



Production report and trading statement for the year ended 31 December 2015

Production report

Merafe's attributable ferrochrome production from the Glencore Merafe Chrome Venture (the Venture) for the year ended 31 December 2015 increased by 13% compared to the prior year. This increase was primarily attributable to the additional production from the Project Lion II furnaces.

The Venture's operating capacity utilisation for the year ended 31 December 2015 was 87% (79% of installed capacity).

	Quarter ended	Quarter ended	Year ended	Year ended
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Attributable ferrochrome production (kt)	101	92	377	334

Trading statement

In terms 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 next will differ by at least 20% from those of the prior comparative period.

Shareholders are advised that Merafe is expecting to report the following:

Earnings per share

- Basic earnings per share for the year ended 31 December 2015 of between 13.0 cents and 15.0 cents compared to 8.6 cents for the year ended 31 December 2014, which is an increase of between 51% and 74%.

- Headline earnings per share for the year ended 31 December 2015 of between 13.0 cents and 15.0 cents, compared to 8.4 cents for the year ended 31 December 2014, which is an increase of between 55% and 79%.

Expected cash and debt balances – Merafe Resources Limited Group

	31 December 2015	31 December 2014
	R'm	R'm
Net cash / (overdraft) balance	310	(162)
Merafe's 20.5% of the Venture's short term stock facility	-	(189)
Merafe's 20.5% of the Venture's debtors facility	(411)	(283)
ABSA and Standard Bank debt *	(559)	(617)
Total	(660)	(1 251)

* On 4 January 2016, R50m of the R559m ABSA and Standard Bank debt was repaid.

Shareholders are advised that the financial information on which this trading statement is based, has not been reviewed or reported on by Merafe's external auditors and is provided in terms of paragraph 3.4(b) of the JSE Limited Listings Requirements. The financial results for the year ended 31 December 2015 are expected to be released on SENS on 8 March 2016.