

Merafe Resources Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1987/003452/06)

JSE share code: MRF

ISIN: ZAE000060000

("Merafe" or the "Company")

PRODUCTION REPORT AND TRADING STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020

1. Production Report

Merafe's attributable ferrochrome production from the Glencore Merafe Chrome Venture for the six months ended 30 June 2020 decreased by 42% compared to the prior comparative period. The decrease is as a result of production cutbacks in response to COVID 19, market conditions and electricity curtailments to a limited extent.

	Six months ended 30 June 2020	Six months ended 30 June 2019
Attributable ferrochrome production (kt)	120	206

2. Trading Statement*Basic earnings and headline earnings per share*

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 will differ by at least 20% from those of the prior comparative period.

Shareholders are hereby advised that Merafe is expecting to report a basic loss per share and headline loss per share of between 2.79 cents and 3.41 cents for the six months ended 30 June 2020, compared to a basic earnings per share and headline earnings per share of 6.6 cents for the prior comparative period.

The expected decrease in basic earnings and headline earnings per share is primarily driven by substantially lower chrome ore and ferrochrome prices and lower sales volumes which were partially offset by a weaker average Rand:US\$ exchange rate.

Expected cash and debt balances – Merafe Resources Limited Group

	30 Jun 2020 R'm	31 Dec 2019 R'm
Cash and cash equivalents balance	262	354
Net cash/(debt)	262	354

Shareholders are advised that the financial information on which this announcement is based, has not been reviewed or reported on by Merafe's external auditors. The financial results for the six months ended 30 June 2020 are expected to be released on SENS on or about 11 August 2020.

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27 July 2020

Sponsor

One Capital