



Report for the third quarter of 2014

1. Key production and sales indicators

Merafe's attributable ferrochrome production from the Glencore Merafe Chrome Venture (“the Venture”) for the third quarter of 2014 was 14% lower than the 2013 corresponding period, with production levels at 69% of the Venture’s operating capacity. This lower production was due to planned maintenance taking place during the high electricity tariff winter months of July and August, as opposed to prior year where maintenance was performed in the first half of the year, due to the Eskom buy back agreements.

The ramp-up of Lion II is on track and is expected to reach full capacity by mid-2015.

Merafe's attributable ferrochrome sales volumes were 18% lower in the third quarter of 2014, compared to the 2013 corresponding period as a result of weaker demand and pricing.

	Q3 2014	Q3 2013	Nine months to 30/09/2014	Nine months to 30/09/2013
Attributable ferrochrome production (kt)	74,0	85,6	242,1	230,4
Attributable ferrochrome sales (kt)	60,2	73,1	231,6	210,3
Average European benchmark ferrochrome price (USc/lb) (Metal Bulletin)	119,0	112,5	119,7	117,3
Average Rand / Dollar Exchange rate	10,77	9,99	10,72	9,47

2. Employee relations

The Venture's wage negotiations were successfully concluded at its eastern mines, eastern smelters and western smelters. Unfortunately an agreement could not be reached with the western mining employees and union representatives, as a result of which the affected employees have embarked on industrial action. Although the western mines are not operating as a result of the protected strike action, this has no impact on current ferrochrome production or sales obligations.

3. Safety

The Venture's total recordable injury frequency rate (TRIFR) increased to 4.30 due to five additional injuries in the first nine months of 2014, compared to the 2013 corresponding period. The Venture continues to make every effort to ensure the highest standards of safety are in place at all its operations.

17 October 2014
Sandton

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