**12 January 2017**

**AFARAK GROUP RESTARTS OPENCAST MINING AT MECKLENBURG**

*Opencast mining expected to yield 200,000 tons of chrome ore*

*Work on underground mining shaft set to commence in 2017*

*Underground mine has potential of 4.5 million tons of chrome ore*

Afarak Group has entered into a Mining Services Agreement with Pholagolwa Mining to continue the opencast mining Mecklenburg. Work is currently underway on increasing the high wall to 65 metres from 40 metres. The first tonnages are expected shortly and full production is expected to be reached by April for a period of six months. Full production will be 30,000 tons of chrome ore per month and the total opencast for the project is expected to be just over 200,000 tons of chrome ore. This will also allow better access to the underground mining area which has the potential to produce 4.5 million tons of chrome ore. Development of the shaft is scheduled to start later this year.

Dr Alistair Ruiters, outgoing-CEO of Afarak, said that this project highlights Afarak's responsiveness to market conditions. "In response to the market upswing, an opportunity was identified in increasing the high wall and which will allow opencast mining and facilitate underground mining. This added production capacity allows us to reap the benefits of the current market upswing.”

Guy Konsbruck, CEO-designate of Afarak, added that, "Afarak continues to consolidate its position as a lean and flexible vertically-integrated company with the capacity to respond to favourable market conditions."