

Merafe Resources Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1987/003452/06)

JSE share code: MRF

ISIN: ZAE000060000

(“Merafe”)

**CONSULTATION PROCESS IN TERMS OF SECTIONS 189 AND 189A OF THE LRA:
RUSTENBURG SMELTER NW PROVINCE SOUTH AFRICA (“RUSTENBURG SMELTER”)**

The Glencore Alloys and Merafe (the “Parties”) have commenced a consultation process in terms of sections 189 and 189A of the Labour Relations Act No. 66 of 1995 (“LRA”), (“Consultation Process”) and confirm that written notice has been given to its employees at the Rustenburg Smelter, which is a joint venture between Merafe and the Glencore Alloys.

The Consultation Process is as a result of deteriorating operations and market conditions across the South African ferrochrome industry, including unsustainable electricity tariffs and interruptions, cross subsidies and real cost inflation. These factors have also led to the displacement of significant volumes of ferrochrome production to lower-cost competitors overseas. Despite significant investment to make the operation more competitive, the Rustenburg Smelter has suffered material financial losses which are expected to continue for the foreseeable future.

Prior to the commencement of the Consultation Process, the Parties engaged in extensive consultations with stakeholders, including employee representatives, local and regional government and will continue to engage all stakeholders to attempt to secure the future of the Rustenburg Smelter operation.

As part of the process outlined in the LRA, the Parties will apply for the appointment of a facilitator from The Commission for Conciliation, Mediation and Arbitration (CCMA) to guide and assist the parties to participate meaningfully in the Consultation Process. The Parties view the engagement with the employee representatives and recognised Trade Unions of Rustenburg Smelter as an ongoing process and all alternatives will be considered.

Further updates will be issued as appropriate.

Sandton

20 January 2020

Sponsor

One Capital