ARM
African Rainbow Minerals

Enter

2023 Integrated annual report

www.arm.co.za

We do it better

Contents

OUR 2023 SUITE OF REPORTS

IAR **2023 integrated annual report**

A holistic assessment of ARM's ability to create sustainable value, with relevant extracts from the annual financial statements, the environmental, social and governance (ESG) report and Mineral Resources and Mineral Reserves report.

AFS **2023 annual financial statements**

The audited annual financial statements have been prepared according to International Financial Reporting Standards (IFRS).

ESG **2023 ESG report**

A detailed review of our performance on key environmental, social and governance matters. The ESG report includes the full remuneration report and should be read in conjunction with the GRI Index.

CCW **2023 climate change and water report**

A detailed review of our performance on our key climate change and water matters, in line with the Task Force on Climate-related Financial Disclosures (TCFD).

KING **2023 King IV™* application register**

A summary of how ARM implements the principles and practices in King IV to achieve the governance outcomes envisaged.

MRMR **2023 Mineral Resources and Mineral Reserves report**

In line with JSE Listings Requirements, ARM prepares Mineral Resources and Mineral Reserves statements for all its mining operations as per SAMREC guidelines and definitions (2016).

AGM **2023 notice to shareholders**

- Notice of annual general meeting
- Form of proxy
- Commitment to good governance
- Board of directors
- Report of the audit and risk committee
- Report of the social and ethics committee chairman
- Summarised remuneration report
- Summarised directors' report
- Summarised consolidated financial statements

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Information available on our website **www.arm.co.za**

Information available elsewhere in our reports

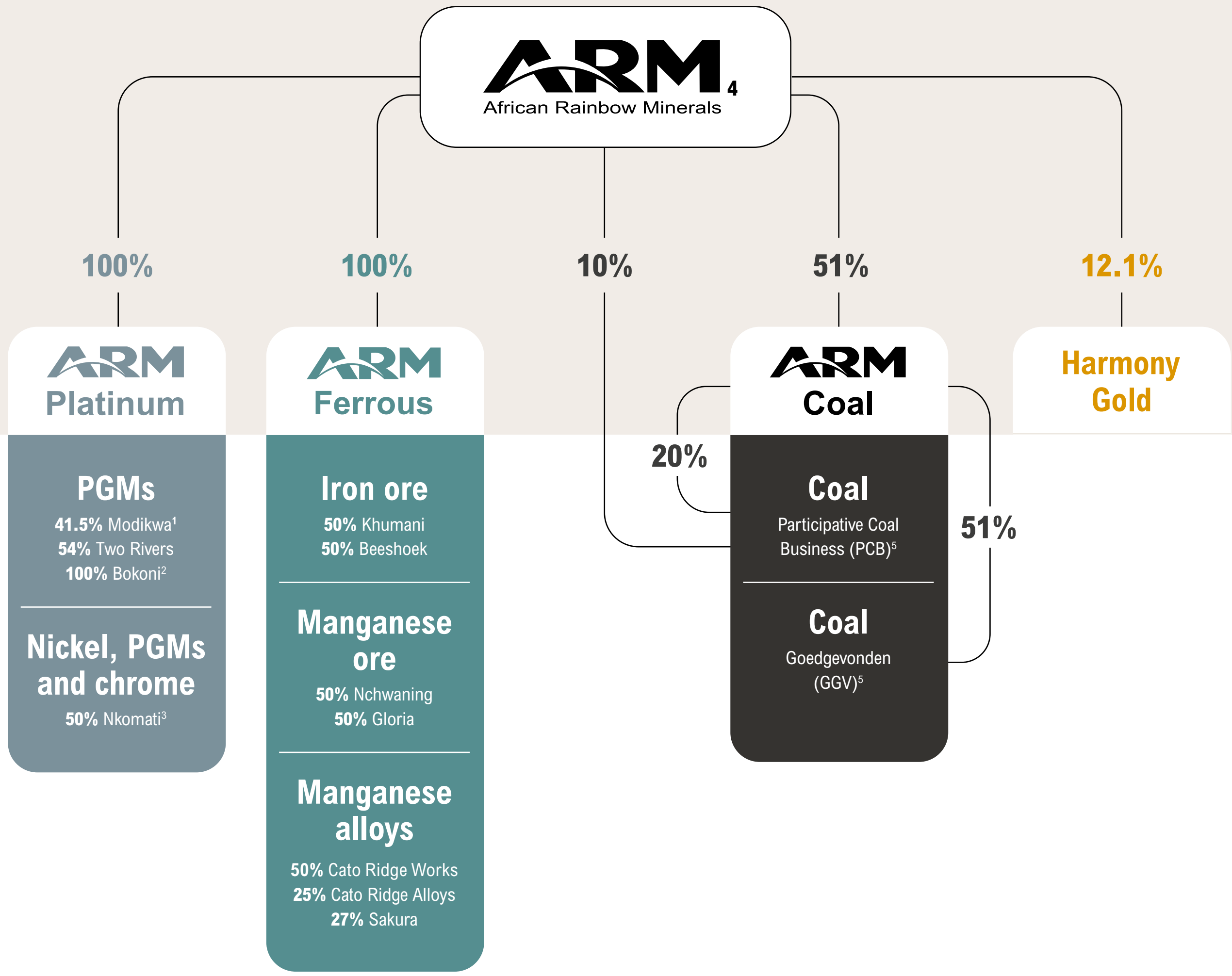
All monetary values in this report are in South African rand unless otherwise stated. Rounding may result in computational discrepancies on management and operational review tabulations.

How to navigate our reports

In F2023, we again reduce duplication in our reporting suite by cross-referencing to detail in other documents. These are hyperlinked for the users' convenience and denoted using the colour-coded icons above.

Our business

African Rainbow Minerals (ARM) is a **leading South African diversified mining and minerals company** with operations in South Africa and Malaysia. ARM mines and beneficiates iron ore, manganese ore, chrome ore, platinum group metals (PGMs), nickel and coal. It also produces manganese alloys and has a strategic investment in gold through Harmony Gold Mining Company Limited (Harmony Gold).



[1] ARM's effective interest in Modikwa Mine is 41.5%, local communities hold an effective 8.5% interest.
[2] The acquisition of Bokoni Mine became effective on 1 September 2022. Qualifying employees, host communities and black industrialists will be allocated 15% in Bokoni Mine, with each group owning 5%.
[3] Nkomati Mine is on care and maintenance.
[4] ARM owns Machadodorp Works which is currently being used to develop more cost-effective and energy-efficient ways of smelting.
[5] ARM's effective interest in PCB is 20.2% and in GGV Mine is 26%.

F2023 in review and investment case

ARM's quality diversified portfolio enabled the company to remain resilient in a volatile and challenging F2023, delivering strong full-year earnings and maintaining a robust financial position.

Key features of F2023 illustrate the effectiveness of our strategy and actions in managing short-term impacts while preserving longer-term value.

FINANCIAL

Headline earnings decreased by **21% to R9.0 billion** (F2022: R11.3 billion)

Total dividend decreased to **R26 per share** (F2022: R32 per share)

Robust net cash of **R9.8 billion**

HEALTH AND SAFETY

One fatality at Two Rivers Mine

Lost-time injury frequency (LTIFR) rate improved to **0.27 per 200 000 man-hours** (F2022: 0.31)

Total recordable injury frequency (TRIFR) rate **improved to 0.62** (F2022: 0.69)

Black Rock Mine **achieved 11 million fatality-free shifts** over 14 years

Khumani Mine **achieved 5 million fatality-free shifts** over eight years

OPERATIONAL

Iron ore, manganese ore and thermal coal volumes continued to be **impacted by logistical challenges**

Unit production costs remained under pressure, mainly due to logistics challenges, lower production volumes and above-inflation increases in the costs of diesel, explosives, electricity and consumables

ENVIRONMENTAL

Scope 1 and 2 emissions were reduced by **4% to 1.80Mt CO$_2$e** (F2022: 1.88Mt CO$_2$e) through emission-reduction initiatives emissions (100% basis)

Progress was made on developing **decarbonisation pathways**

Operational water withdrawn increased by **9% to 18.29 million m^3** (F2022:16.80 million m^3)

ARM, as a member of the International Council of Mining and Metals (ICMM), **published its progress towards conformance** with the Global Industry Standard on Tailing Management (GISTM) on 5 August 2023

In April 2023, signed purchase agreements to **build a 100MW solar plant** to power ARM's platinum operations

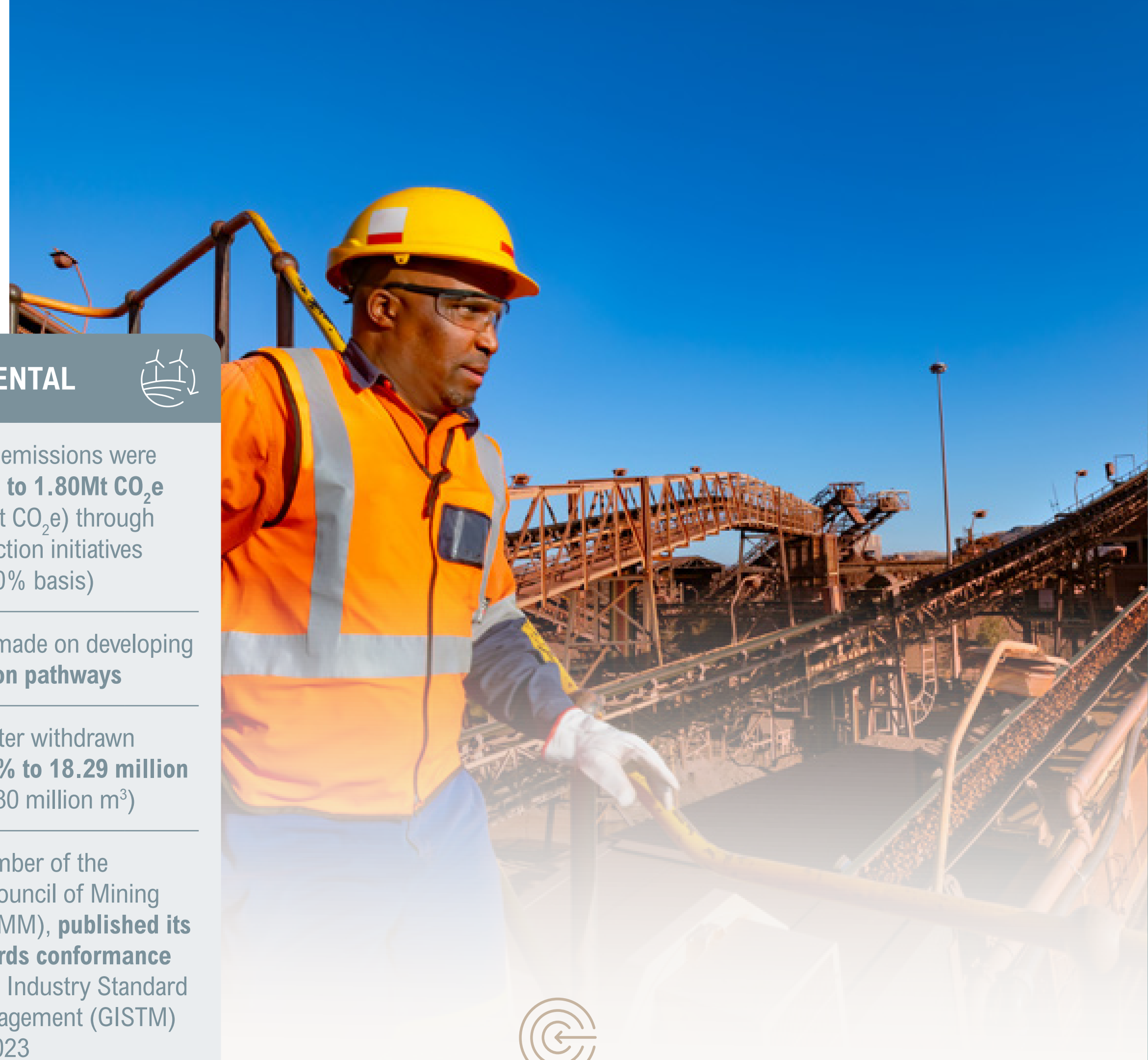
SOCIAL

R124 million (F2022: R151 million) **invested** in **corporate social responsibility**

ARM Mining Consortium **declared a R102 million** (F2022: R255 million) **dividend** to communities with an effective 8.5% shareholding in Modikwa Mine

R371 million (F2022: R198 million) invested in **skills development and training**

Continuing positive relationships with communities neighbouring our mines



Headwinds

- Operational challenges on rail and port infrastructure
- Security of water supply in the Northern Cape
- Security of power supply at all our operations
- Unit cost pressures
- Volatile commodity markets
- Commodity price declines in the second half of F2023, particularly PGMs, manganese ore, manganese alloys and coal

Tailwinds

- Robust financial position
- Pipeline of quality growth projects
- Steady iron ore prices
- Lower freight rates

Investment case

- Diversified portfolio of commodities
- Quality, long-life assets and orebodies
- Robust financial position to create and sustain value
- Continuing positive relationships with communities neighbouring our mines
- Pipeline of quality growth projects
- Focused on capital allocation to deliver competitive shareholder returns and ensure sustainability of the business
- Integrated environmental, social and governance (ESG) strategy
- High standards of governance and transparent reporting of operational, financial and sustainability performance

ARM is a constituent of the FTSE4Good Index Series

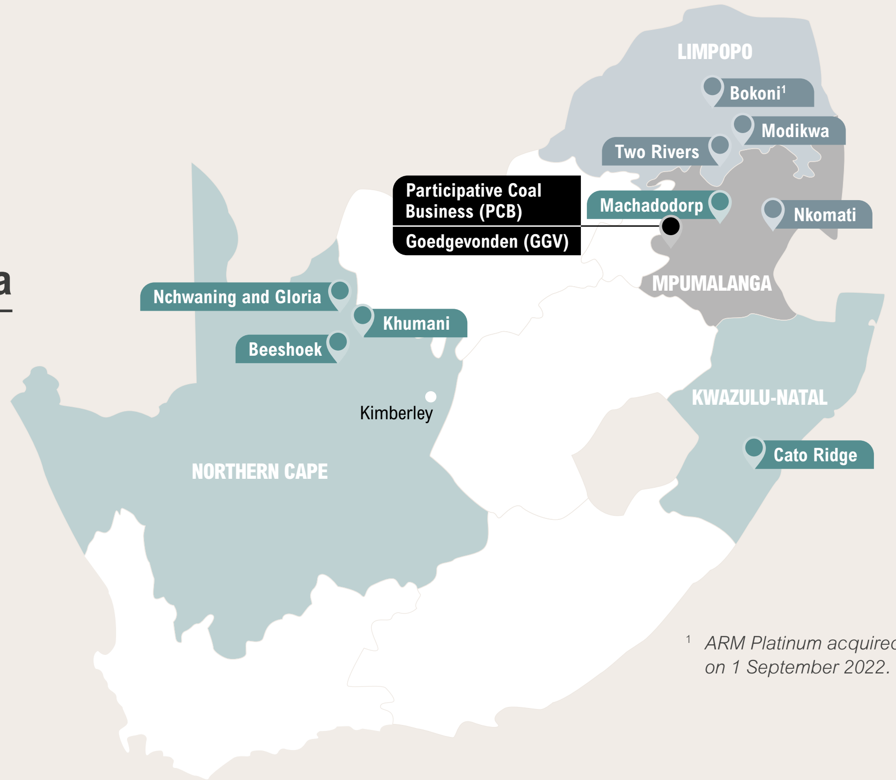
FTSE4Good

Where we operate

ARM operations are located in the Northern Cape, Limpopo, Mpumalanga and KwaZulu-Natal provinces in South Africa. In Malaysia, the Sakura Ferroalloys smelter is in the Sarawak province.

Malaysia

South Africa



[1] *ARM Platinum acquired Bokoni on 1 September 2022.*

ARM Platinum ARM Ferrous ARM Coal

KHUMANI

◆	Open-pit mechanised mine
●	11.9Mt iron ore
LoM	19 years
EMPL	3 658
LTIFR	0.17

page 68.

BEESHOEK

◆	Open-pit mechanised mine
●	2.5Mt iron ore
LoM	12 years
EMPL	1 199
LTIFR	0.06

page 68.

NCHWANING AND GLORIA
(collectively Black Rock)

◆	Underground mechanised mine
●	4.3Mt manganese ore
LoM	>30 years
EMPL	4 233
LTIFR	0.24

page 68.

MODIKWA

◆	Underground mine
●	286 000 6E PGM ounces
LoM	>21 years*
EMPL	5 278
LTIFR	0.47

page 58.

TWO RIVERS

◆	Underground mechanised mine
●	295 000 6E PGM ounces
LoM	>23 years*
EMPL	6 060
LTIFR	0.21

page 58.

MACHADODORP

◆	Smelter
●	Currently being used to develop energy-efficient smelting
EMPL	118
LTIFR	0.00

CATO RIDGE

◆	Smelter
●	116 000t ferromanganese
EMPL	635
LTIFR	0.00

page 68.

SAKURA FERROALLOYS

◆	Smelter
●	253 000t ferromanganese
EMPL	Not reported by ARM
LTIFR	Not reported by ARM

page 68.

NKOMATI

◆	Open-pit mechanised mine
●	Currently on care and maintenance
LoM	Currently on care and maintenance
EMPL	122
LTIFR	0.00

page 58.

BOKONI

◆	Combined mineral resources
●	Not yet reported
LoM	Not yet reported
EMPL	923
LTIFR	Not yet reported

page 58.

GOEDGEVONDEN (GGV)

◆	Open-pit mechanised mine
●	6.6Mt saleable thermal coal
LoM	24 years
EMPL	Not reported by ARM
LTIFR	Not reported by ARM

page 80.

PARTICIPATIVE COAL BUSINESS (PCB)

◆	Open-pit mechanised mine
●	10.0Mt saleable thermal coal
LoM	12 years
EMPL	Not reported by ARM
LTIFR	Not reported by ARM

page 80.

◆	Mine/operation type
●	F2023 production volumes (100% basis)
LoM	Approximate life-of-mine (* including resources not yet converted to reserves)
EMPL	Number of employees at 30 June 2023 (full-time employees and contractors)
LTIFR	F2023 lost-time injury frequency rate (LTIFR) per 200 000 man-hours
Mt	million tonnes
t	tonnes
oz	ounces
PGM	platinum group metals

Business model

Impacts of the operating environment

- Macro-economic factors
- Socio-economic environment
- Commodity pricing, supply and demand
- Regulatory environment
- Environmental responsibility
- Supply of water, electricity and infrastructure services
- Advances in technology and information
- Stakeholders and stakeholder expectations

See pages 30 to 32.

What differentiates ARM

ARM's investment case (page 3) is supported by our strategic pillars

Strategic objectives

- Operate our portfolio of assets safely, responsibly and efficiently
- Allocate capital to value-creating investments
- Focus on value-enhancing and integrated growth

See page 14.

INPUTS – OUR CAPITALS

HUMAN

- Experienced management
- Employee relations
- Skilled workforce
- Relationships with trade unions
- Training and development
- Ethical, equitable practices and fair pay

FINANCIAL

- Net cash position
- Operating cash flow
- Debt funding
- Equity funding

MANUFACTURED

- Mining rights and exploration
- Plant, property and equipment
- Utilities

SOCIAL AND RELATIONSHIP

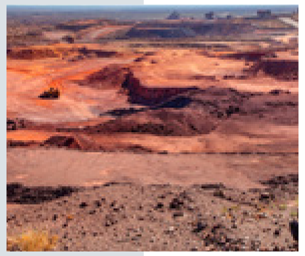
- Social licence to operate
- Human rights and ethics
- Community relations
- Relationship with government and regulators

NATURAL

- Natural resources (energy, water, land and biodiversity)
- Mineral Resources and Mineral Reserves

INNOVATION (INTELLECTUAL)

- Knowledge, experience and expertise
- IT systems
- Risk management processes
- Research and development

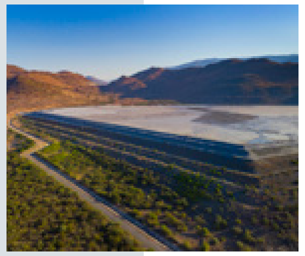


EXPLORE

EXTRACT

PROCESS

SELL



REHABILITATE

Operating environment
See pages 30 to 31.

Managing our risks
See pages 35 to 37.

Strategy
See pages 14 to 17.

OUTPUTS[1]

SALES VOLUMES

581 351 **6E PGM ounces**	334 000t **manganese alloys**
14.2Mt **iron ore**	16.7Mt **thermal coal**
4.3Mt **manganese ore**	289 641t **chrome concentrate**

ENVIRONMENTAL OUTPUTS

5 869t
waste recycled

1.80Mt CO_2e
scope 1 and scope 2 emissions

18.29 million m^3
operational water withdrawn

SAFETY OUTCOMES

LTIFR improved by **13%** to **0.27** per **200 000 man-hours**

One fatality at Two Rivers Mine

[1] *100% basis and excluding Bokoni Mine.*

Operational reviews
See pages 58 to 87.

TRADE-OFFS

Financial capital is prudently allocated to ensure sustainable value creation for our stakeholders. This enables continued quality growth and supports our ability to add value to all our other capitals.

Health, safety and skills development underpin productivity, therefore, our priority is to keep people safe, healthy and reaching their full potential, while benefiting from higher productivity.

Our **communities** grant our social licence to operate. We continue to invest to address community needs and contribute to improving the quality of life in communities neighbouring our operations.

Innovation and efficiency underpin the profitability and financial viability of modern mining operations and attract investment that, in turn, ensures sustainability.

Financial capital is invested in **natural capital** which is essential to the sustainability of our business and protecting resources for future generations.

OUTCOMES – STAKEHOLDER VALUE

HUMAN

- R4.9 billion paid in salaries and wages
- R371 million spent on skills development
- Improved safety performance
- 22 931 people employed
- Stable and constructive relationship with employees and representative trade unions

FINANCIAL

- Segmental EBITDA of R14.0 billion
- Dividends of R5 841 million declared
- Return on capital employed of 19.4%

MANUFACTURED

- Segmental capital expenditure of R7 201 million

SOCIAL AND RELATIONSHIP

- R124 million in corporate social responsibility (CSR) expenditure
- R4.5 billion taxes and mineral royalties paid
- Good partnerships with host communities
- Good relationships with government

NATURAL

- 4% decrease in scope 1 and 2 emissions
- Operational water withdrawn up 9% to 18.29 million m^3
- Water reuse remained stable at 78%

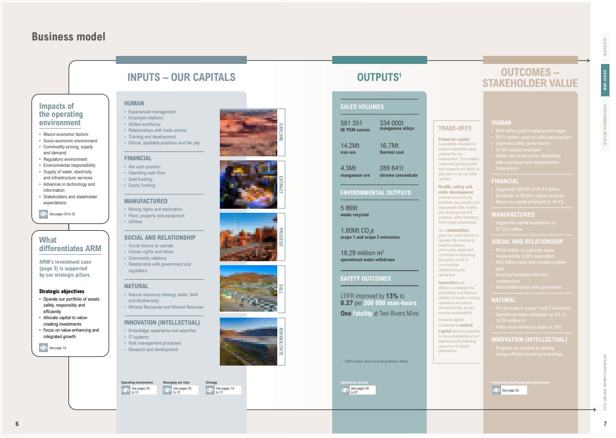
INNOVATION (INTELLECTUAL)

- Progress on research to develop energy-efficient smelting technology

Protecting value through good governance
See page 26.

Business model continued

Outcomes: Our dependencies, impacts and influence on the capitals



FINANCIAL	MANUFACTURED	HUMAN/ INTELLECTUAL	SOCIAL	NATURAL
DEPENDENCIES: WHAT WE **RELY ON** FOR CAPITAL VALUE RETENTION/PROTECTION				
• Cash flow • Robust financial position • Debt.	• Efficient and reliable plant and machinery • Reliable operations across the value chain • Reliable infrastructure including rail, ports, energy and water.	• A safe and healthy workforce • Diverse skills and talent • Innovative capability • Intellectual property • Capable service networks • Supplier ESG management.	• Socio-economic stability • Good working relationships with the communities neighbouring our mines • Trust in the business sector • Relationships with government and regulators • Regulatory stability.	• Access to land and minerals • Energy and water security • Mineral Resources and Reserves.
IMPACTS: WHAT HAPPENS TO OUR CAPITAL STOCKS/FLOWS AS A RESULT OF WHAT WE **DO**				
• Profitability • Cash-flow generation • Robust financial position • Competitive shareholder returns • Sustainable income.	• Sustaining capital expenditure • Growth capital expenditure • Disposals • Community infrastructure investment.	• Employee health and safety • Employment (temporary/ permanent; direct/indirect) • Diversity and inclusion • Remuneration, benefits • Skills development • Ethical working conditions • Fair pay for performance • Culture of high governance standards • Good working relationship with representative trade unions.	• Wealth creation (local/national) • Job creation • Community health impacts • Community education and skills development • Infrastructure development for benefit of communities • Business stability/ resilience • Local business opportunities and support • Anti-corruption/fraud • Local economic development (LED)/ CSI initiatives.	• Water use/impacts • Habitat/biodiversity impact • Atmospheric emissions • GHG emissions/ energy use • Waste generation • Rehabilitation activities • Product role in transition to low-carbon/circular economy.

Value created

The value created by our activities is distributed to a range of stakeholders. In F2023, we distributed R21.2 billion of financial value on a segmental basis, as illustrated below.

Total value distributed in
F2023: R21.2 billion
(F2022: R27.4 billion)

Distributed to:

Employee salaries	Shareholder dividends	Government taxes and royalties	Non-controlling interest[1]	Finance costs
R4.9 billion	**R6.7 billion**	**R4.5 billion**	**R1.2 billion**	**R0.3 billion**
(F2022: R4.2 billion)	(F2022: R6.3 billion)	(F2022: R6.5 billion)	(F2022: R1.9 billion)	(F2022: R0.3 billion)

Reinvested in the business
R3.6 billion
(F2022: R8.2 billion)

[1] *Profit attributable to non-controlling interests.*

Contributions from ARM operations over the last five years (100% basis unless otherwise stated):

R27.0 billion paid as taxes and royalties[2]

R750 million invested in community development

1 024 bursaries provided

Paid **R20.9 billion**[2] to employees as salaries, wages and benefits

Invested **R1.3 billion** in training initiatives to improve the skills of employees

Preferential procurement at the operations aims to increase procurement of goods and services from historically disadvantaged South Africans (HDSA), women- and youth-owned companies

Providing employment for **22 931 employees** and contractors (at 30 June 2023)

Improved **historically disadvantaged representation** in management from **61%** in F2018 to **72%** in F2023

Provided adult education and training to **343 employees** and **1 017 community members** at ARM facilities, increasing their confidence and employability

[2] *Segmental basis.*

ESG Refer to ESG report for discussion on how ARM contributes to the SDGs.

Stakeholders – hot topics in F2023

Our ability to achieve our strategic goals depends on the value we create for others. At the same time, the sustainability of our operations depends on balancing stakeholder needs, interests and expectations with those of the company.

Key stakeholder topics and our responses

SHAREHOLDERS, POTENTIAL SHAREHOLDERS, ANALYSTS AND OTHER INVESTORS

TOPICS RAISED	RESPONSE
• Capital allocation • Dividends • Perceived discount in trading value • Growth • Project execution risk, particularly related to the Bokoni Mine development in conjunction with the PGM market outlook • Logistics challenges • Above-inflation cost increase • Security of water supply to the Northern Cape operations • PGM market outlook.	• Focus on operating assets efficiently • Focus on disciplined allocation of capital • ARM's investor relations department communicates continually with institutional shareholders, potential investors, research analysts and the media in a timely, comprehensive and efficient manner • Discussions with management, the board and JV partners to raise awareness of the concerns and expectations of research analysts and institutional fund managers • Summaries of decisions at shareholder meetings are disclosed on our website after each meeting • Continued engagement with Transnet to implement sustainable solutions that are value accretive to all stakeholders • Containing unit cost escalations in line with inflation • The affected mines in the Northern Cape continue to engage with both the Vaal Central Water Board (VCWB) and the Department of Water and Sanitation (DWS) to address the water supply risk. The mines are contributing to the maintenance and the repairs of the Vaal Gamagara pipeline.

BANKERS AND INSURERS

TOPICS RAISED	RESPONSE
• Merger and acquisition opportunities (bankers) • Funding (bankers) • Insurance cover and costs (with particular focus on cybersecurity, SASRIA and tailings storage facility cover) (insurers).	• Responsible management of our financial position to enable ARM to pursue value-enhancing growth opportunities • Comprehensive risk financing and transfer programme.

ESG Refer to page 46 of ESG report for detailed disclosure on stakeholder engagement and management.

JOINT-VENTURE PARTNERS

TOPICS RAISED	RESPONSE
• Operational strategy and performance • Financial performance • Environmental, social and performance matters • Governance.	• ARM applies the highest ethical and governance standards in dealing with all stakeholders, including partners • Continuous and open engagement on operational, financial and ESG matters with partners • Executive committees and boards include representatives from joint-venture (JV) partners.

EMPLOYEES AND ORGANISED LABOUR

TOPICS RAISED	RESPONSE
• Health and safety • Safe working conditions • Training • Remuneration • Transformation.	• Human resources strategies aim to make ARM an employer of choice and maintain good relationships with trade unions • Commitment to fair treatment and remuneration of employees • Focus on skills development and career-planning programmes to assist employees to develop their full potential • Recognition agreements with unions where required representation levels are reached • Investing in building a talent pipeline.

COMMUNITIES, CIVIL SOCIETY AND NON-GOVERNMENTAL ORGANISATIONS

TOPICS RAISED	RESPONSE
• Community needs, including socio-economic development, infrastructure development, employment, support and opportunities for local businesses • Status of social projects, operational changes and expansions • Environmental issues affecting communities • Employment of local community members • Service delivery challenges • Transformation.	• Engaging with communities at specialised discussions/meetings to understand their specific concerns • Community open days support information sharing and relationship building • The ARM BBEE Trust invests in uplifting rural communities across South Africa by partnering with traditional and other community leaders • Changes or expansions to our current operations require engaging with interested and affected parties through stakeholder consultation as prescribed by NEMA and other relevant legislation.

Stakeholders – hot topics in F2023 continued

GOVERNMENT

TOPICS RAISED	RESPONSE
• Social investment • Health and safety • Environmental management • Transformation • Compliance with governing regulations • Regular progress reports and updates.	• Implementation and monitoring local economic development (LED) projects • Compliance with relevant safety, health and environmental legislation • Engaging with national government on policy matters as required • Regular reports submitted by operations on social and labour plan (SLP) projects • Annual mining charter scorecard reports submitted to DMRE by each mine.

INDUSTRY ASSOCIATIONS*

TOPICS RAISED	RESPONSE
• Sustainable development • Labour issues • Implementation of best practice • Industry-specific issues • Changes in legislation • Coordinated response to industry-related matters.	• Representation in various executive and other roles in industry associations to engage and give input on industry issues and communicate with industry and government stakeholders • Coordinated industry-level and direct support for employees, communities and government.

* *Includes the Minerals Council South Africa, International Council on Mining and Metals, World Economic Forum, Ferro Alloy Producers Association, Association of Mine Managers of South Africa, Association of Resident Engineers, Business Unity South Africa, Water User Associations and the Energy Intensive Users Group, among others.*

CUSTOMERS

TOPICS RAISED	RESPONSE
• Product quality • Sustainability issues.	• Processes to ensure consistent product quality • ARM follows global good practice in managing sustainability matters and is committed to transparent and comprehensive reporting to stakeholders.

SUPPLIERS AND LOCAL BUSINESSES

TOPICS RAISED	RESPONSE
• Local economic development • Industry issues • Fair payment terms • Fair treatment • Valid BEE certification • Ethics • Sustainability issues.	• Support for local enterprise development through CSR initiatives • Payment terms align with industry standards • ARM operates ethically and does not tolerate unfair discrimination • ARM requires valid BBBEE certificates to support transformation in its supply chain.

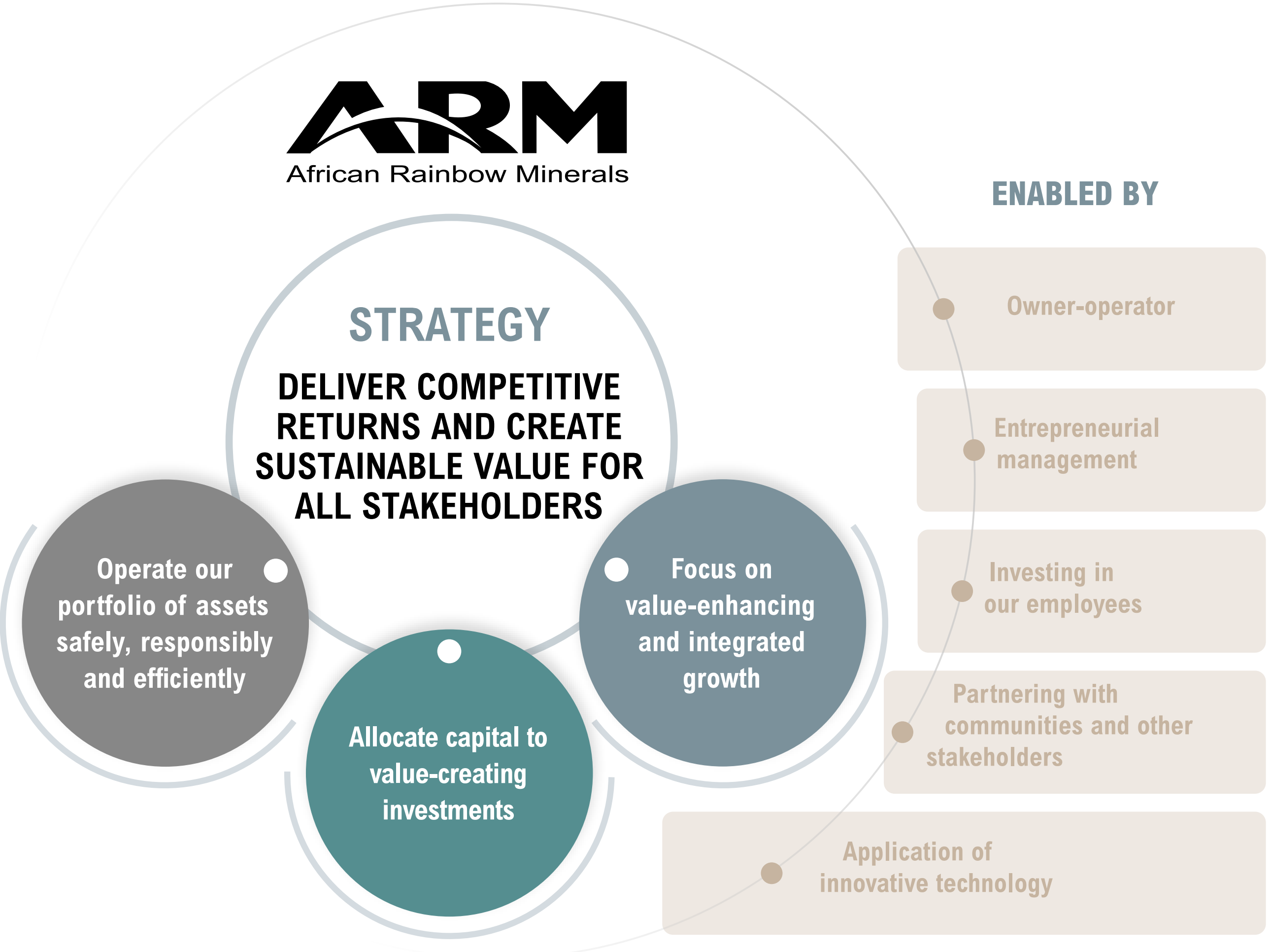
MEDIA

TOPICS RAISED	RESPONSE
• Operational, financial and ESG performance raised during results presentations • Plans for Bokoni Mine • Impact of Transnet operational challenges on ARM.	• ARM's investor relations department communicates with the investment community and media, facilitating access to information and management where possible.

Strategy

Deliver competitive returns and sustainable value

Our longer-term strategy is unchanged but we continually review short-term issues – to prioritise our strategic objectives and integrate emerging issues, particularly decarbonisation – into our short, medium and longer-term view.



RESPONSIBLE	RESILIENT	READY
Strategic objective Operate our portfolio of assets safely, responsibly and efficiently	**Strategic objective** Allocate capital to value-creating investments	**Strategic objective** Focus on value-enhancing and integrated growth

Underpinned by our values

Aim for operational excellence | Provide a safe and healthy work environment | Maintain a non-discriminatory workplace | Improve the lives of those living in communities neighbouring our operations | Work responsibly to achieve balance between the economic, social and environmental aspects of our business | Maintain the highest standards of corporate governance

Delivering on our strategy

RESPONSIBLE

WHY **Protect value** by responsibly and efficiently operating our assets and managing people

HOW

- Drive operational efficiencies and ensure competitive position on global cost curve
- Contain unit cost increases
- Implement appropriate innovation and technology
- Ensure a safe and healthy work environment
- Invest in our people's personal and professional wellbeing
- Enhance relationships with key stakeholders by driving positive and sustainable impact in communities neighbouring our operations
- Remain responsible stewards of the environment.

MEASURED BY

- Position on the global cost curve for each operation
- Unit cost increases relative to mining inflation
- Efficiencies as measured by volumes and unit cost performance
- Safety and health indicators including: fatalities, lost-time injury frequency rate and eliminating occupational illnesses
- Human capital investment to attract, develop and retain talent; promote diversity, equity and inclusion; and minimise turnover
- Total investment in host communities (including impact of social and labour plans, local economic development and corporate social investment)
- Reducing greenhouse gas (GHG) emissions in support of a sustainable transition to achieve net-zero GHG emissions from mining by 2050
- Water withdrawn and water reused
- Conformance of our tailings storage facilities to global standards
- Adequate provision for environmental rehabilitation.

RESILIENT

WHY **Create and sustain value** through prudent management of financial capital

HOW

- Ensure effective allocation of financial capital
- Manage a robust financial position that enables us to be opportunistic and resilient
- Integrate ESG criteria in investment decisions to ensure positive and sustainable impact.

MEASURED BY

- Returns on capital investment including net present value (NPV), internal rate of return (IRR) and payback period
- Benchmarking returns from investment opportunities to returns from share buybacks
- Dividends
- Total shareholder returns
- Net cash/debt position
- Debt funding capacity
- Investing in value-accretive growth opportunities that meet ARM's strategic imperatives.

READY

WHY **Create and unlock additional value** by investing in growth and innovation supporting sustainable responses to the changing operating environment

HOW

- Drive innovation and capitalise on value-accretive opportunities for growth
- Support inclusive business opportunities in communities neighbouring our mines
- Focus on local and preferential procurement from women/youth-owned businesses
- Drive shift to net-zero GHG emissions from mining by 2050
- Invest in skills of the future
- Continually assess portfolio for disposal opportunities or points of exit.

MEASURED BY

- Returns including IRRs, NPV, payback periods
- Successful commercialisation of more efficient smelting technology
- Optimised energy consumption in smelting process
- Local and preferential procurement spend and number of SMMEs supported
- Impact and sustainability of community investment
- Decarbonisation pathways and year-on-year reduction in GHG emissions
- Investment in skills training.

Completed and future growth projects

Completed growth projects

BLACK ROCK AND GLORIA PROJECTS

The Black Rock Project was completed in September 2022 and within the approved budget of R7.4 billion, with 1.4 million fatality-free shifts and a LTIFR of 0.22.

Key benefits: improved tramming cycle times, lower cost of production and enhanced control of ore quality.

TWO RIVERS PLANT EXPANSION

Fully commissioned, now ramping up to mill the additional 40 000 tonnes per month capacity, and minimise impact of grade reduction in ore tonnes milled.

Future growth projects

TWO RIVERS MERENSKY PROJECT

The Two Rivers Merensky project is on target for completion in Q2 F2025, with first PGM concentrate production in Q4 F2024.

Additional 182 000 6E PGM ounces, 1 600 tonnes nickel and 1 300 tonnes copper per annum.

BOKONI PLATINUM MINE

Good progress in advancing the definitive feasibility study (DFS) based on a phased development approach.

The DFS will now advance to bankable feasibility and then be presented to the board for approval.

Managing performance through remuneration

Our strategic objectives can only be delivered with the foresight, dedication and hard work of our employees. The company competes in a small talent pool for a limited set of skills in the global and South African mining industries.

The remuneration committee supports the board by applying a remuneration strategy that is focused on attracting, motivating, rewarding and retaining talent through competitive remuneration practices, while creating shareholder value. Stakeholder feedback is considered in regular reviews of our remuneration policy, which gives effect to the remuneration strategy by supporting business objectives in the wider operating environment and offering a balanced remuneration mix based on the principles set out below.

Fair and responsible

TAKING CARE OF OUR EMPLOYEES	MONITORING OUR FAIR AND RESPONSIBLE PAY	PAY-FOR-PERFORMANCE	TRAINING AND DEVELOPING OUR TALENT
We aim to maximise our employee value proposition. We are committed to offering equitable, market-related and competitive wages to all employees. We operate various wellness programmes to support our employees' mental health and wellbeing. We create an environment that promotes a sense of belonging for our employees.	We periodically monitor the pay gap, enhance policies supporting gender mainstreaming in the workplace and develop more robust employment equity plans and targets. Annual percentage increases granted to our more junior employees generally exceed those granted to management and executives.	We focus on pay-for-performance in designing our variable pay structures, particularly at senior levels. Our in-house performance-enhancing system creates an opportunity to contract on performance goals, review performance, track developmental areas, assess performance and reward appropriately. This process also promotes staff engagement, constructive feedback for development and performance improvement.	We invest in the development and skills of our employees to maximise learning potential through study assistance and bursaries as well as career-development opportunities based on our talent management strategy.

Fixed pay

The board-approved cost-to-company salary increases in the corporate office from 1 July 2023, based on independent benchmarking processes and after considering the current consumer price index (CPI), are summarised below:

Paterson grade	Role	F2024 increase[1]	F2023 increase[2]
F-band	Executives (including executive directors)	5%	5%
D and E-bands	Middle and senior management	6%	5%
A to C-bands	General staff	7%	6.5%

[1] *CPI of 6.3% at May 2023 as published by StatsSA.*
[2] *CPI of 6.5% at May 2022 as published by StatsSA.*

At the bargaining-unit level, multiple-year wage agreements are in place for all ARM-managed operations, except Bokoni Platinum Mine. For Bokoni, a recognition agreement was concluded with the National Union of Mine Workers (NUM) in terms of which NUM would not submit any wage demands for F2023 and F2024.

Employee benefits as a percentage of cost-to-company are the same for all employees, subject to certain employee elections.

Performance against bonus targets for F2023

Profitability*	Unit cash costs	Safety modifier**
Above target	**Overall worse than plan**	**Maximum achieved**
ARM Ferrous	ARM Ferrous	ARM Ferrous
ARM Coal	ARM Platinum	ARM Coal
ARM group	ARM Coal	**Between target and maximum**
Below target	ARM group	ARM Platinum
ARM Platinum		ARM group

* *Based on profit before interest and tax (PBIT).*
** *Safety modifier adjusted for fatalities.*

Managing performance through remuneration continued

F2023 short-term incentive performance outcomes: executive directors and prescribed officers

	F2023 % on-target bonus	F2023 % maximum bonus (before safety and personal performance modifiers)	F2023 performance multiple[6]	F2023 % bonus (before safety and personal performance modifiers)[7]	F2023 safety modifier adjusted for fatalities[8]	F2023 % bonus (after safety and before personal performance modifiers)[9]	F2023 personal performance modifier	F2023 % bonus (after safety and personal performance modifiers)[10]	F2023 total annual package before incentives (excluding non-cash benefits) (R000)[11]	F2023 short-term incentives (cash bonus) (R000)[12]
Executive directors										
Dr PT Motsepe (executive chairman)[1]	62%	124%	1.68	104.40%	9.38%	114.20%		114.20%	9 447	10 786
VP Tobias[2,3]	50%	100%	1.68	84.20%	9.38%	92.09%		92.09%	1 451	1 335
MP Schmidt[2,4]	50%	100%	1.68	84.20%	9.38%	92.09%		92.09%	8 221	7 570
J Magagula[5]	45%	90%	1.68	75.78%	9.38%	82.88%	5.00%	87.03%	4 365	3 797
TTA Mhlanga	45%	90%	1.68	75.78%	9.38%	82.88%	5.00%	87.03%	5 700	4 958
HL Mkatshana	45%	90%	1.68	75.78%	9.38%	82.88%	2.50%	84.95%	5 295	4 496
Prescribed officers										
MP Schmidt[2,4]	50%	100%	1.68	84.20%	9.38%	92.09%		92.09%	1 301	1 197
VP Tobias[2,3]	45%	90%	1.68	75.78%	9.38%	82.88%	5.00%	87.03%	6 127	5 331
A Joubert	45%	90%	1.73	77.93%	10.00%	85.73%	5.00%	90.01%	6 052	5 446

1, 2 The executive chairman and chief executive officer have overall responsibility for the performance of the company, and their personal performance is thus not determined separately from that of the company. For F2023, the board approved that no personal performance modifier would apply to the bonus calculation for the former chief executive officer.

3 Mr VP Tobias, the chief operating officer, was appointed chief executive officer from 1 May 2023. His cash bonus was calculated by determining his on-target bonus at 45% from 1 July 2023 to 30 April 2023 (shown under the heading Prescribed officers) and his on-target bonus at 50% from 1 May 2023 to 30 June 2023 . The pro-rata remuneration is shown for the periods when he was a prescribed officer and then an executive director.

4 Mr MP Schmidt stepped down as chief executive officer and an executive director from 1 May 2023. He was appointed executive: growth and strategic development from 1 May 2023. The board approved an on-target bonus at 50% for 1 July 2022 to 30 June 2023 (ie all of F2023) and the multiple will decrease to 45% in F2024. The pro-rata remuneration is shown for the periods when he was an executive director and then a prescribed officer.

5 Ms Magagula resigned from the company from 31 July 2023.

6 In terms of the board-approved remuneration policy for F2023, the performance multiple before the safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00. Refer to the scorecards in part III of the remuneration report in the ESG report for the performance multiples.

7 The % bonus (before safety and personal performance modifiers) is the % on-target bonus times the performance multiple (rounded).

8 As independently reviewed by Bowmans. Refer to the scorecards in part III of the remuneration report in the ESG report for the safety modifiers.

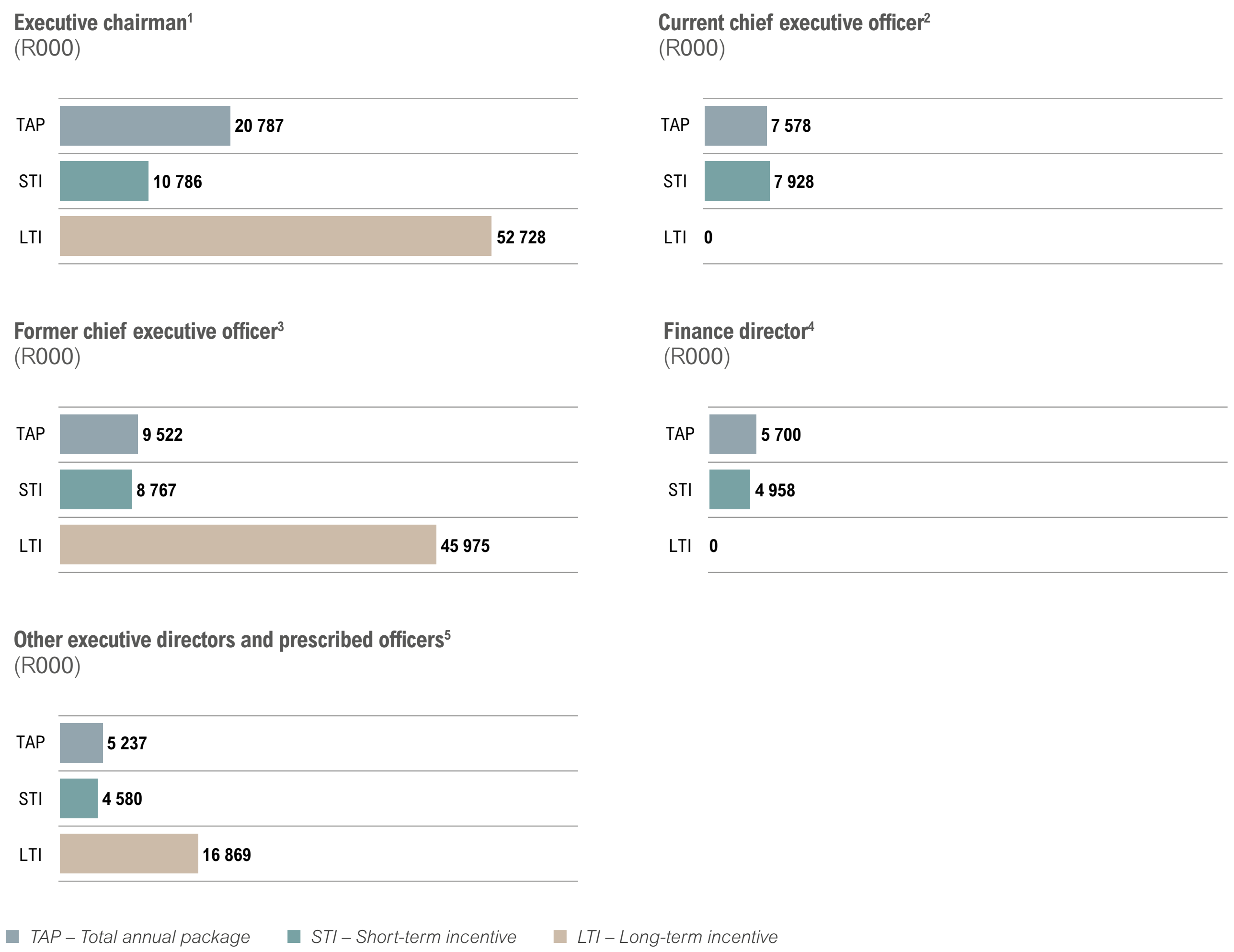
9 The % bonus (after safety and before personal performance modifiers) is the % bonus (before safety and personal performance modifiers) times (1 plus the safety modifier adjusted for fatalities) (rounded).

10 The % bonus (after safety and personal performance modifiers) is the % bonus (after safety and before personal performance modifiers) plus the personal performance modifier (rounded).

11 Total annual package (excluding non-cash benefits) as per the single-figure remuneration table in part III of the remuneration report in the ESG report. For Dr Motsepe, the cash bonus is based on a percentage of basic salary of R9 445 000, excluding non-cash and other benefits.

12 The short-term incentives (cash bonus) is the % bonus (after safety and personal performance modifiers) times the total annual package before incentives (excluding non-cash benefits), as shown on the single-figure remuneration table in part III of the remuneration report in the ESG report.

Total remuneration outcomes: F2023



1 The non-cash benefit for Dr PT Motsepe, the executive chairman of ARM, comprises a deemed fringe benefit on protection services which are provided to him on the basis of risk assessment which considers his local and global profile and the concomitant risks. The STI (i.e. cash bonus) is based on a percentage of basic salary, excluding non-cash benefits and other benefits.

2 Mr VP Tobias was appointed chief operating officer from 14 November 2021 and as chief executive officer from 1 May 2023. His cost-to-company was increased from R7.35 million to R8.7 million per annum from 1 May 2023. The pro-rata remuneration is shown for the periods when he was a prescribed officer and then an executive director, respectively. In terms of the sign-on arrangements when he was appointed as chief operating officer in November 2021, the F2023 STI includes the first cash sign-on award of R1.26 million which was paid in November 2022. No long-term incentive is reflected for him because this will only be reflected at the end of the three-year performance period when the performance conditions will be measured.

3 Mr MP Schmidt stepped down as chief executive officer and an executive director from 1 May 2023. He was appointed executive: growth and strategic development from 1 May 2023 and his cost-to-company was decreased from R9.863 million to R7.8 million per annum from 1 May 2023. The pro-rata remuneration is shown for the periods when he was an executive director and then a prescribed officer, respectively.

4 Ms TTA Mhlanga was appointed finance director from 1 October 2020. No long-term incentive is reflected for her because this will only be reflected at the end of the three-year performance period when the performance conditions will be measured.

5 Average remuneration for Messrs HL Mkatshana and A Joubert and Ms J Magagula, who resigned from the company from 31 July 2023, following the financial year end.

ESG Refer to remuneration report in the ESG report for additional information.

Executive chairman's report

Dear shareholder and stakeholder

The benefits of ARM's quality, diversified portfolio enabled the company to maintain a robust financial position, despite lower commodity prices and challenges with logistics, power and above-inflation costs. We continued investing in our existing businesses and value-enhancing growth projects while paying dividends.

Dr Patrice Motsepe
Executive chairman

Headline earnings for the 2023 financial year were 21% lower at R9.0 billion (F2022: R11.3 billion), due to a challenging operational and market environment.

Our strategy remains focused on delivering competitive returns to our shareholders and creating sustainable value for all stakeholders by:

- Maintaining a safe and healthy work environment
- Managing costs while improving productivity and efficiencies through appropriate mechanisation, technology and other measures
- Optimising our diversified portfolio of assets
- Pursuing and delivering value-enhancing growth
- Adhering to our commitment to global environmental standards
- Complying with our environmental, social and governance (ESG) framework and undertakings
- Investing in our employees
- Contributing to improving the living conditions and standards of living of the communities neighbouring our operations
- Cooperating and partnering with all stakeholders.

We declared total dividends of R26.00 per share for F2023; down 19% from R32.00 per share in the prior year. This represented a 13% dividend yield (as at 30 June 2023) and pay-out ratio of 82% of dividends received from our underlying operations.

ESG Further details appear in the operational reviews in this report and in our 2023 ESG report.

Maintaining a safe and healthy work environment

Our resolute focus on maintaining a safe and healthy work environment for all employees and contractors is evidenced in the improved key safety metrics for the year. The lost-time injury frequency rate (LTIFR) improved by 13% to 0.27 per 200 000 man-hours in F2023 (F2022: 0.31) on the back of fewer reportable or serious accidents.

Our occupational health and hygiene programmes are continually updated to limit at-source workplace exposure to hazards.

Managing costs and improving productivity

Continued challenges of unreliable power, water and logistics supply during the year were compounded by above-inflation escalations in input costs. We are focused on the factors that are under our control, including managing costs, improving productivity and efficiencies through the adoption of mechanisation and appropriate new technologies.

Unit production costs remained under pressure in F2023, with above-inflation increases across most operations except the Black Rock mines.

The Black Rock project was completed in September 2022 and within the approved budget of R7.4 billion, with 1.4 million fatality-free shifts and a LTIFR of 0.22.

Construction on the Gloria project was completed in June 2023. With close-out underway, the project is forecast to be formally closed out within the approved budget of R3 billion.

We are proactively managing unit costs across our portfolio of assets and investing in volume growth at the Two Rivers and Modikwa mines.

Optimising our diversified portfolio of assets

In F2023, we invested R7.2 billion in attributable capital expenditure across our operations, R2.6 billion of which was expansionary capital.

As part of our short to medium-term growth projects:

- We are ramping up production at the Black Rock Mine to 4.6 million tonnes per annum by F2025
- We increased milling capacity by 40 000 tonnes per month at Two Rivers Mine, enabling it to ramp up to 320 000 6E PGM ounces per annum by F2025
- As part of the R7.2 billion Merensky project at Two Rivers, almost half of the approved capital expenditure has been deployed to date. The majority of the balance will be spent in F2024. By mining the Merensky Reef, we will increase production volumes at Two Rivers by 182 000 6E PGM ounces, 1 600 tonnes of nickel and 1 300 tonnes of copper by late-F2025
- We are investing in Modikwa Mine to increase production volumes to 330 000 6E PGM ounces per annum by F2026
- The Bokoni Platinum Mine was acquired in September 2022. ARM remains confident about the long-term profitability of Bokoni. Good progress has been made with advancing the definitive feasibility study. The project remains robust and is expected to be attractive in terms of industry cost competitiveness. The definitive feasibility study will now advance to a bankable feasibility study and then be presented to the board for approval.

Delivering value-enhancing growth

Growth is central to our strategy, as evidenced by the R3.5 billion acquisition of Bokoni Platinum Mine in September 2022. Bokoni complements our existing PGM portfolio on the Eastern Limb of the Bushveld Complex in Limpopo province.

This will enable us to scale our PGM portfolio, improve our global competitiveness and pursue further value-accretive organic growth.

In addition to competitive returns for shareholders, the development of Bokoni Mine allows ARM to create sustainable value for a range of stakeholders as local communities, employees and black industrialists will together own 15% of the mine. Bokoni Mine will create around 5 000 jobs, half of which will be permanent roles.

Executive chairman's report continued

Committed to goals of Paris Agreement

ARM is committed to supporting the goals of the Paris Agreement to limit the global average temperature increase to 2°C, and strive to reduce this to 1.5°C. We are steadily translating this commitment into concrete plans with measurable targets, as detailed in our climate change and water report on our website.

CCW Refer to page 55 of the Climate change and water report for detailed disclosure.

In line with our commitment under the International Council on Mining and Metals (ICMM) Sustainable Development Framework and climate-change principles, our operations apply global good practice in managing scarce natural resources and protecting our environment.

The escalating pace of natural weather events globally, from floods to droughts and wildfires, have highlighted the urgency of substantial and effective global action to combat climate change. In addition to producing metals that are critical to creating a low-carbon future, our broader environmental initiatives concentrate on mitigating the impacts of climate change by reducing carbon emissions as well as the responsible and efficient use of water and energy.

Across our operations, we are identifying opportunities to reduce carbon emissions through improved energy and fuel efficiency.

We are also making good progress in adopting technologies and processes to enhance energy efficiency and reduce our carbon footprint; aiming to achieve net-zero greenhouse gas emissions from mining by 2050.

In F2023, we continued to develop decarbonisation pathways detailing the short-term steps to achieve this long-term target. We are working to identify appropriate carbon-reduction initiatives for each operation that are both sustainable and financially responsible.

In F2023, we signed a power-purchase agreement with an independent power producer to wheel 100MW of renewable solar photovoltaic (PV) power to our platinum operations. ARM Platinum studies indicate that wheeling this quantum of renewable energy over 20 years could generate some 4 900GWh of electricity and save around 4.8mtCO_2e in carbon emissions. Construction of the solar PV facility started in October 2023. Electricity from this facility is expected to begin supplying ARM Platinum's mining operations in F2026. In our Ferrous division, the Northern Cape mines are progressing with a prefeasibility study to explore the correct energy mix that will cater for baseload demand.

Investing in our employees

In F2023, the ARM workforce comprised around 23 000 employees and contractors.

We invested R371 million or 9.3% of payroll during the year on skills training across our operations (F2022: R198 million or 7.1% of payroll).

We remain committed to ensuring that our workforce and management represent South Africa's demographics. An inclusive and diverse workforce enriches both our company and our country. At F2023 financial year end, 72% of management at all levels was represented by historically disadvantaged South Africans.

Partnering with communities neighbouring our operations

ARM is committed to improving the living conditions and standards of living of people in communities neighbouring our operations.

In F2023, our operations invested R124 million in community projects, particularly those supporting women, youth, historically disadvantaged groups and people living with disabilities. Focus areas include:

- Water provision and sanitation
- Building and upgrading roads
- Key community infrastructure
- Health
- Education.

We also continue to contribute to increasing the pool of entrepreneurial and business-specific skills in our neighbouring communities and support the development of local small and medium businesses.

We are pleased that the ARM Mining Consortium declared a dividend of R102 million (F2022: R255 million) to the seven communities with an effective 8.5% shareholding in Modikwa Mine. These dividends will be invested in sustainable community upliftment and development projects to benefit around 100 000 people living in communities neighbouring the mine.

We continue to work with our community forums, municipalities, the Department of Mineral Resources and Energy (DMRE) and other stakeholders to advance job creation and poverty-alleviation projects.

The South African mining industry[1]

Mining is a trillion-rand industry and important contributor to South Africa's fiscus. Its economic contribution remains a key source of revenue for the government at a time when state-supplied electricity and transport logistics face crippling constraints that are affecting the economy, the viability of many businesses, and threatening the jobs of so many amid record unemployment.

In calendar year 2022, the industry employed almost 476 000 people (up around 17 000), contributed R494 billion or 7.5% directly to gross domestic product (GDP) and exported R878 billion worth of commodities, a significant portion of the country's total exports. Collectively, the industry paid over R175 billion in wages, salaries and benefits to employees who, in turn, support an estimated 4.8 million dependants. Taxes paid by the South African mining industry included corporate income tax of R74 billion, R29 billion in value added taxes and R14 billion in mineral royalties.

The success of our industry relies heavily on the efficient provision of utilities and logistics infrastructure. Although there are numerous challenges in the performance of logistics channels, the reliable supply of power and the security of water supply, ARM and other mining companies operating in South Africa are working with the government and other stakeholders to find sustainable solutions that benefit the industry, the fiscus and all stakeholders.

Recognition

Our skilled and experienced board is committed to good governance practices. The collective contribution of our directors is invaluable as we focus on achieving our strategic objectives for the sustainable benefit of our shareholders and all stakeholders. As reported last year, we welcomed two experienced independent non-executive directors, Bongani Nqwababa and Brian Kennedy, to the board. Bongani was also appointed to the audit and risk committee at the 2022 annual general meeting. My deepest gratitude to all our directors for their ongoing guidance and commitment.

On 1 May 2023, Mike Schmidt stepped down as CEO and executive director. Following a comprehensive internal and external process to identify his successor, the board appointed Phillip Tobias, ARM's chief operating officer (COO), as executive director and CEO from 1 May 2023 until his appointment is approved by shareholders at the annual general meeting in December 2023.

Phillip is a mining engineer with over 28 years' experience in the industry. As COO of ARM since November 2021, he worked closely with Mike and the executive management team. Prior to joining ARM, Phillip was COO of Harmony Gold Mining Company and held executive positions at Anglo American Platinum Limited and Gold Fields Limited.

Over the past 11 years, Mike has provided outstanding leadership as CEO and we are grateful for his dedicated service. The board is pleased to retain his skills as executive: growth and strategic development. Equally, the board welcomes Phillip as the new CEO. I am confident that he will contribute to ARM's success and global competitiveness.

In July 2023, Jongisa Magagula stepped down as the executive director: investor relations and new business development. We express our gratitude for her good work in that role and wish her all the best in her future endeavours.

My thanks also go to our employees and world-class management for their continued hard work, dedication and commitment.

As always, we are grateful for the ongoing support and cooperation of our shareholders, worker representative organisations, our host communities and all other stakeholders.

Conclusion

The global repercussions of the pandemic and the geopolitical tensions of Russia's invasion of Ukraine are stark reminders of the interconnectedness of today's world.

The scale of current global challenges – spanning health, social, environmental and economic issues – requires cooperation and constructive partnerships between governments, the private sector, civil society and all stakeholders.

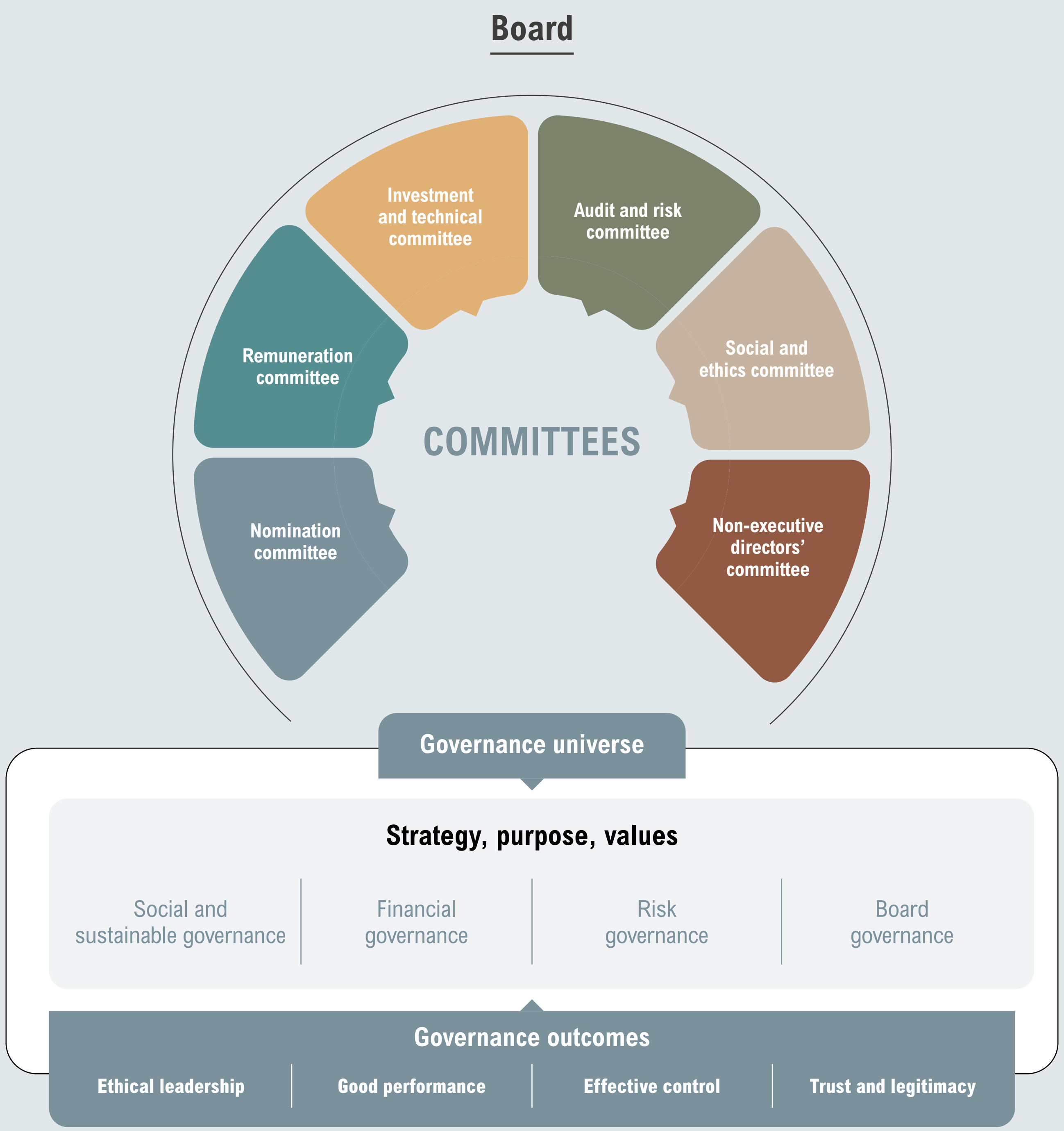
The mining industry remains an important partner in addressing these widespread challenges. ARM is committed to working together with governments, local communities and employees to create sustainable benefits for its shareholders and all stakeholders.

Dr Patrice Motsepe
Executive chairman

10 October 2023

[1] *Minerals Council South Africa Facts & Figures 2022, published February 2023*

Protecting value through good governance



Adhering to the highest standards of corporate governance is fundamental to the sustainability of our business. Our business practices are conducted in good faith, in the interests of the company and all its stakeholders, with due regard for the principles of good corporate governance.

Understanding that our stakeholders are central to achieving our strategic priorities, the ARM team engages regularly and constructively with our stakeholder groups at all levels.

ESG Detailed on page 46 of the ESG report.

To illustrate, our people have proved their mettle in finding creative solutions to drive our progress amid the prevailing global uncertainty. We also continually assess how the company is perceived and valued by shareholders, current and prospective, as well as specialist stakeholders focused on sustainability-related (ESG) aspects of our business. Across the group, management teams are focused on trends and shifts in our markets that may affect how we implement our strategy.

All this feedback informs decisions taken at meetings of the board, which has transitioned seamlessly to the new hybrid way of working that characterises the post-pandemic world. At the same time, board effectiveness has become increasingly important in rapidly changing markets. The effectiveness of the board and its committees was again externally assessed this year, with positive results (see page 128 of the ESG report). These reviews are instrumental in developing the board's objectives and work plan for F2024 and beyond.

One of the primary functions of the board is to ensure ARM's strategy is carefully considered, clearly defined and actionable. Management is accountable to the board for implementing all facets of this strategy, while the board is responsible for ensuring implementation proceeds against plan while considering broader developments that should be taken into account in refining the strategy. Either directly or through its mandated committees, the board maintained and monitored its robust processes to ensure that good governance and ethical behaviour are central to the way ARM operates.

Key actions in F2023

Refer to page 14 for more detail on our strategy.

Strategic objectives

Responsible	Resilient	Ready
Operate our portfolio of assets safely, responsibly and efficiently	**Allocate capital to investments that create and preserve value**	**Focus on value-enhancing, integrated growth**
The board approved targets and governance enhancements that underpin our long-term environmental objectives A policy on diversity and inclusion at board level was renewed, reinforcing ARM's commitment to transformation.	Approving the investment to support hybrid working through robust technology and systems Concluding the 100MW power-purchase agreement and approving the early-ounce project for Bokoni Platinum Mine Allocating capital to the Two Rivers Merensky project, which was approved in F2022, to enable the production of PGMs at competitive costs In collaboration with peers and industry bodies, approving appropriate capital and expertise to address key infrastructural risks, ie logistics, water and energy	ARM's growth depends on good governance. The board and its committees regularly review information about our safety and health culture and performance, approach to assessing and monitoring risk, and real-time sustainability-related data. ARM is on track to align with the GISTM as per the required timeframes and published its required conformance reports in August 2023

Our corporate governance: outcomes and practices

Consistent with the apply-and-explain approach of King IV to disclosure, ARM considers and applies the principles of corporate governance relevant to ARM (both those recorded in King IV and in terms of best practice in international governance standards). ARM is confident that these practices assist in maintaining good performance in the governance outcomes of ethical culture, effective control and legitimacy with stakeholders.

KING The King IV application register is available on www.arm.co.za.

ESG Detailed committee reports begin on page 131 of the ESG report.

Board of directors

A deliberate blend of skills and experience

The board provides strategic direction and leadership, monitors implementation of business and strategic plans, and approves capital funding for these plans to support a sustainable business.

Dr Patrice Motsepe (61)

Executive chairman

LLB and Doctorate of Commerce Honoris Causa (University of Witwatersrand), Doctorate of Commerce Honoris Causa (Stellenbosch University), Doctor of Management and Commerce Honoris Causa (University of Fort Hare) and BA Law and Doctor of Laws Honoris Causa (University of eSwatini)

Phillip Tobias (52)

Chief executive officer

BSc Eng (mining), mine manager's certificate, EDP (Wits), AMP (GIBS), professional engineer (Engineering Council of South Africa)

Appointed to the board in May 2023.

Tsundzukani Mhlanga (41)

Finance director

BCom (acc sciences) (University of Pretoria), BCom (acc) (hons) and CTA (University of KZN), CA(SA), MBA (UCT)

Appointed to the board in 2020.

Thando Mkatshana (54)

Executive director and chief executive: ARM Platinum

National higher diploma (coal mining) (Wits Technikon), BSc Eng (mining) (Wits), MDP and MBA (Stellenbosch)

Appointed to the board in 2015.

Alex Maditsi (61)

Lead independent non-executive director

BProc (University of the North), LLB (Wits), HDip company law (Wits), LLM company and labour law (Pennsylvania, USA), LLM international commercial law (Harvard, USA)

Appointed to the board in 2004.

Dr Rejoice Simelane (71)

Independent non-executive director

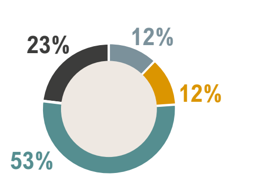
BA (econ and acc) (University of Botswana, Lesotho and Swaziland), MA (econ) (University of New Brunswick, Canada), (University of Connecticut, USA), PhD (econ) (University of Connecticut), LLB (Unisa)

Appointed to the board in 2004.

Executive directors | Independent non-executive directors | Non-executive directors

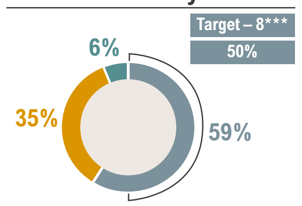
ESG Refer to directors' experience on pages 118 to 123 and pages 126 and 127 of the ESG report.

Age**



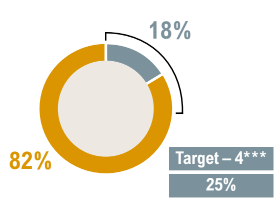
2 Under 50 years 2 50 to 59 years
9 60 to 69 years 4 70 years and older

Diversity



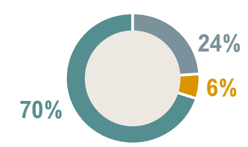
10 Black 6 White 1 Other African

Gender



3 Female 14 Male

Mix



4 Executive directors
1 Non-executive director
12 Independent non-executive directors

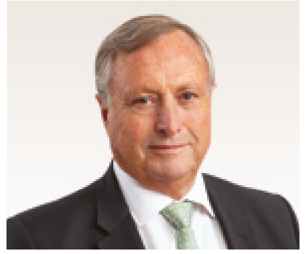
* At the date of this report.
** At date of 2023 annual general meeting.
*** Target in terms of board-approved policy.

Frank Abbott (68)

Independent non-executive director

BCom (University of Pretoria), CA(SA), MBL (Unisa)

Appointed to the board in 2004.



Tom Boardman (73)

Independent non-executive director

BCom (Wits), CA(SA)

Appointed to the board in 2011.

Anton Botha (70)

Independent non-executive director

BCom (marketing) (University of Pretoria), BProc (Unisa), BCom (hons) (University of Johannesburg), SEP (Stanford)

Appointed to the board in 2009.

Joaquim Chissano (83)*

Independent non-executive director

PhD (honoris causa) (Stellenbosch), LLD (honoris causa) (St John's University, USA)

Appointed to the board in 2005.

* Non-South African.

Pitsi Mnisi (40)

Independent non-executive director

BCom (acc) (University of KZN), BCom (acc) (hons) (University of KZN), BCom (tax)(hons) (UCT), CA(SA), advanced cert (emerging markets and country risk analysis) (Fordham University), MBA (Heriot-Watt University, UK)

Appointed to the board in 2020.

Mangisi Gule (71)

Independent non-executive director

BA (hons) (Wits), PDM (Wits Business School)

Appointed to the board in 2004.

David Noko (66)

Independent non-executive director

HDip (mech eng) (Wits Technikon), MDP (Wits), PGDip (company directorships) (Graduate Institute of Management & Technology), MBA (Heriot-Watt University, UK), SEP (London Business School)

Appointed to the board in 2017.

Jan Steenkamp (69)

Independent non-executive director

National mining diploma (Wits Technical College), executive development programme (Wits Business School)

Appointed to the board in 2017.

Brian Kennedy (63)

Independent non-executive director

MSc Eng (elec), MBA (Wits); advanced management programme (Harvard University); non-executive directors course (Insead)

Appointed to the board in 2022.

Bongani Nqwababa (57)

Independent non-executive director

BAcc (hons) (University of Zimbabwe), FCA (Institute of Chartered Accountants of Zimbabwe), MBA (with merit) (jointly awarded by universities of Wales, Bangor and Manchester)

Appointed to the board in 2022.

Mike Arnold (66)

Non-executive director

BSc (eng) (mining geology) (Wits), BCompt (hons) (Unisa), CA(SA)

Appointed to the board in 2009.

Operating environment

Key trends, risks and opportunities influencing our value creation

External trends

(in descending order from greatest potential challenge to our business model)

- Climate change and drive to net zero
- Pressures of economic inequality and unemployment
- Shift to stakeholder capitalism/ ESG expectations
- Technology shifts – digital and other innovations
- New ways of working – impact on talent
- Global macro-economic uncertainty
- Supply chain and logistical issues
- Radical transformation in energy/transport systems

Key ARM risks

(in descending order from greatest potential challenge to our business model)

- Operational challenges on rail and port infrastructure in South Africa
- Security of water supply in Northern Cape
- Project execution risk
- Volatility in commodity and global markets
- Unit cost pressures
- Social unrest

Strategic opportunities

to create value from trends and mitigate risks (in descending order from greatest potential challenge to our business model)

- Responsible and sustainable transition to low-carbon economy
- Creating employment
- Contributing to sustainable projects for the benefit of host communities
- Addressing water-security and other infrastructure challenges
- Strengthening partnerships with stakeholders
- Realising a reflection of full value through share price performance

Approach to ESG performance

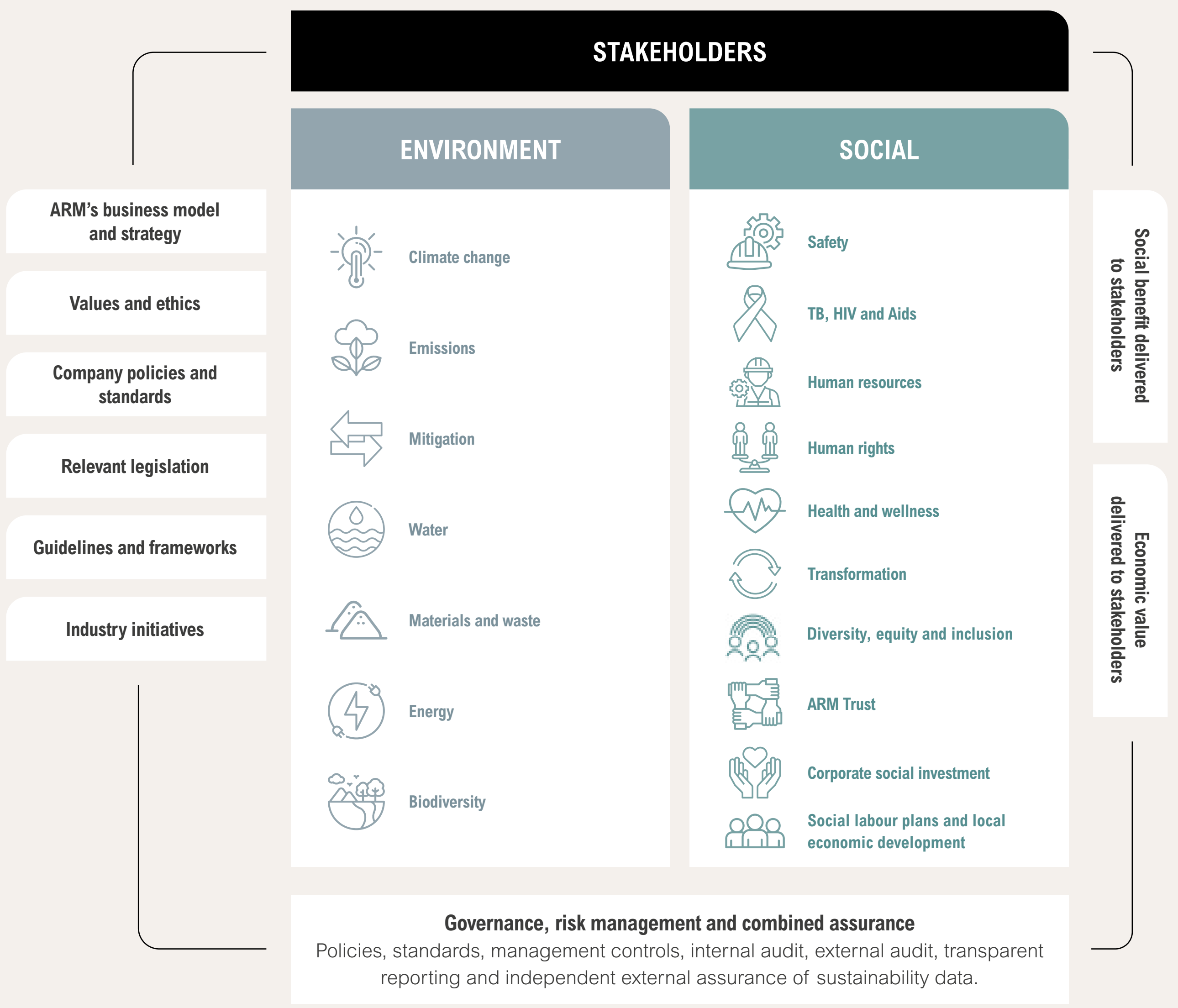
How we govern and manage sustainable value creation

ARM's sustainable development model

ARM is committed to responsible and sustainable mining and beneficiation. Our approach to sustainable development aligns with our governance and risk management frameworks, draws on our combined assurance model and is informed by the interests of our key stakeholders.

ARM's sustainable development model shows the inputs that define our approach and the environmental, social and governance (ESG) aspects we consider in creating value. The table summarises key metrics that monitor performance and progress on our most material issues.

Sustainable development model



Sustainability performance for F2023

Refer to detailed data tables online.

PERFORMANCE INDICATOR AS AT 30 JUNE	ASSURED	F2023	F2022	F2021	F2020	F2019
Economic and related core baseline indicators (segmental)						
Sales (Rm)		14 662	38 208	44 564	27 370	26 641
Taxes (Rm)		3 469	4 817	6 506	2 805	2 135
Headline earnings (Rm)		8 981	11 338	13 064	5 534	5 226
EBITDA (Rm)		5 829	17 839	24 321	11 009	9 336
Number of environmental administrative penalties/fines		–	–	–	–	–
Employee indicators (100% basis)						
Total number of ARM employees and contractors[1]		22 931	21 610	20 928	20 998	21 417
– Employees (permanent)		13 477	12 707	12 335	12 678	12 771
– Contractors (mainly used in capital projects)		9 454	8 903	8 593	8 320	8 646
Employee turnover (excluding contractors) (%)		6.5	5.2	10.1	6.3	5.7
Investment in employee training and development						
– Total expenditure (Rm)		371	198	239	225	239
– % of payroll		9.3	7.1	6.9	6.8	7.7
Employment equity (% previously disadvantaged groups per category)						
– Top management		75	67	65	61	56
– Senior management		66	64	57	52	51
– Professionally qualified		76	73	69	68	66
– Technically qualified		84	82	80	79	77
Safety and health						
– Total work-related fatalities	✔	1	2	2	2	1
– Fatality frequency rate (FFR)	✔	0.005	0.010	0.010	0.010	0.005
– Lost-time injury frequency rate (LTIFR)[2]	✔	0.27	0.31	0.41	0.45	0.42
– Total recordable injury frequency rate (TRIFR)	✔	0.62	0.70	0.81	0.92	0.96
– Reportable/serious accidents		44	42	55	63	76
– Total occupational diseases submitted for compensation	✔	15	13	18	19	35
– Total number of cases of noise induced hearing loss (NIHL) submitted for compensation	✔	15	13	13	11	26
– Total number of new pulmonary TB cases[3]	✔	21	18	34	46	66
– Employees and contractors receiving antiretroviral treatment at ARM operations		1 239	1 398	2 575	3 168	4 767
Number of lost man-days due to industrial action		0	0	110	0	8
Environmental indicators – on a 100% basis						
Total volume of water withdrawal (m^3)	✔	21 274 743	17 393 796	20 034 604	20 267 668	21 773 441
– Total operational water withdrawal[4] (m^3) (municipal, surface and groundwater)		18 291 911	16 803 679	19 380 928	18 967 229	20 326 717
– Other managed water/diversions[4] (m^3)		2 982 832	590 117	653 676	1 300 439	1 446 724
Water output (m^3)		733 063	242 836	866 552	1 045 647	437 868
Total energy used (GJ)[5]	✔	7 693 348	7 577 456	8 444 099	8 642 520	9 476 810
Energy usage						
– Electricity (MWh)	✔	1 331 182	1 380 623	1 542 908	1 563 311	1 658 629
– Diesel (000 litres)	✔	79 213	71 241	78 852	82 572	96 055
Emissions						
Carbon emissions (equivalent tonnes CO_2) (100%)						
– Scope 1 and 2	✔	1 804 578	1 879 503	2 016 832	2 060 511	2 248 620
– Scope 3	✔	59 402 936	58 914 235	*	*	*
Direct emissions						
– NOx (tonnes)		374	366	372	398	434
– SOx (tonnes)		249	257	263	274	298
– Particulate matter (tonnes)		213	276	290	267	274
Corporate social responsibility (100%)						
Total CSI and LED spend (Rm)	✔	123.9	150.4	170.4	130.3	175.3
– CSI (Rm)		41.4	34.6	45.2	44.7	27.4
– LED (Rm)		82.5	115.8	125.3	85.6	147.9
ARM BBEE Trust (Rm) (projects)		9.5	19.8	10.9	14.5	16.4
Governance indicators						
King IV Application	✔	Y	Y	Y	Y	Y
Board diversity						
– Diversity (black) (%)		56	56	56	58	47
– Gender (female) (%)		22	25	25	25	18
– Independent non-executive directors (%)		67	63	63	56	59

Non-financial data is stated on a 100% basis

[1] *Total number of ARM employees and contractors as at 30 June 2023.*
[2] *LTIFR: injury rates are measured per 200 000 man-hours and include both ARM employees and contractor incidents.*
[3] *Reported for the 12 months to December in line with the regulatory reporting requirements.*
[4] *From F2023, operational water withdrawal and other managed water is disclosed separately, in line with the ICMM's updated Water Reporting Good Practice Guide. Prior-year water figures have been restated to disclose diversions (as defined in the previous guidance) separately.*
[5] *Total energy used was assured for the first time in F2022.*
✔ *Limited assurance by independent third-party assurance provider.*
* *Not reported.*

Value contribution

The commodities produced by ARM operations are essential inputs for a range of products that contribute to many aspects of modern life. They also play important roles in emerging solutions that support a lower-carbon future and contribute to aspirations articulated in the United Nations Sustainable Development Goals (SDGs).

ARM contributes to a number of SDG targets (refer ESG report). The table below links specific SDGs to the indicators we monitor.

SDG	ARM INDICATORS
Ensure healthy lives and promote wellbeing for all at all ages	• Pulmonary TB • HIV prevalence • Employees and contractors receiving ART • Number of fatalities • LTIFR.
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Training spend per employee • Training days per employee • Training spend as % of payroll • Adult education • Bursaries awarded • Bursars employed by ARM • Bursaries to children of ARM employees • Studies funded for ARM employees.
Achieve gender equality and empower all women and girls	• Workforce breakdown by race and gender • Female representation in the workforce (%) • Female representation in management (%) • Female representation on the board (%).
Ensure availability and sustainable management of water and sanitation for all	• Water recycling and reuse • Water use efficiency • Water stress • Water reuse efficiency (%) • Water supplied to neighbouring communities, farms and other users (m^3).
Ensure access to affordable, reliable, sustainable and modern energy for all	• Energy consumption intensity/unit of output/commodity • Investment in renewable energy and energy optimisation • Energy-related community investment.
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Value added, net value added • FFR, LTIFR, TRIFR • % of workforce belonging to a trade union • Number of employees and contractors • Procurement of goods and services from host communities (R billion).
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	• Percentage of local procurement • Percentage of procurement from women and youth-owned businesses.
Ensure sustainable consumption and production patterns	• Hazardous waste • Recycled waste.
Climate action	• Scope 1 and 2 GHG emissions • Reduction in GHG emissions from specific initiatives.
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	• Number of board meetings and attendance rate • Board members by age range • Number of committee meetings and attendance rate • Total compensation per board member (executive and non-executive directors) • Value of corruption-related fines paid or payable due to settlements • Average number of hours of training in anti-corruption issues per employee per year (as total hours of training in anti-corruption issues per year divided by total employees).
Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development	• Taxes and other payments to the government • Community investment (LED and CSI).

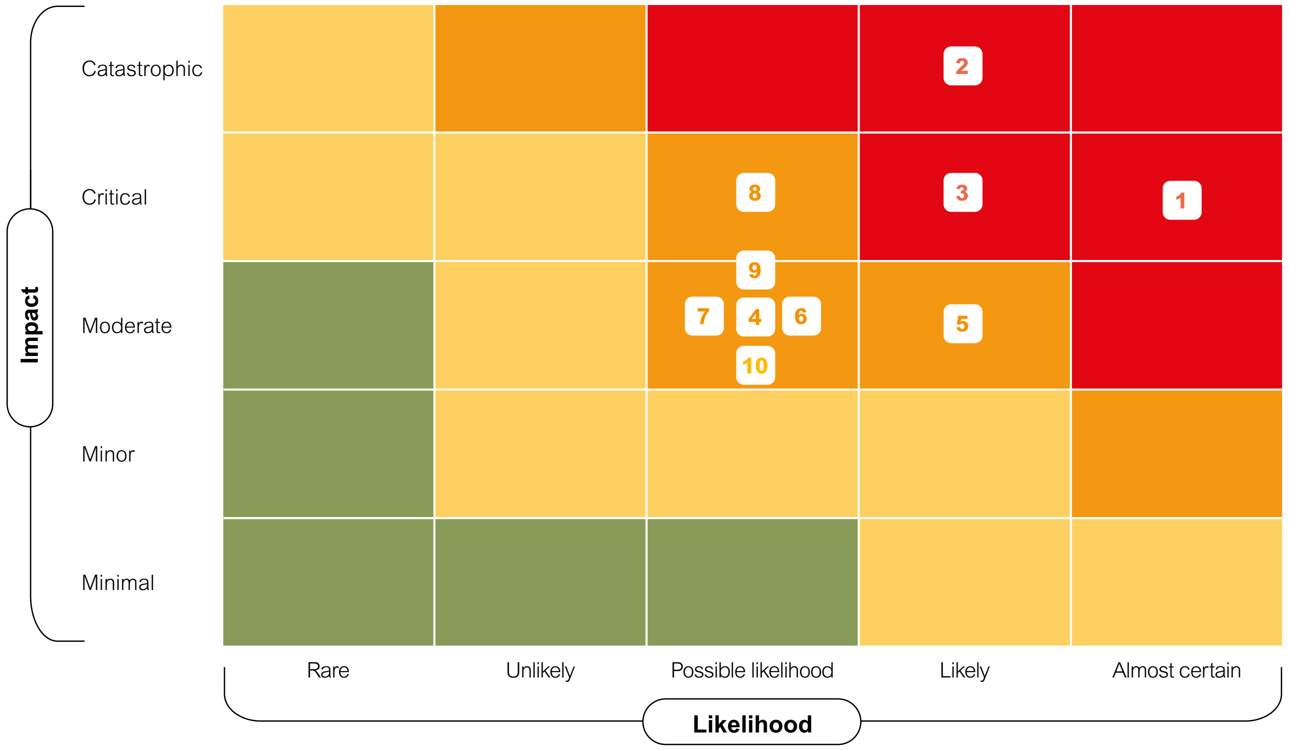
Managing our risks

ARM has a disciplined and maturing enterprise risk management system. Guided by our risk management framework, in turn premised on the principles of ISO 31000:2018, we are moving beyond enterprise risk management towards an integrated risk, sustainability, strategy and resilience roadmap.

ESG Refer to page 140 of the ESG report for detailed disclosure.

Residual risk dashboard

Our top 10 risk profile as at end June 2023



RISK	OUR RESPONSE
1 **Poor performance of Transnet (rail and port)** Transnet Freight Rail (TFR) continues to provide suboptimal performance as characterised by train cancellations and a short supply of wagons for the iron ore and manganese operations. In addition, infrastructure challenges at the port terminal negatively impact the amount of iron ore that is railed.	• Weekly engagement with Transnet by dedicated executives • Revised annual production in line with Transnet's performance • Road-haul contingency for manganese • Engagement through various forums in collaboration with other mines via the Minerals Council South Africa (MCSA) and DMRE.

Managing our risks continued

RISK	OUR RESPONSE
2 **Unreliability and cost of electricity supply** Eskom remains constrained in meeting the country's electricity demand. This, combined with the unreliability of its infrastructure, warrants the implementation of load curtailment, adversely impacting unit cost of production due to the associated cost of operating back-up diesel generators. The above-inflation increase in the cost of electricity also has adverse impacts on the profitability and sustainability of some operations.	• ARM representation at Ferro Alloys Producers Association • Back-up generators keep safety critical systems operational • Participation in load curtailment/reduction schemes • Ongoing engagement with Eskom.
3 **Cost escalations (capex and opex)** ARM operations have recorded above-inflation increases in the cost of production due to geopolitical and other factors that have impacted supply chains, availability and cost of transportation, exchange rates and more. The increase in cost of diesel and explosives have been most significant. These costs also impact the feasibility of capital projects.	• Five-year business plans allows for forward planning over the short and medium terms • Mid-year business plan review to assess the impact of the new economic outlook and output of scenario analysis • Developing business initiatives to reduce costs and optimise processes.
4 **Delay in project execution and inefficient capital allocation** Increased demand for limited available skills and resources (including engineering, procurement, construction, management (EPCM)); projects depend on securing water and electricity supply; supply-chain challenges persist; service providers are averse to accepting risks, resulting in protracted negotiations before finalising contracts. Volatile commodity prices warrant frequent review of capital allocation plan; consideration of funding mechanisms other than balance sheet.	• Scenario planning is conducted to establish options for the business to consider • Ongoing engagement with key stakeholders, including communities, Eskom and service providers • Capital reporting through maintenance of the capital book • Dedicated project management resources • Project governance structures in place.
5 **Deteriorating national socio-economic conditions in areas where we operate** Communities surrounding ARM operations have been impacted by rising unemployment, increased cost of living and poor service delivery. This has led to increased demands on the operations.	• Supplier development and enterprise development programmes in place • Participation in local economic initiatives • Committed to and quarterly monitoring of mining charter and dtic targets • Social and labour plans in place, with progress monitored quarterly • Section 21 company representation at Modikwa.

RISK	OUR RESPONSE
6 **Unreliable water supply and delayed pipeline upgrade project** Unreliable water supply from Vaal Central Water in the Northern Cape affects the achievement of operational objectives, and has a negative socio-economic impact on surrounding communities.	• Ongoing engagements with Vaal Central Water board to ensure reliable water supply • Mine leadership forum provides technical, financial, governance oversight and drives collaborative engagements through the MCSA • On-site water storage facilities • Recovery and recycling of stormwater and process water.
7 **Business continuity preparedness (including cyber)** Over the past three years, there has been a significant increase in cyber attacks globally. It is imperative that ARM has the operational resilience to monitor, detect, prevent and recover from any type of disruptive event in a timely and coordinated manner.	• Segmentation of information technology (IT) and operational technology (OT) systems • Business continuity management policy in place • Cybersecurity strategy in place • Emergency response plans in place.
8 **Management/misalignment of community expectations** Incidents of community unrest that interrupt operations are experienced. In several instances, the issues raised are not within the control of ARM or its managed operations, but rather within the control of municipality, surrounding mines, etc. At times, due to the adverse socio-economic environment, community expectations are unrealistic.	• Formal community engagement forums in place to ensure active and constructive engagement with communities • Stakeholder engagement teams liaise with the community through formal structures to establish common ground • Social and labour plans in place.
9 **Increased ESG requirements** There is increasing pressure on ARM to conduct and report on mining activities that support responsible environmental custodianship, impactful social contributions and governance reporting in line with international standards and practices.	• Committed to being net-zero GHG emissions from mining by 2050 • ARM suite of annual reports provides comprehensive disclosure • ESG principles are inherent in business processes, systems and decisions • Aligned to GISTM • Robust governance structures in place • Financial provision for closure in place.
10 **Improved safety, health and environment performance** Safety, health and environmental risks are inherent to our operations. ARM strives to ensure that these critical elements of our operations are managed in a way that minimises and eliminates any adverse impacts.	• Zero tolerance for safety incidents at all operations • Visible felt leadership where mine management identify gaps and improvements in management systems and behaviour while demonstrating their commitment to safety, health and environment • International Standards Organization (ISO) accreditation for relevant disciplines • Employee wellness programmes in place • Employees are made aware of the section 22 notice (MHSA) that recognises their responsibility to take reasonable care to protect theirs and other persons safety and health • Employees are made aware of the section 23 notice (MHSA) that recognises their right to refuse to work in an unsafe environment • Risk assessments (baseline, issue-based, etc) in place • Environmental management plans in place.

Focus on operating safely and responsibly

In another challenging year, our operations further improved their safety performance, reducing the group LTIFR by 13%. The total recordable injury frequency rate improved by 10%. Regrettably, this performance was marred by the loss of a contractor employee in the first half of the financial year.

Phillip Tobias
Chief executive officer (CEO)

Mr Seutlwadi Esron Ramathesela, an engineering assistant, was injured at Two Rivers Mine in November 2022 and later succumbed to these injuries. Our sincere condolences go to his family, friends and colleagues. We are committed to zero harm and we continue to focus on initiatives across our operations to reinforce continual safety training and ensure safety standards are strictly upheld.

Underscoring this commitment to zero harm, safety is a key performance indicator in executive remuneration. Safety achievements during the year included:

- Black Rock Mine – 11 million fatality-free shifts over 14 years
- Beeshoek Mine – 5 million fatality-free shifts over 20 years
- Khumani Mine – 5 million fatality-free shifts over 8 years
- Modikwa Mine – 1 million fatality-free shifts over 9 months
- Cato Ridge – 3 million fatality-free shifts over 15 years.

We prioritise the health and wellbeing of our people. We also continued to assist our host communities, suppliers and other stakeholders as much as possible in these uncertain times, as detailed in the ESG report.

Creating sustainable value

In F2023, ARM created total value of R21.2 billion (F2022: R27.5 billion). Of this, R6.7 billion was paid to shareholders as dividends and around R1.6 billion accrued to providers of capital. We also reinvested R3.6 billion in the group to support our continued growth.

The financial and operational reviews on pages 42 to 87 detail our performance for the year. My review focuses on progress against strategic objectives more broadly and the significant infrastructure challenges facing our operations.

Strategic focus areas

To navigate uncertain economic cycles and ensure maximum value from our portfolio of competitive assets, we are focusing on:

- Diversifying our dependency on Eskom and Transnet
- Maintaining ARM's global competitiveness through:
  - Adoption and deployment of appropriate new technologies (eg narrow reef equipment)
  - Asset management excellence
  - Operational excellence aimed at enhancing productivity-improvement initiatives – achieving more with the same input
  - Project excellence – requisite skills set, adequate procurement and supply chain process, and diligent front-end loading processes
  - Identifying and unlocking cost-reduction opportunities
  - Embedded ESG to enable integrated decision making.

Scaling our PGM portfolio

As noted by the executive chairman, Bokoni Mine is an important milestone for our group, and an opportunity to create significant value. As the second largest PGM resource in South Africa, it has operated for over 48 years but was placed on care and maintenance in 2017 due to adverse market conditions.

This acquisition gives ARM access to Bokoni Mine's large, high-grade resource and existing infrastructure. Good progress has been made in advancing the definitive feasibility study. This is based on a phased development approach to reduce peak funding requirements, optimise production ramp-up and minimise project execution risk. The study also preserves the optionality to increase production to an optimal rate in the future.

The early-ounce project approved in March 2023 is progressing well, with the first saleable PGM concentrate expected by December 2023.

Increasing access to and use of renewable energy

In F2023, we signed a power-purchase agreement with an independent power producer to wheel 100MW of renewable solar photovoltaic (PV) power to our platinum operations. ARM Platinum studies indicate that wheeling this quantum of renewable energy over 20 years could generate some 4 900GWh of electricity and save around 4.8mtCO_2e in carbon emissions. Construction of the solar PV facility started in October 2023. Electrical energy from this facility is expected to begin supply to ARM Platinum's mining operations in F2026.

In our Ferrous division, the Northern Cape mines are progressing with a prefeasibility study to explore the correct energy mix that will cater for baseload demand.

Tailings storage facilities (TSFs)

The ARM TSF management policy and standard, which align with the ICMM's GISTM, are being implemented at all ARM Platinum and ARM Ferrous operations. Conformance to the GISTM was self-assessed at Nkomati, Two Rivers, Modikwa, Black Rock and Khumani mines during the year, followed by GISTM conformance verification third-party validation in July 2023. In August 2023, ARM released a public report on conformance to the GISTM, which is available on our website. See operational reviews from page 58 for more details.

Overview of F2023

The performance of our operations remains hampered by the unreliable supply of power, water and logistics. Despite the impact of above-inflation input cost escalations, each operation is focused on improving efficiency and containing costs.

Logistical constraints

Transnet rail and port performance for iron-ore, manganese-ore and coal export remains severely constrained. The challenges, however, are deeply rooted and cannot be resolved in the short to medium term. Significant capital, proper maintenance, competent operational management, and thorough project planning, including procurement and execution, are urgently needed.

In December 2022, the Transnet board and Minerals Council South Africa established joint collaboration structures to work together to identify and ensure all necessary actions are taken to stabilise and improve the transportation of commodities through the rail lines and ports of South Africa. ARM is actively involved in these structures to ensure we achieve the goal of improved, efficient and cost-effective transportation of our commodities for the benefit of our shareholders, stakeholders and the country.

The risk section on pages 35 to 37 details infrastructure constraints in both rail and port, as well as the unreliability and cost of electricity supply as our top two risks. These have a direct bearing on our number three risk, cost escalations (both capital and operating expenditure).

We are implementing efficiency-improvement and cost-containment initiatives at all operations to mitigate above inflationary unit cost-increases. Extensive work is also underway to identify opportunities to sustainably reduce our carbon emissions.

In a year characterised by volatile commodity prices, our diversified portfolio again benefited the group. As illustrated on page 40, this diversification positions ARM well, as we focus on operating a world-class business in a challenging sector.

In summary:

- ARM Ferrous headline earnings decreased by 17% to R5.5 billion (F2022: R6.7 billion), mainly on lower iron ore, manganese ore and manganese alloys prices, logistics constraints and above-inflation cost increases
- ARM Platinum headline earnings declined 52% to R1.5 billion (F2022: R3.1 billion), largely due to negative mark-to-market adjustments (discussed on page 43), and above-inflation cost increases in diesel and explosives
- A reduction in re-measurement losses drove a 65% increase in ARM Coal headline earnings to R1.5 billion (F2022: R928 million).

Looking ahead to F2024

Volatility in global commodity markets continues to be driven by multiple sources of uncertainty. These include a potential slowdown in growth in both China and the rest of the world, continued high inflation, tightening monetary policy across major economies, lingering economic repercussions from Covid-19 as well the conflict in Ukraine. Global commodity markets have further been impacted by a series of supply shocks, mostly driven by weather-related events.

Sentiment on China's growth expectations continues to disappoint as economic data surprises on the downside. The recovery in China's metal demand has fallen behind market expectations and is expected to remain sluggish in the second half of 2023, putting pressure on metal prices.

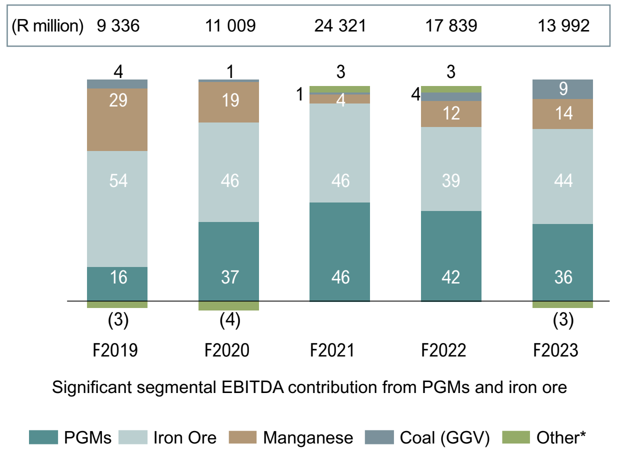
In the medium to long term, slowing infrastructure spend and crude steel production in China are expected to put pressure on demand for iron ore, although iron ore producer cost pressure is expected to provide some support to prices. Additional supply from new projects in Africa could bring in low-cost production, further increasing the downward risk to prices.

PGM prices have come under immense pressure, with US dollar basket prices reducing by more than 30% since the start of calendar year 2023. In the medium term, we are cognisant of the threat from increased electric battery vehicle production. However, recovery in autocatalyst demand and tightening emission standards are expected to be positive for PGM demand, while the role of platinum in clean mobility (through hydrogen technology) is expected to provide price support in the longer term.

Infrastructure-related challenges in South Africa – including rail and port performance as well as reliable supply of power and water security – remain a significant risk for ARM operations and are expected to continue putting pressure on volumes and, in turn, unit costs. We are working with government and other stakeholders to find sustainable solutions that benefit the mining industry and the country. Although Transnet and Eskom's operational challenges remain significant, there have been some positive shifts recently that point to a constructive longer-term reform trajectory. These include the establishment of the government-business logistics recovery steering committee, and corporates pledging to support government, which bodes well for structural reform and investment. We are encouraged by these developments, though such momentum will need to be maintained and deepened in coming months.

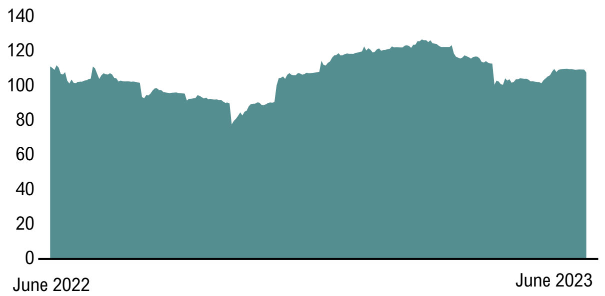
We remain focused on positioning our operations to deliver into this increased demand by: producing high-quality commodities that benefit from the green energy transition; exploring value-enhancing growth opportunities; containing unit cost escalations; applying innovative technologies; and delivering approved capital projects on time and on budget.

Segmental EBITDA split by commodity (%)

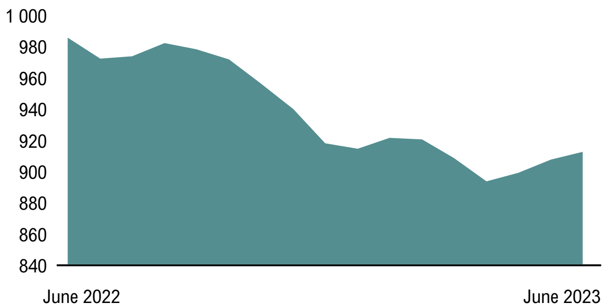


* Other is made up of chrome, nickel and ARM Corporate and Bokoni.

62% iron ore fines spot price (CIF) (US$/t)

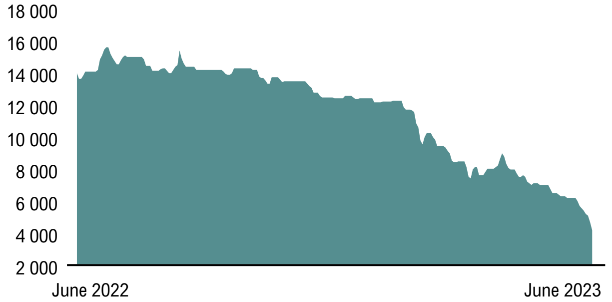


Platinum spot price (US$/ounce)

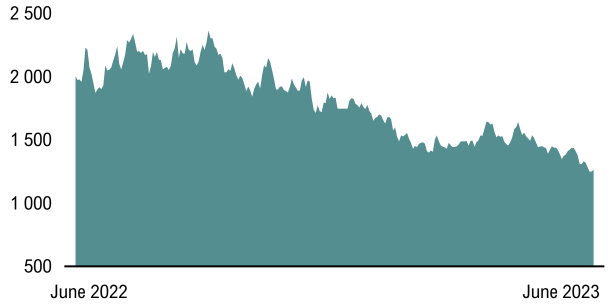


See operational reviews for commodity price forecasts.

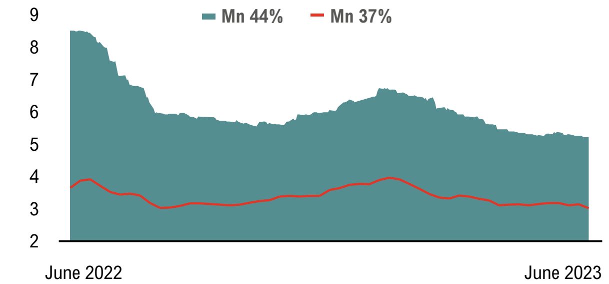
Rhodium spot price (US$/ounce)



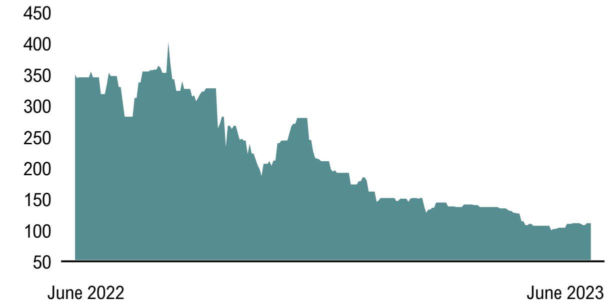
Palladium spot price (US$/ounce)



Manganese ore spot price (US$/mtu)



API4 thermal coal prices for Richards Bay (US$/t)



We are focused on cost containment and improving our global cost position as well as ensuring our iron ore operations benefit from the move to reduce carbon emissions in the steel industry globally.

Appreciation

Our ability to create sustainable value is underpinned by the commitment and dedication of our employees. I thank all my colleagues for the value they add to our group, as well as our executive chairman and the board for their expert direction and counsel.

This is my first report as CEO. I will continue to build on the excellent foundations laid by Mike Schmidt and his predecessors as we navigate the challenges of doing business in the prevailing global uncertainty.

We are fully committed to maintaining mutually beneficial relationships with all our stakeholders and joint-venture partners to ensure we build a resilient and enduring business that creates sustainable value for all.

Phillip Tobias
CEO

10 October 2023

Financial review

Our headline earnings for F2023 decreased by 21%, largely attributed to lower commodity prices and above-inflation cost increases. This was partially mitigated by the 17% weaker USD/ZAR exchange on a year-on-year basis. ARM declared a final dividend of R12.00 per share.

Tsundzukani Mhlanga
Finance director

Headline earnings/(loss) by operation/division

R million	F2023	F2022	% change
ARM Ferrous	5 528	6 682	(17)
Iron ore division	4 158	4 654	(11)
Manganese division	1 372	2 068	(34)
Consolidation adjustment	(2)	(40)	95
ARM Platinum	1 465	3 066	(52)
Two Rivers Mine	1 262	1 968	(36)
Modikwa Mine	819	1 270	(36)
Bokoni Mine	(406)	–	–
Nkomati Mine	(210)	(172)	(22)
ARM Coal	1 535	928	65
Goedgevonden Mine	540	(5)	
PCB operations*	995	933	7
ARM Corporate and other	453	662	(32)
Corporate and other (including Gold)	649	826	(21)
Machadodorp Works	(196)	(164)	(20)
Headline earnings	8 981	11 338	(21)

* *PCB refers to Participative Coal Business.*

We remain committed to disciplined and efficient capital allocation, a resilient balance sheet, productivity improvements through technology adoption, cost optimisation while sustainably returning cash to shareholders.

SALIENT FEATURES FOR F2023

Headline earnings for the year ended 30 June 2023 (F2023) **decreased by 21%** to R9.0 billion or R45.81 per share (F2022: R11.3 billion or R57.87 per share).

A **final dividend** of **R12.00** per share is declared (F2022: R20.00). In addition to the interim dividend of R14.00 per share paid on 3 April 2023 (1H F2022: R12.00), this brings the total dividend for F2023 to R26.00 per share (F2022: R32.00).

ARM Ferrous headline earnings decreased by 17% to R5 528 million (F2022: R6 682 million) mainly as a result of lower iron ore, manganese ore and alloys prices and lower export sales volumes.

ARM Platinum headline earnings decreased by 52% to R1.5 billion (F2022: R3.1 billion), largely due to lower PGM prices and above-inflation pressures on costs.

ARM Coal reported **headline earnings of R1 535 million** (F2022: R928 million) driven mainly by a reduction in re-measurement losses which resulted from accelerated repayment of the loans owing to shareholders.

We maintained a **robust financial position**, with net cash of R9.8 billion at 30 June 2023 (30 June 2022: R11.2 billion).

Items of significance affecting financial performance in F2023

Impairments of ARM Ferrous assets

At 30 June 2023, impairment losses at Assmang Proprietary Limited included R1 922 million (after tax). ARM's attributable share of the impairment losses amounted to R961 million and is as follows:

- An impairment of property, plant and equipment at Beeshoek Mine of R773 million after tax
- An impairment of property, plant and equipment at Cato Ridge Works of R38 million after tax
- An impairment of the Assmang investment in Sakura of R150 million after tax.

The impairment losses were recognised directly in the Assmang joint venture. The impairments were largely as a result of forecast low gross margins, above-inflation increase in input costs and higher discount rates.

Refer to note 37 of the annual financial statements for further details.

Mark-to-market adjustments

Two Rivers and Modikwa mines recognise revenue using provisional pricing. The sales price of the concentrate is determined on a provisional basis at the date of sale, with adjustments made to the sales price based on movements in the discounted forward commodity prices up to the date of final pricing. Post-refining and delivery, adjustments are made to reflect final pricing.

Any differences between the provisional and final commodity prices after the reporting period result in the next reporting period's earnings being impacted by mark-to-market adjustments.

Two Rivers Mine mark-to-market adjustments (R million)	F2023	F2022
Realised mark-to-market adjustments	(696)	(505)
Provisional sales value	10 313	10 696
Final sales value	9 617	10 191
Unrealised mark-to-market adjustments	(369)	(203)
Initial provisional sales recognition	1 260	1 967
Period-end provisional sales recognition	891	1 764
Total mark-to-market adjustments	(1 065)	(709)

Modikwa Mine mark-to-market adjustments (R million)	F2023	F2022
Realised mark-to-market adjustments	(135)	(165)
Provisional sales value	4 392	4 860
Final sales value	4 258	4 695
Unrealised mark-to-market adjustments	(118)	(65)
Initial provisional sales recognition	815	1 181
Period-end provisional sales recognition	697	1 116
Total mark-to-market adjustments	(253)	(231)

The average palladium and rhodium prices decreased by approximately 4% and 9% respectively from the date of provisional recognition to final price realisation, which together with movements in other PGM commodity prices, resulted in the realised mark-to-market adjustments.

See operational reviews from pages 58 to 87 for details on divisional headline earnings.

Financial review continued

Financial performance

Group headline earnings for F2023 decreased by 21% to R8 981 million or R45.81 per share (F2022: R11 338 million or R57.87 per share). The F2022 headline earnings included re-measurement losses of R808 million, mainly related to the ARM Coal loans owing to Glencore Operations South Africa. These loans have since been fully settled.

The average realised rand weakened by 17% versus the US dollar to R17.76/US$ compared to R15.21/US$ in F2022. For reporting purposes, the closing exchange rate was R18.90/US$ (30 June 2022: R16.38/US$).

Group statement of profit or loss
for the year ended 30 June 2023

R million	F2023	F2022
Revenue	16 097	18 406
Sales	14 662	16 917
Cost of sales	(8 836)	(7 660)
Gross profit	5 826	9 257
Other operating income	1 817	1 983
Other operating expenses	(2 692)	(3 239)
Profit from operations before capital items	4 951	8 001
Income from investments	868	685
Finance costs	(286)	(290)
Income from associate	1 007	927
Income from joint venture	4 557	6 649
Profit before taxation and capital items	11 097	15 972
Capital items before tax	56	1 128
Profit before taxation	11 153	17 100
Taxation	(1 833)	(2 736)
Profit for the year	9 320	14 364
Attributable to:		
Equity holders of ARM		
Profit for the year	8 078	12 426
Basic earnings for the year	8 078	12 426
Non-controlling interest		
Profit for the year	1 242	1 938
	1 242	1 938
Profit for the year	9 320	14 364
Earnings per share		
Basic earnings per share (cents)	4 120	6 343
Diluted basic earnings per share (cents)	4 111	6 338

Lower realised PGM prices.

Above-inflation increases in cost of diesel, explosives and electricity.

F2022 includes re-measurement losses on ARM Coal loans.

Lower iron ore, manganese ore and alloys prices and lower export sales volumes.

F2022 includes a reversal of impairment on the investment in PCB.

Financial position

At 30 June 2023, net cash – ie cash and cash equivalents less total borrowings – amounted to R9 779 million (30 June 2022: R11 175 million). This amount excludes attributable cash and cash equivalents held at ARM Ferrous (50% of Assmang) of R4 939 million (30 June 2022: R5 342 million). There was no debt at ARM Ferrous in either of these reporting periods.

Group statement of financial position
at 30 June 2023

R million	30 June 2023	30 June 2022
ASSETS		
Non-current assets		
Property, plant and equipment	16 173	9 621
Investment properties	24	24
Intangible assets	55	63
Deferred tax assets	935	215
Non-current financial assets	128	214
Investment in associate	1 847	2 048
Investment in joint venture	21 814	22 145
Other investments	6 148	4 104
Non-current inventories	427	52
	47 551	38 486
Current assets		
Inventories	488	343
Trade and other receivables	5 227	7 737
Taxation	178	116
Financial assets	661	830
Cash and cash equivalents	10 021	11 659
	16 575	20 685
Total assets	64 126	59 171
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary share capital	11	11
Share premium	5 267	5 267
Treasury shares	(2 405)	(2 405)
Other reserves	4 310	2 668
Retained earnings	42 029	40 617
Equity attributable to equity holders of ARM	49 212	46 158
Non-controlling interest	4 913	4 205
Total equity	54 143	50 363
Non-current liabilities		
Long-term borrowings	206	305
Deferred tax liabilities	3 787	3 226
Long-term provisions	2 257	1 979
	6 250	5 510
Current liabilities		
Trade and other payables	2 419	2 148
Short-term provisions	834	716
Taxation	444	255
Overdrafts and short-term borrowings		
– interest bearing	36	40
– non-interest bearing	–	139
	3 733	3 298
Total equity and liabilities	64 126	59 171

Largely due to acquisition of Bokoni and capital expenditure for the Merensky project.

Increase mainly due to the revaluation of Harmony investment.

Commodity price declines in second half of F2023.

Relates to cash and cash equivalents invested in fixed deposits with maturities longer than three months.

Increase mainly due to Nkomati providing for short to medium-term water management costs.

Financial review continued

Cash position

Cash generated from operations decreased by R418 million to R8 090 million (F2022: R8 508 million) after an inflow in working capital of R1 212 million (F2022: R1 640 million outflow), which was mainly due to an inflow from trade receivables.

ARM Corporate received dividends from its underlying operations and investments per the table below:

Dividends received by ARM Corporate

R million	F2023	F2022
Assmang	5 000	5 500
Modikwa Mine*	–	1 000
Participative Coal Business (PCB)**	598	–
Two Rivers Mine	486	1 245
Harmony Gold	17	50
Total dividends received	6 101	7 795

* *Modikwa paid distributions of R875 million to ARM Mining Consortium (ARM MC), which in turn paid R500 million to ARM Platinum during F2023. ARM MC is owned 83% by ARM Platinum and holds 50% of Modikwa Mine.*

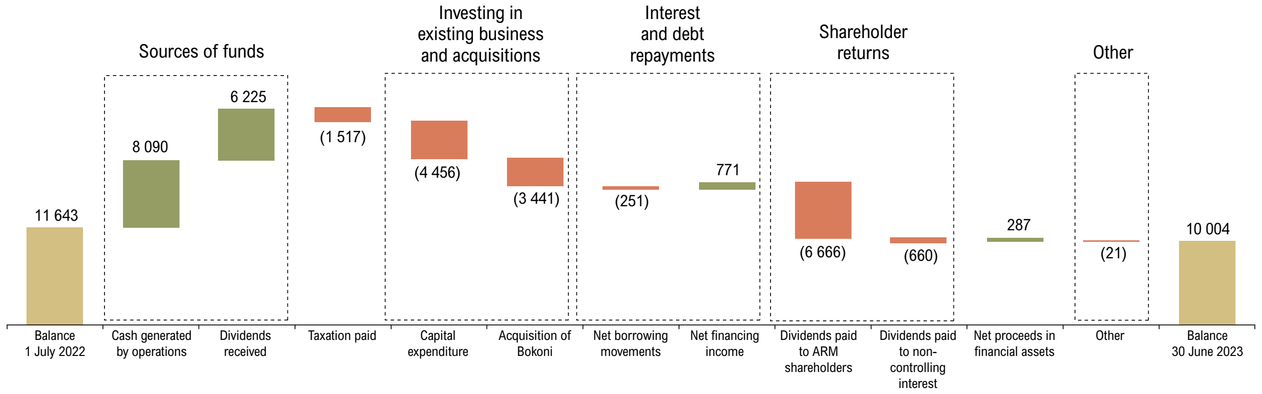
** *PCB paid a R598 million dividend to ARM Corporate for its 10% direct investment in PCB. PCB also paid a R1 196 million (R610 million attributable to ARM) dividend to ARM Coal for its 20% investment.*

In F2023, ARM paid R6 666 million in dividends to its shareholders, representing the interim dividend of R14.00 and the final dividend of R20.00 per share declared for F2022 (F2022: R6 270 million representing the interim dividend of R12.00 and the F2021 final dividend of R20.00 per share).

Net cash outflow from investing activities was R7 511 million (F2022: R2 492 million) and included the net cash payment for the acquisition of Bokoni Mine of R3 441 million (which represents the gross cash payment of R3 500 million, net of R59 million cash acquired in the transaction). Capital expenditure of R1 967 million was spent on the Merensky project to expand the Two Rivers Mine operations.

Borrowings of R251 million (F2022: R109 million) were repaid during the period, resulting in gross debt of R242 million at 30 June 2023 (30 June 2022: R484 million).

Analysis in movements in cash and cash equivalents
(Rm)



Group statement of cash flows
for the year ended 30 June 2023

R million	F2023	F2022
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers	18 697	18 128
Cash paid to suppliers and employees	(10 607)	(9 620)
Cash generated from operations	8 090	8 508
Interest received	840	601
Interest paid	(69)	(46)
Taxation paid	(1 517)	(2 303)
	7 344	6 760
Dividends received from joint venture	5 000	5 500
Dividends received from associates	1 208	–
Dividends received from investments – Harmony	17	50
Dividend paid to non-controlling interests	(660)	(1 247)
Dividend paid to shareholders	(6 666)	(6 270)
Net cash inflow from operating activities	6 243	4 793
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Bokoni net of cash acquired	(3 441)	–
Additions to property, plant and equipment to maintain operations	(1 995)	(1 739)
Additions to property, plant and equipment to expand operations	(2 461)	(463)
Proceeds on disposal of property, plant and equipment	6	6
Investments in financial assets	(724)	(819)
Proceeds from financial assets matured	1 011	523
Proceeds from loans	93	–
Net cash outflow from investing activities	(7 511)	(2 492)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	–	7
Cash payments to owners to acquire the entity's shares	(141)	(225)
Long-term borrowings repaid	(80)	(95)
Short-term borrowings repaid	(171)	(14)
Net cash outflow from financing activities	(392)	(327)
Net increase in cash and cash equivalents	(1 660)	1 974
Cash and cash equivalents at beginning of year	11 643	9 655
Net foreign exchange difference	21	14
Cash and cash equivalents at end of year	10 004	11 643
Made up as follows:		
– Available	9 183	11 053
– Cash set aside for specific use	821	590
	10 004	11 643
Overdrafts	17	16
Cash and cash equivalents per statement of financial position	10 021	11 659
Cash generated from operations per share (cents)	4 127	4 343

Dividends received from Assmang joint venture.

PCB paid a dividend of R1 208 million to ARM for its 20.2% investment.

F2023 interim dividend of R2 745 million and F2022 final dividend of R3 921 million.

Net cash payment for the acquisition of Bokoni Mine.

The increase in F2023 largely relates to the Merensky project at Two Rivers Mine.

Financial review continued

Capital allocation guiding principles

ALLOCATION OF FUNDS[1]

Invest in existing business	Debt repayment		
Maintenance and efficiency improvement capital expenditure balancing reinvestment, profitability and returns	Remaining within acceptable gearing levels creates a flexible platform for sustainable growth	Invest in growth of existing business (growth capital expenditure)	**R2 572 million**
R4 062 million	**R251 million**	Mergers and acquisitions	**R3 441 million**
		Dividend payments[2]	**R6 666 million**
Secures long-term sustainability of our business	Healthy gearing levels create a flexible platform for sustainable growth	Share repurchases	

Underpinned by metrics that measure the sustainability of value creation for stakeholders (minimum rate of return, other hurdle rates, payback periods, return on assets, return on capital employed, dividend payout, etc.

[1] *Allocation of capital on a segmental basis, including ARM Ferrous.*
[2] *Includes only dividends paid to ARM shareholders.*

Funds allocated to investing in existing business
Segmental capital expenditure was R7 201 million (F2022: R4 727 million) and included R681 million of capitalised waste stripping at the iron ore operations (F2022: R659 million).

In addition to sustaining (or "stay-in-business") capital expenditure, capital was invested in the growth of the existing business in F2023. Expansionary capital expenditure of R1 967 million related to the Merensky project at Two Rivers Mine, with a projected completion date of F2025. The project is to enable the production of PGMs at competitive costs, positioning Two Rivers Mine in the 50th percentile of the global PGM cost curve. Of the R692 million capital expenditure spent at Bokoni Mine, R378 million related to the early-ounce project.

Capital expenditure for the divisions is shown below and discussed in each division's operational review.

Capital expenditure by operation/division (attributable basis)

R million	F2023	F2022	% change
ARM Ferrous	2 440	2 450	–
Iron ore division	1 707	1 445	18
Manganese division	841	1 110	(24)
Consolidation adjustment	(108)	(105)	–
ARM Platinum	4 420	2 159	104
Two Rivers Mine	3 167	1 806	75
Modikwa Mine	561	353	59
Bokoni Mine	692	–	–
ARM Coal (Goedgevonden Mine only)	331	110	>200
ARM Corporate	10	8	25
Total	7 201	4 727	52

Funds allocated to debt repayment
Total borrowings of R251 million (F2022: R109 million) were repaid in the period, reducing gross debt to R242 million (30 June 2022: R484 million). The decrease in total borrowings is due to repayments on the ARM BBEE Trust loan owing to Harmony.

There was no debt at ARM Ferrous in either of the reporting periods.

Funds allocated to dividend payments
In line with the board-approved dividend guiding principle, ARM aims to pay ordinary dividends to shareholders equal to 40% to 70% of annual dividends received from its group companies.

For F2023, the board has approved and declared a final dividend of 1 200 cents per share (gross) (F2022: 2 000 cents per share).

In addition to the interim dividend of 1 400 cents per share (F2022: 1 200 cents per share), this brings the total dividend for F2023 to 2 600 cents per share (F2022: 3 200 cents per share).

Dividends declared as a percentage of dividends received from underlying operations were 82% (F2022: 88%).

External auditor rotation
On the recommendation of the audit and risk committee, the board recommended to shareholders that KPMG Inc. be appointed as the external auditor and that Ms S Loonat be appointed as the designated auditor for the audit for F2024 under the rules for mandatory audit firm rotation after 10 years, notwithstanding that the rule was set aside by the Supreme Court of Appeal.

Events after reporting date
Subsequent to year end, Assmang declared a dividend of R3 000 million attributable to ARM.

Harmony declared a final dividend of 75 cents per share. At 30 June 2023 and at the date of this report, ARM owned 74 665 545 Harmony shares.

No other significant events have occurred subsequent to the reporting date that could materially affect the reported results.

Tsundzukani Mhlanga
Finance director

10 October 2023

Financial review continued

Primary segmental information

Attributable R million	ARM Platinum					ARM Ferrous				
	Nkomati	Bokoni	Two Rivers	Modikwa	Total ARM Platinum	Iron ore division	Manganese division	Total ferrous segment	Group adjustment	Total group ARM Ferrous
Year to 30 June 2023										
Sales	–	–	7 896	3 961	11 857	12 534	7 645	20 179		20 179
Cost of sales	–	–	(4 612)	(2 686)	(7 298)	(6 233)	(5 589)	(11 822)		(11 822)
Other operating income	1	7	103	97	208	160	387	547	(93)	454
Other operating expenses[2]	(170)	(396)	(263)	(136)	(965)	(1 134)	(881)	(2 015)	93	(1 922)
Segment results	**(169)**	**(389)**	**3 124**	**1 236**	**3 802**	**5 327**	**1 562**	**6 889**	**–**	**6 889**
Income from investments	10	8	129	109	256	388	27	415		415
Finance cost	(49)	(25)	(42)	(4)	(120)	(24)	(21)	(45)		(45)
Profit from associate	–	–	–	–	–	–	–	–		–
Income from joint venture	–	–	–	–	–	–	206	206		206
Capital items before taxation	–	56	(3)	–	53	(1 061)	(208)	(1 269)		(1 269)
Taxation	(2)	–	(876)	(354)	(1 232)	(1 246)	(391)	(1 637)		(1 637)
(Loss)/profit after taxation	(210)	(350)	2 332	987	2 759	3 384	1 175	4 559	–	4 559
Non-controlling interest	–	–	(1 072)	(168)	(1 240)			–	–	–
Consolidation adjustment[3]	–	–	–	–	–			–	(2)	(2)
Contribution to basic earnings	(210)	(350)	1 260	819	1 519	3 384	1 175	4 559	(2)	4 557
Contribution to headline earnings	(210)	(406)	1 262	819	1 465	4 158	1 372	5 530	(2)	5 528
Other information										
Segment assets, including investment in associate	169	4 440	13 025	4 832	22 466	18 203	11 082	29 285	(853)	28 432
Investment in associate	–	–	–	–	–			–		–
Investment in joint venture	–	–	–	–	–			–		–
Segment liabilities	871	412	1 368	758	3 409	4 000	2 858	6 858	(3 769)	3 089
Unallocated liabilities (taxation and deferred taxation)										
Consolidated total liabilities										
Cash (outflow)/inflow from operating activities	(96)	(365)	3 908	1 327	4 774	1 406	208	1 614	5 000	6 614
Cash inflow/(outflow) from investing activities	1	(3 922)	(3 128)	(561)	(7 610)	(1 390)	(622)	(2 012)		(2 012)
Cash (outflow)/inflow from financing activities	–	–	(4)	(20)	(24)	(6)		(6)		(6)
Capital expenditure	–	692	3 167	561	4 420	1 707	841	2 548	(108)	2 440
Amortisation and depreciation	–	12	534	136	682	891	491	1 382	(105)	1 277
Impairment before tax	–	–	–	–	–	1 056	205	1 261		1 261
EBITDA	(169)	(377)	3 658	1 372	4 484	6 218	2 053	8 271	(105)	8 166

Attributable R million		ARM Corporate					IFRS			
	ARM Coal	Machadodorp Works	Corporate and other	Gold	Total Corporate	Total	ARM Ferrous[1]	Other	Total IFRS	Total
Year to 30 June 2023										
Sales	2 689	116	–		116	34 841	(20 179)	–	(20 179)	14 662
Cost of sales	(1 475)	(75)	117		42	(20 553)	11 822	(105)	11 717	(8 836)
Other operating income	31	4	1 466		1 470	2 163	(454)	108	(346)	1 817
Other operating expenses[2]	(193)	(288)	(1 246)		(1 534)	(4 614)	1 922	–	1 922	(2 692)
Segment results	**1 052**	**(243)**	**337**		**94**	**11 837**	**(6 889)**	**3**	**(6 886)**	**4 951**
Income from investments	17	–	578	17	595	1 283	(415)		(415)	868
Finance cost	(123)	(24)	(19)		(43)	(331)	45		45	(286)
Profit from associate	1 007	–	–		–	1 007	–		–	1 007
Income from joint venture	–	–	–		–	206	(206)	4 557	4 351	4 557
Capital items before taxation	2	–	1		1	(1 213)	1 269		1 269	56
Taxation	(407)	71	(264)		(193)	(3 469)	1 637	(1)	1 636	(1 833)
(Loss)/profit after taxation	1 548	(196)	633	17	454	9 320	–	–	–	9 320
Non-controlling interest	–		(2)		(2)	(1 242)			–	(1 242)
Consolidation adjustment[3]	–		2		2	–	–		–	–
Contribution to basic earnings	1 548	(196)	633	17	454	8 078	–	–	–	8 078
Contribution to headline earnings	1 535	(196)	632	17	453	8 981	–	–	–	8 981
Other information										
Segment assets, including investment in associate	5 016	123	8 790	5 918	14 831	70 745	(28 432)	21 814	(6 619)	64 126
Investment in associate	1 847					1 847			–	1 847
Investment in joint venture	–					–		21 814	21 814	21 814
Segment liabilities	689	262	1 392		1 654	8 841	(3 089)		(3 089)	5 752
Unallocated liabilities (taxation and deferred taxation)						7 761		(3 530)	(3 530)	4 231
Consolidated total liabilities						16 602			(6 619)	9 983
Cash (outflow)/inflow from operating activities	2 148	–	(696)	17	(679)	12 857	(6 614)		(6 614)	6 243
Cash inflow/(outflow) from investing activities	(222)	–	321		321	(9 523)	2 012		2 012	(7 511)
Cash (outflow)/inflow from financing activities	(146)	–	(222)		(222)	(398)	6		6	(392)
Capital expenditure	331	–	10		10	7 201	(2 440)		(2 440)	4 761
Amortisation and depreciation	187	1	8		9	2 155	(1 277)		(1 277)	878
Impairment before tax	–	–	–		–	1 261	(1 261)		(1 261)	–
EBITDA	1 239	(242)	345		103	13 992	(8 166)	3	(8 163)	5 829

There were no significant inter-company sales.

[1] *Includes IFRS 11* Joint Arrangements *adjustments related to ARM Ferrous.*
[2] *The re-measurement of the Harmony loans amount to R8 million gain with no tax effect.*
[3] *Relates to capitalised fees in ARM Ferrous and reversed upon consolidation.*

Financial review continued

Primary segmental information continued

Attributable R million	ARM Platinum: Nkomati	ARM Platinum: Two Rivers	ARM Platinum: Modikwa	ARM Platinum: Total ARM Platinum	ARM Ferrous: Iron ore division	ARM Ferrous: Manganese division	ARM Ferrous: Total ferrous segment	ARM Ferrous: Group adjustment	ARM Ferrous: Total group ARM Ferrous	ARM Coal	ARM Corporate: Machadodorp Works	ARM Corporate: Corporate and other	ARM Corporate: Gold	ARM Corporate: Total Corporate	Total	IFRS: ARM Ferrous[1]	IFRS: Other	IFRS: Total IFRS	Total
Year to 30 June 2022																			
Sales	(18)	9 416	4 562	13 960	13 927	7 364	21 291		21 291	2 821	136	–		136	38 208	(21 291)	–	(21 291)	16 917
Cost of sales	–	(3 927)	(2 319)	(6 246)	(6 504)	(5 484)	(11 988)		(11 988)	(1 303)	(125)	64		(61)	(19 598)	11 988	(50)	11 938	(7 660)
Other operating income[2]	4	91	122	217	53	349	402	(162)	240	84	3	1 574		1 577	2 118	(240)	105	(135)	1 983
Other operating expenses[2]	(136)	(651)	(300)	(1 087)	(1 381)	(473)	(1 854)	162	(1 692)	(1 025)	(216)	(911)		(1 127)	(4 931)	1 692	–	1 692	(3 239)
Segment results	**(150)**	**4 929**	**2 065**	**6 844**	**6 095**	**1 756**	**7 851**	**–**	**7 851**	**577**	**(202)**	**727**		**525**	**15 797**	**(7 851)**	**55**	**(7 796)**	**8 001**
Income from investments	8	97	66	171	279	6	285		285	11	–	453	50	503	970	(285)		(285)	685
Finance cost	(28)	(41)	(15)	(84)	(21)	(13)	(34)		(34)	(159)	(25)	(22)		(47)	(324)	34		34	(290)
Profit from associate[3]	–	–	–	–	–	–	–		–	927	–	–		–	927	–		–	927
(Loss)/income from joint venture	–	–	–	–	–	728	728		728	–	–	–		–	728	(728)	6 649	5 921	6 649
Capital items before taxation	2	(2)	–	–	(37)	(8)	(45)		(45)	382	3	743		746	1 083	45		45	1 128
Taxation	(2)	(1 341)	(586)	(1 929)	(1 690)	(406)	(2 096)		(2 096)	(435)	63	(420)		(357)	(4 817)	2 096	(15)	2 081	(2 736)
Profit/(loss) after taxation	(170)	3 642	1 530	5 002	4 626	2 063	6 689	–	6 689	1 303	(161)	1 481	50	1 370	14 366	–	–	–	14 364
Non-controlling interest	–	(1 676)	(260)	(1 936)			–	–	–	–		(2)		(2)	(1 938)			–	(1 938)
Consolidation adjustment[4]	–	–	–	–			–	(40)	(40)	–		40		40	–	–		–	–
Contribution to basic earnings	(170)	1 966	1 270	3 066	4 626	2 063	6 689	(40)	6 649	1 303	(161)	1 519	50	1 408	12 426	–	–	–	12 426
Contribution to headline earnings	(172)	1 968	1 270	3 066	4 654	2 068	6 722	(40)	6 682	928	(164)	776	50	662	11 338	–	–	–	11 338
Other information																			
Segment assets, including investment in associate	187	11 117	4 759	16 063	17 388	11 714	29 102	(850)	28 252	5 448	62	11 573	3 881	15 516	65 279	(28 252)	22 145	(6 107)	59 171
Investment in associate	–	–	–	–			–		–	2 048					2 048			–	2 048
Investment in joint venture	–	–	–	–			–		–	–					–		22 145	22 145	22 145
Segment liabilities	756	1 256	659	2 671	3 487	2 859	6 346	(3 858)	2 488	676	305	1 675		1 980	7 815	(2 488)		(2 488)	5 327
Unallocated liabilities (taxation and deferred taxation)															7 101		(3 620)	(3 620)	3 481
Consolidated total liabilities															14 916			(6 108)	8 808
Cash inflow/(outflow) from operating activities	(30)	3 805	1 749	5 524	2 197	1 475	3 672	5 500	9 172	(230)	4	(555)	50	(501)	13 965	(9 172)		(9 172)	4 793
Cash (outflow)/inflow from investing activities	(51)	(1 711)	(149)	(1 911)	(1 315)	(1 100)	(2 415)		(2 415)	(125)	(4)	(452)		(456)	(4 907)	2 415		2 415	(2 492)
Cash (outflow)/inflow from financing activities	–	(4)	(30)	(34)	(14)		(14)		(14)	(1)	–	(292)		(292)	(341)	14		14	(327)
Capital expenditure	–	1 806	353	2 159	1 445	1 110	2 555	(105)	2 450	110	4	4		8	4 727	(2 450)		(2 450)	2 277
Amortisation and depreciation	–	500	151	651	783	456	1 239	(50)	1 189	190	4	8		12	2 042	(1 189)		(1 189)	853
Impairment before tax	–	–	–	–	20		20		20	(378)	(3)	(743)		(746)	(1 104)	(20)		(20)	(1 124)
EBITDA	(150)	5 429	2 216	7 495	6 879	2 211	9 090	(50)	9 040	767	(198)	735		537	17 839	(9 040)	55	(8 985)	8 854

There were no significant inter-company sales.

[1] *Includes IFRS 11 Joint Arrangements adjustments related to ARM Ferrous.*
[2] *The re-measurement of the ARM Coal loans had an impact of R323 million loss with no tax effect.*
The re-measurement of the Harmony loans amount to R5 million gain with no tax effect.
[3] *The re-measurement of the ARM Coal loans had an impact of R490 million loss with no tax effect.*
[4] *Relates to capitalised fees in ARM Ferrous and reversed on consolidation.*

Financial review continued

Financial summary and statistics

R million, unless stated otherwise	Compounded annual growth rate %	GROUP F2023	GROUP F2022	GROUP F2021	GROUP Restated F2020	GROUP F2019	GROUP F2018	GROUP F2017	GROUP F2016	GROUP F2015	GROUP F2014
Income statement											
Sales	4	**14 662**	16 917	19 657	11 653	8 834	8 142	8 158	8 164	9 263	10 004
Basic earnings		**8 078**	12 426	12 626	3 965	3 554	4 562	1 372	(565)	104	3 289
Headline earnings	8	**8 981**	11 338	13 064	5 534	5 226	4 814	3 196	1 051	1 744	4 108
Basic earnings per share (cents)		**4 120**	6 343	6 464	2 042	1 848	2 393	723	(265)	48	1 521
Headline earnings per share (cents)	9	**4 581**	5 787	6 688	2 850	2 718	2 526	1 684	494	803	1 900
Interim dividend declared per share (cents)		**1 400**	1 200	1 000	500	400	250				
Final dividend declared per share (cents)		**1 200**	2 000	2 000	700	900	750	650	225	350	600
Total dividend declared per share (cents)		**2 600**	3 200	3 000	1 200	1 300	1 000	650	225	350	600
Statement of financial position											
Total assets	6	**64 126**	59 171	53 089	42 601	37 216	34 305	32 246	35 127	35 283	36 458
Cash and cash equivalents	17	**10 021**	11 659	9 671	5 715	4 632	3 291	1 488	1 316	2 257	2 150
Total interest-bearing borrowings	(23)	**242**	345	1 163	1 978	2 030	2 296	2 759	5 551	3 882	3 502
Total equity	7	**54 143**	50 363	43 776	34 108	29 703	27 378	24 040	24 581	26 905	28 199
Statement of cash flows											
Cash generated from operations		**8 090**	8 508	7 802	3 866	2 123	1 934	1 611	1 225	2 508	2 073
Net cash outflow from investing activities		**(7 511)**	(2 492)	(838)	(2 343)	(1 271)	(381)	(640)	(799)	(1 980)	(1 222)
Net cash outflow from financing activities		**(392)**	(327)	(340)	(274)	(281)	(355)	(1 865)	(558)	(304)	(759)
Exchange rates											
Average rate US$1 = R		**17.76**	15.21	15.39	15.68	14.19	12.84	13.60	14.68	11.45	10.36
Closing rate US$1 = R		**18.90**	16.38	14.27	17.36	14.09	13.72	13.05	14.51	12.16	10.63
JSE Limited performance											
Ordinary shares (rand)											
– high		**319**	306	307	193	188	141	127	116	203	240
– low		**191**	179	163	82	107	78	67	35	81	143
– year end		**199**	214	255	169	182	109	84	92	83	187
Volume of shares traded (thousands)		**100 174**	116 111	154 691	168 667	141 460	161 439	212 900	202 914	124 582	110 911
Number of ordinary shares in issue (thousands)		**224 668**	224 668	224 453	223 326	222 008	219 709	218 702	224 453	217 491	216 748
Financial statistics	**Definition number**										
Liquidity ratios (times)											
Current ratio	1	**4.4**	6.3	5.5	3.8	2.4	2.6	1.7	1.2	1.7	1.9
Quick ratio	2	**4.3**	6.2	5.4	3.6	2.2	2.4	1.4	1.0	1.5	1.6
Cash ratio	3	**513.7**	481.6	232.6	27.2	8.5	19.3	5.0	1.8	4.0	3.6
Profitability (%)											
Return on operational assets	4	**15.1**	26.4	42.6	17.9	5.2	12.0	1.8	4.2	5.8	9.3
Return on capital employed	5	**19.4**	30.5	42.3	21.8	17.5	19.1	12.3	5.8	6.9	15.0
Return on equity	6	**18.3**	24.6	32.5	17.2	18.5	18.6	13.6	4.4	6.8	15.4
Gross margin	7	**39.7**	54.7	59.8	35.7	15.7	17.3	14.8	9.9	15.2	24.7
Operating margin	8	**33.8**	47.3	58.1	28.1	8.9	20.5	2.6	8.0	11.2	16.7
Debt leverage											
Interest cover (times)	9	**39.8**	56.1	58.1	20.6	19.1	16.7	9.2	6.1	9.3	19.1
Gross debt to equity ratio (%)	10	**–**	1	3	6	7	8	11	23	14	12
Net debt to equity ratio (%)	11	**(18)**	(22)	(19)	(11)	(9)	(4)	5	17	6	5
Other											
Net asset value per share (R/share)	12	**219**	205	179	144	127	118	107	109	118	123
Market capitalisation	13	**56 616**	48 023	57 314	37 776	40 405	23 948	18 371	20 058	17 993	40 538
Dividend cover (times)	14	**3.82**	2.89	3.34	4.07	3.02	3.37	2.59	2.19	2.29	3.17
EBITDA	15	**5 829**	8 854	12 227	3 923	1 476	2 443	794	1 185	2 087	2 620
EBITDA margin (%)	16	**40**	52	62	34	17	30	10	14	23	26
Effective tax rate	17	**16**	16	18	18	6	10	(35)	(1)	83	13
Effective tax rate excluding capital items	18	**16**	17	18	16	9	10	7	2	23	14

The financial information above is in accordance with International Financial Reporting Standards.
Various corporate transactions were entered into during the past ten years which makes direct comparison for years not always meaningful.

Financial review continued

Definitions

1 **Current ratio (times)**
Current assets divided by current liabilities.

2 **Quick ratio (times)**
Current assets less inventories divided by current liabilities.

3 **Cash ratio (times)**
Cash and cash equivalents divided by overdrafts and short-term borrowings less overdrafts.

4 **Return on operational assets (%)**
Profit from operations divided by tangible assets (property, plant and equipment and current assets) excluding capital work in progress.

5 **Return on capital employed (%)**
Profit before capital items and finance costs, divided by average capital employed. Capital employed comprises non-current and current assets less trade and other payables and provisions.

6 **Return on equity (%)**
Headline earnings divided by ordinary shareholders' interest in capital and reserves.

7 **Gross margin (%)**
Gross profit divided by sales.

8 **Operating margin (%)**
Profit from operations before capital items divided by sales.

9 **Interest cover (times)**
Profit before capital items and finance costs divided by finance costs.

10 **Gross debt-to-equity ratio**
Total debt divided by total equity. Total debt comprises long-term borrowings, overdrafts and short-term borrowings. Total equity comprises total shareholders' interest.

11 **Net debt-to-equity ratio**
Total debt less cash and cash equivalents divided by total equity. Total debt comprises long-term borrowings, overdrafts and short-term borrowings. Total equity comprises total shareholders' interest.

12 **Net asset value per share (rand)**
Ordinary shareholders' interest in capital and reserves divided by number of shares in issue.

13 **Market capitalisation (R million)**
Number of ordinary shares in issue multiplied by market value of shares at 30 June.

14 **Dividend cover (times)**
Headline earnings per share divided by dividend per share.

15 **EBITDA (R million)**
Earnings before interest, taxation, depreciation, amortisation, income from associate, income from joint venture and capital items.

16 **EBITDA margin (%)**
EBITDA divided by sales.

17 **Effective tax rate**
Taxation in the income statement divided by profit before tax.

18 **Effective tax rate excluding capital items**
Taxation in the income statement less tax on capital items divided by profit before tax and capital items.

Note:
All ratios except return on capital employed use year-end balances. Return on capital employed is a two-year average.

Operational reviews

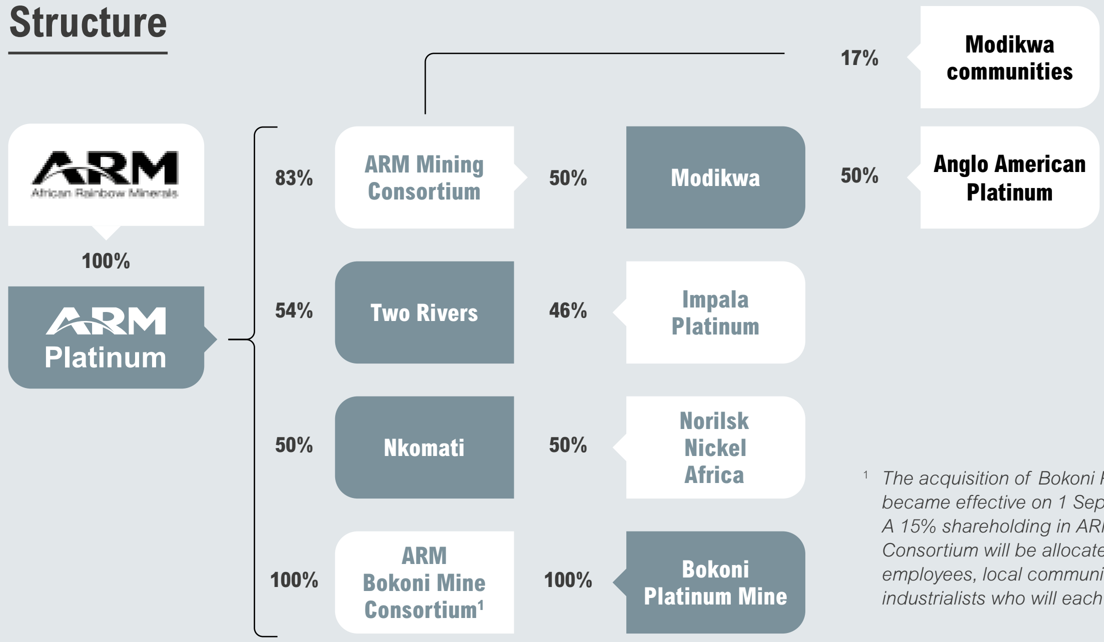
ARM Platinum

Thando Mkatshana
Chief executive – ARM Platinum

KEY FEATURES FOR F2023

- **Tonnes milled** at Two Rivers Mine were 3% higher compared to F2022
- **Production and sales volumes** at Two Rivers **impacted** by the **fatality** and **grade challenges**
- Modikwa Mine **production volumes decreased by 3%**
- **Decline** in average realised US dollar **PGM prices**
- **52% decrease** in headline earnings
- ARM Platinum **acquired Bokoni Mine** on 1 September 2022
- ARM Mining Consortium declared a **R102 million dividend to communities**

Structure



[1] *The acquisition of Bokoni Platinum Mine became effective on 1 September 2022. A 15% shareholding in ARM Bokoni Mine Consortium will be allocated to qualifying employees, local communities and black industrialists who will each hold 5%.*

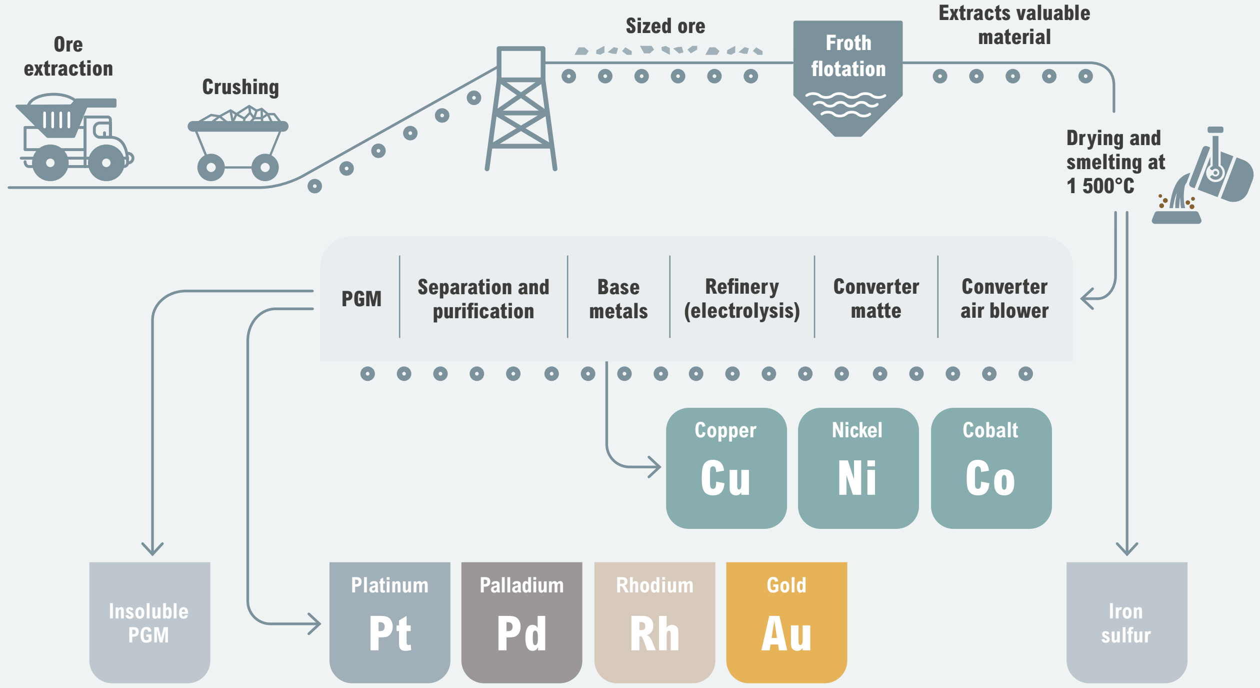
Material matters

- Two Rivers tonnes milled were up 3% year on year
- Sharp decline in platinum, palladium and rhodium prices in second half of F2023
- Above-inflation cost increases.

- Regrettably, Two Rivers Mine had one fatality
- Committed to maintaining a safe and healthy work environment for all employees and contractors.

- Continuous engagement with communities
- Continued engagement with stakeholders impacted by Nkomati Mine being on care and maintenance.

PGM production process



[1] *ARM Platinum acquired Bokoni Mine on 1 September 2022.*

Operational reviews continued

ARM Platinum continued

Scorecard

Modikwa Mine

F2023 objectives	Achieved/Not achieved	F2024 objectives
Produce 305 000 6E PGM ounces with a continued focus on further improving the mine's position on global PGM cost curve.	**Not achieved** Production volumes were 285 910 6E PGM ounces and Modikwa was positioned on the 75th percentile of the platinum industry all-in sustaining cost curve.	Produce 304 000 6E PGM ounces with a continued focus on costs to improve the mine's position on the platinum industry all-in sustaining cost curve.
Construct and commission the underground-to-surface conveyor system at South 2. Ramp-up volumes to an average of 70 000 tonnes per month.	**Not achieved** Construction of the underground-to-surface conveyor system commenced during the year, commissioning is planned for the end of the fourth quarter of F2024. The South 2 shaft system produced an average of 61 000 tonnes per month.	Commission the underground-to-surface conveyor system at South 2. Ramp up volumes to an average of 70 000 tonnes per month.
Produce 125 000 tonnes of chrome concentrate.	**Achieved** Chrome concentrate production volumes were 138 576 tonnes.	Produce 150 000 tonnes of chrome concentrate.
Start Merensky trial mining with average of 30 000 tonnes per month.	**Achieved** Merensky trial mining commenced at an average of 30 000 tonnes per month.	Ramp-up production to 50 000 tonnes per month.

Two Rivers Mine

F2023 objectives	Achieved/Not achieved	F2024 objectives
Produce 315 000 6E PGM ounces. Focus on improving the mine's position on global PGM cost curve.	**Not achieved** Production volumes were 295 441 6E PGM ounces and the mine was positioned on the 75th percentile of the platinum industry all-in sustaining cost curve because of the significant capex spend.	Produce 313 000 6E PGM ounces with a continued focus on all-in sustaining costs to improve the mine's position on the platinum industry all-in sustaining cost curve.
Sales volumes of 221 000 tonnes of chrome concentrate.	**Not achieved** Chrome sales volumes were 190 165 tonnes.	Sales volumes of 208 000 tonnes of chrome concentrate.
Ramp-up Merensky mining production to 45 000 tonnes per month. Complete surface earthworks and commence plant construction.	**Achieved** Merensky produced at an average of 47 700 tonnes per month. Plant construction has commenced.	Ramp-up Merensky mining production to 90 000 tonnes per month. Commission the plant.

Scorecard continued

Bokoni Mine

F2023 objectives	Achieved/Not achieved	F2024 objectives
Complete the bankable feasibility study during F2023 for consideration and board approval in Q1 F2024.	**Not achieved** Good progress has been made in advancing the DFS. The DFS will now advance to bankable feasibility and then be presented to the board for approval.	Secure the board approval and commence with the phased execution of the project.
Evaluate value-accretive early-ounce production opportunities.	**Achieved** Evaluation completed, and the business plan was approved. Monitoring is in place.	Ramp-up the mining and milling volumes to 60 000 tonnes per month as per the approved early-ounce project.
Placement of orders for long-lead delivery items to de-risk the project execution schedule.	**Not achieved** Orders for critical long-lead items for mining placed, with deliveries underway.	

Commodity prices

US dollar PGM prices were lower compared to prices achieved in F2022, particularly palladium (20% lower) and rhodium (30% lower). The average rand per 6E kilogram basket price for Modikwa and Two Rivers declined by 10% and 8% to R1 183 603 per kilogram (F2022: R1 319 104 per kilogram) and R1 136 405 per kilogram (F2022: R1 240 977 per kilogram), respectively.

Average US dollar metal prices

	Unit	F2023	F2022	% change
Platinum	US$/oz	970	1 003	(3)
Palladium	US$/oz	1 758	2 206	(20)
Rhodium	US$/oz	10 811	15 543	(30)
Nickel	US$/t	23 957	23 514	2
Copper	US$/t	8 289	9 644	(14)
Cobalt	US$/lb	20	32	(38)
UG2 chrome concentrate – Two Rivers (CIF*)	US$/t	236	184	28
UG2 chrome concentrate – Modikwa (CIF*)	US$/t	260	222	17

* *CIF – cost, insurance and freight.*

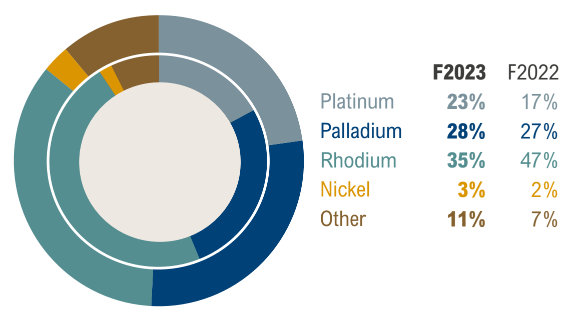
Average rand metal prices

	Unit	F2023	F2022	% change
Average exchange rate	ZAR/US$	17.76	15.21	17
Platinum	ZAR/oz	17 230	15 247	13
Palladium	ZAR/oz	31 227	33 543	(7)
Rhodium	ZAR/oz	192 050	236 373	(19)
Nickel	ZAR/t	425 570	357 606	19
Copper	ZAR/t	147 247	146 672	–
Cobalt	ZAR/lb	350	483	(28)
UG2 chrome concentrate – Two Rivers (CIF*)	ZAR/t	4 185	2 791	50
UG2 chrome concentrate – Modikwa (CIF*)	ZAR/t	4 619	3 371	37

* *CIF – cost, insurance and freight.*

ARM Platinum revenue per commodity

F2022 is represented in the inner circle



Operational reviews continued

ARM Platinum continued

Financial performance

ARM Platinum headline earnings decreased by 52% to R1.5 billion (F2022: R3.1 billion), largely due to negative mark-to-market adjustments as a result of a sharp decline in platinum, palladium and rhodium prices in the second half of F2023 and above-inflation increases in unit cash costs. For more detail and a table showing the mark-to-market adjustments, refer to page 43 in the financial review.

- Modikwa Mine reported a 36% decline in headline earnings to R819 million (F2022: R1.3 billion), which included negative mark-to-market adjustments of R253 million (F2022: R231 million negative adjustments) and a 21% increase in unit cash costs (on a rand per 6E PGM ounce)
- Two Rivers Mine also reported a 36% decline in headline earnings to R1.3 billion (F2022: R2.0 billion), mainly due to negative mark-to-market adjustments of R1.1 billion (F2022: R709 million negative adjustments) and a 24% increase in unit cash costs (on a rand per 6E PGM ounce)
- Nkomati Mine reported a 22% increase in headline losses to R210 million (F2022: R172 million headline loss). This mine was placed on care and maintenance on 15 March 2021
- Bokoni Mine, which is included for the first time in the ARM annual results, reported a headline loss of R406 million for F2023.

Operational performance

Modikwa Mine

Volumes

Tonnes milled improved by 5% as a result of the processing of Merensky ore. The grade, however, decreased by 6%, resulting in a 3% reduction in production volumes to 285 910 6E PGM ounces (F2022: 294 541 6E PGM ounces).

Unit costs

Unit cash costs were up by 21% to R17 728 per 6E PGM ounce (F2022: R14 668 per 6E PGM ounce) and were up by 12% on a rand-per-tonne basis at R2 021 (F2022: R1 801). The steep rise was largely attributable to spend on engineering, the Merensky setup and above-inflation increases in the costs of consumables (explosives up by 25%, diesel 53% higher, and electricity 16% higher than the prior period).

Two Rivers Mine

Volumes

Tonnes milled were 3% higher compared to F2022, as a result of the additional mill capacity commissioned in December 2021, despite the negative impact of power supply disruptions. The grade remains a constraint due to the split reef (as was reported previously), combined with the blending of the Merensky reef. As a result, PGM production volumes decreased by 2% to 295 441 6E PGM ounces (F2022: 301 935 6E PGM ounces). Following the accelerated development of the declines, mining flexibility is improving and enabling a better mining mix to improve the grade.

Unit costs

Two Rivers Mine unit cash costs increased by 24% to R13 376 per ounce (F2022: R10 773 per ounce) and were up by 17% to R1 105 per tonne milled (F2022: R941 per tonne). This was primarily driven by above-inflation increases in the costs of consumables such as explosives (up 18%), fuel (up 20%) and electricity (up 19%) compounded by higher diesel consumption to mitigate the impact of load curtailment from Eskom. This was partially offset by increasing the UG2 stockpile while Merensky ore was blended into the mill feed.

Bokoni Mine

Progress to date

The early-ounce project, approved in March 2023, is on track and the first PGM ounce production is expected in the second quarter of F2024.

ARM continues to be confident about the long-term profitability of Bokoni. Good progress has been made in advancing the DFS, which has been based on a phased development approach to reduce peak funding requirements, optimise production ramp-up and minimise project execution risk. The DFS also preserves the optionality to increase production to an optimal production rate in the future. The DFS indicates higher capital costs relative to the 2021 investment case due to inflationary cost increases and an enhanced scope definition. The project remains robust and is expected to be attractive in terms of industry cost competitiveness. The DFS will now advance to bankable feasibility and then be presented to the board for approval.

Nkomati Mine

Nkomati Mine remains on care and maintenance since 15 March 2021. ARM is evaluating various options regarding the way forward for the mine.

At 30 June 2023, the estimated undiscounted rehabilitation costs attributable to ARM were determined to be R932 million (30 June 2022: R771 million) excluding VAT.

The increase in the undiscounted liability of R161 million is attributed mainly to the provision for the short to medium-term water management costs.

The discounted rehabilitation costs attributable to ARM were determined to be R802 million (30 June 2022: R676 million).

At 30 June 2023, R141 million (attributable to ARM) in cash and financial assets was available to fund rehabilitation obligations for Nkomati Mine. The resulting attributable shortfall in discounted rehabilitation costs of R661 million is expected to be funded by ARM.

Nkomati Mine's estimated rehabilitation costs continue to be reassessed as engineering designs evolve and new information becomes available.

Investing in the current business

Total attributable capital expenditure for ARM Platinum increased to R4.4 billion from R2.2 billion in the prior year.

R million	F2023	F2022
ARM Platinum	**4 420**	2 159
Modikwa Mine	561	353
Two Rivers Mine	3 167	1 806
Bokoni Mine	692	–
Nkomati Mine	–	–

Capital expenditure and projects

Modikwa Mine

Capital expenditure at Modikwa Mine (100% basis) rose by 59% to R1 122 million (F2022: R706 million). Of this, R490 million (43%) related to fleet refurbishment and critical spares, R138 million (12%) to capital development and R74 million (7%) to the installation of a proximity detection system for the mining fleet. An additional R72 million related to the Merensky project and R82 million to the replacement of conveyor belts.

North shaft project

The downcast shaft to provide additional ventilation for mining levels below 10 is now estimated to be completed in quarter 3 of F2025 due to the delay of the environmental permit which was approved in March 2023. Site establishment works are forecast for September 2023.

South 2 shaft project

Work has started on the 2.5km underground-to-surface conveyor belt that will enable South 2 shaft to ramp up production by an average of 70 000 tonnes per month to an average of 100 000 tonnes per month by 2026. The project is expected to be completed in June 2024.

Merensky project

The bord-and-pillar Merensky shaft was reopened on a trial basis after a prefeasibility study. The shaft reached and maintained the expected 30 000 tonnes per month level since February 2023. Production is planned to ramp up to 50 000 tonnes per month by December 2023.

Capital expenditure and projects

Two Rivers Mine

Of the R3 167 million spent at Two Rivers Mine, R1 967 million (62%) was attributable to the Merensky project. Deepening of the declines at main and north shafts, along with electrical and mechanical installations, amounted to R454 million (14%) of total capital expenditure. Additionally, R213 million was spent on mining fleet replacement.

Merensky project

Two Rivers' shareholders approved the Two Rivers Merensky project to mine the Merensky reef. Total estimated capital expenditure for the project is R7.2 billion (100% basis). To date, capital expenditure of R3 248 million has been spent. R2 000 million of the remaining R3 952 million is already committed, and will be spent in F2024. The project targets annual production of 182 000 6E PGM ounces, 1 600 tonnes of nickel and 1 300 tonnes of copper.

Both the mining of the Merensky reef and construction works in the mining areas are progressing as planned. The unexpected geotechnical challenges in the concentrator area have been addressed successfully with the plant commissioning date still forecast for the third quarter of F2024.

The overall project completion date remains unchanged for the second quarter of F2025. The project is scheduled to start producing PGM concentrate as per the planned date of mid-2024. The long-term prospects for the Merensky project remain profitable and accretive to Two Rivers Mine, and are planned to produce PGMs at competitive costs, positioning Two Rivers Mine in the 50th percentile of the global PGM cost curve.

Bokoni Mine

Of the R692 million spent at Bokoni (100% basis), R378 million related to the early-ounce project. A further R88 million related to the purchase of mining fleet and R78 million was spent on the DFS.

Ensuring a safe, healthy and appropriately skilled workforce

As a result of the acquisition of Bokoni Mine and expansion project at Two Rivers Mine, total employees at ARM Platinum operations increased by 27% to 12 833 at 30 June 2023 (30 June 2022: 10 091): 60% of employees were full-time and 40% contractors. Investment in training increased to R122 million in F2023 (F2022: R75 million).

Operational reviews continued

ARM Platinum continued

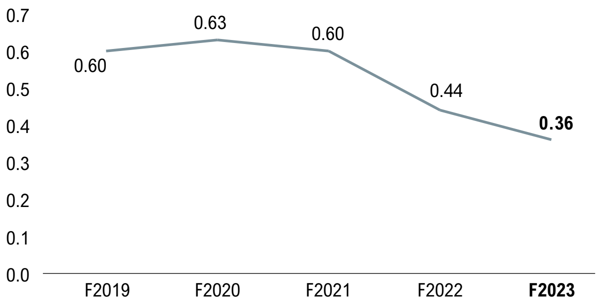
Safety and health

ARM is committed to zero harm, ensuring a safe work environment and supporting the health and wellbeing of employees and contractors.

Regrettably Two Rivers Mine had a fatality in F2023 when a contractor employee was injured and later succumbed to his injuries.

ARM Platinum's lost-time injury frequency rate (LTIFR) improved to 0.36 per 200 000 man-hours (30 June 2022: 0.44) and Modikwa Mine achieved one million fatality-free shifts. Ensuring compliance to safety standards and conducting safety training are ongoing priorities.

LTIFR (per 200 000 man-hours)



Risk-based occupational medical surveillance programmes at the mines manage specific health issues, particularly tuberculosis (TB), HIV and Aids, and noise-induced hearing loss (NIHL). Chronic conditions are monitored by occupational exposure profiles for high-risk roles, with a focus on monitoring and managing high levels of uncontrolled hypertension.

A toll-free helpline in the employee assistance programme and an on-site psychological support programme provide mental health support for employees.

Environmental performance

Carbon emissions and energy use

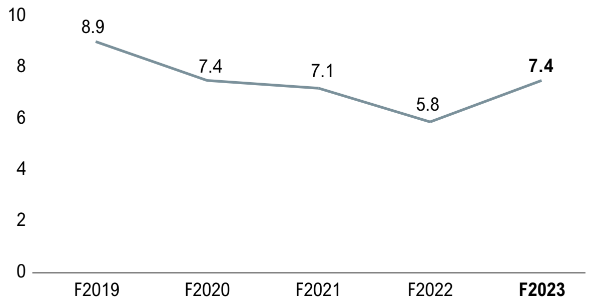
ARM Platinum's combined estimated scope 1 (direct) and scope 2 (indirect) carbon emissions increased by 1%. Carbon emissions per tonne of PGM ore milled at Modikwa and Two Rivers combined decreased to 0.102tCO_2e/tonne (F2022: 0.106tCO_2e/tonne). Modikwa Mine accounted for 54% of ARM Platinum's F2023 total emissions, Two Rivers Mine 45% and Nkomati Mine 1%.

Total electricity consumed was 556 578 megawatt hours (MWh) (F2022: 556 273MWh).

Water management[1]

We continue to improve water accounting to align with the ICMM's updated Water Reporting Good Practice Guide. From F2023, we report operational water withdrawal, which excludes other managed water[1]. Total operational water withdrawal in the platinum division increased 28% to 7.4 million m³ as a result of improved accounting of rainfall at Two Rivers Mine. Modikwa Mine accounted for 54% of the division's total, Two Rivers Mine 43% and Nkomati Mine 3%.

Operational water withdrawn[2] (million m³)



[1] *Water that enters our system that is actively managed without intent to supply the operational water demand.*
[2] *Prior years restated to exclude other managed water/diversions.*

Tailings storage facilities (TSFs)

Implementation plans for the ARM TSF management policy and standard, which align with the ICMM's GISTM, are in place at all operations, together with reporting dashboards on critical compliance elements. Conformance to the GISTM was self-assessed at Nkomati, Two Rivers and Modikwa mines during the year, followed by GISTM conformance verification third-party validation in July 2023. In August 2023, ARM released a report on conformance to the GISTM, which is available on our website. Bokoni Mine is planning to comply to the GISTM by August 2024.

Supporting host communities

ARM Platinum invests in community initiatives undertaken as part of local economic development and social and labour plans. Projects implemented in F2023 included water infrastructure for local communities, upgrades to sporting facilities as well as support for learners and agri-businesses.

ARM Platinum ESG indicators

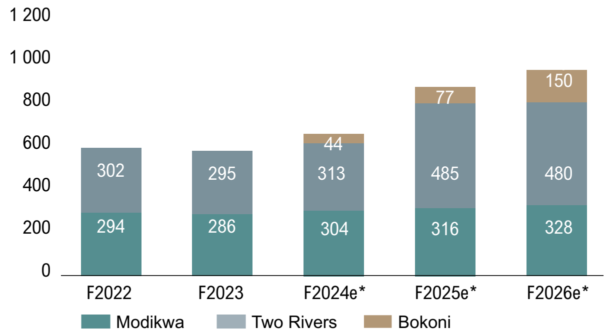
	Unit	F2023	F2022	F2021	F2020	F2019
Employee indicators						
Average number[1]		8 467	7 397	8 394	8 215	9 058
– Permanent employees		5 991	5 322	5 557	5 554	5 913
– Contractors		2 476	2 075	2 837	2 661	3 145
LTIFR per 200 000 man-hours		0.36	0.44	0.60	0.62	0.60
Environmental indicators (100% basis)						
Scope 1 and 2 carbon emissions	tCO_2e	626 200	619 030	822 338	914 603	981 694
Total operational water withdrawn[2]	million m³	7.4	5.7	7.1	7.4	8.9
Other managed water/diversions[3]	million m³	2.4	–	0.3	0.7	0.9
Energy use						
– Electricity	MWh	556 578	556 273	736 913	794 940	832 037
– Diesel	000 litres	16 546	10 005	19 585	25 417	34 936
Community investment indicators						
Total corporate social responsibility (CSR)	R million	22	57	63	13	46
– Corporate social investment (CSI)	R million	7	2	2	3	9
– Local economic development (LED)	R million	15	55	61	11	37

[1] *Permanent employees and contractors reported as average for the year, consistent with calculating safety statistics.*
[2] *Includes rainfall and runoff water harvested, surfacewater withdrawn from rivers, municipal water and groundwater. From F2023, we disclose operational water withdrawal and other managed water separately, in line with the ICMM's updated Water Reporting Good Practice Guide. Prior year water figures have been restated to disclose diversions (as defined in the previous guidance) separately.*
[3] *Other managed water/diversions increased significantly in F2023 due to the inclusion of water in the pit at Nkomati Mine to align with updated reporting guidance.*

Outlook

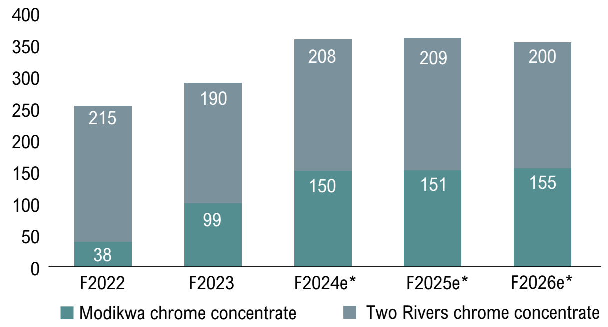
ARM Platinum production and sales volumes – 100% basis

PGM volumes (000 ounces 6E)



* *F2024, F2025, F2026 are estimated volumes.*

Chrome concentrate (000t)



* *F2024, F2025, F2026 are estimated volumes.*

Operational reviews continued

ARM Platinum continued

Summary operational and financial indicators – 100% basis

Modikwa Mine

Ownership
Effective 41.5% held through ARM Mining Consortium, local communities own an effective 8.5% and Anglo American Platinum owns 50%

Management
Jointly managed by ARM and Anglo American Platinum

Refining
All metal-in-concentrate is sold to Anglo American Platinum

	Unit	F2023	F2022	F2021	F2020	F2019
OPERATIONAL						
Production volumes						
Platinum	oz	115 493	116 442	98 889	101 012	121 033
Palladium	oz	106 537	110 623	94 631	97 820	114 389
Rhodium	oz	21 725	23 265	20 144	20 729	24 388
Gold	oz	3 674	3 158	2 435	2 554	3 064
Ruthenium	oz	31 080	33 153	28 782	30 069	35 218
Iridium	oz	7 401	7 900	6 874	7 176	8 340
PGMs	oz	285 910	294 541	251 755	259 360	306 930
Nickel	t	762	600	449	500	557
Copper	t	471	374	284	310	345
Chrome sold	t	99 476	38 081	–	–	–
Other operational indicators						
Tonnes milled	Mt	2.51	2.40	2.05	1.94	2.29
Head grade	g/t 6E	4.20	4.48	4.51	4.82	4.92
Average basket price	R/kg 6E	1 183 603	1 319 104	1 457 843	850 909	491 723
Operating cost	R/t	1 999	1 798	1 757	1 598	1 345
Operating cost	R/PGM oz	17 537	14 644	14 300	11 974	10 027
Operating cost	R/Pt oz	43 414	37 042	36 405	30 746	25 427
Operating cost	R/kg 6E	563 832	470 819	459 745	384 984	322 360
Cash cost	R/t	2 021	1 801	1 751	1 594	1 355
Cash cost	R/PGM oz	17 728	14 668	14 249	11 945	10 097
Cash cost	R/Pt oz	43 887	37 102	36 275	30 670	25 605
Cash cost	R/kg 6E	569 974	471 578	458 110	384 036	324 627
FINANCIAL						
Sales	R million	7 922	9 124	9 848	6 185	4 134
Total cash operating costs	R million	(5 014)	(4 313)	(3 600)	(3 106)	(3 077)
Cash operating profit	R million	2 836	4 767	6 248	3 079	1 057
Cash operating profit – PGMs	R million	2 664	4 749	6 248	3 079	1 057
Cash operating profit – chrome	R million	172	19	–	–	–
Capital expenditure	R million	1 122	706	660	638	260
Partner loan repaid (to ARM)	R million	–	–	1 257	450	–

AFS Refer to note 2 to the annual financial statements for the Modikwa Mine segmental information.

Summary operational and financial indicators – 100% basis

Two Rivers Mine

Ownership
ARM owns 54%,
Impala Platinum owns 46%

Management
Managed by ARM

Refining
All metal-in-concentrate is sold to Impala Platinum. Chrome concentrate is sold through chrome traders to global end users

	Unit	F2023	F2022	F2021	F2020	F2019
OPERATIONAL						
Production volumes						
Platinum	oz	137 823	140 327	139 155	122 407	147 235
Palladium	oz	82 515	85 828	84 532	73 213	85 962
Rhodium	oz	23 854	24 514	23 963	21 226	25 617
Gold	oz	2 392	2 236	2 310	1 929	2 321
Ruthenium	oz	39 718	40 688	41 113	34 409	42 145
Iridium	oz	9 139	9 343	9 100	7 840	10 126
PGMs	oz	295 441	301 935	300 172	261 024	313 406
Nickel	t	713	609	609	481	552
Copper	t	366	297	281	229	240
Chrome sold	t	190 165	214 735	242 945	172 368	219 566
Other operational indicators						
Tonnes milled	Mt	3.58	3.46	3.28	3.02	3.40
Head grade	g/t 6E	3.00	3.22	3.43	3.45	3.52
Average basket price	R/kg 6E	1 136 405	1 240 977	1 349 148	775 857	467 994
Operating cost	R/t	1 129	971	905	857	736
Operating cost	R/oz 6E	13 662	11 116	9 893	9 908	8 001
Operating cost	R/Pt oz	29 287	23 917	21 341	21 127	17 031
Operating cost	R/kg 6E	439 247	357 375	318 075	318 534	257 244
Cash cost	R/t	1 105	941	877	895	730
Cash cost	R/oz 6E	13 376	10 773	9 591	10 346	7 926
Cash cost	R/Pt oz	28 673	23 179	20 688	22 061	16 871
Cash cost	R/kg 6E	430 046	346 345	308 342	332 616	254 817
FINANCIAL						
Sales	R million	7 896	9 416	11 992	6 173	3 994
On-mine cash operating costs	R million	(4 036)	(3 356)	(2 970)	(2 586)	(2 508)
Off-mine cash operating costs	R million	(393)	(305)	(348)	(303)	(305)
Chrome cash costs	R million	(86)	(79)	(72)	(52)	(54)
Total cash operating profit	R million	3 774	5 981	8 949	3 535	1 433
Cash operating profit – PGMs	R million	3 432	5 811	8 832	3 435	1 264
Cash operating profit – chrome	R million	342	170	118	100	168
Capital expenditure	R million	3 167	1 806	1 281	813	587
Dividend paid	R million	900	2 305	2 650	1 230	524

AFS Refer to note 2 to the annual financial statements for the Two Rivers Mine segmental information.

ARM Ferrous

André Joubert
Chief executive – ARM Ferrous

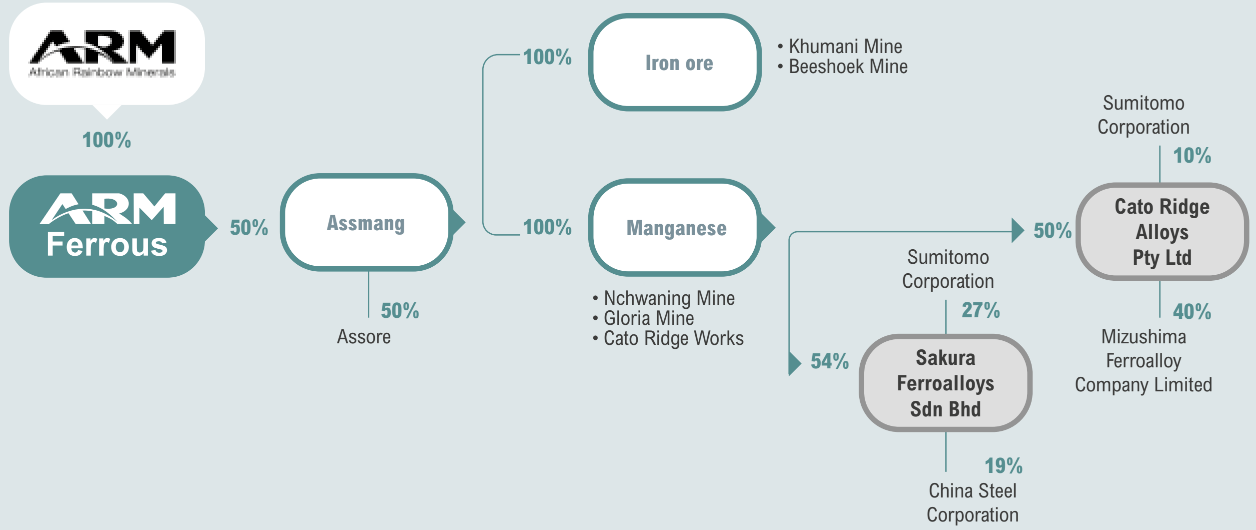
KEY FEATURES FOR F2023

- **World-class** safety performance
- **Robust** free cash flow generation
- **Completion** of the Black Rock and Gloria projects
- **Total iron ore** production and sales volumes were **down 14%** and **12%** respectively
- **Average** realised **export iron ore** price **down 13%**
- **Total manganese ore** production was **up 3%**
- Manganese ore realised prices were lower. **The average** 44% and 37% **manganese ore prices** (CIF) **declined by 16%** and **13%** respectively

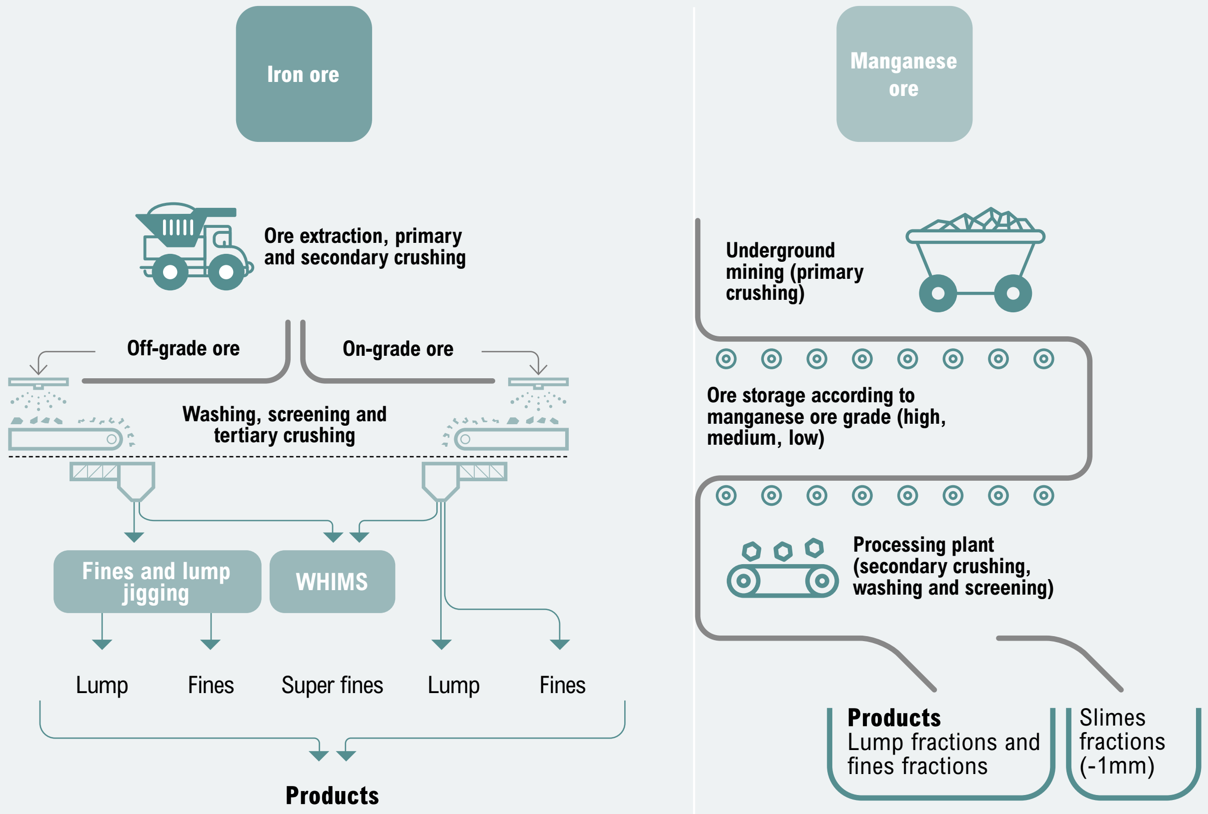
Material matters

- Production and sales volumes negatively impacted by logistics challenges
- Continuing water supply challenges to Khumani Mine
- Above-inflation increases in costs

Structure



Production process



Operational reviews continued

ARM Ferrous continued

Scorecard

Khumani Mine Iron ore

F2023 objectives	Achieved/Not achieved	F2024 objectives
Ensure LTIFR below a tolerance level of 0.15 per 200 000 man-hours	**Not achieved** LTIFR was 0.17 per 200 000 man-hours	Ensure LTIFR below a tolerance level of 0.15 per 200 000 man-hours
Production planned at 13 million tonnes to accommodate Transnet performance and Sedibeng water-supply disruptions	**Not achieved** The production target was not achieved (11.3 million tonnes achieved versus 13 million tonnes target) as Khumani was forced to lower production due to poor operational logistics performance and full stockpiles	Production planned at 12.7 million tonnes to accommodate Transnet's deteriorating performance
Lump production ratio of 57%	**Not achieved** At 55%. Lower Transnet off-take and prioritising the lower quality off-grade material feed (C1) to the plant ultimately resulted in lower overall yields, lower Lump ratio, however optimised the Off Grade Plant utilisation	Lump production ratio of 56%
King Pit mining ratio to be maintained at 65%	**Not achieved** Mining from the King Pit was 64% which falls within the current life-of-mine (LOM) King:Bruce mining ratio of 60:40	King Pit mining ratio to be maintained at 65%
Sales volumes planned at 13.9 million tonnes to accommodate risk of Transnet performance in F2023	**Not achieved** Sales volumes were 12 million tonnes	Sales volumes planned lower at 13 million tonnes to accommodate risk of Transnet performance during F2024
Target unit cash cost (pre-charge out cash cost on mine) increases below inflation to maintain competitiveness at R392/tonne for F2023	**Not achieved** Mainly due to impact of lower production volumes, higher diesel cost and above-inflation mining maintenance expenses on consumable spares	Target unit cash cost (pre-charge out cash cost on mine) increases below inflation to maintain competitiveness at R475/tonne for F2024

Beeshoek Mine Iron ore

F2023 objectives	Achieved/Not achieved	F2024 objectives
Ensure LTIFR below tolerance level of 0.20 per 200 000 man-hours	**Achieved** LTIFR of 0.06 for F2023	Ensure LTIFR below tolerance level of 0.20 per 200 000 man-hours
Maintain production at 3.0 million tonnes per annum	**Not achieved** Production for F2023 was 2.5 million tonnes. This was due to unfulfilled offtake of contracted tonnes in the first half of the financial year and the change in contract volumes in the second half of the financial year	Achieve production of 2.8 million tonnes per annum
Maintain sales volumes at steady state of 2.7 million tonnes to local markets and 350 000 tonnes to export market	**Not achieved** Local tonnes sold were 2.2 million tonnes and export sales were 304 000 tonnes	Achieve sales of 2.8 million tonnes per annum No export sales
Target unit production cash costs of R541 per tonne	**Not achieved** Production tonnes reduced to 2.5 million tonnes resulting in unit cost increases, while rock on ground tonnes decreased by 6%	Target unit production cash costs of R700 per tonne

Black Rock Mine Manganese ore

F2023 objectives	Achieved/Not achieved	F2024 objectives
Ensure LTIFR below 0.27 per 200 000 man-hours	**Achieved** Final LTIFR 0.24	Ensure LTIFR below 0.25 per 200 000 man-hours
Target production volumes of 4.35 million tonnes	**Not achieved** Production lower by 78 000 tonnes due to operational constraints	Target production volumes of 4 million tonnes
Deliver export sales volume of 3.9 million tonnes	**Not achieved** Export sales volumes were 3.6 million tonnes	Deliver export sales volume of 3.7 million tonnes to accommodate risk of Transnet performance during F2024
Targeted unit production cost increases below inflation	**Achieved** Production cost increases of only 5.5%	Targeting unit production cost increases of 9%, negatively impacted by logistics constraints

Cato Ridge Works Manganese alloy

F2023 objectives	Achieved/Not achieved	F2024 objectives
Maintain zero lost-time injuries and good safety performance	**Achieved** 0 lost-time injuries and 3 million fatality free shifts	Maintain zero lost-time injuries as we progress in our zero-harm safety journey
Stabilise quality of ore feed into furnaces	**Achieved** Produced high-carbon ferromanganese of 76% and medium-carbon ferromanganese of >78% manganese content	Maintain ferromanganese alloy grade of 76% and 80% for high-carbon ferromanganese and medium-carbon ferromanganese respectively
Optimisation of manganese ore ultra-fines in the BRIX recipe	**Achieved** Commissioned the onsite BRIX metallurgy sinter plant	Ramp-up onsite sinter production and optimise grade
Continuous optimisation of BRIX recipe	**Achieved** Incorporated the biomass reductants into the BRIX to offset carbon emission	Continue using and optimising biomass reductants

Sakura Ferroalloys Manganese alloy

F2023 objectives	Achieved/Not achieved	F2024 objectives
Improve safety performance, ensuring LTIFR below tolerance level of 0.18 per 200 000 man-hours	**Achieved** Sakura recorded only one LTI during the year resulting in a LTIFR of 0.15 per 200 000 man hours	Improve safety performance, ensuring LTIFR below tolerance level of 0.18 per 200 000 man-hours
Target production volumes of 249 000 tonnes	**Achieved** Record production volumes achieved of 253 065 tonnes for the year	Target production volumes of 238 000 tonnes
Target sales volumes of 254 000 tonnes	**Not achieved** Sales volumes were 16 690 or 7% below target due to below-plan volume offtake from Japanese customers	Target sales volumes of 248 000 tonnes
Maintain furnace efficiencies and improve unit costs by implementing cost-saving initiatives	**Achieved** Overall ore efficiencies improved by 1.0%, while power efficiencies improved 1.7% from prior year. Multiple cost-saving initiatives implemented throughout the year which reduced unit cost and impact of increases in ore and reductant prices	Maintain furnace efficiencies and improve unit costs by implementing cost-saving initiatives
Finalise, sign agreement and start project to construct sinter plant at Sakura in first quarter of F2023	**Achieved** Sinter plant contract signed off and construction currently in progress. Expected completion date August 2024	Complete construction and commissioning of sinter plant by end of August 2024

Operational reviews continued

ARM Ferrous continued

Commodity prices

Average realised US dollar export iron ore prices were 13% lower on a free-on-board (FOB) equivalent basis at US$105 per tonne (F2022: US$121 per tonne). We achieved a 6.83% (F2022: 2.89%) premium above the 62% Platts index for our lump and grade premium.

Following the strong rebound in prices to a peak of over US$130 per tonne in March 2023, the benchmark iron ore price fell to around US$105 per tonne at the beginning of July 2023. The recent price falls reflect lower demand from Chinese mills due to blast-furnace maintenance and new restrictions on steel production in China's leading steel-making centre, Tangshan. Some steel plants reduced capacity by 30% to 50% in July 2023 to improve air quality in the region.

The manganese ore operations realised lower prices in F2023, with the average 44% manganese ore (CIF) and 37% manganese ore (CIF) index prices decreasing by 16% and 13%, respectively.

Financial performance

ARM Ferrous headline earnings were 17% lower at R5.5 billion (F2022: R6.7 billion), driven by a 34% headline earnings decrease in the manganese division and an 11% decrease in the iron ore division.

Operational performance

Iron ore division

Total iron ore sales volumes decreased by 12% to 14.2 million tonnes (F2022: 16.1 million tonnes). Export sales volumes were 9% lower at 12.0 million tonnes (F2022: 13.2 million tonnes) due to poor operational logistics performance, including backlog maintenance on the rail network (reduced slot capacity), Transnet strikes, several derailments and equipment breakdowns at the port.

Local sales volumes declined by 22% to 2.2 million tonnes (F2022: 2.9 million tonnes), attributable to lower offtake by our local customer experiencing internal and external constraints.

The sales lump-to-fines ratio moved from 60:40 in F2022 to 56:44 in F2023.

Total iron ore production volumes decreased by 14% to 13.9 million tonnes (F2022: 16.2 million tonnes). Khumani Mine reduced production due to logistical challenges and full stockpiles.

Water supply to Khumani Mine remains a risk since phase 2 of the refurbishment of the Vaal Gamagara pipeline has not yet started, resulting in more downtime as well as higher operating and maintenance costs for the pipeline.

This challenge impacts other mines in the Northern Cape and communities as well. In partnership with mines in the area, Assmang is engaging with Vaal Central Water Board (VCWB) and the Department of Water and Sanitation to mitigate the risk by expediting the refurbishment project and supporting VCWB with financial assistance for the day-to-day operations and maintenance of the pipeline.

Assmang operations have successfully implemented measures to supplement water supply from neighbouring mines' stormwater since February 2023. While this arrangement has worked well, it is unfortunately not sustainable and Khumani Mine is again reliant on VCWB for all its water. The long-term solution is to refurbish the Vaal Gamagara pipeline, which is being addressed as a key priority between the department and the Northern Cape mines.

On-mine unit production costs for the division rose by 15% to R364 per tonne (F2022: R317 per tonne), mainly due to 14% lower production volumes, above-inflation increases in the costs of explosives, diesel and maintenance.

Divisional cash cost per tonne increased by 28% to R482 per tonne (F2022: R375 per tonne) mainly due to lower production volumes and higher production costs.

On-mine unit production costs at Khumani Mine were up 8% to R344 per tonne (F2022: R319 per tonne) mainly due to lower production volumes, above-inflation increase of explosives, diesel and consumable maintenance costs. Khumani Mine's on-mine unit cash costs (which includes capitalised waste stripping costs and certain non-cash adjustments but excludes run-of-mine ore stock movements) were 26% higher at R455 per tonne (F2022: R361 per tonne) mainly due to above-inflation increases in the costs of diesel and explosives, as well as higher maintenance costs on King loading equipment.

On-mine unit production costs at Beeshoek Mine were 45% higher, mainly due to 19% lower production volumes at 2.5 million tonnes (F2022: 3.1 million tonnes) and above-inflation increases in the costs of diesel, explosives, consumables and maintenance.

Beeshoek Mine's unit cash costs were 39% higher mainly due to higher production costs and a 19% decrease in production volumes.

Unit cost of sales for the iron ore division (including marketing and distribution costs) were 9% higher, reflecting an increase in on-mine production costs, offset by lower freight costs as well as lower sales and marketing costs on lower sales volumes in F2023.

Manganese ore

Manganese ore sales volumes in F2023 increased by 9% to 4.3 million tonnes (F2022: 3.96 million tonnes). Export sales volumes were marginally lower at 3.6 million tonnes (F2022: 3.7 million tonnes) due to challenges on export rail capacity from Transnet Freight Rail. In addition, the poor condition of vessels since September 2022 has impacted the export of ore. Local sales volumes were higher at 0.73 million tonnes (F2022: 0.29 million tonnes).

Assmang and other manganese export producers continue to engage Transnet to seek improvement of the rail and port systems. To mitigate lower volume capacity at Transnet, export volumes were supplemented with 342 000 tonnes of ore transported via road during the year.

Production volumes at Black Rock Mine rose by 3% to 4.3 million tonnes (F2022: 4.1 million tonnes). Completing the Black Rock and Gloria projects has contributed positively to the Black Rock Mine complex.

On-mine unit production costs and on-mine unit cash costs at Black Rock Mine increased from R694 per tonne in F2022 to R732 per tonne in F2023 due to above-inflation increases in the costs of explosives, diesel, consumables, maintenance and electricity as well as significant expenditure on operating emergency generators during load curtailment.

Unit cost of sales (including marketing and distribution costs) decreased by 4% on lower freight rates, offset by higher production costs and logistics costs after substituting lost rail logistics with road freight, as well as increased depreciation due to the Black Rock and Gloria projects having been commissioned.

Manganese alloys

High-carbon manganese alloy production at Sakura (100% basis) increased to a record 253 000 tonnes (F2022: 211 000 tonnes). High-carbon manganese alloy sales (100% basis) rose by 23% to 237 000 tonnes (F2022: 192 000 tonnes). Both production and sales volumes increased significantly from the prior year as Sakura returned to full production capacity in October 2021, after one furnace was left non-operational following multiple transformer failures.

High-carbon manganese alloy production at Cato Ridge Works decreased by 3% to 116 000 tonnes (F2022: 119 000 tonnes), mainly due to switching out furnace 1 in February 2023 and Eskom loadshedding.

Medium-carbon manganese alloy production at Cato Ridge Alloys (100% basis) increased by 1% to 56 400 tonnes (F2022: 56 000 tonnes).

High-carbon manganese alloy sales at Cato Ridge Works decreased by 11% to 43 000 tonnes (F2022: 49 000 tonnes) on lower market demand. Medium-carbon manganese alloy sales at Cato Ridge Alloys (100% basis) rose by 7% to 54 000 tonnes (F2022: 50 000 tonnes). The increase in medium carbon-manganese alloy sales was mainly attributable to an expanded customer base.

Unit production costs at Sakura rose by 7% in F2023. This is mainly due to an increase in realised ore and reductant prices, offset by cost-saving initiatives to further reduce fixed costs.

Unit production costs at Cato Ridge Works increased by 15%. The significant increase primarily reflects lower production volumes as well as above-inflation increases in power costs and various raw material prices.

Medium-carbon manganese alloy production costs at Cato Ridge Alloys dropped by 6% in F2023, primarily due to the decrease in the price of molten metal.

Investing in the current business

Capital expenditure (100% basis) for the iron ore division was R3.4 billion (F2022: R2.9 billion), including capitalised waste-stripping costs of R1.4 billion (F2022: R1.3 billion). Higher waste-stripping costs at Khumani from mining more capital-waste-intensive areas were offset by lower capitalised waste-stripping costs at Beeshoek Mine due to lower production.

Total capital expenditure for the manganese ore operations was R1 618 million on a 100% basis (F2022: R2 133 million), of which R118 million (F2022: R451 million) relates to the Gloria project.

Capital invested at Black Rock yielded benefits in that, despite double digit cost inflation, Black Rock's year-on-year unit cost increases were limited to 5%.

Operational reviews continued

ARM Ferrous continued

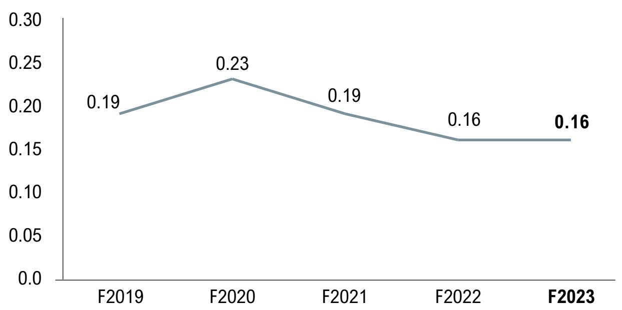
Ensuring a safe, healthy and appropriately skilled workforce

Following the completion of the Gloria and Black Rock projects, total employees at ARM Ferrous decreased by 13% to 9 843 at 30 June 2023 (30 June 2022: 11 253), with 57% full-time employees and 43% contractors. ARM Ferrous invested R238 million in training in F2023 (F2022: R116 million).

Safety and health

There have been no fatalities at ARM Ferrous since 2015. The divisional LTIFR remained at 0.16 per 200 000 man-hours in F2023. Black Rock Mine completed 11 million fatality-free shifts and 14 consecutive years fatality free, Khumani Mine achieved five million fatality-free shifts over eight years and Cato Ridge Works achieved three million fatality-free shifts over 15 years. Beeshoek Mine achieved 5 million fatality free-shifts and 20 consecutive years fatality free.

LTIFR (per 200 000 man-hours)



Operation	Total fatality-free shifts worked*	Last fatality	Fatality free
Beeshoek Mine	5 473 507	Mar-03	20 years
Black Rock Mine	11 317 123	Apr-09	14 years
Khumani Mine	5 148 447	Apr-15	8 years
Cato Ridge Works	3 004 813	Feb-08	15 years

* *As at 30 June 2023.*

Specific health risks in each workplace and occupation are identified and addressed by risk-based occupational medical surveillance programmes, with an emphasis on TB, HIV and Aids and NIHL. Chronic conditions are monitored by specific occupational exposure profiles for high-risk roles. Employees can access psychological support through a toll-free helpline in the employee assistance programme and the on-site psychological support programme.

16 633 Audiometric tests

35 709 TB screening tests

12 412 HIV counselling sessions

Environmental performance

Carbon emissions and energy use

Estimated scope 1 and 2 carbon emissions decreased by 7.0%. The Cato Ridge smelter contributed 51% to ARM Ferrous total scope 1 and 2 emissions.

Scope 1 and 2 carbon emissions per tonne of iron ore produced increased to 0.028tCO_2e (F2022: 0.025tCO_2e) and emissions per tonne of manganese ore produced decreased to 0.042tCO_2e from 0.043tCO_2e in F2022. Scope 1 and 2 carbon emissions per tonne of manganese alloy produced decreased to 3.3tCO_2e (F2022: 3.8tCO_2e).

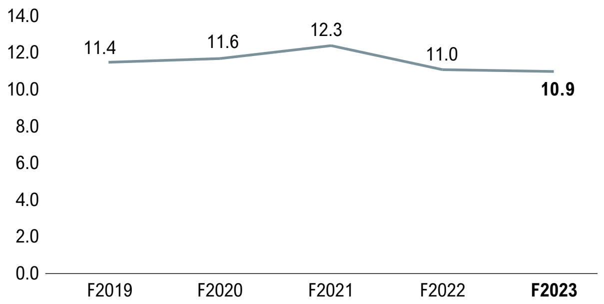
Electricity consumed accounted for 68% of ARM Ferrous scope 1 and 2 emissions and decreased by 6% year on year. ARM Ferrous is a member of the Energy Intensive Users Association and has a charter to map its development and implementation of energy-efficient practices.

Water management

ARM Ferrous' mines are located in the water-scarce Northern Cape and the cost and continuity of water supply is a risk for all mines as well as communities in the region. Information about mitigating measures is available in our 2023 report on climate change and water.

We continue to make good progress in deepening our understanding of water-related impacts, risks and opportunities, and are aligning water accounting to align with the ICMM's updated Water Reporting Good Practice Guide. From F2023, we report operational water withdrawal, which excludes other managed water[1]. Total operational water withdrawn was 10.9 million m^3 (F2022: 11.0 million m^3). Beeshoek Mine accounted for 42% of ARM Ferrous operational water withdrawn, Khumani Mine 37% and Black Rock Mine 19%.

Operational water withdrawn (million m^3)



Tailings storage facilities (TSFs)

The ARM TSF management policy and standard, which align with the ICMM's GISTM, are being implemented at all three ARM Ferrous mines. Conformance to the GISTM was self-assessed at Black Rock and Khumani mines during the year and GISTM conformance verification third-party validation was conducted in July 2023. In August 2023, ARM released a report on conformance to the GISTM, which is available on our website. The TSF at Beeshoek Mine has been classified as low hazard, and conformance is consequently due by August 2025.

[1] *Water that enters our system that is actively managed without intent to supply the operational water demand.*

Supporting host communities

ARM Ferrous participates in the shared-value working committee with other Northern Cape manganese producers and the Minerals Council in creating innovative projects with a meaningful benefit for communities.

Enterprise and supplier development initiatives promote economic development and job creation in local communities by providing training, mentoring, coaching and some financial support to local black-owned businesses including SMMEs. Viable businesses graduate into the mining supply chain and participate in the ARM Ferrous procurement system.

Projects under local economic development and social and labour plans, as well as corporate social investment initiatives, contribute to community infrastructure and socio-economic development. In F2023, these included infrastructure for a school and an education centre, upgrades to SMME stalls in a local community centre, investments to improve water supply and sanitation, constructing roads and improving lighting. Black Rock Mine is running a three-year health screening and education programme at 29 local schools.

ARM Ferrous ESG indicators

	Unit	F2023	F2022	F2021	F2020	F2019
Employee indicators						
Average number[1]		11 166	12 034	12 097	10 430	11 426
– Permanent employees		5 432	5 498	5 501	5 222	5 293
– Contractors		5 734	6 536	6 595	5 207	6 133
LTIFR per 200 000 man-hours		0.16	0.16	0.19	0.23	0.19
Environmental indicators (100 basis)						
Scope 1 and 2 carbon emissions	tCO_2e	1 177 878	1 260 064	1 194 037	1 145 463	1 266 199
Total operational water withdrawn[2]	million m^3	10.9	11.0	12.3	11.6	11.4
Other managed water/diversions	million m^3	0.5	0.6	0.4	0.6	0.6
Energy usage						
– Electricity	MWh	774 220	824 098	805 557	767 952	825 906
– Diesel	000 litres	62 629	61 232	59 267	57 155	61 118
Community investment indicators						
Total corporate social responsibility (CSR)	R million	93	91	106	109	120
– Corporate social investment (CSI)	R million	26	30	42	33	9
– Local economic development (LED)	R million	67	61	64	75	111

[1] *Permanent employees and contractors reported as average for the year, consistent with calculating safety statistics.*
[2] *Includes rainfall and runoff water harvested, surface water withdrawn from rivers, municipal water and groundwater. From F2023, we disclose operational water withdrawal and other managed water separately, in line with the ICMM's updated Water Reporting Good Practice Guide. Prior year water figures have been restated to disclose diversions (as defined in the previous guidance) separately.*

Summary operational and financial indicators – 100% basis

Iron ore division

Operations
Khumani and Beeshoek mines – 100% basis unless otherwise stated

Ownership
ARM and Assore each own 50% of Assmang

Management
Assmang is jointly managed by ARM and Assore. ARM provides administration and technical services while Assore performs the sales and marketing function

	Unit	F2023	F2022	F2021	F2020	F2019
OPERATIONAL						
Production volumes	000t	13 886	16 201	15 929	16 092	17 786
Khumani Mine	000t	11 351	13 074	12 675	13 100	14 145
Beeshoek Mine	000t	2 535	3 127	3 254	2 993	3 641
Sales volumes	000t	14 210	16 064	16 417	15 568	17 543
Export iron ore	000t	11 966	13 176	13 269	13 129	14 430
Local iron ore	000t	2 244	2 888	3 148	2 439	3 114
Unit cost of changes						
On-mine production unit costs	%	15	12	13	10	8
Unit cost of sales	%	9	8	16	10	15
FINANCIAL						
Sales revenue	R million	25 069	27 856	37 621	20 638	20 827
Total costs	R million	14 734	15 769	16 927	11 065	12 000
Operating profit	R million	10 654	12 192	20 694	9 573	8 827
EBITDA	R million	12 435	13 758	22 255	10 992	10 284
Headline earnings	R million	8 316	9 307	15 046	7 376	6 795
Capital expenditure	R million	3 414	2 890	2 397	2 223	2 097

AFS Refer to note 2 to the annual financial statements for iron ore segmental information.

Operational reviews continued

ARM Ferrous continued

Summary operational and financial indicators – 100% basis

Manganese division

Operations
Nchwaning and Gloria mines (collectively Black Rock Mine), Cato Ridge Works, Cato Ridge Alloys and Sakura Ferroalloys

Ownership
ARM and Assore each own 50% of Assmang

Management
Assmang is jointly managed by ARM and Assore. ARM provides administration and technical services while Assore performs the sales and marketing function

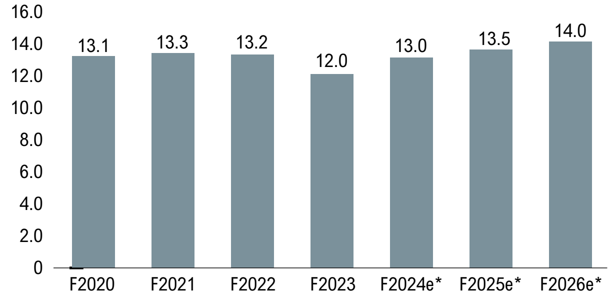
	Unit	F2023	F2022	F2021	F2020	F2019
OPERATIONAL						
Production volumes						
Manganese ore	000t	4 272	4 147	4 041	3 619	3 409
Ferromanganese	000t	425	385	362	409	455
Sales volumes						
Manganese ore*	000t	4 325	3 957	3 966	3 227	3 434
Ferromanganese	000t	334	291	353	323	398
Unit cost changes – manganese ore						
On-mine production unit costs	%	5	(1)	18	(2)	15
Unit cost of sales	%	(4)	15	8	–	17
FINANCIAL						
Manganese ore						
Sales revenue	R million	12 973	12 009	10 236	9 005	12 493
Total costs	R million	10 809	9 841	9 034	6 410	7 796
Operating profit	R million	2 724	2 726	1 202	2 595	4 697
EBITDA	R million	3 697	3 626	1 918	3 183	5 307
Headline earnings	R million	2 130	2 101	823	1 846	3 449
Capital expenditure	R million	1 618	2 133	2 060	2 228	2 256
Ferromanganese						
Sales revenue	R million	2 316	2 718	1 956	1 791	2 293
Total costs	R million	2 130	2 074	1 794	1 651	2 038
Operating profit	R million	399	784	162	140	255
EBITDA	R million	409	795	220	189	356
Headline earnings	R million	614	2 035	74	(174)	(228)
Capital expenditure	R million	65	87	188	86	54

* *External sales only and includes sales to Sakura Ferroalloys.*

AFS Refer to note 2 to the annual financial statements for manganese segmental information.

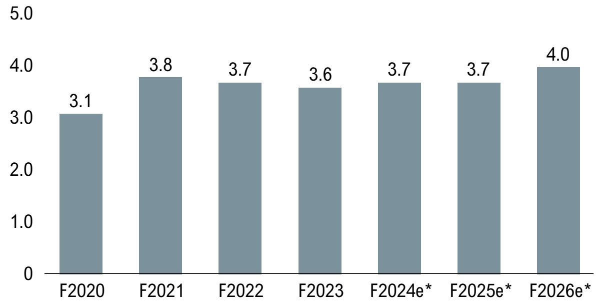
Outlook sales volumes – 100% basis

Export iron ore (million tonnes)



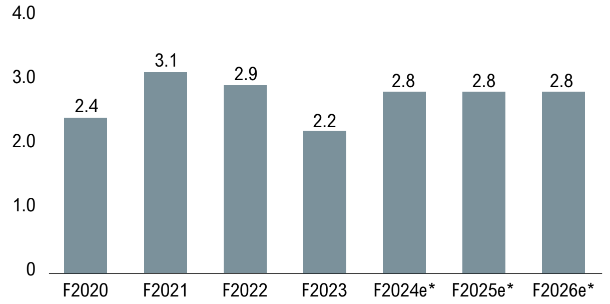
* *F2024, F2025, F2026 are estimated volumes.*

Export manganese ore (million tonnes)



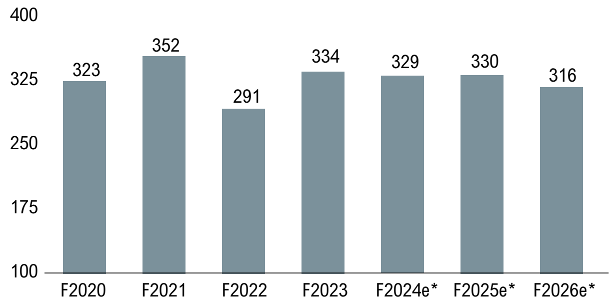
* *F2024, F2025, F2026 are estimated volumes.*

Local iron ore (million tonnes)



* *F2024, F2025, F2026 are estimated volumes.*

Manganese alloys (000 tonnes)

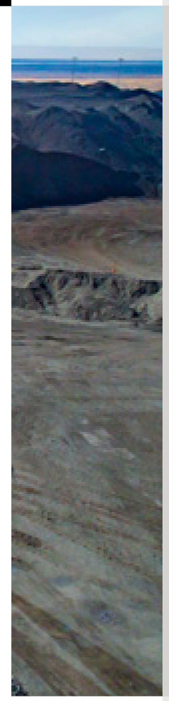


* *F2024, F2025, F2026 are estimated volumes.*

ARM Coal

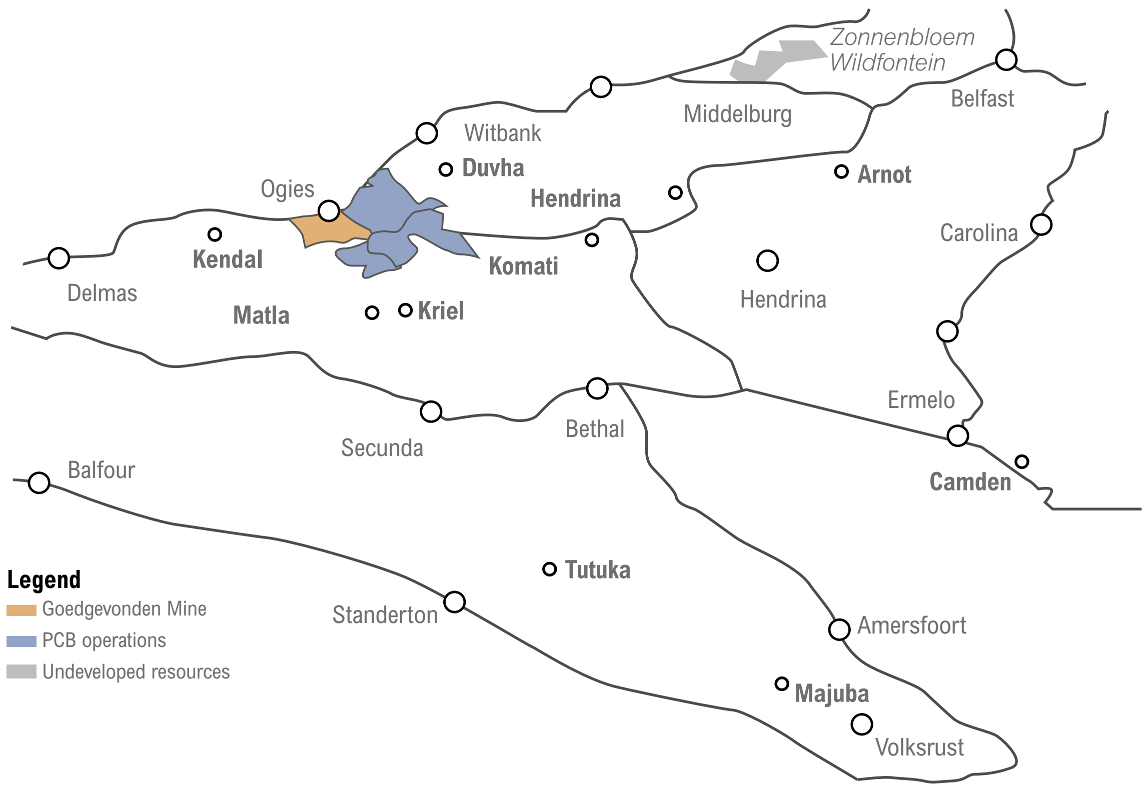
KEY FEATURES FOR F2023

- **Decline** in export thermal coal prices
- **Decreased operating profit** at both GGV and PCB
- **GGV saleable production** was **up 5%** and **PCB** was **down 2%**
- **PCB export sales** volumes are **7% lower**, with production being negatively impacted by operational challenges at TFR
- **GGV total sales** volumes **increased by 3%** as the GGV Mine reduced the impact of TFR underperformance by trucking coal to other ports

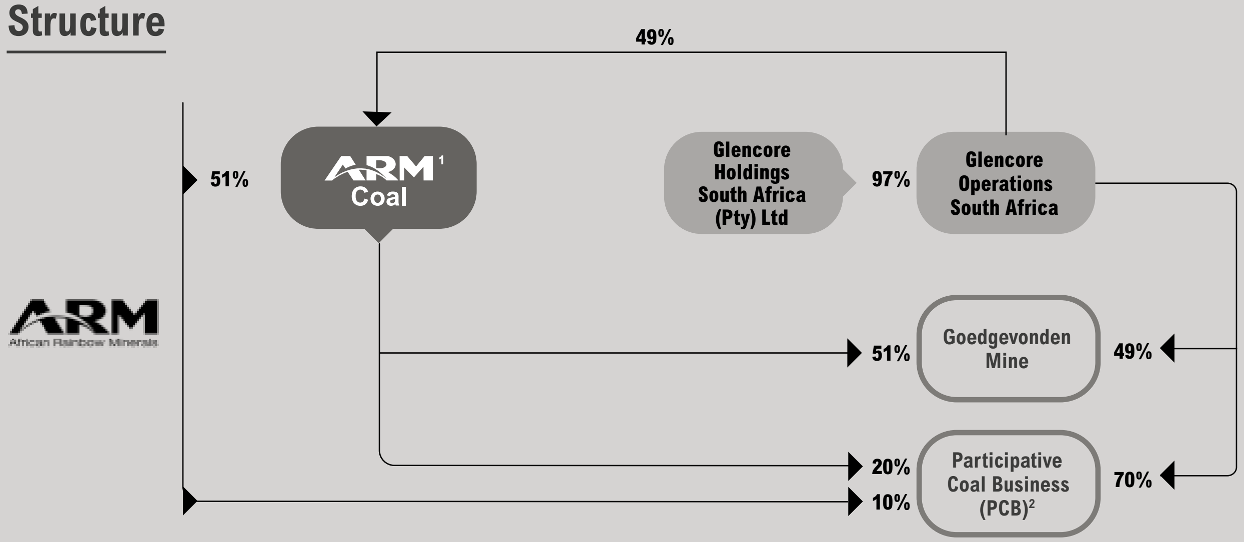


Material matters

- Challenges at Transnet Freight Rail, affecting production and sales volumes
- Above-inflation unit cost increases at PCB.



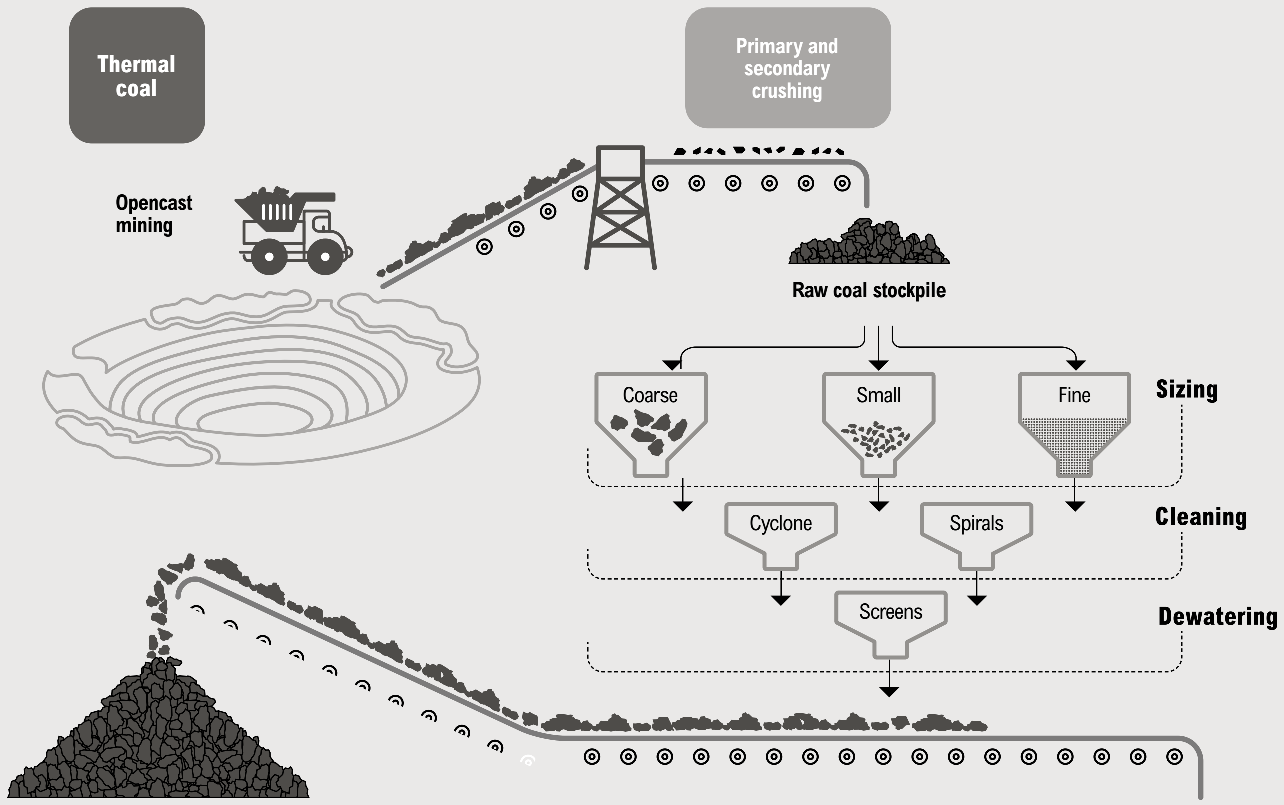
Structure



[1] ARM Coal holds:
– Access to Glencore Operations South Africa's interest and entitlement in the Richards Bay Coal Terminal (RBCT).
– An export entitlement of 3.2Mtpa in the phase V expansion at RBCT.

[2] Participative coal business (PCB) refers to the Impunzi and Tweefontein operations.

Production process



Scorecard

Goedgevonden Mine

F2023 objectives	Achieved/Not achieved	F2024 objectives
Continued focus on containing unit cost escalations below inflation.	Not achieved	Continued focus on containing unit cost escalations below inflation.

Participative Coal Business (PCB)

F2023 objectives	Achieved/Not achieved	F2024 objectives
Continued focus on containing unit cost escalations below inflation.	Not achieved	Continued focus on containing unit cost escalations below inflation.

Thermal coal prices

The energy crises starting to fade in the middle of 2022, resulting in easing import demand from Europe and Northeast Asia. This led to a steady decline in thermal coal prices from the beginning of F2023.

Softer European demand was partially mitigated by an increase in demand from China and India, driven by increases in coal-fired power generation, particularly in the second half of F2023. However, thermal coal prices continued to remain under pressure due to high inventory levels, softer demand, and low gas/LNG prices. Strong Chinese imports in the second half of F2023, is likely what kept prices buoyed.

On the supply side, coal shipments started to rise in the first half of F2023, particularly low calorific value coal from Indonesia to China and India. There were also steady improvements in Australian and Canadian exports, resulting in the global seaborne coal market becoming less tight.

The API4 benchmark peaked at around US$367/t in early September 2022 however, prices continued to downtrend, with a material correction in January 2023. F2023 concluded with the API4 price trading at a two year low of US$100.50/t.

Approximately 60% and 73% of export volumes at GGV Mine and PCB Mine respectively, comprised of high-quality coal.

Financial performance

ARM Coal reported headline earnings of R1 535 million (F2022: R928 million) driven mainly by a reduction in re-measurement losses of R1 252 million, which resulted from accelerated repayment of the loans owing to shareholders.

GGV Mine's headline earnings were R540 million (F2022: R5 million loss). PCB headline earnings were R995 million (F2022: R933 million).

Operational performance

Goedgevonden Mine

Total sales volumes increased by 3% as the Goedgevonden Mine reduced the impact of TFR underperformance by trucking coal to other ports. ARM's attributable saleable production increased by 5% to 1.72 million tonnes from 1.65 million tonnes in F2022.

On-mine unit production costs per saleable tonne increased to R580 per tonne (F2022: R508 per tonne). Cost increases were driven primarily by above-inflation increases of diesel (up by 57%) and explosives prices (55% higher), offset by increased saleable production.

PCB

Export sales volumes at PCB were 7% lower at 9.1 million tonnes (F2022: 9.8 million tonnes). Domestic sales volumes declined by 6% to 0.98 million tonnes (F2022: 1.04 million tonnes) due to the expiry of some domestic contracts.

Production at the PCB operations was negatively impacted by operational challenges at TFR, resulting in high product stockpiles. ARM attributable saleable production was 2.02 million tonnes in F2023 compared to 2.06 million tonnes in F2022.

Unit production costs per saleable tonne increased to R815 per tonne (F2022: R633 per tonne). The 29% increase in unit costs is due to the lower saleable production, together with above-inflation diesel (up 57%) and explosives (55% higher) price increases.

OVERVIEW
ABOUT ARM
PERFORMANCE REVIEW

Summary operational and financial indicators – 100% basis

Goedgevonden Mine

Ownership
ARM holds an effective 26% in Goedgevonden Mine. Glencore Operations South Africa owns the balance

Management
Governed by a management committee controlled by ARM Coal. This committee has four ARM representatives and three Glencore representatives. Operational management is contracted to Glencore

	Unit	F2023	F2022	F2021	F2020	F2019
OPERATIONAL – 100% BASIS						
Production and sales						
Saleable production	Mt	6.63	6.33	5.79	6.77	6.99
Total thermal coal sales	Mt	6.58	6.4	5.79	6.53	6.84
Export thermal coal sales	Mt	3.93	3.93	3.89	4.29	3.27
Domestic thermal coal sales	Mt	2.65	2.47	1.9	2.25	3.57
Average received prices						
Export (FOB)[1]	US$/t	131.49	167.72	56.73	47.87	71.10
Domestic (FOT)[2]	R/t	416.44	371.38	354	305	275
Unit costs						
On-mine saleable cost per tonne	R/t	580	508	506	431	380
FINANCIAL – ATTRIBUTABLE						
Sales revenue	R million	2 674	2 847	1 058	1 056	1 162
Total costs	R million	1 456	1 323	896	1 000	870
Operating profit/(loss)	R million	1 218	1 524	162	56	292
EBITDA	R million	1 234	349	348	264	326
Capital expenditure	R million	383	109	263	197	244
Cash operating profit	R million	1 218	1 524	148	56	292
Less:						
– Imputed interest expense[3]	R million	(73)	(120)	(170)	(160)	(144)
– Interest received	R million		–	–	–	–
– Depreciation/amortisation	R million	(187)	(190)	(182)	(197)	(163)
– Re-measurement adjustments	R million	(13)	(786)	206	207	190
– Reversal of impairment/ impairment loss	R million	2	(4)	–	(559)	–
Profit/(loss) before tax	R million	947	433	2	(653)	174
Tax	R million	(407)	(435)	8	56	(38)
Headline earnings/(loss) attributable to ARM	R million	540	(2)	10	(38)	136

[1] FOB free-on-board.
[2] FOT free-on-truck.
[3] Post-restructuring the ARM Coal loans, all interest expense on these loans is imputed.

PCB operations

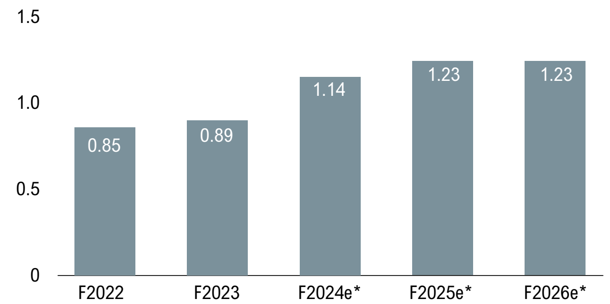
Ownership
ARM holds an effective 20.2% in PCB, Glencore owns the remaining 79.8%

Management
Governed by a supervisory committee with five Glencore representatives and three ARM representatives. Operational management contracted to Glencore

	Unit	F2023	F2022	F2021	F2020	F2019
OPERATIONAL – 100% BASIS						
Production and sales						
Saleable production	Mt	10.01	10.18	11.58	13.34	15.49
Impunzi	Mt	4.76	4.72	4.85	6.1	6.7
Tweefontein	Mt	5.25	5.46	6.73	7.24	8.79
Total thermal coal sales	Mt	10.09	10.83	10.90	13.46	15.56
Export thermal coal sales	Mt	9.12	9.79	8.00	7.73	10.95
Domestic thermal coal sales	Mt	0.98	1.04	2.90	5.74	4.61
Average received prices						
Export (FOB)[1]	US$/t	133.34	160.54	56.97	50.54	64.88
Domestic (FOT)[2]	R/t	810	558	678	666	582
Unit costs						
On-mine saleable cost per tonne	R/t	815	633	520	484	391
FINANCIAL – ATTRIBUTABLE						
Sales revenue	R million	4 524	4 946	1 815	2 008	2 605
Total costs	R million	2 483	2 146	1 516	1 702	1 707
Operating profit/(loss)	R million	2 041	2 801	299	306	898
EBITDA	R million	1 462		378	304	898
Capital expenditure	R million	356	228	248	425	562
Cash operating profit	R million	2 041	2 801	299	304	898
Plus: Interest received	R million	–	–	–	–	–
Less:						
– Interest paid	R million	–	(87)	(104)	(118)	(138)
– Depreciation/amortisation	R million	(657)	(702)	(569)	(479)	(424)
– Re-measurement adjustments	R million	–	(490)	36	278	55
Reversal of impairment/ (impairment loss)	R million	–	748	–	(1 121)	3
Profit/(loss) before tax	R million	1 384	2 270	(338)	(1 138)	394
Tax	R million	(389)	(588)	78	51	(118)
Headline earnings/(loss) attributable to ARM	R million	995	933	(260)	36	274

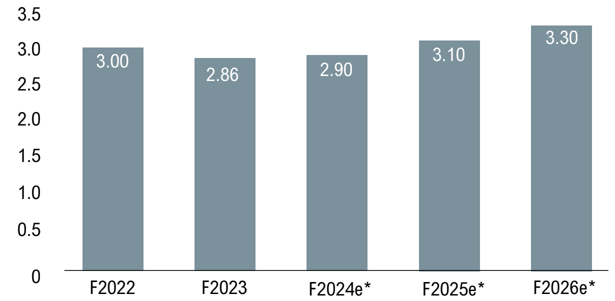
Outlook sales volumes

Local sales (million tonnes)



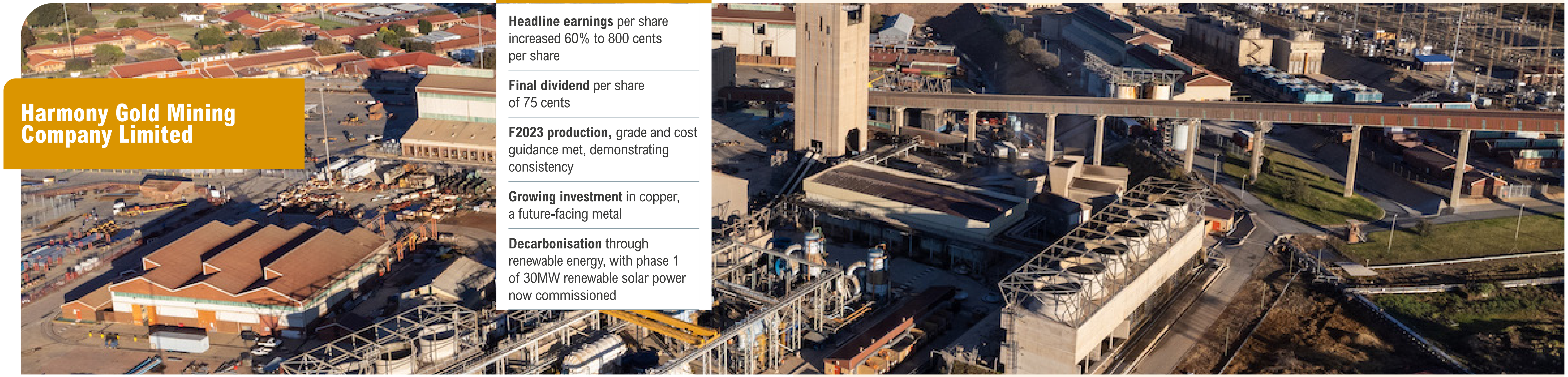
* F2024, F2025, F2026 are estimated volumes.

Export sales (million tonnes)



* F2024, F2025, F2026 are estimated volumes.

Harmony Gold Mining Company Limited



KEY FEATURES FOR F2023

- **Headline earnings** per share increased 60% to 800 cents per share
- **Final dividend** per share of 75 cents
- **F2023 production,** grade and cost guidance met, demonstrating consistency
- **Growing investment** in copper, a future-facing metal
- **Decarbonisation** through renewable energy, with phase 1 of 30MW renewable solar power now commissioned

	Unit	F2023	F2022
Gold produced	Kg	45 651	46 236
	000oz	1 467 715	1 486 517
Cash operating costs	R/kg	735 634	701 024
	US$/oz	1 288	1 434
Financial performance			
Revenue	R million	49 275	42 645
Costs of sales	R million	(39 535)	(41 927)
Impairment of assets	R million	–	(4 433)
Gross profit	R million	9 740	718
Net profit/(loss) for the year	R million	4 883	(1 012)
Total headline earnings	Cents per share	800	499
Total capital expenditure	R million	7 640	6 214
Market performance			
Average gold price received	R/kg	1 032 646	894 218
	US$/oz	1 808	1 829
Market capitalisation	R million	48 982	32 041

Financial and operational performance

ARM's investment in Harmony was positively revalued by R2 037 million in F2023 (F2022: R59 million loss) as the Harmony share price increased by 52% from R51.97 per share at 30 June 2022 to R79.25 per share at 30 June 2023. The Harmony investment is therefore reflected on the ARM statement of financial position at R5 918 million (F2022: R3 881 million) based on its share price.

Gains and losses are accounted for, net of deferred capital gains tax, through the statement of comprehensive income. Dividends from Harmony are recognised in the ARM statement of profit or loss on the last day of registration following dividend declaration.

Subsequent to year end, Harmony declared a final dividend of 75 cents per share.

Harmony's financial performance in F2023 reflects a net profit of R4 883 million compared to a net loss of R1 012 million in F2022. Headline earnings per share increased 60% to 800 cents for F2023 from 499 cents for F2022.

Group revenue for the period increased by 16% to R49 275 million from R42 645 million in F2022 mainly due to higher underground recovered grades which increased by 8% to 5.78g/t in F2023 from 5.37g/t in F2022. This was further supported by the higher average gold price received which increased by 15% to R1 032 646/kg (US$1 808/oz) in F2023 from R894 218/kg (US$1 829/oz) in the previous reporting period.

Harmony's production in F2023 was steady, decreasing by 1% to 45 651kg (1 467 715oz) from 46 236kg (1 486 517oz) in F2022. However, adjusting for the closure of the Bambanani operation at the end of F2022, group production increased by 2% or 848kg (27 270oz) year on year. Production was mainly driven by an excellent operating performance from the South African underground operations and an 18% or 663kg (21 316oz) increase in the Hidden Valley operation production.

Maintaining a robust and flexible balance sheet with strong liquidity is prudent as Harmony expands internationally. With the acquisition of Eva Copper on 16 December 2022, net debt/EBITDA increased from 0.1 to 0.6 times. Due to the strong cash flows generated throughout the financial year, Harmony has repaid debt of R2 045 million (US$115 million) since December 2022, resulting in net debt/EBITDA of 0.2 times at the end of the financial year.

Harmony's results for the year ended 30 June 2023 can be found on its website: **www.harmony.co.za.**

Summarised Mineral Resources and Mineral Reserves report

at 30 June 2023

Extracting optimal value from the Mineral Resources and Mineral Reserves in our portfolio is fully aligned to ARM's purpose of delivering competitive returns and creating sustainable value for all our shareholders through its strategic pillars:

STRATEGIC PILLAR	HOW WE ADD VALUE
Operate our portfolio of assets safely, responsibly and efficiently	Manage life-of-mine Mineral Resources and Mineral Reserves for each operation efficiently, revising mine plans as required.
Allocate capital to value-creating investments	Undertake exploration activities on-mine and apply stringent criteria in allocating capital for the work, to ensure value creation in the areas that we explore.
Focus on value-enhancing and integrated growth	Maintaining the appropriate balance between Mineral Reserves depletion and growth to ensure a sustainable company.

Introduction

ARM's method of reporting Mineral Resources and Mineral Reserves complies with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (the SAMREC Code) 2016 edition, the South African Code for Reporting of Mineral Asset Valuation (the SAMVAL Code), 2016 edition and section 12.13 of the JSE Listings Requirements.

Historical ARM Mineral Resources and Mineral Reserves reports can be found at **www.arm.co.za** under investor relations, financial results, integrated report.

The SAMREC Code, 2016 edition sets out minimum standards, recommendations and guidelines for Public Reporting of Exploration Results, Mineral Resources and Mineral Reserves in South Africa. It was launched and adopted by the JSE Limited (JSE) in May 2016. The 2023 ARM Mineral Resources and Mineral Reserves report is based on the SAMREC Code, 2016 edition. The reporting of Mineral Resources and Mineral Reserves is done annually according to the following flow chart:

1 QAQC: quality assurance quality control.
2 LoM: life-of-mine.

A set of guidelines has been formulated to assist Competent Persons in the estimation, classification and reporting of Mineral Resources and Mineral Reserves and are contained in the document entitled: "ARM Guidelines for Estimation, Classification, Reporting and Auditing of Mineral Resources and Mineral Reserves".

The document has been distributed to all the ARM Competent Persons and a copy is available at the ARM corporate offices.

As part of ARM's management process of Mineral Resources and Mineral Reserves, quarterly divisional forums are conducted with the following objectives:

- Skills and technical knowledge transfer in the Mineral Resources and Mineral Reserves fields
- Ensuring that best practices through SAMREC compliant standard procedures are shared and applied
- Facilitate internal peer reviews and audits
- Advance professional development and registration of technical personnel.

The convention adopted in this report is that the Measured and Indicated Mineral Resources estimates are reported **inclusive** of that portion converted to Mineral Reserves. Inferred Mineral Resources have not been included in feasibility studies or life-of-mine plans. Mineral Resources and Mineral Reserves estimates are quoted as at 30 June 2023 unless stated otherwise.

Underground Mineral Resources are in situ tonnages that have reasonable prospects for eventual economic extraction (RPEEE) at the postulated mining width, after deductions for geological losses. Underground Mineral Reserves reflect tonnages that will be mined and processed. Open-pit Mineral Resources are quoted as in situ tonnages that have RPEEE and Mineral Reserves are tonnages falling within an economic pit-shell. Surface Mineral Resources and Mineral Reserves consist of stockpiles already mined. All Mineral Reserves are quoted at the grade fed to the plant.

The classification into Measured, Indicated and Inferred Mineral Resources is done by consideration of geostatistical parameters, spacing of boreholes, geological structures and continuity of the mineralisation. External consulting firms audit the Mineral Resources and Mineral Reserves of the ARM operations when substantial geological borehole data has been added to the previously established database or every three years, whichever comes first. No external audits were performed during this reporting cycle.

The Mineral Resources and Mineral Reserves are reported on a 100% basis and the attributable interest is noted in the footnotes of the tabulations. Rounding of figures may result in minor computational discrepancies on the Mineral Resources and Mineral Reserves tabulations.

Summarised Mineral Resources and Mineral Reserves report continued

at 30 June 2023

Competence

The lead Competent Person with overall responsibility for the compilation of the 2023 Mineral Resources and Mineral Reserves report is Ruwayne Jooste, an ARM employee. He confirms that the information in this report complies with the SAMREC Code, 2016 edition and that it may be published in the form and context in which it was intended.

Ruwayne Jooste graduated with a BSc Hons (Geology) and an MEng in mining engineering from the Randse Afrikaanse Universiteit and the University of the Witwatersrand, respectively. He later completed a citation in applied geostatistics from the University of Alberta. He has held key roles in mining companies, including Impala Platinum and Anglo American, as well as consulting companies such as the MSA Group, in various capacities as a geologist, mineral resource analyst, principal geostatistics and senior mineral resource consultant. In 2017, he joined ARM as mineral resources manager and was involved in the evaluation of various mineral deposits, due diligence reviews and annual mineral resource and reserve reporting for the group. In 2023 he was appointed group mineral resources manager for ARM. He is registered with the South African Council for Natural Scientific Professions (SACNASP) as a professional natural scientist (PrSciNat) in the field of practice of geological science, registration number 400163/05. SACNASP is based in the Management Enterprise Building, Mark Shuttleworth Street, Innovation Hub, Pretoria, 0087, South Africa. He has a total of 22 years' experience in various aspects of mining and exploration geology, database management and Mineral Resource estimation and as such is considered to be a Competent Person. All Competent Persons at the ARM corporate office and the operations have sufficient relevant experience in the type of deposit and in the activity for which they have taken responsibility. The Competent Persons consent to the inclusion of the Exploration Results, Mineral Resources and Mineral Reserves information in this report, in the form and context in which it appears. Details of ARM's Competent Persons are available from the company secretary on written request.

The following Competent Persons were involved in the estimation and/or compilation of Mineral Resources and Mineral Reserves. They are employed by ARM or its subsidiaries and/or joint-venture (JV) partners:

ARM corporate office	R Jooste, M Mabuza, V Moyo
PGM (Two Rivers Mine)	C Henderson, JZ Khumalo, JA Coetzee, TJ Horak
PGM (Modikwa Mine)	M Setuke (Anglo American plc), AM Lesufi
PGM (Bokoni Mine)	K Masikhwa, R Jooste
Nickel (Nkomati Mine)	R Jooste
Manganese (Black Rock Mine)	B Ruzive, M Papale, S Jenniker
Iron ore (Beeshoek Mine)	AMJ Burger, R Jooste, L Kruger
Iron ore (Khumani Mine)	IJM van Niekerk, B Muzima, B Nel
Coal (Goedgevonden)	M Smith (Glencore head office)

Ruwayne Jooste
PrSciNat
Group Mineral Resources manager

African Rainbow Minerals
24 Impala Road, Chislehurston, Sandton, South Africa

10 October 2023

Salient features for F2023

ARM Platinum

TWO RIVERS MINE

Mineral Reserves for the UG2 Reef decreased by 2% from 70.72 million tonnes at a grade of 3.30g/t (6E) to 69.16 million tonnes at 3.30g/t (6E) mainly due to mining production. The UG2 Mineral Reserves 6E ounces decreased by 2% from 7.51 to 7.34 million ounces.

The Indicated Mineral Resources for the Merensky Reef increased by 20% from 75.73 million tonnes at a grade of 3.42 g/t (6E) to 91.12 million tonnes at a grade of 3.35 g/t (6E). This increase can be attributed primarily to the adjustment of geo-losses from 30% to 14%.

MODIKWA MINE

The UG2 Reef Mineral Reserves at Modikwa decreased by 4% to 38.54 million tonnes at 4.23g/t (4E) when compared with the F2022 statement of 40.33 million tonnes at 4.25g/t (4E). This was mainly due to production, design changes and modifying factor changes. The UG2 Mineral Reserves 4E ounces decreased by 5% from 5.51 to 5.25 million ounces.

BOKONI MINE

ARM's acquisition of Bokoni Platinum Mine which became effective on 1 September 2022 resulted in the following Mineral Resources. Measured and Indicated UG2 Mineral Resources of 285.60 million tonnes at 7.13 g/t (4E) and Measured and Indicated Merensky Mineral Resources of 106.50 million tonnes at 5.20 g/t (4E).

NKOMATI MINE

There were no changes to the Measured and Indicated Mineral Resources for Nkomati Mine at 167.51 million tonnes at 0.35% Ni as the operation remained on care and maintenance.

ARM Ferrous

BLACK ROCK MINE

Nchwaning Seam 1 Mineral Reserves marginally decreased by 5% from 54.44 million tonnes at 44.12% Mn to 51.71 million tonnes at 43.30% Mn due to mining production and model refinement.

BEESHOEK MINE

Measured and Indicated Mineral Resources increased by 2% from 93.45 million tonnes at 64.19% Fe to 95.32 million tonnes at 64.15% Fe. The increase is mainly due to the increase in Mineral Resources for West and East pits after the completion of geological and grade model updates. Mineral Reserves decreased by 9% from 58.13 at 63.32% Fe to 52.94 at 63.62% Fe, predominately due to mining production.

KHUMANI MINE

The Measured and Indicated Mineral Resources decreased by 4% from 570.46 million tonnes at 62.94% Fe to 548.43 million tonnes at 62.91% Fe mainly due to mining depletion.

Mineral Reserves decreased by 7% from 395.09 million tonnes at 62.28% Fe to 366.05 million tonnes at 62.27% Fe, mainly due to mining production as well as changes in pit design due to financial optimisation, resulting in a change in the LoM to 19 years.

ARM Coal

GOEDGEVONDEN COAL MINE

Coal Reserves (ROM) decreased by 4% from 260 million tonnes to 250 million tonnes mainly due to mining production.

F2023 Mineral Resources and Mineral Reserves summary

as at 30 June 2023

MRMR The tables below are summaries of ARM Mineral Resources and Mineral Reserves. The detailed information on Mineral Resources and Mineral Reserves is provided per operation from page 16 of the report.

ARM Platinum operations

Platinum group elements

Mineral Resources and Mineral Reserves are reported on a 100% basis*	MINERAL RESOURCES: Measured		Indicated		Measured and Indicated		Inferred		MINERAL RESERVES: Proved		Probable		Total Reserves		
	Mt	Grade g/t	Mt	Grade g/t	Mt	Grade g/t	Mt	Grade g/t	Mt	Grade g/t	Mt	Grade g/t	Mt	Grade g/t	Moz
Two Rivers Mine															
2023 UG2 (grade reported as 6E)	**15.26**	**5.56**	**75.48**	**5.77**	**90.74**	**5.73**	**80.96**	**5.38**	**11.18**	**3.13**	**57.98**	**3.33**	**69.16**	**3.30**	**7.34**
2022 UG2 (grade reported as 6E)	17.81	5.52	77.21	5.74	95.02	5.70	80.69	5.38	12.21	3.18	58.51	3.33	70.72	3.30	7.51
2023 Merensky (grade reported as 6E)			**91.12**	**3.35**	**91.12**	**3.35**	**77.04**	**4.40**	**0.49**	**2.12**	**55.90**	**2.75**	**56.39**	**2.75**	**4.98**
2022 Merensky (grade reported as 6E)			75.73	3.42	75.73	3.42	61.39	4.32			50.41	2.89	50.41	2.89	4.68
Modikwa Mine															
2023 UG2 (grade reported as 4E)	**79.08**	**5.91**	**102.06**	**5.90**	**181.15**	**5.91**	**78.10**	**6.21**	**10.56**	**4.47**	**27.98**	**4.15**	**38.54**	**4.23**	**5.25**
2022 UG2 (grade reported as 4E)	81.28	5.90	102.23	5.90	183.51	5.90	78.10	6.21	11.05	4.48	29.28	4.16	40.33	4.25	5.51
2023 Merensky (grade reported as 4E)	**17.90**	**3.16**	**51.46**	**2.86**	**69.37**	**2.94**	**128.45**	**2.82**							
2022 Merensky (grade reported as 4E)	20.61	3.16	53.85	2.90	74.45	2.97	139.33	2.84							
Bokoni Mine															
2023 UG2 (grade reported as 4E)	**112.60**	**7.25**	**173.00**	**7.06**	**285.60**	**7.13**	**54.30**	**7.19**							
2022 UG2 (grade reported as 4E)	112.60	7.25	173.00	7.06	285.60	7.13	54.30	7.19							
2023 Merensky (grade reported as 4E)	**27.70**	**5.19**	**78.80**	**5.20**	**106.50**	**5.20**	**68.10**	**5.10**							
2022 Merensky (grade reported as 4E)	27.70	5.19	78.80	5.20	106.50	5.20	68.10	5.10							

6E *= platinum + palladium + rhodium + iridium + ruthenium + gold.*
4E *= platinum + palladium + rhodium + gold.*
The Mineral Resources are ***inclusive*** *of those modified to produce Mineral Reserves.*
**** Two Rivers Platinum Mine attributable interests (ARM 54%; Impala Platinum 46%).***
**** Modikwa Platinum Mine attributable interests (ARM 41.5%; Modikwa communities 8.5%; Anglo American Platinum 50%).***
**** Bokoni Platinum Mine attributable interests (ARM 100%).***

ARM Platinum operations continued

Nickel

Mineral Resources are reported on a 100% basis*	MINERAL RESOURCES: Measured		Indicated		Measured and Indicated		Inferred	
	Mt	Ni%	Mt	Ni%	Mt	Ni%	Mt	Ni%
Nkomati Mine								
2023 MMZ+PCMZ	**72.89**	**0.32**	**94.62**	**0.37**	**167.51**	**0.35**	**46.35**	**0.40**
2022 MMZ+PCMZ	72.89	0.32	94.62	0.37	167.51	0.35	46.35	0.40
2023 MMZ stockpiles	**0.10**	**0.30**			**0.10**	**0.30**		
2022 MMZ stockpiles	0.10	0.30			0.10	0.30		
2023 PCMZ stockpiles	**0.24**	**0.18**			**0.24**	**0.18**		
2022 PCMZ stockpiles	0.24	0.18			0.24	0.18		

MMZ *– Main Mineralised Zone;* ***PCMZ*** *– Chromititic Peridotite Mineralised Zone.*
**** Nkomati Mine attributable interests (ARM 50%; Norilsk Nickel Africa Proprietary Limited 50%).***

Chrome

Mineral Resources are reported on a 100% basis*	MINERAL RESOURCES: Measured		Indicated		Measured and Indicated	
	Mt	Cr_2O_3%	Mt	Cr_2O_3%	Mt	Cr_2O_3%
Nkomati Mine						
2023 Oxidised massive chromitite Pit 3	**0.13**	**27.16**	**0.05**	**23.28**	**0.18**	**26.14**
2022 Oxidised massive chromitite Pit 3	0.13	27.16	0.05	23.28	0.18	26.14
2023 Un-oxidised massive chromitite Pit 3	**0.12**	**25.16**	**0.21**	**24.43**	**0.32**	**24.89**
2022 Un-oxidised massive chromitite Pit 3	0.12	25.16	0.21	24.43	0.32	24.89

**** Nkomati Mine attributable interests (ARM 50%; Norilsk Nickel Africa Proprietary Limited 50%).***

F2023 Mineral Resources and Mineral Reserves summary continued

as at 30 June 2023

ARM Ferrous operations

Manganese

Mineral Resources and Mineral Reserves are reported on a 100% basis*	MINERAL RESOURCES								MINERAL RESERVES					
	Measured		Indicated		Measured and Indicated		Inferred		Proved		Probable		Total Reserves	
	Mt	Mn%	Mt	Mn%	Mt	Mn%	Mt	Mn%	Mt	Mn%	Mt	Mn%	Mt	Mn%
Black Rock Mine (Nchwaning Mine)														
2023 Seam 1	**88.45**	**45.41**	**45.75**	**40.00**	**134.20**	**43.56**	**3.00**	**37.17**	**26.92**	**44.60**	**24.79**	**41.90**	**51.71**	**43.30**
2022 Seam 1	94.14	45.27	39.69	39.68	133.83	43.61			31.43	45.41	23.01	42.35	54.44	44.12
2023 Seam 2	**116.36**	**42.72**	**59.75**	**41.72**	**176.11**	**42.38**	**2.34**	**36.88**	**74.23**	**42.32**	**26.59**	**42.47**	**100.82**	**42.36**
2022 Seam 2	118.62	42.63	59.51	41.95	178.13	42.40			74.35	42.53	27.66	42.67	102.00	42.57
Black Rock Mine (Koppie area)														
2023 Seam 1	**15.80**	**40.00**	**23.00**	**39.30**	**38.80**	**39.60**	**25.20**	**41.10**						
2022 Seam 1	15.80	40.00	23.00	39.30	38.80	39.60	25.20	41.10						
2023 Seam 2	**7.30**	**39.10**	**8.00**	**35.80**	**15.30**	**37.40**	**18.70**	**38.20**						
2022 Seam 2	7.30	39.10	8.00	35.80	15.30	37.40	18.70	38.20						
Black Rock Mine (Gloria Mine)														
2023 Seam 1	**91.48**	**37.76**	**107.81**	**36.57**	**199.29**	**37.12**			**47.05**	**37.51**	**78.65**	**36.61**	**125.70**	**36.94**
2022 Seam 1	80.56	37.25	122.30	36.97	202.86	37.08			42.79	37.10	82.72	36.79	125.51	36.90
2023 Seam 2			**31.06**	**28.46**	**31.06**	**28.46**	**109.04**	**29.65**						
2022 Seam 2			31.06	28.46	31.06	28.46	109.04	29.65						

*The Mineral Resources are **inclusive** of those modified to produce Mineral Reserves.*
**** Black Rock Manganese Mine attributable interests (ARM 50%; Assore 50%).***

Iron ore

Mineral Resources and Mineral Reserves are reported on a 100% basis*	MINERAL RESOURCES								MINERAL RESERVES					
	Measured		Indicated		Measured and Indicated		Inferred		Proved		Probable		Total Reserves	
	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%
Beeshoek Mine														
2023 All pits	**84.44**	**64.21**	**10.88**	**63.68**	**95.32**	**64.15**	**2.73**	**60.41**	**49.69**	**64.09**	**3.25**	**60.02**	**52.94**	**63.62**
2022 All pits	84.45	64.30	9.00	63.14	93.45	64.19	2.50	60.00	52.01	64.10	6.12	60.24	58.13	63.32
2023 Stockpiles											**0.63**	**57.75**	**0.63**	**57.75**
2022 Stockpiles											0.64	57.09	0.64	57.09
2023 Low-grade stockpiles	**2.41**	**56.46**	**19.50**	**52.25**	**21.91**	**52.72**								
2022 Low-grade stockpiles	2.41	56.46	14.64	52.72	17.05	53.25								
Khumani Mine														
2023 Bruce and King/ Mokaning	**489.90**	**62.98**	**58.52**	**62.33**	**548.43**	**62.91**	**7.20**	**60.52**	**344.22**	**62.28**	**21.83**	**62.15**	**366.05**	**62.27**
2022 Bruce and King/ Mokaning	511.85	63.00	58.61	62.32	570.46	62.94	7.20	62.73	371.72	62.29	23.37	62.18	395.09	62.28
2023 Stockpiles											**7.50**	**60.30**	**7.50**	**60.30**
2022 Stockpiles											6.36	59.48	6.36	59.48
2023 Low-grade stockpiles			**25.77**	**53.97**	**25.77**	**53.97**								
2022 Low-grade stockpiles			23.26	54.22	23.26	54.22								

*The Mineral Resources are **inclusive** of those modified to produce Mineral Reserves.*
**** Iron ore operations attributable interests (ARM 50%; Assore 50%).***

ARM Coal operations

Coal

Coal Resources and Coal Reserves are reported on a 100% basis*	COAL RESOURCES								COAL RESERVES (ROM)						COAL RESERVES (SALEABLE)					
	Measured		Indicated		Measured and Indicated		Inferred		Proved		Probable		Total Reserves		Proved		Probable		Total Reserves	
	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)
GOEDGEVONDEN COAL MINE																				
2023 (Coal Resources reported as MTIS)**	**455**	**19.76**	**10**	**18.28**	**465**	**19.73**			**250**	**19.57**			**250**	**19.57**	**162**	**^**			**162**	**^**
2022 (Coal Resources reported as MTIS**)	460	19.76	10	18.28	470	19.73			260	19.57			260	19.57	168	^^			168	^^

*The Coal Resources are **inclusive** of those modified to produce Coal Reserves.*
*** Mineable tonnes in situ (MTIS) coal resources are now reported as per SAMREC Code, 2016 edition requirements.*
^ 2023 [HG export (66 Mt; CV 6 000 Kcal/kg)] and [LG export (96 Mt; CV 21.50 MJ/kg)].
^^ 2022 [HG export (68 Mt; CV 6 000 Kcal/kg)] and [LG export (99 Mt; CV 21.50 MJ/kg)].
**** Goedgevonden Coal Mine attributable interests (ARM 26%; Glencore Operations 74%).***

Harmony Gold Mining Company Limited (Harmony)

ARM owns 12.08% of Harmony's issued share capital. Harmony is separately run by its own management team. The company's Mineral Resources and Mineral Reserves are the responsibility of the Harmony team and are published in its annual report.

Approach to reporting

This integrated annual report is our primary communication with stakeholders and is focused on enterprise value. Collectively, our suite of reports (see inside front cover) enable stakeholders to properly assess ARM's ability to create sustainable value.

Integrated reporting

Targets stakeholders assessing enterprise value (investors, lenders and creditors)

Balanced view of our progress against strategic priorities and prospects, considering risks, opportunities and trade-offs, as well as ESG matters material to creating enterprise value.

Focused on material issues – those with the greatest real or potential impact (positive and negative, internal and external) on achieving our business objectives.

Dynamic materiality

Sustainability issues are integrated into all reports and material from a financial and non-financial perspective

ESG reporting

Targets all stakeholders wanting to understand our sustainability performance

Disclosure on material sustainability topics reflecting our most significant impacts (positive or negative) on society, the environment and the economy (people, planet and prosperity)

Covers all entities in our consolidated financial statements but excludes comprehensive non-financial data on our joint operations

Financial reporting

Targets primarily investors and capital markets

Audited financial statements reflecting effects on enterprise value that have already taken place at the reporting date, or are included in future cash-flow projections

Ore Reserves and Mineral Resources reporting

Updated estimates and reconciliation of Ore Reserves and Mineral Resources statements for all assets in line with the SAMREC Code (2016) and signed by the Competent Persons

Companies Act 2008, JSE Listings Requirements, King IV

We consider the impact of our activities across the six capitals as per global frameworks shown on the following page.

Reporting scope and boundary

This report covers the period 1 July 2022 to 30 June 2023 (F2023), and follows a similar structure to the prior report (F2022). Our environmental and social objectives and performance are reported only for operations where we have direct or joint management and exclude ARM Coal, Sakura and Harmony.

Materiality

ARM's material matters are those with the greatest potential impact on stakeholders and the sustainability of our business. These are determined by considering the financial and non-financial risks, opportunities and other factors that affect our strategy, performance, prospects, governance and value creation. They are identified at operational level and consolidated up to executive and board level for a group view. Material matters are discussed throughout this report.

We prioritise our material matters by assessing a range of internal and external influences including:

- Board, board committees, joint venture committees and executive committee discussions
- Interviews with divisional chief executives and senior executives
- The needs, interests and expectations of key stakeholders and matters raised through our whistleblower facility
- ARM's comprehensive enterprise risk management (ERM) process
- Legislation
- Guidelines and frameworks
- Industry initiatives
- Peer reporting
- Media monitoring.

Combined assurance

ARM's combined assurance model defines appropriate levels according to the six lines of assurance. A combined assurance report (see 2023 ESG report) identifies potential gaps and duplication in assurance and provides input on strengthening the control environment. The inter-relationship between our ERM processes, internal audit, external audit and related initiatives by specialists/subject-matter experts reinforces our comprehensive management assurance processes and reporting.

Certain material ESG disclosures have been externally assured, with the assurance statement on page 190 of the 2023 ESG report.

For financial disclosure, the opinion of the independent external auditor appears on page 7 of the 2023 annual financial statements.

Board approval

The ARM board of directors acknowledges its responsibility to ensure the integrity of this report.

The audit and risk committee, which has oversight responsibility for this report, recommended it for approval to the board. The board confirms it has assessed the report and believes the report represents all material matters and presents fairly the company's integrated performance and ability to create value. The board has therefore approved the release of the 2023 integrated annual report.

Dr Patrice Motsepe
Executive chairman

Phillip Tobias
Chief executive officer

Key frameworks applied	IAR	ESG	AFS	MRMR
International Integrated Reporting <IR> Framework 2021 **www.integratedreporting.org**	✓			
Companies Act 71 2008, as amended (Companies Act)	✓	✓	✓	
JSE Listings Requirements **www.jse.co.za**	✓	✓	✓	✓
King IV Report on Corporate Governance for South Africa 2016 **http://www.iodsa.co.za/page/AboutKingIV**	✓	✓		
International Financial Reporting Standards (IFRS)			✓	
GRI Standards		✓		
CDP		✓		
Task Force on Climate-related Financial Disclosures (TCFD)		✓		
United Nations Sustainable Development Goals (SDGs)	✓	✓		
World Economic Forum Stakeholder Capitalism Common Reporting Metrics		✓		
SAMREC				✓
SAMVAL				✓

Glossary of terms and acronyms

1H/2H	First/second six months of the financial year
3E	Platinum, palladium and gold
4E	Platinum, palladium, rhodium and gold
6E	Platinum, palladium, rhodium, gold, ruthenium and iridium
Aids	Acquired immunodeficiency syndrome
Anglo Platinum	Anglo American Platinum Limited
ARM	African Rainbow Minerals Limited
ARM Trust/ARM BBEE Trust	ARM Broad-Based Economic Empowerment Trust
Assmang	Assmang Proprietary Limited
Assore	Assore South Africa Proprietary Limited
BEE	Black economic empowerment
BBBEE	Broad-based black economic empowerment
Covid-19	Coronavirus disease of 2019
CIF	Cost, insurance and freight
CPI	Consumer price index
CSI	Corporate social investment
CSR	Corporate social responsibility, which includes CSI and LED expenditure
CVT	Counselling and voluntary testing
Divisions	ARM Platinum, ARM Ferrous and ARM Coal
DMRE	Department of Mineral Resources and Energy
dtic	Department of Trade, Industry and Competition
e	In tables and graphic analysis refers to estimated numbers
ERM	Enterprise risk management
F2022	Financial year from 1 July 2021 to 30 June 2022
F2023	Financial year from 1 July 2022 to 30 June 2023
FOB	Free-on-board
FOR	Free-on-rail
FOT	Free-on-truck
Goedgevonden/GGV	Goedgevonden Thermal Coal Mine
GOSA	Glencore Operations South Africa Proprietary Limited
GRI	Global Reporting Initiative
Harmony/Harmony Gold	Harmony Gold Mining Company Limited
HDP	Historically disadvantaged person
HDSA	Historically disadvantaged South African
HIV	Human immuno-deficiency virus
ICMM	International Council on Mining and Metals
IFRS	International Financial Reporting Standards
Impala Platinum/Implats	Impala Platinum Holdings Limited
IRS	Impala Refining Services Limited
JSE Limited	Johannesburg's stock exchange
JV	Joint venture
King IV™	King Report on Corporate Governance for South Africa, 2016
LED	Local economic development
LoM	Life-of-mine
LNG	Liquefied natural gas
LTIs	Lost-time injuries
LTIFR	Lost-time injury frequency rate – expressed per 200 000 man-hours for a work-related injury that results in the employee being unable to attend work at their place of work, performing their assigned duties on the next calendar day (whether a scheduled work day or not) after the day of injury
m^3	Cubic metre
MCSA	Minerals Council South Africa
MDR TB	Multidrug resistant tuberculosis
Mining charter	Broad-based socio-economic empowerment charter, latest iteration signed in 2018
MMZ	Main mineralised zone plant
MPRDA	Minerals and Petroleum Resources Development Act
$MtCO_2e$	Million tonnes of carbon dioxide equivalents
MQA	Mining Qualifications Authority
Mt	Million tonnes
Mtpa	Million tonnes per annum
NEMA	National Environmental Management Act
N/R	Not reported
oz	Ounces
PCB	Participative Coal Business
PCMZ	Peridotite chromititic mineralised zone
PTB	Pulmonary tuberculosis
PV	Photovoltaic, as in solar PV panels
RBCT	Richards Bay Coal Terminal
SAMREC Code	South African Code for Reporting Mineral Resources and Mineral Reserves
SLP	Social and labour plans
SME	Small and medium enterprise
SMME	Small, medium and micro-enterprise
t	Tonnes
TB	Tuberculosis
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2	Tonnes of carbon dioxide
tCO_2e	Tonnes of carbon dioxide equivalent
TPI	Transition Pathways Initiative
UG2	Upper group 2 – second level of three chromitite layers
WHIMS	Wet high-intensity magnetic-separation plant

Contact details

African Rainbow Minerals Limited

Registration number: 1933/004580/06
Incorporated in the Republic of South Africa
JSE share code: ARI
A2X share code: ARI
ISIN: ZAE000054045

Registered and corporate office
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Sandton 2196

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Group company secretary and governance officer
Alyson D'Oyley *BCom, LLB, LLM*
Telephone: +27 11 779 1300
Email: cosec@arm.co.za

Investor relations
Thabang Thlaku
Executive: Investor Relations
and New Business Development
Telephone: +27 11 779 1300
Email: thabang.thlaku@arm.co.za

Auditors
External auditor: Ernst & Young Inc.
Internal auditors: Deloitte & Touche
and BDO South Africa

External assurance provider over ESG reporting
KPMG Inc.

Bankers
Absa Bank Limited
FirstRand Bank Limited
The Standard Bank of South Africa Limited
Nedbank Limited

Sponsor
Investec Bank Limited

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank 2196

Private Bag X9000, Saxonwold 2132
Telephone: +27 11 370 5000
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Website: www.computershare.co.za

Directors
Dr PT Motsepe (executive chairman)
VP Tobias (chief executive officer)
F Abbott*
M Arnold**
TA Boardman*
AD Botha*
JA Chissano (Mozambican)*
WM Gule*
B Kennedy*
AK Maditsi*
TTA Mhlanga (finance director)
HL Mkatshana
PJ Mnisi*
DC Noko*
B Nqwababa*
Dr RV Simelane*
JC Steenkamp*

* *Independent non-executive.*
** *Non-executive.*

We appreciate your feedback

In the interests of continuous improvement and fulfilling the information and engagement needs of our stakeholders, we welcome any feedback on the content and format of our reports. Please direct these to the investor relations department (contact details above).

Forward-looking statements

Certain statements in this document constitute forward-looking statements that are neither reported financial results nor historical information. They include but are not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. Such forward-looking statements may or may not take into account and may or may not be affected by known and/or unknown risks, unpredictables and other important factors that could cause the actual results, performance and/or achievements of the company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, unpredictables and other important factors include among others: economic, business and political conditions in South Africa; decreases in the market price of commodities; hazards associated with underground and surface mining; labour disruptions; changes in government regulations, including environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the health-related epidemics and pandemics, including Covid-19, HIV and Aids in South Africa.

These forward-looking statements speak only as of the date of publication of these pages. The company undertakes no obligation to update publicly or 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 unpredictable events.

THE OAK TREE GROUP