



Third quarter 2012 ferrochrome production announcement and Project Tswelopele update

Shareholders of the Company are advised that Merafe's attributable ferrochrome production in the third quarter of 2012 was 5% lower than the 2011 comparative period which was due to furnace refurbishment programmes being extended in response to soft market conditions. Ferrochrome production volumes in the nine months of 2012 were 15% lower than the 2011 comparative period mainly due to power buy-back deals with Eskom, the South African electricity supplier, to counter electricity shortages.

Ferrochrome producers settled the average European benchmark price for the third quarter at \$1.25 per pound, which was 7% lower than the second quarter price of \$1.35 per pound.

Despite continued high mining inflation and increased standing charges from idle capacity, a weakening South African Rand compared to the US Dollar will offer some support to margins. As per the SENS announcement dated 4 October 2012, the fourth quarter European benchmark ferrochrome price was settled at \$1.10 per pound.

In early October 2012, the Tswelopele pelletising and sintering plant was commissioned on schedule and on budget. The plant will reach full capacity of approximately 600 000 tonnes of sintered pellets in early 2013.

	Q3 2012	Q3 2011	Nine months to 30.09.2012	Nine months to 30.09.2011
Attributable production (kt)	50.2	48.0	168.7	197.9
Indicative average published ferrochrome price (USc/lb) (Metal Bulletin)	125	120	125	127

Sandton

17 October 2012

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