

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")

UPDATED TRADING STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020

Merafe shareholders ("**Shareholders**") are referred to the trading statement for the six months ended 30 June 2020 ("**Period**") and the update regarding the publication of the financial results for the Period published on SENS on 27 July 2020 and 7 August 2020, respectively.

Basic earnings/(loss) and headline earnings/(loss) per share

Shareholders are further advised that Merafe now expects to report the following, in respect of the Period:

- a basic loss per share of between 37.6 cents and 39.0 cents, compared to a basic earnings per share of 6.6 cents for the prior comparative period; and
- headline earnings per share of between 0.9 cents and 1.3 cents, compared to a headline earnings per share of 6.6 cents for the prior comparative period, which is a decrease of between 81% and 86%.

The expected decrease in basic earnings and headline earnings per share is primarily driven by substantially lower chrome ore and ferrochrome prices and lower sales volumes which were partially offset by a weaker average Rand:US\$ exchange rate. In addition to this, basic earnings includes an impairment charge which has led to further expected decrease in basic earnings per share.

Expected cash and debt balances – Merafe Resources Limited Group

	30 Jun 2020	31 Dec 2019
	R'm	R'm
Cash and cash equivalents balance	265	354
Net cash/(debt)	263	354

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 Period are expected to be published on SENS on or about 8 September 2020.

Sandton
28 August 2020

Sponsor

One Capital