

**RESOURCE
STATEMENT >**

Mineral Reserves ¹ (ROM Feed numbers)				Mineral Resources (Geological Losses Applied)			
	Tonnage (kt)	Cr ₂ O ₃ (%)	Cr:Fe ratio		Tonnage (kt)	Cr ₂ O ₃ (%)	Cr:Fe ratio
PROVED:				MEASURED:			
Stellite: Tailings				Stellite: Tailings			
LG6-MG4	732	24.10	1.14	LG6-MG4	732	24.10	1.14
Stellite: Underground				Stellite: Underground			
MG4				MG4	4,810	33.59	1.24
MG3				MG3	2,830	31.51	1.19
MG1				MG1	3,460	35.30	1.28
LG6	4,568	34.98	1.36	LG6	5,680	37.70	1.41
Stellite: Open Pit				Stellite: Open Pit			
MG4	29	30.39	1.20	MG4	28	31.86	1.22
MG3	96	30.64	1.18	MG3	371	31.68	1.19
MG2	-			MG2	188	37.20	1.32
MG1	-			MG1	158	39.00	1.40
LG6+6A	70	33.68	1.37	LG6+6A	120	38.11	1.46
Mecklenburg: Underground				Mecklenburg: Underground			
LG6+6A	3,416	41.85	1.57	LG6+6A	4,188	43.36	1.59
Mecklenburg: Open Pit				Mecklenburg: Open Pit			
LG6+6A	354	40.76	1.58	LG6+6A	320	44.10	1.64
Vlakpoort: Open Pit				Vlakpoort: Open Pit			
LG1-3	23	37.30	1.74	LG1-3	32	41.57	1.82
LG5	18	39.12	1.52	LG5	42	38.77	1.55
LG6	65	36.72	1.51	LG6	151	36.85	1.53
MG1-4	52	29.72	1.25	MG1-4	131	30.01	1.29
UG1-2	101	22.40	1.14	UG1-UG2	164	21.46	1.12
Vlakpoort: Underground				Vlakpoort: Underground			
LG6				LG6	398	33.32	1.59
UG2				UG2	754	19.65	1.06
Total Proved				Total Measured			
	9,524	36.62	1.42		24,557	35.62	1.35
PROBABLE:				INDICATED:			
Stellite: Underground				Stellite: Underground			
MG4				MG4	1,490	33.80	1.25
MG3				MG3	1,040	31.88	1.20
MG1				MG1	800	36.50	1.30
LG6	1,241	34.26	1.35	LG6	1,600	37.50	1.41
Stellite: Open Pit				Stellite: Open Pit			
MG4	568	30.75	1.21	MG4	561	32.35	1.23
MG3	254	30.82	1.19	MG3	990	31.68	1.19
MG2	-			MG2	320	37.30	1.31
MG1	-			MG1	260	38.80	1.41
LG6+6A	165	33.88	1.37	LG6+6A	280	38.54	1.46

Mecklenburg: Underground				Mecklenburg: Underground			
LG6+6A	2,447	41.83	1.57	LG6+6A	3,006	43.37	1.59
Mecklenburg: Open Pit				Mecklenburg: Open Pit			
LG6+6A	-			LG6+6A	0		
Vlakpoort: Open Pit				Vlakpoort: Open Pit			
LG1-3	40	37.93	1.78	LG1-3	53	41.57	1.86
LG5	3	35.01	1.45	LG5	10	39.92	1.55
LG6	37	31.25	1.63	LG6	64	33.95	1.58
MG1-4	16	30.52	1.36	MG1-4	75	29.92	1.35
UG1-2	9	27.09	1.22	UG1-UG2	24	27.61	1.25
Vlakpoort: Underground				Vlakpoort: Underground			
LG6				LG6	793	33.92	1.58
UG2				UG2	421	19.83	1.06
Total Proved	4,780	37.50	1.44	Total Indicated	11,787	36.34	1.38
Proved & Probable Reserves	14,304	36.91	1.43	Measured & Indicated Resources	36,344	35.86	1.36

INFERRED

Stellite: Open Pit			
MG4	1,480	33.18	1.24
MG3	790	32.64	1.26
MG2	210	37.10	1.32
MG1	80	38.90	1.41
LG6+6A	40	37.82	1.44

Mecklenburg: Underground

LG6+6A	1,142	43.41	1.59
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Mecklenburg: Open Pit

LG6+6A			
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Vlakpoort: Open Pit

LG1-3	41	41.55	1.79
LG5			
LG6	1	33.49	1.59
MG1-4	119	28.61	1.30
UG1-UG2			

Vlakpoort: Underground

LG6	1,321	33.67	20.27
UG2	115	20.27	1.08

Inferred Resources	5,339	35.37	1.41
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Total Reserves	14,304	36.91	1.43	Total Resources (Excl Exploration Results ²)	41,683	35.79	1.36
Exploration Results²							
Vlakpoort: Underground							
LG6	1,243	34.16	1.60				
UG2							
Vlakpoort: Open Pit							
LG1	10	38.35	1.70				
LG2	7	33.51	1.75				
LG3	33	38.73	2.01				
LG5							
LG6	365	33.55	1.60				
MG1	20	39.73	2.09				
MG2							
MG3	5	27.47	1.21				
MG4+4A	264	29.70	1.23				
UG1							
UG2							
Exploration Results²							
	1,947	33.58	1.56				
Total (Incl Exploration Results²)							
	43,630	35.69	1.37				

- Mineral Reserves¹ used in SAMREC and IMMM Codes whereas termed Ore Reserves in the JORC Code
- Exploration Target Mineralisation used in JORC Code whereas termed Exploration Results² in the SAMREC Code. The potential quantity and grade is conceptual in nature and there has been insufficient exploration to define Mineral Resources and it is uncertain if further exploration will result in the determination of a Mineral Resource.

The information in this report that relates to exploration results for Stellite, Mecklenburg and Vlakpoort is based on information compiled by the MSA Group, Andrew Scogins and Shango Solutions respectively.

The team of people involved in the Mecklenburg, MSA and Shango Solutions estimation process is listed below:

Person:	Position:	Affiliations:
Sifiso Siwela (MSA)	Exploration Project Manager	Pr.Sci.Nat, MGSSA
Mike Hall (MSA)	Mineral Resources Consultant	Pr.Sci.Nat, MGSSA, MAusIMM
Andrew Scogings (Independent)	Geological Consultant	MAusIMM, MAIG
Hendrik Pretorius (Shango)	Geological Consultant	Pr.Sci.Nat, MGSSA
Stefanie Weise (Shango)	Geological Consultant	MGSSA

The combined Stellite, Mecklenburg and Vlakpoort Measured and Indicated Resource categories declared as at 31 December 2016, decreased from that declared in December 2015 by 0.2 million tonnes mainly due to depletion at Stellite (rounded up to nearest 0.1 million).

The combined total Stellite, Mecklenburg and Vlakpoort Mineral Resources declared as at 31 December 2016, decreased from that declared in December 2015, by 0.183 million tonnes but the grade and the Cr to Fe ratio remained the same.

The Mineral Resources for Stellite declared as at 31 December 2015, decreased by 0.198 million tonnes from that declared in December 2015, mainly due to depletion in the MG4 open pit. The Mineral Resources were positively impacted by the addition of tailings material of 0.049 million tonnes.

The Mineral Resources for Mecklenburg and Vlakpoort declared as at 31 December 2016 remained the same as those declared in December 2015 because no mining was conducted during 2016.

The combined Stellite, Mecklenburg and Vlakpoort Mineral Reserves¹ declared as at 31 December 2016, increased from that declared in December 2015, by 0.896 million tonnes mainly due to the increase in the highwall in the MG4 open pit at Stellite from 20 to 40m and in the LG6 open pit at Mecklenburg from 40 to 65m. The Cr203 grade increased by 0.13% to 36.91% Cr203 and the Cr to Fe ratio remained at 1.43.

Mineral Resource and Mineral Reserve¹ Statement for Chromite for the Afarak Group in Southern-Africa as at 31 December 2016.

Mineral Reserves ¹ (ROM Feed numbers)				Mineral Resources (Geological Losses Applied)			
Tonnage (kt)		2E+AU (g/t)	Ozs	Tonnage (kt)		2E+AU (g/t)	Ozs
PROVED:				MEASURED:			
Stellite: Underground				Stellite: Underground			
MG4				MG4	3,050	1.18	115,723
MG3				MG3	1,720	1.86	102,868
MG1				MG1	2,250	0.79	57,154
LG6				LG6	3,191	0.63	64,641
Stellite: Open Pit				Stellite: Open Pit			
MG4				MG4	28	1.14	1,026
MG3				MG3	221	1.46	10,375
MG2				MG2	110	1.62	5,730
MG1				MG1	60	0.71	1,370
LG6+6A				LG6+6A	39	0.49	614
Vlakpoort: Open Pit				Vlakpoort: Open Pit			
LG1-3				LG1-3	32	0.18	185
LG5				LG5	42	0.74	999
LG6				LG6	151	0.46	2,233
MG1-4				MG1-4	131	1.13	4,760
UG1-MR	159	1.40	7,158	UG1-MR	205	1.77	11,667
Vlakpoort: Underground				Vlakpoort: Underground			
LG6				LG6	398	0.43	5,503
UG2				UG2	754	4.04	97,947
MR				MR	618	2.15	42,723
Total Proved				Total Measured			
	159	1.40	7,158		13,000	1.26	525,521
PROBABLE:				INDICATED:			
Stellite: Underground				Stellite: Underground			
MG4				MG4	3,020	1.24	120,412
MG3				MG3	2,141	1.86	128,047
MG1				MG1	1,810	0.80	46,559
LG6				LG6	3,220	0.54	55,910
Stellite: Open Pit				Stellite: Open Pit			
MG4				MG4	561	1.18	21,286
MG3				MG3	690	1.59	35,277
MG2				MG2	260	1.66	13,878
MG1				MG1	130	0.74	3,093
LG6+6A				LG6+6A	70	0.48	1,080
Vlakpoort: Open Pit				Vlakpoort: Open Pit			
LG1-3				LG1-3	53	0.22	375
LG5				LG5	10	0.66	212
LG6				LG6	64	0.40	823
MG1-4				MG1-4	75	0.85	2,050
UG1-MR	9	0.19	55	UG1-UG2	24	0.31	239

Vlakpoort: Underground				Vlakpoort: Underground			
LG6				LG6	793	0.43	10,964
UG2				UG2	421	4.45	60,240
MR				MR	208	2.96	19,797
Total Proved	9	0.19	55	Total Indicated	13,550	1.19	520,241
Proved & Probable Reserves	168	1.34	7,213	Measured & Indicated Resources	26,550	1.22	1,045,762

INFERRED

Stellite: Tailings

LG6-MG4	732	1.37	32,246
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Stellite: Underground

MG4	200	1.59	10,225
MG3	20	1.86	1,196
MG1	190	0.78	4,765
LG6	860	0.48	13,273

Stellite: Open Pit

MG4	1,970	1.27	80,447
MG3	1,240	1.51	60,206
MG2	310	0.76	7,576
MG1	140	0.63	2,836
LG6+6A	490	0.47	7,405

Vlakpoort: Open Pit

LG1-3	41	0.23	303
LG5			-
LG6	1	0.42	14
MG1-4	119	1.00	3,826
UG1-MR			

Vlakpoort: Underground

LG6	1,321	0.42	17,840
UG2	115	4.78	17,675
MR			-

Inferred Resources	7,749	1.04	259,833
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Total Resources (Excl Exploration Results²)	34,299	1.18	1,305,595
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Total Reserves	168	1.34	7,213
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Exploration Results²

Vlakpoort: Underground

LG6	1,243	0.41	16,387
UG2			-
MR			-

Vlakpoort: Open Pit			
LG1	10	0.30	96
LG2	7	0.17	38
LG3	33	0.27	286
UG2			-
LG5			-
LG6	365	0.42	4,929
MG1	20	0.85	547
MG2			-
MG3	5	1.67	268
MG4+4A	264	0.87	7,385
UG1			
MR			
Exploration Results²	1,947	0.48	29,938
Total (Incl Exploration Results²)	36,246	1.15	1,335,533

- Mineral Reserves¹ used in SAMREC and IMMM Codes whereas termed Ore Reserves in the JORC Code
- Exploration Target Mineralisation² used in JORC Code whereas termed Exploration Results in the SAMREC Code. The potential quantity and grade is conceptual in nature and there has been insufficient exploration to define Mineral Resources and it is uncertain if further exploration will result in the determination of a Mineral Resource.
- The PGM rights at Mecklenburg do not belong to Afarak and therefore do not satisfy all requirements for reporting.
- No Mineral Reserves could be declared for Stellite yet as the feasibility study to extract PGMs, are still in progress.

The Measured and Indicated Mineral Resources for Stellite declared as at 31 December 2016, decreased from that declared in December 2014 due to depletion in the MG4 open pit.

The Measured and Indicated Mineral Resources for Vlakpoort declared as at 31 December 2016 remained the same as that declared in December 2015 because no mining was conducted during 2016.

The combined Stellite and Vlakpoort Mineral Resources declared as at 31 December 2016, increased from that declared in December 2015, by 0.027 million tonnes, but the PGM grade remained the same. The depletion in the MG4 open pit at Stellite was positively impacted by the addition of tailings material.

The information in this statement that relates to Exploration Results and Mineral Resources is based on information compiled by Hermanus Berhardus Swart, a Competent Person who is a Professional Natural Scientist registered with South African Council for Natural Scientific Professions accredited (No. 400101/00) and a Member of the Geological Society of South Africa, each of which is a "Recognised Professional Organisation" (RPO) that is included in a list that is posted on the ASX website from time to time. The Competent Person is employed by Dunrose Trading 186 (PTY) Ltd trading as Shango Solutions, which provides services as geological consultants. The Competent Person has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined by the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC), the 2001 Code for reporting of Mineral Exploration Results, Mineral Resources and Mineral Reserves in the United Kingdom, Ireland and Europe (IMMM) as well as the 2007 edition of the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC). The Competent Person consents to the inclusion of the matters based on his information in the form and context in which it appears.



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