INTEGRATED ANNUAL REPORT 2017

MERAFE
RESOURCES



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Forward looking statements

Certain statements in this report constitute 'forward looking statements'. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performances, objectives or achievements of the Merafe Group (as well as the industry in which it operates) to be materially different from future results, performances, objectives or achievements expressed or implied by these forward looking statements.

The performance of the Merafe Group is subject to the effect of changes in commodity prices, currency fluctuations, uncertainty around the cost and supply of electricity, the risks involved in mining and smelting operations and the operating procedures and performance of the Venture. The Company undertakes no obligation to update publicly or to release any revisions to these forward looking statements to reflect events or circumstances after the date of publication of these pages or to reflect the occurrence of unanticipated events.

Glossary

A glossary of terms and definitions forms part of our 2017 online integrated annual report available on our website www.meraferesources.co.za.

ICONS USED IN THIS REPORT

This icon refers to further reading

This icon refers to more information available at www.meraferesources.co.za

This report has been produced in accordance with the Global Reporting Initiative (GRI) Guidelines

We would welcome your feedback on our reporting for 2017 and any suggestions you have in terms of what you would like to see incorporated in our report for 2018. Please contact our Financial Director, Kajal Bissessor at kajal@meraferesources.co.za.

About this report

We are pleased to present to you the integrated annual report for the Merafe Group, which includes Merafe Resources Limited (Merafe), a company listed on the JSE, Merafe Ferrochrome and Mining Proprietary Limited (Merafe Ferrochrome) and its subsidiaries for the year ended 31 December 2017 (in this report referred to as "Merafe", the "Merafe Group" or the "Company"). The scope of this report also includes the Glencore-Merafe Chrome Venture (the Venture). There has been no significant change in our size, structure or products since our previous integrated annual report and there are no specific limitations on the scope or boundary of this report.

As we did last year, the 2017 summarised financial and sustainability information and the Annual General Meeting Notice, will be sent to shareholders and the 2017 integrated annual report will be available on our website, (www.meraferesources.co.za). Printed copies of the integrated annual report will be available on request from the Company Secretary.

We welcome the opportunity that an integrated approach to reporting offers us to break down reporting silos and provide a broader explanation of our performance, underpinned by a strategic focus, connectivity of information, a future orientation and an inclusive and responsible approach to stakeholders.

We use the capitals model (natural, human, social, manufactured and financial capital) for our reporting, as recommended in the International Integrated Reporting Committee's Integrated Reporting Framework and by the King IV Report on Corporate Governance for South Africa 2016 ("King IV").

We depend on a variety of resources and relationships for our success. The extent to which we are depleting these or building them up has an important impact on the availability of the resources at our disposal and the relationships that support our long-term viability. The capitals model, by seeing these resources and relationships in terms of 'capital', provides us with a basis for understanding sustainability in terms of the economic concept of wealth creation or 'capital' and encourages us to consider how wider environmental and social issues can affect our long-term profitability.

In addition to following the recommendations contained in King IV, the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) and the JSE Limited Listings Requirements, we are guided by the Global Reporting Initiative's (GRI) G4 Guidelines and our internally developed policies and procedures, in terms of measuring our progress towards sustainability.

Deloitte & Touche Inc. audits our annual financial statements.

Our annual financial statements are in compliance with International Financial Reporting Standards (IFRS), SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and financial pronouncements as issued by the Financial Reporting Standards Council and are drawn up in accordance with the Companies Act, No 71 of 2008. A copy of our annual financial statements is available on our website.

An independent auditor's report is published in the annual financial statements. Our annual financial statements form part of our online integrated annual report for 2017. They are also available from our Company Secretary in either electronic or printed format.

The data and information relating to the Venture is subject to the annual internal and external reviews, audits and processes (set out on page 49 of this report) to ensure that the information relating to the Venture in this report is accurate and reliable.

The Board of Merafe acknowledges its responsibility for overseeing the integrity and completeness of this integrated annual report, and has applied its collective mind to its preparation and presentation. As a collective, the Board of Merafe believes that it has appropriately and diligently considered matters material to stakeholders and that the report accurately reflects the performance and strategy of the Merafe Group.

About the capitals model

The capitals model (natural, human, social, manufactured and financial capital) we have adopted provides a basis for understanding sustainability in terms of the economic concept of wealth creation or 'capital'. A sustainable organisation will maintain and where possible enhance these stocks of capital assets, rather than deplete or degrade them. The model allows the business to broaden its understanding of financial sustainability by allowing the business to consider how the wider environmental and social issues can affect long-term profitability.

Organisational overview

Our business

We are listed on the JSE in the General Mining sector under the share code MRF. Our business is the 20.5% participation through our wholly owned subsidiary, Merafe Ferrochrome, in the earnings before interest, tax, depreciation and amortisation (EBITDA) of the Glencore-Merafe Chrome Venture (the Venture), in which Glencore Operations South Africa Proprietary Limited (Glencore) has a 79.5% participation.

Our major shareholders are Glencore (Netherlands) B.V. (Glencore BV) and the Industrial Development Corporation Limited (Industrial Development Corporation). (See page 52 for more detailed shareholder information.)

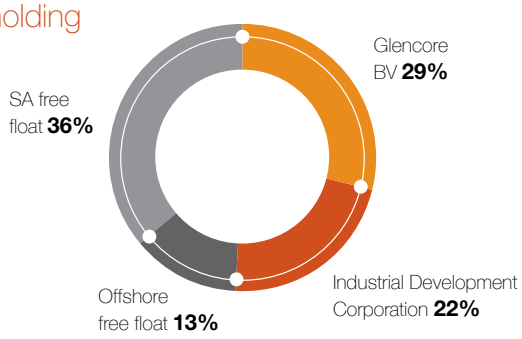
The Merafe Group and Glencore (formerly Xstrata) formed the Venture in July 2004 when we pooled our chrome operations to create the largest ferrochrome producer in the world. Glencore's merger with Xstrata took place in May 2013.

Stakeholder relationships

We believe our commitment and achievements in terms of empowerment, sustainability and good governance have allowed us to establish sound relationships with our stakeholders. A diagram setting out the stakeholders that Merafe and the Venture have identified, together with the issues we have identified that could have a material impact on our stakeholders, can be found on page 4.

For more information on the assets we pooled, of which we have retained ownership, and the additional assets we have invested in since participating in the Venture, see the tables on pages 18 and 50.

Our shareholding



EMPOWERMENT

87%
of our Board members are black

62%
of our Board members are female

71%
of all our employees are female

71%
of all our employees are black

GOVERNANCE AND SUSTAINABILITY

Our commitment to good governance and sustainability is reflected in our inclusion in the JSE Socially Responsible Investment (SRI) Index since its inception in 2003. Since 2014 the SRI Index assessment was applied to the top 100 companies on the JSE by market capitalisation and therefore excluded small capitalisation companies. However, Merafe continues to apply the principles of King IV and the SRI Index reporting criteria in its business.

OUR MATERIAL ISSUES

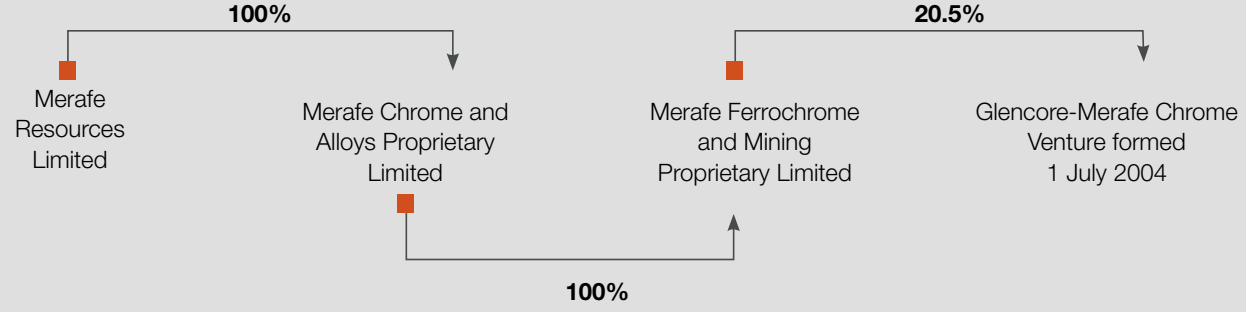
Our material issues and our materiality determination process are set out on pages 7 and 8.

OUR APPROACH TO RISK

We recognise that risk is inevitable in business and that it goes hand in hand with opportunity. We have established a risk management system that allows us to pursue business opportunities and grow shareholder value, monitor risk in our investments and develop and protect our people, the environment in which the Venture operates and our reputation.

Our approach to risk management is discussed in the Transparency and accountability section of this report on page 48.

Our Group structure



2017 year in review

Key features

- Revenue of **R5.9 billion** (2016: R5.7 billion)
- EBITDA of **R1.7 billion** (2016: R1.1 billion)
- Net profit of **R914 million** (2016: R532 million)
- Headline earnings of **36.4c per share** (2016: 21.2c)
- Ferrochrome sales volumes of **375kt** (2016: 437kt)
- Ferrochrome production of **395kt** (2016: 393kt)

Fatalities: **1** (2016: 1 fatality)

TRIFR of **3.74** (2016: 4.15)

9.5% appreciation in the average Rand/US Dollar exchange rate

Total dividend for 2017 of **R301 million** (2016: R120 million)

Average European benchmark ferrochrome price of **142 USc/lb** (2016: 96 USc/lb)

Successes

Record revenue and EBITDA

Record production volumes

Merafe level debt repaid in full

Challenges

Electricity pricing

Commodity prices/demand volatility

Community issues

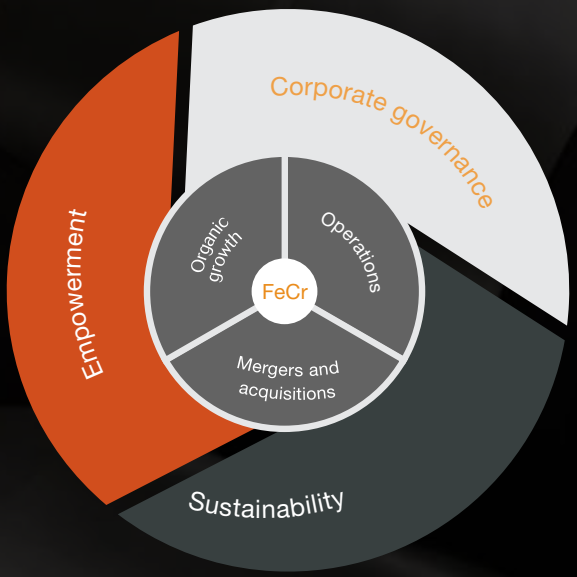
OUR BUSINESS MODEL AND STRATEGY

Ferrochrome

The aim of our business model and strategy is to ensure our ferrochrome interests are profitable and sustainable and that they add value to all our stakeholders. We achieve this by:

- extracting chrome ore from the Venture's mines and beneficiating it in its smelters in a safe and cost-efficient manner;
- investing in projects that include the Bokamoso and Tswelopele pelletising and sintering plants and the Lion ferrochrome plant Phases I and II that improve the energy and cost efficiency of the Venture's ferrochrome operations;
- employing the Venture's proprietary Premus technology to ensure it is the lowest-cost producer of ferrochrome in South Africa and, despite rising energy costs in South Africa, remains in the lowest quartile of the global ferrochrome production cost curve;
- using the flexibility provided by the Venture's variety of technologies to meet changing operating circumstances and customer requirements; and
- focusing on reducing costs at the operations and head office.

The Company may also consider acquisitions outside of ferrochrome on an opportunistic basis.



Stakeholders

In this report we have identified material issues and risks that could impact the stakeholders of Merafe and the Venture. These issues and risks were identified during engagements that Merafe and the Venture had with their stakeholders. We provide an overview of our stakeholders issues on this page and a table setting out our stakeholders, our methods of engaging with them and the issues arising from these engagements form part of our online report. The material issues are set out on pages 7 and 8 of this report and our approach to risk can be found on page 48.

PROVIDERS OF DEBT

- Impact of Rand/US Dollar exchange rate on cash flow
- Impact of ferrochrome prices on cash flow
- Risk management
- Ability to repay borrowings
- Compliance with covenants

GOVERNMENT AND REGULATORS

- Job creation
- Regulatory compliance
- Tax compliance
- Employment equity
- Empowerment credentials
- Health and safety

MERAFE EMPLOYEES

- Health and safety
- Remuneration, incentives and benefits
- Career opportunities
- Training and skills development

OUR PARTNERS IN THE GLENCORE-MERAFE CHROME VENTURE

- Sustainability
- Accountability and transparency
- Risk management
- Financial stability
- Empowerment credentials
- Alignment of interests

SUPPLIERS

- HDSA procurement requirements
- Contract terms
- Payment terms

SHAREHOLDERS AND INVESTORS

- Potential for future returns
- Impact of Rand/US Dollar exchange rate on cash flow
- Impact of ferrochrome prices on cash flow
- Project progress and funding
- Sustainability
- Impact of industrial action
- Safety record
- Good governance

MERAFE RESOURCES

THE VENTURE

CUSTOMERS

- Pricing
- Product availability
- Quality of product
- Contract terms and delivery
- Reliability of supply

GOVERNMENT AND REGULATORS

- Job creation
- Training and development
- Black empowerment credentials
- Employment equity
- Environment
- Regulatory compliance
- Compliance with Mining Charter
- Mining rights
- Health and safety

SUPPLIERS

- Contract terms
- Payment terms
- HDSA procurement requirements

COMMUNITIES

- Infrastructure development
- Job creation
- Enterprise development
- Local employment opportunities
- Portable skills development
- Local procurement
- Stakeholder responsiveness
- Corporate social investment

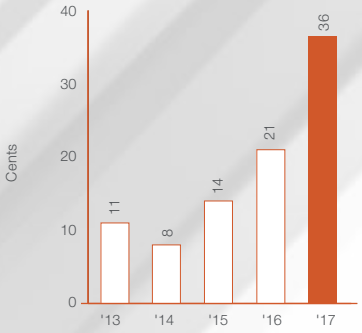
VENTURE EMPLOYEES

- Health and safety
- Career opportunities
- Training and skills development
- Consultation on future operational changes
- Employment equity
- Housing benefits
- Workers' rights
- Remuneration, incentives and benefits

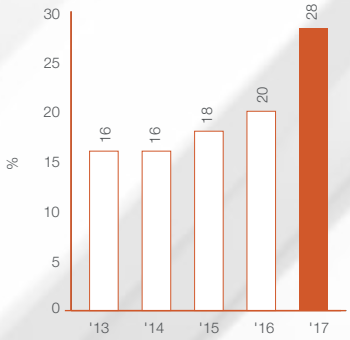
TRADE UNIONS

- Training and skills development
- Consultation on future operational changes
- Employment equity
- Housing benefits
- Workers' rights
- Remuneration, incentives and benefits
- Health and safety

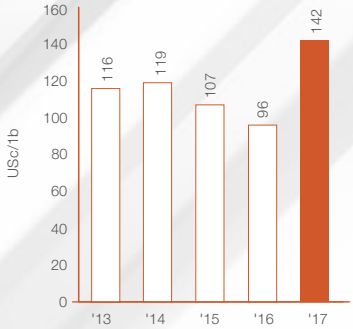
Five-year historical review of key indicators



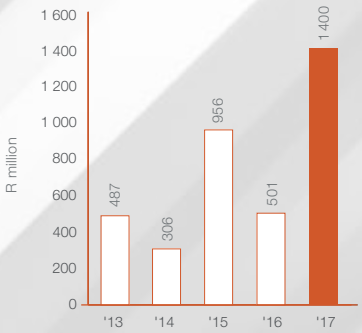
Headline earnings per share



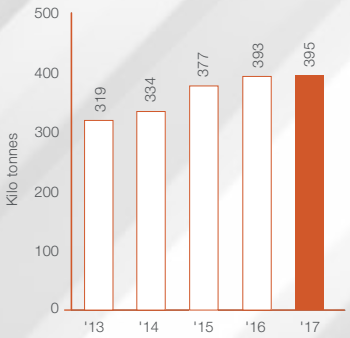
EBITDA margin on revenue



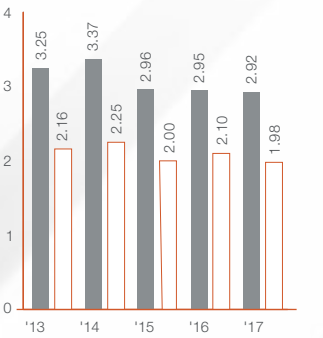
Average European benchmark ferrochrome price



Cash generated from operating activities



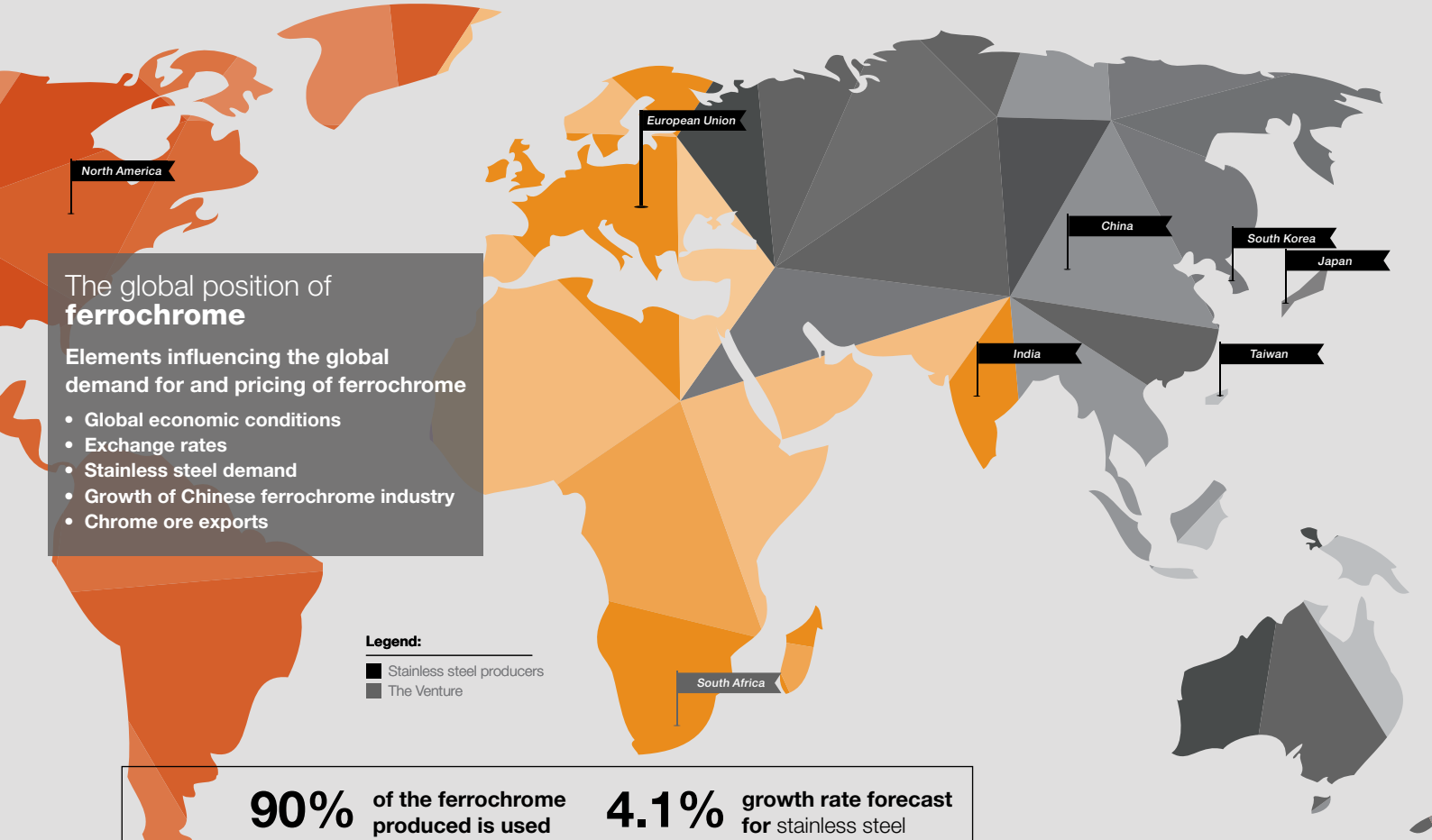
Attributable production tonnes



Power and ore consumption efficiencies

MWh per tonne of ferrochrome
Tonnes of ore per tonne of ferrochrome

Our operating context



The global position of **ferrochrome**

Elements influencing the global demand for and pricing of ferrochrome

- **Global economic conditions**
- **Exchange rates**
- **Stainless steel demand**
- **Growth of Chinese ferrochrome industry**
- **Chrome ore exports**

90% **of the ferrochrome produced is used in** stainless steel and specialty steels

4.1% **growth rate forecast for** stainless steel production in 2018

Our competitive advantage

- **Lowest-cost producer in South Africa**
- **Flexibility provided by variety of cost efficient technologies**
- **25% saving in energy consumption per tonne of alloy produced achieved as a result of major investments in energy efficiency (Lion Complex and two pelletising and sintering plants)**
- **Lion II achieves further energy efficiencies**
- **Significant chrome ore reserves and access to UG2**

Ferrochrome production and its role in stainless steel

Produced by high-temperature reduction (smelting) of chromite, ferrochrome contains iron, chrome, minor amounts of carbon and silicon, and impurities such as sulphur, phosphorous and titanium.

Chrome is a metallurgical marvel. It brings critical properties to the metals with which it is alloyed. Add it to carbon steel in the form of ferrochrome and the steel becomes 'stainless' – corrosion resistant, mechanically strong, heat resistant, hard wearing, shiny and glamorous. Stainless steel is used almost everywhere in modern life from nuclear reactors to exhaust pipes, architecture, kitchenware and a host of other applications.

Specialty steels produced for applications such as tools, injection moulds, camshafts, etc also derive the high mechanical strength, hardness and heat-resistance required from their chrome content.

Key statistics for 2017

- Global ferrochrome production increased from 11.1 million tonnes to approximately 12.3 million tonnes.
- Ferrochrome consumption increased by approximately 7% in 2017 to 12.2 million tonnes.
- South Africa produced approximately 3.6 million tonnes in 2017.
- China consumed approximately 13.9 million tonnes of chrome ore in 2017 with South Africa accounting for 71.9% of imports into China.

For more information on ferrochrome production, ferrochrome consumption, stainless steel production and chrome ore imports, see the CEO's strategic review on page 9 and the tables on pages 10 and 11.

South African chrome industry

Facts

Approximately **29%** of the world's ferrochrome production was supplied by South Africa in 2017

Over **72%** of the world's chrome reserves are in South Africa

Provides over **200 000** direct and indirect jobs

Challenges faced by South African ferrochrome producers

- Increasing production costs
  – electricity
  – labour
- Socio-political challenges
- Legislative uncertainty
- Commodity prices and demand
- Chrome ore exports

MATERIAL ISSUES

The directors' statement regarding the materiality determination process

As the Board of Merafe we acknowledge our responsibility to ensure the integrity of the integrated annual report, including the determination of material issues. We acknowledge that we have applied our collective mind in determining the material issues for Merafe and have used the materiality process described below. We believe that this process is suitably designed to identify our material issues. The material issues disclosed in this section accurately reflect the outcome of this process and have taken into consideration our business model, operating context, stakeholder concerns and strategic plan.

Materiality determination process

- The Board sets and approves three-year strategic plans for the Company. On an annual basis the Board reviews and adjusts the strategic plan where necessary.
- The Board, through the Audit and Risk Committee and Board strategic workshops, annually considers the risks (see page 48 of this report) the Company may face and a risk matrix listing the risks and their importance is updated quarterly. There are approximately four Board and separate Board committee meetings during a year and further separate executive, management and Board strategy sessions to set a new strategic plan and/or assess the current plan in operation.
- Key to our process is consultation with stakeholders (see page 4 of this report). Stakeholder feedback is then discussed at management, executive and Board strategic meetings and incorporated into the strategic plan and risk register.
- The executive and management of Merafe participate in the Venture (including participation in executive and Board meetings of the Venture), which assists with the assessment and consideration of the Venture's material issues (see page 39 of this report).
- During the integrated reporting process, the Board and its committees assess the report to ensure our reporting is aligned in terms of strategy, key risks and issues material to both Merafe and its stakeholders.

Issue	Possible impact	Our response
Global economic environment	The global economic environment can have a positive or negative impact on the demand for the ferrochrome and chrome ore the Venture produces. When it is doing well then demand increases and prices tend to follow suit. The volatility of the Rand/US Dollar exchange rate also affects our profitability. This financial year, for instance, the appreciation in the value of the Rand against the US Dollar impacted our profitability. All our stakeholders are affected by our ability to be profitable and sustainable.	We cannot influence the Rand/US Dollar exchange rate or the global economy, and market demand dictates the price of ferrochrome. Both Merafe and the Venture can, however, take action to contain costs and remain profitable. The Venture's investment in increasing the energy efficiency of its operations and reducing the cost of the reductants makes it the lowest-cost producer in South Africa.
Exposure to one commodity	Diversification into other commodities would provide us with a buffer against the cyclical nature of ferrochrome which can and has negatively impacted our profitability in certain years. This issue could impact our shareholders, management and employees.	In August 2014, the Board announced its strategy to focus mainly on ferrochrome and chrome in the medium term and this was the main focus in 2015, 2016 and 2017. The Board, by participating in the Venture, ensures that the competitive advantages enjoyed by the Venture as set out on page 6 mitigate this risk of exposure to one commodity. The Company also considers acquisitions outside of ferrochrome on an opportunistic basis.
Venture in which we do not have a majority stake	By not being in control of our own destiny we could be negatively impacted by such a partnership. Decisions taken in the best interest of the Venture, may on the other hand, negatively impact Merafe. Both shareholders and employees stand to be affected by this issue.	Contractual provisions and partnering with a world-class operator and global ferrochrome leader, are all helpful in bolstering our overall sustainability. We continually strive to ensure the interests of both partners in the Venture are aligned and to maintain strong relationships between both management teams based on mutual respect.
Empowerment credentials	These credentials are important to maintain a competitive advantage and they also affect the empowerment status of the Venture.	In 2015 Glencore BV acquired the shares of Royal Bafokeng Holdings in the Company. The industry and Merafe, are awaiting clarity regarding the "once empowered always empowered" principle. See the Chairperson's report on page 35 for more details as well as the report of the CEO on pages 9 to 11.

Material issues (continued)

Issue	Possible impact	Our response
Safety, health and wellbeing of Merafe's employees and the Venture's employees and contractors	Maintaining a safe and healthy environment is one of the cornerstones of our success. Employee morale is affected by how we manage this issue. Significant reputational damage is also a key factor. This issue could impact employees, contractors and their families; the Department of Mineral Resources (DMR) – Mine Health and Safety Inspectorate; trade unions and investors.	The Venture invests in safety training and efforts to transform its safety culture into one where every employee takes responsibility for their safety and that of their fellow employees.
Industrial action in the mining industry and in particular in the operations of the Venture	Loss of production impacts on profitability. We also need to consider increased costs and the possible damage to property. The safety of the Venture's employees is also at risk; intimidation of employees by strikers and a breakdown in the relationship with Venture employees are all important factors affecting not only Venture employees but families, communities, DMR and shareholders.	Communication and mutual understanding and respect are fostered daily with employees to enhance the working relationship. We also invest time and effort in establishing an understanding with the trade unions. The Venture also abides by the collective agreements in place and negotiates with the unions with the aim of reaching agreement on annual wage increases.
Our social licence to operate	Dissatisfied communities embarking on action to remove the Venture's social licence to operate would create an unsustainable working environment as well as cause significant reputational damage. Communities, investors, DMR, employees and local municipalities would all be affected.	Community social issues are addressed regularly with goodwill, commitment and leadership. By addressing social issues, the South African mining industry can achieve a more sustainable environment for itself and the communities in which it operates.
Chrome ore exports to China	Ferrochrome sales to China are impacted by the export of unbeneficiated chrome ore from South Africa, which is facilitating the growth of a ferrochrome industry in China (see page 11 of this report). Profitability would be negatively impacted and shareholders, Merafe management, Merafe employees, Venture partners, Venture employees and communities, as well as government stakeholders (for example SARS) would feel the effects.	The strategy of being the lowest-cost producer mitigates this risk. The Venture further believes that market forces over the medium term will reduce this risk.
Power prices and the availability of electricity	Loss of sales is highly likely if increased costs make our product prices uncompetitive. A further possible impact is a loss of production because of electricity not being available. Should the Venture be unable to secure an electricity supply for new projects, it would be unable to grow its operations. This issue could impact shareholders, Merafe management and employees as well as Venture management, employees, communities and customers.	The Venture's continued development and application of energy-efficient technology allows it to maintain its position as South Africa's lowest-cost producer of ferrochrome and therefore the most competitive South African producer. The Venture regularly engages with Eskom and is represented on the Energy Intensive User Group (see page 20 of this report).
Climate change	Climate change can impact business continuity and profitability; health and safety; environmental aspects. The Venture's operations give rise to a significant quantity of indirect and direct greenhouse gas (GHG) emissions and are also exposed to the potential impacts of climate change resulting from GHGs.	The Venture continually engages with legislators, researchers and industry bodies to track and evaluate the situation and develop an improved awareness of and preparation for the risks associated with climate change. The Venture continues to take steps to reduce its carbon footprint. These include the development of energy-efficient technology and research into the use of alternative sources of energy.
Water	Water is an important input in our operations. All stakeholders are impacted by this issue.	With regard to water we ensure we have adequate supply and storage facilities. We have access to different water schemes, we reuse a large proportion of water and we have access to underground water. In 2017, the Venture embarked as part of its water conservation and water demand management strategy to implement compressive model base water balance at all our sites. All of the mines and two of the smelters were completed during 2017 and the rest of the smelters will be completed during 2018. The water reticulation is comprehensively mapped and assimulated into the model to ensure all water streams are covered. The models also have a predictive function which simulates any process changes as to assess the impact on the whole water reticulation.

Chief Executive Officer's strategic review

The focus of the Company in 2017 continued to be on safety, ferrochrome production, maximising cash flows from the Venture and reducing debt and costs.



Zanele Matlala
Chief Executive Officer

Introduction

For the 2017 financial year new records were set for ferrochrome and chrome ore production, revenue and EBITDA. We have delivered excellent returns to shareholders, with a record total dividend of R301m for the 2017 year, underpinning our stable dividend policy.

The exceptional results were achieved despite the year under review being characterised by volatility in both ferrochrome prices and Rand/US Dollar exchange rate. Ferrochrome and chrome prices saw a marked pull back from multi-year highs reached towards the end of 2016. The European Benchmark ferrochrome price was set at 165 US cents/lb for the first quarter of 2017 only to decline to 139 US cents for the fourth quarter of 2017 due to macro-economic factors. The average Rand/US Dollar exchange rate strengthened by 9.5% during the year under review.

Financial review

Profit after tax rose by 72% as a result of higher revenue. The increase in revenue was driven by significantly higher prices, which were offset by lower volumes and a stronger Rand:US Dollar exchange rate.

The balance sheet strengthened even further as a result of our focus on debt reduction as part of our strategy. The net cash position improved significantly from net debt of R409 million in 2016 to R600 million net cash at the end of 2017 financial year.

I refer you to the Financial Capital section of this report on pages 12 to 15 as well as to our annual financial statements which are on our website for further information.

Operational review

Production volumes rose to a new record high of 395kt which is equivalent to 82% of installed capacity.

There were no major electricity supply constraints during the year. The NERSA approved tariff hike of 2,2% became effective on 1 April 2017. Post year-end NERSA approved a 5.23% increase effective 1 April 2018 despite Eskom applying for a double digit increase of 19.9%.

Sadly we had a fatality at our Lion Smelter on 21 March 2017 when Mr Tshepo Braine Makola sustained fatal injuries. Our deepest condolences go to his family, friends and colleagues.

The safety of our employees continues to be a key priority. For this reason we are pleased with the downward trend in Total Recordable Frequency Injury Rate which reduced from 4.15 to 3.74.

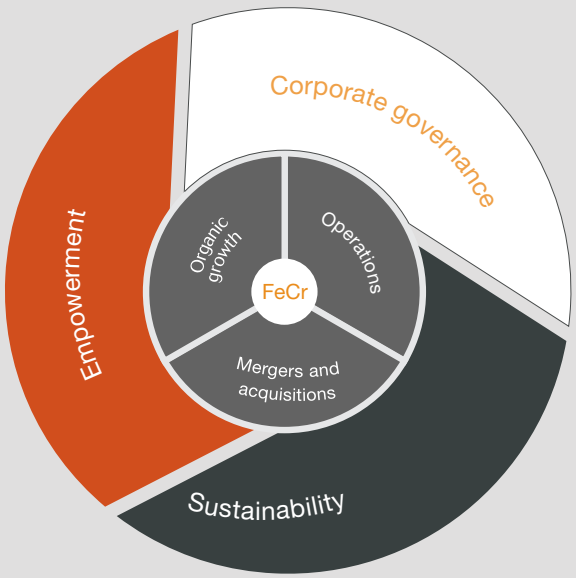
Once again there were sporadic incidents of community unrest in the Steelpoort area. However this did not have a significant impact on our operations. We continue to engage all relevant stakeholders to find lasting solutions to the issues.

Market review

Global stainless steel growth stalled in early 2017 when a number of Chinese mills announced widespread environmental and pricing-linked shutdowns. Despite the slow start to the year, the commissioning of a large Indonesian stainless steel project, increasing US output, and a second-half recovery in Chinese production resulted in global stainless steel output achieving growth of 5.9%^. Global output for the year is estimated to have been 48.3^ million tonnes, of which Chinese mills accounted for 25.7m^ tonnes.

Ferrochrome pricing remained volatile throughout 2017, as both market fundamentals and macroeconomic factors contributed to large swings. The year began with near-term record chrome prices as Metal Bulletin's quotes for imported charge chrome (CIF China) and imported UG2 chrome ore (CIF China) reached 135.00 US c/lb and 395.00 USD/t respectively. This followed a Q1 2017 European Benchmark ferrochrome price of 165.00 US c/lb, which increased 50% from the prior quarter.

The strong pricing environment incentivised additional supply which, in conjunction with the temporary slowdown in the Chinese stainless industry, caused a rapid pricing decrease in early Q2 2017. Metal Bulletin's quotes for UG2 chrome ore and imported charge ferrochrome reached floors in June, when they were announced as 138.00 USD/t and 70.00 c/lb respectively.



*** Chinese trade information*
^ CRU

See the table on page 11 for details of China's chrome ore imports.

Chief Executive Officer's strategic review (continued)

The second half of the year was characterised by a rebalancing of the industry's supply-demand structure, and multiple price fluctuations continued to cause disruption. Under these conditions, Chinese ferrochrome producers were able to increase their 2017 annual output to 4.9m^ tonnes, up from 4.1m^ tonnes a year earlier. Global ferrochrome output is estimated to have increased to 12.3m^ tonnes in 2017, up 11.3%^ year on year.

China's increase in ferrochrome production resulted in a large rise in seaborne chrome ore trade. During 2017, China imported 13.9m** tonnes of chrome ore, marking a year on year increase of 31.1%**. South African producers maintained their position as China's largest supplier, accounting for 72.3%** of these imports by volume.

*** Chinese trade information*
^ CRU

Mining Charter review

The industry and ourselves await the outcome of the review of the Revised Mining Charter by the Chamber of Mines. The Revised Mining Charter was published on 15 June 2017 by the Minister of Mineral Resources and subsequently suspended by the Minister until judgement has been handed down in the matter. At the time of writing, the matter has been postponed to allow for further discussions and engagement. However, the Company is committed to meaningful transformation and is strongly of the view that transformation is critical to the sustainability of the Company in the long term.

Strategic focus

The focus of the Company in 2017 continued to be on safety, ferrochrome production, maximising cash flows from the Venture and reducing debt and costs.

As a result of this focus, we managed to settle all debt at Merafe level and pay record dividends to our shareholders.

We remain mindful that mining is a long-term business and we need to show value to all our stakeholders and be fully focused on material issues which may impact the business in the future. In this regard I refer you to pages 7 and 8 of this report (Material Issues section) as well as the sections on Natural, Human and Social capital in this report.

Outlook

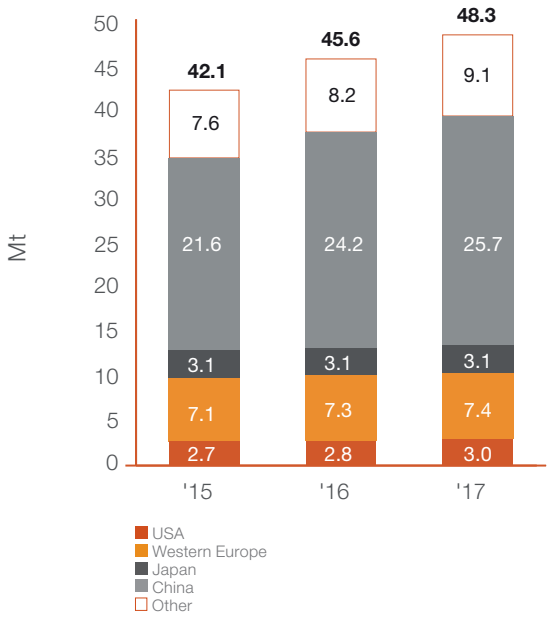
Global stainless production is projected to grow by 4.1%^ in 2018 and an average of 3%^ for the three years thereafter, as additional Indonesian capacity is brought online and demand remains robust. This will bolster demand for ferrochrome, particularly from non-Chinese sources. Merafe remains well-positioned to take advantage of the healthy market outlook.

In accordance with our strategy, we remain committed to maximising return to our shareholders in the near term in the form of dividends and will continue to assess opportunities to deliver shareholder value.

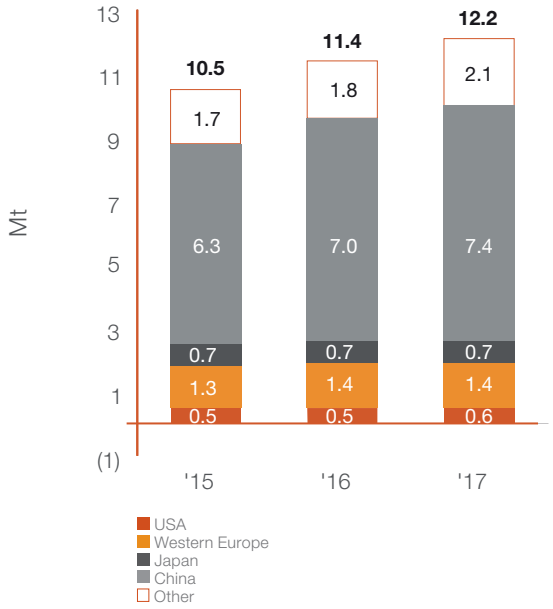
Zanele Matlala
Chief Executive Officer

KEY MARKET INDICATOR'S

Global Stainless Steel Production

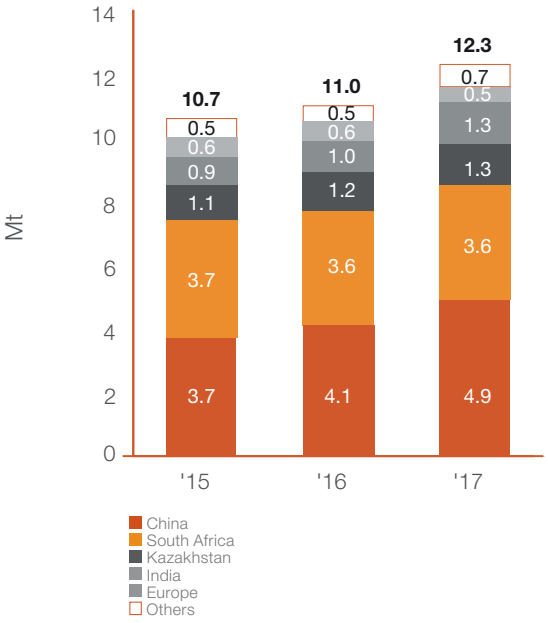


Global Ferrochrome Demand

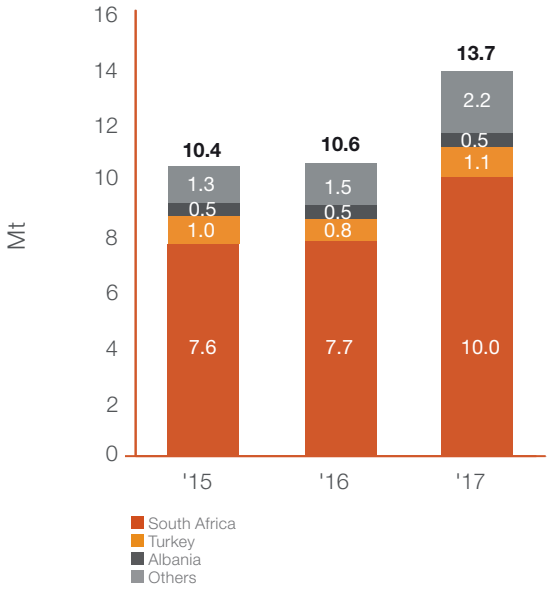


KEY MARKET INDICATOR'S (CONTINUED)

Global Ferrochrome Production



Chrome Ore Imports into China



FINANCIAL CAPITAL

MATERIAL ISSUES

- Global economic environment
- Ferrochrome demand and prices
- Energy supply and prices
- Rand/US Dollar exchange rate
- Costs

Financial capital makes it possible for the other types of capital to be owned and traded. It is also representative of how successful we have been at achieving the sustainable development of our natural, human, social and manufactured capital.

Sustainable organisations need a clear understanding of how financial value is created, in particular dependence on other forms of capital. We enhance our financial capital by:

- effective management of risk;
- corporate governance structures;
- ensuring equitable use of wealth created; and
- assessing the wider economic impact of our activities on society.

Our annual financial statements form part of our online integrated annual report for 2017. They are also available from our Company Secretary.



Kajal Bissessor
Financial Director

Merafe's financial results for 2017 were outstanding with new records set for revenue and EBITDA. During the year we focused on debt reduction and balance sheet strengthening and are pleased to report that the debt at Merafe level was fully settled by year-end. The Merafe Group reported a net cash balance of R600m at the end of 2017 which is a significant turnaround from the net debt balance of R409m at the end of 2016. We delivered on our stable dividend policy and are pleased to report record dividends declared of R301 million for the year ended 31 December 2017.

KEY POINTS – 2017

Revenue
R5.9 billion
(2016: R5.7 billion)

EBITDA
R1.7 billion
(2016: R1.1 billion)

Net profit
R914 million
(2016: R532 million)

Net cash balance of
R600 million
(2016: R409 million net debt)

Dividends
declared of
R301 million
(2016: R120 million)

Financial performance

Detailed below are the key contributors to the exceptional results:

- Revenue increased by 3% which is a function of the significant increase in both ferrochrome and chrome ore prices partially offset by lower ferrochrome and chrome ore sales volumes and a strengthening of the average Rand/US Dollar exchange rate;
- Production cost increases of 9% per tonne of ferrochrome were well managed and controlled despite significant pricing pressures for both chrome ore input costs and reductants. In this regard, I refer you to the Manufactured capital section of the report at page 17;
- Corporate costs of R40.4 million (2016: R43.0 million) includes a cash settled share-based payment expense of R5.6 million (2016: R12.8 million) and CSI expenses of R3.5 million (2016: R10 000) contributed to Adopt-a-School;
- Depreciation increased by 12% year on year as a result of the re-assessment of useful lives and residual values coupled with the scrapping of assets;
- Net financing costs reduced by 68% as a result of the repayment of borrowings;
- Merafe's EBITDA margin increased significantly from 20% in 2016 to 28% in 2017; and
- The effective tax rate increased marginally from 28.4% in 2016 to 28.5% in 2017.

Financial position and cash flows

- Property, plant and equipment increased from the prior year as a result of capital expenditure of which R403.0 million (2016: R276.0 million) relates to sustaining and R823 000 (2016: R11.6 million) relates to expansionary. The increase in sustaining capital expenditure is as a result of inflation, required refurbishments to older plants in the group coupled with the Venture's ongoing efforts to improve costs and efficiencies across all operations;
- The increase in inventories is a function of higher raw materials and finished goods. The increase in raw materials is mainly due to higher chrome ore stock levels at a higher average cost as well as an increase in the reductant cost per tonne. The increase in finished goods is a function of higher production volumes compared to sales volumes as well as higher production costs. Finished goods on hand at year end is approximately four to five months of sales;
- Trade and other receivables reduced significantly compared to the previous year which was primarily as a result of the following:
  - A stronger Rand/US Dollar exchange rate of R13.7 at the end of 2016 compared to R12.4 at the end of 2017;
  - Earlier than expected receipts from customers; and
  - Lower ferrochrome sales volumes in the last quarter of 2017 compared to the last quarter of 2016.
- Utilisation of the Venture's debtors discounting facility reduced from R309 million in 2016 to R72 million in 2017;
- At 31 December 2017, we had nil debt at Merafe level and unutilised debt facilities of R200 million;
- The net debt** position improved significantly from R409 million net debt in 2016 to R600 million net cash in 2017; and
- At 31 December 2017, Merafe had cash and cash equivalents of R671.7 million (2016: R263.3 million) which comprised cash held by Merafe of R464.0 million (2016: R208.7 million) and R207.7 million (2016: R54.6 million) being Merafe's share of the cash balance in the Venture.

Dividend payments

- The interim dividend paid was R75.3 million (2016: R20 million) and a final dividend of R226 million (2016: R100.4 million) was declared by the Board.

***Includes cash and cash equivalents, Merafe's 20.5% of the Glencore Merafe Venture's debtors facility and Merafe's head-office debt.*

Kajal Bissessor
Financial Director

Our annual financial statements form part of our online integrated annual report for 2017. They are also available from our Company Secretary.

Financial capital (continued)

Summarised consolidated statement of comprehensive income

	For the year ended	
	31 December 2017 Audited* R'000	31 December 2016 Audited* R'000
Revenue	**5 888 945**	5 701 567
EBITDA	**1 665 259**	1 133 197
Depreciation	**(368 212)**	(329 893)
Net financing costs	**(19 325)**	(59 356)
Profit before taxation	**1 277 722**	743 948
Taxation	**(363 604)**	(211 518)
Profit and total comprehensive income for the year	**914 118**	532 430
Basic earnings per share (cents)	**36.4**	21.2
Diluted earnings per share (cents)	**36.4**	21.2
Ordinary shares in issue	**2 510 704 248**	2 510 704 248
Weighted average number of shares for the year	**2 510 704 248**	2 510 704 248
Diluted weighted average number of shares for the year	**2 510 704 248**	2 510 704 248

Summarised consolidated statement of financial position

	As at	
	31 December 2017 Audited* R'000	31 December 2016 Audited* R'000
ASSETS		
Property, plant and equipment	**3 271 155**	3 235 204
Deferred tax asset	**17 726**	19 340
Long-term receivable	**13 864**	–
Total non-current assets	**3 302 745**	3 254 544
Inventories	**1 497 798**	1 105 437
Current tax assets	**–**	36 395
Trade and other receivables	**883 249**	1 587 280
Cash and cash equivalents	**671 655**	287 880
Total current assets	**3 052 702**	3 016 992
Total assets	**6 355 447**	6 271 536
EQUITY		
Share capital	**25 107**	25 107
Share premium	**1 269 575**	1 269 575
Retained earnings	**3 340 843**	2 602 474
Total equity attributable to equity holders	**4 635 525**	3 897 156
LIABILITIES		
Loans and borrowings	**11 094**	189 102
Share based payment liability	**5 379**	5 012
Provisions	**287 518**	151 747
Deferred tax liabilities	**780 485**	829 528
Total non-current liabilities	**1 084 476**	1 175 389
Loans and borrowings	**1 044**	187 839
Trade and other payables	**550 556**	668 235
Working capital loan**	**72 272**	309 133
Share based payment liability	**3 376**	9 208
Bank overdraft	**–**	24 576
Current tax liability	**8 198**	–
Total current liabilities	**635 446**	1 198 991
Total liabilities	**1 719 922**	2 374 380
Total equity and liabilities	**6 355 447**	6 271 536

** These summarised financial statements were not audited, however, the information has been extracted from the audited consolidated annual financial statements.*
*** The working capital loan was reclassified from trade and other receivables to a current liability.*

Statement of changes in equity

	For the year ended	
	31 December 2017 Audited* R'000	31 December 2016 Audited* R'000
Issued share capital – ordinary shares	**25 107**	25 107
Balance at beginning and end of year	25 107	25 107
Share premium – ordinary shares	**1 269 575**	1 269 575
Balance at beginning and end of year	1 269 575	1 269 575
Retained earnings	**3 340 843**	2 602 474
Balance at beginning of year	2 602 474	2 120 007
Profit and total comprehensive income for the year	914 118	532 430
Dividends paid	(175 749)	(49 963)
Total equity at end of year	**4 635 525**	3 897 156

Summarised consolidated statement of cash flow

	For the year ended	
	31 December 2017 Audited* R'000	31 December 2016 Audited* R'000
Profit before taxation	**1 277 722**	743 948
Finance expense	27 958	63 400
Finance income	(8 633)	(4 044)
Depreciation	368 212	329 893
Adjusted for non-cash items	5 588	12 805
Share grants vested	(11 053)	(4 624)
Embedded derivative expense	155 852	(134 549)
Provisions	135 771	12 396
Effect of exchange rate fluctuation on cash held during the year	47 175	13 239
Adjusted for working capital changes	(219 666)	(310 745)
Cash flows from operations	**1 778 926**	721 719
Interest paid	(21 125)	(50 745)
Interest received	8 514	2 727
Tax paid	(366 441)	(172 193)
Cash flows from operating activities	**1 399 874**	501 508
Cash flows from investing activities	**(403 796)**	(287 582)
Acquisition of property, plant and equipment – sustaining	(402 973)	(275 995)
Acquisition of property, plant and equipment – expansionary	(823)	(11 587)
Cash flows from financing activities	**(540 552)**	(246 953)
Dividends paid	(175 749)	(49 963)
Loans repaid	(364 803)	(196 990)
Net increase/(decrease) in cash and cash equivalents	455 526	(33 027)
Net cash and cash equivalents at the beginning of the year	263 304	309 570
Effect of exchange rate fluctuations on cash held	(47 175)	(13 239)
Net cash and cash equivalents at the end of the year	**671 655**	263 304

** These summarised financial statements were not audited, however, the information has been extracted from the audited consolidated annual financial statements.*

MANUFACTURED CAPITAL

MATERIAL ISSUES

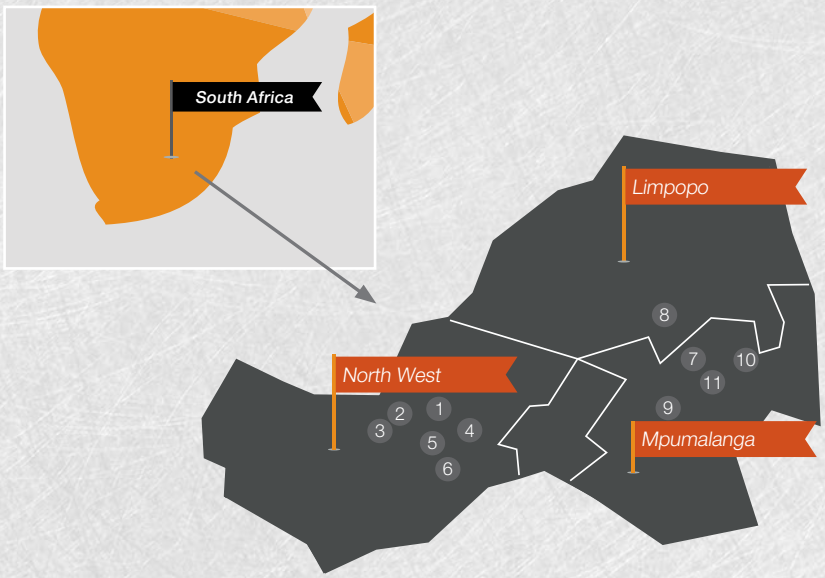
- Health and safety
- Project execution
- Pricing and the availability of electricity
- Raw material availability
- Business continuity and profitability
- Investing in new technology to increase energy efficiency
- Industrial action
- Community issues

We enhance our manufactured capital by:

- employing our infrastructure, technologies and processes to use our resources most efficiently
- devising technology and management systems that reduce our waste and emissions

Manufactured capital in the mining context relates to the mining and smelting process and how it is conducted and the assets, which are being mined and beneficiated. It is important to an organisation's sustainability because its efficient use allows an organisation to be flexible and innovative and increases the speed at which it delivers.

Our operations



Glencore-Merafe Chrome Venture operations

1. Rustenburg ferrochrome plant and Tswelopele pelletising and sintering plant
2. Boshoek ferrochrome plant and Motswedi pelletising and sintering plant
3. Boshoek mine
4. Wonderkop ferrochrome plant and Bokamoso pelletising and sintering plant
5. Waterval (east and west) and Marikana mines
6. Kroondal mine
7. Thorncliffe mine
8. Lion ferrochrome plant
9. Lydenburg ferrochrome plant
10. Helena mine
11. Magareng mine

KEY POINTS – 2017

Merafe attributable ferrochrome production **395kt**
(2016: 393kt)

Mined chrome ore production up by **9%**

Excellent **cost performance**

Annual production records at the smelters

Annual production records at the mines

One fatality
(2016: one)

Excellent
TRIFR performance

No strikes

Overview

Attributable ferrochrome production of 395kt during 2017 was slightly more than during the previous year in spite of deliberate production reductions during the winter months as a result of weak market conditions in the second quarter.

A number of annual production records were achieved during 2017 including all time high production levels for the Venture, the Lion smelter and the Wonderkop smelter.

Annual production records were also achieved by the Tswelopele and Bokamoso pelletising and sintering plants at the Rustenburg and Wonderkop smelters. The record at the Tswelopele plant was remarkable since it is the first plant of its type in the world to achieve more than design capacity over a full-year period.

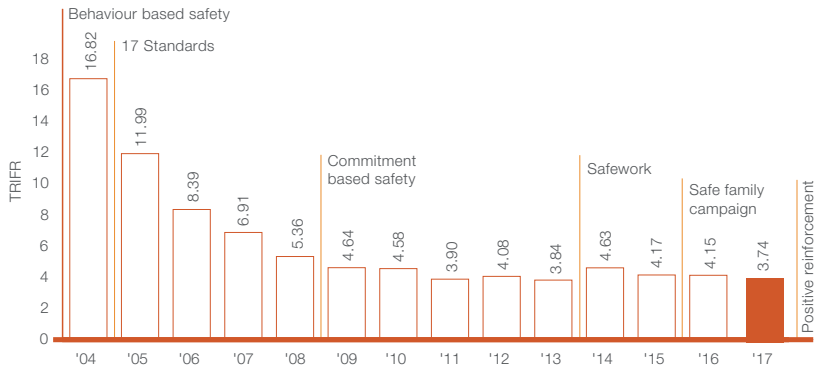
The good production performance did not only result in larger volumes but also resulted in excellent cost performances. Total unit production cost increases during 2017 was contained to 9% in spite of extreme increases in ore and reductant consumption prices of 15% and 31%. The electricity price increase of only 2.2% and reduced production during the high electricity tariff winter months assisted greatly. Higher volumes also contributed to the lower unit costs through fixed cost dilution.

Safety

The Venture continues to place maximum focus on safety. Unfortunately, despite this effort , we are sad to report that there was a fatal accident in the operations of the Venture during 2017 as referred to more fully in the report of the CEO on page 9 and the report of the Chairperson on page 35.

A number of safety campaigns were launched since the onset of the Venture in 2004 as part of the ongoing efforts to improve on the safety performance. This was indeed achieved as evident in the graph below where the total recordable injury frequency rate (TRIFR) reduced to levels around 4 over the past few years. See pages to 26 to 28 of this report for a summary of the Venture's approach and performance in respect of safety and health for 2017.

TRIFR 2004 – 2017



Eskom

Our furnaces are fully dependent on a reliable and cost effective supply of electricity from Eskom. At present Eskom has entered a phase where it has an oversupply of electricity due mainly to reduced electricity demand in the country.

Lower electricity sales and large over-expenditures on their new build programme placed enormous pressure on Eskom's financial situation. The Regulator allowed a 2.2% tariff increase on 1 April 2017. Later in the year Eskom requested a further 19.9% increase according to a special one-year tariff application. The Regulator only allowed 5.23% of this request after vigorous public hearings where all sectors of society clearly voiced their objections against the increase. For further discussion on Eskom and pricing rates I refer you to the CEO's strategic review on pages 9 and 10 of this report.

The benefits to the Venture of investing into energy efficient projects like Lion phases 1&2, Bokamoso and Tswelopele has shown to be extremely significant and the benefits compared to other ferrochrome producers will increase with future electricity price increases.

Chrome ore production

The Chrome mines produced new record annual total with saleable chrome ore production at 8.8% more than the previous period.

Higher volumes were mainly due to fewer section 54 stoppages, better recoveries from the run of mine ore and less power interruptions.

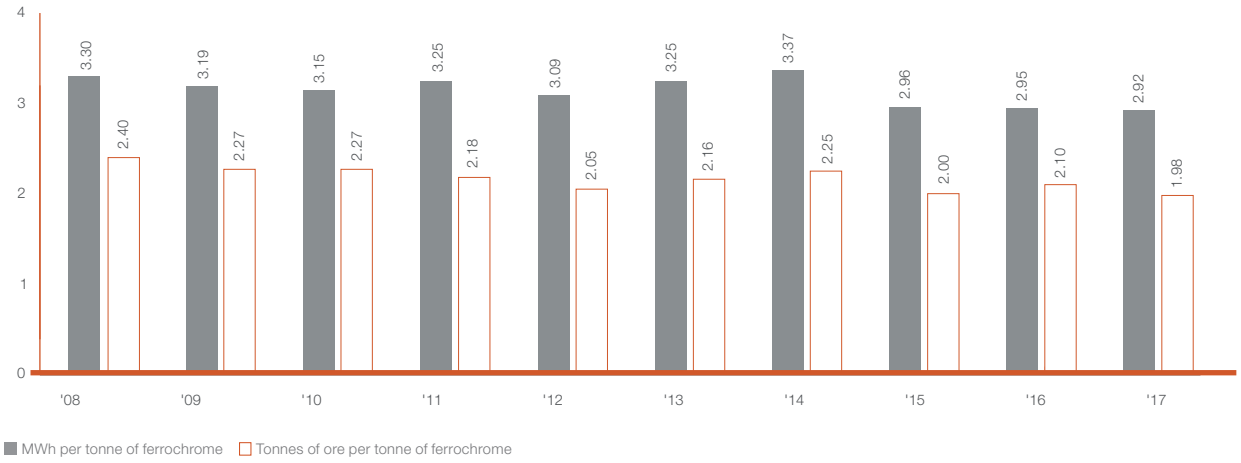
UG2 production volumes in 2017 were 7.6% less than the previous year due to a lower offtake during the second quarter when prices were low.

From the Resources and Reserves Statement on pages 23 to 25 of this report it is clear that the Venture has more than sufficient ore available at the current rate of mining. If inferred reserves set out in the Mineral Resources and Reserves Statement are excluded, the total life of mine is still calculated at more than 30 years.

Dr Jurg Zaayman
General Manager
Merafe Chrome

Manufactured capital (continued)

Power and ore consumption efficiencies



The Glencore-Merafe Chrome Venture's operations

Ferrochrome plants	Capacity	Technology	Mines
Western Limb (North West province)			
Wonderkop	**553 000** tpa FeCr	Bokamoso pelletising and sintering plant using Outotec technology	Kroondal, Waterval and Marikana
	6 furnaces	Conventional semi-enclosed furnaces	
Rustenburg	**430 000** tpa FeCr	Tswelopele pelletising and sintering plant using Outotec technology	Kroondal, Waterval and Marikana
	6 furnaces	Conventional semi-enclosed furnaces	
Boshoek	**240 000** tpa FeCr	Motswedi pelletising and sintering plant using Outotec technology	Waterval, Kroondal and Boshoek
	2 furnaces	Enclosed furnaces	
Eastern Limb (Mpumalanga and Limpopo provinces)			
Lydenburg	**396 000** tpa FeCr	Premus – kilns	Thorncliffe, Helena and Magareng
	4 furnaces	Three enclosed furnaces and one semi-enclosed furnace	
Lion Phase I	**360 000** tpa FeCr	Premus – kilns	Thorncliffe, Helena and Magareng
	2 furnaces	Enclosed furnaces	
Lion Phase II	**360 000** tpa FeCr	Premus – kilns	Thorncliffe, Helena and Magareng
	2 furnaces	Enclosed furnaces	

The Venture has access to various UG2 plants, in the Western Limb including EPL, Kanana, KI, K2, K4 and Rowland, and Mototolo in the Eastern Limb.

PERFORMANCE

NATURAL CAPITAL

MATERIAL ISSUES

Energy
- Pricing and the availability of electricity supply
- Business continuity and profitability
- Investing in new technology to increase energy efficiency

Climate change
- Environmental aspects of climate change
- The Venture's production of significant quantities of indirect and direct greenhouse gas emissions (GHG)
- Investing in new technologies to reduce emissions

Health and safety
- Safety of employees
- Health of employees
- Training
- Remuneration

Water
- Use and availability

Waste
- Incidents and compliance

Natural capital includes the natural resources and processes needed by an organisation to produce its products.

This includes renewable (timber and water) and non-renewable (fossil fuels and minerals and metals) resources and processes such as energy consumption, waste creation, emissions, etc. Without access to the natural capital contained in our mineral reserves and resources our business would not exist.

We maintain and enhance natural capital by:
- reducing our dependence on fossil fuels;
- eliminating waste by reusing or recycling it whenever possible;
- protecting biodiversity and ecosystems;
- wherever possible using renewable resources from well-managed and restorative ecosystems; and
- managing resources and reserves efficiently.

Natural capital: climate change and energy

KEY POINTS – 2017

The CO_2e generated per tonne of ferrochrome produced was

5.58tCO_2e

(2016: 5.48tCO_2e)

The energy use per tonne of ferrochrome produced was

15.35Gj

(2016: 13.50Gj)

Stakeholder impact

The Venture's stakeholders benefit from its energy efficiencies, which have made it one of the lowest-cost ferrochrome producers in the world and the lowest-cost producer in South Africa.

Managing climate change and carbon emissions

The Venture focuses on understanding the current and future impact of climate change on its operations. Climate change risks are included in each operation's risk assessment. It measures and interprets energy and greenhouse gas (GHG) data to identify areas of opportunity. The Venture continuously researches and identifies potential energy and GHG reduction opportunities and evaluates the feasibility of implementing these opportunities. It also actively participates in discussions on climate change legislation via various industry organisations.

The Venture's efforts to continually evaluate and better its energy efficiency are in line with the societal demand to reduce the emissions of GHGs. It uses the Greenhouse Gas Protocol as an accounting and reporting standard for our emissions, which uses the factor of 1.009kgCO_2kWh. This protocol was developed in partnership with the World Resources Institute and the World Business Council for Sustainable Development. It divides GHG emissions into different types, categorising them as either direct or indirect emissions.

A representative of the Venture served on the council of the Energy Intensive User Group (EIUG) during 2017. The Venture, which chairs the Ferro Alloys Producers Association (FAPA), represents the ferroalloys industry at Business Unity of South Africa (BUSA). The Venture's representatives play a leading role in these forums and they comment on climate change and carbon tax legislation. The Venture also lobbies with government via these forums to ensure that the potential impact that the proposed legislation will have on our industry and Company is understood by government.

During 2017, the Venture again played an important role in the engagement process, which took place between business and the National Treasury on the draft carbon tax paper. It also continued engaging with all members of FAPA to gain a common understanding of GHG emission factors for our sector and the calculation of the GHG emission footprint.

Climate change performance is included in the health, safety, environment and community performance indicators that the Venture uses as part of its performance appraisals.

The Glencore Alloys Group Environmental Manager is responsible for climate change-related issues in the Venture.

The Venture's focus for 2018

The Venture will continue with its engagement processes and with identifying and further evaluating potential GHG mitigation projects.

While the Venture has not set any specific climate change targets for 2018, it will in future use the targets set as part of the Department of Environmental Affairs' carbon budgeting process to guide its target setting processes.

Understanding the Venture's carbon footprint

The Venture generates GHG emissions from its smelting processes and from its energy use. The use of fossil fuels in the form of diesel and petrol in vehicles contributes directly to the creation of GHGs and the electricity supplied from coal-fired power stations contributes indirectly to the creation of GHGs.

The Venture and Merafe are committed to minimising GHG emissions and improving our energy efficiency, and recognise the magnitude and importance of this challenge. The Venture also actively engages in public policy, specifically through collaboration with the Department of Environmental Affairs (DEA) on a carbon budgeting process aimed at estimating the country's annual carbon emission.

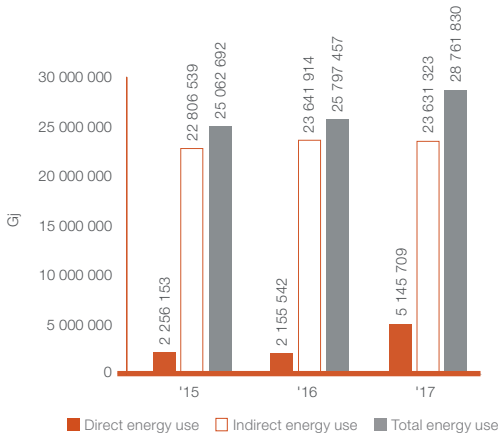
The risks associated with climate change

Climate change remains a key longer-term risk for the Venture. The potential risks are complex in that they include operational risks such as business continuity, health and safety, environmental aspects and regulatory aspects. Risks are both physical and financial, for example should the Venture's operations be damaged by flooding and extreme storms this could cause business interruptions. The reduced availability of water could also interrupt its business and could have health impacts.

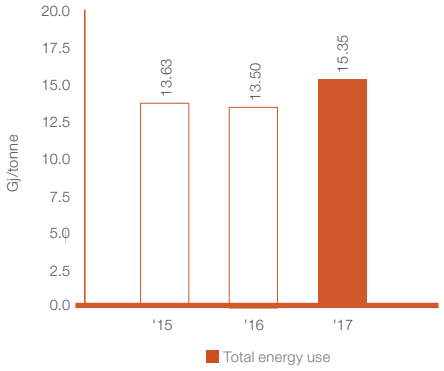
See the Stakeholder engagement section on our website for more information on our stakeholder impact and engagement with government, our investors and business partners.

The Venture's energy consumption

Total energy consumption in the Venture's operations increased due to an increase in production year-on-year. The energy use per tonne of ferrochrome produced increased from 13.5Gj/tonne to 15.35Gj/tonne. This is as a result of the fact that from 2017 coal is no longer classified as a reductant in the Lion plant but as an energy source.



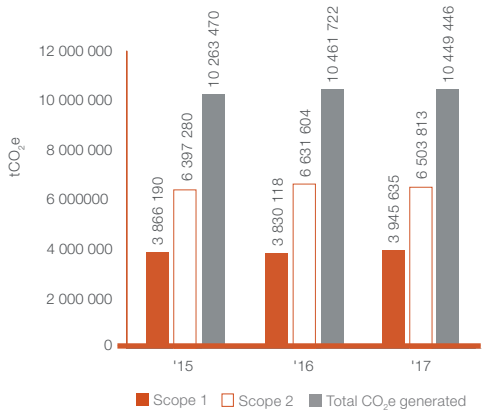
The Venture's energy usage



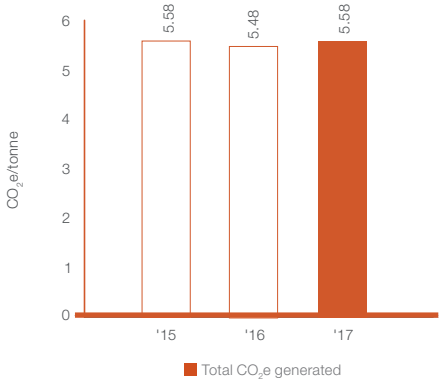
Energy use per tonne of ferrochrome produced

The Venture's emissions

The Venture's total Scope 1 (direct) and Scope 2 (indirect) emissions remained at the same level as 2016 (10.5 million tonnes) despite increased production. The CO_2e generated per tonne of ferrochrome produced increased slightly in 2017.



GHG emissions



CO_2e generated per tonne of ferrochrome produced

The energy consumption and emissions performance of the Company in any year is dependent on the production performance in that year of the most energy-efficient plants in the Venture.

Natural capital: environment

Environment includes the natural resources and processes needed by an organisation to produce its products.

KEY POINTS – 2017

The Venture's total water usage marginally increased

The Ventures use of recycled water increased substantially

Water conservation plans in place at all operations of the Venture

There were **no high-potential environmental risk incidents** in the Venture

The Venture had no environmental fines, penalties or prosecutions

MATERIAL ISSUES

- Water
- Gas emissions
- Waste
- Biodiversity and land use

For more information on environmental incidents,the Venture's performance, and approach to waste management as well as NO_x and SO_x performance please see the Environment section of our online integrated annual report for 2017.

For further information on land use, see the Resources and Reserves Statement in our online integrated annual report for 2017.

For information on product stewardship, see the online integrated annual report for 2017.

As Merafe's corporate office has a limited impact on the environment this section of our report focuses on the Venture's environmental approach, impact and performance. We rely on the Venture's effective environmental policies and procedures to ensure our investment is managed responsibly.

An integrated approach to environmental responsibilities

The Venture's long-term success depends on prioritising environmental issues and integrating environmental responsibility into its strategic planning, management systems and day-to-day operations. Management accountability is central to Glencore's integrated approach, which reviews its environmental risks and opportunities annually as part of its business strategy and planning process. Each site has a comprehensive environmental management system in place. The system provides access to aspects and the impact of all activities, from pre-feasibility to the operational phase, including closure and rehabilitation. The Venture's objective is to ensure environmental legal compliance, optimise its monitoring and measurement practices and to minimise and manage any waste and emission generation in an environmentally responsible manner. Environmental responsibilities are clearly included into legal appointments and job descriptions.

Water

Water is a finite and precious natural resource essential to the sustainability of the communities in which the Venture works. It is also necessary for its mining and metallurgical processes.

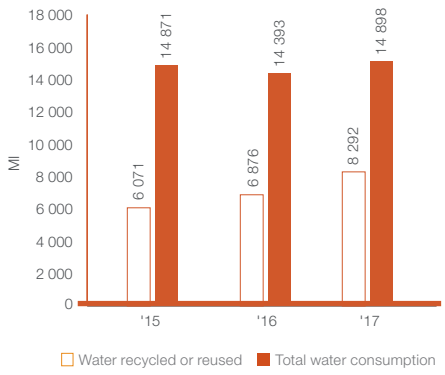
Water use and availability

The Venture's operations work with the Department of Water and Sanitation (DWS), local communities, local authorities, the farming community and other industry users to ensure the sustainability of water resources and equitable access to water resources for stakeholders.

The availability of water is a key consideration when the Venture plans the expansion or construction of an operation. It uses the results of the environmental and social impact assessments (ESIAs) it undertakes to guide its decision-making and to ensure it has the least possible impact on local water resources during the various phases of its projects.

All the Venture's operations have water conservation plans. They have previously set water intensity targets and have measures in place to help them be as water efficient as possible. In addition its operations are identifying possible water reduction projects.

The Venture's water usage



The water use in the Venture marginally increased in 2017 due to the record production levels at the mines and the smelters. However, there was an increase in the use of recycled water and improving water conservation plans.

Waste management and effluent and biodiversity management

As a result of increased production, the Venture's mineral waste produced increased from 4.2 million tonnes in 2016 to 4.3 million tonnes in 2017. For further detailed information on the Venture's air emissions, waste management, effluent and its management of overburden, rock, tailings and sludge/residues and biodiversity management see our online integrated annual report for 2017 in the Natural capital: environment section.

Incidents and compliance

It is always the Venture's aim to have no environmental incidents at its operations. It monitors, reports, investigates and remediates any incidents that occur and applies lessons learnt to prevent similar incidents in the future. Its operations are required to report any environmental high potential risk incidents (HPRIs), including near-misses, that could have resulted in a category 4 or 5 incident, even when the actual impact was less significant. Environmental incidents recorded at the Venture's operations also include incidents that occur as the result of contractor activity.

The Venture has had no environmental fines, penalties or prosecutions at its operations for the past nine years. The Venture achieved its goal of no category 3, 4 or 5 incidents recorded in its operations in 2017 and no category 4 or 5 incidents have been recorded in the Venture's operations for the past nine years. For more detailed information on category 1, 2, 3, 4 and 5 incidents and definitions of the categories, see our online integrated annual report for 2017 in the Natural capital: environment section.

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ABRIDGED MINERAL RESOURCES AND MINERAL RESERVES STATEMENT

Introduction

The purpose of this report is to document the Mineral Resources and Mineral Reserves of the Merafe Group (Merafe) in accordance with the requirements of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 (SAMREC Code). All Merafe's operations are part of a pooling and sharing venture with Glencore Operations South Africa Proprietary Limited (the Glencore-Merafe Chrome Venture (the Venture)). Merafe has a 20.5% attributable beneficial interest in the Mineral Resources and Mineral Reserves of the Venture. The estimates in this document are as at 31 December 2017. To arrive at a Mineral Resources and Mineral Reserves estimate for 31 December 2017, the budgeted production for July 2017 to December 2017 has been subtracted from the total estimates. The Mineral Resource and Mineral Reserve information in the tables on the following pages is based on information compiled by a Competent Person (as defined by the SAMREC Code).

Type of mining and mining activities

The Venture has chrome mining operations along the Western and Eastern limbs of the Bushveld Complex. The operations along the Western Limb of the Bushveld Complex comprise the Waterval, Kroondal and Boshoek mines. The LG6 Package at both Waterval and Kroondal mines is mined underground using trackless mining methods on a bord-and-pillar layout. Boshoek Mine is 20km northwest of Rustenburg. The MG1, LG5 and LG6 chromitite layers are the mineable open pit layers in the Boshoek area. Boshoek Mine has been put on care and maintenance. The Townlands Extension 9 Prospecting Right area is an exploration project and exploration activities have been put on hold with the Venture applying for a Retention Permit. The eastern mining complex of the Venture consists of Thorncliffe, Magareng and Helena mines which are situated along the southern portion of the Eastern Limb of the Bushveld Complex. Adjacent to these farms, the Venture has applied for a renewal of the Prospecting Right on the farms Richmond and St George. In addition an application has been submitted to incorporate Richmond and St George into the eastern mines Mining Right. The MG1 Chromitite Layer is being mined at the eastern mining complex using underground trackless mining methods on a bord-and-pillar mining layout.

Comparison of Mineral Resource and Mineral Reserve estimates with previous year's estimates

The annual Mineral Resource and Mineral Reserve estimates are compared with the previous year's statement and reconciled each year after the estimates have been finalised. Changes in the year-on-year tonnage and grade estimates are mainly due to mining depletion and changes in the Mineral Resource and Mineral Reserve tonnages and grades due to additional geological information. The biggest movement in the year on year Mineral Resource estimate is the re-statement of the Helena Mineral Resources and the newly stated Mineral Resources on the St George and Richmond properties.

Material risk factors

There are no foreseen material risk factors that could affect the validity of the current Mineral Resource and Mineral Reserve statement. All the legislative requirements have been met with respect to the rights to mining and prospecting for which the Mineral Resources and Mineral Reserves have been reported. All the operating mines are mining under new order, executed, Mining Rights. The Prospecting Rights of all the prospecting areas have been converted to new order Prospecting Rights.

For the complete Mineral Resources and Mineral Reserves statement including definitions of the categorisation of mineral resources and reserves as per the SAMREC Code 2009, descriptions and exploration activities, geological settings of the reserves (including maps and diagrams), legal entitlement, methods and assumptions, material risk factors and a summary of environmental funding and management, see our online integrated annual report for 2017.

See page 50 of the report for the Directors report and for the statement on mining rights and mining operations.

Natural capital: Mineral Resources and Mineral Reserves statement
(continued)

Chrome Mineral Resources statement

Name of operation	Attributable portion	Mining method	Commodity	Measured Mineral Resources 31.12.17	Measured Mineral Resources 31.12.16	Indicated Mineral Resources 31.12.17	Indicated Mineral Resources 31.12.16	Measured and Indicated Resources 31.12.17	Measured and Indicated Resources 31.12.16	Inferred Mineral Resources 31.12.17	Inferred Mineral Resources 31.12.16	Competent Person
Western Chrome Mines – LG6 Chromitite Package and MG1 Chromitite Layer												
Waterval mine	20.5%	UG	Ore (Mt)	16.044	16.199	0.98	0.98	17.03	17.18	0.6	0.6	DR/MM
			Cr_2O_3(%)	41.30	41.30	42.6	42.6	41.4	41.4	43	43	
Marikana West	20.5%	UG	Ore (Mt)	2.877	2.807	1.60	1.60	4.43	4.41	–	–	DR/MM
			Cr_2O_3(%)	42.44	42.46	42.6	42.6	42.5	42.5	–	–	
Kroondal	20.5%	UG/OC	Ore (Mt)	8.803	8.521	1.57	2.15	10.37	10.67	–	–	DR/MM
			Cr_2O_3(%)	42.70	42.84	41.6	41.6	42.5	42.6	–	–	
Kroondal Gemini	20.5%	UG/OC	Ore (Mt)	10.649	10.566	4.42	5.03	15.07	15.59	–	–	DR/MM
			Cr_2O_3(%)	42.59	42.58	41.6	41.6	42.3	42.3	–	–	
Marikana East	20.5%	UG	Ore (Mt)	4.196	4.196	0.78	0.78	4.98	4.98	–	–	DR/MM
			Cr_2O_3(%)	42.25	42.25	41.8	41.8	42.2	42.2	–	–	
Klipfontein/Waterval	20.5%	UG	Ore (Mt)	11.729	11.820	16.98	16.95	28.71	28.77	115.0	114.9	DR/MM
			Cr_2O_3(%)	42.12	42.12	42.0	42.0	42.0	42.0	42	42	
Boshoek	20.5%	OC/UG	Ore (Mt)	–	–	17.09	17.09	17.09	17.09	–	–	DR/MM
			Cr_2O_3(%)	–	–	40.5	40.5	40.5	40.5	–	–	
Townlands Extension 9	20.5%	UG	Ore (Mt)	–	–	12.94	12.94	12.94	12.94	–	–	DR/MM
			Cr_2O_3(%)	–	–	41.4	41.4	41.4	41.4	–	–	
Total chrome			Ore (Mt)	54.248	54.108	56.38	57.54	110.63	111.65	115.6	115.5	
			Cr_2O_3(%)	42.09	42.11	41.4	41.4	41.7	41.7	42	42	
Kroondal Tailings Dam	20.54%	OC	Tailings (km^3)	–	–	–	–	–	–	461.2	–	MM
			Cr_2O_3(%)	–	–	–	–	–	–	17.2	–	
Bushveld Complex – Eastern Limb												
Thorncliffe mine	20.5%	UG/OC	Ore (Mt)	36.406	36.104	15.27	13.05	51.67	49.16	0.3	5.6	DR/SV
			Cr_2O_3(%)	40.61	40.63	41.3	41.3	40.8	40.8	41	41	
Helena mine	20.5%	UG/OC	Ore (Mt)	23.309	23.621	14.53	11.42	37.84	35.04	9.1	49.0	DR/SV
			Cr_2O_3(%)	39.84	39.88	39.0	39.0	39.5	39.6	39	39	
De Grooteboom	20.5%	UG/OC	Ore (Mt)	1.036	1.039	0.50	0.51	1.54	1.54	–	–	SV/DR
			Cr_2O_3(%)	40.23	40.23	40.3	40.3	40.3	40.3	–	–	
Richmond	20.5%	UG	Ore (Mt)	0.613	–	12.28	–	12.89	–	13.9	–	SV/DR
			Cr_2O_3(%)	41.33	–	41.1	–	41.1	–	41	–	
St George	20.5%	UG	Ore (Mt)	–	–	3.20	–	3.20	–	7.2	–	SV/DR
			Cr_2O_3(%)	–	–	39.4	–	39.4	–	40	–	
Total chrome			Ore (Mt)	115	118	83	83	197	201	297	297	
			Cr_2O_3(%)	41.2	41.1	41.0	40.9	41.1	41.0	40	40	
Eastern Chrome Mines – MG2 Chromitite Layer												
Thorncliffe mine	20.5%	UG/OC	Ore (Mt)	–	–	–	–	–	–	41.8	41.8	DR/SV
			Cr_2O_3(%)	–	–	–	–	–	–	38	38	
Helena	20.5%	UG/OC	Ore (Mt)	–	–	–	–	–	–	85.4	85.4	DR/SV
			Cr_2O_3(%)	–	–	–	–	–	–	38	38	
Total chrome			Ore (Mt)	–	–	–	–	–	–	127.2	127.2	
			Cr_2O_3(%)	–	–	–	–	–	–	38	38	
Total MG1 and MG2	20.5%	UG/OC	Ore (Mt)	61.364	60.764	45.78	24.98	107.14	85.75	157.7	181.7	
			Cr_2O_3(%)	40.32	40.33	40.4	40.2	40.3	40.3	38	38	

Notes:
Tonnages are quoted as million metric dry tonnes. The tailings are quoted as kilo cubic meters.
Grades are quoted as $\%Cr_2O_3$.
The measured and indicated Mineral Resources are inclusive of those Mineral Resources modified to produce Mineral Reserves.
No cut-off grades are applied to the chromitite layers currently being mined because of the exceptional regional grade consistency and continuity.
The Mineral Resources are estimated as chromitite tonnages and grades to reflect the grades of the various individual chromitite layers. Both the LG6 and MG1 chromitite layers which the Venture is currently mining, are discrete solid chromitite layers.

Competent Persons:
PJG – Pieter-Jan Gräbe, Glencore Operations SA (SACNASP). Overall responsibility for Mineral Resources.
SV – Solly Vaid, Glencore Operations, Eastern Chrome Mines (PLATO). Responsible for Mineral Resources.
MM – Mogomotsi Maputle, Glencore Operations, Western Chrome Mines (SACNASP). Responsible for Mineral Resources.
DR – Dean Richards, Obsidian Consulting Services (SACNASP). Responsible for geostatistical analysis of data, Mineral resource classification and construction of tonnage and grade block models and reporting of tonnage and grades from block models.

For Merafe ownership of specific mines contributed to the Venture see page 50 of this report.

Chrome Mineral Reserve statement

Name of operation	Participation interest	Mining method	Commodity	Proved Mineral Reserves 31.12.17	Proved Mineral Reserves 31.12.16	Probable Mineral Reserves 31.12.17	Probable Mineral Reserves 31.12.16	Total Mineral Reserves 31.12.17	Total Mineral Reserves 31.12.16	Competent Person
Bushveld Complex – Western Limb										
Waterval mine	20.5%	UG	Ore (Mt)	**8.548**	8.727	**0.89**	0.89	**9.44**	9.61	MM/DR
			Cr_2O_3(%)	**31.36**	31.40	**26.8**	26.8	**30.9**	31.0	
Marikana West	20.5%	UG	Ore (Mt)	**0.150**	0.110	**–**	–	**0.15**	0.11	MM/DR
			Cr_2O_3(%)	**29.88**	28.93	**–**	–	**29.9**	28.9	
Kroondal mine	20.5%	UG/OC	Ore (Mt)	**2.199**	2.142	**1.36**	1.92	**3.56**	4.07	MM/DR
			Cr_2O_3(%)	**29.38**	29.27	**28.8**	28.5	**29.2**	28.9	
Kroondal Gemini	20.5%	UG/OC	Ore (Mt)	**6.036**	6.178	**4.05**	4.72	**10.08**	10.89	MM/DR
			Cr_2O_3(%)	**31.57**	31.420	**28.9**	28.5	**30.5**	30.2	
Marikana East	20.5%	UG	Ore (Mt)	**0.725**	–	**0.15**	–	**0.87**	–	MM/DR
			Cr_2O_3(%)	**28.58**	–	**28.5**	–	**28.6**	–	
Klipfontein/Waterval	20.5%	UG	Ore (Mt)	**0.820**	–	**0.34**	–	**1.16**	–	MM/DR
			Cr_2O_3(%)	**28.65**	–	**28.7**	–	**28.7**	–	
Boshoek	20.5%	OC/UG	Ore (Mt)	**–**	–	**0.58**	0.58	**0.58**	0.58	MM/DR
			Cr_2O_3(%)	**–**	–	**26.1**	26.1	**26.1**	26.1	
Total LG6 and MG1			Ore (Mt)	**18.477**	17.157	**7.37**	8.11	**25.84**	25.26	
			Cr_2O_3(%)	**31.00**	31.13	**28.4**	28.1	**30.4**	30.2	
Bushveld Complex – Eastern Limb										
Thorncliffe mine	20.5%	UG/OC	Ore (Mt)	**24.093**	22.267	**9.09**	8.15	**33.18**	30.41	DR/SV
			Cr_2O_3(%)	**35.13**	33.76	**35.9**	34.2	**35.3**	33.9	
Helena mine	20.5%	UG/OC	Ore (Mt)	**2.957**	3.250	**–**	–	**2.96**	3.25	DR/SV
			Cr_2O_3(%)	**33.92**	33.45	**–**	–	**33.9**	33.5	
Total chrome			Ore (Mt)	**27.050**	25.517	**9.09**	8.15	**36.14**	33.66	
			Cr_2O_3(%)	**35.00**	33.72	**35.9**	34.2	**35.2**	33.8	

Notes:
Tonnages are quoted as million metric dry tonnes.
Grades are quoted as %Cr_2O_3.
No cut-off grades are applied to the chromitite layers currently being mined due to the exceptional regional grade consistency and continuity. A minimum mining cut of 1.8m is applied to the ore reserve tonnage to accommodate the mechanised mining equipment employed by the underground mining operations. External waste is included to make up the minimum cut where applicable.
The chromitite layers are mined mainly underground using trackless mechanised mining methods on a bord-and-pillar mine layout design.

Competent Persons:
PJG – Pieter-Jan Gräbe, Glencore Operations SA (SACNASP). Overall responsibility for Mineral Reserves.
SV – Solly Vaid, Glencore Operations, Eastern Chrome Mines (PLATO). Responsible for Mineral Reserves.
MM – Mogomotsi Maputle, Glencore Operations, Western Chrome Mines (SACNASP). Responsible for Mineral Reserves.
DR – Dean Richards, Obsidian Consulting Services (SACNASP). Responsible for geostatistical analysis of data, Mineral Resource classification and construction of tonnage and grade block models and reporting of tonnage and grades from block models.

Statement by Competent Person

This summary has been reviewed and the relevant data extracted and compiled by Pieter-Jan Gräbe (PJG). PJG is the Lead Competent Person, registered with the South African Council for Natural Scientific Professions (SACNASP, Private Bag X450, Silverton, 0127), Reg. No. 400177/87 and holds a BSc Hons degree in Geology as well as a NHD in Metalliferous Mining. PJG is a geologist with 32 years' experience in Mineral exploration and mining geology, directly linked to the mining industry and currently a full time employee of Glencore Operations South Africa. PJG consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.



Pieter-Jan Gräbe
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0300
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See our online integrated annual report for 2017 for the complete Mineral Resources and Mineral Reserves statement.

HUMAN CAPITAL

MATERIAL ISSUES

- The safety and health of our employees and our contractors
- The training and development of our employees and our contractors
- Fair remuneration

Human capital includes health, safety knowledge, skills, intellectual outputs, motivation and the capacity for relationships of individuals. Organisations depend on individuals to function.

The Venture believes in the possibility of a zero harm operation. We believe that all occupational diseases and injuries can be prevented and that therefore, we must all take responsibility of avoiding occupational diseases and injuries.

We need a healthy, motivated and skilled workforce. Intellectual capital and knowledge management is also recognised as a key intangible creator of wealth. Damaging human capital by abuse of human rights or labour rights or compromising health and safety has financial and reputational costs.

The Venture enhances its human capital by:

- giving employees and community members access to training, development and lifelong learning and capturing and sharing knowledge;
- ensuring adequate safety arrangements are in place; and
- incentives and remuneration.

Stakeholder impact and engagement with stakeholders

The stakeholders most affected by the ability of Merafe and the Venture to keep our employees safe and healthy are their families and dependants.

Human capital: safety

KEY POINTS – 2017

One fatality
(2016: one fatality)

Total recordable injury frequency rate (TRIFR)
3.74
(2016: 4.15)

Lost time injury frequency rate (LTIFR)
1.04
(2016: 1.21)

Disabling injury severity rate (DISR)
145.62
(2016: 111.49)

The Venture had no safety penalties or prosecutions

The Venture's policies and approach to safety management

The Venture's operations maintain stringent safety and risk management systems, which it aligns with the international standards OHSAS 18001 and ISO 31000. Glencore collates best practice from each of its assets and from externally recognised leaders in safety management and shares this knowledge across the Glencore Group. Through Glencore, all the operations of the Venture are members of the International Council of Minerals and Mining (ICMM).

The Venture takes a proactive and preventive approach towards safety, aiming to instil a positive safety culture in which everyone fully integrates its safety values into their working lives. It has updated its approach to safety by updating its risk management framework. Glencore's fatal hazard protocols and high potential risk incident (HPRI) reporting processes have been rolled out in the Venture.

Glencore's Sustainable Development Director is responsible for safety, health and wellness.

Safety programme overview

Objective	Supporting actions
Zero fatalities	We reviewed and strengthened our incident investigation process to include 24-hour notification of senior management and the Glencore corporate sustainability team for fatal incidents and launched a mandatory on-site fatality investigation process following any fatal incident. The Venture's senior management must then report to the Glencore Board HSEC Committee on fatalities and the subsequent independent investigations in person. Any lessons learned that could further improve general fatality prevention are shared across the Group. We ensure independent third-party assistance is on site within 72 hours of a fatal incident. We developed SAFEALLOYS, a Group initiative to foster a safety culture based on behaviours and consequences at all levels. We rolled out fatal hazard protocols and life-saving behaviours (part of the SAFEALLOYS programme) across the Group.
Reduction of TRIFR	The Venture focused on reducing the TRIFR. The supporting actions resulted in the TRIFR reducing from 4.58 (2010 baseline) to 3.74 in 2017.

The Glencore Fatal Hazard Protocols and Life Saving Behaviours, which provide a set of tools which initially are focused on the fatal risks, are being rolled out in the Venture as part of SAFEALLOYS. The life-saving behaviours are aimed at strengthening the focus in the Venture on behaviours and consequence rather than a rules-based culture. The fatal risk categories that Glencore has identified as being most hazardous and responsible for the majority of its fatalities include: energy isolation, working at heights, mobile equipment, ground/strata failure, confined space and electrical safety. Over and above this, the Venture highlights specifically people vehicle interaction as a key danger area.

In 2017 there were 104 recorded injuries in a workforce of 15 245 (including contractors). As was the case in 2016, in-depth analysis by the Venture revealed that no one single factoral cause stood out in 2017, but that 'at risk behaviour' remains a major problem. As safety is the number one priority in the Venture, a number of campaigns were rolled out and re-emphasised including 'SAFEALLOYS', 'Life Saving Behaviours' and 'Consequence Management'.

The Venture implemented the Fatal Hazard Protocols in 2015.

Accountability

Safety in the Venture is always the direct responsibility of Glencore's senior management, who provide the leadership, systems and processes for the prevention of incidents and the elimination of fatalities in the Venture. The formal management structure documents responsibility for safety from the Glencore Board down to each individual Venture employee and contractor.

The Venture puts considerable effort into embedding a safety culture in its operations. Its leaders are aware that they are expected to put safety before production or other considerations and to personally endorse safety initiatives and engage with employees at all levels to discuss safety issues and priorities.

It concludes health and safety agreements with the trade unions.

The sustainable development policies in place in the Venture are aligned with the Glencore Group Sustainable Development Standards. They set out its commitment to zero injuries and fatalities.

The role of training

The Venture's investment in safety training is detailed on page 31 in the Human capital section of this report. It continues to use virtual reality training, combined with easy-to-read written instructions, on all its different procedures. The training is designed to ensure that employees cannot complete their training on a procedure until they have shown they fully understand it. Training, as can be seen from the detail on page 31 of this report, was a major focus during the year. Focus for 2017 was again on supervisory development training, ensuring that all supervisors understood their legal responsibility, life saving behaviour, fatal hazard protocols and critical controls.

Human capital: health and wellness

Human capital includes health, knowledge, skills, intellectual outputs, motivation and the capacity for relationships of individuals.

KEY POINTS – 2017

Two noise-induced hearing loss cases (2016: three)

Employees who test positive for HIV are encouraged to register for treatment

Employees receive **HIV and AIDS** counselling, care and support free of charge

Health programmes at the Venture aim to eliminate occupational illness

Organisations depend on individuals to function. They need a healthy, motivated and skilled workforce. Intellectual capital and knowledge management is also recognised as a key intangible creator of wealth. Damaging human capital by abuse of human rights or labour rights or compromising health and safety has direct, as well as reputational costs.

We enhance our human capital by providing healthcare and training and education in health matters.

Our policy and approach

A business needs a healthy workforce that is able to work at its full potential. The health programmes provided by the Venture, aim to eliminate and address occupational illnesses, public health issues and the overall wellbeing of its employees and contractors.

Typically, occupational illnesses such as noise induced hearing loss (NIHL) are only diagnosed some time after the event that caused them. As a result, the occupational illnesses currently occurring in the Venture's operations are usually the result of historic mining and smelting practices.

The Venture has identified NIHL as a major occupational health risk for its employees and has employed a full time Audiologist to counteract this risk. Any of its workers exposed to the internationally accepted noise level limit of 85 decibels or above were issued with personalised noise clippers hearing protection. The equipment it provides includes variphones/noise clippers, which are custom-made for comfort and are 100% leak tight. Employees are trained in the use, maintenance and storage and care of this equipment. Any employees or contractors at risk of being exposed to noise that could damage their hearing are personally monitored and regularly tested as part of our hearing conservation programmes.

Wherever possible the Venture reduces the noise from the equipment it uses in its operations to levels below the internationally recommended standards using design modifications, exclusive zones and 'buy quiet' programmes for new or upgraded equipment. The Venture's operations have reduced machinery noise to less than 110 decibels. There were two occupational disease cases in 2017. These related to noise induced hearing losses.

All the Venture's operations undergo an annual risk assessment of their baseline risks on ISOmetrix.net and legal audits are conducted by an external legal company accompanied by subject matter specialists every three years.

HIV and AIDS

HIV and AIDS is a human rights issue, which Merafe and the Venture address through their policies and programmes. To ensure these policies are accessible to the Venture's employees and contractors, they are available in all the languages spoken by its employees.

Employees can choose to receive HIV and AIDS counselling, care and support. Any HIV-positive employees of the Venture can receive treatment they need free of charge, together with the support and education that will make it possible for them to maintain their antiretroviral treatment programme through the membership of a medical aid.

All the Venture's occupational health nurses have been trained in the management of HIV and TB and the impact of HIV and TB. All employees that visit its occupational health clinics are screened for TB. Those whose screening tests indicate they may have TB are referred to healthcare facilities for TB investigation and treatment. The Venture's wellness programme has been incorporated into the annual/periodic medicals conducted at each operation. Medical records remain on site and are only seen by the Occupational Medical Practitioner and the nurses.

All Venture employees who are HIV positive are encouraged to receive antiretroviral treatment.

See our online integrated annual report for 2017 for more information on how the Venture addresses occupational illnesses.

See our online integrated annual report for 2017 for more information on our HIV and AIDS commitments and our overall policy and approach to health and wellness in the workplace.

Human capital: our employees

Organisations depend on individuals to function. They need a healthy, motivated and skilled workforce.

KEY POINTS – 2017

No protected or unprotected **strikes**

The Venture has recognition agreements in place

Approximately **73%** of the Venture's workforce is unionised

MATERIAL ISSUES

- Industrial action in the mining industry and the Venture
- Meeting our employment equity and human resource development targets and exceeding the Mining Charter scorecard targets
- Employee work satisfaction
- Maximising local employment in the Venture
- Retaining skilled employees and securing the next generation of skilled employees
- Remuneration

Intellectual capital and knowledge management is also recognised as a key intangible creator of wealth. Damaging human capital by abuse of human rights or labour rights or compromising health and safety has financial and reputational costs.

We enhance our human capital by:
- giving employees and community members access to training, development and lifelong learning and capturing and sharing knowledge;
- respecting human rights;
- paying fair remuneration to our employees and our business partners; and
- creating satisfying work opportunities.

Our approach to our employees

Glencore's Code of Conduct, which is applied in the Venture, recognises and upholds the rights of employees to a safe workplace, collective representation, just compensation, job security and opportunities for development, all of which are based on the core belief that our people are fundamental to our success.

Glencore's Human Resources Director is responsible for labour relations in the Venture.

Both Merafe and the Venture are committed to providing a workplace based on:
- mutual respect;
- fairness;
- integrity;
- non-discrimination;
- equal opportunity at all levels; and
- open and two-way engagement with our employees and their representatives.

More on our approach to our employees, and adherence to international employment standards can be found on our online integrated annual report for 2017 under Human capital: our employees.

Labour relations

While Merafe's (as apposed to the Venture's) employees are not unionised, we consult with them in advance of any significant changes to our business.

Engagement and resolving disputes amicably plays a very important role in labour relations. The Venture undertakes to consult with its employees and their recognised representatives in advance of significant operational changes in an effort to reach consensus about any necessary business actions.

Collective bargaining and freedom of association are considered a fundamental right for the Venture's employees. Collective agreements, particularly around terms and conditions of employment and company benefits, are negotiated between the parties with due regard to the relevant legislation. The Venture seeks to reach agreement with the unions on annual wage increases for implementation in July each year.

The Venture is committed to treating all its employees with dignity and in a manner that is culturally sensitive. Unfair discrimination on the basis of race, gender, religion, political or sexual orientation, national extraction or social origin is not tolerated.

Disciplinary and grievance policies and procedures are in place at Merafe and the Venture.

Industrial action at the Venture in 2017

There were no protected or unprotected strikes during 2017.

At the end of November 2014 the Venture signed a three-year wage agreement until July 2017 for the western mines. A new agreement was signed to July 2018. In 2015 the Venture signed three-year wage agreements with the western smelters and eastern smelters.

Union membership

The Venture has recognition agreements with NUM, NUMSA and Solidarity and approximately 73% of its workforce is unionised.

See our online integrated annual report for 2017 for more information on the Venture's employee relations, engagement, remuneration, benefits and labour relations.

Human capital: our employees (continued)

KEY POINTS – 2017

15%
of the Venture's workforce in 2017 was female

Merafe had a total workforce of **six employees** and the Venture **7 199 employees** at 31 December 2017

Key focus of the Venture is on **retention strategies** with specific reference to senior management HDSAs

The total workforce of the Venture by employment type*

Category	2017	2016	2015
Full time employees	6 651	6 505	6 436
Temporary/fixed term employees	431	285	363
External contractors	8 315	7 591	6 800
Total	15 245	14 381	13 599

**The numbers are the 2017 average numbers. The number of full time employees and fixed term employees at 31 December 2017 was 7 199.*

Maximising local employment

Hiring policies

When hiring employees we give preference, where possible, to members of the local community and, in some instances, we offer training opportunities to community members to develop the skills they need to become our employees.

Diversity and equal opportunity

Management and site employment equity committees monitor employment equity in the Venture's operations every month and report the results to the Venture, which in turn reports to Glencore and Merafe.

We base our employment equity policies on providing equal opportunities to all potential and existing employees.

Employee challenges

- Maximising local employment in the Venture;
- Achieving employment equity that is supported by everyone in the workplace;
- Making careers in mining more accessible to women in the Venture;
- Engaging with the Venture's employees and the trade union through open communication channels to achieve labour peace; and
- Providing a workplace that is free of discrimination.

Venture workforce by employment and gender type at 31 December 2017

Permanent and fixed term	Male	Female	Total
Senior management	89	9	98
Middle management	137	57	194
Supervisors, administrators, technicians	984	398	1 382
Operational, maintenance, production	4 868	657	5 525
Grand total	6 078	1 121	7 199

Diversity in the Venture

The term diversity used in this section of the report is based on the Mining Charter Scorecard's definition of historically disadvantaged South Africans (HDSAs), which includes African males and females, coloured males and females, Indian males and females and white females. Ongoing transformation is a priority and is discussed at all levels. The Venture is again focusing on its retention strategies with specific reference to senior management HDSAs.

Venture employment equity	% Mining Charter target 2017	% achieved 2017	% achieved 2016
Senior management	40	42	41
Middle management	40	64	62
Junior management	40	58	56
Core skills	40	94	94

Diversity in Merafe

Mining Charter	% Mining Charter target 2017	% achieved 2017	% achieved 2016
Top management (includes Board)	40	87	87
Senior management (Exco)	40	100	100
Middle management	40	67	50

There are no junior managers employed by Merafe.

Merafe achieved a Level 8 B-BBEE status under the Codes of Good Practice in 2017. A copy of the certificate is on the Company website together with an explanation and reasons for the rating.

See the table on page 39 of this report for detail of the structure of the Venture's Joint Board and top management of the Venture where executives of Glencore and Merafe are members.

Human capital: training and development

The Venture provides full time adult education and training (AET) for its employees and portable skills training that equips employees for careers beyond the Venture

KEY POINTS – 2017

The Venture invested
R115 million
in training (2016: R94.6 million)

An average of **R7 478** was invested in training for each member of the Venture's workforce (employees and contractors)
(2016: R6 292)

826 094
Venture total training hours
(2016: 770 928)

R40 million invested in artisan and apprentice training
(2016: R27.12 million)

Over **R6.1 million** invested in bursaries and scholarships
(2016: R5.47 million)

64 average training hours per permanent employee
(2016: 55)

407 297 training hours on contractors
(2016: 395 537)

49 average training hours per external contractor employee
(2016: 52)

Development and training

Both Merafe and the Venture are committed to meeting their human resource development targets and retaining and developing their skilled employees.

The Venture provides:

- development and training opportunities for HDSAs that will help them to further their careers;
- career development opportunities that allow it to develop and retain high potential employees;
- training that addresses risk-tolerant or ingrained behaviours that impact negatively on our operations; and
- training in its Code of Conduct and Sustainable Development Standards and HSEC Standards and Protocols.

It continually evaluates its training methods and the best way to communicate with the various age groups and cultures in its workforce.

Training hours

	2017	2016
Total training hours	826 095	770 928
Total training hours for permanent employees	454 798	373 794
Average training hours per permanent employee	64	55
Total training hours contractors	407 297	395 537
Number of health issues training sessions	12 588	11 239
Number of safety issues training sessions	19 398	19 121
Number of human rights issues training sessions	15 043	9 687
Number of environmental training sessions	12 520	10 910
Community health training	76	60
Community environmental training	76	60
Community human rights training	97	60

Development of staff was a key focus in 2017 across all sites. Increased focus on computer-based training made training more efficient and structured.

Leadership development

The Venture invites senior managers whom it has identified as having leadership potential to participate in leadership programmes at universities. The Venture also provides them with additional training, support and career development opportunities. In all, 100% of senior management level employees who participated in a senior leadership programme were HDSA, 60% of middle management level employees who participated in development programmes in 2017 were HDSA and 71% of junior leaders who attended a programme to enhance their supervisory skills were HDSA.

SOCIAL CAPITAL AND STAKEHOLDER RESPONSIVENESS

MATERIAL ISSUES

- Our social licence to operate
- Uncertainty of the socio-political environment

SOCIAL CAPITAL

Social capital is any value added to the activities and economic outputs of an organisation by human relationships, partnerships and cooperation.

Organisations rely on social relationships and interactions to achieve their objectives. Externally, social structures help create a climate of consent or a licence to operate, in which trade and the wider functions of society are possible. Organisations also rely on wider socio-political structures to create a stable society in which to operate, e.g. government and public services, effective legal systems, trade unions and other organisations.

To enhance social capital we:

- contribute to open, transparent and fair governance;
- source materials ethically and treat suppliers, customers and citizens fairly;
- respect and comply with local, national and international law;
- pay our taxes;
- invest in the social infrastructure;
- provide communication;
- minimise any negative social impacts of our operations and maximise the positive impacts they can have; and
- support the development of the communities in which the Venture operates

Socio-economic development

Both Merafe and the Venture are committed to working with local authorities, community representatives, inter-governmental and non-governmental organisations and other interested parties, to develop and support community investment projects.

Both the Venture and Merafe focus on sustainable projects, with their focus being on education, infrastructure and health issues in the communities in which the Venture operates.

See page 4 of this report for a review of stakeholder engagement.

Social capital and stakeholder responsiveness

KEY POINTS – 2017

The Venture spent
R27.1 million
on corporate social investment and enterprise development
(2016: R23.7 million)

64% of the Venture's expenditure on capital goods was on BEE spend
(2016: 59%)

86% of the Venture's expenditure on services was on BEE spend
(2016: 83%)

74% of the Venture's consumable expenditure was on BEE spend
(2016: 65%)

Corporate social investment (CSI)

The Venture, which contributes to various CSI projects, spent R27.1 million on CSI projects and enterprise development in 2017. The amount budgeted for these projects is R134.6 million over a five-year cycle of which to date R50.8 million has now been spent. They include community health programmes, a crop and hydroponics project, community centres, crèches, youth programmes and school nutritional programmes. They also include infrastructure programmes including the construction of housing and school rebuilds. The Venture as part of its five year programme has also contributed to the establishment of catering enterprises, food banks and business support centres. During 2017 the Venture also supported a number of health and community projects and programmes. These included Ratanang Orphanage Centre, the Lydenburg Rusoord old age home and a number of school and community nutritional and health programmes.

In addition to Merafe contributing to CSI and enterprise development through the Venture (where it contributes in accordance with its participation interest of 20.5%), it independently and outside the Venture supports CSI initiatives.

Merafe's CSI projects in prior years involved the renovation and building of ablution blocks at Boitekong and Meriti secondary schools and the mentorship of six up and coming entrepreneurs. The Company was impressed with the excellent manner in which their projects were carried out by the Adopt-a-School team and the schools management teams. Boitekong and Meriti Secondary schools are located in the Bojanala district of the North West province. When Merafe visited the two schools after completion of the projects, the lack of suitable and sufficient infrastructure at the schools became apparent to the delegation. Merafe made the decision to conduct a further needs assessment on the two schools to better understand how to assist them.

Following the needs assessment at Boitekong and Meriti, the Company agreed to support the two schools in respect of two further projects at a cost of approximately R4.5 million which were completed in 2016. The Social and Ethics Committee of the Company conducted a site inspection and met with the principals and key stakeholders at the school in May 2017. As a result, the Company supported two further projects at the schools and committed funds of R3.5 million for the projects of which R1.5 million was spent during 2017. At Meriti school in 2017 the Company supported an infrastructure project (fencing, kitchen, shelter and walkway cover), renovation of the existing science laboratory as well as supporting an educator development and classroom support programme. At Boitekong in 2017 the Company supported renovations to the science laboratory as well as a laboratory management training programme. In 2017 for Mandela Day, the Company supported tree planting and a vegetable garden projects.

Enterprise development

Small, medium and micro enterprises (SMMEs) play a key role in job creation in South Africa and our investment in their development is an important part of the contribution both Merafe and the Venture make to the socio-economic capacity of communities. It also increases our ability to procure from black-owned enterprises. The Venture has enterprise development commitments in terms of the Mining Charter Scorecard. The Venture spent R2.3 million on enterprise development in 2017.

Job creation and skills development

The Venture recognises that its commitment to employing local people whenever possible is to the advantage of both itself and the local communities. Direct employment at the Venture's operations, indirect employment through contractors and its use of local suppliers provides an income for thousands of families.

Our commitment to employing local people includes providing training opportunities that enable community members to meet the Venture's competency requirements.

See page 31 of this report for further information on the range of skills training the Venture provides and its investment in this training.

Social capital and stakeholder responsiveness (continued)

Procurement

In terms of the discretionary procurement targets set in the Mining Charter Scorecard the Venture performed well as can be seen in the table below:

	Total procurement spend R	Non-discretionary spend R	Discretionary spend R	BEE spend R	Impact %
Capital	1 491 794 728.76	287 676.69	1 491 507 052.07	952 642 228.92	63.87
Services	9 712 953 953.91	5 790 706 674.88	3 922 247 279.03	3 361 374 630.36	85.70
Consumables	4 702 332 799.21	183 717.05	4 702 149 082.16	3 476 033 419.98	73.92
Total	15 907 081 481.88	5 791 178 068.62	10 115 903 413.26	7 790 050 279.26	
Multinational capital spend	60 404 760.88				
Total procurement spend (including MNC)	15 967 486 242.76				

Public health and HIV and AIDS

The Venture favours a united approach to public health, whereby we collaborate with government, international organisations and NGOs to make the most impact at community level. The public-private partnerships formed by the Venture provide communities access to prevention, treatment and care for HIV and AIDS, as well as other communicable and associated diseases. The Venture supports the government's HIV counselling and treatment (HCT) campaign by providing funding and testing sites. It has also funded health clinics and hospices in the communities in which it operates, including an HIV and AIDS clinic in Lydenburg in Mpumalanga province. There is also a health clinic at the Lion ferrochrome plant in Limpopo province.

Respecting the rights of communities

Neither Merafe nor the Venture tolerates any form of discrimination and our policies clearly state that we do not tolerate any form of discrimination and that all our employees and stakeholders are to be treated with dignity and in a manner that is culturally appropriate, irrespective of gender, background or race.

Human rights and ethics

Merafe subscribes to the fundamental principles of human rights as enshrined in our country's Constitution and Bill of Rights. Our policies and practices have been aligned with both to ensure that all our employees and stakeholders are treated with dignity and in a manner that is culturally appropriate, irrespective of gender background or race. Further, Glencore is a signatory to and has accepted the Voluntary Principles of Security and Human Rights.

Ethics

The Merafe Code of Ethics governs the way we do business and the way our directors and employees engage with our stakeholders. The Code, which is binding on our directors, employees and contractors, provides guidelines for behaviour which is above reproach.

Stakeholder responsiveness

Merafe and the Venture address material issues we have identified that could impact negatively or positively on our key stakeholders. These stakeholders include national, provincial and local government in their roles as regulators and partners; the trade unions in their role as representatives of the Venture's employees who are from local communities; and our investors and business partners who are affected by all aspects of our business. The impact of our most material issues in regard to human, natural and social and manufactured capital on our stakeholders, together with our responsiveness on these issues, is outlined in this report.

While Merafe has direct relationships with certain key stakeholders in connection with community matters, we also have indirect relationships through our partnership with Glencore in the Venture. As managers of the Venture's day-to-day operations, Glencore takes responsibility for engaging with the Venture's stakeholders. All the Venture's operations and projects are expected to review the stakeholder engagement plans every year. The Venture's operations held formal community stakeholder meetings during the year.

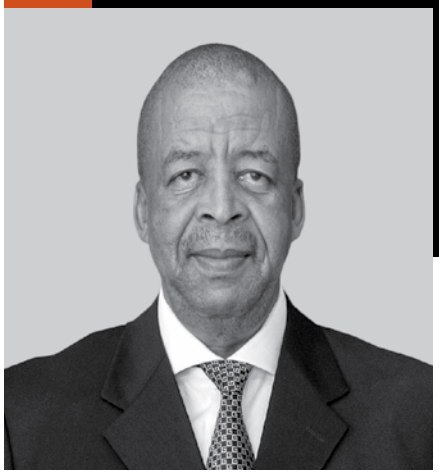
In 2015 the Venture focused on identifying issues material to communities and stakeholders that will assist with preparing its social and labour plans for the five-year period from 2015 to 2020.

See our online integrated annual report for 2017 for further information on our approach to social capital, as well as more detail on the specific projects.

See the stakeholder engagement table on our website for details of the Venture's engagement and Merafe's engagement during 2017.

See our online integrated annual report for 2017 for information on the Venture's approach to human rights and ethics and the externally developed principles, charters and initiatives to which Merafe and the Venture subscribe.

Chairperson's report



Chris Molefe
Chairperson

We agree with the assertion in King IV that good governance has its foundation in effective and ethical leadership and transparency and that integrated thinking and reporting on economic, social and environmental dimensions is key to this.

Overview
In 2017 we welcomed the introduction of King IV of which the Board of Merafe and I are fully supportive. Our approach to King IV is discussed further below and throughout this report. However, in this introduction I want to touch on three key ethical principles of King IV which we try our best to uphold. These principles state that the governing body of an organisation should (i) be transparent in the manner in which it exercises its governance role and responsibilities, (ii) govern in a way that supports an ethical culture and (iii) the governing body must try to ensure that the organisation is seen as a responsible corporate citizen.

2017 was an eventful year in South Africa where unfortunately (as in 2016) a lack of ethical leadership in high profile organisations was again exposed in both the public and private sectors.

It was another difficult year for the economy characterised by low growth, credit downgrades and low business confidence coupled with political uncertainty in the build up of the governing party's (ANC) elective conference at the end of 2017. Now that this is behind us, it appears that there is renewed optimism.

The business environment in the resources sector was difficult and challenging mainly due to volatility in both pricing and exchange rate.

In our industry specifically the regulatory and legislative environment remains uncertain with the Mineral and Petroleum Resources Development Act Amendent Bill and contested Mining Charter remaining unfinalised.

In such difficult times, we are again reminded to remain focused on making our business a success so that we are able to provide a positive contribution to all our stakeholders and broader society.

I am pleased to report that despite this challenging business environment Merafe produced another excellent set of results in 2017, and was again able to pay a dividend for the year under review.

The financial performance of the Company has been addressed in the CEO's report on page 9 and the Financial Capital section of this report on page 12. The CEO has also provided comment on the strategy of the Company going forward and the benefit the Company has gained from its focus on ferrochrome, maximising cash flows from the Venture and reducing debt.

Safety
Safety remains the number one priority of Merafe and the Venture.

It is with deep regret that we report a fatality at our Lion Plant on 21 March 2017. Our condolences are extended to the family, friends and colleagues of Mr Tshepo Braine Makola who sustained fatal injuries. This unfortunate event occurred despite the considerable effort that the Venture has placed into embedding a safety culture into its operations. In this regard see the safety section on page 27 of this report for further details, as well as the Manufactured capital section on page 17.

Strategy
We continue to take a long-term view of our business. In terms of achieving our strategic objectives, our ferrochrome interests were profitable and the Company has benefited from its investment in the Lion ferrochrome plant and other projects as previously reported which has improved the Venture's sustainability by increasing its cost efficiency and production capacity. As reported last year we will assess opportunities outside ferrochrome if this makes commercial sense .In this regard see the report of the CEO on page 9.

The Board, together with our Venture partners, continues to consider the impact of losing our key empowerment shareholder in 2015 .We remain committed to ensuring the long-term sustainability of both Merafe and the Venture and complying with legislation and the challenges brought about by amendments to the Charter and to the BBBEE Codes of Good Practice.

Our approach to sustainability and assurance
The directors have followed the materiality determination processes described in this report and have applied the results of these processes to formulate the material issues in this report. Merafe relies on the Venture and Glencore to obtain quantitative data with regard to sustainability indicators. I would refer you to the Sustainability review and assurance summary on page 49 of this report for information on Merafe and the Venture's assurance and review processes.

Our commitment to good governance and sustainability has also always been reflected in our inclusion in the JSE Socially Responsible Investment (SRI) Index since its inception in 2003, the Company often being a top 10 performer. Since 2015, however, the SRI Index assessment was only performed on the Top 100 companies on the JSE by market capitalisation and Merafe was therefore unfortunately not assessed. We believe that all companies listed on the JSE need to again be subjected to this assessment and not only the top 100.

During the year under review the Board developed an understanding of King IV. Thereafter, a gap analysis of how the Company performed in terms of King IV was performed and steps taken to address issues where the Company was non compliant. We are pleased to report (while acknowledging that this is a work in progress) that the Company in most material respects is compliant with King IV. Where we have fallen short, we have provided an explanation and will focus on this in 2018. For more details on our reporting on King IV I refer you to the Governance section on page 37 and for the full report and compliance analysis to our 2017 Online Integrated Annual Report.

We agree with the assertion in King IV that good governance has its foundation in effective and ethical leadership and transparency and that integrated thinking and reporting on economic, social and environmental dimensions is key to this.

Board decisions need to be made in an integrated manner understanding the impact on these dimensions as well as the impact on value creation in the short, medium and longer term.

Stakeholder inclusivity and responsiveness is key to the process. We are pleased to note that we have been reporting in an integrated manner and in terms of the Capitals – as recommended by King IV – for some years now.

The Board
As Chairperson of our unitary Board I am responsible for the overall effectiveness of the Board and its committees and for ensuring that we provide Merafe with effective leadership, uphold ethical standards, and are responsible, accountable, fair and transparent. I am also responsible for ensuring that we implement strategies aimed at achieving our economic, social and environmental performance objectives.

There is a clear separation between my responsibilities and those of the Chief Executive Officer, which is documented in our Board charter. Our Chief Executive Officer is expected to focus on our business and ensure it is run effectively and in accordance with the strategic decisions of the Board.

We interact at our Annual General Meetings and at presentations made by our executive management team when our interim and annual results are released. This year we again increased our focus on stakeholder relationships and in particular our relationships with our shareholders and our Venture partner. The Board has delegated the responsibility for engagement with our shareholders and potential investors to the Chief Executive Officer and the Financial Director.

My thanks to our non-executive and executive directors for your contribution to the Merafe Board's deliberations and decision-making during 2017.

Merafe team and Glencore
On behalf of the Board, I would like to thank the Merafe team and our partners, Glencore, for their hard work during the year, which resulted in the Company producing an excellent financial and operational performance. While the overall safety performance was good, any fatality is unacceptable and the Venture will continue to do all it can to ensure that 2018 is a fatality free year.

Future outlook
I am again pleased to report that Merafe is well positioned for the year ahead with a strong balance sheet and no debt at Merafe level. The Venture is also well positioned as a result of it being the lowest-cost producer in South Africa. Its investment over the years in new and more efficient technology has increased its competitiveness among South African ferrochrome producers. We believe the Venture and Merafe will reap the benefits of this commitment to having invested in energy efficient technology in the years to come.

Chris Molefe
Chairperson

Governance

Directorate at 31 December 2017

Non-executive directors

Chairperson

Chris Molefe (69)
(Independent)
BCom, Postgraduate Diploma in Property Development

Chris, who joined the Merafe Board in 2003, has extensive experience in mining and resources, merchant banking and transformation strategy development. He gained this experience while working for Mobil Oil, Union Carbide, Chase Manhattan Bank, Transnet and Royal Bafokeng Resources Holdings, where he held the position of Chief Executive Officer. He is currently Chairperson of Tjate Platinum Group and is also non-executive director of Jubilee Platinum plc. Chris is a member of the Remuneration and Nomination Committee, the Social, Ethics and Transformation Committee, an invitee to the Audit and Risk Committee and Chairperson of the Board.

Belese Majova (43)
(Independent)
BCompt, MBA, Certified Ethics Officer

Belese joined the Merafe Board in January 2009 as an independent non-executive director. She is currently Chief Executive of Zeleb Holdings, a company with interests in a number of sectors including: business management consultancy; property development and property management; as well as commercial farming. She also serves on other boards both in the private and public sector. Belese is chairperson of the Social, Ethics and Transformation Committee and is a member of the Audit and Risk Committee.

Abiel Mngomezulu (64)
(Independent)
BSc (Hons), MSc Engineering (Mining)

Abiel joined the Merafe Board as an independent non-executive director in September 2010. He was previously the President and Chief Executive Officer of Mintek, a state-owned enterprise responsible for mineral extraction technologies and beneficiation. Abiel is a member of the Audit and Risk Committee and chairperson of the Remuneration Committee.

Mpho Mosweu (42)
CA(SA), MBL

Mpho Mosweu joined our Board in March 2011. She is Head of Workout and Restructuring at the IDC. She currently serves on various boards and audit and risk committees. She has extensive commercial and governance experience. Mpho is a member of the Merafe Social, Ethics and Transformation Committee.

Karabo Nondumo (39)
(Independent)
BAcc, HDipAcc, CA(SA)

Karabo, who joined the Merafe Board as an independent non-executive director on 1 December 2010, is currently executive director of KM Tech, an integrated ICT provider to enterprises. Karabo was previously head of the Enterprise Business Unit at Vodacom Group Limited. Prior to this she gained her mining industry experience as an associate of Shanduka Resources and Executive Assistant to the Executive Chairperson. While at Shanduka she served on the boards of Dowding, Reynolds and Associates (DRA) and Lace Diamonds. Karabo is also an independent non-executive director of Harmony Gold Limited, Sanlam Limited, Richards Bay Coal Terminal and MTN South Sudan. She is chairperson of the Merafe Audit and Risk Committee.

Shaun Blankfield (35)
CA(SA)

Shaun is the Head of Mergers and Acquisitions for Glencore Coal, Australia. Shaun is a qualified Chartered Accountant and served articles with Deloitte South Africa. Subsequently he worked as a manager in the Corporate Finance and Accounting Advisory Services team at Deloitte, Sydney in Australia. Shaun is a member of the Remuneration and Nomination Committee.

Executive directors

Zanele Matlala (54)
Chief Executive Officer
BCom, BCompt (Hons), CA(SA)

Zanele joined the Merafe Board in 2005 as an independent non-executive director. She was appointed Merafe's Chief Financial Officer on 1 October 2010 and Chief Executive Officer on 1 June 2012. She is a non-executive director of Dipula Income Fund, Stefanutti Stocks Holdings Limited, RAC Limited and Old Mutual Investment Group Holdings. Zanele is a member of the Social, Ethics and Transformation Committee and an invitee to the Audit and Risk Committee and the Remuneration and Nomination Committee.

Kajal Bissessor (35)
Financial Director
BAcc, HDip Acc, CA(SA)

Kajal joined Merafe as Financial Controller in March 2009 from KPMG where she was an Audit Manager. Kajal was appointed Finance and Investor Relations Manager in June 2010 and was appointed Financial Director in January 2015. She is an invitee to the Audit and Risk Committee and the Remuneration and Nomination Committee and in 2015 was appointed a member of the Social, Ethics and Transformation Committee. Kajal is a non-executive director of Anchor Group Limited and chairperson of their Audit and Risk Committee.

Management at 31 December 2017

Dr Jurg Zaayman (49)
General Manager – Merafe Chrome
BEng, MEng, PhD (Metallurgical Engineering)

Jurg joined Merafe Resources as Operations Manager during 2001. In 2004 he was seconded to the Venture as project leader for the Bokamoso pelletising plant project before being appointed to his current position in 2007. He is Chairperson of the Ferroalloys Producers Association and a council member of the Energy Intensive Users Group (EIUC). Jurg is a member of the Social, Ethics and Transformation Committee, and an invitee to the Audit and Risk Committee and the Board.

Company Secretary

CorpStat Governance Services
William Somerville (61)
FCIS, ACMA, Dip Corporate Law

Appointed as Company Secretary on 1 October 2014

Note regarding the Company Secretary
The Company Secretary fulfils no executive management function and is not a director and provides services on an outsourced basis. Accordingly, the Board is satisfied that the Company Secretary maintains an arm's length relationship with the executive team, the Board and the individual directors.

BOARD STATISTICS AS AT 31 DECEMBER 2017

62%
of our Board members are female, all of whom are black

87%
of our Board members are black

67%
of our non-executive Board members are independent

50%
of our Board members are independent

75%
of our Board members are non-executive directors who do not receive share options or incentives

Our approach to governance

Introduction

Merafe is committed to high standards of corporate governance and it endorses the four governance outcomes set out in King IV, namely an ethical culture, good performance, effective control and legitimacy.

King IV register

The register set out below provides an overview of Merafe's application of the principles contained in King IV. The register should be read in conjunction with the 2017 Merafe Integrated Report.

Leadership	
Principle 1	
The governing body should *lead ethically and effectively.*	The Merafe Board (the "Board") leads ethically and effectively. Disclosure of interests is a standard agenda item at Board and committee meetings and there is an annual declaration by all directors. Further, there is a Code of Ethics in place which applies to all directors and all employees. It is displayed on Merafe's website. There is also a Director Induction and Training Programme, which is reviewed annually. Further, various aspects of Principle 1 are covered in Merafe's Board Charter and other key documents. The Board leads ethically and effectively. The Code of Ethics and the Board Charter are on Merafe's website and form part of the 2017 online integrated report. The Company has a policy to guide directors on dealing in Company securities and no director or employee may buy or sell the Company's shares during a closed period.
Organisational ethics	
Principle 2	
The governing body should govern the ethics of the organisation in a way that supports the establishment of *an ethical culture.*	The ethical tone at Merafe is set by the Board and applies throughout the organisation. Although Merafe's Code of Ethics applies to all directors and employees, it has not yet been extended to suppliers. This will be a focus area in 2018. There is a Whistle Blowing Line and reports are provided to the Social, Ethics and Transformation Committee and the Audit and Risk Committee on a confidential basis. In respect of any ethical breaches discovered by staff and the external auditors, the relevant laws and regulations are applied. More information on Merafe and the Venture's Whistle Blowing Policy is on our website.
Responsible corporate citizen	
Principle 3	
The governing body should ensure that the organisation is and is seen to be a *responsible corporate citizen.*	The Board's approach to being a responsible corporate citizen is supported by various policies and the work done by the Social, Ethics and Transformation Committee. Various safety, health, environmental and community aspects are covered by the above committee with inputs from the Venture as set out in this report.
Strategy and performance	
Principle 4	
The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development *are all inseparable elements* of the value creation process.	The Board recognises that all these elements are inseparable, and Merafe follows the six capitals approach as described in this report. This integrated approach is taken by the Board at its meetings, strategy sessions and committee meetings. All budgets and strategic plans (medium and longer term) are approved by the Board. Risks and opportunities are covered in strategy sessions and meetings of the Audit and Risk Committee and the Board in an integrated manner.
Reporting	
Principle 5	
The governing body should ensure that *reports issued* by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.	The Board is responsible for the integrity of the information contained in this report and other reports including the annual financial statements and interim and year-end results presentations. It is assisted in this regard by the Board Committees which review and recommend their respective reports to the Board in accordance with their terms of reference. Reports are provided in printed and online form. The approved reporting framework is set out on page 1 of this report. Matters material to Merafe are reflected in this report at pages 7 and 8.
Primary role of the board	
Principle 6	
The governing body should serve as the *focal point and custodian of corporate governance* in the organisation.	The Board is the focal point and custodian of corporate governance in the Company. Various key policies supporting the strategy are in place. The Board has an annual strategy session and performance is measured against agreed targets. The Board oversees the implementation and execution of the strategy by management. The Board has a Board Charter, a copy of which is on our website, and which is reviewed annually against best practices. It plans to measure the discharge of its duties against the Board Charter in the year ahead.
Composition of the board	
Principle 7	
The governing body should comprise the *appropriate balance of knowledge, skills, experience, diversity and independence* for it to discharge its governance role and responsibilities objectively and effectively.	Assisted by the Remuneration and Nomination Committee, the Board reviews its knowledge, skills, experience, diversity and independence annually, or as circumstances change. The Company has a Diversity Policy and has set targets in this regard. The Board comprises a majority of non-executive members, most of whom are independent. The King IV recommendations for director independence, board composition, chair, induction and training, managing conflicts and nomination and appointments are met. Merafe will appoint the Chairperson of the Remuneration Committee as the Lead Independent Director during 2018.
Committees of the board	
Principle 8	
The governing body should ensure that its arrangements for *delegation within its own structures* promote independent judgement, and assist with balance of power and the effective discharge of its duties.	Merafe has three standing board committees (as described in this report on pages 38 and 39), to which specific duties and responsibilities have been delegated. They operate under written terms of reference which are reviewed annually and are on our website. The composition of the Board and committees are in line with King IV, the Companies Act and the JSE Listings Requirements, as applicable.

Our approach to governance (continued)

Board performance evaluation	
Principle 9	
The governing body should ensure that the *evaluation of its own performance* and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	The performance and effectiveness of the Board and its committees are reviewed annually. This process comprises a self-evaluation questionnaire and is co-ordinated and reported on by the Company Secretary. Areas for improvement are documented and actioned. Formal performance reviews of individual directors and the Board chair are planned in 2018.
Appointment and delegation to management	
Principle 10	
The governing body should ensure that the appointment of, and *delegation to, management* contribute to role clarity and the effective exercise of authority and responsibilities.	The Board Charter sets out matters reserved for the Board and is reviewed annually. In addition, there is a Corporate Approvals Framework (approved by the Board and reviewed annually) which sets out matters delegated to management and those reserved for the Board. The Board appoints the CEO and the incumbent is accountable to the Board for leading the implementation of strategy, policy and running the day to day business of the Company. The King IV recommendations for the CEO in respect of appointment, roles and responsibilities, succession planning and performance evaluation are complied with regards to the Company Secretary, we refer to you to our reporting of 3.84 (h) of the JSE Listings Requirements on page 41.
Risk governance	
Principle 11	
The governing body should *govern risk* in a way that supports the organisation in setting and achieving strategic objectives.	The Board governs and is responsible for risk. It is assisted by the Audit and Risk Committee, which evaluates risk and guides the Board. Merafe has a Risk Management Policy and Framework, a detailed Risk Register and also a Tax Risk Register. Risk matters are a standard agenda item at every Audit and Risk Committee and Board meeting. In this regard we refer you to pages 7 and 8 (Material issues) and 48 (Approach to Risk management) of this report. Opportunities flowing from risk assessments form part of the overall approach to risk governance. Emerging risk trends are identified and monitored regularly.
Technology and information governance	
Principle 12	
The governing body should *govern technology and information* in a way that supports the organisation setting and achieving its strategic objectives.	IT governance is a standard agenda item at meetings of the Audit and Risk Committee. Merafe has a very small head office but is reliant on technology. Various IT related policies are in place and due to the small head office, integration of IT and business occurs. Merafe (as opposed to the Venture) has limited investment in technology but is aware of its importance and also the need to protect information.
Compliance governance	
Principle 13	
The governing body should *govern compliance* with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	The Board governs compliance, which is monitored by combination of management controls, compliance via the Venture, external audit, sponsors and the Company Secretary. There is no dedicated in-house compliance function nor is one required, given Merafe's size and structure. Merafe relies on processes within the Venture. Compliance is a standard agenda item for the Audit and Risk Committee, which reports to the Board.
Remuneration governance	
Principle 14	
The governing body should ensure that the organisation *remunerates fairly, responsibly and transparently* so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	The Board takes responsibility for remuneration governance. It is assisted by the Remuneration and Nomination Committee, which oversees that the organisation remunerates fairly, responsibly and transparently so as to promote the delivery of strategic objectives and the creation of value in a sustainable manner. It makes recommendations to the Board in this regard. The Remuneration Report is set out on pages 42 to 47 of this report.
Assurance	
Principle 15	
The governing body should ensure that *assurance services and functions* enable an effective control environment, and that these support the *integrity of information* for internal decision-making and of the organisation's external reports.	Merafe follows a combined assurance model, with assurance being provided by management, the Merafe auditors, the Venture's internal audit function and the external auditors. Oversight on assurance is provided by the Audit and Risk Committee who report to the Board. For more information please see pages1 and 40 of this report. Merafe has no Internal Audit function, as this is not justified taking account of the size, complexity and risk profile of the Company. In this regard, annually, management provides a memorandum to the Audit and Risk Committee on its views of the Merafe internal control environment. Special ad hoc internal audits by an external firm are considered on a case by case basis. Merafe also receives a statement from Independent Competent Person on the Mineral Resources and Mineral Reserves as well as other assurance as set out on page 49 of this report.
Stakeholders	
Principle 16	
In the execution of its governance role and responsibilities, the governing body should adopt a *stakeholder-inclusive approach* that balances the needs, interests and expectations of *material stakeholders* in the best interests of the organisation over time.	The Board has identified its key stakeholders and material issues and risks that could impact the stakeholders of Merafe and the Venture, as set out in on pages 7 and 8 of this report. The methods of engaging with stakeholders and issues arising from these engagements are set out in a table referred to in the 2017 integrated online report There is ongoing engagement with shareholders via various mechanisms, including interim and year-end reports, the Integrated Report, presentations, quarterly reports, shareholder meetings and the AGM. A stakeholder framework and policy are under consideration by the Board and will be an area of focus in 2018.

We recognise that this is the first step of our King IV journey and the Board will be spending further time in 2018 analysing our practices to support the various principles and outcomes in terms of King IV.

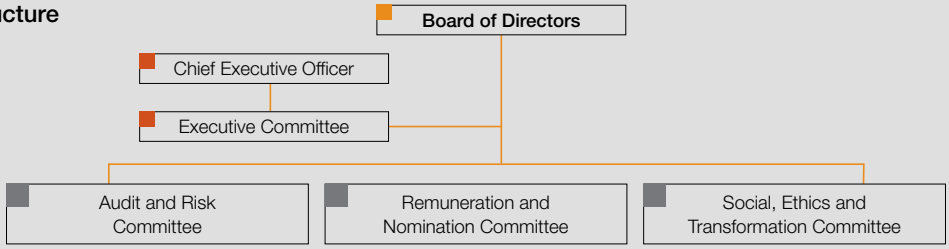
The structure and roles and responsibilities of the Merafe Board and committees

Board and Board committees	Roles and responsibilities	Members/invitees	Attendance
			Board meetings
Merafe Board	The Chairperson is responsible for ensuring that: • the Board provides effective leadership; • the Board maintains ethical standards; • Merafe develops and implements strategies aimed at achieving its sustainability; and • the Board and its committees are effective. The Board is responsible for: • governance of the Merafe Group on behalf of its shareholders; • its own governance; • strategy, strategic decision-making and risk tolerance; • assessment of performance; • engaging with stakeholders; • Merafe's approach to its social responsibility, safety, health, the environment, ethics and risk; and • information technology governance. **Key issues in 2017 included:** Safety, Merafe strategy, stakeholder engagement, Merafe sustainability, Venture performance and sustainability, IT governance and risk management, approval of annual financial statements and integrated annual report, approval of interim results and considering the payment of dividends: Board and committee effectiveness review; review and approval of various charters, policies and mandates; and committees' terms of reference, King IV analysis, review of effectiveness of internal controls, compliance with loan covenants and review of compliance.	Chris Molefe (Chairperson) Belese Majova Abiel Mngomezulu Mpho Mosweu Karabo Nondumo Zanele Matlala (CEO) Jurg Zaayman* Kajal Bissessor Shaun Blankfield * *Invitee*	4/4 3/4 4/4 3/4 3/4 4/4 4/4 4/4 4/4
			Committee meetings
Audit and Risk Committee	All members of this committee are independent non-executive directors (as required by the Companies Act). The committee: • monitors the adequacy of financial controls and reporting; reviews the audit plans of the external auditors and adherence to these plans; considers and determines the principles for approving the use of the external auditors for non-audit services; ensures that financial reporting complies with IFRS, the Companies Act and tax legislation; reviews and makes recommendations on all financial matters; • oversees Merafe's integrated reporting as well as the assurance function; and • assists the Board in the identification of all material risk and sustainability issues to which the Company is exposed. It ensures that the requisite risk management culture, policies, practices, systems and resources are in place and are functioning effectively. **Key issues in 2017 included:** Review work of external auditors, assess independence of external auditors, review risk register, monitor compliance with statutory requirements, assess adequacy of internal controls and compliance, funding, monitor and consider all tax returns and matters related to SARS, risk management workshop, oversee forex and interest rate hedging policies: IT governance implementation, assess formal tax strategy and policy document, reviewed and approved integrated annual report and assurance process, recommend annual financial statements and reviewed interim results; integrated annual report for approval by Board, assessment of CFO, committee self assessment and review terms of reference, review internal audit function, King IV analysis and compliance.	Karabo Nondumo (Chairperson) Abiel Mngomezulu Belese Majova Zanele Matlala* Kajal Bissessor* Chris Molefe* Jurg Zaayman* * *Invitee*	4/4 3/4 4/4 4/4 4/4 4/4 4/4
			Committee meetings
Remuneration and Nomination Committee	The committee: • makes recommendations to the Board for its consideration and final approval regarding remuneration strategy and policy; • assists the Board in ensuring that directors and executives are remunerated fairly and responsibly; • ensures the disclosure of directors and other executive remuneration is accurate, complete and transparent; • assists the Board with ensuring that remuneration policies which are adopted to promote the achievement of strategic business objectives and encourage individual performance and monitoring remuneration policies; • makes recommendations on non-executive directors' fees; and • develops policy around the appointment of directors, investigates potential Board members for necessary skills and competence and makes appropriate recommendations to the Board. **Key issues in 2017 included:** Considered composition of all committees, recommended approval of remuneration policy to Board, approved CEO's (individual) and business performance KPIs, evaluated Executive Committee's individual and business performance against objectives, reviewed executive contracts, review of Remuneration Policy and approval of the Board Diversity Policy, King IV analysis and compliance.	Abiel Mgomezulu[1] Chris Molefe[2] Shaun Blankfield Zanele Matlala* Kajal Bissessor* *Note:* *[1]. Chairperson of Remuneration Committee* *[2]. Chairperson of Nomination Committee* * *Invitee*	3/3 3/3 3/3 3/3 3/3

Our approach to governance (continued)

Board and Board committees	Roles and responsibilities	Members/invitees	Attendance
Social, Ethics and Transformation Committee	The roles, responsibilities and key issues for the Social, Ethics and Transformation Committee are set out in the Social, Ethics and Transformation Committee report on page 41. Key issues in 2017 The key issues are set out in the Social, Ethics and Transformation Committee report on page 41.	Belese Majova (Chairperson) Chris Molefe Mpho Mosweu Zanele Matlala Kajal Bissessor Jurg Zaayman	2/3 3/3 2/3 3/3 3/3 3/3

Governance structure



The structure and roles and responsibilities of the Venture's joint Board

Management structure	Roles and responsibilities	Members
Executive Committee of the Venture	The Executive Committee consists of the heads of all the Venture's divisions and the Managing Director of the Venture. The committee meets at least once a month, recommends policies and strategies and is responsible for the implementation of strategy and carrying out the Board's mandates and directives. It deals with all executive management business and is responsible for all material matters that are not the responsibility of the Board. It also assists with the execution of Merafe's compliance and disclosure obligations.	Merafe is represented by Zanele Matlala, Kajal Bissessor and Jurg Zaayman.
The Joint Board of the Venture	The Joint Board meets quarterly with the aim of ensuring proper governance of the activities of the Venture. Members of Merafe's management team also attend and participate in the Venture's monthly Executive Committee and sustainable development meetings and quarterly Audit Committee and Treasury meetings.	The Joint Board consists of three representatives from Glencore and three representatives from Merafe (Zanele Matlala, Kajal Bissessor and Jurg Zaayman). Currently, Glencore appoints the Chairperson of the Joint Board.

Reporting in terms of Section 3.84 of the JSE Listings Requirements on Board governance processes

Requirement	Principle	Merafe's approach and compliance
3.84(a)	There must be a policy evidencing a clear balance of power and authority at Board level to ensure that no one director has unfettered powers.	Our Board Charter clearly demonstrates that there is a clear balance of power and authority at Board level and that no one director has unfettered powers.
3.84(b)	Issuers must have a CEO and a Chairperson and these positions must not be held by the same person. The Chairperson must either be an independent director or the issuer must appoint a lead independent director as defined in the King Code.	The CEO and Chairperson positions in Merafe are held by different people and Merafe's Chairperson is an independent non-executive director as defined in King IV. We refer you to pages 36, 37 and 38 of this report. Chris Molefe has chaired the Merafe Board since May 2003. In accordance with King IV, the Board conducted an in-depth review of both his performance and independence. It concluded that his independence has not been affected or impaired by his length of service and that Merafe would continue to benefit from his performance as Chairperson if he were to continue in this role.
3.84(c)	All issuers must in accordance with the King Code appoint an (i) Audit Committee, (ii) a committee responsible for remuneration and (iii) a Social and Ethics Committee. The composition of such committees must comply with the Companies Act and should be considered in accordance with King IV and each committee must consist of three members. The composition of such committees, a brief description of their mandates, the number of meetings held and any other relevant information must be disclosed in the annual report.	Merafe has combined its Audit and Risk Committee. Its membership is set out on page 39 of this report. The committee currently has three members, all of whom are independent non-executive directors, as set out in the King Code. The Chairperson of the Board is invited to attend committee meetings. As previously indicated Merafe has appointed a combined Remuneration and Nomination Committee. The committee has five members, four of whom are independent non-executive directors. The Chairperson of the Board is a member of the Remuneration Committee, but is Chairperson of the Nomination Committee. As already explained, Merafe has a combined Audit and Risk Committee and a combined Remuneration and Nomination Committee. The composition of the Committees, the mandates, activities and meetings held are set out on pages 39 to 41 of this integrated annual report. During 2017, our Chief Executive Officer and Financial Director were permanent invitees to the Audit and Risk Committee.

See our website for our Board charter, Code of Ethics and the Board Diversity Policy. See the annual financial statements, which form part of our online integrated annual report for 2017 for the Audit and Risk Committee's report as well as page 51 of this report. For a more detailed overview of the responsibilities of the Board and the committees, see the terms of reference of the Board and committees on our website, which form part of our online integrated annual report for 2017.

Requirement	Principle	Merafe's approach and compliance
3.84(d)	A brief CV of each director standing for election or re-election must accompany relevant notice of meeting.	Brief *curricula vitae* of our directors can be found on page 36 of this report.
3.84(e)	Capacity of directors in relation to executive, non-executive and independent must be categorised and disclosed in the relevant documentation.	The *curricula vitae* mentioned at 3.84(d) also contain information as to whether a director is independent, non-executive or executive. The composition of our committees is in accordance with the requirements of the Companies Act and King IV.
3.84(f)	Issuers must have a full time executive financial director.	Merafe has a full time Financial Director who does not hold any other position, nor does she have any other commitments that could be considered as full or part time employment.
3.84(g)	The audit committee must consider on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the financial director and report thereon in the annual report and compliance with paragraphs 3.84 (g)(ii) and 3.84 (g)(iii).	Our Audit and Risk Committee annually considers and satisfies itself of the appropriateness of the expertise and experience of the Financial Director and has reported in its Audit and Risk Committee report that it is satisfied with the appropriateness of the expertise and experience of the Financial Director. The Audit and Risk Committee also ensures compliance in terms of paragraphs 3.84(g)(ii) and 3.84(g)(iii) relating to proper and appropriate financial reporting proceedings being in place and operating and the appointment and suitability of the audit firm and partner.
3.84(h)	The provision deals with the competence, qualifications and experience of the Company Secretary and the Board of Directors' responsibility in relation thereto.	The Remuneration and Nomination Committee as well as the Board assessed the competence, qualifications and experience of the Company Secretary (CorpStat Governance Services, represented by William Somerville and Elise Waldeck) against various criteria and a rating scale, and has agreed that the firm is sufficiently qualified, competent and experienced to hold the position of Company Secretary. The Board made their assessment in a closed Board meeting.
3.84(i)	The provision deals with a gender diversity policy.	Merafe's Diversity Policy prescribes that at least 30% of the Board shall be female. As at the time of reporting, five of the eight directors were female (62.5%). The Remuneration and Nomination Committee undertakes when nominating and recommending directors to the Board, to take into account the principles and aims of the Diversity Policy of the Company.
3.84(j)	The provision deals with a race diversity policy.	Merafe's Diversity Policy prescribes targets for the racial composition of the Company. Seven of the eight directors are black (87%). The Remuneration and Nomination committee undertakes when nominating and recommending directors to the Board, to take into account the principles and aims of the Diversity Policy of the Company.
3.84(k)	The provision deals with the remuneration policy and implementation report.	The Remuneration Policy and Implementation report is set out on pages 42 to 47 of this report.

Social, Ethics and Transformation Committee report

The Social, Ethics and Transformation Committee (the "Committee") was established by the Board of Directors on 21 February 2012, in accordance with the requirements of the Companies Act of 2008 (the Act), section 72(4) and Regulation 43(2).

The Committee has an independent role. Its members include three non-executive directors, two of which are independent, two executive directors and the General Manager: Merafe Chrome. Independent non-executive director Belese Majova chairs the Committee.

The Committee assists the Board in monitoring the Group's activities in terms of legislation, regulation and codes of best practice relating to:

- ethics;
- stakeholder engagement, including employees, customers, communities and the environment; and
- strategic empowerment and compliance with transformation codes and is responsible for:
  - monitoring the Company's activities relating to social and economic development, good corporate citizenship, the environment and health and public safety;
  - ensuring appropriate short- and long-term targets are set by management;
  - monitoring progress on strategic empowerment and performance against targets;
  - monitoring changes in the application and interpretation of empowerment charters and codes; and
  - monitoring functions required in terms of the Act and its regulations.

To meet its responsibilities the Committee receives reports on the progress that both Merafe and the Venture have made in terms of the issues covered by its terms of reference. A senior representative of the Venture attends specific committee meetings where the focus is on the Venture.

In addition to the above the Committee:

- reviewed and updated the Company's Code of Ethics, the Board charter, the committee's terms of reference, and CSI policy;
- reviewed and assessed legislation applicable to Merafe, the Venture and the committee;
- assessed the Company's compliance with King IV. The Company complies with King IV principles, save as otherwise noted and explained in this integrated annual report;
- assessed Merafe's and the Venture's transformation performance with specific reference to the Mining Charter and the B-BBEE Codes of Good Practice;
- continually assessed Merafe's corporate social investment. In this regard, the committee continued to oversee and support the projects as set out on page 33 of this report and also visited the schools in May 2017; and
- assessed the Ventures corporate and social investments which Merafe contributes to as set out on page 33 of this report.

The focus of the Committee in 2018 will be in the fields of education and health in areas in the vicinity of the operations and the school projects. The Committee will also focus on King IV compliance aiming at continual improvement as well as Merafe's transformation performance with reference to the Mining Charter and the Codes of Good Practice.

The members of the Committee believe that Merafe is substantively addressing the issues it is required to monitor in terms of the Act. However, we recognise that the functioning and scope of the Committee is a work in progress.

Belese Majova
Chairperson

REMUNERATION REPORT

This remuneration report is in accordance with King IV requirements. A glossary of terms used in this report is contained in our online integrated annual report of 2017 which is on our website. If unable to access the online report please note the following key references used: "Policy" means the Remuneration Policy of the Company, the "Company" or "Merafe" means Merafe Resources Limited and its subsidiaries, the "Committee" means the Remuneration and Nomination Committee of the Company, the" Board" means the board of directors of the Company, "executive directors " and" non executive directors" means executive and/or non-executive directors of the Company, the "CEO" means the chief executive officer of the Company and "FD" means the financial director of the Company.

BACKGROUND STATEMENT

Our remuneration philosophy

The Company's primary philosophy is to employ high-calibre, high-performing employees who subscribe to the values and culture of the Company. We recognise that our employees are integral to the achievement of our corporate objectives and they are accordingly remunerated for their contribution and the value they deliver. Our remuneration strategy and policy are regularly reviewed by the Committee to ensure they are appropriate.

Our remuneration strategy

The Company's remuneration strategy is designed to be aligned with the business strategy and the execution thereof in the short, medium and long term and also within the Company's risk appetite. Since we strive to attract, retain, motivate and reward employees for executing our business strategy, their remuneration must clearly be market-related and third parties are used by the Committee for the purpose of benchmarking to the appropriate segment. The general principle of the Policy is to structure executive and employee remuneration to include:

- a guaranteed annual package and benefits;
- an annual variable performance bonus; and
- ownership of shares through the long-term incentive scheme which is based on retention and performance with the aim of creating a strong alignment to shareholder goals.

The remuneration strategy and the Policy was communicated to all employees during the year together with our expectations around their contribution to the success of the Company. The Policy also covers Company-wide remuneration with the aim of achieving positive outcomes, promoting an ethical culture and responsible corporate citizenship.

Statement of voting at Annual General Meeting

The AGM of the Company was held on 4 May 2017 and the requisite ordinary resolution endorsing the Policy was passed. The resolution (resolution 6) was passed by a 90.36% majority with 82.39% of the Company's shares being voted. In 2016 the Policy was passed by a 86.67% majority (shares voted 80.44%).

The Company engages regularly with stakeholders in respect of its remuneration approach and Policy. The Company commits in 2018 to engage with shareholders in respect of its Policy and approach.

The Remuneration and Nomination Committee

Responsibility for the Policy resides with the Board who sets the direction on how remuneration is approached on an organisation-wide basis and who in turn appoints the Committee. The Committee comprises at least three members, the majority of whom are independent non-executive directors, and is governed by formal terms of reference.

The primary role of the Committee is to ensure that the Company's executive directors and senior management are fairly rewarded for their individual contributions to the Company's overall performance and that remuneration is appropriate to attract, retain and motivate executive directors and senior management of quality to obtain the overall goals of the Company, and to demonstrate to all stakeholders that the remuneration is set by members of the Committee who:

- have no personal interest in the outcome of their decisions;
- give due regard to the interest of the shareholders and the financial and commercial condition of the Company; and
- take cognisance of market-related remuneration, incentive bonuses and share incentive schemes as well as market trends, and additionally play an active role in succession planning activities, notably for the CEO and executive directors.

The Committee is responsible for making recommendations to the Board on the Policy and implementation thereof and, to the extent it deems necessary, the Committee makes external comparisons between remuneration packages of executive directors and those available to directors of other companies of a similar size in the comparable industry sector. Comparisons are also made with other companies in South Africa and, if relevant, internationally.

The Committee also takes into account a number of internal and external factors, being inter alia:

- industry standards and comparisons with businesses in the same industry;
- expertise and qualifications of individuals;
- the risks associated with a Company in the mining sector;
- the importance of the individual to the Company and his/her contribution;
- motivation for the executive directors to leave existing employment;
- signing of necessary restraint provisions; and
- nature of the position (profile, work load, etc.)

The Committee is responsible for approving salary increases for executive directors individually and for approving overall increases for all employees.

The activities of the Committee during 2017 included:

- Benchmarking exercise

  The Company's practice has been to remunerate its employees within the lower and median percentile. However, there has been no agreed principle as to which comparison to use as Merafe is not a typical mining company. To correct the latter, remuneration experts, Emergence Growth South Africa ("EG"), were engaged to perform the process from the beginning which included job profiling, job evaluation and benchmarking for both executive directors. The job profiling entailed an interview process in order to establish a detailed description of the job, related ouputs, level of decision-making and knowledge and skills required. The Committee was satisfied that EG was independent and objective.

  Following the job profiling, the job evaluation process was completed by EG. We understand that in South Africa, it is accepted practice that executive directors are evaluated on financial and organisational metrics. EG has a robust executive sizing model in place that uses certain factors such as turnover, total assets, listed company, ideal qualifications, experience required and decision making impact in conjunction with the Paterson rules and guidelines as well as up to date job descriptions to perform the job evaluation.

  Following the job evaluation, the benchmarking was performed combining both industry specific and company size specific information thus providing a hybrid benchmark.

  The Committee determined that a hybrid of the "mining industry" and "asset management" was appropriate for the executive directors. In the case of the larger mining entities/asset managers, the remuneration of the divisional executive directors of these entities was used to calculate the benchmark. This was done to ensure that entities of a similar size to Merafe are used for comparative purposes.

  The benchmarking on the hybrid approach concluded that the CEO is paid within the lower to median percentile in respect of total cost to company, whereas the FD was paid below the lower percentile in respect of total cost to company.

- Salary adjustments

  Salary adjustments were made effective 1 March 2017 with increases of 6.5% for the executive directors and 7% for all other staff categories; and for the 2018 financial year, executive directors were given increases of 6.1% plus an additional market adjustment of 2% to address results of the benchmarking exercise in the case of the FD.

- Short-term incentives

  The Committee determined annual short-term incentives for executives in accordance with the Policy. These duties were carried out for the year under review and the results are tabled in the implementation section of the Report.

- Review of contracts

  The Committee reviews the employment contracts of executive directors on an annual basis. Key terms include a notice period for executive directors of 6 months. In the event of a change of control or a repudiation or breach of an executive directors' contract, the executive director will receive 12 months salary and all benefits that the executive director would have received over a 12 month period. Entitlement to share options or grants would be governed by the Share Incentive Scheme.

See our online integrated annual report for 2017, under remuneration report for our Remuneration Policy.

REMUNERATION POLICY

Statement of fair, responsible and transparent remuneration

The Board approves policy that articulates and gives effect to its direction on fair, responsible and transparent remuneration.

The Policy for the remuneration of executive directors and other senior management is set taking appropriate account of remuneration and employment conditions of the industry, the Venture and the Company's specific circumstances.

Key principles

The Policy is governed by the Committee which regularly reviews the Policy to ensure that it is relevant and supports the Company strategy. To this end, guaranteed remuneration is targeted at the median to lower quartile of the relevant market data (against which we benchmark) to retain and attract high-calibre and high-performing executive directors and employees.

The Policy dictates that all full time employees are members of medical and retirement funds and have group life and disability cover.

Variable pay is an important component of the Policy and both annual and long-term performance-based schemes which support our business strategy are in place.

The short-term incentive scheme performance measures are assessed by the Committee and these measures are determined by taking into account corporate, individual, financial and non-financial criteria. The measures are applicable to the time period to which the scheme relates.

The long-term incentive scheme measures are based on Total Shareholder Return (TSR) and retention.

Executive director remuneration is aligned to shareholder value creation through the long-term scheme.

Where necessary both short-term and long-term incentive schemes are benchmarked against the appropriate databases by the Committee.

Annual salary adjustments are governed by factors such as the consumer price index (CPI), retention strategies, the producer price index (PPI), industry performance, projected growth, contractual arrangements and affordability, and industry average increase surveys, which are taken into consideration in setting the recommended increase. The Committee will approve or set the overall increase percentage that will be applied on a Company-wide basis. Salary adjustments are at the discretion of the Board.

Executive Directors' pay mix

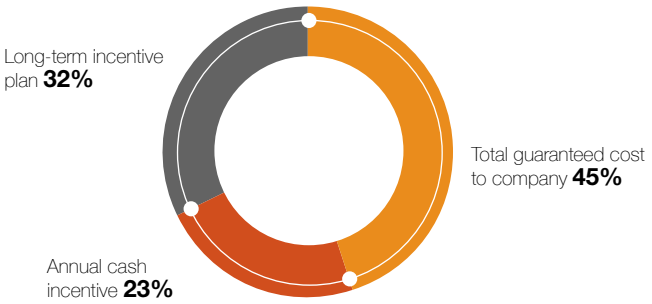
Executive directors' pay mix is defined as the balance targeted between the major components of executive remuneration, namely:

- Guaranteed pay – based on Total Guaranteed Cost to Company (TCtC)
- Variable pay based on performance
  - short-term incentives in the form of annual cash incentives (ACI); and
  - the expected value from long-term (share-based) incentives.

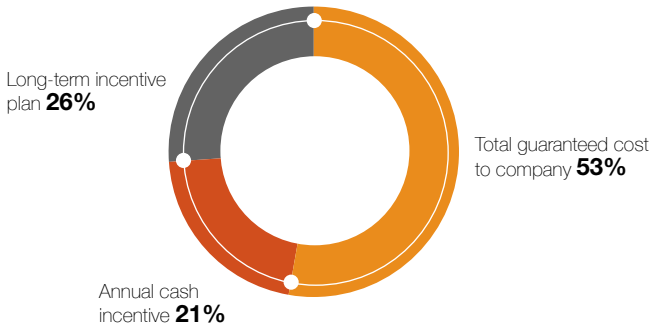
Note: Expected value is defined as the present value of the future reward outcome of an offer, given the targeted future performance of the Company and of its share price. It should not be confused with the term "fair value" which is used when establishing the accounting cost for reflection in a Company's financial statements. Neither should it be confused with the term "face value" which is used to define the current value of the underlying share at the time of an offer.

The Company's targeted pay mix aims to align the incentives of executive directors and employees with the interests of shareholders. It is recognised that through acquisitions and business combinations over time, there will always be some deviation from the targeted pay mix structure across the Company. However the balance between TCtC, targeted ACI and the expected value from LTIP for executives is shown for illustrative purposes in the schematic below.

Chief Executive Officer



Executive director



Guaranteed pay

Merafe aims to establish and maintain an integrated pay line with pay levels that ensure that it is able to remain competitive, whilst managing costs.

Executive directors and employees remuneration in respect of guaranteed pay is expressed in terms of TCtC.

An employee's TCtC consists of the following elements:

- Basic salary
- Car and any other cash allowances and/ or perquisites
- Employer contributions to the medical aid
- Employer contributions to the retirement funding
- Employer contributions to risk benefits

Salaries are reviewed annually and are targeted at the median to lower quartile position in the relevant market. The Company conducts periodic market benchmarking exercises against the top management reward surveys conducted by the large consultancies. The benchmark used is the median to lower quartile total guaranteed cost of employment for similar positions in similarly sized listed companies.

The Committee principally considers companies in the South African market (and particularly the mining and resources sector) which have a similar size, complexity and scope to the Company. The Committee also takes into account business performance and prevailing salary practices for other employees in the Company and, when setting individual salaries, the individual's performance and experience in the role.

Short-term incentives

Merafe's annual incentives are aimed at rewarding a combination of both business and individual performance. The bonus pool is determined as a percentage of net profit after tax. Financial and non-financial criteria and individual performance determine the bonus pool's distribution to individuals. Bonuses are awarded at the discretion of the Board.

During February 2016, a decision was made by the Committee to follow a less mechanistic approach to determining the award of bonuses. As indicated above, the incentive scheme performance measures are assessed by the Committee and these measures are determined by taking into account corporate, individual, financial and non-financial criteria.

The total short-term incentive pool available is capped at 3% of net profit after tax. No bonuses are payable where the net profit after tax in any financial year is less than R100 million.

Remuneration report (continued)

In addition, the percentage for short-term incentives is capped for the various categories of employees as set out below:

Position	Maximum % of TCTC
Chief Executive Officer	100
Financial Director	80
Senior management	60
Management	50
Administrative staff	30

These metrics are assessed against a five point scale as follows:
1. poor
2. needs improvement
3. satisfactory
4. good
5. outstanding

- Individual performance is assessed from predetermined criteria of key performance areas or value drivers. The selection of these is informed by the Company's business plan;
- the final bonus calculation is undertaken by aggregating the bonus claims of all participants and comparing this with the bonus pool derived from Company performance; and
- no more and no less is to be paid out in bonuses than exists in the bonus pool, and thus each individual's bonus claim is calculated in order to aggregate to the bonus pool.

Long term incentives

Share Incentive Scheme

On 13 April 2010, a share incentive scheme was approved by shareholders and share grants were awarded from 2010 under the new incentive scheme.

Share grants are awarded by the Board on the recommendation of the Committee. They vest in thirds on the third, fourth and fifth anniversaries of the grant date and are settled either by physical delivery of shares or the Company has the right to settle in cash the difference between the exercise price and the grant price.

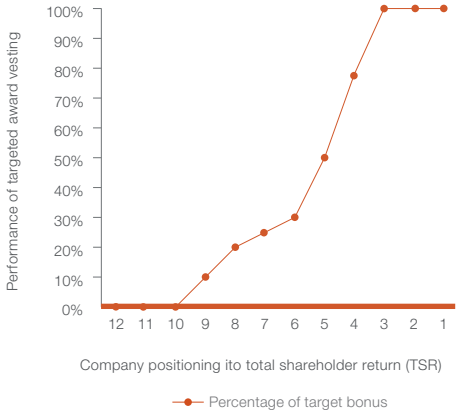
During 2013, and as previously reported, a decision was taken by the Committee to vary the balance between performance and retention-oriented grants or options awarded in future and also to simplify the performance criteria that determine vesting of the performance grants.

The balance between performance oriented share grants and the retention-oriented share grants for the CEO is weighted 70% in favour of performance oriented share grants. For executive directors and senior managers these percentages will be 60% and 50% respectively. All other employees will receive only retention-oriented share grants.

The performance criteria for existing performance oriented share grants made prior to 2013 will remain in place, but award grants after 2013 are governed by a single performance metric that compares Merafe's Total Shareholder Return ("TSR") over a three year period with that of a selection of JSE listed, small cap mining and resources companies (top 12) comprised as follows:

Royal Bafokeng Platinum Limited (RBP), PAN African Resources PLC (PAN), Tharisa PLL (THA), Lonmin PLC (LON), Merafe Resources Limited (MRF), Tawana Resources NL (TAW), DRDGOLD Limited (DRD), Resource Generation Limited (RSG), MC Mining Limited (MCZ), Wesizwe Platinum Limited (WEZ), Orion Mineral NL (ORN) and Atlatsa Resources Corporation (ATL)

Assuming that this group of 12 companies (including Merafe) is adopted as the peer group of companies, vesting of the performance-oriented share grants will be in accordance with the following:



Performance/vesting curve

- If Merafe's TSR measured over the three-year period places it in one of the top three positions, then the full number of performance granted shares will vest in equal proportions on the third, fourth and fifth anniversaries of their grant date.
- If Merafe's TSR measured over the three year period places it in 6th position, then one third of the number of performance shares granted will vest in equal proportions on the third, fourth and fifth anniversaries of their grant date.
- If Merafe's TSR over the three year period places it at or below 10th position, then none of the shares granted will vest.
- If Merafe's performance over the three-year period lies between any of the above points, then a prorated number of performance shares granted will vest in equal proportions on the third, fourth and fifth anniversaries of their grant date.

Share Incentive Scheme Principles

The provisions of the Share Grant Scheme are as follows.
- Share options/grants will only be made at the discretion of the Board as and when circumstances dictate.
- No offer shall be made which would together with any other scheme shares exceed 10% of total issued shares capital of the Company.
- The maximum aggregate number of grant shares or options granted to a single participant, shall be limited to 1% of the total issues share capital of the Company.
- Full value share offers will be made annually to employees, the expected value of which will be dictated by the Company's Reward Strategy – Pay Mix.
- Performance vesting share awards and retention-oriented share grants will be offered to senior managers and above, with the proportion of performance versus retention increasing with seniority.
- Retention grants only will be granted to managers and administration staff.
- The performance award value will be calculated as a percentage of the current TCtC guaranteed package
- The retention grant value will in any year, at the discretion of the Board, be either calculated as a percentage of the current TCtC guaranteed package, or as a percentage of the past year's annual incentive payout.
- Performance-oriented share awards and retention-oriented grants are offered to senior managers and above, with the proportion of awards, in relation to grants, increasing with seniority as per Table A set out on page 45.

Details of executive and management remuneration in 2017 can be found on page 45 of this report.

Share options and share awards and/or grants offered to directors under the share incentive scheme are set out on pages 46 and 47 of this report.

Table A

	Participant numbers	LTIP (expected value)	Target offer value	Balance performance/ retention	Award value (performance)	Target grant value (retention)
		% TCtC	% TCtC		% TCtC	% TCtC
Chief Executive Officer	1	70	50	70/30	35	15
Executive director	1	50	35	60/40	21	14
Senior management	2	40	30	50/50	15	15
Management	1	30	25	0/100		25
Administration	1	20	15	0/100		15

Clawbacks

Any remuneration previously paid to executive directors, that is subsequently found to have been as a result of criminal or otherwise illegal activities, must be repaid to the Company.

In the event of restatement of the Company's results (other than a restatement caused by a change in accounting policy, standards or interpretation) which results in lower performance-based remuneration had it been calculated on the restated results, the Committee shall review such performance-based remuneration, determine the amount to be recovered from the executive and take steps to recover the amount.

Non-executive directors' fees

The remuneration of non-executive directors is provided in the context of good governance, and is primarily based upon a methodology which takes into account expertise, contribution by the director and attendance. Standard duties of non-executive directors include preparation for and attendance at Board meetings, attending AGMs and results presentations. Independent benchmark advice is sought as to levels of remuneration for non-executive directors and the Policy is that non-executive directors will be remunerated between the lower quartile and median using the hybrid companies methodology indicated under the executive benchmarking exercise detailed above. Non-executive directors' fees will be tabled for approval by the shareholders of the Company on an annual basis. The fees paid to different roles such as chairman may vary from the fees paid to other non-executive directors. The remuneration of non-executive directors will be split between 40% in relation to fees for attendance at meetings and 60% in relation to fees for retention. Attendance at meetings will include scheduled Board meetings and special Board meetings. Retention fees will include inter alia attendance at site visits, round robin resolutions/decisions and strategy sessions.

Non-executive directors do not participate in any share based incentive scheme or any other incentive scheme that the Company may implement.

IMPLEMENTATION REPORT FOR 2017

The implementation of the Policy approved by shareholders at the AGM in May 2017 is set out below:

Executive pay

	2017 R'000	2016 R'000
ZJ Matlala		
Salary	4 310	4 027
Bonus	4 422	4 060
Fringe benefits and leave pay	133	167
Provident contributions	350	432
Share grants vested	4 574*	2 733
Share options vested	1 911*	–
Total	15 700	11 419

	2017 R'000	2016 R'000
K Bissessor		
Salary	1 927	1 870
Bonus	1 796	1 649
Fringe benefits and leave pay	143	350
Provident contributions	292	312
Share grants vested	650*	262
Share options vested	3 090*	–
Total	7 898	4 443

** See the 2017 integrated online report for additional information regarding the calculation of the value of the options exercised.*

Remuneration report (continued)

Short-term incentives

The executive directors were assessed by the Committee according to the table set out below which was then used as a basis for awarding bonuses for 2017.

		Score out of 5
Key factors	Key measurement items	2017
Profitability	EBITDA compared to budget and previous year	5
Funding	Meeting debt covenants and maintaining healthy Board agreed debt levels	5
Growth of business	Grow assets and revenue	4
Cost management	Effective cost management at Ventures and Merafe level	4.5
Sustainability	BEE rating on amended scorecard, Corporate Social Investment, Environmental incidents	4.5
Safety	Total Recordable Injury Frequency Rate, Fatalities	2.5
Stakeholder engagement	Stakeholder engagement programme including interactions with SARS, partners, shareholders, employees, etc	5
Talent management	Succession planning, managing employees, training, mentoring	5
Reporting	Interim and annual reporting and engagement with stakeholders	5
Total Rating		4.5

As per the Policy, the Committee applied a less mechanistic and more holistic approach which has resulted in the following bonus allocation:

	2017 % allocation of cost to Company	2016 % allocation of cost to Company
Chief Executive Officer	**90%**	88%
Financial Director	**81%**	70%

Long-term incentives

Long-term incentives – 2017 (refer to website for full section)

The award of long-term incentives for 2017 under the Company's share option and grant schemes are set out below.

Share grants and options that vested in 2017 were as follows:

Chief Executive Officer

Share Grants

Number of shares	Rand value
3 058 861	4 574 486

Share options

Number of shares	Rand value
5 309 546	1 911 436

Financial Director

Share Grants

Number of shares	Rand value
373 536	650 049

Share options

Number of shares	Rand value
3 000 000	3 090 000

Performance conditions

The performance conditions relating to share awards made prior to 2013 are capacity growth, assets under management, JSE SRI Index, JSE Small Capitalisation Index and Mining Index. The performance conditions relating to share awards made post 2013 is a single performance metric that requires Merafe's TSR to be in a position amongst a group of companies over a three-year period.

Long-term incentives – 2016

The award of long-term incentives for 2016 under the Company's share option and grant schemes are set out below.

Chief Executive Officer

Share Grants

Number of shares	Rand value
3 006 630	2 733 411

Financial Director

Share Grants

Number of shares	Rand value
327 546	262 193

Share awards outstanding at 31 December 2017

Share options and grants outstanding at 31 December 2017 in favour of directors and prescribed officers are as set out below:

Name	Vesting date	Number
Z Matlala	2018 – 2022	8 770 249
K Bissessor	2018 – 2022	2 840 872
Total		11 611 121
Percentage of issued share capital		0.46%

Share grant allocations were implemented as follows, based on the VWAP of the previous day's trading:

	2017			2016		
	% allocation of cost to Company	Number of shares	Vesting period	% allocation of cost to Company	Number of shares	Vesting period
Chief Executive Officer	50%	1 381 299	1 April 2020 1 April 2021 1 April 2022	50%	2 824 227	1 April 2019 1 April 2020 1 April 2021
Financial Director	35%	490 995	1 April 2020 1 April 2021 1 April 2022	35%	1 003 905	1 April 2019 1 April 2020 1 April 2021

Note: As per the Policy, 70% and 60% of the grants allocated are subject to performance conditions for the CEO and FD respectively, for both the 2016 and 2017 year.

Non-executive directors' fees

Non-executive directors' fees approved for 2017

The fees for non-executive directors set out below are in accordance with the fees approved by shareholders at the 2017 AGM:

	2017					
	Fees per annum 2017	Retainer 60%	Monthly Retainer fees	Retainer per quarter	Fees per attandance 40%	Fees per attendance per meeting
Board Chairman	541 521	324 913	27 076	81 228	216 608	54 152
Members	265 350	159 210	13 268	39 803	106 140	26 535
Audit & Risk Committee Chairperson	191 500	114 900	9 575	28 725	76 600	19 150
Audit & Risk Committee members	120 085	72 051	6 004	18 013	48 034	12 009
Remuneration and Nomination Committee Chairperson	103 515	62 109	5 176	15 527	41 406	10 352
Remuneration and Nomination Committee members	63 185	37 911	3 159	9 478	25 274	6 319
Social, Ethics and Transformation Committee Chairperson	103 515	62 109	5 176	15 527	41 406	10 352
Social, Ethics and Transformation Committee members	63 185	37 911	3 159	9 478	25 274	6 319

Non-executive directors fees paid for 2017	2017 R'000	2016 R'000
C Molefe	**651**	606
A Mngomezulu	**467**	464
BN Majova	**442**	479
M Mosweu	**289**	256
Z van der Walt*	**–**	98
K Nondumo	**430**	430
S Blankfield	**322**	322
Total	**2 601**	2 655

**Retired during 2016*

Non-executive directors fees proposed for 2018

The 2018 proposed fees in accordance with the Policy are set out below. A 6.1% increase is proposed from the previous year. This increase takes account of the benchmarking exercise and inflation.

	Fees per annum 2018	Retainer 60%	Monthly Retainer fees	Retainer per quarter	Fees per attandance 40%	Fees per attendance per meeting
Board Chairman	574 554	344 733	28 728	86 183	229 821	57 455
Members	281 537	168 922	14 077	42 231	112 615	28 154
Audit & Risk Committee Chairperson	203 182	121 909	10 159	30 477	81 273	20 318
Audit & Risk Committee members	127 410	76 446	6 370	19 112	50 964	12 741
Remuneration and Nomination Committee Chairperson	109 830	65 898	5 492	16 474	43 932	10 983
Remuneration and Nomination Committee members	67 040	40 224	3 352	10 056	26 816	6 704
Social, Ethics and Transformation Committee Chairperson	109 830	65 898	5 492	16 474	43 932	10 983
Social, Ethics and Transformation Committee members	67 040	40 224	3 352	10 056	26 816	6 704

AREAS OF FOCUS FOR 2018

Key activities for the Committee in 2018 will be, inter alia, the approval of the remuneration and bonuses for executive directors and senior management. The Committee will also assess fees to be paid to non-executive directors. Focus will be placed on the key principles of King IV and the Company's commitment to these principles. In addition, the Company will, if required, engage with shareholders to discuss issues of mutual concern.

COMPLIANCE STATEMENT

The Board and the Committee are committed to maintaining high standards of corporate governance and to support and apply the principles of good governance advocated by the South African Institute of Directors (IoD) and King IV.

The Board and the Committee are of the view that the objectives stated in the Policy have been achieved for the period under review. The Board and the Committee are also satisfied that they have fulfilled their responsibilities in accordance with their terms of reference with regard to remuneration within the Company.

See the 2017 integrated online report and the annual financial statements for additional and supporting information.

Approach to risk management

The Merafe Board is responsible for our governance of risk and for setting levels of risk tolerance. It has tasked the Audit and Risk Committee with assisting the Board in carrying out its risk responsibilities. The process of risk management has been delegated to management and the Audit and Risk Committee, acting on behalf of the Board, ensures that there is ongoing assessment and monitoring of our risks. The Merafe Executive Committee is accountable to the Board for designing, implementing and monitoring Merafe's risk management processes and senior managers are responsible for effectively managing risks within their respective areas of responsibility.

Merafe's risk management policy and framework (available on our website) describes our risk management philosophy, approach and process and guides the implementation of our risk management process in a uniform manner across the Company.

Certain risks are inherent in a mining business and these need to be managed effectively. The Venture's risk management system allows it to pursue business opportunities and grow shareholder value, while at the same time developing and protecting its people, assets, environment and reputation. Its processes are defined within a risk framework that is well understood across its operations.

Both Merafe and the Venture undertake comprehensive quarterly risk reviews, the results of which are included in their annual business plans and regularly reviewed.

The Board will continue in 2018 to focus on the principal risks set out hereunder as well as attempting to identify any further emerging risks in a fast changing environment.

Principal risks

Our principal risks, which include risks related to the Venture, are the following:

- The possible negative impact on our earnings of commodity price volatility, currency exchange rate fluctuations and the health of the global economy. The preventative actions the Venture takes to reduce the impact, which include managing production levels, scaling down mining and smelting activities during downturns in global demand and maintaining its position as the lowest-cost ferrochrome producer in South Africa, are described in the Principal risks and uncertainties table;
- Socio-political climate in South Africa, which includes industrial unrest and the risk of the Venture not winning broad support for its activities from local communities. Both of these possibilities could result in disruptions affecting our profitability. To reduce these risks the Venture's stakeholder engagement and responsiveness efforts play a critical role. In addition, Merafe and the Venture invest in social and labour plan commitments, which include local economic development, healthcare and education projects. We also invest in corporate social responsibility initiatives;
- Investors' negative perceptions of the South African mining industry impact on investors' appetite for investment in South African mining stocks. Merafe focuses on maintaining relationships with our existing investors and building new relationships. To achieve this our team regularly makes presentations and has discussions with investors and potential investors. We also keep investors informed through our reporting and our website;
- Inability to obtain debt finance due to a downgrading of Merafe's credit status could adversely affect our financial position. To counteract this risk we maintain a strong balance sheet, low gearing and a good reputation and relationship with our bankers and have tangible assets to secure financing;
- Non-compliance with and changes to laws, regulations, taxes and mining rights can result in extensive disruption to the Venture's operations, loss of revenue and fines. The loss of mining rights could affect our business The Venture and Merafe maintain extensive, transparent and open relationships with regulators and local, regional and national government bodies. We keep abreast of all changes to legislation and closely monitor compliance with it;
- Empowerment credentials: in this regard see our commentary in Material issues section on page 7 of this report and the Chairperson's report on page 35 of this report;
- Operational risks include a number of factors that are out of our control including the availability of raw materials, water and power, unusual ground conditions and the impact of climate change. To combat the impact of these risks the Venture has a comprehensive programme in place to identify, understand and manage the risks that could affect our business and our operations. The risk registers of both Merafe and the Venture are regularly updated;
- Chrome ore exports to China could undermine the South African ferrochrome industry. The ferrochrome industry engaged with government to develop a solution that will support government's beneficiation and job creation strategies and ensure the sustainability of South Africa's ferrochrome industry. Any change in circumstances for China, which include increased chrome ore prices, freight rate increases and environmental issues covered, also reduce the risk of China undermining our industry;
- Cost control is a key factor in the Venture's competitiveness and profitability. The Venture prides itself on being a low-cost producer and cost control is a key management performance measurement. The Venture's development of cost-efficient proprietary technology plays a significant part in its cost reduction. We are also engaging with government regarding carbon taxes and electricity costs;
- Lack of energy supplies could impact on the Venture's ability to operate. The Venture has an ongoing programme to assess and monitor energy-related risks, including scenario analyses. We also manage the risk by implementing energy-efficiency plans and assessing the risks associated with energy supply at the design phase of our projects;
- Emissions and climate change regulations could have an adverse impact on our ability to maintain profitability and water scarcity has also become an issue that could in future affect the Venture's ability to operate. The Venture continually engages with government and key policymakers to advocate a rational approach to carbon taxes and it has reduced the carbon emissions attributable to the electricity it purchases by improving the energy efficiency of its operations and investigating the use of renewable energy sources. The Venture has also successfully reduced its water consumption per tonne of product produced;
- The Venture's operations are subject to extensive health, safety and environmental (HSE) regulations and legislation and community expectations; HIV and AIDS and associated disease remain the major healthcare challenges for our industry and if the Venture's employees suffer from symptoms associated with HIV and AIDS it could have a negative impact on its production levels and our profitability. The Venture gives these issues priority and significant resources are committed to providing a safe and healthy workplace, keeping our impact on the environment to a minimum and addressing the impact of HIV and AIDS on our employees and the communities in the vicinity of our operations; and
- Loss of key and skilled employees, particularly to competitors, could result in financial loss and reputational damage. The policy of both Merafe and the Venture is to invest in future key contributors and to implement adequate notice periods.

See our online integrated annual report for 2017 for our principal risks, uncertainties and opportunities table.

See our online integrated annual report for 2017 for more information on the Venture's risk processes, including its information technology governance.

Sustainability review and assurance

Merafe and the Venture

Merafe relies on the Venture and Glencore to obtain quantitative data with regard to sustainability indicators of the Venture as set out in this report.

The Venture, via the Glencore Sustainability Database, undergoes a process of internal and independent assurance reviews of their key sustainability indicators.

The sustainability data and information falls under the Sustainability and Human Resources Development departments of both the Venture and Glencore. The information set out in this report is signed off by the Venture and Glencore.

The Venture's sustainability data and information was subjected to various internal and external review and audits during 2017. See our online integrated annual report for 2017 under Sustainability review and assurance for a schedule detailing the Venture's internal and external reviews and audits.

With regard to the above internal and external audits and reviews, the Venture and Glencore have confirmed to the Board of Merafe that there are no material issues arising therefrom which would impact on the reliability, accuracy and completeness of the Venture's information set out in this report.

Deloitte was again appointed by Glencore to conduct an independent third-party assurance on key sustainability data of the Venture relating to 2017. The assurance took place in September 2017 and the Venture and Glencore have confirmed that no material issues arose therefrom.

As a result of the internal and external reviews and audits as outlined (together with the signing off of the data by the Venture and Glencore), the Merafe Board is satisfied that the information set out in this report in respect of the Venture's data is reliable, accurate and complete.

The Venture's Mineral Resources and Mineral Reserves Statement to 31 December 2017 is signed off by a Competent Person as defined by the SAMREC Code, a summary of which is on pages 23 to 25 of this report. The full report is on our online integrated annual report and on our website.

For the 2014 annual report independent assurers were engaged to provide independent assurance on the directors' statement that they had followed the materiality determination process described in identifying the material issues in the integrated annual report.

For the 2015, 2016 and 2017 integrated annual reports the Board followed the same materiality determination process as set out on page 7 of this report. Deloitte were engaged as Auditors of the Company as set out on the inside front cover of this report.

In respect of the Remuneration Policy of the Company and remuneration of the Company's Board and executives, the Remuneration Committee appointed independent advisors to assist the committee in ensuring that the policy was in line with best practice and that remuneration was properly benchmarked. For more details in this regard see the Remuneration Report on pages 42 to 47 of this report.



See our online integrated annual report for 2017 under Sustainability review and assurance for a schedule detailing the Venture's internal and external reviews and audits.

Directors' report for the year ended 31 December 2017

Nature of business

The Company, through its wholly owned ultimate subsidiary, Merafe Ferrochrome and Mining Proprietary Limited (Merafe Ferrochrome) and through a pooling and sharing venture with Glencore Operations South Africa Proprietary Limited (Glencore), participates in chrome mining and the beneficiation of chrome ore into ferrochrome. The Glencore-Merafe Chrome Venture (Venture) operates five ferrochrome smelters, 22 ferrochrome furnaces and eight mines, situated in the North-West, Limpopo and Mpumalanga provinces of South Africa. Merafe Ferrochrome's share of the earnings before interest, taxation, depreciation and amortisation (EBITDA) is 20.5%. The Venture comprises assets to which both Glencore and Merafe Ferrochrome have granted the right of use.

Listed below are the assets to which Merafe Ferrochrome has granted the right of use to the Venture:

Ferrochrome smelters		Chrome mines		UG2 plants and pelletisers	
Asset	Merafe Ferrochrome's interest	Asset	Merafe Ferrochrome's interest	Asset	Merafe Ferrochrome's interest
Wonderkop smelter (furnaces five and six)	50%	Boshoek mine	100%	Impala Kanana UG2 plant	100%
Boshoek smelter	100%	Kroondal and Wonderkop mine	20.5%	Lonmin UG2 plants	20.5%
Lion I smelter	20.5%	Helena mine	20.5%	Mototolo UG2 plant	20.5%
Lion II smelter	20.5%	Magareng mine	20.5%	Bokamoso pelletising plant	20.5%
				Motswedi pelletising plant	100%
				Tswelopele pelletising plant	20.5%

Group financial results

The financial statements set out the financial results of the Group and Company and have been prepared using appropriate accounting policies, conforming to International Financial Reporting Standards, supported by reasonable and prudent judgements where required.

Merafe Ferrochrome's share of EBITDA from the Venture is accounted for at 20.5%. In addition to Merafe Ferrochrome's share of EBITDA from the Venture, corporate expenses, interest on debt, depreciation and interest received are accounted for in order to determine earnings before taxation of the Group. Refer to note 1.3.2 of the annual financial statements – Basis of consolidation – Transactions with the Venture, for further information regarding the accounting policy for Merafe Ferrochrome's interest in the Venture.

Loans and borrowings

As at 31 December 2017 there was a nil balance on the ABSA facility and R200 million was available and unutilised.

Mining rights and mining operations

The directors are satisfied that there are no foreseen material risks relating to the Resources and Reserves of the Venture and the ability of the Venture to conduct its mining operations. See the Abridged Mineral Resources and Reserves Statement on pages 23 to 25 and the detailed Resources and Reserves Statement in our online integrated annual report for 2017.

Going concern

The directors believe that the Company has sufficient resources and expected cash flows to continue as a going concern for the year ahead.

Dividend policy

The Company has a hybrid dividend policy that has features of a stable dividend policy and a residual dividend policy. The Company intends to pay a stable dividend of a minimum of 30% headline earnings at least once a year taking into account the annual financial performance, expansionary projects and economic circumstances prevailing at the time.

In addition, in any given year, the directors may consider an additional distribution in the form of special dividends and/or share buy-backs dependent on the Company's financial position, future cash requirements, future earning prospects, availability of distributable reserves and other factors. Dividends are recognised when they are declared by the Board of the Company.

Ordinary dividends

An interim dividend of R75 million was declared and paid during the 2017 year. A final dividend of R226 million was declared for the year ended 31 December 2017 (total dividend for 2017 of R301 million).

Share capital

The full details of the authorised and issued share capital of the Company are set out in note 6 to the annual financial statements. Merafe did not issue any shares for cash or effect any share repurchases under a general or specific authority.

Directorate

At 31 December 2017 the Board consisted of the following directors: Chris Molefe (Chairperson), Belese Majova, Abiel Mngomezulu, Mpho Mosweu, Karabo Nondumo, Shaun Blankfield, Zanele Matlala, Kajal Bissessor.

During the period under review, no contracts were entered into in which directors and officers of the Company had an interest and which could affect the business of the Group.

Non-executive directors are remunerated periodically for their contribution to the Board. Executive directors do not receive Board fees in addition to their remuneration. Refer to note 22.1 of the annual financial statements for a detailed report on directors' remuneration prepared in accordance with the JSE Limited Listings Requirements and Companies Act.

Service contracts of directors and prescribed officers

Merafe has not entered into any contract other than the normal employment service contracts with executive directors and other prescribed officers. Refer to Remuneration report on page 42 of this report for further information.

Significant agreements

Pooling and Sharing Venture Agreement and addendums to the agreement

The Venture Agreement, which was signed in July 2004, governs the pooling and sharing Venture between Merafe Ferrochrome and Glencore Operations South Africa Proprietary Limited. The respective assets of the two companies are pooled to form the world's largest ferrochrome producer. This agreement sets out the terms and conditions under which the Venture will operate.

Major shareholders

The following shareholders were the registered holders of 5% or more of the issued ordinary shares in the Company at 31 December 2017:

- Glencore BV – 28.68%
- The Industrial Development Corporation – 21.78%

See page 18 of this report for a table on the Venture's plants, technology and mines and page 23 for further information on the reserves and resources of the Venture.

See our online integrated annual report for 2017 for our annual financial statements.

Directors' interests in Merafe Resources Limited
According to information available after reasonable enquiry, the interests of the directors and their families in the shares of the Company at 31 December 2017 are set out in note 22.2 of the annual financial statements and were as follows:

	2017		2016	
	Direct beneficial	Indirect beneficial	Direct beneficial	Indirect beneficial
ZJ Matlala	2 012 305	–	2 012 305	–
B Majova		62 610		62 610
K Bissessor	700 000	–	700 000	–
Total	2 712 305	62 610	2 712 305	62 610

There have been no changes to the directors' interests since the end of the financial year and the date of this report and the release of the annual financial statements.

Details of investments in subsidiaries and structured entities
Refer to note 3 of the annual financial statements for details of investments in subsidiaries and structured entities.

Property, plant and equipment
There were no changes in the nature of property, plant and equipment or in the policy regarding their use during the year. Management is of the opinion that the carrying value of property, plant and equipment is reflected at less than its recoverable amount.

Events after the reporting date
None: refer to note 27 of the annual financial statements.

Special resolutions
The following special resolutions were passed by the shareholders at the 2017 annual general meeting:
- Special resolution number 1 – Approval of non-executive directors' fees
- Special resolution number 2 – Loans or other financial assistance to related or inter-related companies
- Special resolution number 3 – General authority to repurchase Company shares

Report of the Audit and Risk Committee

Introduction
The Audit and Risk Committee ("the Committee") presents its report for the financial year ended 31 December 2017. The Committee reports that it has adopted formal terms of reference as its Audit and Risk Committee Charter (the Charter), and that it has discharged all of its responsibilities for the current financial year, in compliance with the Charter.

Objectives and scope
The overall objectives of the Committee are:
- Assess the adequacy of the internal control system, financial control systems and the accounting systems;
- Review the integrated report, summarised financial statements, interim financial statements and annual financial statements;
- Nominate external auditors for appointment, approves external audit fees and set the Groups policy on non-audit services provided by external auditors;
- Monitor compliance with legal requirements;
- Assess the performance of financial management;
- Recommend budgets and plans;
- Conduct periodic review and assessment of the business risks the Group faces.

Composition of the committee
The Committee consists of three independent non-executive directors, all of whom are financially literate, with 3 members forming a quorum:
- K Nondumo (Chairman)
- B Majova
- A Mngomezulu

In addition, Zanele Matlala, Kajal Bissessor and Deloitte & Touche Inc are also permanent invitees to the meetings. There was no change to the composition of the members of the Committee.

Meetings
The Committee held four meetings during the year and the quorum was met at all the meetings.

2017 in overview
The Committee is satisfied that an adequate system of internal control is in place to reduce significant risks faced by the group to an acceptable level, and that these controls have been effective throughout the period under review. The system is designed to manage, rather than eliminate, the risk of failure and to maximise opportunities to achieve business objectives. This can provide only reasonable, but not absolute assurance. In addition, the Audit and Risk Committee reviewed the financial control systems, the accounting systems and is satisfied with the design and effectiveness of the systems in compliance with paragraph 3.84(g)(ii) of the JSE Limited Listings Requirements.

As required by the JSE Limited Listings Requirements 3.84(g)(i), the Committee has satisfied itself that Kajal Bissessor, the Financial Director during the current financial year has the appropriate experience and expertise to fulfil the responsibilities of the finance function.

The Committee has considered the matters set out in the independent auditor's report and is comfortable that they are correctly presented.

The review of the Integrated Report together with the consolidated and separate financial statements are also the responsibility of the Committee. The Committee has evaluated the integrated reported, consolidated and separate financial statements of Merafe Resources Limited for the year ended 31 December 2017 and based on the information provided to the Committee, considers that it complies, in all material respects, with the requirements of the various Acts governing disclosure and reporting and regulations.

The committee considered the nature, risks and internal control environment at the Merafe head office and concluded that it was not necessary to have a dedicated internal audit function. Specific internal audit assignments are considered on a periodic basis and outsourced. During the financial 2017 year, internal audit work was performed on the IT environment. The recommendations that resulted from the audit have largely been addressed.

External audit
As KPMG have been auditors since 2003, it was decided to put the audit out to tender. Following the tender process, Deloitte & Touché Inc were nominated as external auditors of the Company from the 2017 financial year and were approved by the shareholders at the Annual General Meeting. The Board would like to thank KPMG for their services as external auditors to Merafe.

The Committee, having considered all relevant matters, satisfied itself through enquiry that auditor independence, objectivity and effectiveness were maintained in 2017. The Committee is further satisfied that Mr Patrick Ndlovu complies with the relevant provisions of the Companies Act and the JSE Listings Requirements.

Having taken all of the above assessments into account, the Committee recommends the approval of the consolidated and separate financial statements by the Board.

Karabo Nondumo CA(SA)
Chairperson – Audit and Risk Committee

1 March 2018

The auditors report is set out in the annual financial statements which form part of our online integrated annual report for 2017.

JSE Limited share statistics

		Number of members	% of all members	Number of shares held	% of issued capital
1.	**Analysis of shareholdings**				
	Range				
	1 – 1 000	1 388	22.24	617 942	0.02
	1 001 – 5 000	1 517	24.32	4 474 052	0.18
	5 001 – 10 000	888	14.23	7 251 432	0.29
	10 001 – 1 00 000	1 887	30.24	64 568 724	2.57
	100 001 – 1 000 000	430	6.89	132 936 405	5.29
	1 000 001 and more	130	2.08	2 300 855 693	91.64
	Totals	6 240	100.00	2 510 704 248	100.00
2.	**Distribution of shareholders**				
	Category				
	Diluted funds	28	0.45	332 459 056	13.24
	Pension funds	62	0.99	96 549 761	3.85
	Private companies	58	0.93	5 982 524	0.24
	Individuals	5 521	88.48	175 430 848	6.99
	Close corporations	76	1.22	6 779 732	0.27
	Other corporations	267	4.28	1 725 519 846	68.73
	Nominees and other institutions	207	3.32	105 627 694	4.21
	Banks	21	0.34	62 354 787	2.48
	Totals	6 240	100.00	2 510 704 248	100.00
3.	**Holders holding 5% or more of shares in issue**				
	Name				
	Glencore BV			720 163 887	28.68
	IDC			546 830 100	21.78
4.	**Shareholder spread**				
	Public	6 235	(99.92)	1 240 935 346	49.43
	Non-public	5	0.08	1 269 768 902	50.57
	Directors	3	0.05	2 774 915	0.11
	Glencore BV	1	0.02	720 163 887	28.68
	IDC	1	0.02	546 830 100	21.78
	Totals	6 240	100.00	2 510 704 248	100.00
5.	**Distribution of local and foreign beneficial shareholding**				
	South African				58.12
	Foreign				41.88

JSE share performance	2017	2016
Market capitalisation as at 31 December (ZAR)	3 740 949 330	4 142 662 009
Share price (cents)		
High	201	165
Low	108	50
Closing	149	165
Shares traded		
Volume of shares traded	821 628 038	722 152 424
Value of shares (ZAR)	1 339 214 073	718 875 538
Volume of shares traded as a percentage of weighted average number of shares in issue	32.73%	28.76%
Shares in issue as at 31 December	2 510 704 248	2 510 704 248

As per Bloomberg & McGregors 31 December 2017.

Shareholders' diary

Meetings
Annual general meeting for the 2018 financial year to be held on 8 May 2018.

Reports
Interim reports for the six months to 30 June 2018 to be released on 7 August 2018.
Annual results for the 12 months to 31 December 2018 to be released and published in March 2019.

Notice of the annual general meeting

Merafe Resources Limited
(Incorporated in the Republic of South Africa) (Registration number 1987/003452/06)
ISIN: ZAE000060000
Share code: MRF
(hereinafter referred to as Merafe Resources or the Company)

Notice is hereby given in terms of section 62(1) of the Companies Act, 71 of 2008, as amended (the Companies Act) that the 31st (thirty first) annual general meeting of shareholders of the Company (AGM or the Annual General Meeting) will be held at the offices of the Company at Building B, 2nd floor, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2191 at 11:00 on Tuesday, 8 May 2018 (Notice), for the purpose of transacting the business as outlined in this Notice, and to consider and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions set out below.

Important dates

Record date to receive the Notice:	Friday, 16 March 2018
Last date to trade to be eligible to attend, participate in and vote at the AGM:	Monday, 23 April 2018
Record date to be eligible to attend, participate in and vote at the AGM:	Thursday, 26 April 2018
Last date for lodging forms of proxy (by 11:00):	Friday, 4 May 2018*

Accordingly, the date on which a person must be registered as a shareholder in the register of the Company for purposes of being entitled to attend, participate and vote at the AGM is Thursday, 26 April 2018.

**For administrative purposes only. If forms of proxy are not received by this date they must be handed to the chairman of the AGM before the appointed proxy exercises any of the relevant shareholder rights at the AGM.*

Interpretation and definitions

For the avoidance of doubt and to the extent that the terms have not been defined in the integrated annual report for the year ended 31 December 2017 (Integrated Annual Report), reference in this Notice to the following words and expressions:

- 'Group' means the Company and all its subsidiaries at the date of this Notice;
- 'Listings Requirements' means the Listings Requirements of the JSE Limited;
- 'King IV' means the King IV Report on Corporate Governance for South Africa 2016;
- 'MOI' means Memorandum of Incorporation of the Company; and
- 'Companies Act' means the Companies Act, 71 of 2008, as amended.

Any words and expressions defined in the Companies Act or the Listings Requirements, as the case may be, which are not defined in this Notice, shall bear the same meanings in this Notice as those ascribed to them in the Companies Act or the Listings Requirements, as the case may be.

Section A: Ordinary Resolutions

For ordinary resolutions 1 to 5 (inclusive) to be duly adopted, the support of more than 50% (fifty percent) of the voting rights exercised on each ordinary resolution by shareholders present or represented by proxy at the Annual General Meeting and entitled to exercise voting rights on the relevant resolution, must be exercised in favour of such resolution.

1. Ordinary Resolution Number 1: Adoption of annual financial statements

"Resolved that the Group audited annual financial statements, including the reports of the directors, the auditor and the Audit and Risk Committee, for the financial year ended 31 December 2017, be and are hereby considered and accepted."

The summarised form of the financial statements is included with this Notice. A copy of the complete Group audited annual financial statements for the financial year ended 31 December 2017 can be obtained from www.meraferesources.co.za or on request during normal business hours at the Company's registered address, Building B, 2nd floor, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2191.

Notes to Ordinary Resolution Number 1

- In terms of the provisions of section 30(3)(d) of the Companies Act, a company's annual financial statements must be presented to its shareholders at the first shareholders' meeting after the statements have been approved by the board of directors of the company.

2. Ordinary Resolution Number 2: Re-appointment of retiring directors

"Resolved that, by separate ordinary resolutions numbered 2.1 to 2.2, the following directors, who, in terms of the MOI, retire by rotation at this Annual General Meeting, and, being eligible, stand and offer themselves for re-election, be and are hereby re-elected:

2.1 Mr Chris Molefe
2.2 Mr Shaun Blankfield

Notes to Ordinary Resolution Number 2

- Resolutions numbered 2.1 to 2.2 (inclusive) above are proposed by separate vote and the re-appointments which they represent constitute separate and divisible ordinary resolutions and will be considered to have received the support of the Nomination Committee.
- The reason for resolutions numbered 2.1 to 2.2 (inclusive) is that in terms of the provisions of the MOI, one-third of the non-executive directors, or if their number is not a multiple of three, then the number nearest to, but not less than one-third, are required to retire at each annual general meeting and, being eligible, may offer themselves for re-election.
- The Board has evaluated the performance and contribution of each director standing for re-election and has recommended the re-election of each of the directors.
- Abridged curricula vitae of each of the directors of the Company standing for re-election are set out on page 36 of the Integrated Annual Report.

3. Ordinary Resolution Number 3: Appointment of members to the Audit and Risk Committee for the forthcoming financial year

"Resolved that the following members, by separate ordinary resolutions numbered 3.1 to 3.3 (inclusive), being eligible and offering themselves for re-election, be and are hereby appointed as members of the Audit and Risk Committee for the financial year ending 31 December 2018:

3.1 Ms Belese Majova
3.2 Ms Karabo Nondumo
3.3 Mr Abiel Mngomezulu

Notes to Ordinary Resolution Number 3

- Resolutions numbered 3.1 to 3.3 (inclusive) above constitute separate and divisible ordinary resolutions and will be considered by separate vote.
- The reason for resolutions numbered 3.1 to 3.3 (inclusive) is that in terms of the provisions of section 94(2) of the Companies Act, a company shall at every annual general meeting elect an audit and risk committee comprising at least three members.
- The Nomination Committee conducted an assessment of the performance and independence of each of the directors proposed to be members of the Audit and Risk Committee and the Board considered and accepted the findings of the Nomination Committee. The Board is also satisfied that the proposed members meet the provisions of section 94(4) of the Companies Act, that they are independent according to King IV (Principle 7; sub-practice 28) and that they possess the required qualifications and experience as prescribed in Regulation 42 of the Companies Regulations, 2011 and therefore recommends their nomination.
- Abridged curricula vitae of each of the independent non-executive directors proposed to be appointed to the Audit and Risk Committee appear on page 36 of the Integrated Annual Report

4. Ordinary Resolution Number 4: Re-appointment of external auditors of the Company

"Resolved that the re-appointment of Deloitte and Touche Inc. as the external registered auditors of the Company, and being independent from the Company, be and is hereby approved and Patrick Ndlovu (IRBA no. 782688) be and is hereby appointed as the designated audit partner for the financial year ending 31 December 2018."

Notes to Ordinary Resolution Number 4

- The reason for this resolution is that in terms of section 90(1) of the Companies Act a company is required to appoint an auditor at every annual general meeting.
- The duty to nominate auditors for appointment lies with the Audit and Risk Committee.
- The Audit and Risk Committee conducted an assessment of the performance and independence of the external auditors and considered whether or not the external auditors comply with the provisions of the Companies Act and section 22 of the Listings Requirements, and the Board considered and accepted the findings. The Board is satisfied that the proposed external auditors and Mr Patrick Ndlovu comply with the relevant provisions of the Companies Act and the Listings Requirements.

5. Ordinary Resolution Number 5: Authority to sign all documents required to give effect to all resolutions in this Notice

"Resolved that any one of the directors of the Company or Company Secretary be and hereby is authorised to do all such things and sign all such documents and procure the doing of all such things and the signature for all such documents as may be necessary or incidental to give effect to all ordinary and special resolutions passed at the Annual General Meeting."

Section B: Ordinary resolutions of a non-binding nature

6. Non-binding Advisory vote – Remuneration Policy and Implementation Report

For Ordinary Resolution Numbers 6.1 and 6.2 to be duly adopted, the support of more than 50% (fifty percent) of the voting rights exercised on each ordinary resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the relevant resolution, must be exercised in favour of such resolution.

Ordinary Resolution Number 6.1: Non-binding advisory vote on Remuneration Policy

"Resolved that the Company's Remuneration Policy be and is hereby endorsed by way of a non-binding advisory vote."

Ordinary Resolution Number 6.2: Non-binding advisory vote on Remuneration Implementation Report

"Resolved that the Company's Remuneration Implementation Report be and is hereby endorsed by way of a non-binding advisory vote."

The Remuneration Report and Implementation Report of the Company is set out on pages 42 to 47 of the Integrated Annual Report and the Remuneration Policy can be obtained from www.meraferesources.co.za or on request during normal business hours at the Company's registered address, Building B, 2nd floor, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2191.

Notes to Ordinary Resolution Numbers 6.1 and 6.2:

- Principle 14 and sub-practice 37 of King IV recommends companies to table their Remuneration Policy and Implementation Report every year to shareholders for a non-binding advisory vote at the Company's annual general meeting. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation.
- These resolutions are of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements. However, the Board of Directors of the Company will take the outcome of the vote into consideration when considering the Company's Remuneration Policy.
- Shareholders are reminded that in terms of King IV, should 25% or more of the votes cast be against one or both of these non-binding ordinary resolutions, the Company undertakes to engage with shareholders as to the reasons therefore and undertakes to make recommendations based on the feedback received.

Section C: Special resolutions

For special resolutions 1.1 to 1.8, 2 and 3 to be duly adopted, the support of at least 75% (seventy-five percent) of the voting rights exercised on each special resolution must be exercised by shareholders present or represented by proxy at the Annual General Meeting and entitled to exercise voting rights on the resolution concerned in favour of such resolution.

Notice of the annual general meeting (continued)

7. Special Resolutions Numbers 1.1 to 1.8: Approval of non-executive directors' fees

'Resolved that the fees, which will be payable to the non-executive directors for their services to the Board and committees of the Board with effect from 1 January 2018 as set out below be and are hereby approved by separate ordinary resolutions numbered 1.1 to 1.8 (inclusive).'

			2018		
Committee	Special Resolution Number	Membership	Proposed annual cost R	Proposed retainer per annum R	Proposed meeting fees per annum R
Board	1.1	Chairperson	574 554	344 733	229 821
	1.2	Member	281 537	168 922	112 615
Audit and Risk	1.3	Chairperson	203 182	121 909	81 273
	1.4	Member	127 410	76 446	50 964
Remuneration and Nomination	1.5	Chairperson	109 830	65 898	43 932
	1.6	Member	67 040	40 224	26 816
Social, Ethics and Transformation	1.7	Chairperson	109 830	65 898	43 932
	1.8	Member	67 040	40 224	26 816

The above fees are exclusive of VAT. An explanation of the proposed fees for 2018 is set out on page 46 of the Integrated Annual Report.

Notes to Special Resolution Numbers 1.1 to 1.8:

- Resolutions numbered 1.1 to 1.8 (inclusive) above constitute separate and divisible special resolutions and will be considered by separate vote.
- The reason for and the effect of these resolutions is to approve the remuneration payable by the Company to its non-executive directors for their services as non-executive directors of the Company. In terms of the provisions of section 66(8) and section 66(9) of the Companies Act, remuneration may only be paid to the directors for their services as directors in accordance with the Company's MOI and only by a special resolution approved by the shareholders within the previous two years.

The 2017 approved non-executive fees are set out in the table below for comparative purposes.

		2017		
Committee	Membership	Annual cost R	Retainer per annum R	Meeting fees per annum R
Board	Chairperson	541 521	324 913	216 609
	Member	265 350	159 210	106 140
Audit and Risk	Chairperson	191 500	114 900	76 600
	Member	120 085	72 051	48 034
Remuneration and Nomination	Chairperson	103 515	62 109	41 406
	Member	63 185	37 911	25 274
Social, Ethics and Transformation	Chairperson	103 515	62 109	41 406
	Member	63 185	37 911	25 274

8. Special Resolution Number 2: Loans or other financial assistance to related or inter-related companies

'Resolved that, subject to compliance with the provisions of the MOI and the Companies Act each as presently constituted and as amended from time to time, the Board of Directors of the Company be and is hereby authorised, for a period of two years from the date of this Annual General Meeting, on such terms and conditions that the Board may determine, to provide any direct or indirect financial assistance (financial assistance will herein have the meaning attributed to such terms in section 45(1) of the Companies Act) to a related or inter-related company or corporation (or to a member of a related or inter-related corporation) or any person related to any of them.'

Notes to Special Resolution Number 2

In terms of section 45 of the Companies Act, a company is required to obtain shareholder approval, by way of passing a special resolution for the provision by it of direct or indirect financial assistance to a related or inter-related company or corporation, or any person related to any such company or corporation.

The Company has at all relevant times and prior to the effective date of the new Companies Act being 1 May 2011, provided financial assistance to its subsidiaries and related and inter-related companies. To facilitate the achievement by the Group of its strategic goals, it is necessary that this assistance continues. The main purpose for this authority is therefore to grant the Board of Directors the authority to authorise the Company to provide inter-group loans and other financial assistance for purposes of funding the activities of the Group. However, in accordance with the provisions of section 45 of the Companies Act, the Board

undertakes that it will not adopt a resolution to authorise such financial assistance, unless the Board is satisfied that:

- immediately after providing any direct or indirect financial assistance approved in terms of this resolution, the Company would satisfy the solvency and liquidity test as contemplated in section 45(3)(b) of the Companies Act;
- the terms under which the financial assistance is proposed to be given are or will be fair and reasonable to the Company; and
- written notice of any such resolution by the Board of Directors of the Company shall be given to all shareholders of the Company and any trade union representing its employees:
  - within 10 business days after the Board adopted the resolution, if the total value of the financial assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds 0.1% of the Company's net worth at the time of the resolution; or
  - within 30 business days after the end of the financial year, in any other case

9. Special Resolution Number 3: General authority to repurchase Company shares

"Resolved that, the Company, or a subsidiary of the Company, be and is hereby authorised, by way of a general authority, to acquire ordinary shares of 1 cent each (ordinary shares) issued by the Company in terms of the provisions of sections 46 and 48 of the Companies Act and in terms of the Listings Requirements, it being recorded that the Listings Requirements currently require, inter alia, that the Company may make a general repurchase of securities only if:

- any such repurchase of ordinary shares is effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- authorised by the MOI;
- the general authority shall be valid until the next annual general meeting of the Company, provided that it shall not extend beyond 15 months from the date of this Special Resolution Number 3;
- when the Company has cumulatively repurchased 3% of the number of ordinary shares in issue on the date of passing of Special Resolution Number 3, and for each 3% thereof, in aggregate acquired thereafter, an announcement is published as soon as possible, in terms of the Listings Requirements;
- at any time, only one agent is appointed to effect any repurchase on the Company's behalf;
- the Company or its subsidiary does not repurchase securities during a prohibited period unless the Company has a repurchase programme in place where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and have been submitted to the JSE in writing prior to the commencement of the prohibited period and the Company will instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- any general repurchase by the Company of its own ordinary shares shall not, in aggregate in any one financial year exceed 10% of the Company's issued ordinary shares as at the date of passing of this Special Resolution Number 3;
- in determining the price at which the ordinary shares are repurchased by the Company or its subsidiary in terms of this general authority, the maximum price at which such shares may be repurchased will not be greater than 10% above the weighted average of the market value for such ordinary shares for the five business days immediately preceding the date of repurchase of such shares; and
- in case of an acquisition by a subsidiary of the Company, of shares in the Company under this authority such acquisition shall be limited to a maximum of 10% (ten percent) in aggregate of the number of issued shares of any class of shares of the Company, taken together with all shares held by all the subsidiaries of the Company.

The directors of the Company confirm that no repurchase will be implemented in terms of this authority unless, after each such repurchase:

- the Company and the Group will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the date of the notice of the Annual General Meeting;
- the consolidated assets of the Company and the Group, fairly valued in accordance with the accounting policies used in the latest audited annual Group financial statements, will exceed its consolidated liabilities for a period of 12 months after the date of the notice of the Annual General Meeting;
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the Annual General Meeting; and
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the Annual General Meeting,

and the directors have passed a resolution authorising the repurchase, resolving that the Company and its subsidiary/ies, have satisfied the solvency and liquidity test as defined in the Companies Act and since the solvency and liquidity test had been applied, there have been no material changes to the financial position of the Group.

Pursuant to and in terms of paragraphs 11.23 and 11.26 of the Listings Requirements, the directors of the Company hereby state that:

- the intention of the Company and its subsidiaries is to utilise the general authority to repurchase, if at some future date the cash resources of the Company are in excess of its requirements; and
- the method by which the Company and any of its subsidiaries intend to repurchase its securities and the date on which such repurchase will take place, has not yet been determined.

The Listings Requirements require the following disclosures with respect to general repurchases, some of which appear elsewhere in the Integrated Annual Report of which this notice forms part:

- Major shareholders – page 52 of the Integrated Annual Report
- Share capital of the Company – page 40 and note 6 of the Merafe 2017 annual financial statements

Directors' responsibility statement

The directors, whose names are given on page 36 of the Integrated Annual Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to the general repurchase resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the aforementioned resolution contain all information required by law and the Listings Requirements.

No material changes to report

Other than the facts and developments reported on in the Integrated Annual Report, there are no material changes in the affairs or financial position of the Company and its subsidiaries that have occurred subsequent to the 31 December 2017 year end until the date of this Notice.

Reason and effect

The reason for and effect of Special Resolution Number 3 is to authorise the Company and/or its subsidiaries by way of a general authority to acquire their own issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the Company subject to the limitations set out above and in compliance with section 48 of the Companies Act.

10. General

To transact such other business that may be transacted at an Annual General Meeting.

Notice of the annual general meeting (continued)

11. Actions required by Merafe Resources' shareholders

11.1 The actions, which shareholders of the Company are required to take in order to follow their rights, to pass and adopt, with or without modification, the ordinary and special resolutions set out in this Notice are as set out below. If you are in any doubt as to the action you should take in relation to this Notice, please contact your stockbroker, Central Securities Depository Participant (CSDP), legal advisor, accountant, banker or other professional advisor immediately.

11.2 Record dates

11.2.1 The record date for shareholders to be recorded on the securities register of the Company in order to receive notice of the Annual General Meeting is Friday, 16 March 2018.

11.2.2 The record date for shareholders to be recorded on the securities register of the Company in order to be able to attend, participate in and vote at the Annual General Meeting is Thursday, 26 April 2018 (Record Date).

11.2.3 The last day to trade in the Company's shares in order to be recorded on the securities register of the Company in order to be able to attend, participate in and vote at the Annual General Meeting is Monday, 23 April 2018.

11.3 Voting and attendance at the Annual General Meeting

11.3.1 If you are a shareholder at Record Date, you are entitled to attend, participate in and vote at the Annual General Meeting or may appoint one or more proxies to attend, participate in and vote thereat instead. A proxy need not be a member of the Company. A form of proxy, in which the relevant instructions for its completion are set out, is enclosed for the use of a certified shareholder or 'own-name' registered dematerialised shareholder who wishes to be represented at the Annual General Meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting at the Annual General Meeting (in preference of that proxy).

11.3.2 Forms of proxy must be lodged with the Company's transfer secretaries or at the Company's registered offices not less than 48 hours before the commencement of the Annual General Meeting (for administrative purposes only) or handed to the chairperson of the Annual General Meeting before the appointed proxy exercises any of the relevant shareholder rights at the Annual General Meeting.

11.3.3 Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with 'own-name' registration, who wish to attend the Annual General Meeting in person should contact their CSDP or broker, to provide them with the necessary Letter of Representation in terms of their custody agreement.

11.3.4 Dematerialised shareholders, other than 'own-name' registered dematerialised shareholders, who are unable to attend the Annual General Meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.

11.3.5 In terms of Schedule 14.10 of the Listings Requirements, equity securities held by a share trust or scheme will not have their votes at general or Annual General Meetings taken into account for purposes of resolutions passed or to be passed in accordance with the Listings Requirements. Accordingly, votes cast by the Merafe Resources Limited Share Incentive Scheme (such scheme constituted by the document as approved by shareholders on 13 April 2010) will not have its votes taken into account for purposes of the adoption of such resolutions.

12.4 Representation by proxy

In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy is set out below:

- A shareholder entitled to attend and vote at the Annual General Meeting may appoint any individual (or two or more individuals) as a proxy or as proxies to attend, participate in and vote at the Annual General Meeting in the place of the shareholder. A proxy need not be a shareholder of the Company
- A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the Annual General Meeting
- A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy
- The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder
- The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph
- If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's existing MOI to be delivered by the Company to the shareholder, must be delivered by the Company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so
- Attention is also drawn to the 'notes to the form of proxy'
- The completion of a form of proxy does not preclude any shareholder attending the Annual General Meeting

Identification

In terms of section 63(1) of the Companies Act, any person attending or participating in the Annual General Meeting must present reasonably satisfactory identification and the person presiding at the Annual General Meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as proxy for a shareholder) has been reasonably verified. A green bar-coded identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted as a form of identification at the Annual General Meeting.

Electronic participation

Shareholders (or their proxies) may participate (but not vote) electronically in the Annual General Meeting. Shareholders (or their proxies) wishing to participate in the Annual General Meeting electronically should contact the Company Secretary on (+27 11 783 4780) at least 5 (five) business days prior to the Annual General Meeting. Access to the Annual General Meeting by way of electronic participation will be at the shareholder's expense. Only persons physically present at the meeting or represented by a valid proxy shall be entitled to cast a vote on any matter put to a vote of shareholders.

By order of the Board of Directors



W Somerville (On behalf of CorpStat Governance Services)
Company Secretary

6 March 2018

Form of proxy

Merafe Resources Limited

(Incorporated in the Republic of South Africa)
(Registration number 1987/003452/06) ISIN: ZAE000060000
Share code: MRF (Merafe Resources or the Company)

Only for use by members who have not dematerialised their shares or members who have dematerialised their shares with 'own-name' registration. All other dematerialised shareholders must contact their Central Securities Depository Participant (CSDP) or broker to make the relevant arrangements concerning voting and/or attendance at the Annual General Meeting.

A shareholder is entitled to appoint one or more proxies (none of whom need to be shareholders of Merafe Resources) to attend, speak and vote or abstain from voting in the place of that shareholder at the Annual General Meeting.

Form of proxy for the thirty first Annual General Meeting

I/We (name in block letters)

of (address)

(contact number)

(email address)

Being the holder/s of ordinary shares in the Company hereby appoint (see note 1)

1. or failing him/her

2. or failing him/her

3. The Chairperson of the Company, or failing him, the Chairperson of the Annual General Meeting, as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held at the offices of the Company at Building B, 2nd floor, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2191 at 11:00 on Tuesday, 8 May 2018, or at any adjournment thereof.

I/We desire to vote as follows (see note 2):

	Ordinary and Special Resolutions	Number of votes For	Against	Abstain
1	Ordinary Resolution Number 1: Adoption of annual financial statements			
2	Ordinary Resolution Number 2: Re-appointment of retiring directors			
	2.1 Mr Chris Molefe			
	2.2 Mr Shaun Blankfield			
3	Ordinary Resolution Number 3: Appointment of members to the Audit and Risk Committee for the forthcoming financial year			
	3.1 Ms Belese Majova			
	3.2 Ms Karabo Nondumo			
	3.3 Mr Abiel Mngomezulu			
4	Ordinary Resolution Number 4: Re-appointment of external auditors of the Company, Deloitte & Touche Inc. and to appoint Mr Patrick Ndlovu as the designated audit partner			
5	Ordinary Resolution Number 5: Authority to sign all documents required to give effect to all resolutions in the notice of Annual General Meeting			
6	Ordinary Resolution Numbers 6.1 and 6.2: Non-binding advisory vote			
	Ordinary Resolution Number 6.1: Remuneration Policy			
	Ordinary Resolution Number 6.2: Remuneration Implementation Report			
7	Special Resolutions Numbers 1.1 to 1.8: Approval of non-executive directors' fees for 2018			
	1.1 Board Chairperson			
	1.2 Board member			
	1.3 Audit and Risk Committee Chairperson			
	1.4 Audit and Risk Committee member			
	1.5 Remuneration and Nomination Committee Chairperson			
	1.6 Remuneration and Nomination Committee member			
	1.7 Social, Ethics and Transformation Committee Chairperson			
	1.8 Social, Ethics and Transformation Committee member			
8	Special Resolution Number 2: Loans or other financial assistance to related or inter-related companies			
9	Special Resolution Number 3: General authority to repurchase Company shares			

Signed at on 2018

Signature (assisted by me – where applicable)

Please see notes overleaf

Notes to form of proxy

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting 'the Chairperson of the Annual General Meeting', but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the Annual General Meeting of shareholders will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. Failure to comply will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting of shareholders as he/she deems fit with respect to all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by the proxy.
3. Forms of proxy must be lodged with, posted or faxed to, the transfer secretaries' registered office: Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg 2000) or +27 11 713 0800, or the Company's registered offices: Building B, 2nd floor, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2191 (PO Box 652157, Benmore, 2010), or fax +27 11 783 4789 to be received no later than 11:00 on Friday, 4 May 2018. If forms of proxy are not received by this date, they must be handed to the Chairperson of the Annual General Meeting before the appointed proxy exercises any of the relevant shareholders rights at the Annual General Meeting.
4. The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative or other legal capacity (such as power of attorney or other written authority) must be attached to this form of proxy unless previously recorded by Merafe Resources.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
7. On a show of hands, every shareholder shall have only one vote, irrespective of the number of shares he/she holds or represents, provided that a proxy shall, irrespective of the number of shareholders he/she represents, have only one vote.
8. On a poll, every shareholder present in person or represented by proxy shall have one vote for every Merafe Resources share held by such shareholder.
9. A resolution put to the vote shall be decided on a poll.

Administration

Merafe Resources Limited
Company registration number: 1987/003452/06

Business address and registered office
Building B
2nd floor
Ballyoaks Office Park
35 Ballyclare Drive
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2191
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www.meraferesources.co.za

Company Secretary
CorpStat Governance Services
Hurlingham Office Park
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Hurlingham Manor
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ewaldeck@corpstat.co.za

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Woodlands
Woodmead
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Standard Bank of South Africa Limited
30 Baker street
Rosebank
2001

Attorneys
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165 West Street
Sandton
2196
PO Box 785812
Sandton
2146

Transfer secretaries
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Telephone: +27 11 713 0800

Sponsor
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17 Fricker Road
Illovo, 2196
PO Box 784573
Sandton, 2146

Directorate
CK Molefe* (Chairperson), NB Majova*, A Mngomezulu*, K Nondumo*, M Mosweu, S Blankfield, Z Matlala (Chief Executive Officer), K Bissessor (Financial Director)

** Independent*


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