesburg
2000
Telephone: +27 11 713 0800

Sponsor
One Capital Sponsor Services Proprietary Limited
17 Fricker Road
Illovo
2196

PO Box 784573
Sandton
2146

Directorate
S Phiri* (Chairperson), D McGluwa, D Green,
N Mabusela-Aikhuere*, M Vuso*, K Tlale*,
J Mclaughlan*, Z Matlala (Chief Executive Officer),
D Chocho (Financial Director)

** Independent*

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