



## **Production announcement for the year ended 31 December 2013**

### **1. Record production and sales volumes**

Merafe's attributable ferrochrome production from the Glencore-Merafe Chrome Venture (the Venture) was 32% higher year on year. This increase was as a result of higher demand, resulting in operating utilisation of 87% of the Venture's smelting capacity. Ferrochrome sales volumes for 2013 increased by 23% year on year.

	<b>Year Ended 31-Dec-13</b>	<b>Year Ended 31-Dec-12</b>
Attributable ferrochrome production (kt)	319	242
Attributable ferrochrome sales (kt)	314	255
Indicative average published ferrochrome price (Usc/lb) (Metal Bulletin)	116	121
Average Rand/Dollar Exchange Rate	9.6	8.2

### **2. Employee relations**

Wage negotiations relating to all the smelters and mines were concluded and implemented during 2013.

Currently, the Venture is not significantly impacted by the strikes in the platinum industry and at this stage, has adequate chrome ore supply.

### **3. Safety**

The Venture's total recordable injury frequency rate (TRIFR) improved from 4.05 in 2012 to 3.84 in 2013. The Lion II Project contributed to this improvement with more than 7 million man hours worked, without any lost time injury.

#### **4. Update on Project Lion II**

Hot commissioning of the Venture's Lion II smelter commenced in the last quarter of 2013 and will continue during the first half of 2014. First production has been slightly delayed mainly due to limited availability of contractors over the December holiday period as well as heavy rainfall and windy conditions in the last quarter of 2013. The overall project however remains within schedule and on budget and it is envisaged that the smelter will be fully operational toward the middle of 2014.

31 January 2014  
Sandton  
Sponsor

Merrill Lynch South Africa Proprietary Limited

**Kajal Bissessor**

*Finance and Investor Relations Manager*

*Merafe Resources Limited*

*Ph: +2711 783 4780 / +27 83 784 6686*