



Production report and trading statement for the year ended 31 December 2016

Production report

Merafe's attributable ferrochrome production from the Glencore Merafe Chrome Venture for the year ended 31 December 2016 increased by 4% compared to the prior year. Production volumes were managed across the quarters of the year through timing of furnace refurbishments to optimise stock levels.

	Quarter 4 2016	Quarter 4 2015	Year ended 31 December 2016	Year ended 31 December 2015
Attributable ferrochrome production (kt)	107	101	393	377

Trading statement

Basic and headline earnings per share

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

Shareholders are therefore advised that Merafe is expecting to report the following for the year ended 31 December 2016:

- Basic earnings per share of between 20.0 cents and 23.5 cents, compared to 13.7 cents for the prior year, which is an increase of between 46% and 72%;
- Headline earnings per share of between 20.0 cents and 23.5 cents compared to 13.9 cents for the prior year, which is an increase of between 44% and 69%.

Expected cash and debt balances – Merafe Resources Limited Group

	31-Dec 2016 R'm	31-Dec 2015 R'm
Net cash balance	263	310
Merafe's 20,5% of the Venture's debtors facility	(309)	(411)
ABSA and Standard Bank debt*	(363)	(559)
Total	(409)	(660)

**On 3 January 2017, R137m of the R363m ABSA and Standard Bank debt was repaid resulting in a balance of R226m.*

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 2016 are expected to be released on SENS on 7 March 2017.

26 January 2017
Sandton

Sponsor:
Merrill Lynch South Africa Proprietary Limited