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 therefor 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