

Operational reviews

ARM Platinum

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Key features for F2021

Headline earnings more than trebled to **R4.7 billion**

Production and sales volumes impacted by operational challenges in 1H F2021

Strict protocols to prevent spread of Covid-19 implemented at all operations

Significant increase in average realised US dollar PGM prices

Approval of **R5.7 billion** for new **Merensky Mine** (Merensky project) at Two Rivers Mine

Nkomati Mine placed on care and maintenance in March 2021

Material matters

- Early works underway on Merensky project
- Covid-19 impact on production volumes, unit costs and project execution at Modikwa Mine



- Two fatalities at Modikwa Mine
- Improving the safety performance at Modikwa Mine
- Ensuring appropriate protocols to manage spread of Covid-19 (vaccinating employees from July 2021)



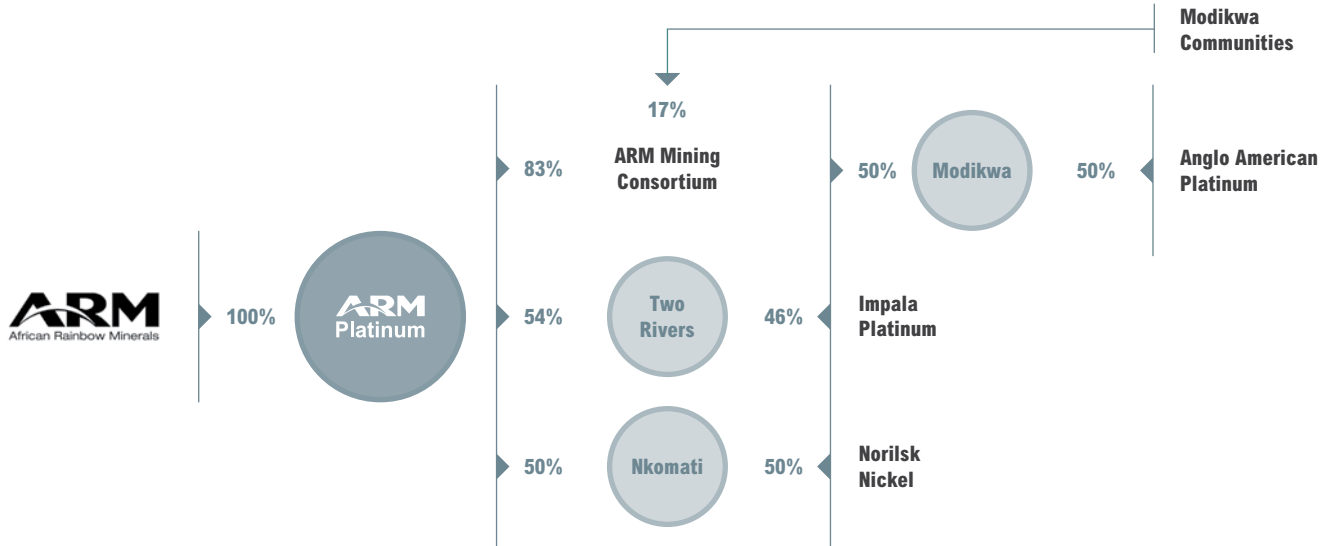
- Continued engagement with stakeholders impacted by Nkomati Mine being placed on care and maintenance
- Supporting communities during pandemic
- Industrial action at Modikwa Mine



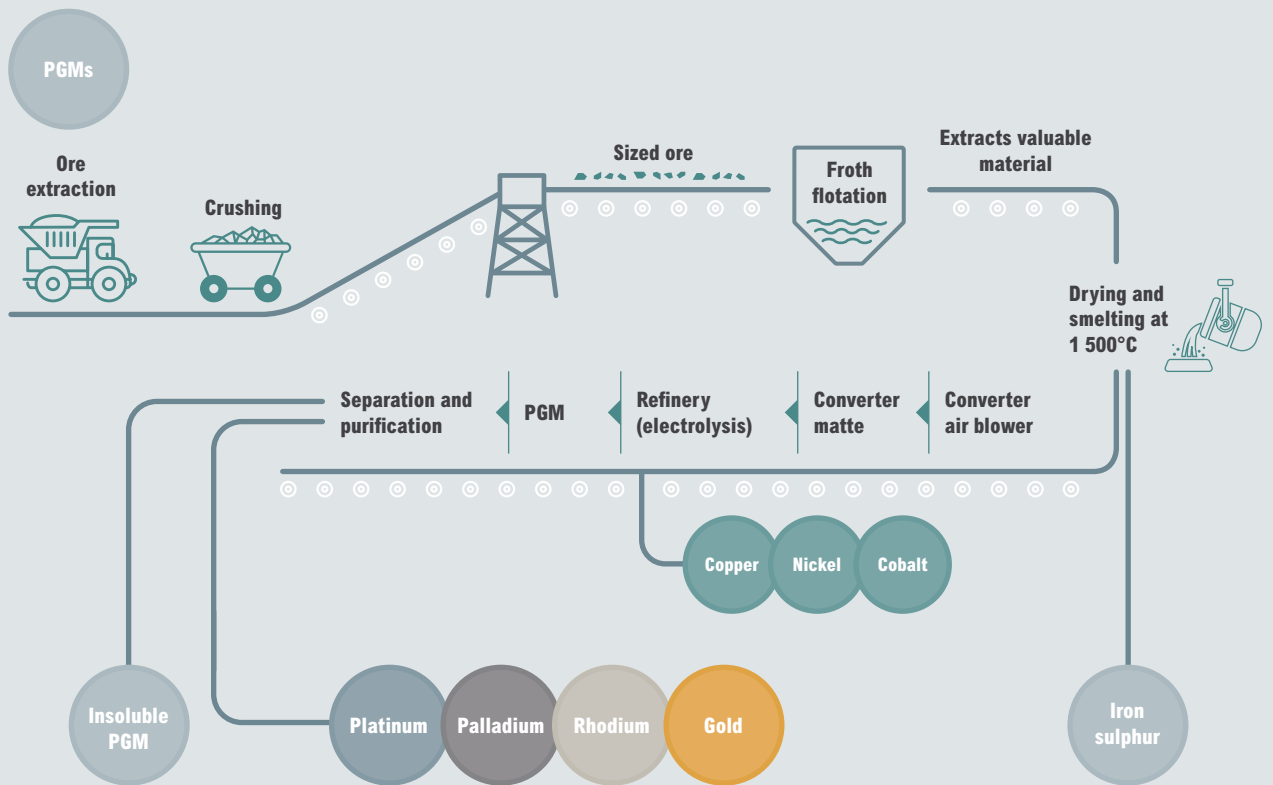
South Africa



Structure






Production process



Operational reviews continued

ARM Platinum continued




Scorecard TWO RIVERS MINE

F2021 OBJECTIVES	ACHIEVED/NOT ACHIEVED	F2022 OBJECTIVES
Produce 277 000 6E PGM ounces by improving the selective mining of split reef and increasing mining flexibility. Focus on improving the mine's position on the global PGM cost curve	 Achieved Production volumes were 300 172 6E PGM ounces. Increased volumes positively impacted unit production costs	Produce 310 000 6E PGM ounces. Focus on improving mine's position on global PGM cost curve
Completion of the concentrator plant expansion is scheduled for the third quarter of F2022	 Achieved Project on track to be completed on schedule in F2022	Ramp up concentrator plant to full capacity by F2023
Achieve sales volumes of 209 000 tonnes of chrome concentrate	 Achieved Chrome concentrate sales volumes were 242 945 tonnes	Achieve sales volumes of 251 000 tonnes of chrome concentrate
		Commission Merensky mining in fourth quarter of F2022





R5.7 billion Merensky project approved at Two Rivers Mine.

MODIKWA MINE

F2021 OBJECTIVES	ACHIEVED/NOT ACHIEVED	F2022 OBJECTIVES
Produce 261 000 6E PGM ounces and improve the mine's position on the global PGM cost curve. Accelerate strike development to improve mining flexibility	 Not achieved Production volumes were 251 755 6E PGM ounces. Production was affected by Covid-19, safety stoppages and industrial action by employees	Produce 270 000 6E PGM ounces with a continued focus on improving mine's position on global PGM cost curve
Continue South 2 shaft ramp-up and achieve 55 000 tonnes per month	 Partially achieved South 2 shaft system produced an average of 51 000 tonnes per month (the average for 2H F2021 was 58 888 tonnes per month)	Continue South 2 shaft ramp-up and achieve 60 000 tonnes per month
Complete construction and commission the chrome plant in the fourth quarter of F2021	 Not achieved Due to Covid-19-related delays, commissioning is underway	Produce 100 000 tonnes of chrome concentrate

NKOMATI MINE

F2021 OBJECTIVES	ACHIEVED/NOT ACHIEVED	F2022 OBJECTIVES
Preserve cash to reduce partner funding for rehabilitation provision	 Achieved Nkomati ended the year with a cash balance of R291 million	
Cease production by end-February 2021	 Achieved Mining halted in February 2021 with last material processed through concentrator plant in March 2021	Focus on responsible care and maintenance

Operational reviews continued

ARM Platinum continued

Commodity prices

Higher metal prices, particularly rhodium which increased by 179% in F2021, contributed significantly to the Modikwa and Two Rivers mines' F2021 results. Despite a slightly stronger rand/US dollar exchange rate, the average rand per 6E kilogram basket price increased by 71% and 74% to R1 457 843/kg (F2020: R850 909/kg) and R1 349 148/kg (F2020: R775 857/kg) at Modikwa and Two Rivers mines, respectively.

US dollar nickel prices were 18% higher, which contributed to Nkomati Mine's cash position.

Average US dollar metal prices

	Unit	F2021	F2020	% change
Platinum	US\$/oz	1 046	871	20
Palladium	US\$/oz	2 427	1 901	28
Rhodium	US\$/oz	17 478	6 275	179
Nickel	US\$/t	16 447	13 964	18
Copper	US\$/t	8 086	5 647	43
Cobalt	US\$/lb	18	16	12
UG2 chrome concentrate – Two Rivers (CIF) ¹	US\$/t	137	134	2
High sulphur chrome concentrate – Nkomati (FOT) ²	US\$/t	43	48	(10)

¹ Cost, insurance and freight.

² Free-on-truck.

Average rand metal prices

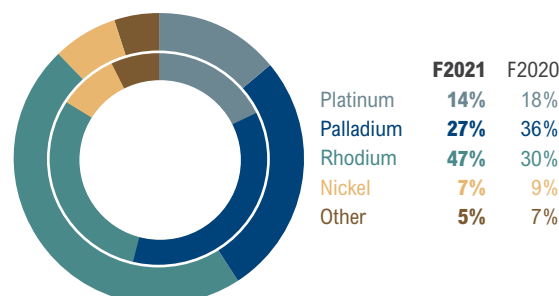
	Unit	F2021	F2020	% change
Average exchange rate	R/US\$	15.39	15.68	(2)
Platinum	R/oz	16 107	13 658	18
Palladium	R/oz	37 360	29 812	25
Rhodium	R/oz	269 071	98 399	173
Nickel	R/t	253 194	218 948	16
Copper	R/t	124 482	88 549	41
Cobalt	R/lb	283	257	10
UG2 chrome concentrate – Two Rivers (CIF) ¹	R/t	2 107	2 100	–
High-sulphur chrome concentrate – Nkomati (FOT) ²	R/t	662	748	(12)

¹ Cost, insurance and freight.

² Free-on-truck.

ARM Platinum revenue per commodity

F2020 is represented in the inner circle



Financial performance

Delivering financial returns to shareholders and other providers of capital

ARM Platinum headline earnings increased by R3 524 million to R4 666 million in F2021 (F2020: R1 142 million), positively impacted by higher average realised US dollar PGM prices (particularly rhodium) coupled with a 3% increase in PGM production volumes (on 100% basis) as volumes recovered after Covid-19-related lockdowns at the end of F2020.



Operational performance

Continuously improving operational performance

Two Rivers Mine

PGM volumes increased from 261 024 6E ounces in F2020 to 300 172 6E ounces in F2021. Production rates are returning to normal after the Covid-19-related national lockdown and operational challenges in F2020.



The sinking of declines at Main shaft is progressing as planned with completion beyond level 13. This is improving mining flexibility to optimise the blend from normal and split reefs. Mining of the split-reef is being managed with various cuts to optimise the grade.

PGM grades from North shaft have improved with this ore given processing priority at the concentrator plant.

Chrome concentrate sales volumes increased by 41% to 242 945 tonnes (F2020: 172 368). This, combined with a stable rand chrome price, resulted in chrome cash operating profit improving by 18% to R118 million (F2020: R100 million).

Unit production costs on a rand per tonne milled basis increased in line with inflation by 5% to R905 per tonne (F2020: R857 per tonne). The rand per 6E PGM ounce cost reduced to R9 893 per 6E PGM ounce (F2020: R9 908 per 6E PGM ounce), as a direct result of improved plant recoveries and cost containment.

Modikwa Mine

Tonnes milled increased by 5% which was more than offset by a 7% decrease in head grade, reducing PGM production by 3% to 251 755 6E PGM ounces (F2020: 259 360 6E PGM ounces). The decline in head grade was mainly due to increased production from on-reef development at North shaft. Mining volumes were impacted by safety stoppages and industrial action by employees in the first half of the year. Measures implemented to prevent the spread of Covid-19 impacted the operation throughout the financial year due to high labour intensity.

The accelerated on-reef development is progressing to open stoping panels.

Mining volumes were impacted by Covid-19 restrictions with a proportionally larger impact on stoping than on development, given the higher labour intensity of stoping. The resultant lower stoping:development ratio gave rise to a decrease in head grade. More ore milled from historical low-grade stockpiles also contributed to reduced head grades.

In addition, in the first half of the financial year, Modikwa Mine lost approximately 5 200 6E PGM ounces following two fatal accidents. An additional estimated 14 800 6E PGM ounces were lost towards the end of 1H F2021 due to unprotected industrial action by National Union of Mineworkers (NUM) affiliated employees. This related to housing-related benefits which were overpaid in the fourth quarter of F2020 and employees incorrectly claiming that the mine owed them monies under the Temporary Employer/Employee Relief Scheme (TERS). All employees returned to work and the matter was resolved.

Production volumes at the mine improved in the second half of the financial year with the resolution of the above issues.

Unit production costs increased by 19% on both 6E PGM ounce and rand per tonne basis to R14 300 per 6E PGM ounce (F2020: R11 974 per 6E PGM ounce) and R1 757 per tonne (F2020: R1 598 per tonne). This was due to lower production volumes and Covid-19-related costs.



Operational reviews continued

ARM Platinum continued

Nkomati Mine

Nkomati Mine was placed on care and maintenance in March 2021 in line with the strategy as planned and previously communicated.

As at 30 June 2021, the estimated undiscounted rehabilitation costs attributable to ARM were determined to be R679 million (30 June 2020: R620 million) excluding VAT (discounted R596 million). The R59 million increase was due to increased contractor rates and inflation.

At 30 June 2021, R109 million (attributable to ARM) cash and financial assets were available to fund rehabilitation obligations for Nkomati Mine. The resulting attributable shortfall of R487 million is expected to be funded by ARM.

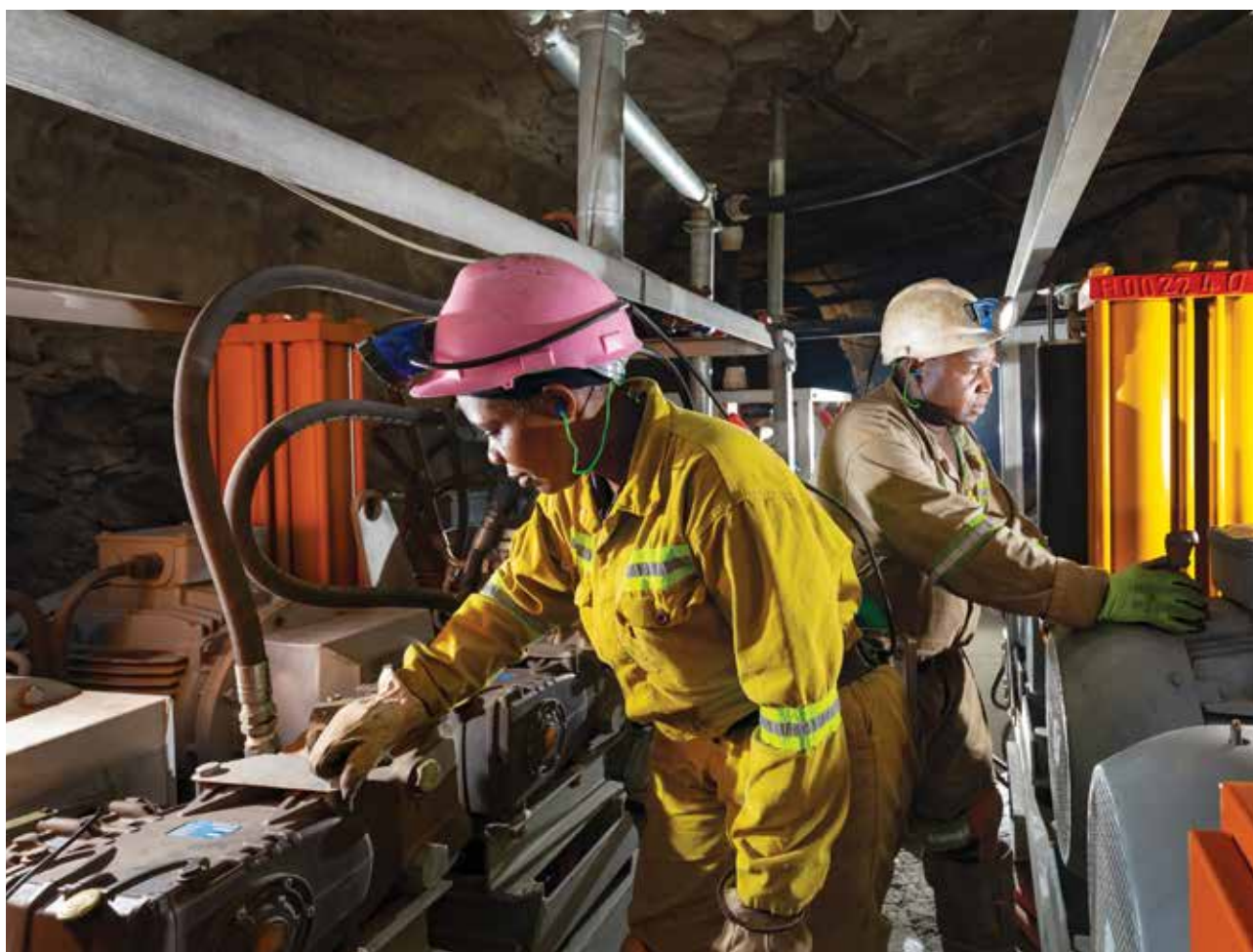
Nkomati Mine's estimated rehabilitation costs continue to be reassessed as engineering designs evolve and new information becomes available.

Nkomati Mine ceased mining in February 2021. Nickel production for the nine months amounted to 8 016 tonnes (F2020: 10 638 tonnes). The last ore was processed through the concentrator plant in March 2021.

Chrome concentrate sales volumes were 116 298 tonnes (F2020: 222 110 tonnes) which, combined with a 10% reduction in average realised US dollar chrome prices, resulted in a cash operating loss from chrome of R7 million (F2020: R42 million cash operating profit).

On-mine unit production costs in F2021 were only 1% higher at R384 per tonne (F2020: R380 per tonne).

Unit cash costs net of by-products per nickel produced in F2021 were 53% lower at US\$2.98/lb (F2020: US\$6.29/lb). The improvement in unit cash costs was due to increased by-product credits.



Investing in the current business

Total capital expenditure for ARM Platinum was R1 611 million (attributable).

R million	F2021	F2020
ARM Platinum	1 611	1 132
Two Rivers Mine	1 281	813
Modikwa Mine	330	319
Nkomati Mine	–	–

Of the R1 281 million capital spent at **Two Rivers Mine** (F2020: R813 million), R210 million was for fleet replacement and refurbishment. Deepening the Main and North declines with respective electrical and mechanical installations accounted for R285 million of total capital expenditure. Capital expenditure on the new tailings dam and plant expansion was R294 million and R290 million, respectively.

Covid-19 restrictions and steel shortages delayed the plant expansion project completion date by two months. The additional mill is now expected to be commissioned in November 2021 with full ramp-up expected to be achieved in the third quarter of F2022.

Construction of the new tailings dam project was also delayed by Covid-19 and is expected to be finalised in October 2021.

Two Rivers' shareholders approved the Merensky project which involves mining the Merensky Reef. Total capital expenditure for the project is R5.7 billion (100% basis) which will be spent over three years. The project entails annual production of 182 000 6E PGM ounces, 1 600 tonnes nickel, and 1 300 tonnes of copper.

Merensky underground mining is planned to commence in the fourth quarter of F2022, with the plant set to be commissioned in the second quarter of F2024.

Capital expenditure at **Modikwa Mine** (100% basis) increased by 3% to R660 million (F2020: R638 million). Of this, R238 million related to construction of the chrome recovery plant, R62 million to fleet refurbishment and critical spares, R55 million for the North shaft deepening project and R43 million for the South shaft deepening project.



To maintain the current production profile and ramp-up production, Modikwa Mine initiated the North shaft and South 2 shaft projects:

- North shaft project – level 9 decline equipping was completed and commissioned. Level 9 strike development has started. The decline to level 10 is scheduled to commence in the first quarter of F2022
- South 2 shaft system produced an average of 51 258 tonnes per month in F2021. The project is on track and the opening of more working areas in the system achieved an average of 57 795 tonnes per month in 2H F2021. The mine is ramping up production.

Commissioning of the Chrome Recovery Plant (CRP) is underway as planned. Ramp up to nameplate capacity rate is envisaged in the second half of F2022.

Operational reviews continued

ARM Platinum continued

Our people

Ensuring a safe, healthy and appropriately skilled workforce

Total employees at ARM Platinum operations decreased by 13% to 8 324 at 30 June 2021 (30 June 2020: 9 520) of which 76% are full-time employees and 24% contractors. Most of the reduction relates to the scaling down at Nkomati Mine, which is currently on care and maintenance. Investment in training increased to R103 million in F2021 (F2020: R87 million).



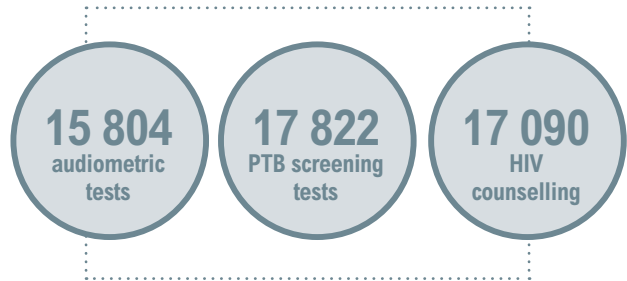
Modikwa and Two Rivers mines were approved by the DoH as Covid-19 vaccination sites to support the government-led rollout and as at 26 September 2021, 5 465 employees had been vaccinated at these sites

Risk-based occupational medical surveillance programmes address specific issues for each workplace, particularly pulmonary tuberculosis (PTB), HIV and Aids, and noise-induced hearing loss (NIHL). Chronic conditions are monitored by specific occupational exposure profiles for high-risk roles, with a focus on monitoring and managing high levels of hypertension, which is mainly a lifestyle disease.

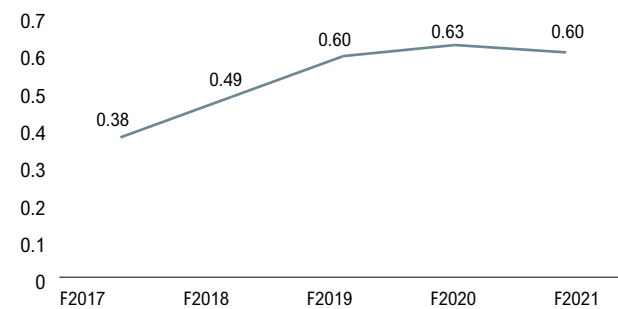
Safety and health

The safety, health and wellbeing of employees are priorities. Regrettably two colleagues were fatally injured in separate accidents at Modikwa Mine in the first half of the year. No fatalities were reported at ARM Platinum operations in 2H F2021.

ARM Platinum's lost-time injury frequency rate (LTIFR) improved to 0.60 per 200 000 man-hours (30 June 2020: 0.63 per 200 000 man-hours), with all three mines showing an improvement year on year and Two Rivers Mine achieving 1 million fatality-free shifts. Ongoing initiatives at the operations focus on safety training and compliance to standards. An integrated safety improvement plan, an outcome of the ongoing safety intervention at Modikwa Mine, is being driven by a dedicated project manager.



LTIFR (per 200 000 man-hours)



Strict health and safety measures aligned with the guidelines from the Minerals Council and DMRE proactively prevent the spread of Covid-19. As at 30 June 2021, 56 224 employee screenings had been completed, 3 223 tests, with 885 positive cases and a 97% recovery rate. Regrettably, 18 employees succumbed to Covid-19 in F2021. Awareness sessions were held on mental health in October where employees were encouraged to use the toll-free helpline in the employee assistance programme. Awareness of the on-site psychological support programme was also introduced during the year.

Environmental performance

Ensuring responsible stewardship of natural resources

Carbon emissions and energy use



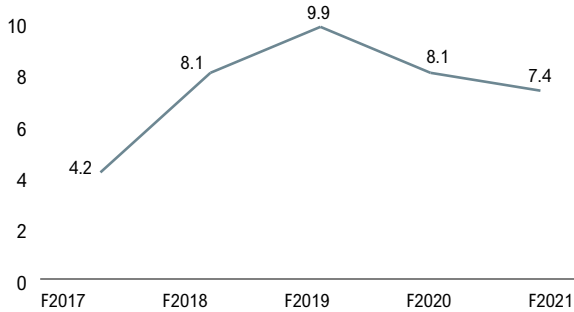
ARM Platinum's combined estimated scope 1 (direct) and scope 2 (indirect) carbon emissions decreased by 10% as a result of scaling down at Nkomati Mine. Carbon emissions per tonne of PGM ore milled at Modikwa and Two Rivers combined decreased to 0.104 tCO₂e/tonne (F2020: 0.106 tCO₂e/tonne).

Electricity consumption, the major contributor to these emissions, decreased by 7% to 736 913 megawatt hours (MWh) on a 100% basis (F2020: 794 940 MWh). Modikwa Mine accounted for 31% of ARM Platinum's F2021 total emissions, Nkomati Mine 35% and Two Rivers Mine 35%.

Water management

Disclosing against the water accounting framework of the ICMM has improved our understanding of water reuse efficiency, a key indicator in monitoring and managing consumption and losses. For F2021, water withdrawn decreased by 9%, with Modikwa Mine accounting for 50% of the division's total, Nkomati Mine 27% and Two Rivers Mine 23%.

Water withdrawn (million m³)



Tailings storage facilities (TSFs)

The sustainable development committees of each mine, represented by both joint-venture partners, consider details on the status and compliance of TSFs at quarterly meetings. Each operation reports TSF compliance and

status to the joint-venture partners at quarterly steering committee and sustainable development committee meetings. Implementation status of recommendations from the independent external reviews and dam-breach analyses is monitored and reported at quarterly sustainable development committee meetings.

Supporting our communities

Maintaining our social licence to operate

ARM Platinum invests in community initiatives undertaken as part of local economic development and social labour plans. Included in these initiatives in F2021 were six new classrooms that Two Rivers Mine built at two local schools to increase capacity and improve social distancing during Covid-19.



Operational reviews continued

ARM Platinum continued



	Unit	F2021	F2020	F2019	F2018	F2017
OPERATIONAL						
Production volumes						
Platinum	oz	139 155	122 407	147 235	162 543	181 882
Palladium	oz	84 532	73 213	85 962	96 569	107 108
Rhodium	oz	23 963	21 226	25 617	28 553	31 797
Gold	oz	2 310	1 929	2 321	2 528	2 681
Ruthenium	oz	41 113	34 409	42 145	46 937	54 094
Iridium	oz	9 100	7 840	10 126	11 274	12 653
PGMs	oz	300 172	261 024	313 406	348 405	390 214
Nickel	t	609	481	552	606	602
Copper	t	281	229	240	274	280
Chrome sold	t	242 945	172 368	219 566	229 642	275 189
Other operational indicators						
Tonnes milled	Mt	3.28	3.02	3.40	3.46	3.50
Head grade	g/t 6E	3.43	3.45	3.52	3.63	3.90
Average basket price	R/kg 6E	1 349 148	775 857	467 994	370 755	333 746
Cash cost	R/t	905	857	736	688	690
Cash cost	R/oz 6E	9 893	9 908	8 001	6 822	6 195
Cash cost	R/Pt oz	21 341	21 127	17 031	14 623	13 291
Cash cost	R/kg 6E	318 075	318 534	257 244	219 334	199 168
FINANCIAL						
Sales	R million	11 992	6 173	3 994	3 741	3 996
On-mine cash operating costs	R million	(2 970)	(2 586)	(2 508)	(2 377)	(2 417)
Off-mine cash operating costs	R million	(348)	(303)	(305)	(142)	(76)
Chrome cash costs	R million	(72)	(52)	(54)	(50)	(144)
Total cash operating profit	R million	8 949	3 535	1 433	1 314	1 359
Cash operating profit – PGMs	R million	8 832	3 435	1 264	1 104	1 006
Cash operating profit – chrome	R million	118	100	168	210	353
Capital expenditure	R million	1 281	813	587	455	293
Dividend paid	R million	2 650	1 230	524	543	570



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

Summary operational and financial indicators – 100% basis

Modikwa Mine Ownership

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

Management

Jointly managed by ARM and Anglo American Platinum

Refining

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

	Unit	F2021	F2020	F2019	F2018	F2017
OPERATIONAL						
Production volumes						
Platinum	oz	98 889	101 012	121 033	131 725	116 531
Palladium	oz	94 631	97 820	114 389	124 057	114 274
Rhodium	oz	20 144	20 729	24 388	26 693	24 144
Gold	oz	2 435	2 554	3 064	3 320	3 014
Ruthenium	oz	28 782	30 069	35 218	38 993	34 965
Iridium	oz	6 874	7 176	8 340	9 098	8 302
PGMs	oz	251 755	259 360	306 930	333 888	301 228
Nickel	t	449	500	557	628	589
Copper	t	284	310	345	384	365
Other operational indicators						
Tonnes milled	Mt	2.05	1.94	2.29	2.43	2.01
Head grade	g/t 6E	4.51	4.82	4.92	4.98	5.43
Average basket price	R/kg 6E	1 457 843	850 909	491 723	380 603	334 051
Cash cost	R/t	1 757	1 598	1 345	1 265	1 265
Cash cost	R/PGM oz	14 300	11 974	10 027	9 197	8 463
Cash cost	R/Pt oz	36 405	30 746	25 427	23 311	21 878
Cash cost	R/kg 6E	459 745	384 984	322 360	295 685	272 104
FINANCIAL						
Sales	R million	9 848	6 185	4 134	3 592	2 513
Total cash operating costs	R million	3 600	3 106	(3 077)	(3 071)	(2 549)
Cash operating profit/(loss)	R million	6 248	3 079	1 057	521	(36)
Capital expenditure	R million	660	638	260	266	262
Partner loan repaid (to ARM)	R million	1 257	450	–	–	–

AFS



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

Operational reviews continued

ARM Platinum continued



Summary operational and financial indicators – 100% basis

Nkomati Mine

Ownership

Equally owned by ARM and Norilsk Nickel Africa (Pty) Ltd

Management

50:50 partnership with Norilsk Nickel Africa

Refining

All metal-in-concentrate produced, excluding chrome, sold to Metal Trade Overseas AG.

Chrome concentrates sold through marketing agents to end users

	Unit	F2021	F2020	F2019	F2018	F2017
OPERATIONAL						
Production volumes						
Nickel	t	8 016	10 638	14 209	13 302	15 875
Copper	t	4 409	5 169	7 163	7 371	7 637
Cobalt	t	500	616	820	716	813
PGMs	oz	67 144	80 684	109 496	110 290	123 745
Chrome concentrate sold	000t	116	222	442	328	241
Other operational indicators						
Tonnes milled	Mt	4.70	6.62	8.15	8.04	7.49
Head grade	%	0.25	0.25	0.26	0.24	0.30
Average nickel price	US\$/t	16 447	13 964	12 343	12 397	9 882
Nickel on-mine cash cost per tonne treated	R/t	384	380	367	301	284
Nickel on-mine cash cost per tonne milled – including capitalised waste stripping costs	R/t	384	380	394	339	367
Cash cost net of by-products	US\$/lb	2.98	6.29	6.47	5.86	4.81
FINANCIAL						
Sales revenue	R million	3 095	2 563	3 046	3 278	3 991
Nickel on-mine cash operating costs	R million	(2 162)	(2 344)	(2 927)	(2 450)	(2 019)
Nickel off-mine cash operating costs	R million	(96)	(84)	(114)	(211)	(1 209)
Chrome cash operating costs	R million	(87)	(121)	(101)	(123)	(103)
Total cash operating profit/(loss)	R million	750	14	(97)	494	660
Cash operating profit/(loss) – nickel mine	R million	758	(28)	(411)	259	252
Cash operating profit – chrome	R million	(7)	42	314	235	408
Capital expenditure	R million	–	–	336	428	718

Refer to note 2 in the annual financial statements for the Nkomati Mine segmental information.



Summary sustainable development indicators – 100% basis

Refer to the ESG report for detailed disclosure.

	Unit	F2021	F2020	F2019	F2018	F2017
Employee indicators						
Average number ¹		8 394	8 215	9 058	9 452	9 321
– Permanent employees		5 557	5 554	5 913	6 045	5 724
– Contractors		2 837	2 661	3 145	3 407	3 597
LTIFR per 200 000 man-hours		0.60	0.62	0.60	0.49	0.38
Environmental indicators						
Scope 1 and 2 carbon emissions ²	tCO ₂ (e)	398 853	444 538	477 858	439 035	434 988
Total water withdrawn ³	million m ³	7.4	8.1	9.9	8.1	4.2
Energy usage						
– Total electricity consumption	MWh	736 913	794 940	832 037	826 710	804 597
– Total diesel consumption	000 litres	19 585	25 417	34 936	35 071	34 029
Community investment indicators						
Total CSI and LED spend	R million	63	13.2	46	51	40
– Corporate social investment (CSI)	R million	2	2.7	9	10	11
– Local economic development (LED)	R million	61	10.5	37	41	29

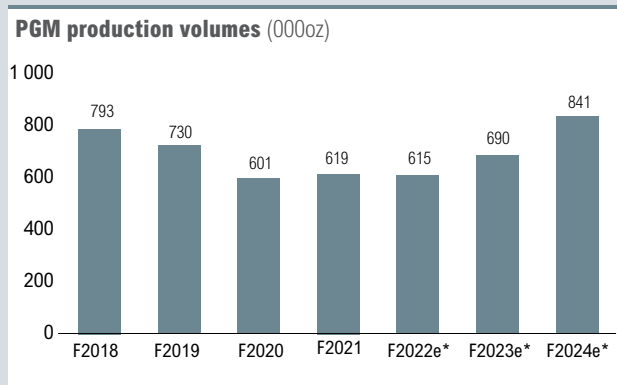
¹ Permanent employees and contractors reported as average for the year, consistent with calculating safety statistics.

² Attributable basis.

³ Includes rainfall and runoff water harvested, surface water withdrawn from rivers, municipal water and groundwater.

Outlook

ARM Platinum production and sales volumes – 100% basis



* F2022, F2023, F2024 represents estimated volumes.

