



Merafe Resources Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1987/003452/06)

JSE share code: MRF

ISIN: ZAE000060000

("Merafe")

Production report and trading statement for the six months ended 30 June 2017

1. Trading statement

Basic and headline earnings per share

In terms of the JSE Limited Listings Requirements ("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 to be reported on next will differ by at least 20% from those of the prior comparative period.

Shareholders are therefore advised that Merafe is expecting to report basic earnings per share ("EPS") and headline earnings per share ("HEPS") of between 17.9 cents and 20.9 cents for the six months ended 30 June 2017, compared to 2.3 cents for the comparative period.

The significant increase in EPS and HEPS period on period is primarily attributable to higher ferrochrome and chrome ore prices which was partially offset by lower ferrochrome sales volumes, a stronger Rand Dollar exchange rate and an increase in cost of goods sold.

Update on cash and debt balances – Merafe Resources Limited Group

	30-Jun-17	31-Dec-16
	R'm	R'm
Net cash balance	122,4	263,3
Merafe's 20,5% of the Venture's debtors facility	(329,8)	(309,1)
ABSA and Standard bank Merafe head-office debt	(0,4)	(363,5)
Net debt	(207,8)	(409,3)

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 Listings Requirements.

The financial results for the six months ended 30 June 2017 are expected to be released on SENS on 7 August 2017.



2. Production report

Merafe's attributable ferrochrome production from the Glencore Merafe Chrome Venture for the six months ended 30 June 2017 increased by 10% compared to the prior period. This increase is primarily attributable to more furnaces being operational period on period, coupled with pleasing furnace performances.

	Six months ended 30 June 2017	Six months ended 30 June 2016
Attributable ferrochrome production (kt)	216	196

14 July 2017
Sandton

Sponsor
One Capital