

MERAFE RESOURCES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1987/003452/06)

Share Code: MRF

ISIN: ZAE000060000

("Merafe" or the "Group")

PROPOSED RESTRUCTURING OF THE GROUP

Merafe shareholders are advised that the board of directors of Merafe ("**Board**") has resolved to simplify the structure of the Group through a restructure in terms of which Merafe will directly hold a 100% interest in Merafe Ferrochrome and Mining Proprietary Limited ("**MFM**"), (the "**Restructure**").

The current Group structure consists of Merafe having a 100% indirect interest in MFM through its wholly-owned subsidiary, Merafe Chrome and Alloys Proprietary Limited ("**MCA**"). MCA does not trade or conduct any operational business, with its main function being to serve as the conduit through which dividends from the Glencore-Merafe Chrome Venture ("**JV**") received by MFM flow to Merafe. MFM has a 20.5% participation in the earnings before interest, tax, depreciation and amortisation of the JV.

The Board believes that the Restructure will be beneficial from an operational perspective and will result in an efficient flow of funds.

In terms of the Restructure, which is expected to take place on or about 24 January 2020, MCA will distribute the ordinary shares it holds in MFM to Merafe, such that Merafe will hold a 100% direct interest in both MCA and MFM.

In terms of paragraph 9.1(c)(iii) of the JSE Limited Listings Requirements ("**Listings Requirements**"), the Restructure is exempt from the provisions of the Listings Requirements pertaining to transactions. Further updates regarding the Restructure will be published in due course.

Sandton

17 January 2020

Sponsor

One Capital