

Merafe Resources Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1987/003452/06)
JSE share code: MRF
ISIN: ZAE00060000
("Merafe")

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND CASH DIVIDEND DECLARATION
FOR THE SIX MONTHS ENDED 30 JUNE 2022

2022 HALF YEAR IN REVIEW

Key features

- No fatalities
(June 2021: No fatalities)
- 11% decrease in TRIFR(1) to 2.49
(December 2021: 2.80(2))
- 2% increase in ferrochrome production to 203kt
(June 2021: 199kt)
- 15% increase in revenue to R4 291 million
(June 2021: R3 746 million)
- 68% increase in EBITDA(3) to R1 373 million
(June 2021: R819 million)
- Headline earnings per share of 37.0 cents
(June 2021: 23.2 cents)
- Basic earnings per share of 37.0 cents
(June 2021: 23.0 cents)
- 10% increase in net asset value to R4 145 million
(December 2021: R3 770 million)
- 18% increase in net cash flows from operating activities to
R748 million (June 2021: R635 million)
- 4% increase in cash to R1 015 million
(December 2021: R972 million)
- Interim cash dividend declared of 12 cents per share
(June 2021: 7 cents per share)

- (1) Total recordable injury frequency rate
- (2) Restated
- (3) Earnings before interest, taxation, depreciation and amortisation

CEO Commentary on results

Merafe achieved a profit of R925 million for the six months ended 30 June 2022, as a result of higher realised ferrochrome prices and a weaker ZAR:US\$ exchange rate. Ferrochrome prices have since declined and cost pressures from inflation, higher reductant costs, chrome ore costs and electricity tariffs continue to mount.

Outlook

Just as the COVID-19 risk was abating, other global and local risks have emerged. Locally, floods have wreaked havoc, especially in the KwaZulu-Natal region, disrupting logistics channels and sadly resulting in the loss of lives. Transnet's challenges which have also impacted our industry, have included infrastructure theft and damage, lack of spares and insufficient rolling stock. In general, supply chain constraints remain a concern. Eskom's situation deteriorated further over the period following the utility's industrial strike action leading to power cuts escalating to stage 6. Internationally, the Russia/Ukraine conflict has not only resulted in the unfortunate loss of lives, but led to global uncertainty, supply shortages, inflationary pressures and fueled recession concerns. These events have impacted our industry in one way or another and are likely to affect production inputs and chrome demand/supply dynamics going into the second half of 2022 ("H2 2022"). As a result, we expect a tougher H2 2022. 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.

Further information

This short-form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details.

Any investment decisions by investors and/or shareholders should be based on

the full announcement which has been published on SENS today, 23 August 2022, and is accessible via the JSE link at <https://senspdf.jse.co.za/documents/2022/JSE/ISSE/MRF/Interim22.pdf> and also available on Merafe's website at <https://www.meraferesources.co.za/results/interims-2022/index.php>.

The full announcement is available for inspection at the registered offices of Merafe (Building B, Second Floor, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston) and the offices of our sponsor, One Capital (17 Fricker Road, Illovo). Such inspection is available at no charge, during business days from 9:00am to 4:00pm.

Declaration of an ordinary cash dividend for the six months ended 30 June 2022

Notice is hereby given that a gross interim cash dividend of 12 cents per share (June 2021: 7 cents per share) has been declared payable, by the Board, 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 9.60000 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:

Declaration date:	Tuesday, 23 August 2022
Last day for ordinary shares to trade <i>cum</i> ordinary dividend:	Tuesday, 13 September 2022
Ordinary shares commence trading <i>ex-ordinary</i> dividend:	Wednesday, 14 September 2022
Record date:	Friday, 16 September 2022
Payment date:	Monday, 19 September 2022

Shareholders will not be permitted to dematerialise or rematerialise their shares between Wednesday, 14 September 2022 and Friday, 16 September 2022, both days inclusive.

Sandton
23 August 2022

Sponsor
One Capital Sponsor Services (Pty) Ltd

Executive Directors
Z Matlala (Chief Executive Officer), D Chocho (Financial Director)

Non-executive Directors
A Mngomezulu (Chairman)*, D McGluwa, M Vuso*, K Tlale*, N Mabusela-Aikhuere*, D Green, J Mclaughlan*

* Independent

Company Secretary
CorpStat Governance Services (Pty) Ltd

Registered office
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Transfer secretaries
JSE Investor Services (Pty) Ltd

Investor relations
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