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THE SPECIALIST ALLOY PRODUCER

07:00 London, 09:00 Helsinki, 14 August 2017 - Afarak Group Plc ("Afarak" or "the Company") (LSE: AFRK, NASDAQ: AFAGR)

AFARAK GROUP: EXTENSION OF OPENCAST MINING AND NEW PROJECTS AT STELLITE

*High wall at Stellite to increase to 70 metres
Additional 4.5 million tonnes of opencast mineable ore
Increase of life of mine by a further 12.5 years*

Afarak Group, through its joint-venture Chromex Group, is in the process of redesigning its operational plan at Stellite mine in South Africa, following the concept study on an underground mining development, aimed at extending the current life of mine. With the new concept, management took a decision to instead extend the opencast mining on the current MG4 seam by further increasing the high wall to 70m. The Company is intending to mine its MG4 reserves in this fashion, until the operational cost of mining reaches the estimated levels of cost of mining the seam in the underground, improving efficiency and saving the cost of the underground mining development.

The new approach adds another 4.5 million tonnes of opencast mineable product and increases the opencast life of mine by further 12.5 years. In addition, Stellite would still be in the position to, in the future, develop the underground mining of its LG6 reserves, with an estimated life of mine of 11.5 years.

While the numbers are in the process of being independently verified with a new resource statement, to be issued in due course, the development significantly changes the previous expectations in terms of the planned production output from Stellite. This development will positively contribute to Afarak's performance over the medium-term through its share in the joint venture.

This development is also enabling Afarak to look at additional opportunities, including further increases in the total mass yield of the plant, following the success of the Shaking tables project. These initiatives currently include investments into additional cycles of beneficiation and the expansion of the product mix through the introduction of the higher value add chemical grade

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ABOUT AFARAK

Afarak is a vertically-integrated specialist alloys company. Throughout its various operations in South Africa, Turkey and Germany; Afarak extracts, processes, markets and trades its specialised metals. Trusted by a highly diversified customer base that includes industry leaders from the aviation, nuclear, oil & gas and automotive sectors; the Company is able to produce a unique alloy mix for every customer. As the Company aims to create value across the product-chain, Afarak remains committed to sustainable development, investment and to delivering a healthy financial performance for its shareholders. Afarak is listed on the Helsinki Stock Exchange (AFAGR (OMX)) and the London Stock Exchange (AFRK).

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concentrate producing and PGM recovery plants. These projects are in the initial stages of development and the first production results could be expected during 2018.

Guy Konsbruck, CEO of Afarak said: "Afarak is continuously investing in its assets and these developments will further increase the Company's competitiveness and vertical-integration and make it more independent from third party suppliers of ore. Afarak expects the joint venture to continue being an important contributor to its performance over the medium-term on account of these initiatives at Stellite and the increased activity at the Mecklenburg mine"

AFARAK GROUP PLC

Guy Konsbruck

CEO

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Financial reports and other investor information are available on the Company's website: www.afarak.com.

Afarak Group is a specialist alloy producer focused on delivering sustainable Growth with a Speciality Alloys business in southern Europe and a FerroAlloys business in South Africa. The Company is listed on NASDAQ Helsinki (AFAGR) and the Main Market of the London Stock Exchange (AFRK).

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