



Trading statement for the year ended 31 December 2013

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 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 2013 are expected to be released on SENS on 11 March 2014.

Shareholders are advised that Merafe is expecting to report the following for the year ended 31 December 2013:

- Basic earnings per share (EPS) of between 7.8 cents and 8.7 cents, compared to 2.0 cents for the 2012 year;
- Headline earnings per share (HEPS) of between 10.0 cents and 11.4 cents compared to 5.1 cents for the 2012 year.

The expected increase in EPS and HEPS is primarily due to higher ferrochrome and chrome ore sales volumes and the Rand weakening against the US Dollar which was somewhat offset by the lower average European benchmark ferrochrome price. HEPS is expected to be higher than EPS primarily as a result of an impairment loss recognised on the Horizon mine in the first half of 2013, as per SENS announcement dated 6 August 2013.

Update on expected cash balance and debt at 31 December 2013

Merafe is expected to close at 31 December 2013 with a net overdraft balance of R10.7m, total debt owing to ABSA Capital of R581m and R194m utilisation of the short term inventory facility.

13 February 2014

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