

Merafe Resources Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1987/003452/06)

JSE share code: MRF

ISIN: ZAE000060000

("Merafe")

PRODUCTION REPORT AND VOLUNTARY TRADING STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018**Production report**

Merafe's attributable ferrochrome production from the Glencore Merafe Chrome Venture ("Venture") for the first six months of 2018 decreased by 2.3% compared to the previous period.

	Six months ended 30 June 2018	Six months ended 30 June 2017
Attributable ferrochrome production (kt)	211	216

Voluntary Trading Statement*Basic and headline earnings per share*

Shareholders are advised that Merafe is expecting to report basic earnings per share and headline earnings per share of between 16.0 cents and 18.0 cents for the six months ended 30 June 2018, compared to 19.4 cents for the previous comparative period, which amounts to a decrease of between 7.2% and 17.5%.

The decrease in basic and headline earnings, period on period, is a function of lower net CIF ferrochrome prices, a stronger average Rand Dollar exchange rate, a higher depreciation charge and higher costs of goods sold, partially offset by higher ferrochrome sales volumes and higher foreign exchange gains.

Update on cash and debt balances – Merafe Resources Limited Group

	30-Jun-18	31-Dec-17
	R'm	R'm
Net cash and cash equivalents*	331	672
Merafe's 20,5% of the Venture's debtors facility	-	(72)
Net cash	331	600
Cash at Merafe level	256	464
Merafe's 20,5% of the Venture's cash	75	208
*Net cash and cash equivalents	331	672

The decrease in net cash and cash equivalents is mainly as a result of an increase in trade and other receivables and inventories.

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.

The financial results for the six months ended 30 June 2018 are expected to be released on SENS on 6 August 2018.

17 July 2018
Sandton

Sponsor:
One Capital