

Merafe Resources Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1987/003452/06)

JSE share code: MRF

ISIN: ZAE000060000

("Merafe" or the "Company")

TRADING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, issuers are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported on will differ by at least 20% from those of the prior comparative period.

Accordingly, shareholders are hereby advised that for the year ended 31 December 2021 ("current reporting period"), Merafe is expecting to report basic earnings per share of between 70.8 cents and 62.8 cents and headline earnings per share of between 67.0 cents and 66.8 cents, compared to basic loss per share of 40.0 cents and headline loss per share of 0.8 cents, respectively, for the prior comparative period.

The expected considerable increase in headline earnings per share is primarily driven by higher ferrochrome and chrome ore prices as well as higher volumes sold. These were partially offset by a stronger average Rand compared to the US Dollar. The expected considerable increase in basic earnings per share is as a result of there being no general impairment adjustments relating to property, plant and equipment during the current reporting period.

Expected cash and debt balances – Merafe Resources Limited Group

	31 December 2021 R'm	31 December 2020 R'm
Cash and cash equivalents	972	278

The increase in cash and cash equivalents is principally due to higher earnings generated for the year. Included in the cash and cash equivalents for the current reporting period is R189 million which has been ringfenced for rehabilitation obligations. As in the prior year, the Company had no debt at year end.

Shareholders are advised that the financial information on which this announcement is based, has not been reviewed or reported on by Merafe's external auditors. The financial results for the year ended 31 December 2021 are expected to be released on SENS on or about 22 March 2022.

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23 February 2022

Sponsor
One Capital