"Headline earnings increased by 13% to R2.2 billion.

Interim dividend of R4.00 per share declared.

The net cash position improved to R1.2 billion."

Patrice Motsepe

Executive Chairman

Disclaimer

Certain statements in this report constitute forward looking statements that are neither reported financial results nor other 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 unknown risks, uncertainties and other important factors that could cause the actual results, performance 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, uncertainties 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, particularly environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the AIDS epidemic 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 unanticipated events.

Black Rock Manganese Ore Mine

African Rainbow Minerals

Overview and group performance

Patrice Motsepe, Executive Chairman

Group assets

ARM African Rainbow Minerals

ARM Platinum (100%)

PGMs
- **41.5%** Modikwa[1]
- **54%** Two Rivers

Nickel, PGMs & Chrome
- **50%** Nkomati

PGM Exploration
- **46%** Kalplats

ARM Ferrous (100%)

Iron Ore
- **50%** Khumani
- **50%** Beeshoek

Manganese Ore
- **50%** Nchwaning
- **50%** Gloria

Manganese Alloys
- **50%** Cato Ridge
- **25%** Cato Ridge Alloys
- **50%** Machadodorp
- **27%** Sakura

Charge Chrome
- **100%** Machadodorp[3]

ARM Coal (51%)

Coal (10% held directly by ARM)
- **20%** Participative Coal Business (PCB)[2]

Coal
- **51%** Goedgevonden (GGV)[2]

Gold: Harmony (14.0%)

1. *ARM's effective interest in Modikwa Mine is 41.5%, local communities hold 8.5%.*
2. *ARM's effective interest in GGV is 26% and 20.2% in PCB.*
3. *On 6 February 2019 the Competition Commission of South Africa approved the acquisition by ARM of the Machadodorp Works business.*

Salient features: Earnings

African Rainbow Minerals

Headline earnings

by 13% to

R2.2 billion

(1H F2018: R1.9 billion)

Headline earnings per share

to R11.49 per share

(1H F2018: R10.23 per share)

EBITDA*

to R4.2 billion

(1H F2018: R3.7 billion)

On a segmental basis

Basic earnings

to R1.3 billion**

(1H F2018: R1.8 billion)

*****Includes an attributable impairment of Nkomati Mine of R892 million after tax.***

Salient features: Dividends and financial position

African Rainbow Minerals

Interim dividend declared

↑ by **60%** to **R4.00** per share

(1H F2018: R2.50 per share)

Dividends received from Assmang

↑ to **R1.8 billion**

(1H F2018: R1.0 billion)

ARM attributable coal debt

↓ to **R2.0 billion**

from R3.2 billion as at 31 December 2017 (before the debt restructuring)

Net cash

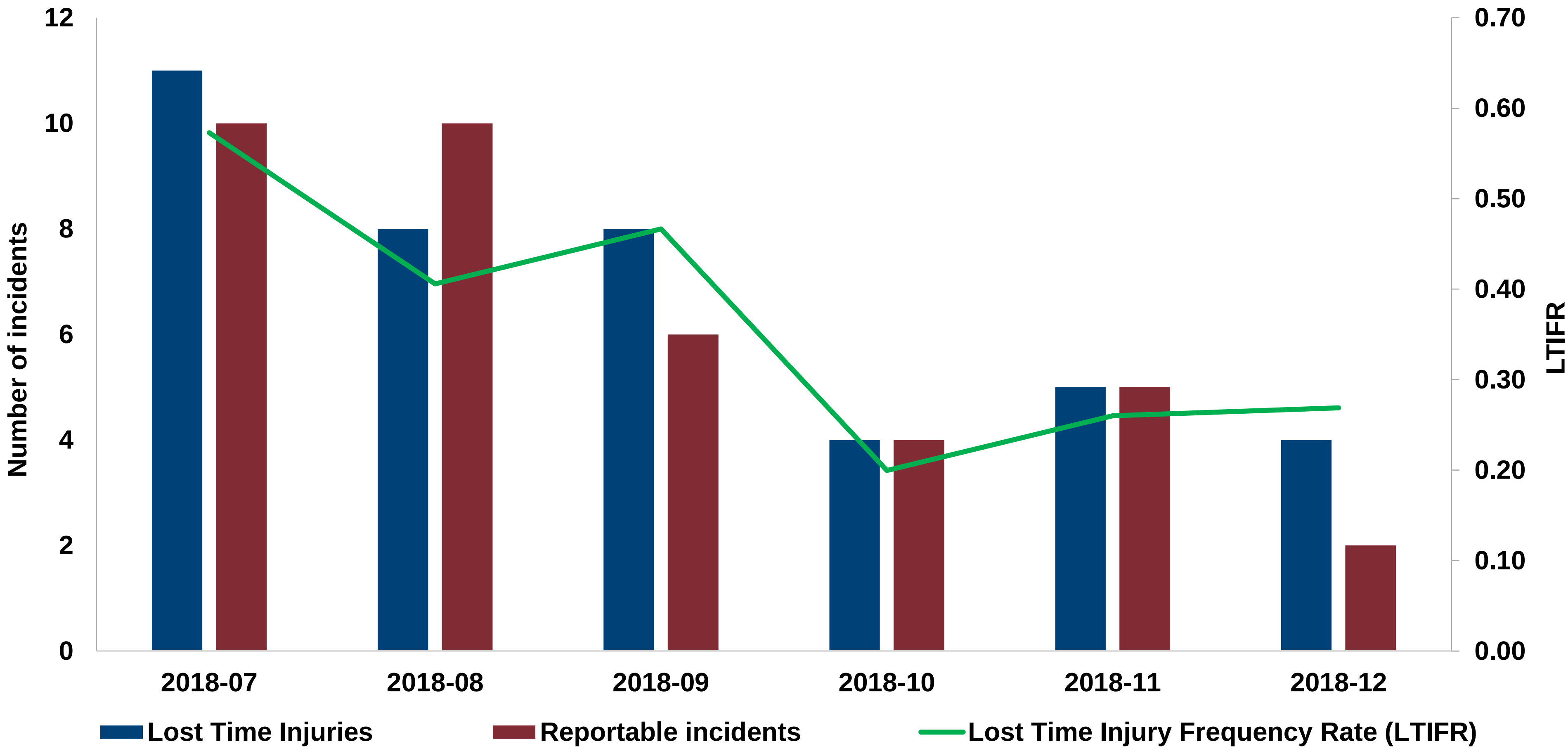
↑ to **R1.2 billion**

(as at 30 June 2018: R1.0 billion)

Maintaining a safe working environment

African Rainbow Minerals

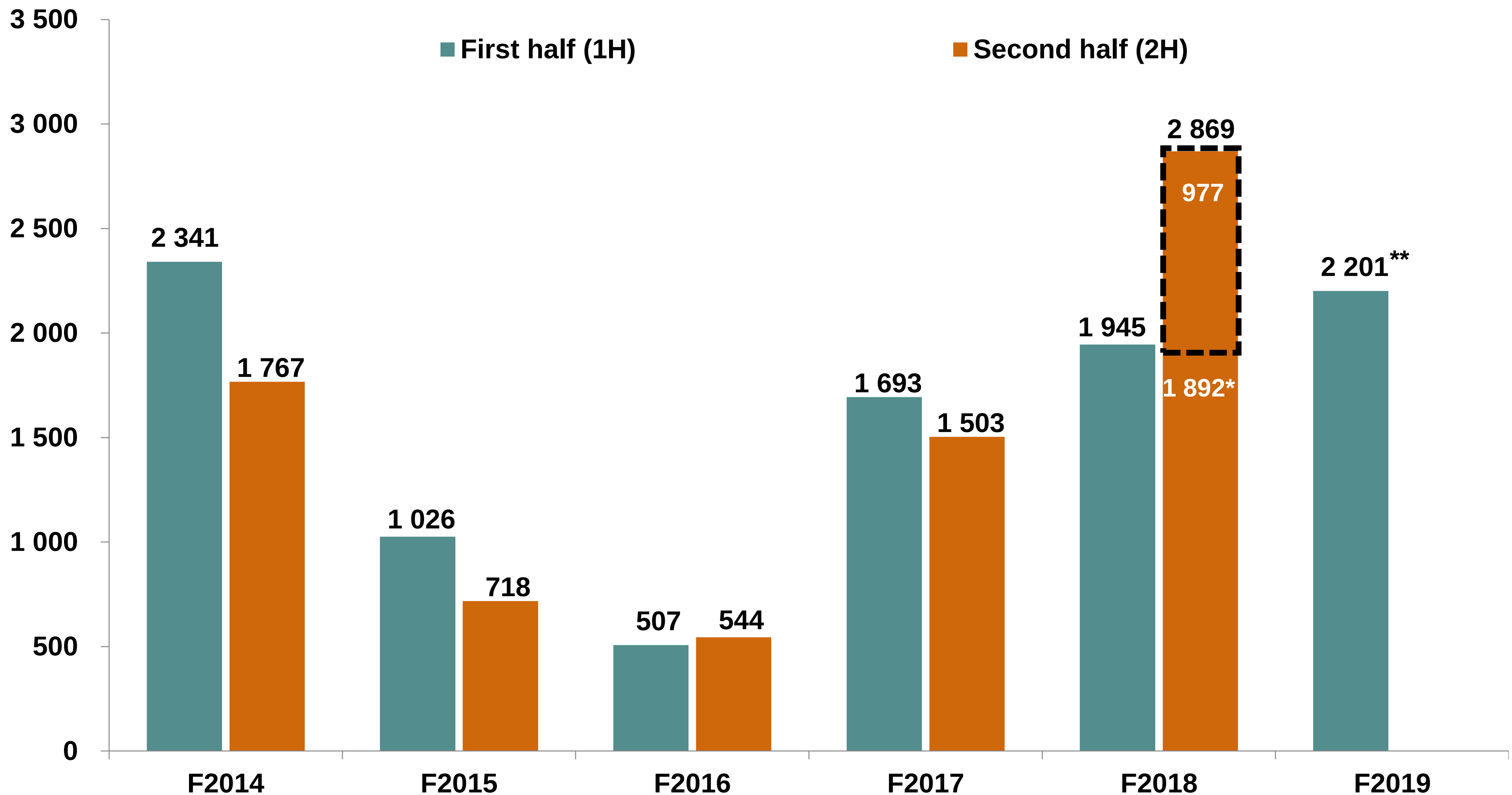
There were no fatalities at the ARM operations in 1H F2019



The above safety statistics include only those operations where ARM has direct or joint management and do not include the ARM Coal, Sakura and Harmony operations.

Six-monthly headline earnings (R million)

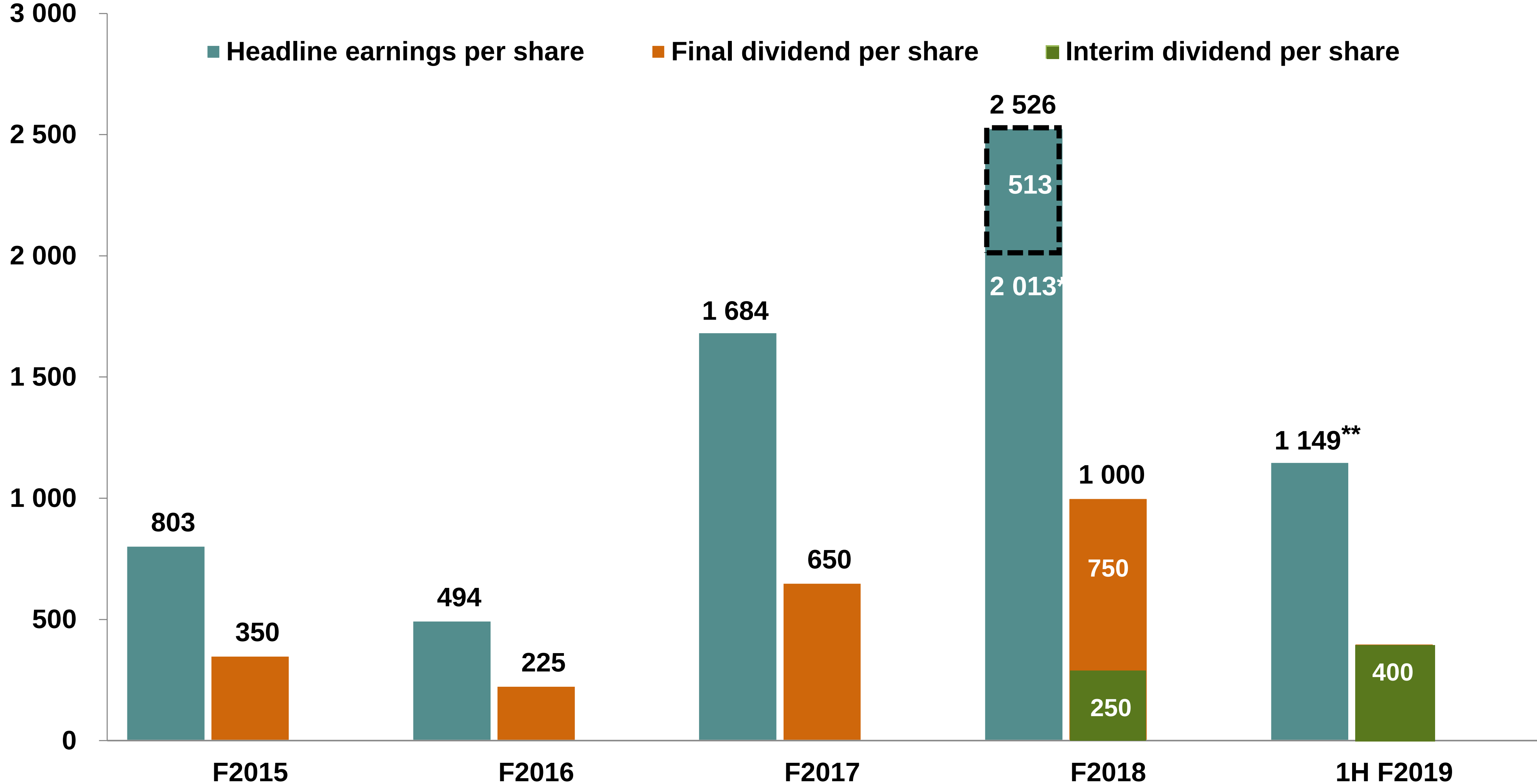
African Rainbow Minerals



**In the second half of F2018 headline earnings were R2 869 million including a fair value net gain of R977 million on restructuring of the coal loans. The adjusted headline earnings excluding the fair value net gain were R1 892 million.*

***The 1H F2019 headline earnings include a re-measurement loss of R265 million on the valuation of the coal loans.*

Headline earnings and dividends (cents per share)



**The F2018 headline earnings include a fair value net gain of R977 million (or 513 cents per share) on restructuring of the coal loans. The adjusted headline earnings per share excluding the fair value net gain were R3 837 million (or 2 013 cents per share).*

***The 1H F2019 headline earnings include a re-measurement loss of R265 million (138 cents per share) on the valuation of the coal loans.*

ARM African Rainbow Minerals

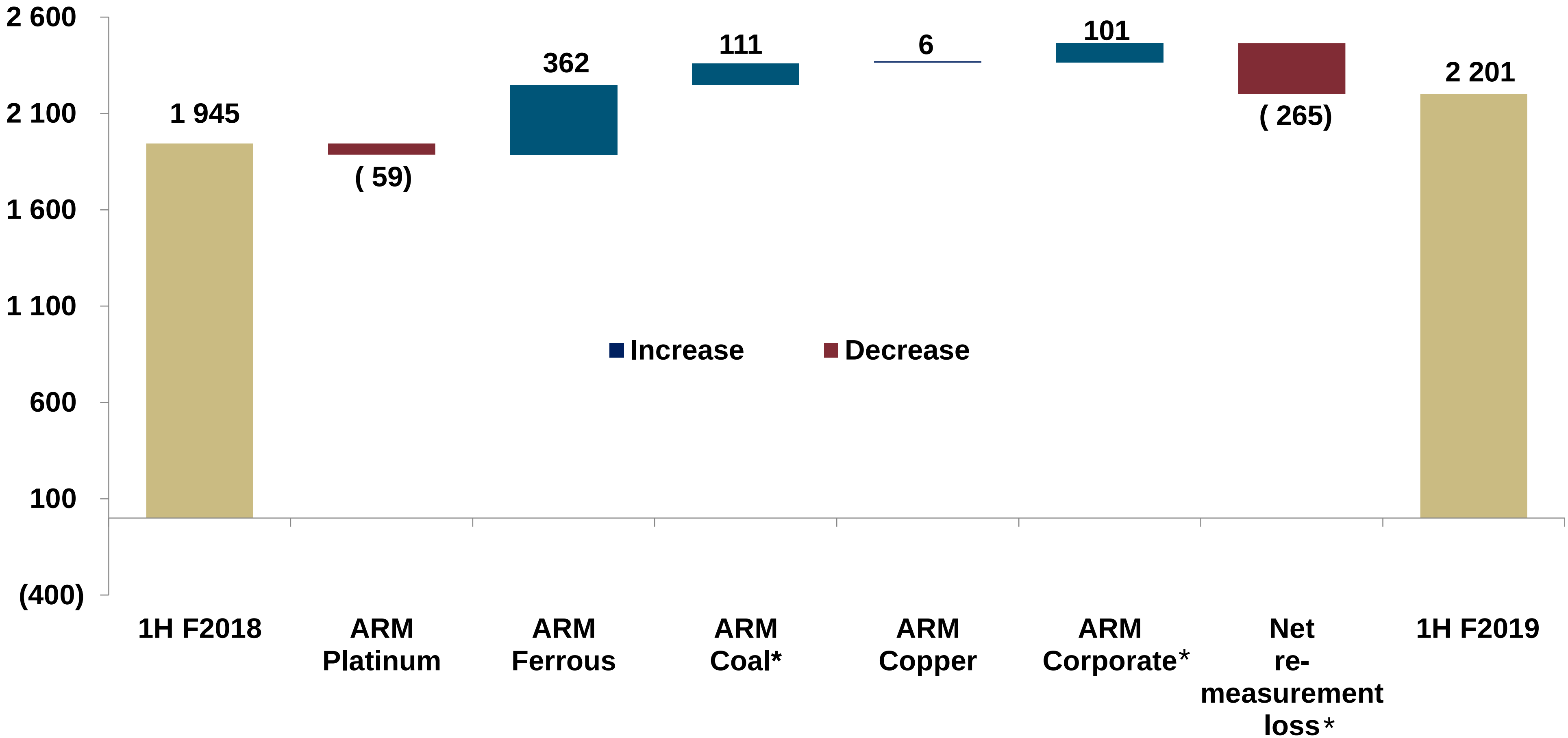
Operational and financial review

Mike Schmidt, Chief Executive Officer

Headline earnings analysis

African Rainbow Minerals

Headline earnings changes by division (R million)



**1H F2019 includes a re-measurement loss of R206 million at ARM Coal and a re-measurement loss of R59 million at ARM Corporate on the valuation of the loans between ARM, ARM Coal and Glencore which were restructured in F2018. The coal operations delivered improved operational cash flows which has resulted in accelerated loan repayments. Where the repayment profile is expected to accelerate compared to expectations in the previous reporting period, a re-measurement loss is recognised.*

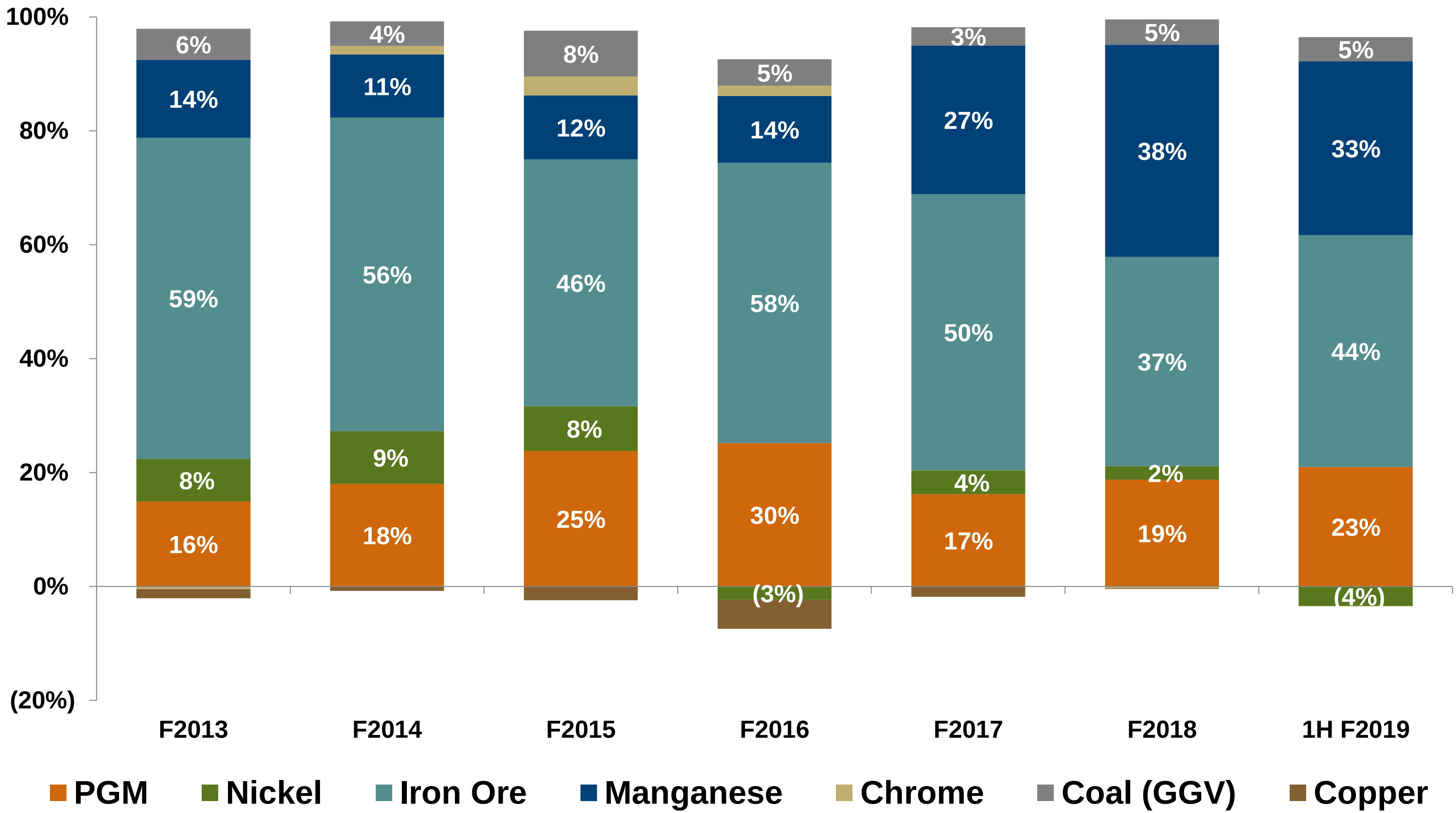
Headline earnings / (loss) by division / operation

African Rainbow Minerals

	Six months ended 31 December		
R million	**2018**	**2017**	**% change**
ARM Platinum	**167**	226	(26)
Two Rivers Mine	**180**	173	4
Modikwa Mine	**173**	36	>200
Nkomati Mine	**(186)**	17	
ARM Ferrous	**2 127**	1 765	**21**
Iron ore division	**1 230**	873	41
Manganese division	**919**	872	5
Chrome division	**(4)**	(9)	56
Consolidation adjustment	**(18)**	29	
ARM Coal*	**65**	160	**(59)**
Goedgevonden Mine	**(7)**	35	(120)
PCB Operations	**72**	125	(42)
ARM Copper	**-**	(6)	
ARM Corporate and other*	**(158)**	(200)	21
Headline earnings	**2 201**	1 945	13

**1H F2019 includes a re-measurement loss of R206 million at ARM Coal and a re-measurement loss of R59 million at ARM Corporate on the valuation of the loans between ARM, ARM Coal and Glencore which were restructured in F2018. The coal operations delivered improved operational cash flows which has resulted in accelerated loan repayments. Where the repayment profile is expected to accelerate compared to expectations in the previous reporting period, a re-measurement loss is recognised.*

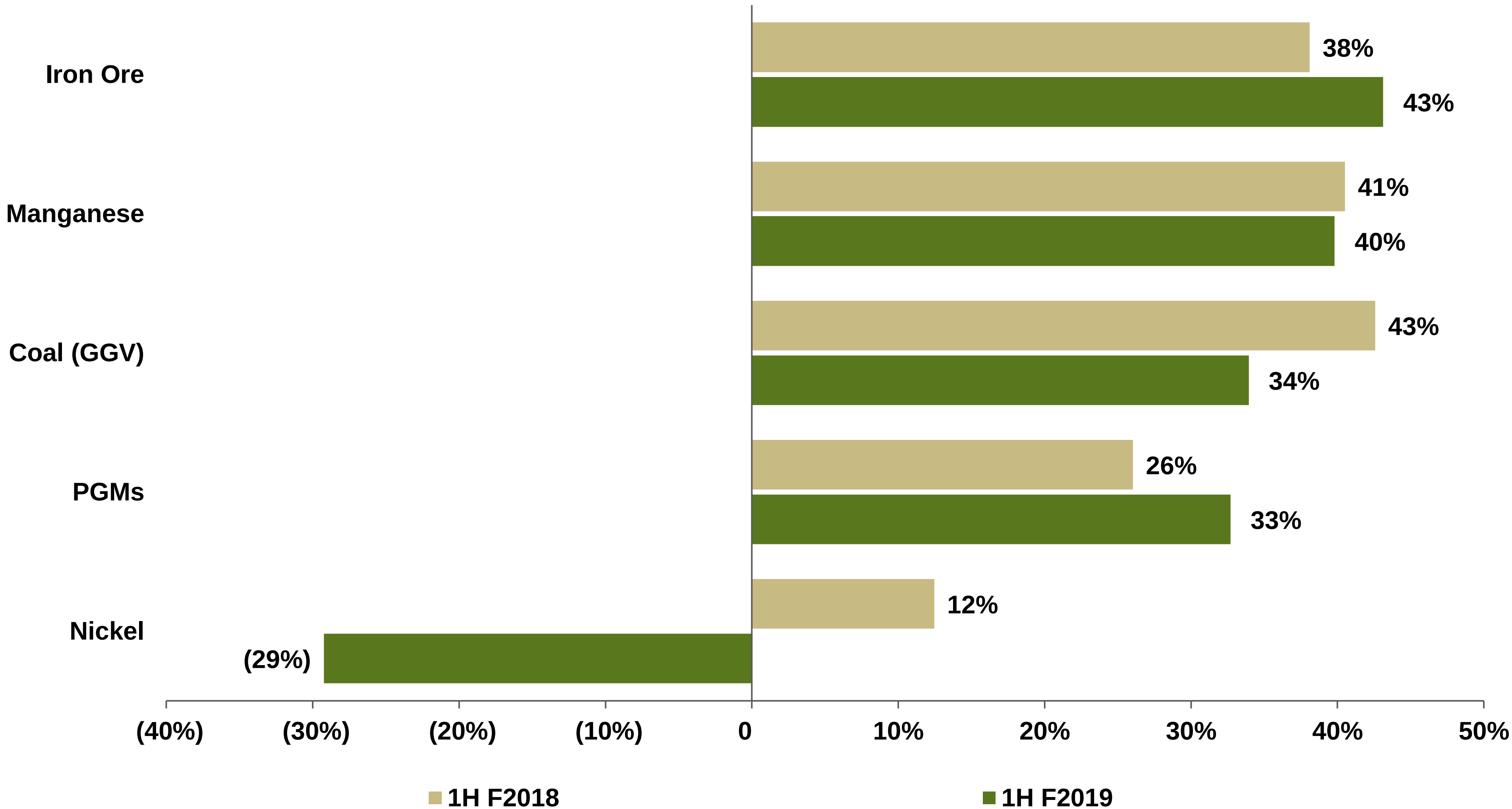
Segmental EBITDA split by commodity (%)



Strong EBITDA margins

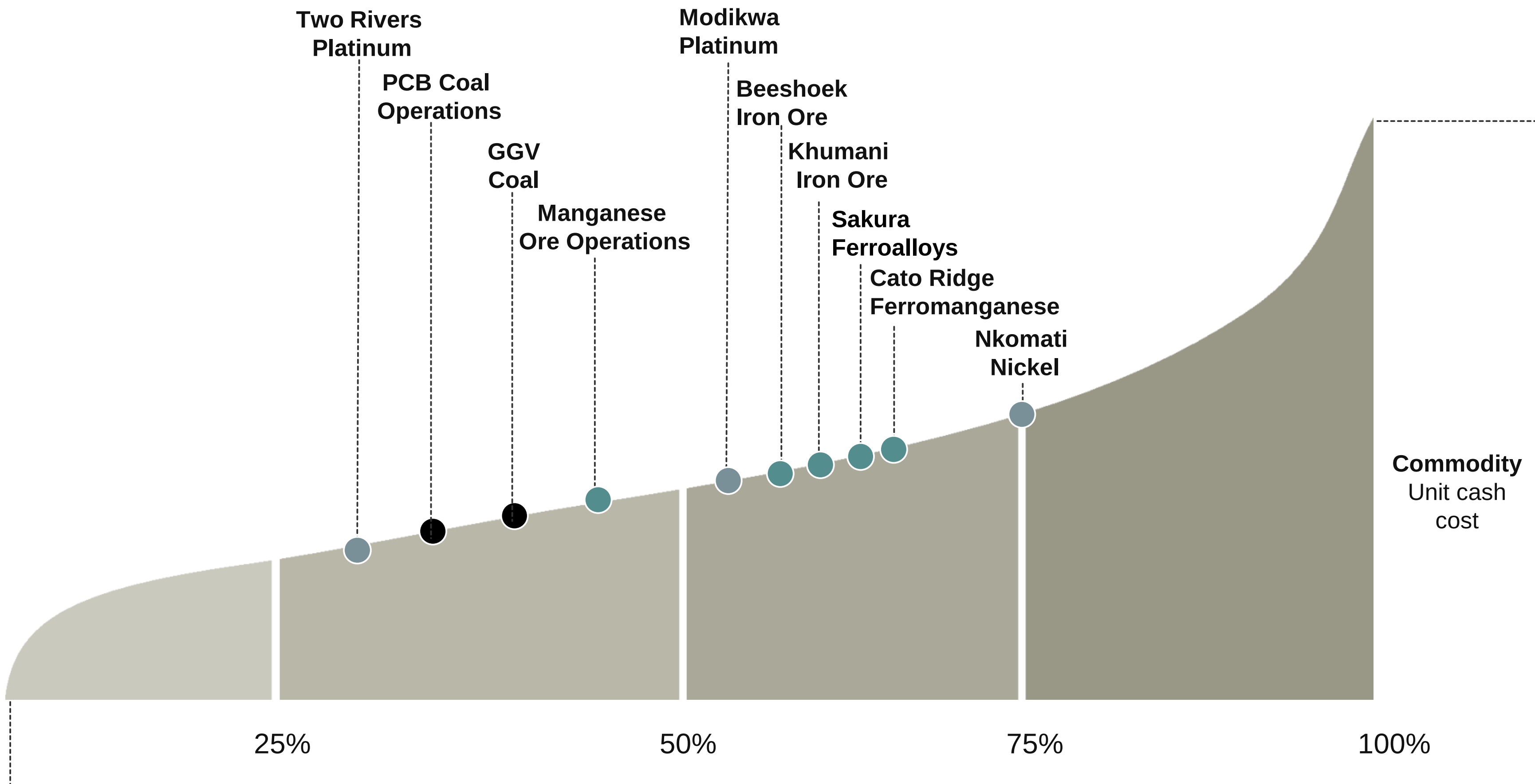
African Rainbow Minerals

Divisional EBITDA margins (%)



Cost curve position

ARM is focused on maximising margins at each operation.



Percentile on cost curve (based on cumulative production)

Khumani Iron Ore Mine

African Rainbow Minerals

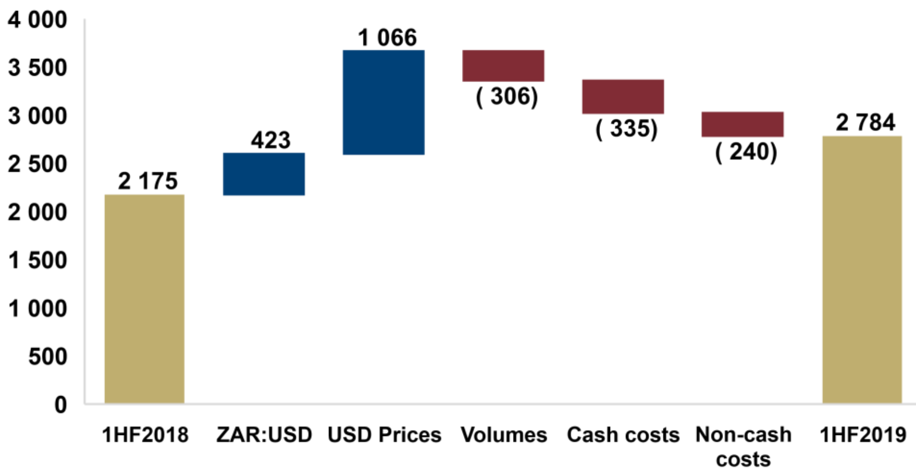
Operational and financial review

ARM Ferrous

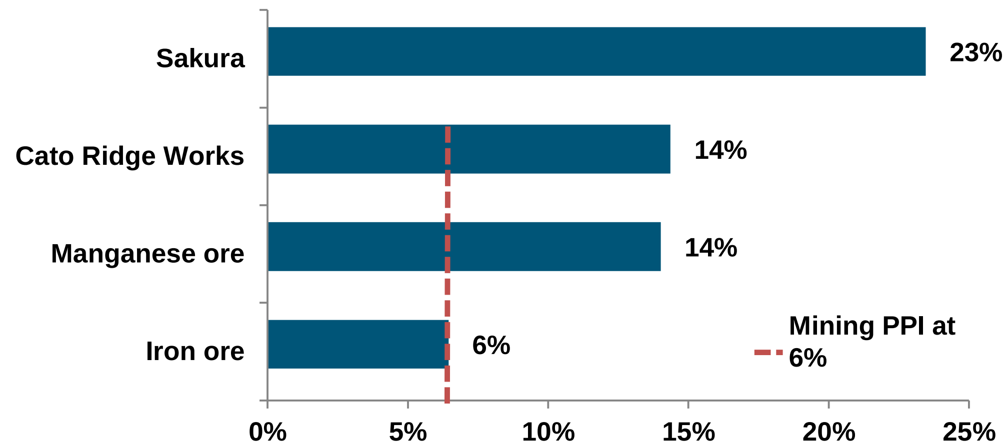
ARM Ferrous

ARM African Rainbow Minerals

Unaudited attributable profit before tax variance analysis (R million)

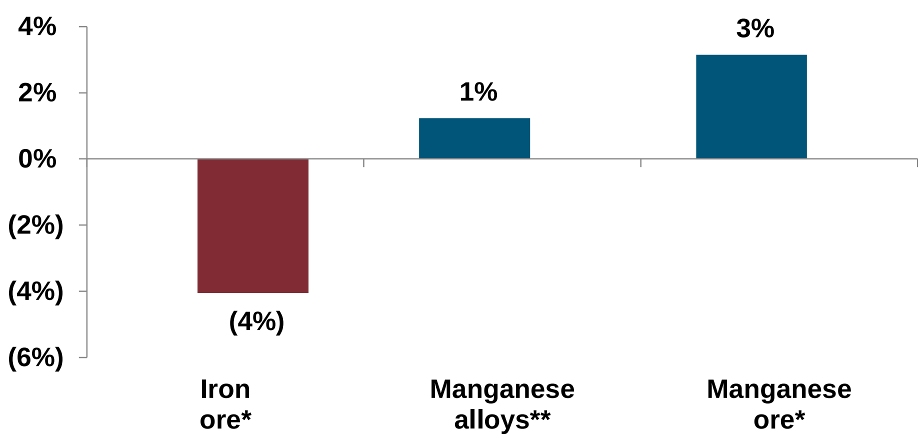


Changes in on-mine unit production costs (%)



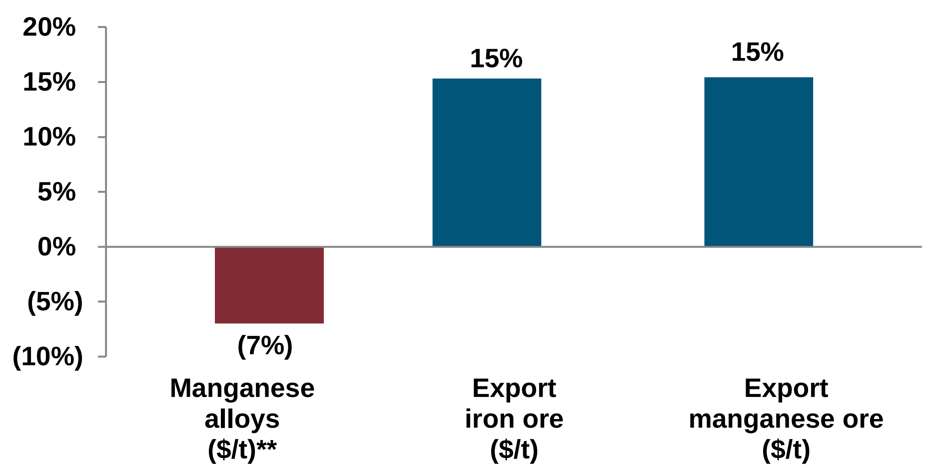
Mining PPI refers to South African Mining Producer Price Inflation.

Changes in sales volumes (%)



** External sales only*
*** Includes Sakura Ferroalloy sales*

Changes in average realised US Dollar prices (%)



Increase Decrease

Iron ore (100% basis)

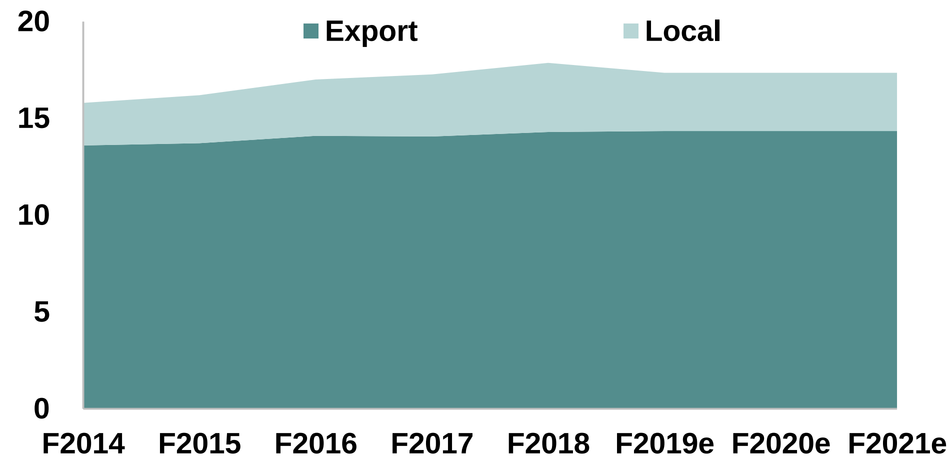
Lump sales as a percentage of total export sales increased from 52% to 58%.

Production volumes decreased by 4%. The operations remain on track to meet sales volume targets for F2019.

Capital expenditure increased mainly as a result of higher capitalised waste stripping.

		1H F2019	1H F2018	% change
Export sales volumes	*000 tonnes*	**7 246**	**7 387**	**(2)**
Local sales volumes	*000 tonnes*	**1 507**	**1 743**	**(14)**
Change in on-mine unit production costs	*%*	**6**	**(1)**	
Capital expenditure	*R million*	**1 028**	**609**	**69**

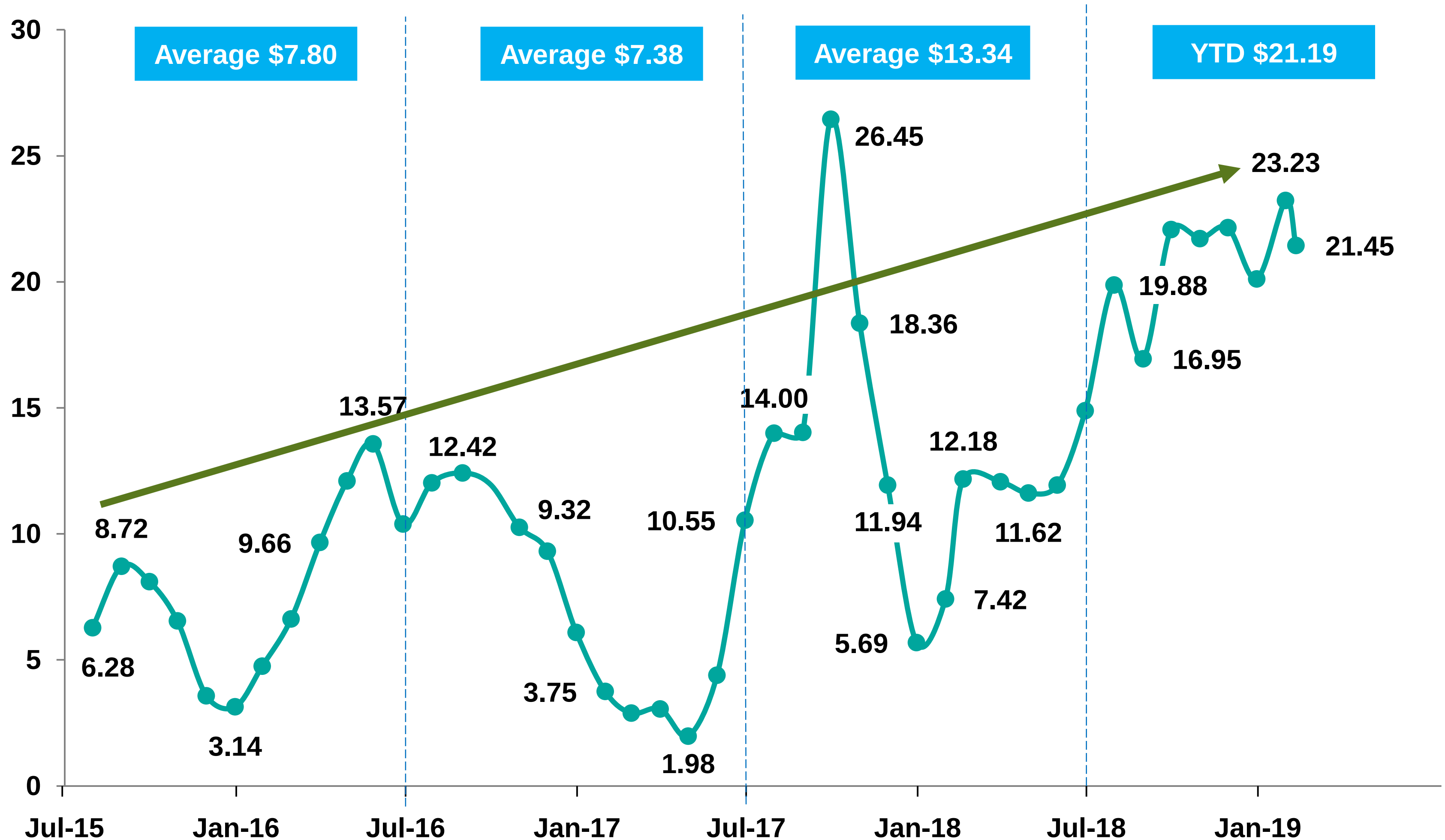
Sales volumes (million tonnes)



Iron ore lump premiums

African Rainbow Minerals

Spot lump premium for 65% Fe iron ore (US$/t)



Source: S&P Global Platts Index

Manganese ore (100% basis)

Manganese ore sales volumes increased by 3% to 1.61 million tonnes.

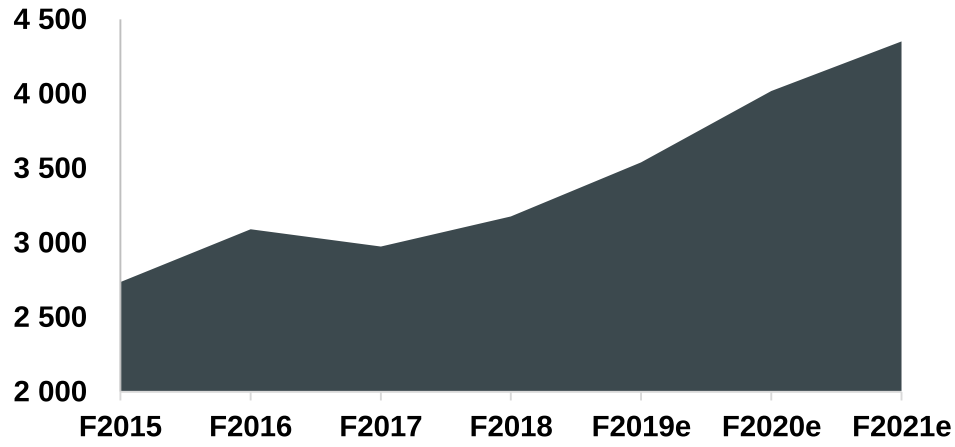
On-mine unit production costs increased by 14% mainly due to lower production volumes, in line with the planned shut down of the decline shaft at Gloria Mine.

Capital expenditure increased as part of the Gloria Mine modernisation project.

		1H F2019	1H F2018	% change
Export sales volumes	*000 tonnes*	1 531	1 516	1
Local sales volumes *	*000 tonnes*	74	40	85
Change in on-mine unit production costs	*%*	14	23	
Capital expenditure	*R million*	950	557	71

** Excluding intragroup sales*

Sales volumes (000 tonnes)



Manganese alloys (100% basis)

African Rainbow Minerals

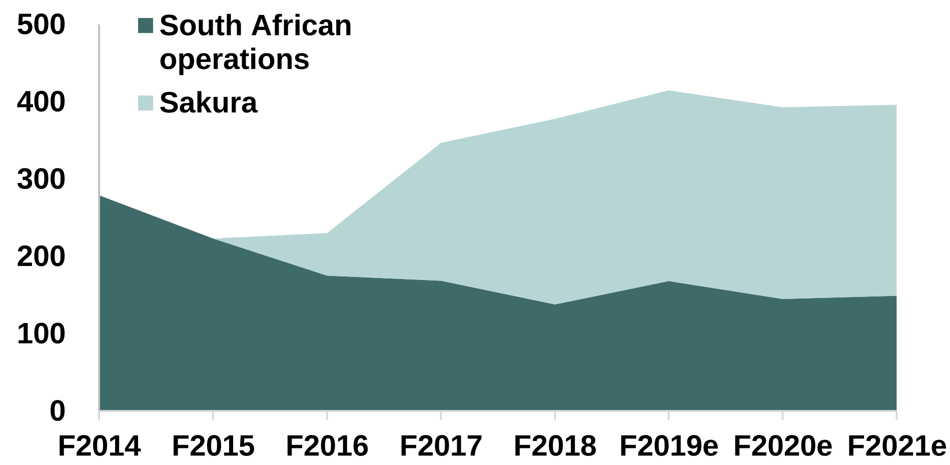
Sakura continued to produce at higher than design capacity.

Unit costs at Sakura were impacted by higher manganese ore input prices. Sakura purchases manganese ore from Black Rock Mine at market prices.

Sales volumes at Cato Ridge were 9% higher at 62 thousand tonnes.

		1H F2019	1H F2018	% change
Sales volumes: South African operations	*000 tonnes*	64	57	14
Sales volumes: Sakura	*000 tonnes*	100	105	(5)
Change in unit production costs	*%*	16	23	

Sales volumes (000 tonnes)



African Rainbow Minerals

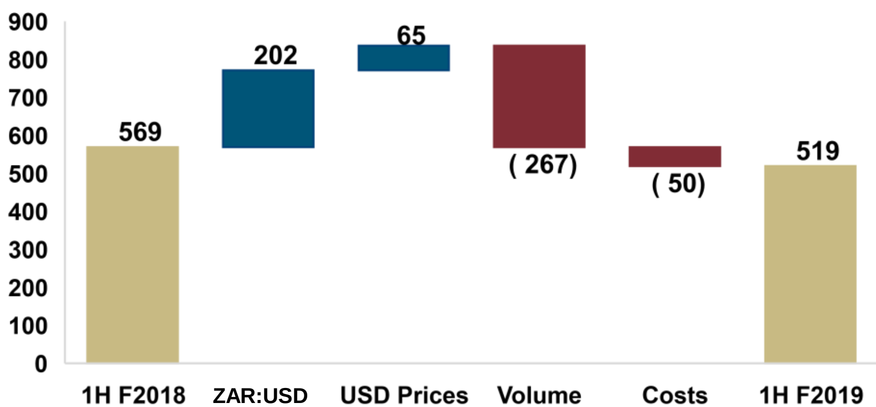
Operational and financial review

ARM Platinum

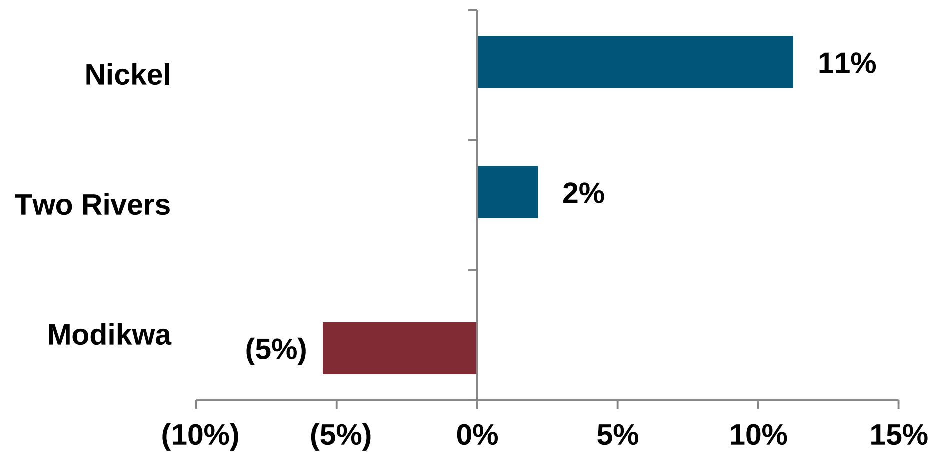
ARM Platinum

African Rainbow Minerals

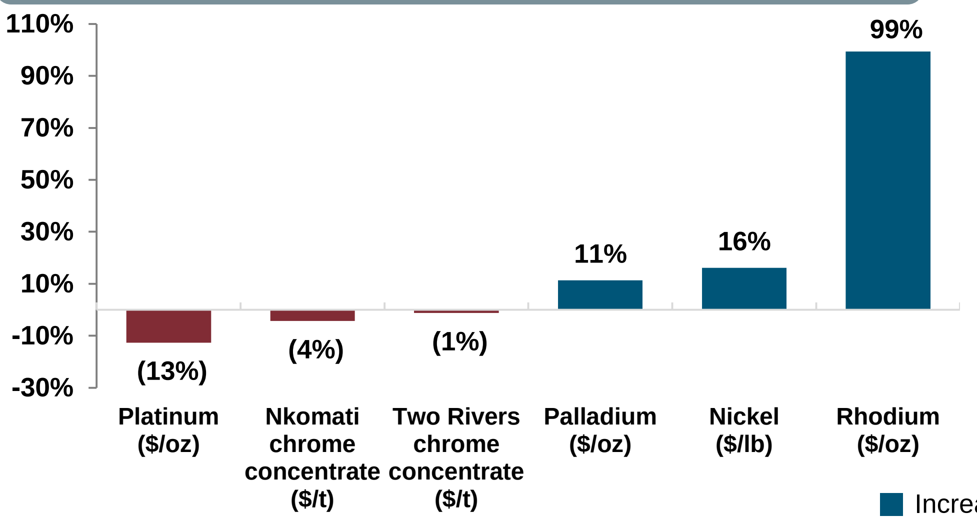
Unaudited attributable profit before tax variance analysis (R million)



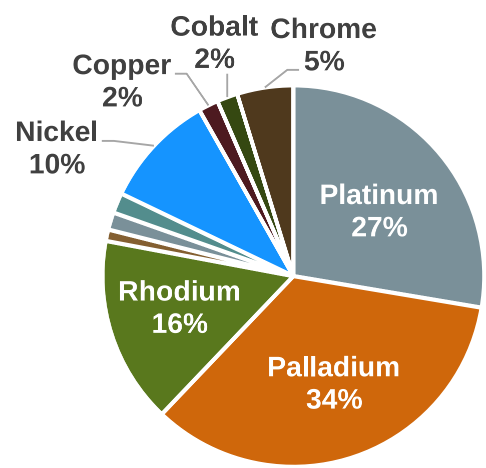
Changes in unit production costs (R/t milled)



Changes in average realised US Dollar prices (%)



Revenue contribution per commodity (%)



Increase Decrease

PGMs (100% basis)

ARM African Rainbow Minerals

The average basket price for Modikwa and Two Rivers each increased by 20% to R452 307 and R437 441 per 6E kilogram, respectively.

Modikwa achieved a 3% decrease in unit costs per 6E PGM ounce due to improved productivity and cost saving initiatives.

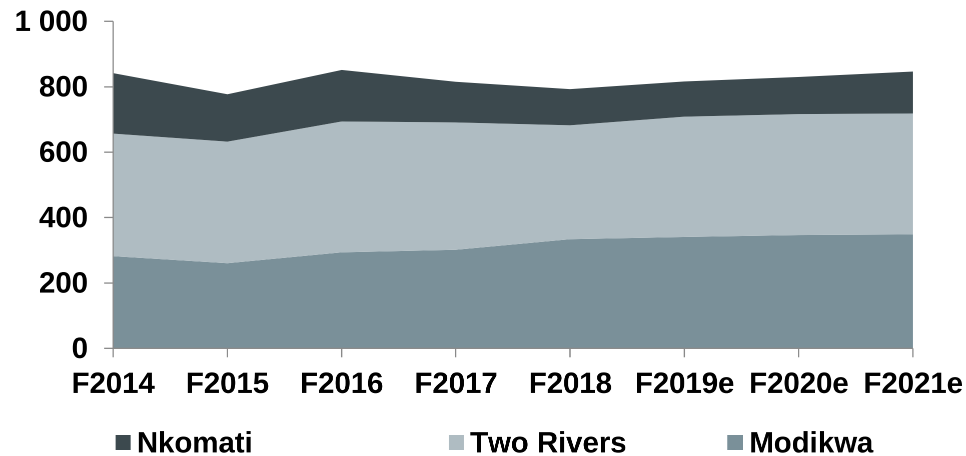
Two Rivers unit production costs were negatively impacted by a 5% decline in head grade.

An accelerated sinking programme is under way to address the face length flexibility at Two Rivers Mine. The mine head grade is expected to improve from F2020 onwards.

		1H F2019	1 H F2018	% change
Production	*6E PGM ounces*	384 849	422 104	(9)
Modikwa cash cost	*R/oz 6E*	8 560	8 832	(3)
Two Rivers cash cost	*R/oz 6E*	7 338	6 655	10
Capital expenditure*	*R million*	655	644	2

** Including Nkomati.*

Production volumes (000 ounces)



Nickel (100% basis)

Nkomati recorded a headline loss of R186 million mainly as a result of lower sales volumes, higher unit costs and a negative mark-to-market adjustment.

An attributable impairment of R892 million after tax was recorded for Nkomati.

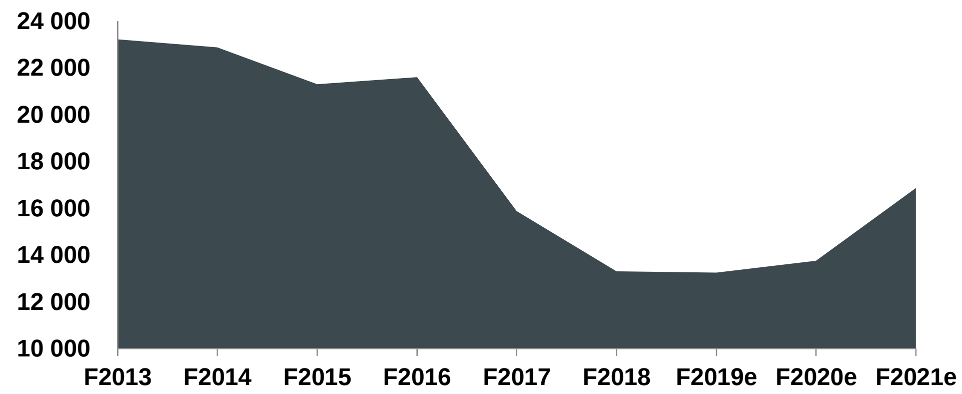
We are in discussions with our partner on the future of the mine.

Nickel C1 cash costs net of by-products

		1H F2019	1H F2018	% change
On-mine cash cost*	*US$/lb*	**11.69**	**10.38**	**13**
Off-mine cash cost	*US$/lb*	**0.64**	**0.79**	**(19)**
By-product credits	*US$/lb*	**(4.46)**	**(6.23)**	**28**
C1 cash cost net of by-products	*US$/lb*	**7.87**	**4.95**	**59**
On-mine cash cost*	*R/t milled*	**401**	**339**	**18**
Off-mine cash cost	*R/t milled*	**12**	**26**	**(54)**
Total unit cost	*R/t milled*	**413**	**365**	**13**

** On-mine unit production costs including capitalised waste stripping costs.*

Nickel production volumes (tonnes)



African Rainbow Minerals

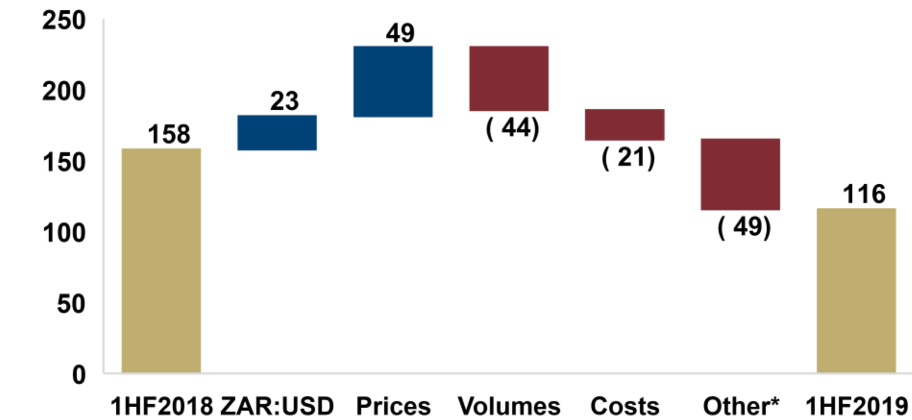
Operational and financial review

ARM Coal

ARM Coal

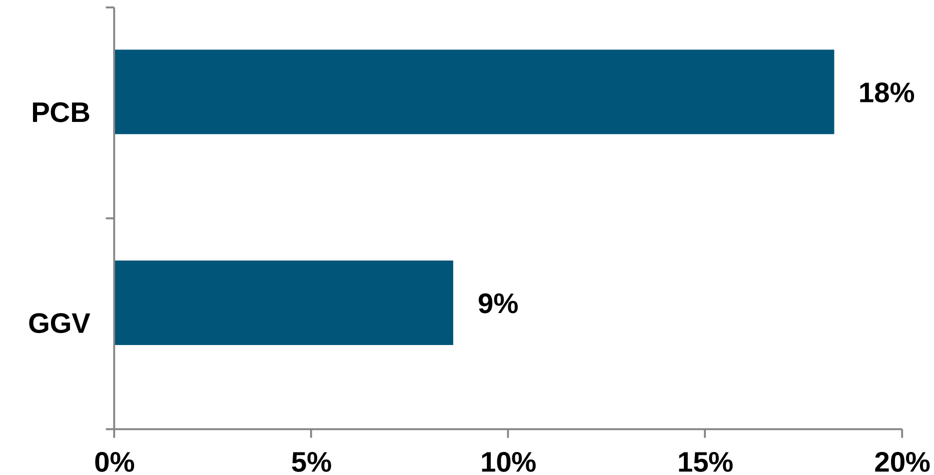
ARM African Rainbow Minerals

Unaudited attributable profit variance analysis (R million)

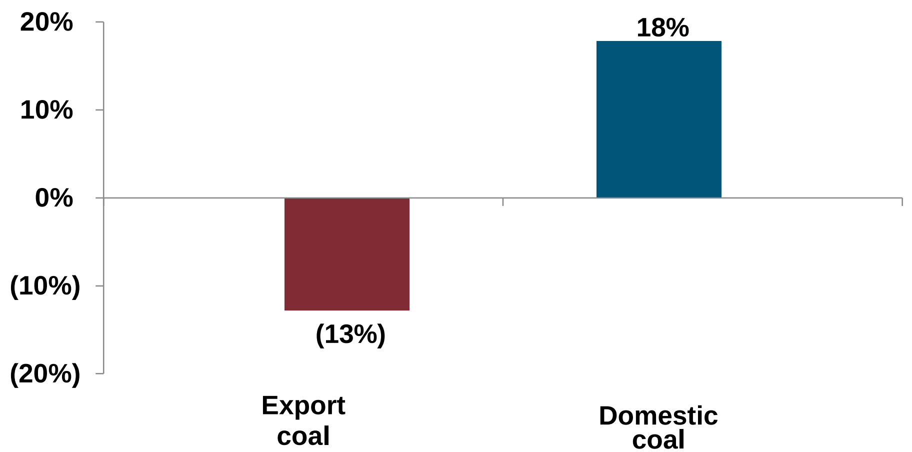


*Other includes a re-measurement loss on loans of R53 million.

Changes in on-mine unit production costs (%)

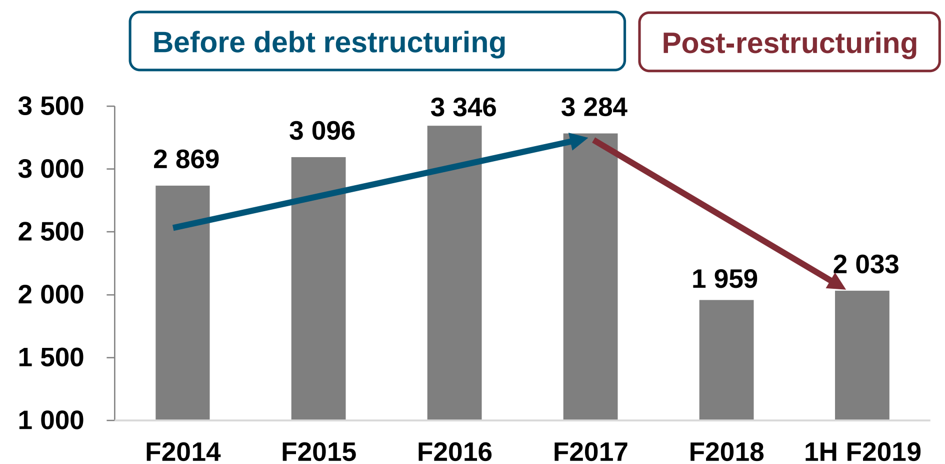


Changes in sales volumes* (%)



*Includes GGV Mine and PCB operations.

ARM attributable debt (R million)



Increase Decrease

GGV and PCB (100% basis)

Average realised US Dollar export coal prices increased by 9% for both GGV and PCB. More than 80% of GGV's export sales volumes were high quality coal.

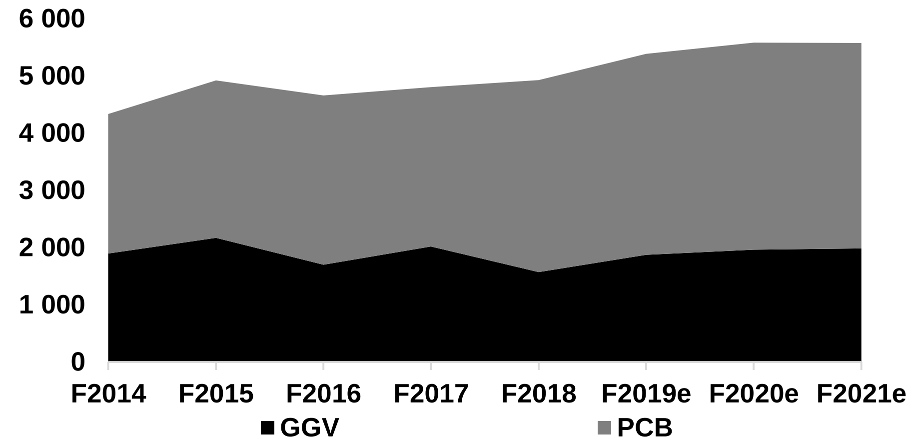
GGV saleable production was 9% higher while PCB saleable production was 9% lower (impacted by industrial action in July 2018).

On-mine unit production costs at PCB were negatively impacted by the lower production volumes.

The coal operations delivered improved operational cash flows resulting in accelerated repayments under the coal loans.

		1H F2019	1H F2018	% change
Export sales volumes	*Mt*	7.28	8.35	(13)
Domestic sales volumes	*Mt*	3.20	2.72	18
GGV on-mine production costs	*R/t*	343	315	9
PCB on-mine production costs	*R/t*	395	334	18
Capital expenditure (GGV)	*Rm*	635	415	53
Capital expenditure (PCB)	*Rm*	1 431	971	47

Attributable saleable production volumes (tonnes)



Black Rock Manganese Ore Mine

African Rainbow Minerals

Financial position and allocation of capital

Abigail Mukhuba, Finance Director

Disciplined capital allocation

ARM
African Rainbow Minerals

SOURCES OF FUNDS:

CASH GENERATED FROM OPERATIONS (INCLUDING CASH DISTRIBUTIONS RECEIVED) | DEBT | EQUITY

APPLICATION OF FUNDS:

INVEST IN EXISTING BUSINESS

Maintenance and efficiency improvement,
capital expenditure, balancing re-investment, profitability and returns

Grow existing business

Secures long-term sustainability of our business (longevity)

DEBT REPAYMENT

Remaining within **acceptable gearing levels** and utilising leverage to enhance shareholder returns

Healthy gearing levels create a flexible platform for sustainable growth

MERGERS AND ACQUISITIONS

External growth capital

DIVIDEND PAYMENTS

Maintain the declaration of interim and final dividends

SHARE REPURCHASE AND/OR SPECIAL DIVIDENDS

Dependent on the price that ARM would pay for its shares and **best use of excess funds**

We build onto long-term investor confidence in ARM's ability to implement transformative growth and value creation

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 pay-out/cover ratio, etc)

Net cash position

African Rainbow Minerals

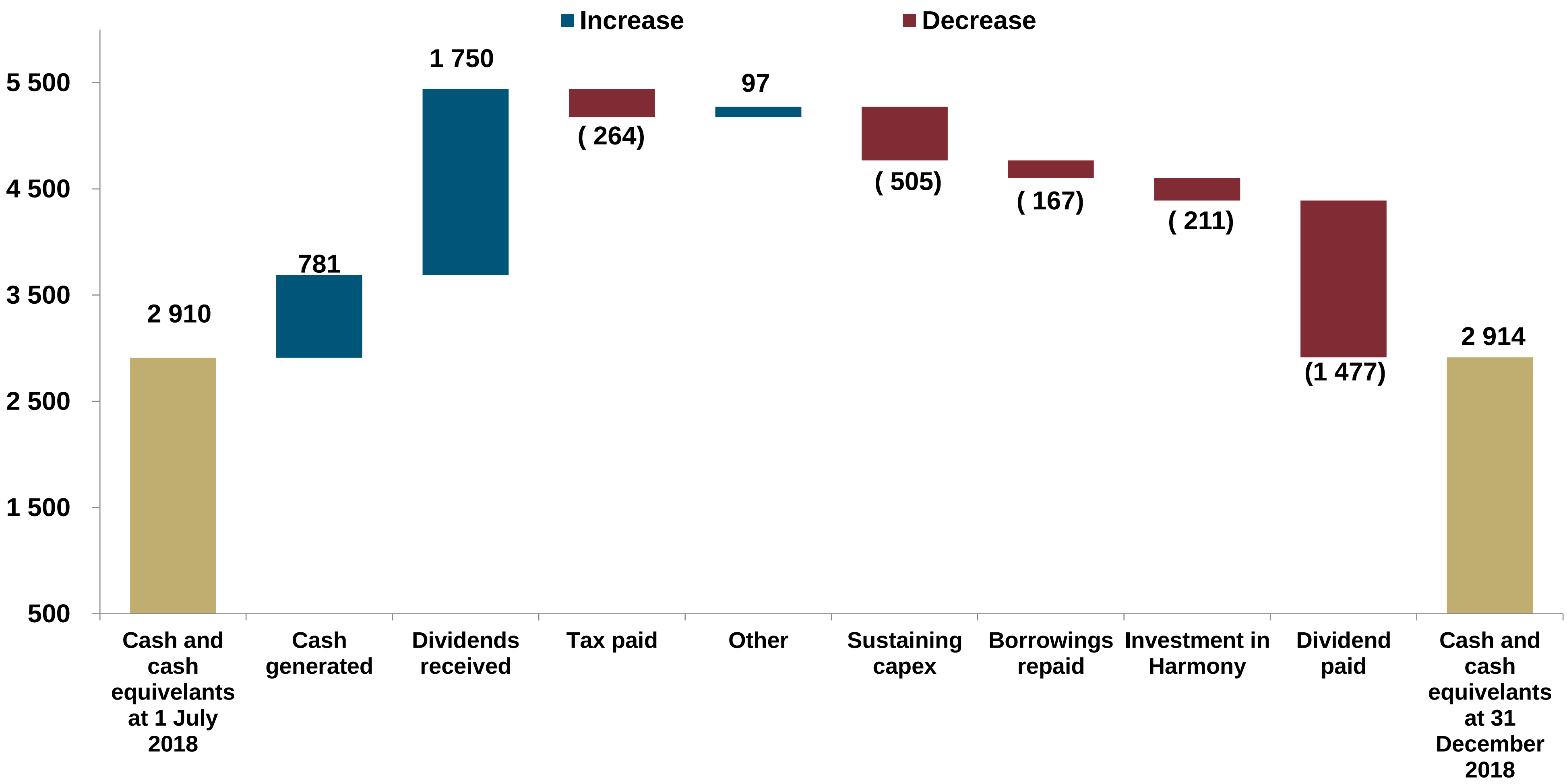
R million	31 December 2018	30 June 2018
Cash and cash equivalents (before short term borrowings)*	3 297	3 291
Total borrowings	(2 132)	(2 296)
Long-term borrowings	(1 679)	(1 744)
Short-term borrowings	(453)	(552)
Net cash	**1 165**	**995**
Total equity	**27 881**	**27 378**
Net cash to equity ratio	**4.2%**	**3.6%**
Less: Partner loans	(1 212)	(1 345)
ARM Coal loans from Glencore	(1 117)	(1 231)
Modikwa loan from Anglo Platinum	(95)	(114)
Less: ARM BBEE Trust loans (Nedbank; Harmony)	(398)	(470)
Adjusted net cash	**2 775**	**2 810**
Attributable cash and cash equivalents at ARM Ferrous**	**2 186**	**2 507**

**Includes restricted cash of R1 200 million (30 June 2018: R1 131 million)*

***Since the end of 31 December 2018 Assmang paid an attributable dividend to ARM of R1 500 million (30 June 2018: R1 750 million).*

Cash flow analysis

Cash flow from 1 July 2018 to 31 December 2018 (R million)

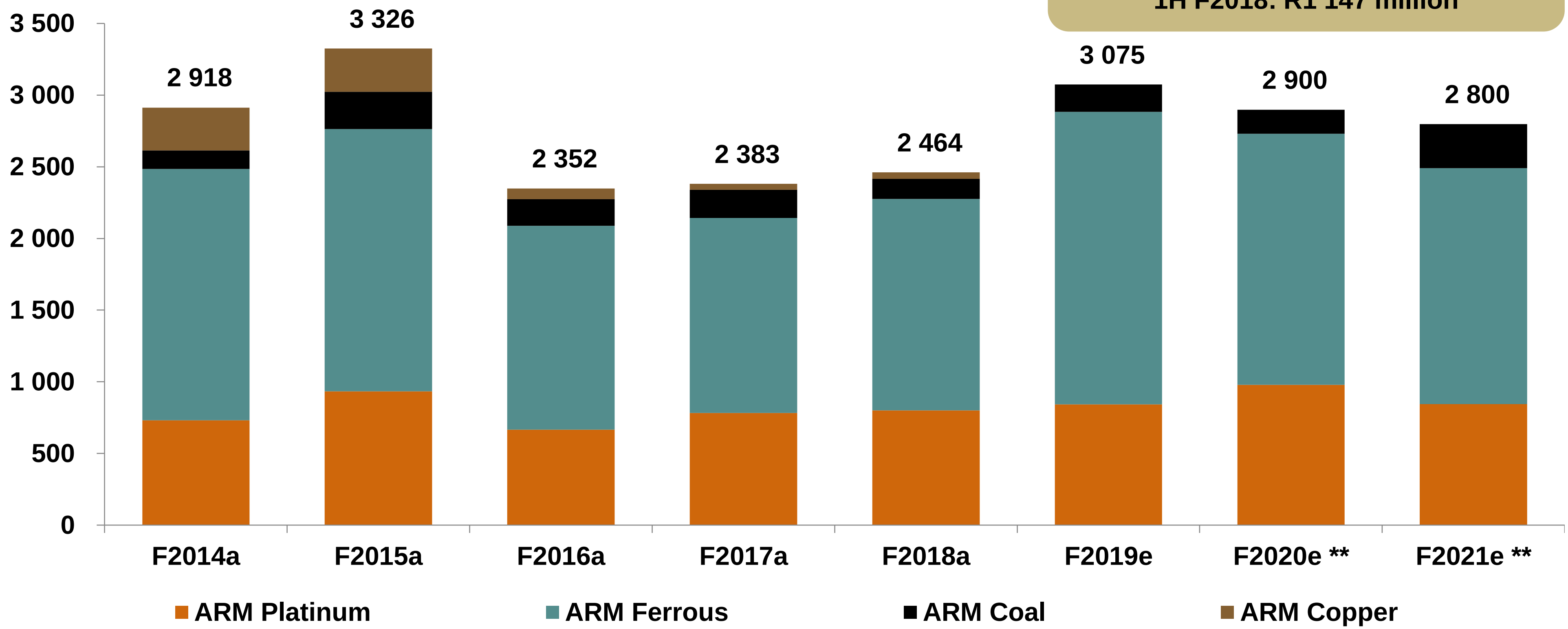


Capital expenditure: Segmental analysis

ARM African Rainbow Minerals

Re-investment growth funded by internal cash flows (R million)*

Actual
1H F2019: R1 565 million
1H F2018: R1 147 million



** Capital expenditure includes (i) deferred stripping at Nkomati and Khumani mines, (ii) Eskom sub-station as a finance lease at Nkomati Mine (iii) financed fleet replacement and sustaining capital expenditure but excludes the Sakura Ferroalloys Project.*

*** The forecasted capital expenditure for F2020 to F2021 is an estimation based on approved projects and projects under consideration.*

Thank you

We do it better