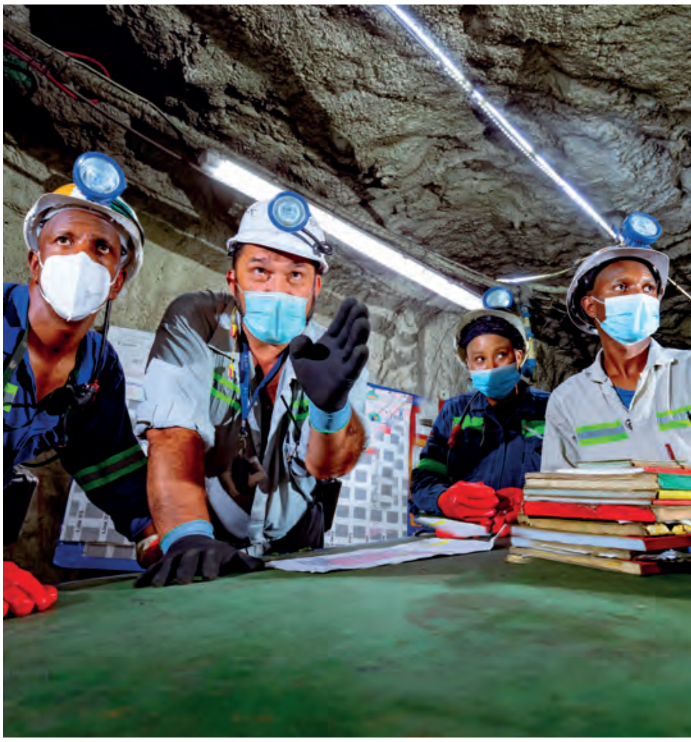
African Rainbow Minerals



Annual financial statements

2022

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Shareholder information

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.

Our 2022 suite of reports

IAR **2022 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 **2022 annual financial statements**

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

ESG **2022 ESG report**

A detailed review of our performance on our 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 **2022 climate change and water report**

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

KING **2022 King IV™* application register**

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

MRMR **2022 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 **2022 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

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 and also has a strategic investment in gold through Harmony Gold Mining Company (Harmony).

Directors' responsibility for the annual financial statements

The company's directors are responsible for the preparation, integrity and fair presentation of these consolidated and separate annual financial statements in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, requirements of the South African Companies Act 71 of 2008 (the Companies Act) and the Listings Requirements of the JSE Limited (JSE Listings Requirements).

This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The going-concern basis has been used to prepare the consolidated and separate annual financial statements. The directors are satisfied that the group and company have access to adequate resources to continue as a going concern for the ensuing year.

The directors are also responsible for the group's system of internal controls. These are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

A description of the audit and risk committee's functions appears on pages 4 to 6. This committee has confirmed that effective systems of internal control and risk management are maintained. There were no breakdowns in the functioning of internal financial control systems during the year that had a material impact on the consolidated and separate annual financial statements.

The board considers that, in preparing the consolidated and separate annual financial statements, the most appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgements and estimates in line with IFRS. The directors are satisfied that the annual financial statements of the group and company fairly present the results of operations and their cash flows for the year ended 30 June 2022, and the financial position at 30 June 2022. The directors are also satisfied that additional information included in the integrated annual report is accurate and consistent with the financial statements in this report.

The responsibility of the external auditor, Ernst & Young Inc., is to express an independent opinion on the fair presentation of the annual financial statements, based on its audit of the group and company. The audit and risk committee has satisfied itself that the external auditor is independent.

The consolidated and separate annual financial statements on pages 1 to 127 were approved by the board and are signed on its behalf by:

Dr PT Motsepe
Executive chairman

MP Schmidt
Chief executive officer

Johannesburg
7 October 2022

Certificate of the group company secretary and governance officer

In my capacity as group company secretary and governance officer, I hereby confirm, to the best of my knowledge and belief, that in terms of section 88(2)(e) of the Companies Act 71 of 2008, as amended, for the year ended 30 June 2022, the company has lodged with the commissioner of the Companies and Intellectual Property Commission all such returns and notices that are required for a public company in terms of this act, and that all such returns and notices are true, correct and up to date.

AN D'Oyley
Group company secretary and governance officer

Johannesburg
7 October 2022

Chief executive officer and finance director's internal financial control responsibility statement

Each of the directors whose names are stated below hereby confirm that:

- The annual financial statements set out on pages 23 to 115 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading
- Internal financial controls have been put in place to ensure that material information relating to African Rainbow Minerals (the issuer) (ARM) and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer
- The internal financial controls are adequate and effective and can be relied on in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls
- Where we are not satisfied, we have disclosed to the audit and risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies
- We are not aware of any fraud involving directors.

MP Schmidt
Chief executive officer

TTA Mhlanga
Finance director

Johannesburg
7 October 2022

Report of the audit and risk committee

This report is provided by the audit and risk committee appointed for the 2022 financial year (F2022) in compliance with section 94 of the Companies Act.

ESG

Information on the membership and composition of the committee, terms of reference and procedures appears in the ESG report on www.arm.co.za.

Executing designated functions

The committee has executed its duties and responsibilities during the financial year in line with its terms of reference for ARM's accounting, internal auditing, internal control, risk and financial reporting practices.

In the review period, in terms of the external auditor and external audit, the committee:

- Recommended to shareholders that Ernst & Young Inc. be reappointed as the external auditor and that Mr PD Grobbelaar be reappointed as the designated auditor
- Requested the required accreditation information from the audit firm to assess its suitability for appointment as well as the suitability of the designated audit partner
- Ensured the appointment of the external auditor complied with the Companies Act and all applicable legal and regulatory requirements
- Approved the external audit plan and audit fees payable to the external auditor
- Confirmed it is satisfied that the external auditor is independent of the company and group, and considered the following in its determination:
  - Reviewed and evaluated the effectiveness of the external auditor and its independence
  - Obtained and accepted an annual written statement from the auditor that its independence was not impaired
  - Determined the nature and extent of all non-audit services provided by the external auditor
  - Pre-approved permissible non-audit services provided by the external auditor in terms of its policy on approving audit services and pre-approving non-audit services
  - Considered the tenure of the external audit firm, Ernst & Young Inc., and its predecessor firms, which have been the auditor of African Rainbow Minerals Limited for 49 years. It was noted that in 2004, Ernst & Young Inc. continued as the auditor of the African Rainbow Minerals Limited group, which was created following a range of indivisible transactions involving certain interests of Anglovaal Mining Limited, African Rainbow Minerals & Exploration Investments Proprietary Limited and Harmony Gold Mining Company Limited (Harmony). Ernst & Young Inc. has been the auditor of the group for 19 years
- Evaluated the quality of the external audit.

For the financial statements, the committee:

- Confirmed the going-concern status of the group and company as the basis of preparing the interim, provisional and annual financial statements
- Examined and reviewed these financial statements, and all financial information disclosed to the public prior to submission and approval by the board
- Ensured that the annual financial statements fairly present the financial position of the group and company at the end of the financial year, and the results of operations and cash flows for the financial year of the group and company, in line with IFRS and the requirements of the Companies Act
- Considered accounting treatments, significant unusual transactions and accounting judgements
- Considered the appropriateness of accounting policies adopted and any changes
- Reviewed the independent auditor's report
- Considered key audit matters, as set out in the independent auditor's report
- In terms of the JSE Limited (JSE) letter on the proactive monitoring process, dated 9 November 2021, considered the JSE's report titled "Reporting back on proactive monitoring of financial statements in 2021"
- Considered the company's response to the areas of improvement to the 2021 Mineral Resources and Mineral Reserves Report set out by the JSE in its review thereof
- Considered any issues identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements

- Considered management's recommendation to the board on the going concern, solvency and liquidity assessment after paying dividends to shareholders
- Met separately with management, the external auditor and internal auditor.

The committee considered, inter alia:
- The internal control process for the chief executive officer and finance director to sign the responsibility statement for the F2022 annual financial statements
- The impact of global developments on our business
- Impairment indicators and impairment reversal indicators at all operations including the impairment reversal at ARM Coal.

For internal control and internal audit, the committee:
- Reviewed significant issues raised by the internal audit process and the adequacy of corrective action in response to significant internal audit findings
- Reviewed and approved the internal audit plan
- Evaluated the independence, effectiveness and performance of the internal auditor, Deloitte & Touche, and found the internal auditor to be independent and effective
- Considered reports of the internal auditor on the group's systems of internal controls
- Considered the internal auditor's finding that: "Overall, controls were functioning as intended to provide reasonable assurance that the organisation is safeguarded against inherent risks and were assessed to be effective during the period under review"
- Considered the effectiveness of group's system of internal financial controls, with due regard to reports by management, noted reports by the internal auditor and considered reports by the external auditor on the consolidated and separate annual financial statements.

Based on the above, the committee concluded that nothing had come to its attention that would suggest internal financial controls were not effective for the year ended 30 June 2022. In addition, the committee considered the accounting practices and annual financial statements of the group and company and consider these to be fair and reasonable.

In terms of risk management and its oversight role of the management risk and compliance committee, the audit and risk committee:
- Reviewed the enterprise risk management framework setting out ARM's policies and processes on risk assessment and risk management throughout the group and company
- Ensured the group and company have applied a combined assurance model for a coordinated approach to all assurance activities
- Considered and reviewed the findings and recommendations of the management risk and compliance committee.

For legal and regulatory requirements that may have an impact on the consolidated and separate annual financial statements, the committee:
- Reviewed with management and, to the extent deemed necessary, internal and/or external counsel, legal matters that could have a material impact on the group and company
- Discharged the statutory obligations of an audit committee prescribed by section 94 of the Companies Act
- Monitored complaints received via ARM's whistleblowers' hotline
- Considered reports from management and the internal auditor on compliance with legal and regulatory requirements.

The committee considered the experience, expertise and effectiveness of the finance director, Ms TTA Mhlanga, and the finance function, and concluded that these were appropriate.

In F2023, the audit and risk committee will consider, inter alia:
- Management's control over key risks including transportation, water and cybersecurity risks
- The seamless process to hand over to the new external auditor
- The effective operation of the group and company's financial systems, processes and controls, and their capacity to respond to industry and environment changes
- Management's implementation of the financial provisioning regulations of the National Environmental Management Act and other pronouncements and standards
- The impact of developments in the audit industry to ensure continued audit independence and objectivity.

Qualifications of audit and risk committee members[1, 2, 3]					
TOM BOARDMAN (72) BCom (Wits), CA(SA) Member since February 2011 *Independent non-executive director.* **Committees** Chairman of audit and risk committee, member of investment and technical, non-executive directors' and remuneration committees	**FRANK ABBOTT (67)** BCom (University of Pretoria), CA(SA), MBL (Unisa) Member since 2021 *Independent non-executive director.* **Committees** Member of audit and risk, investment and technical, and non-executive directors' committees	**ANTON BOTHA (69)** BCom (marketing) (University of Pretoria), BProc (Unisa), BCom (hons) (University of Johannesburg), senior executive programme (Stanford, USA) Member since June 2010 *Independent non-executive director.* **Committees** Chairman of remuneration committee, member of audit and risk, investment and technical, and non-executive directors' committees	**ALEX MADITSI (60)** BProc (University of the North), LLB (Wits), HDip company law (Wits), LLM company and labour law (Pennsylvania, USA), LLM international commercial law (Harvard, USA) Member since July 2004 *Lead independent non-executive director.* **Committees** Chairman of nomination and non-executive directors' committees, member of audit and risk, investment and technical, remuneration and social and ethics committees	**PITSI MNISI (39)** BCom (acc) (University of Natal), BCom (acc)(hons) (University of Natal), BCom (tax)(hons) (UCT), CA(SA), advanced certificate (emerging markets and country-risk analysis) (Fordham, USA), MBA (Heriot-Watt University, UK) Member since December 2020 *Independent non-executive director.* **Committees** Member of audit and risk and non-executive directors' committees	**DR REJOICE SIMELANE (70)** BA (economics and accounting) (University of Botswana, Lesotho and Swaziland), MA (econ) (University of New Brunswick, Canada, and University of Connecticut, USA), PhD (econ) (University of Connecticut), LLB (Unisa) Member since July 2004 *Independent non-executive director.* **Committees** Chairman of social and ethics committee, member of audit and risk, nomination and non-executive directors' committees

1 *The résumés of audit and risk committee members standing for re-election appear in the notice of annual general meeting, available on the website.*
2 *All members of the audit and risk committee standing for re-election are independent non-executive directors.*
3 *The résumé of Mr B Nqwababa, an independent non-executive director standing for election to this committee, appears in the notice of annual general meeting, available on the website.*

Independence of external auditor

The committee is satisfied that Ernst & Young Inc. is independent of ARM. This conclusion was arrived at, inter alia, after considering the factors on page 4 and those below:

- Representations made by Ernst & Young Inc. to the committee
- The external auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefits from the group and company
- The external auditor's independence was not impaired by any consultancy, advisory or other work undertaken
- The external auditor's independence was not prejudiced by any previous appointment as auditor.

Recommendation

Following our review of the consolidated and separate annual financial statements for the year ended 30 June 2022, we believe that, in all material respects, they comply with the relevant provisions of the Companies Act, IFRS as issued by the International Accounting Standards Board (IASB) the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listing Requirements, and fairly present the consolidated and separate results of operations, cash flows, and the financial position of the group and company. On this basis, the audit and risk committee recommended the consolidated and separate annual financial statements of ARM to the board for approval.

The board subsequently approved the 2022 annual financial statements, which will be open for discussion at the annual general meeting.

TA Boardman
Chairman of the audit and risk committee

Johannesburg
7 October 2022

Independent auditor's report

To the Shareholders of African Rainbow Minerals Limited

Report on the audit of the consolidated and separate annual financial statements

Opinion

We have audited the consolidated and separate annual financial statements of African Rainbow Minerals Limited and its subsidiaries ('the group') and company set out on pages 23 to 115 which comprise of the consolidated and separate statements of financial position as at 30 June 2022, and the consolidated and separate statements of profit or loss, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate annual financial statements, including a summary of significant accounting policies and the directors' remuneration section in the Directors' report on pages 14 to 21.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 30 June 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate annual financial statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the group and company and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the group and company and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate annual financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate annual financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate annual financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated and separate annual financial statements.

Independent auditor's report continued

The Key audit matter applies equally to the audit of the consolidated and separate annual financial statements.

Key audit matter	How the matter was addressed in the audit
Reversal of impairment of investment in associate • At the end of each reporting period, the group and company assess whether there are any indicators that property, plant and equipment and investments may be impaired or whether there are impairment reversal indicators. If any such indicators exist, the group and company estimate the recoverable amounts of those assets. • The carrying values of the investment in associate, Participative Coal Business ('PCB') are as follows: – Company – R841 million – Group – R2 048 million • The carrying values of assets, specifically those relating to the ARM Coal segment, have been positively impacted by earlier than anticipated settlement of the PCB loans, which are classified as net investment in associate loans, resulting from very favourable coal prices. During the current year the group and company recorded reversal of impairments relating to the investment in PCB: – Group – R1 121 million. – Company – R841 million. • The recoverability of the PCB Cash Generating Unit (CGU), which includes the related loans, is based upon forecasts which by its nature contains estimation uncertainty in relation to the inputs used, as noted below. As disclosed in Note 38 Impairment and Impairment Reversal and Note 1 Accounting Policies – S*ignificant accounting judgements and estimates-Impairment of assets and reversal of impairment*, the Group and company determines the recoverable amount, on the basis of the following key estimates and assumptions (inputs): – Long term commodity prices; – Foreign exchange rates; – Discount rates – Future capital requirements; and – operating performance. • Further, there is complexity in determining the allowable amount and accounting for the reversals of impairment in accordance with IAS 36 *Impairment of Assets* and IAS 28 *Investments in Associates and Joint Ventures*. • We determined this to be a key audit matter in the current year due to the complexity and the significant impact on the group and company results as well as the degree of audit effort involved, including the involvement of valuation specialists in the audit of the recoverable amounts.	Our audit procedures included amongst others the following: • We obtained and read the assessments performed by management to identify indicators of impairment or reversal of impairment and have assessed this against our understanding of the business and the performance of the cash generating units (CGU); • With the involvement of our valuation specialists, we: – Evaluated the valuation methodology against acceptable industry methods and accounting standards – Assessed the reasonability of the discount rate applied by comparing management's inputs to industry benchmarks and publicly available market data for comparable companies within a given range – Compared future commodity prices, inflation rates, and foreign exchange rates to external market data – Assessed the reasonability of the forecast production volumes and cost per ton with reference to historical performance – Performed scenario analysis by considering the impact on the recoverable amount of changes in model inputs (including commodity prices, discount rates, inflation rates and foreign exchange rates) to determine our own estimation, based on external market data, of the recoverable amounts to compare to management's recoverable amount. – Considered the reasonability of the forecast capital expenditure based on the timing and magnitude of capital expenditure driven by the life stage of the mine. • We recalculated the allowable impairment reversal (per IAS 36) and compared this to management's determination. • We assessed the adequacy of the company and group's disclosures in terms of IAS 36 and IAS 28, in the notes to the consolidated and separated annual financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 104-page document titled "ARM Integrated Annual Report 2022", the 196– page document titled "ARM Environmental, social and governance report 2022", the 96-page document titled "ARM Mineral Resources and Mineral Reserves report 2022", the 76-page document titled "ARM Climate change and water report 2022", the 10-page document titled "ARM King IV application register 2022", the 100-page document titled "ARM Notice to shareholders 2022", and in the 128-page document titled "African Rainbow Minerals Annual financial statements 2022", which includes the Chief executive officer and finance director's internal financial control responsibility statement, Directors' report (except the directors' remuneration section on pages 14 to 21), the Report of the audit and risk committee and the Certificate of the group company secretary and governance officer as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate annual financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated and separate annual financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate annual financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor’s report continued

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated and separate annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate annual financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc., and its predecessor firms, have been the auditor of African Rainbow Minerals Limited for 49 years.

In 2004, Ernst & Young Inc. continued as the auditor of the African Rainbow Minerals Limited group, which was created following a range of indivisible transactions involving certain interests of Anglovaal Mining Limited, African Rainbow Minerals & Exploration Investments (Pty) Ltd and Harmony Gold Mining Company Limited. Ernst & Young Inc. has been the auditor of the group for 19 years.

Ernst & Young Inc.
Director – Philippus Dawid Grobbelaar
Registered Auditor
Chartered Accountant (SA)

7 October 2022

102 Rivonia Road
Sandton
2146

Directors' report

The directors have pleasure in presenting their report on ARM for the year ended 30 June 2022.

Nature of business

ARM is a diversified South African mining company with long-life operations in key commodities. ARM, its subsidiaries, joint ventures, joint operations and associates explore, develop, operate and hold interests in the mining and minerals industry.

IAR For more on ARM's strategy, see page 14 of the integrated annual report.

The current operational focus is on precious metals, base metals, ferrous metals and alloys, which include platinum group metals, nickel, coal, iron ore, manganese ore and ferromanganese. ARM also has an investment in Harmony Gold Mining Company Limited.

ARM's partners at the various South African operations are Anglo American Platinum Limited, Assore South Africa Proprietary Limited, Impala Platinum Holdings Limited, Norilsk Nickel Africa Proprietary Limited and Glencore Operations South Africa Proprietary Limited.

Holding company

The company's largest shareholder is African Rainbow Minerals & Exploration Investments Proprietary Limited (ARMI), holding 39.87% of its issued ordinary share capital at 30 June 2022 (30 June 2021: 39.69%). The sole shareholder of ARMI is Ubuntu-Ubuntu Commercial Enterprises Proprietary Limited, the shares of which are held by trusts, all of which, except the Motsepe Foundation, own those shares for the benefit of Dr PT Motsepe and his immediate family. The Motsepe Foundation applies the benefits of its indirect shareholding in ARM for philanthropic purposes.

In addition, at 30 June 2022, 0.50% of the issued share capital of ARM was held by Botho-Botho Commercial Enterprises Proprietary Limited (30 June 2021: 0.50%), in turn owned by trusts, all of which, with the exception of the Motsepe Foundation, hold those shares for the benefit of Dr Motsepe and his immediate family.

As one of the largest black-controlled mineral resource companies in South Africa, ARM is committed to the spirit and objectives of the Mineral and Petroleum Resources Development Act 28 of 2002, and the broad-based socio-economic charter for the South African mining industry (the mining charter). Accordingly, and for the benefit of historically disadvantaged South Africans (HDSAs), the company created the ARM Broad-Based Economic Empowerment Trust. The beneficiaries of this trust include seven regional upliftment trusts, a women's upliftment trust, union representatives, a church group and community leaders. The ARM Broad-Based Economic Empowerment Trust owns 15 897 412 ARM shares (30 June 2021: 15 897 412) or 7.08% of ARM's issued share capital at 30 June 2022 (30 June 2021: 7.08%).

Review of operations

IAR See reviews by the executive chairman, chief executive officer and finance director, and reviews of operations for F2022 in the integrated annual report.

Corporate governance

The board is committed to high standards of corporate governance and continuously reviews governance matters and control systems to ensure these are in line with global good practices. These standards are evident throughout the company's systems of internal controls, policies and procedures to ensure the sustainability of the business.

KING IV ARM applies the principles of King IV. For details, see the King IV application register on our website.

Financial results

The consolidated and separate annual financial statements and accounting policies appear on pages 23 to 115.

The results for the year ended 30 June 2022 have been prepared in accordance with IFRS and interpretations of those standards as adopted by the IASB, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee, Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, the requirements of the Companies Act and JSE Listings Requirements. The annual financial statements fairly present the state of affairs of the group and company, and adequate accounting records have been maintained.

Sales

-14% since 2021

R16 917m

Gross profit

-21% since 2021

R9 257m

Total assets

+11% since 2021

R59 171m

Borrowings and cash

Borrowings of R109 million (F2021: R648 million) were repaid in the period, reducing gross debt to R484 million (F2021: R1 469 million). ARM was in a net cash position of R11 175 million (30 June 2021: R8 202 million). There are no borrowing-power provisions in ARM's memorandum of incorporation.

Details of cash and borrowings appear in notes 15, 18 and 23 of the financial statements.

Going concern

To determine whether the group and company are going concerns, the directors have considered facts and assumptions, including group and company cash flow forecasts for the year to 30 June 2023 and beyond. The board believes the company and group have adequate resources to continue business in the foreseeable future. For this reason, the group and company continue to adopt the going-concern basis in preparing these financial statements.

Taxation

The latest tax assessment for the company is for the financial year ended 30 June 2021. All tax submissions up to and including those for F2021 have been submitted.

Subsidiaries, joint arrangements, associates and investments

The company's direct and indirect interests in its principal subsidiaries, joint arrangements (which include joint ventures and joint operations), associates and investments are reflected in separate schedules on pages 113 to 115.

Dividends

An interim gross dividend of 1 200 cents per ordinary share was declared on 3 March 2022 for the six months ended 31 December 2021 (1H F2021: 1 000 cents), amounting to a distribution of approximately R2 694 million (1H F2021: R2 244 million) which was paid on Monday, 4 April 2022.

The following additional information is disclosed:

- The dividend was declared out of income reserves
- The South African dividends withholding tax (dividends tax) rate is 20%
- The gross local dividend amount was 1 200 cents per ordinary share for shareholders exempt from dividends tax
- The net local dividend amount was 960 cents per ordinary share for shareholders liable to pay dividends tax
- As at the date of the dividend declaration, ARM had 224 458 652 ordinary shares in issue.

A final gross dividend of 2 000 cents per ordinary share was declared on 1 September 2022 for the year ended 30 June 2022 (F2021: 2 000 cents per share), amounting to a distribution of approximately R4 493 million (F2021: R4 489 million), which was payable on Monday, 3 October 2022.

The following additional information is disclosed:

- The dividend was declared out of income reserves
- The South African dividends withholding tax (dividends tax) rate is 20%
- The gross local dividend amount was 2 000 cents per ordinary share for shareholders exempt from dividends tax
- The net local dividend amount was 1 600 cents per ordinary share for shareholders liable to pay dividends tax
- As at the date of the dividend declaration, ARM had 224 667 778 ordinary shares in issue.

In line with section 4 of the Companies Act, the board determined that the prescribed solvency and liquidity requirements were met for the payment of dividends.

ARM's income tax reference number is 9030/018/60/1.

Capital expenditure

Capital expenditure for F2022 totalled R2 277 million (F2021: R1 884 million).

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Full details of capital expenditure appear in the finance director's review and relevant operational reviews in the integrated annual report.

Events after the reporting date

For events after the reporting date, see note 45 of the annual financial statements.

Share capital

The share capital of the company, both authorised and issued, is set out in note 16 to the consolidated and separate annual financial statements. Information about the treasury shares is set out in note 17.

Shareholder analysis

A comprehensive analysis of shareholders, together with direct or indirect beneficial holdings exceeding 3% of the ordinary shares of the company at 30 June 2022, is set out on pages 123 and 126.

Directorate

The memorandum of incorporation provides for one-third of elected non-executive directors to retire by rotation. The non-executive directors affected by this requirement are Messrs M Arnold, TA Boardman and JC Steenkamp and Ms PJ Mnisi, each of whom is available to stand for re-election at the forthcoming annual general meeting.

Their terms of office terminate at the annual general meeting in accordance with the MoI. They have made themselves available for election at the annual general meeting on Thursday, 1 December 2022, or any adjournment thereof.

At the date of this report, the directors of the company were:

- **Executive directors:** Dr PT Motsepe (executive chairman), MP Schmidt (chief executive officer), TTA Mhlanga (finance director), J Magagula and HL Mkatshana
- **Independent non-executive directors:** AK Maditsi (lead independent non-executive director), F Abbott, TA Boardman, AD Botha, JA Chissano, WM Gule, B Kennedy, PJ Mnisi, DC Noko, B Nqwababa, Dr RV Simelane and JC Steenkamp
- **Non-executive director:** M Arnold.

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Detailed résumés of the directors appear in the notice of annual general meeting and in the ESG report on our website.

Interests of directors

The direct and indirect beneficial and non-beneficial interests of directors in the issued share capital of the company were as follows:

	30 June 2022				30 June 2021			
	Direct		**Indirect**		Direct		Indirect	
	Beneficial	**Non-beneficial**	**Beneficial**	**Non-beneficial**	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Directors*								
Dr PT Motsepe[1]	**–**	**–**	**90 696 906**	**–**	–	–	90 204 743	–
MP Schmidt	**616 454**	**–**	**–**	**–**	480 896	–	–	–
M Arnold	**65 331**	**–**	**–**	**–**	102 331	–	–	–
J Magagula	**6 000**	**–**	**–**	**–**	6 000	–	–	–
TTA Mhlanga[2]	**–**	**–**	**–**	**–**	–	–	–	–
HL Mkatshana	**186 676**	**–**	**–**	**–**	138 032	–	–	–
Dr RV Simelane	**1 350**	**–**	**–**	**–**	1 350	–	–	–
JC Steenkamp	**275 651**	**–**	**–**	**–**	275 651	–	–	–

* *Messrs B Kennedy and B Nqwababa were appointed subsequent to the financial year end. Neither director holds shares in the company.*
1 *Shares held by African Rainbow Minerals and Exploration Proprietary Limited and Botho-Botho Commercial Enterprises Proprietary Limited.*
2 *Ms TTA Mhlanga was appointed as finance director with effect from 1 October 2020.*

No directors acquired or sold a direct or indirect beneficial or non-beneficial interest in the issued share capital of the company between 30 June 2022 and the date of this report.

Directors' remuneration: Executive directors and prescribed officers (audited)

The remuneration of executive directors and prescribed officers comprises:

- **Total cost-to-company**, which is base salary plus benefits
- **Incentive-based rewards** in the form of competitive incentives compared to those offered by other employers in the mining and mineral resources sector, earned through achieving performance targets consistent with shareholder expectations over the short- and long-term:
  - **Short-term incentives** are cash bonuses based on performance measures and targets, and structured to reward effective operational performance
  - **Long-term (share-based) incentives** used to align the long-term interests of management with those of shareholders and responsibly implemented to avoid exposing shareholders to unreasonable or unexpected financial impact.

ESG Full details are set out in the remuneration report in the ESG report.

Executive directors and prescribed officers do not receive directors' fees.

Executive director emoluments

	2022							
R000	Basic salary	Retirement fund contributions (including pension scheme contributions)	Medical benefits	Non-cash benefits[6]	Other benefits[7]	Total annual package before incentives	Cash bonus[8]	Total annual package
Executive directors								
Dr PT Motsepe	8 996	–	–	10 976	2	**19 974**	10 760	**30 734**
MP Schmidt	8 672	585	–	–	139	**9 396**	9 061	**18 457**
J Magagula[1]	3 653	307	177	–	20	**4 157**	3 801	**7 958**
TTA Mhlanga[2]	4 923	399	42	–	13	**5 377**	4 874	**10 251**
HL Mkatshana	4 504	376	–	–	163	**5 043**	4 584	**9 627**
AM Mukhuba[3]	–	–	–	–	–	**–**	–	**–**
Total for executive directors	30 748	1 667	219	10 976	337	**43 947**	33 080	**77 027**
Prescribed officers[4]								
A Joubert	4 882	560	–	11	322	**5 775**	4 825	**10 600**
VP Tobias[5]	3 991	339	–	–	78	**4 408**	4 023	**8 431**
Total for prescribed officers	8 873	899	–	11	400	**10 183**	8 848	**19 031**
Total for executive directors and prescribed officers	39 621	2 566	219	10 987	737	**54 130**	41 928	**96 058**

Total annual package before incentives = cost-to-company.

1 *Ms J Magagula was appointed an executive director from 18 December 2019. The long-term incentives settled in F2022 (ie conditional awards in terms of the 2018 cash-settled conditional share plan) had been granted to her prior to her appointment as an executive director.*

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

3 *Ms AM Mukhuba resigned as finance director from 30 September 2020.*

4 *The prescribed officers of the company were determined under section 66(10) of the Companies Act, and further described in section 38 of its regulations. Their remuneration is disclosed in terms of the Companies Act, section 30(4)(a).*

5 *Mr VP Tobias was appointed chief operating officer from 14 November 2021. No long-term incentive is reflected for Mr Tobias because this will only be reflected at the end of the three-year performance period when the performance conditions will be measured.*

6 *Includes protection services.*

7 *Includes travel, UIF and risk benefits.*

8 *No bonuses were deferred in F2022.*

Executive director emoluments continued

R000	2021							
	Basic salary	Retirement fund contributions (including pension scheme contributions)	Medical benefits	Non-cash benefits[6]	Other benefits[7]	Total annual package before incentives	Cash bonus[8]	Total annual package
Executive directors								
Dr PT Motsepe	8 551	–	–	9 587	2	18 140	11 531	29 671
MP Schmidt	8 237	555	–	–	139	8 931	9 711	18 642
J Magagula[1]	3 036	259	168	–	16	3 479	3 594	7 073
TTA Mhlanga[2]	3 438	275	30	–	9	3 752	3 778	7 530
HL Mkatshana	4 293	358	–	–	143	4 794	4 952	9 746
AM Mukhuba[3]	1 142	123	22	–	5	1 292	–	1 292
Total for executive directors	28 697	1 570	220	9 587	314	40 388	33 566	73 954
Prescribed officers[4]								
A Joubert	4 693	531	–	–	255	5 479	5 704	11 183
VP Tobias[5]	–	–	–	–	–	–	–	–
Total for prescribed officers	4 693	531	–	–	255	5 479	5 704	11 183
Total for executive directors and prescribed officers	33 390	2 101	220	9 587	569	45 867	39 270	85 137

Total annual package before incentives = cost-to-company.

1 *Ms J Magagula was appointed an executive director from 18 December 2019. The long-term incentives (ie performance shares) settled in F2021 were granted to her prior to her appointment as an executive director.*

2 *Ms TTA Mhlanga was appointed finance director from 1 October 2020. The amounts in the schedule for total annual package before incentives and cash bonus are for the portion of the year when she was finance director. No long-term incentive is reflected for her because the final allocation of performance shares was made prior to her appointment.*

3 *Ms AM Mukhuba resigned as finance director from 30 September 2020. See separate table entitled 'settlement of unvested share awards to the finance director on termination of employment', on page 172 of the 2021 ESG report.*

4 *The prescribed officer of the company was determined under section 66(10) of the Companies Act, and further described in section 38 of its regulations. His remuneration is disclosed in terms of the Companies Act, section 30(4)(a).*

5 *Mr VP Tobias was appointed chief operating officer from 14 November 2021.*

6 *Includes protection services.*

7 *Includes travel, UIF and risk benefits.*

8 *No bonuses were deferred in F2021.*

Conditional shares under the 2018 conditional share plan

Awards of conditional shares were made to eligible participants in the Paterson grade F-band under the 2018 conditional share plan. Conditional shares will be settled after three years, subject to the company achieving prescribed performance criteria over this period.

ESG For additional information about performance criteria, see remuneration report part III in the ESG report on our website.

The total number of conditional shares awarded in F2022 was 419 694. In F2022, with 172 018 conditional shares being forfeited. The total number of conditional shares at 30 June 2022 was 1 312 678.

Conditional shares: movements in F2022

	Executive directors										Prescribed officers			
	Dr PT Motsepe		J Magagula		HL Mkatshana		TTA Mhlanga[1]		MP Schmidt		A Joubert		VP Tobias[2]	
	Number of shares	Value of shares (R000s)	Number of shares	Value of shares (R000s)	Number of shares	Value of shares (R000s)	Number of shares	Value of shares (R000s)	Number of shares	Value of shares (R000s)	Number of shares	Value of shares (R000s)	Number of shares	Value of shares (R000s)
Opening conditional share balance at 1 July 2021	338 023	–	44 664	–	111 762	–	27 573	–	281 765	–	127 753	–	–	–
Conditional shares awarded 8 March 2022	68 685	17 991	21 099	5 527	25 593	6 704	27 292	7 149	59 889	15 687	29 255	7 663	35 542	9 310
Conditional shares settled 8 March 2022[3]	(159 694)	87 473	–	–	(45 313)	24 820	–	–	(126 274)	69 167	(51 796)	28 371	–	–
Closing conditional share balance as at 30 June 2022[4]	**247 014**	**–**	**65 763**	**–**	**92 042**	**–**	**54 865**	**–**	**215 380**	**–**	**105 212**	**–**	**35 542**	**–**

1 *Ms TTA Mhlanga was appointed to the board on 1 October 2020.*
2 *Mr VP Tobias was appointed chief operating officer from 14 November 2021.*
3 *Additional dividend equivalent shares of 0.2997 per award were included for settlement, as assured by the independent third-party consultant, Andisa. The performance measurement and applicable vesting percentage (ie 155%) was determined by the independent third-party consultants, Bowmans. The final vesting price used to determine the pre-tax cash value on settlement was the closing share price on the day before the vesting date (ie 7 March 2022) of R271.90.*
4 *No conditional shares were awarded or settled for these directors or the prescribed officer between 30 June 2022 and the date of this report.*

Conditional awards under the 2018 cash-settled conditional share plan

Conditional awards under the 2018 cash-settled conditional share plan were made to an executive director prior to her appointment to the board, as set out below. The total number of conditional awards in F2022 to eligible management (in the Paterson grade D and E-bands) was 706 027.

Cash-settled conditional awards: movements in F2022

	Executive director	
	J Magagula	
	Number of shares	Value of shares (R000s)
Opening conditional awards balance at 1 July 2021	12 524	–
Conditional awards settled 8 March 2022[1]	(6 650)	3 267
Closing conditional awards balance as at 30 June 2022[2]	**5 874**	**–**

1 *A dividend-equivalent cash payment of R55 per award was included in the settlement value, as assured by the independent third-party consultant, Andisa. The performance measurement and applicable vesting percentage (ie 155%) were assured by the independent third-party consultant, Bowmans. The final vesting price was the 20-day volume-weighted average share price on the vesting date (ie 8 March 2022) of R261.94. The pre-tax cash value on settlement is as follows:*

Final vesting price: 20-day volume-weighted average share price on 8 March 2022	*R261.94*
Dividend equivalent cash payment per award	*R55.00*
Total pre-tax cash value on settlement per award	*R316.94*

2 *No cash-settled conditional awards were awarded or settled for this director between 30 June 2022 and the date of this report.*

Performance shares under the 2008 share plan

Conditional awards of performance shares were made to eligible participants under the 2008 share plan until November 2018. Performance shares vest and are settled after three years, subject to the company achieving prescribed performance criteria over this period.

ESG For additional information about performance criteria, see remuneration report part III in the ESG report on our website.

In the review period, a total of 102 812 performance shares vested and were settled, including 3 375 performance shares that were forfeited. The total number of performance shares at 30 June 2022 was nil.

The number of performance shares awarded to and settled by executive directors and the prescribed officer is summarised below.

Performance shares: movements in F2022

	Executive directors								Prescribed officer	
	Dr PT Motsepe		J Magagula		HL Mkatshana		MP Schmidt		A Joubert	
	Number of shares	Value of shares (R000s)	Number of shares	Value of shares (R000s)	Number of shares	Value of shares (R000s)	Number of shares	Value of shares (R000s)	Number of shares	Value of shares (R000s)
Opening performance share balance at 1 July 2021	75 115	–	–	–	–	–	–	–	–	–
Performance shares settled 8 March 2022[1]	(75 115)	20 424	–	–	–	–	–	–	–	–
Closing performance share balance as at 30 June 2022[2]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

1 *The price used to determine the value was the closing share price on the date before the vesting date (ie 7 March 2022) of R271.90. The vesting percentage per the applicable performance condition was 100%.*

2 *No performance shares were awarded or settled for these directors or the prescribed officer between 30 June 2022 and the date of this report.*

Bonus shares under the 2008 share plan

In terms of the 2008 share plan, eligible participants received grants of bonus shares that matched a portion of the annual cash incentive accruing to them according to a specified ratio. Bonus shares are only settled to participants after three years, conditional on continued employment. Bonus shares have not been granted in annual allocations since 2015, and the final deferred bonus shares were granted in November 2018.

ESG For additional information about bonus shares, see remuneration report part III in the ESG report on our website.

The total number of bonus shares granted in November 2018 was 102 812. In the review period, a total of 102 812 bonus shares vested and were settled. No bonus shares were held by employees who retired during the year, and no bonus shares were forfeited. The total number of bonus shares at 30 June 2022 was nil.

Directors' report continued

The number of bonus shares settled by executive directors and the prescribed officer is summarised below.

Bonus shares: movements in F2022

	Executive directors								Prescribed officer	
	Dr PT Motsepe		J Magagula		HL Mkatshana		MP Schmidt		A Joubert	
	Number of shares	Value of shares (R000s)	Number of shares	Value of shares (R000s)	Number of shares	Value of shares (R000s)	Number of shares	Value of shares (R000s)	Number of shares	Value of shares (R000s)
Opening bonus share balance at 1 July 2021	75 115	–	–	–	–	–	–	–	–	–
Bonus shares settled 8 March 2022[1]	(75 115)	20 424	–	–	–	–	–	–	–	–
Closing bonus share balance as at 30 June 2022[2]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

1 *The price used to determine the value was the closing share price on the day before the vesting date (ie 7 March 2022) of R271.90.*
2 *No bonus shares were granted or settled for these directors or the prescribed officer between 30 June 2022 and the date of this report.*

Share option scheme

Between 2008 and 2013, annual allocations of share options under the ARM incentive scheme (the scheme) were made to eligible participants, but at a much-reduced scale after the company adopted the 2008 share plan. Share options have not been allocated to executive directors and prescribed officers since October 2013. Schedules of share option awards accruing to executive directors and the prescribed officer, and transactions in F2022, are set out below.

Share option awards: movements in F2022

	Executive directors												Prescribed officer		
	Dr PT Motsepe			J Magagula			HL Mkatshana			MP Schmidt			A Joubert		
	Number of shares	Average price R	Net settlement value[1] (R000s)	Number of shares	Average price R	Net settlement value (R000s)	Number of shares	Average price R	Net settlement value (R000s)	Number of shares	Average price R	Net settlement value (R000s)	Number of shares	Average price R	Net settlement value (R000s)
Opening share option balance at 1 July 2021	20 223	200.75	–	–	–	–	–	–	–	–	–	–	–	–	–
Options settled	(20 223)	200.75	1 485	–	–	–	–	–	–	–	–	–	–	–	–
Closing share option balance as at 30 June 2022	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

1 *Based on the closing share price of R274.20 on the trading day prior to exercise, 11 March 2022, less the exercise price of R200.75.*

Vesting dates

Conditional shares

Annual and interim allocations

Conditional shares conditionally awarded to senior executives on or after 7 December 2018: conditional shares vest and are settled after a performance period of three years, subject to achieving pre-determined performance criteria.

Schedule of conditional shares vesting dates

	Number conditional shares
Conditional shares outstanding at 30 June 2022	**1 312 678**
Vesting on	
7 December 2022	474 111
12 May 2023	16 445
8 December 2023	402 428
4 December 2024	419 694

Conditional awards

Annual and interim allocations

Conditional awards conditionally awarded to participants other than senior executives under the cash-settled conditional share plan on or after 7 December 2018: conditional awards vest and are settled after a performance period of three years, subject to achieving pre-determined performance criteria.

Schedule of conditional awards vesting dates

	Number conditional awards
Conditional awards outstanding at 30 June 2022	**706 027**
Vesting on	
19 July 2022	13 326
7 December 2022	242 513
12 May 2023	39 907
23 May 2023	19 695
8 December 2023	180 695
5 June 2024	5 337
4 December 2024	197 743
26 May 2025	6 811

Performance shares

Performance share allocations are no longer made. For performance shares awarded after 5 December 2014, retirement does not accelerate the vesting period.

Deferred bonus/co-investment scheme

Matching performance shares conditionally awarded under the deferred bonus/co-investment scheme vested and were settled after a performance period of three years, subject to achieving predetermined performance criteria.

Bonus shares

Bonus share allocations are no longer made. For bonus shares awarded after 5 December 2014, retirement does not accelerate the vesting period.

Deferred bonus/co-investment scheme

Bonus shares granted under the deferred bonus/co-investment scheme vested and were settled after three years.

Share options

Share options are no longer allocated.

Below are summaries of movements in the company's long-term share-based incentive schemes.

Movements: Long-term share-based incentives

	Share options		Performance shares		Bonus shares	
	F2022	F2021	**F2022**	F2021	**F2022**	F2021
Opening balance at 1 July	**39 829**	343 541	**102 812**	1 359 602	**102 812**	221 348
Exercised	**–**	–	**–**	–	**–**	–
Settled	**(39 829)**	(235 230)	**(99 437)**	(1 252 720)	**(102 812)**	(118 087)
Granted/awarded	**–**	–	**–**		**–**	–
Forfeited/cancelled/lapsed	**–**	(68 482)	**(3 375)**	(4 070)	**–**	(449)
Closing balance at 30 June	**–**	39 829	**–**	102 812	**–**	102 812
Post-year end:						
Forfeited/cancelled/lapsed	**–**	–	**–**	–	**–**	–
Balance at the date of this report	**–**	39 829	**–**	102 812	**–**	102 812

	Conditional shares		Conditional awards	
	F2022	F2021	**F2022**	F2021
Opening balance at 1 July	**1 768 428**	1 400 873	**807 304**	633 172
Exercised	**–**	–	**–**	–
Settled	**(703 426)**	–	**(290 147)**	–
Granted/awarded	**419 694**[1]	459 554[1]	**204 828**[2]	196 834[2]
Forfeited/cancelled/lapsed	**(172 018)**[3]	(91 999)[3]	**(15 958)**[4]	(22 389)[4]
Closing balance at 30 June	**1 312 678**	1 768 428	**706 027**	807 617
Post-year end:				
Forfeited/cancelled/lapsed	**–**	–	**–**	(313)[4]
Balance at the date of this report	**1 312 678**	1 768 428	**706 027**	807 304

1 *Conditional shares awarded to senior executives.*
2 *Conditional awards awarded to management other than senior executives.*
3 *Conditional shares forfeited by senior executives.*
4 *Conditional awards forfeited by management other than senior executives.*

Directors' remuneration: Non-executive directors (audited)

The remuneration of non-executive directors comprises directors' fees. Board retainers and attendance fees as well as committee attendance fees are paid quarterly in arrears. The table below sets out emoluments paid to non-executive directors for F2022 and F2021.

Non-executive directors' fees

R000	F2022 Board fees	F2022 Committee fees[9]	F2022 Consultancy fees excluding VAT[10]	F2022 VAT	F2022 Total including VAT	F2021 Board fees	F2021 Committee fees[9]	F2021 Consultancy fees excluding VAT[10]	F2021 VAT	F2021 Total including VAT
Non-executive directors[1]										
AK Maditsi (independent lead)	**730**	**893**	**–**	**243**	**1 866**	694	942	–	245	1 881
F Abbott	**606**	**235**	**–**	**126**	**967**	576	175	–	113	864
M Arnold[2]	**606**	**141**	**152**	**135**	**1 034**	576	87	397	159	1 219
Dr MMM Bakane-Tuoane[3]	**–**	**–**	**–**	**–**	**–**	139	317	–	68	524
TA Boardman[4]	**606**	**1 070**	**–**	**251**	**1 927**	576	1 068	3 000	697	5 341
AD Botha	**606**	**625**	**–**	**94**	**1 325**	576	642	–	17	1 235
JA Chissano[5]	**606**	**302**	**672**	**136**	**1 716**	576	275	672	128	1 651
WM Gule	**606**	**56**	**–**	**–**	**662**	576	63	–	–	639
PJ Mnisi[6]	**606**	**383**	**–**	**148**	**1 137**	438	229	–	76	743
DC Noko[7]	**606**	**320**	**–**	**–**	**926**	576	321	–	–	897
Dr RV Simelane	**606**	**746**	**–**	**203**	**1 555**	576	777	–	203	1 556
JC Steenkamp[8]	**606**	**261**	**–**	**130**	**997**	576	263	75	126	1 040
Total for non-executive directors	**6 790**	**5 032**	**824**	**1 466**	**14 112**	6 455	5 159	4 144	1 832	17 590

VAT = Value-added tax.

1 *Payments to reimburse out-of-pocket expenses have been excluded.*

2 *Mr Arnold, former financial director, became a non-executive director from 11 December 2017. His consultancy agreement with the company terminated in December 2021.*

3 *Dr Bakane-Tuoane resigned from the board on 29 September 2020.*

4 *Mr Boardman received a once-off consultancy fee in F2021 for his assistance in resolving an important matter. He no longer has a consulting agreement with the company.*

5 *Mr Chissano has a consultancy agreement with the company.*

6 *Ms Mnisi was appointed to the board from 30 September 2020.*

7 *Mr Noko was appointed chairman of the investment and technical committee from 2 March 2020.*

8 *Mr Steenkamp's consultancy agreement with the company was terminated in September 2020.*

9 *Attendance fees are paid for attending scheduled committee meetings, ad hoc committee meetings and other work devoted to committee business outside regular scheduled committee meetings. From F2021, where such ad hoc meetings required substantially less time to prepare for, attend or undertake than a scheduled meeting, the per-meeting fee was reduced commensurately.*

10 *Additional information appears under consultancy agreements: non-executive directors in part II of the remuneration report.*

External auditor

Ernst & Young Inc. continued in office as the external auditor for the company. At the annual general meeting, shareholder approval will be sought to reappoint Ernst & Young Inc. as ARM's external auditor and Mr PD Grobbelaar as the designated individual registered auditor for F2023.

In line with the rules of the Independent Regulatory Board for Auditors (IRBA) regarding mandatory audit firm rotation, the 2023 financial year will be Ernst & Young Inc.'s final financial year as the company's external auditor. Ernst & Young Inc. has been the company's external auditor for 49 years. The audit and risk committee has recommended, and the board of directors has approved for recommendation to the shareholders, the proposed appointment of KPMG Inc. as the external auditor of ARM company and the appointment of Ms S Loonat as the person designated to act on behalf of such external auditor, in respect of the 2024 financial year.

Group company secretary and governance officer

Ms AN D'Oyley is the group company secretary and governance officer of ARM. Her business and postal addresses appear on the inside back cover of this report.

ESG

For additional information on the office of the group company secretary and governance officer, see page 129 of the ESG report on our website.

Listings

The company's shares are listed on the JSE (general mining) under the share code: ARI. In November 2018, the company completed a secondary listing on the A2X Exchange, where its shares are listed under the share code: ARI.

Strate (share transactions totally electronic)

The company's shares were dematerialised on 5 November 2001.

If shareholders wish to trade certificated ARM (previously Avmin) shares on the JSE, they are urged to deposit them with a central securities depository participant or qualifying stockbroker as soon as possible. Trading in the company's shares on the JSE is only possible if the shares are in electronic format in the Strate environment. If members have any queries, they should contact the company's transfer secretaries, Computershare Investor Services Proprietary Limited (details on the inside back cover).

Convenience translations into United States dollars

To assist users of this report, translations of convenience into United States dollars are provided in these annual financial statements. These translations are based on average rates of exchange for the statements of profit or loss, comprehensive income and cash flows, and at rates prevailing at year end for statement of financial position items.

These statements appear on pages 116 to 122.

Annual financial statements

Audited by independent auditor

The financial information has been audited by the external auditor, Ernst & Young Inc. (the designated auditor PD Grobbelaar CA(SA)).

Any reference to future financial performance included in these results has not been audited or reported on by ARM's external auditor.

Basis of preparation

The audited group and company results for the year have been prepared under the supervision of the finance director, Ms TTA Mhlanga CA(SA). The group and company financial statements have been prepared on the historical cost basis, except for certain financial instruments that are fairly valued. The accounting policies used are in terms of IFRS. Please refer to note 1 to the financial statements.

Contents

Statements of financial position

at 30 June 2022

	Notes	Group 30 June 2022 Rm	Group 30 June 2021 Rm	Company 30 June 2022 Rm	Company 30 June 2021 Rm
ASSETS					
Non-current assets					
Property, plant and equipment	3	**9 621**	8 244	**1 511**	1 606
Investment properties	5	**24**	24	**24**	24
Intangible assets	6	**63**	76	**63**	76
Deferred tax assets	19	**215**	274	**215**	274
Loans and long-term receivables	7	**–**	40	**–**	574
Other financial assets	8	**214**	193	**212**	191
Investment in associate	9	**2 048**	534	**841**	–
Investment in joint venture	10	**22 145**	20 938	**259**	259
Other investments	11	**4 104**	4 210	**6 204**	6 491
Non-current inventories	12	**52**	–	**–**	–
		38 486	34 533	**9 329**	9 495
Current assets					
Inventories	12	**343**	467	**142**	192
Trade and other receivables	13	**7 737**	7 825	**2 474**	1 638
Taxation	37	**116**	70	**66**	–
Financial assets	14	**830**	523	**130**	153
Cash and cash equivalents	15	**11 659**	9 671	**8 940**	7 978
		20 685	18 556	**11 752**	9 961
Total assets		**59 171**	53 089	**21 081**	19 456
EQUITY AND LIABILITIES					
Capital and reserves					
Ordinary share capital	16	**11**	11	**11**	11
Share premium	16	**5 267**	5 212	**5 267**	5 212
Treasury shares	17	**(2 405)**	(2 405)	**–**	–
Other reserves		**2 668**	2 915	**2 588**	2 931
Retained earnings		**40 617**	34 461	**10 274**	7 791
Equity attributable to equity holders of ARM		**46 158**	40 194	**18 140**	15 945
Non-controlling interest		**4 205**	3 582	**–**	–
Total equity		**50 363**	43 776	**18 140**	15 945
Non-current liabilities					
Long-term borrowings	18	**305**	1 105	**–**	708
Deferred tax liabilities	19	**3 226**	2 968	**305**	165
Long-term provisions	20	**1 979**	1 883	**1 544**	1 481
		5 510	5 956	**1 849**	2 354
Current liabilities					
Trade and other payables	21	**2 148**	1 940	**341**	252
Short-term provisions	22	**716**	898	**429**	499
Taxation	37	**255**	155	**123**	31
Overdrafts and short-term borrowings					
– interest-bearing	23	**40**	57	**18**	26
– non-interest-bearing	23	**139**	307	**181**	349
		3 298	3 357	**1 092**	1 157
Total equity and liabilities		**59 171**	53 089	**21 081**	19 456

Statements of profit or loss

for the year ended 30 June

	Notes	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
Revenue	26	**18 406**	21 457	**4 443**	4 554
Sales	26	**16 917**	19 657	**2 938**	2 741
Cost of sales	27	**(7 660)**	(7 900)	**(1 428)**	(2 458)
Gross profit		**9 257**	11 757	**1 510**	283
Other operating income	28	**1 983**	2 378	**1 671**	2 074
Other operating expenses	29	**(3 239)**	(2 717)	**(2 181)**	(1 291)
Loss on derecognition of financial assets measured at amortised cost	29.1	**–**	–	**–**	(363)
Profit from operations before capital items		**8 001**	11 418	**1 000**	703
Income from investments	30	**685**	487	**8 709**	6 435
Finance costs	31	**(290)**	(329)	**(186)**	(210)
Income/(loss) from associate	9	**927**	(260)	**–**	–
Income from joint venture	10	**6 649**	7 498	**–**	–
Profit before taxation and capital items		**15 972**	18 814	**9 523**	6 928
Capital items before tax	32	**1 128**	(9)	**850**	(205)
Profit before taxation		**17 100**	18 805	**10 373**	6 723
Taxation	33	**(2 736)**	(3 333)	**(705)**	(353)
Profit for the year		**14 364**	15 472	**9 668**	6 370
Attributable to:					
Equity holders of ARM					
Profit for the year		**12 426**	12 626	**9 668**	6 370
Basic earnings for the year		**12 426**	12 626	**9 668**	6 370
Non-controlling interest					
Profit for the year		**1 938**	2 846		
		1 938	2 846		
Profit for the year		**14 364**	15 472	**9 668**	6 370
Earnings per share					
Basic earnings per share (cents)	34	**6 343**	6 464		
Diluted basic earnings per share (cents)	34	**6 338**	6 399		

Group statement of comprehensive income

for the year ended 30 June

	Notes	Financial instruments at fair value through other compre-hensive income Rm	Other Rm	Retained earnings Rm	Total share-holders of ARM Rm	Non-controlling interest Rm	Total Rm
For the year ended 30 June 2021							
Profit for the year to 30 June 2021		–	–	12 626	12 626	2 846	15 472
Other comprehensive income that will not be reclassified to the statement of profit or loss in subsequent periods							
Net impact of revaluation of listed investment		(1 107)	–	–	(1 107)	–	(1 107)
Revaluation of listed investment[1]	11	(1 426)	–	–	(1 426)	–	(1 426)
Deferred tax on above	19	319	–	–	319	–	319
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods							
Foreign currency translation reserve movement		–	(161)	–	(161)	–	(161)
Total other comprehensive loss		(1 107)	(161)	–	(1 268)	–	(1 268)
Total comprehensive (loss)/income for the year		(1 107)	(161)	12 626	11 358	2 846	14 204
For the year ended 30 June 2022							
Profit for the year to 30 June 2022		**–**	**–**	**12 426**	**12 426**	**1 938**	**14 364**
Other comprehensive income that will not be reclassified to the statement of profit or loss in subsequent periods							
Net impact of revaluation of listed investment		**(49)**	**–**	**–**	**(49)**	**–**	**(49)**
Revaluation of listed investment[1]	11	**(59)**	**–**	**–**	**(59)**	**–**	**(59)**
Deferred tax on above	19	**10**	**–**	**–**	**10**	**–**	**10**
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods							
Foreign currency translation reserve movement		**–**	**97**	**–**	**97**	**–**	**97**
Total other comprehensive (loss)/income		**(49)**	**97**	**–**	**48**	**–**	**48**
Total comprehensive (loss)/income for the year		**(49)**	**97**	**12 426**	**12 474**	**1 938**	**14 412**

[1] *The share price of Harmony decreased from R52.76 per share at 30 June 2021 to R51.97 at 30 June 2022 and decreased from R71.86 at 30 June 2020 to R52.76 per share at 30 June 2021. The valuation of the investment in Harmony is based on a level 1 fair value hierarchy level in terms of International Financial Reporting Standards (IFRS).*

Company statement of comprehensive income

for the year ended 30 June

	Notes	Financial instruments at fair value through other compre-hensive income Rm	Other Rm	Retained earnings Rm	Total Rm
For the year ended 30 June 2021					
Profit for the year to 30 June 2021		–	–	6 370	6 370
Other comprehensive income that may not be reclassified to the income statement in subsequent periods					
Net impact of revaluation of listed investment		(1 107)	–	–	(1 107)
Revaluation of listed investment[1]	11	(1 426)	–	–	(1 426)
Deferred tax on above	19	319	–	–	319
Foreign currency translation reserve movement			1		1
Total other comprehensive (loss)/income		(1 107)	1	–	(1 106)
Total comprehensive (loss)/income for the year		(1 107)	1	6 370	5 264
For the year ended 30 June 2022					
Profit for the year to 30 June 2022		**–**	**–**	**9 668**	**9 668**
Other comprehensive income that may not be reclassified to the income statement in subsequent periods					
Net impact of revaluation of listed investment		**(49)**	**–**	**–**	**(49)**
Revaluation of listed investment[1]	11	**(59)**	**–**	**–**	**(59)**
Deferred tax on above	19	**10**	**–**	**–**	**10**
Foreign currency translation reserve movement		**–**	**1**	**–**	**1**
Total other comprehensive (loss)/income		**(49)**	**1**	**–**	**(48)**
Total comprehensive (loss)/income for the year		**(49)**	**1**	**9 668**	**9 620**

[1] *The share price of Harmony decreased from R52.76 per share at 30 June 2021 to R51.97 at 30 June 2022 and decreased from R71.86 at 30 June 2020 to R52.76 per share at 30 June 2021. The valuation of the investment in Harmony is based on a level 1 fair value hierarchy level in terms of International Financial Reporting Standards (IFRS).*

Group statement of changes in equity

for the year ended 30 June

	Notes	Share capital and premium Rm	Treasury shares Rm	Other reserves: Financial instruments at fair value through other comprehensive income Rm	Other reserves: Share-based payments Rm	Other reserves: Other[1] Rm	Retained earnings Rm	Total shareholders of ARM Rm	Non-controlling interest Rm	Total Rm
Balance at 30 June 2020		4 961	(2 405)	3 344	884	139	25 157	32 080	2 028	34 108
Total comprehensive (loss)/income for the year		–	–	(1 107)	–	(161)	12 626	11 358	2 846	14 204
Profit for the year to 30 June 2021		–	–	–	–	–	12 626	12 626	2 846	15 472
Other comprehensive loss		–	–	(1 107)	–	(161)	–	(1 268)	–	(1 268)
Bonus and performance shares issued to employees	16	262	–	–	(332)	–	–	(70)	–	(70)
Dividend paid[2]	34	–	–	–	–	–	(3 322)	(3 322)	–	(3 322)
Dividend declared to non-controlling interests[3]		–	–	–	–	–	–	–	(1 292)	(1 292)
Share-based payments expense		–	–	–	148	–	–	148	–	148
Balance at 30 June 2021		**5 223**	**(2 405)**	**2 237**	**700**	**(22)**	**34 461**	**40 194**	**3 582**	**43 776**
Total comprehensive (loss)/income for the year		**–**	**–**	**(49)**	**–**	**97**	**12 426**	**12 474**	**1 938**	**14 412**
Profit for the year to 30 June 2022		**–**	**–**	**–**	**–**	**–**	**12 426**	**12 426**	**1 938**	**14 364**
Other comprehensive (loss)/income		**–**	**–**	**(49)**	**–**	**97**	**–**	**48**	**–**	**48**
Bonus and performance shares issued to employees	16	**55**	**–**	**–**	**(470)**	**–**	**–**	**(415)**	**–**	**(415)**
Dividend paid[2]	34	**–**	**–**	**–**	**–**	**–**	**(6 270)**	**(6 270)**	**–**	**(6 270)**
Dividend declared to non-controlling interests[3]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1 315)**	**(1 315)**
Share-based payments expense		**–**	**–**	**–**	**175**	**–**	**–**	**175**	**–**	**175**
Balance at 30 June 2022		**5 278**	**(2 405)**	**2 188**	**405**	**75**	**40 617**	**46 158**	**4 205**	**50 363**

[1] *Other reserves consist of the following:*

	F2022 Rm	*F2021 Rm*	*F2020 Rm*
Dilution in Two Rivers	***(26)***	*(26)*	*(26)*
Foreign currency translation reserve – Assmang	***120***	*62*	*167*
Foreign currency translation reserve – other entities	***52***	*13*	*69*
Capital redemption and prospecting loans written off	***28***	*28*	*28*
Tamboti assets sale to Two Rivers	***(99)***	*(99)*	*(99)*
Total	***75***	*(22)*	*139*

[2] *Interim dividend paid of 1 200 cents (F2021: 1 000 cents) per share and final dividend paid of 2 000 cents (F2021: 700 cents) per share.*

[3] *Dividends to Impala Platinum and Modikwa non-controlling interests.*

Company statement of changes in equity

for the year ended 30 June

	Notes	Share capital and premium Rm	Other reserves: Financial instruments at fair value through other comprehensive income Rm	Other reserves: Share-based payments Rm	Other reserves: Other[1] Rm	Retained earnings Rm	Total Rm
Balance at 30 June 2020		4 961	3 344	840	37	5 230	14 412
Total comprehensive (loss)/income for the year		–	(1 107)	–	1	6 370	5 264
Profit for the year to 30 June 2021		–	–	–	–	6 370	6 370
Other comprehensive (loss)/income		–	(1 107)	–	1	–	(1 106)
Bonus and performance shares issued to employees	16	262	–	(332)	–	–	(70)
Dividend paid	34	–	–	–	–	(3 809)	(3 809)
Share-based payments expense		–	–	148	–	–	148
Balance at 30 June 2021		**5 223**	**2 237**	**656**	**38**	**7 791**	**15 945**
Total comprehensive (loss)/income for the year		**–**	**(49)**	**–**	**1**	**9 668**	**9 620**
Profit for the year to 30 June 2022		**–**	**–**	**–**	**–**	**9 668**	**9 668**
Other comprehensive (loss)/income		**–**	**(49)**	**–**	**1**	**–**	**(48)**
Bonus and performance shares issued to employees	16	**55**	**–**	**(470)**	**–**	**–**	**(415)**
Dividend paid	34	**–**	**–**	**–**	**–**	**(7 185)**	**(7 185)**
Share-based payments expense		**–**	**–**	**175**	**–**	**–**	**175**
Balance at 30 June 2022		**5 278**	**2 188**	**361**	**39**	**10 274**	**18 140**

[1] *Other reserves consist of the following:*

	F2022 Rm	*F2021 Rm*	*F2020 Rm*
General reserve	***35***	*35*	*35*
Foreign currency translation	***4***	*3*	*2*
Total	***39***	*38*	*37*

Statements of cash flows

for the year ended 30 June 2022

	Notes	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
CASH FLOW FROM OPERATING ACTIVITIES					
Cash receipts from customers		**18 128**	17 189	**2 934**	3 560
Cash paid to suppliers and employees		**(9 620)**	(9 387)	**(2 762)**	(3 409)
Cash generated from operations	36	**8 508**	7 802	**172**	151
Interest received		**601**	358	**404**	257
Interest paid		**(46)**	(45)	**(2)**	(3)
Taxation paid	37	**(2 303)**	(2 291)	**(486)**	(369)
		6 760	5 824	**88**	36
Dividends received from joint venture	10	**5 500**	4 000	**5 500**	4 000
Dividends received from investments – Harmony		**50**	82	**50**	82
Dividends received from other		**–**	–	**2 651**	1 937
Dividend paid to non-controlling interests		**(1 247)**	(1 219)	**–**	–
Dividend paid to shareholders	34	**(6 270)**	(3 322)	**(7 185)**	(3 809)
Net cash inflow from operating activities		**4 793**	5 365	**1 104**	2 246
CASH FLOW FROM INVESTING ACTIVITIES					
Additions to property, plant and equipment to maintain operations		**(1 739)**	(1 224)	**(138)**	(204)
Additions to property, plant and equipment to expand operations		**(463)**	(433)	**–**	–
Proceeds on disposal of property, plant and equipment		**6**	3	**6**	1
Investments in financial assets	8, 14	**(819)**	(308)	**(114)**	(8)
Proceeds from financial assets matured		**523**	1 124	**70**	1 080
Loans advanced		**–**	–	**–**	(1 057)
Proceeds from loans		**–**	–	**259**	2 523
Net cash (outflow)/inflow from investing activities		**(2 492)**	(838)	**83**	2 335
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from exercise of share options		**7**	44	**7**	44
Cash payments to owners to acquire the entity's shares		**(225)**	–	**(225)**	–
Long-term borrowings raised		**–**	264	**–**	–
Long-term borrowings repaid		**(95)**	(461)	**(9)**	(9)
Short-term borrowings repaid		**(14)**	(187)	**(1)**	(9)
Net cash outflow from financing activities		**(327)**	(340)	**(228)**	26
Net increase in cash and cash equivalents		**1 974**	4 187	**959**	4 607
Cash and cash equivalents at beginning of year		**9 655**	5 512	**7 962**	3 356
Net foreign exchange difference		**14**	(44)	**3**	(1)
Cash and cash equivalents at end of year	15	**11 643**	9 655	**8 924**	7 962
Made up as follows:					
– Available	15	**11 053**	8 849	**8 813**	7 837
– Cash set aside for specific use	15	**590**	806	**111**	125
		11 643	9 655	**8 924**	7 962
Overdrafts		**16**	16	**16**	16
Cash and cash equivalents per statement of financial position		**11 659**	9 671	**8 940**	7 978
Cash generated from operations per share (cents)	34	**4 343**	3 994		

Notes to the financial statements

for the year ended 30 June 2022

1. ACCOUNTING POLICIES

Statement of compliance

The consolidated and separate annual financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, requirements of the South African Companies Act 71 of 2008 and the Listings Requirements of the JSE Limited.

Basis of preparation

The group and company financial statements for the year have been prepared under the supervision of the finance director, Ms TTA Mhlanga CA(SA).

The principal accounting policies as set out below for group and company are consistent in all material aspects with those applied in the previous years.

The group and company financial statements have been prepared on the historical cost basis, except for certain financial instruments that are carried at fair value.

The financial statements are presented in South African rand and all values are rounded to the nearest million (Rm), unless otherwise indicated.

The company financial statements are included with the group financial statements.

Impact of new standards

The group has not adopted any new and/or revised standards and interpretations issued by the International Accounting Standards Board (IASB).

Basis of consolidation

The consolidated financial statements comprise the financial statements of African Rainbow Minerals Limited and its subsidiaries, joint operations, joint ventures and associates at 30 June each year.

Inter-company transactions and balances

Consolidation principles relating to the elimination of inter-company transactions and balances and adjustments for unrealised inter-company profits are applied in all intra-group dealings, for all transactions with subsidiaries, joint operations, associated companies or joint ventures.

Subsidiary companies

Subsidiary companies are investments in entities in which the company has control over the financial and operating decisions of the entity. Generally, there is a presumption that a majority of voting rights results in control. Subsidiaries are consolidated in full from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated.

Non-controlling interest represents the portion of the statement of profit or loss and equity not held by the group and is presented separately in the statement of profit or loss and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

Losses of subsidiaries are attributed to the non-controlling interest, even if that results in a deficit balance.

Investments in subsidiaries in the company financial statements are accounted for at cost less accumulated impairment.

Joint operations

Joint operations are a type of joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. The group accounts for joint operations, its assets, liabilities, income, expenses and cash flows and/or share thereof.

Unincorporated joint operations are recognised in the financial statements on the same basis as above.

Investment in associate and joint ventures

An associate is an investment in an entity in which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

Joint ventures are a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement that exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

1. ACCOUNTING POLICIES continued

Subsidiary companies continued

Investment in associate and joint ventures continued

At group level, investments in associates and joint ventures are accounted for using the equity method of accounting. Investments in the associates and joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the group's share of net assets of the associates or joint ventures, less any accumulated impairment in value. The statement of profit or loss reflects the group's share of the post-acquisition profit after tax of the associate or joint ventures. After application of the equity method, the group determines whether it is necessary to recognise any additional impairment losses. Investments in associates or joint ventures in the company financial statements are accounted for at cost less accumulated impairment.

Trusts

When control of a trust exists or a change results in control, from that date the trust is consolidated.

Business combinations

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed in the statement of profit or loss. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Non-controlling interest is measured at each business combination at either the proportionate share of the identifiable net assets or at fair value.

The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill is tested for impairment on an annual basis. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of profit or loss.

When an acquisition is achieved in stages and control is achieved, the fair values of all the identifiable assets and liabilities are recognised. The difference between the previous equity-held interest value and the current fair value for the same equity is recognised in the statement of profit or loss.

When there is a change in the interest of a subsidiary that does not result in the loss of control, the difference between the fair value of the consideration transferred and the change in non-controlling interest is recognised directly in the statement of changes in equity.

When there is a change that results in a loss of control, the assets and liabilities of the subsidiary are derecognised at their carrying amounts at the date the control is lost, including the carrying amount of any non-controlling interest. Any investment retained in the former subsidiary is recognised at its fair value at the date when control is lost.

Current taxation

The charge for current tax is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible using tax rates that have been enacted or substantively enacted at the reporting date, that are applicable to the taxable income. Taxation is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, or in other comprehensive income, in which case the tax amounts are recognised directly in equity or in other comprehensive income.

Deferred taxation

A deferred tax asset is the amount of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits.

A deferred tax asset is only recognised to the extent that it is probable that taxable profits will be available, against which deductible temporary differences can be utilised, does not arise as a result of a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

1. ACCOUNTING POLICIES continued

Deferred taxation continued

Three-year business plans, the first year of which is approved by the board and the content of the next two years being noted, are used to determine whether deferred tax assets will be utilised from taxable income in the future. These plans use many assumptions and estimates and will be adjusted every year as more information becomes available.

A deferred tax liability is the amount of income taxes payable in future periods in respect of taxable temporary differences.

Temporary differences are differences between the carrying amount of an asset or liability and its tax base. The tax base of an asset is the amount that is deductible for tax purposes if the economic benefits from the asset are taxable or the carrying amount of the asset if the economic benefits are not taxable. The tax base of a liability is the carrying amount of the liability less the amount deductible in respect of that liability in future periods. The tax base of revenue received in advance is the carrying amount less any amount of the revenue that will not be taxed in future periods.

Deferred tax is recognised for all temporary differences, unless the deferred tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax arising on investments in subsidiaries, associates, joint operations, and joint ventures is recognised, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities, there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Value added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT except for (a) where the VAT incurred on a purchase of an asset or service cannot be recovered from the taxation authorities; and (b) receivables and payables that are stated with the VAT included. The net amount of VAT recoverable or payable is included under receivables or payables in the statement of financial position.

Provisions

Provisions are recognised when the following conditions have been met:

- A present legal or constructive obligation to transfer economic benefits as a result of past events exists
- A reasonable estimate of the obligation can be made.

A present obligation is considered to exist when there is no realistic alternative but to make the transfer of economic benefits. The amount recognised as a provision is the best estimate at the reporting date of the expenditure required to settle the obligation. Only expenditure related to the purpose for which the provision is raised is charged against the provision. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Notes to the financial statements continued

for the year ended 30 June 2022

1. ACCOUNTING POLICIES continued

Insurance

Premiums written

Premiums written comprise premiums due on contracts entered into during the financial year, regardless of whether such amounts may relate in whole or part to a later financial year, exclusive of taxes levied on premiums. Other underwriting income and expenses, comprising commissions, brokerage, fronting fees and outward reinsurance premiums are accounted for in the same accounting year as the premiums for the related direct insurance.

Claims paid

Claims paid include all payments made in respect of the year with associated claim settlement expenses, net of any salvage or subrogation recoveries.

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Reinsurers' share of insurance contract technical provisions

Provisions for unearned reinsurance premiums

The provision for unearned reinsurance premiums represents the proportion of outward reinsurance premiums that are estimated to be earned in future financial years, computed continued separately for each reinsurance contract using the daily pro rata method. For certain policies, the daily pro rata method may not be appropriate, and in such circumstances, the earning pattern will be adjusted to more accurately reflect the pattern of reinsurance service provided by the underlying reinsurance contracts.

Reinsurance recoveries

Provisions for claims are calculated gross of any reinsurance recoveries. A separate estimate is made for the amounts recoverable from reinsurers based upon the gross claims provisions and/or settled claims that are associated with the reinsurers' policies and are calculated in accordance with the related reinsurance contract.

Environmental rehabilitation obligations

The estimated cost of rehabilitation, comprising liabilities for decommissioning and restoration, is based on current legal requirements and existing technology, and is reassessed annually. Cost estimates are not reduced by the potential proceeds from the sale of assets.

Decommissioning

The present value of estimated decommissioning obligations, being the cost to dismantle all structures and rehabilitate the land on which it is located that arose through establishing the mine, is included in long-term and short-term provisions. The unwinding of the obligation is included in the statement of profit or loss under finance costs. The initial related decommissioning asset is recognised in property, plant and equipment.

The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Restoration

The present value of the estimated cost of restoration, being the cost to correct damage caused by ongoing mining operations, is included in long-term and short-term provisions.

This estimate is revised annually and any movement is expensed in the statement of profit or loss. Expenditure on ongoing rehabilitation is charged to the statement of profit or loss under cost of sales as incurred.

Trust funds

Annual payments are made to rehabilitation trust funds in accordance with statutory requirements. The investment in the trust funds is carried at cost in the company financial statements. These funds are consolidated as ARM group companies are the sole contributors to the funds and exercise full control through the respective boards of trustees. The balances are included under cash set aside for specific use and financial assets.

1. ACCOUNTING POLICIES continued

Treasury shares

Own equity instruments that are reacquired are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss in the purchase, sale, issue or cancellation of the group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium.

Financial instruments

Financial instruments recognised in the statement of financial position include, cash and cash equivalents, other investment, trade and other receivables, trade and other payables, loans and long-term receivables and long- and short-term borrowings.

The recognition methods adopted are disclosed in the individual policy statements associated with each item.

The group does not apply hedge accounting.

Financial assets

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through the statement of profit or loss.

Financial assets at fair value through the statement of profit or loss are measured at fair value with gains and losses being recognised in the statement of profit or loss.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient are measured at the transaction price as disclosed in revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Loans and long-term receivables and certain trade and other receivables are measured at amortised cost less impairment losses or reversals which are recognised in the statement of profit or loss.

Unlisted investments are carried at fair value with gains and losses recognised directly in the statement of profit or loss.

Impairment of financial assets

The group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Listed investments

For listed investments, the group assesses at each reporting date whether there is objective evidence that an investment or group of investments is impaired.

Listed investments are classified as fair value through other comprehensive income, whereby fair value gains and losses are recognised in equity (other comprehensive income) and will not be reclassified through profit or loss.

1. ACCOUNTING POLICIES continued

Treasury shares continued

Listed investments continued

Listed financial assets are measured at fair value with gains and losses being recognised directly in comprehensive income. Impairment losses are recognised directly in comprehensive income.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost (loans and borrowings) or in certain instances
- Financial liabilities at fair value through profit or loss.

Financial liabilities at amortised cost are initially measured at fair value and subsequently at amortised cost using the effective interest method.

Financial liabilities at fair value through the statement of profit or loss are measured at fair value with gains and losses being recognised in the statement of profit or loss.

Derivative instruments

Derivatives, including embedded derivatives, are initially and subsequently measured at fair value. Fair value adjustments are recognised in the statement of profit or loss. Forward exchange contracts are valued at the reporting date using the forward rate available at the reporting date for the remaining maturity period of the forward contract. Any gain or loss from valuing the contract against the contracted rate is recognised in the statement of profit or loss.

A corresponding forward exchange asset or liability is recognised. On settlement of a forward exchange contract, any gain or loss is recognised in the statement of profit or loss.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

Cash and cash equivalents include cash on hand and call deposits, as well as short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. These are classified as:

- Cash and cash equivalents available for any use at any time
- Or cash and cash equivalents set aside for specific short-term cash commitment purposes but still accessible, if need be, although after certain processes (stated separately at the carrying value in the notes).

For cash flow purposes, overdrafts are deducted from cash and cash equivalents that are in the statement of financial position.

Investments

Investments, other than investments in subsidiaries, associates, joint operations and joint ventures, are considered to be listed or unlisted financial assets carried at fair value. Increases and decreases in fair values of listed investments are reflected in the financial instruments at fair value through other comprehensive income reserve. Increases and decreases on unlisted investments are reflected in the statement of profit or loss. On disposal of an investment, the balance in the revaluation reserve is recognised directly in equity. Where active markets exist, fair values are determined with reference to the stock exchange quoted selling prices at the close of business on the reporting date.

Where there are no active markets, fair value is determined using valuation techniques like recent similar transactions, reference to similar transactions, discounted cash flow and option pricing models.

1. ACCOUNTING POLICIES continued

Treasury shares continued

Investments continued

All regular purchases and sales of financial assets are recognised on the trade date, ie the date the group commits to purchasing the asset.

Receivables

Trade receivables, which generally have 30- to 90-day terms, are initially recognised at fair value including transaction costs and subsequently at amortised cost using the effective interest rate method less expected credit losses. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate.

Receivables are financial assets classified as loans and receivables. Some receivables such as contract assets are classified at fair value through the statement of profit or loss. All other receivables are measured at amortised cost. These are receivables where the amount that will be received in the future is dependent on the commodities or concentrate content, and/or the price at the date of settlement. For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime expected credit losses at each reporting date. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and informed credit assessment including forward-looking information.

Payables

Trade and other payables are not interest-bearing and are initially recorded at fair value including transaction costs and subsequently at amortised cost and classified as financial liabilities at amortised cost.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method and classified as financial liabilities at amortised cost. Amortised cost is calculated by taking into account any issue cost and any discount or premium on settlement.

Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised, as well as through the amortisation process.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired
- The group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement
- Or the group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the statement of profit or loss.

Notes to the financial statements continued

for the year ended 30 June 2022

1. ACCOUNTING POLICIES continued

Offsetting of financial instruments

If a legally enforceable right exists to set off recognised amounts of financial assets and liabilities and the group intends to settle on a net basis or to realise the asset and settle the liability simultaneously, all related financial effects are netted.

Intangible assets

Intangible assets acquired are reflected at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment where there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Amortisation is based on units of production or units of export sales. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible asset. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Investment property

Investment properties are carried at cost less accumulated depreciation and accumulated impairment. Investment properties are depreciated on a straight-line basis over their estimated useful lives to an estimated residual value. Where the residual value exceeds the carrying amount, amortisation is continued at a zero charge until its residual value subsequently decreases to an amount below the carrying amount.

Where the building has changed from owner-occupied to an investment property in order to earn rentals and for capital appreciation, the cost deemed is the carrying amount if applicable. An impairment is taken in the statement of profit or loss when the recoverable amount is less than the carrying amount.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Costs of evaluation of a smelter prior to approval to develop are capitalised, provided that there is a high degree of confidence that the project will be deemed commercially viable. Costs incurred with commissioning the new asset, in the period before it is capable of operating in the manner intended by management, are capitalised. Development costs incurred after the commencement of production are capitalised to the extent that they are expected to give rise to future economic benefit.

Land and buildings

Land and buildings are carried at cost less accumulated depreciation and accumulated impairment losses. Some land contains change in estimates, resulting from fair value adjustments made on variable consideration payable. Land is only depreciated where the form is changed so that it affects its value. Land is then depreciated on a straight-line method over the mining activity to a maximum of 25 years to its estimated residual value. Buildings are depreciated on a straight-line basis over their estimated useful lives to an estimated residual value, if such value is significant. The annual depreciation rates used vary between 2% and 5%. New acquisitions and additions to existing land and buildings are reflected at cost.

Mine development and decommissioning

Costs to develop new ore bodies, to define further mineralisation in existing ore bodies and to expand the capacity of a mine or its current production, site preparation and pre-production stripping costs, as well as the decommissioning thereof, are capitalised when it is probable that the future economic benefits will flow to the entity and it can be measured reliably. Development expenditure is net of proceeds from the sale of ore extracted during the development phase. Capitalised development costs are classified under mine development and decommissioning assets and are recognised at cost. Development costs to maintain production are expensed as incurred.

1. ACCOUNTING POLICIES continued

Mine development and decommissioning continued

Mine development and decommissioning assets are depreciated using the units-of-production method based on estimated proven and probable ore reserves from which future economic benefits will be realised, resulting in these assets being carried at cost less accumulated depreciation and any accumulated impairment losses. Proven and probable ore reserves reflect estimated quantities of economically recoverable reserves that can be recovered in future from known mineral deposits. These reserves are reassessed annually. The maximum period of depreciation using this method is 25 years.

Production stripping costs

The capitalisation of pre-production stripping costs as part of mine development and decommissioning assets ceases when the mine is commissioned and ready for production.

Subsequent stripping activities that are undertaken during the production phase of a surface mine may create two benefits, being either the production of inventory or improved access to the ore to be mined in the future.

Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where production stripping costs are incurred and where the benefit is the creation of mining flexibility and improved access to ore to be mined in the future, the costs are recognised as a non-current asset, referred to as a "stripping activity asset", if:

- Future economic benefits (being improved access to the ore body) are probable
- The component of the ore body for which access will be improved can be accurately identified
- The costs associated with the improved access can be reliably measured.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset included under mine development and decommissioning asset. If all the criteria are not met, the production stripping costs are charged to the statement of profit or loss as operating costs.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset. If the costs of the stripping activity asset and the inventory produced are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset.

The stripping activity asset is subsequently depreciated over the life of the identified component of the orebody that became more accessible as a result of the stripping activity. Based on proven and probable reserves, the units-of-production method is used to determine the expected useful life of the identified component of the ore body that became more accessible. As a result, the stripping activity asset is carried at cost less accumulated and any accumulated impairment losses.

Mineral rights

Mineral rights that are being depleted are depreciated over their estimated useful lives using the units-of-production method based on proven and probable ore reserves. The maximum rate of depletion of any mineral right is 25 years.

Plant and machinery

Mining plant and machinery is depreciated on the units-of-production method over the lesser of its estimated useful life based on estimated proven and probable ore reserves.

Non-mining plant and machinery is depreciated over its useful life. The maximum life of any single item as used in the depreciation calculation is 25 years.

1. ACCOUNTING POLICIES continued

Plant and machinery continued

When plant and equipment comprise major components with different useful lives, these components are accounted for as separate items, provided these meet the definition of property, plant and equipment. Expenditure incurred to replace or modify a significant component of a plant is capitalised and any remaining book value of the component replaced is written off in the statement of profit or loss.

Mine properties

Mine properties (including houses and administration blocks) are depreciated on the straight-line basis over their expected useful lives, to estimated residual values. The residual value is the amount currently expected to be obtained for the asset after deducting estimated costs of the disposal, if the asset was already at the end of its useful life.

Furniture, equipment and vehicles

Furniture, equipment and vehicles are depreciated on a straight-line basis over their expected useful lives, to estimated residual values.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generated.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales.

During the period of development, the asset is tested for impairment annually.

Depreciation rates

Depreciation rates that are based on units-of-production take into account proven and probable ore reserves. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as technological innovation, asset life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value. The annual depreciation rates generally used in the group are:

- Furniture and equipment 10% to 33%
- Mine properties 4% to 7%
- Motor vehicles 20%
- Mine development assets, plant and machinery, mineral rights and land over 10 to 25 years
- Investment properties 2%
- Intangible assets over life-of-mine to a maximum of over 25 years.

Exploration expenditure

All exploration expenditures are expensed until they result in projects that are evaluated as being technically and commercially feasible and a future economic benefit is highly probable. In evaluating if expenditures meet these criteria to be capitalised, the group utilises several different sources of information and also differentiates projects by levels of risks, including:

- Degree of certainty over the mineralisation of the ore body
- Commercial risks, including but not limited to country risk
- Prior exploration knowledge available about the target ore body.

1. ACCOUNTING POLICIES continued

Exploration expenditure continued

Exploration expenditure on greenfields sites, being those where the group does not have any mineral deposits that are already being mined or developed, is expensed as incurred until a bankable feasibility study has been completed, after which the expenditure is capitalised.

Exploration expenditure on brownfields sites, being those adjacent to any mineral deposits that are already being mined or developed, is only expensed as incurred until the group has obtained sufficient information from all available sources to ameliorate the project risk areas identified above and which indicates by means of a prefeasibility study that future economic benefits are highly probable.

Exploration expenditure relating to extensions of mineral deposits that are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised.

Activities in relation to evaluating the technical feasibility and commercial viability of mineral resources are treated as forming part of exploration expenditures.

Costs related to property acquisitions and mineral and surface rights are capitalised.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale (under current assets) if the carrying amount of these assets will be recovered principally through a sale transaction rather than through continued use. This condition will only be regarded as met if the sale transaction is highly probable and the asset (or disposal group) is available for sale in its present condition. For the sale to be highly probable, management must be committed to the plan to sell the asset and the transaction should be expected to qualify for recognition as a complete sale within 12 months of the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amounts and their fair values less costs to sell and are not depreciated.

Impairment of non-financial assets

The carrying value of assets is reviewed at each statement of financial position date to assess whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset or cash-generating unit is estimated. The recoverable amount is the higher of fair value less cost of disposal or value-in-use. Value-in-use is determined by an estimated future cash flow discounted at a pre-tax discount rate. Where the carrying value exceeds the estimated recoverable amount, such assets are written down to their recoverable amount and the difference is expensed in the statement of profit or loss. If the circumstances leading to the impairment no longer exist, the appropriate portion of the impairment loss previously recognised, is written back. Intangible assets with an indefinite life are tested annually for impairment.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset that requires a substantial period of time to be prepared for its intended use, are capitalised. Capitalisation of borrowing costs as part of the cost of a qualifying asset commences when:

- Expenditures for the asset are being incurred
- Borrowing costs are being incurred
- Activities that are necessary to prepare the asset for its intended use or sale are in process.

Capitalisation is suspended when the active development is interrupted and ceases when the activities necessary to prepare the asset for its use are complete.

Other borrowing costs are charged to finance costs in the statement of profit or loss as incurred.

1. ACCOUNTING POLICIES continued

Inventories

Inventories are valued at the lower of cost and net realisable value with due allowances being made for obsolete and slow-moving items. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined using the following basis:

- Consumables and maintenance spares are valued at weighted average cost
- Ore stockpiles are valued at weighted average cost
- Finished products are valued at weighted average cost
- Work-in-progress is valued at weighted average cost, including an appropriate portion of direct overhead costs
- Unallocated overhead costs due to below-normal capacity are expensed as short workings
- Raw materials are valued at weighted average cost
- By-products are valued at weighted average cost.

Inventories are classified as current when it is reasonable to expect them to be sold within their normal cycle, which could be the next financial year. If not, they are classified as non-current.

Foreign currency translations

The group and company financial statements are presented in South African rand, which is the company's functional currency.

Foreign entities

Financial statements of all entities that have a functional currency different from the presentation currency of their parent entity are translated into the presentation currency using the exchange rates applicable at the reporting date, as follows:

- Assets and liabilities at rates of exchange ruling at the reporting date
- Income and expenditure at the average rate of exchange for the year, except where the date of income or expense for significant transactions can be identified, in which case the income or expense is translated at the rate of exchange ruling at the date of the flow
- Cash flow items at the average rate of exchange for the year, except where the date of cash flow for significant transactions can be identified, in which case the cash flows are translated at the rate of exchange ruling at the date of the cash flow
- Fair value adjustments of the foreign entity are translated at the rate prevailing on the date of valuation
- Goodwill is considered to relate to the reporting entity and is translated at the closing rate
- Differences arising on translation are classified as equity until the investment is disposed of when it is recognised in the statement of profit or loss.

Foreign currency transactions and balances

Transactions in foreign currencies are converted to the functional currency at the rate of exchange ruling at the date that the transaction is recorded.

Foreign denominated monetary assets and liabilities (including those linked to a forward exchange contract) are stated in the functional currency using the exchange rate ruling at the reporting date, with the resulting exchange differences being recognised in the statement of profit or loss.

Leases

IFRS 16 *Accounting policies*

The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the group.

1. ACCOUNTING POLICIES continued

Leases continued

IFRS 16 *Accounting policies* continued

The group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease terms that end within 12 months at the date of initial application
- Not to separate lease and non-lease components from determining the lease liability.

Right-of-use assets

The group recognises right-of-use assets at the lease commencement date (ie the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. The right-of-use assets are disclosed under property, plant and equipment on the statement of financial position.

Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating a lease, if the lease term reflects the group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period on which the event or condition that triggers payment occurs. In calculating the present value of lease payments, the group uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (ie those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of certain classes of assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

1. ACCOUNTING POLICIES continued

Leases continued

IFRS 16 *Accounting policies* continued

Significant judgement in determining the lease term of contracts with renewal options continued

The group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (eg a change in business strategy).

Employee benefits

The group operates two defined contribution pension schemes, both of which require contributions to be made to separately administered funds. The group has also agreed to provide certain additional post-employment healthcare benefits to senior employees. These benefits are unfunded. The cost of providing benefits under the plans is determined separately for each plan using the projected unit credit actuarial valuation method.

Other long-term benefits

The group provides certain long-term incentive schemes to attract, retain, motivate and reward eligible senior employees. The cost of providing these incentives is determined by actuaries using the projected unit credit method. Actuarial gains and losses are recognised as an income or expense when incurred. The past service costs are recognised as an expense on a straight-line basis over the period until the benefits vest.

Share-based payments

The company issues equity-settled share-based instruments to certain employees. Equity-settled share-based payments are measured at the fair value of the instruments at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period on a straight-line basis, based on management's estimate, which is considered annually, of shares that are expected to vest.

Fair value is measured using an option pricing model. The fair values used in the model have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Equity-settled options expense is recognised over the expected vesting period.

Broad-based black economic empowerment (BBBEE) transactions

When entering into BBBEE share-based transactions any excess of the fair value of the shares over the consideration received is recognised as an expense in that period.

Dividend income

Dividends are accounted for on the last day of registration for listed investments and when declared in respect of unlisted investments.

Rental income

Rental income is accounted for on a straight-line basis over the term of the operating lease.

Interest

Interest is recognised on a time proportion basis that takes account of the effective yield on the asset and an appropriate accrual is made at each accounting reference date.

Revenue from contracts with customers

Revenue, which includes by-products, is recognised under the following five-step model:

- Identify the contract with customers
- Identify the performance obligations
- Determine the transaction price
- Allocate the transaction price
- Recognise revenue when performance obligations are satisfied.

Assay estimates

Commodity sales are subject to assay estimates, which means that the transaction price is variable. The adjustments to revenue arising from assay adjustments will be included in revenue from contracts with customers.

1. ACCOUNTING POLICIES continued

Revenue from contracts with customers continued

Management fees

If the consideration in a contract includes a variable amount, the group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The group uses an output method in measuring progress of the services rendered to a customer because there is a direct relationship between the group's effort and the transfer of services rendered to the customer. The group recognises revenue on the basis of time elapsed.

Provisional pricing

Commodity sales are subject to provisional pricing features such as commodity prices and foreign exchange rates, which are only finalised sometime after transfer of the commodities.

On initial recognition, revenue is recognised at fair value. The revenue and related trade receivable is then remeasured at every subsequent month end until the sale has been finalised. The sale is finalised at average commodity prices and exchange rate for the month preceding the month of invoicing.

The related trade receivables are measured at fair value.

Penalties and treatment charges

Adjustments, in the form of penalties and treatment charges, are made to the pricing to the extent the commodities sold do not meet certain specifications and as part of the terms of the various off-take agreement. These penalties and treatment charges are excluded from revenue from contracts with customers.

Revenue is measured at the fair value of the amount received or receivable net of VAT, cash discounts and rebates.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Some fees only become payable to the group when the entity paying the fees receives payments from its customers for saleable products.

Mining products

Revenue from the sale of mining and related products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

In some cases, where the terms of the executed sales agreement allow for an adjustment to the selling price based on a survey of the goods by the customer, recognition of the sales revenue is based on the most recently determined estimate of product specification.

Sales on FOB (free-on-board) and CIF (cost insurance freight) are recognised on the date of loading.

In the case of certain commodities the final selling price is determined a number of months after the concentrate is delivered. Revenue is measured at the best estimate of future prices and adjusted subsequently in revenue.

Cost of sales

All costs directly related to the producing of products are included in cost of sales. Costs that cannot be directly linked are included separately or under other operating expenses. When inventories are sold, the carrying amount is recognised in cost of sales. Any write-down, losses or reversals of previous write-downs or losses are recognised in cost of sales.

Early-settlement discounts and rebates

These are deducted from revenue and cost of inventories when applicable.

1. ACCOUNTING POLICIES continued

Reinsurance

Premiums are disclosed on a gross basis in other operating income. Claims are presented on a gross basis in receivables and payables. The group cedes insurance risk in the normal course of business for the majority of its business.

Segment reporting

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from other operations, whose operating results are regularly reviewed by the entity's chief operating decision-maker, to make decisions about resources to be allocated to the segment and assess its performance.

A geographical segment is a group of products and services within a particular economic environment that is subject to risks and returns that are different from segments operating in other economic environments.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group, or a present obligation that arises from past events but is not recognised because it is not probable the obligation will be required to be settled, or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities.

Significant accounting judgements and estimates

The preparation of the financial statements requires management to make certain estimates. The principles used are the same as in previous years. When estimates are compared to actual and variances occur, the estimates are adjusted accordingly. Adjustments to estimates are a normal occurrence in light of the significant judgements and estimates involved. Factors influencing changes in the above include, among others, revisions to estimated reserves, resources and life of operations, developments in technology, regulatory requirements and environmental management strategies, changes in estimated costs of anticipated activities, inflation rates, foreign exchange rates and movements in interest rates affecting the discount rate applied. For assumptions on certain specific estimates used, refer to individual notes. In particular, information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements are described below.

Capitalised stripping costs

Waste removal costs (stripping costs) are incurred during the development and production phases at surface mining operations. Furthermore, during the production phase, stripping costs are incurred in the production of inventory as well as in the creation of future benefits by improving access and mining flexibility in respect of the ore to be mined, the latter being referred to as a "stripping activity asset". Judgement is required to distinguish between these two activities at each of the surface operations.

The orebodies need to be identified in its various separately identifiable components for each of its surface mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Judgement is required to identify and define these components, and also to determine the expected volumes (tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments may vary between mines because the assessments are undertaken for each individual mine and are based on a combination of information available in the mine plans, specific characteristics of the ore body, the milestones relating to major capital investment decisions, and the type of minerals being mined.

Judgement is also required to identify a suitable production measure that can be applied in the calculation and allocation of production stripping costs between inventory and the stripping activity asset. The ratio of expected volume (tonnes) of waste to be stripped for an expected volume (tonnes) of ore to be mined for a specific component of the ore body, compared to the current period ratio of actual volume (tonnes) of waste to the volume (tonnes) of ore is considered to determine the most suitable production measure.

These judgements and estimates are used to calculate and allocate the production stripping costs to inventory and/or the stripping activity asset(s). Furthermore, judgements and estimates are also used to apply the units-of-production method in determining the depreciable lives of the stripping activity asset.

1. ACCOUNTING POLICIES continued

Significant accounting judgements and estimates continued

Mine rehabilitation provisions

Mine rehabilitation provisions are assessed annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the statement of financial position by adjusting the rehabilitation asset and liability. If, for mature mines, the revised mine assets net of rehabilitation provisions exceed the carrying value, that portion of the increase is charged directly to expense. For closed sites, changes to estimated costs are recognised immediately in the statement of profit or loss.

Other resources and reserves estimates

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the mining properties. Ore reserves and mineral resource estimates are based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and require complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgements made in estimating the size and grade of the orebody. Changes in the reserve or resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, goodwill, provision for rehabilitation, recognition of deferred tax assets, and depreciation and amortisation charges.

Units-of-production depreciation

Estimated recoverable reserves are used in determining the depreciation and/or amortisation of mine-specific assets. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life-of-mine production. Each item's life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. Numerous units-of-production depreciation methodologies are available to choose from. The group adopts a run-of-the-mine tonnes of ore produced methodology for mining costs and an ounces/pounds of metal produced methodology for post-mining costs. Changes are accounted for prospectively.

Impairment of assets and reversal of impairment

Each cash-generating unit is assessed annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value-in-use. These assessments require the use of estimates and assumptions such as long-term commodity prices, foreign exchange rates, discount rates, future capital requirements, exploration potential and operating performance.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future approved expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted by an appropriate discount rate, taking into account factors, including weighted average cost of capital and applicable risk factors, to determine the net present value.

1. ACCOUNTING POLICIES continued

Significant accounting judgements and estimates continued

Asset useful lives and residual values

These are assessed annually and may differ from previous years as many estimates and assumptions are used to determine the values. Estimates and assumptions are updated to improve the judgements made.

Share-based payments

Estimation of the fair value of share-based payments requires determining the most appropriate model, inputs such as the expected life of the option, volatility and dividend yields.

Definitions

Cash and cash equivalents

Cash and cash equivalents include cash on hand and call deposits, as well as short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. These are classified as:

- Cash and cash equivalents available for any use at any time
- Cash and cash equivalents set aside for specific short-term cash commitment purposes but still accessible, if need be, although after certain processes (stated separately at the carrying value in the notes).

For cash flow purposes, overdrafts are deducted from cash and cash equivalents that are on the statement of financial position.

Cash set aside for specific use

Cash and cash equivalents that are set aside for specific use and are stated separately at the carrying value in the notes and statement of cash flows. It includes cash and cash equivalents set aside for specific short-term cash commitment purposes but still accessible, although after certain processes, if need be.

Financial assets

Include cash on hand and call deposits, as well as short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value but are not available for use as they are not accessible due to externally imposed restrictions (ie technically "restricted") as the cash is ring-fenced for specific/dedicated use. This is not considered to be cash and cash equivalents.

Active market

This is normally a stock exchange where the public can purchase and sell shares on a regular basis and prices are determined by the market conditions.

Basic earnings per share

Basic earnings divided by the weighted average number of shares in issue.

Headline earnings per share

Headline earnings comprise earnings for the year, adjusted for profits/losses as a remeasurement in accordance with the requirements of Circular 1 of 2021 issued by SAICA. Adjustments against earnings take account of attributable taxation and non-controlling interests. The adjusted earnings figure is divided by the weighted average number of shares in issue to arrive at headline earnings per share.

Amortised cost

This is calculated using the effective interest method less any provision for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Fair value

Where an active market is available, it is used to represent fair value. Where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's-length market transactions with reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models.

Effective interest method

This method determines the rate that discounts the estimated future cash flow payments or receipts through the expected life of the financial liability or financial asset to the net carrying amount of the financial liability or asset.

1. ACCOUNTING POLICIES continued

Significant accounting judgements and estimates continued

Diluted earnings per share

Diluted earnings per share is arrived at by dividing earnings (as used in calculating basic earnings per share) by the weighted average number of ordinary shares, adjusted for any financial instruments or other contracts that may entitle the holder thereof to ordinary shares. Diluted headline earnings per share are calculated on the same basis as diluted earnings per share.

Cash generated from operations per share

Cash generated from operations divided by the weighted average number of shares in issue during the year.

Capital items

These are items that are of a capital nature and not part of the operating activities and that qualify for adjustment to the calculation of headline earnings. These were previously classified as special items.

EBITDA before capital items, income from associates and joint venture

This comprises basic earnings to which is added back non-controlling interest, taxation, capital items, income from associate, income from joint venture, finance cost, income from investments, amortisation and depreciation.

New standards issued but not yet effective

The following new standards and/or amendments have been issued but are only applicable for future periods:

Standards	Subject	Effective date
IAS 1	*Presentation of financial statements – classification of liabilities as current or non-current* – amendment	1 January 2023
IAS 8	*Accounting policies, changes in accounting estimates and errors – definition of accounting estimates* – amendment	1 January 2023
IAS 12	*Income taxes – deferred tax related to assets and liabilities arising from a single transaction* – amendment	1 January 2023
IAS 16	*Property, plant and equipment – property, plant and equipment: proceeds before intended use* – amendment	1 January 2022
IFRS 3	*Business combinations – reference to the conceptual framework* – amendment	1 January 2022
IFRS 9	*Financial instruments – fees in the "10 per cent" test for derecognition of financial liabilities* – amendment	1 January 2022
IAS 37	*Provisions, contingent liabilities and contingent assets – onerous contracts – costs of fulfilling a contract* – amendment	1 January 2022
IFRS 17	*Insurance contracts*	1 January 2023

New accounting standards, amendments issued to accounting standards, and interpretations that are relevant to ARM, but not yet effective on 30 June 2022, have not been adopted.

The group does not intend early-adopting any of the above amendments, standards or interpretations.

ARM continuously evaluates the impact of these standards and amendments, the adoption of which are not expected to have a significant effect on the group or company financial statements.

Notes to the financial statements continued

for the year ended 30 June 2022

2. PRIMARY SEGMENTAL INFORMATION

Business segments

For management purposes, the group is organised into the following operating divisions: ARM Platinum (which includes platinum and nickel), ARM Ferrous, ARM Coal and ARM Corporate.

Machadodorp Works, Corporate and other, and Gold are included in ARM Corporate.

Attributable	ARM Platinum Rm	ARM Ferrous[1] Rm	ARM Coal Rm	ARM Corporate Rm	Total Rm	IFRS adjust-ment[2] Rm	Total per IFRS financial state-ments Rm
2.1 Year to 30 June 2022							
Sales	13 960	21 291	2 821	136	38 208	(21 291)	16 917
Cost of sales	(6 246)	(11 988)	(1 303)	(61)	(19 598)	11 938	(7 660)
Other operating income[3]	217	240	84	1 577	2 118	(135)	1 983
Other operating expenses[3]	(1 087)	(1 692)	(1 025)	(1 127)	(4 931)	1 692	(3 239)
Segment result	6 844	7 851	577	525	15 797	(7 796)	8 001
Income from investments	171	285	11	503	970	(285)	685
Finance cost	(84)	(34)	(159)	(47)	(324)	34	(290)
Income from associate[4]	–	–	927	–	927	–	927
Income from joint venture	–	728	–	–	728	5 921	6 649
Capital items before tax (refer note 32)	–	(45)	382	746	1 083	45	1 128
Taxation	(1 929)	(2 096)	(435)	(357)	(4 817)	2 081	(2 736)
Profit after tax	5 002	6 689	1 303	1 370	14 364	–	14 364
Non-controlling interest	(1 936)	–	–	(2)	(1 938)	–	(1 938)
Consolidation adjustment[5]	–	(40)	–	40	–	–	–
Contribution to basic earnings	3 066	6 649	1 303	1 408	12 426	–	12 426
Contribution to headline earnings	3 066	6 682	928	662	11 338	–	11 338
Other information							
Segment assets, including investment in associate	16 063	28 252	5 448	15 516	65 279	(6 108)	59 171
Investment in associate			2 048		2 048		2 048
Investment in joint venture						22 145	22 145
Segment liabilities	2 671	2 488	676	1 980	7 815	(2 488)	5 327
Unallocated liabilities (tax and deferred tax)					7 101	(3 620)	3 481
Consolidated total liabilities					14 916	(6 108)	8 808
Cash generated from operations	8 333	10 836	(46)	221	19 344	(10 836)	8 508
Cash inflow/(outflow) from operating activities	5 524	9 172	(230)	(501)	13 965	(9 172)	4 793
Cash outflow from investing activities	(1 911)	(2 415)	(125)	(456)	(4 907)	2 415	(2 492)
Cash outflow from financing activities	(34)	(14)	(1)	(292)	(341)	14	(327)
Capital expenditure	2 159	2 450	110	8	4 727	(2 450)	2 277
Amortisation and depreciation	651	1 189	190	12	2 042	(1 189)	853
Impairment/(impairment reversal) before tax	–	20	(378)	(746)	(1 104)	(20)	(1 124)
EBITDA	7 495	9 040	767	537	17 839	(8 985)	8 854

There were no significant inter-company sales.

Segment results take into account inter-company eliminations with the exception of inter-company re-measurements.

1 *Refer to ARM Ferrous segment note 2.4 and note 10 for more detail.*
2 *Includes* IFRS 11 Joint arrangements *– adjustments related to ARM Ferrous and other consolidation adjustments.*
3 *The net re-measurement of the ARM Coal loans amounts to R323 million loss with no tax effect.*
The re-measurement adjustment of the Harmony loan amounts to R5 million gain with no tax effect.
4 *The re-measurement of the ARM Coal loans amounts to R490 million loss with no tax effect.*
5 *Relates to fees capitalised in ARM Ferrous and reversed upon consolidation.*

2. PRIMARY SEGMENTAL INFORMATION
continued

2.2 Year to 30 June 2021

Attributable	ARM Platinum Rm	ARM Ferrous[1] Rm	ARM Coal Rm	ARM Corporate Rm	Total Rm	IFRS adjust-ment[2] Rm	Total per IFRS financial state-ments Rm
Sales	18 463	24 907	1 058	136	44 564	(24 907)	19 657
Cost of sales	(6 687)	(11 046)	(1 078)	(93)	(18 904)	11 004	(7 900)
Other operating income[3]	293	81	236	1 747	2 357	21	2 378
Other operating expenses[3]	(1 611)	(2 914)	(50)	(1 056)	(5 631)	2 914	(2 717)
Segment result	10 458	11 028	166	734	22 386	(10 968)	11 418
Income from investments	72	245	11	404	732	(245)	487
Finance cost	(95)	(37)	(175)	(59)	(366)	37	(329)
Loss from associate[4]	–	–	(260)	–	(260)	–	(260)
Loss from joint venture	–	(3)	–	–	(3)	7 501	7 498
Capital items before tax (refer note 32)	–	(502)	–	(9)	(511)	502	(9)
Taxation	(2 925)	(3 190)	8	(399)	(6 506)	3 173	(3 333)
Profit/(loss) after tax	7 510	7 541	(250)	671	15 472	–	15 472
Non-controlling interest	(2 844)	–	–	(2)	(2 846)	–	(2 846)
Consolidation adjustment[5]	–	(43)	–	43	–	–	–
Contribution to basic earnings/(losses)	4 666	7 498	(250)	712	12 626	–	12 626
Contribution to headline earnings/(losses)	4 666	7 927	(250)	721	13 064	–	13 064
Other information							
Segment assets, including investment in associate	14 403	27 441	3 085	14 663	59 592	(6 503)	53 089
Investment in associate			534		534	–	534
Investment in joint venture						20 938	20 938
Segment liabilities	2 644	2 997	1 847	1 699	9 187	(2 997)	6 190
Unallocated liabilities (tax and deferred tax)					6 629	(3 506)	3 123
Consolidated total liabilities					15 816	(6 503)	9 313
Cash generated from operations	7 758	9 836	197	(153)	17 638	(9 836)	7 802
Cash inflow/(outflow) from operating activities	4 742	7 255	199	(3 576)	8 620	(3 255)	5 365
Cash (outflow)/inflow from investing activities	(1 562)	(2 345)	(193)	917	(3 183)	2 345	(838)
Cash outflow from financing activities	(313)	(19)	(10)	(17)	(359)	19	(340)
Capital expenditure	1 611	2 221	263	10	4 105	(2 221)	1 884
Amortisation and depreciation	619	1 126	182	8	1 935	(1 126)	809
Impairment before tax	–	500	–	9	509	(500)	9
EBITDA	11 077	12 154	348	742	24 321	(12 094)	12 227

There were no significant inter-company sales.

Segment results take into account inter-company eliminations with the exception of inter-company re-measurements.

1 *Refer to ARM Ferrous segment note 2.4 and note 10 for more detail.*
2 *Includes* IFRS 11 Joint arrangements *– adjustments related to ARM Ferrous.*
3 *The re-measurement of the ARM Coal loans amounts to R53 million gain with no tax effect.*
The re-measurement of the Modikwa loans amounts to R6 million loss with no tax effect.
The fair value adjustment of the Harmony loan amounts to R47 million gain with no tax effect.
4 *The re-measurement of the ARM Coal loans amounts to a gain of R36 million with no tax effect.*
5 *Relates to fees capitalised in ARM Ferrous and reversed upon consolidation.*

The ARM Platinum segment is analysed further into Two Rivers Platinum Mine, ARM Mining Consortium (which includes Modikwa Platinum Mine) and Nkomati Nickel Mine.

Attributable	Nkomati[1] Rm	Two Rivers Rm	Modikwa Rm	ARM Platinum Total Rm
2. PRIMARY SEGMENTAL INFORMATION continued				
2.3 Year to 30 June 2022				
Sales	(18)	9 416	4 562	13 960
Cost of sales	–	(3 927)	(2 319)	(6 246)
Other operating income	4	91	122	217
Other operating expenses	(136)	(651)	(300)	(1 087)
Segment result	(150)	4 929	2 065	6 844
Income from investments	8	97	66	171
Finance cost	(28)	(41)	(15)	(84)
Capital items (refer note 32)	2	(2)	–	–
Taxation	(2)	(1 341)	(586)	(1 929)
(Loss)/profit after tax	(170)	3 642	1 530	5 002
Non-controlling interest	–	(1 676)	(260)	(1 936)
Contribution to basic (losses)/earnings	(170)	1 966	1 270	3 066
Contribution to headline (losses)/earnings	(172)	1 968	1 270	3 066
Other information				
Segment and consolidated assets	187	11 117	4 759	16 063
Segment liabilities	756	1 256	659	2 671
Unallocated liabilities (tax and deferred tax)				2 514
Consolidated total liabilities				5 185
Cash generated from operations	(38)	5 862	2 509	8 333
Cash (outflow)/inflow from operating activities	(30)	3 805	1 749	5 524
Cash outflow from investing activities	(51)	(1 711)	(149)	(1 911)
Cash outflow from financing activities	–	(4)	(30)	(34)
Capital expenditure	–	1 806	353	2 159
Amortisation and depreciation	–	500	151	651
EBITDA	(150)	5 429	2 216	7 495

[1] *Nkomati ceased mining operations on 14 March 2021. The mine is currently under care and maintenance.*

2. PRIMARY SEGMENTAL INFORMATION continued

2.3 Year to 30 June 2021

Attributable	Nkomati[1] Rm	Two Rivers Rm	Modikwa Rm	ARM Platinum Total Rm
Sales	1 547	11 992	4 924	18 463
Cost of sales	(1 230)	(3 533)	(1 924)	(6 687)
Other operating income	3	180	110	293
Other operating expenses	(134)	(952)	(525)	(1 611)
Segment result	186	7 687	2 585	10 458
Income from investments	6	32	34	72
Finance cost	(26)	(60)	(9)	(95)
Taxation	(1)	(2 156)	(768)	(2 925)
Profit after tax	165	5 503	1 842	7 510
Non-controlling interest	–	(2 531)	(313)	(2 844)
Contribution to basic earnings	165	2 972	1 529	4 666
Contribution to headline earnings	165	2 972	1 529	4 666
Other information				
Segment and consolidated assets	284	9 709	4 410	14 403
Segment liabilities	690	1 402	552	2 644
Unallocated liabilities (tax and deferred tax)				2 388
Consolidated total liabilities				5 032
Cash generated from operations	115	5 878	1 765	7 758
Cash inflow from operating activities	119	3 289	1 334	4 742
Cash outflow from investing activities	(6)	(1 182)	(374)	(1 562)
Cash outflow from financing activities	–	(221)	(92)	(313)
Capital expenditure	–	1 281	330	1 611
Amortisation and depreciation	–	488	131	619
EBITDA	186	8 175	2 716	11 077

[1] *Nkomati ceased mining operations on 14 March 2021. The mine is currently under care and maintenance.*

2. PRIMARY SEGMENTAL INFORMATION continued

2.4 Analysis of the ARM Ferrous segment on a 100% basis

	Iron ore division Rm	Manganese division Rm	ARM Ferrous Total Rm	ARM share Rm	IFRS adjustment[1] Rm	Total per IFRS financial statements Rm
Year to 30 June 2022						
Sales	27 856	14 727	42 583	21 291	(21 291)	–
Cost of sales	(13 006)	(10 969)	(23 975)	(11 988)	11 988	–
Other operating income	105	697	802	240	(240)	–
Other operating expense	(2 763)	(945)	(3 708)	(1 692)	1 692	–
Segment result	12 192	3 510	15 702	7 851	(7 851)	–
Income from investments	558	12	570	285	(285)	–
Finance cost	(41)	(26)	(67)	(34)	34	–
Profit from joint venture	–	1 455	1 455	728	(728)	–
Capital items before tax (refer note 32)	(73)	(15)	(88)	(45)	45	–
Taxation	(3 383)	(811)	(4 194)	(2 096)	2 096	–
Profit after tax	9 253	4 125	13 378	6 689	(6 689)	–
Consolidation adjustment				(40)	40	–
Contribution to basic earnings	9 253	4 125	13 378	6 649	–	6 649
Contribution to headline earnings	9 307	4 136	13 443	6 682	–	6 682
Other information						
Consolidated total assets	34 775	23 427	58 202	28 252	(6 108)	22 145
Consolidated total liabilities	6 974	5 718	12 692	2 488	(2 488)	–
Capital expenditure	2 890	2 220	5 110	2 450	(2 450)	–
Amortisation and depreciation	1 566	911	2 477	1 189	(1 189)	–
Cash inflow from operating activities[2]	4 393	2 950	7 343	9 172	(9 172)	–
Cash outflow from investing activities	(2 630)	(2 200)	(4 830)	(2 415)	2 415	–
Cash outflow from financing activities	(27)	–	(27)	(14)	14	–
EBITDA	13 758	4 421	18 179	9 040	(9 040)	
Additional information for ARM Ferrous at 100%						
Non-current assets						
Property, plant and equipment			31 548		(31 548)	–
Investment in joint venture			2 130		(2 130)	–
Other non-current assets			2 044		(2 044)	–
Current assets						
Inventories			5 070		(5 070)	–
Trade and other receivables			6 348		(6 348)	–
Financial assets			379		(379)	–
Cash and cash equivalents			10 684		(10 684)	–
Non-current liabilities						
Other non-current liabilities			8 629		(8 629)	–
Current liabilities						
Trade and other payables			2 867		(2 867)	–
Short-term provisions			994		(994)	–
Taxation			201		(201)	–

1 *Includes consolidation and* IFRS 11 Joint arrangements – *adjustments.*
2 *Dividend paid amounting to R5.5 billion included in cash flows from operating activities.*

Refer note 2.1 and note 10 for more detail on the ARM Ferrous segment.

2. PRIMARY SEGMENTAL INFORMATION
continued

2.4 Analysis of the ARM Ferrous segment on a 100% basis continued

	Iron ore division Rm	Manganese division Rm	ARM Ferrous Total Rm	ARM share Rm	IFRS adjust-ment[1] Rm	Total per IFRS financial state-ments Rm
Year to 30 June 2021						
Sales	37 621	12 192	49 813	24 907	(24 907)	–
Cost of sales	(12 286)	(9 807)	(22 093)	(11 046)	11 046	–
Other operating income	1 329	168	1 497	81	(81)	–
Other operating expense	(5 970)	(1 190)	(7 160)	(2 914)	2 914	–
Segment result	20 694	1 363	22 057	11 028	(11 028)	–
Income from investments	478	13	491	245	(245)	–
Finance cost	(62)	(12)	(74)	(37)	37	–
Loss from joint venture	–	(7)	(7)	(3)	3	–
Capital items before tax (refer note 32)	(49)	(956)	(1 005)	(502)	502	–
Taxation	(6 065)	(314)	(6 379)	(3 190)	3 190	–
Profit after tax	14 996	87	15 083	7 541	(7 541)	–
Consolidation adjustment			–	(43)	43	–
Contribution to basic earnings	14 996	87	15 083	7 498	–	7 498
Contribution to headline earnings	15 046	897	15 943	7 927	–	7 927
Other information						
Consolidated total assets	35 662	20 806	56 468	27 441	(6 503)	20 938
Consolidated total liabilities	6 846	6 606	13 452	2 997	(2 997)	–
Capital expenditure	2 397	2 248	4 645	2 221	(2 221)	–
Amortisation and depreciation	1 561	775	2 336	1 126	(1 126)	–
Cash inflow/(outflow) from operating activities	10 477	(3 968)	6 509	7 255	(7 255)	–
Cash outflow from investing activities	(2 464)	(2 225)	(4 689)	(2 345)	2 345	–
Cash outflow from financing activities	(39)	–	(39)	(19)	19	–
EBITDA	22 255	2 138	24 393	12 154	(12 154)	–
Additional information for ARM Ferrous at 100%						
Non-current assets						
Property, plant and equipment			29 029		(29 029)	–
Investment in joint venture			778		(778)	–
Other non-current assets			1 851		(1 851)	–
Current assets						
Inventories			5 131		(5 131)	–
Trade and other receivables			11 378		(11 378)	–
Financial assets			102		(102)	–
Cash and cash equivalents			8 198		(8 198)	–
Non-current liabilities						
Other non-current liabilities			8 199		(8 199)	–
Current liabilities						
Trade and other payables			3 511		(3 511)	–
Short-term provisions			1 423		(1 423)	–
Taxation			161		(161)	–

[1] *Includes consolidation and* IFRS 11 Joint arrangements *– adjustments.*
[2] *Dividend paid amounting to R4 billion included in cash flows from operating activities.*

Refer note 2.1 and note 10 for more detail on the ARM Ferrous segment.

ARM Corporate as presented in the table on pages 50 and 51 is analysed further into Machadodorp, Corporate and other, and Gold segments.

	Machadodorp Works Rm	Corporate and other Rm	Gold Rm	Total ARM Corporate Rm
2. PRIMARY SEGMENTAL INFORMATION continued				
2.5 Additional information				
Year to 30 June 2022				
Sales	136	–		136
Cost of sales	(125)	64		(61)
Other operating income[1]	3	1 574		1 577
Other operating expenses[1]	(216)	(911)		(1 127)
Segment result	(202)	727		525
Income from investments	–	453	50	503
Finance costs	(25)	(22)		(47)
Capital item (refer note 32)	3	743		746
Taxation	63	(420)		(357)
(Loss)/profit after tax	(161)	1 481	50	1 370
Non-controlling interest	–	(2)		(2)
Consolidation adjustments[2]	–	40		40
Contribution to basic (losses)/earnings	(161)	1 519	50	1 408
Contribution to headline (losses)/earnings	(164)	776	50	662
Other information				
Segment and consolidated assets	62	11 573	3 881	15 516
Segment liabilities	305	1 675		1 980
Cash inflow/(outflow) from operating activities	4	(555)	50	(501)
Cash outflow from investing activities	(4)	(452)		(456)
Cash outflow from financing activities	–	(292)		(292)
Capital expenditure	4	4		8
Amortisation and depreciation	4	8		12
Impairment reversal before tax	(3)	(743)		(746)
EBITDA	(198)	735		537

[1] *Corporate and other includes a re-measurement gain on the loans to ARM Coal of R443 million and a re-measurement gain on the loan from Harmony of R5 million.*

[2] *Relates to fees capitalised in ARM Ferrous and reversed on consolidation.*

2. PRIMARY SEGMENTAL INFORMATION
continued

2.5 Additional information continued

	Machadodorp Works Rm	Corporate and other Rm	Gold Rm	Total ARM Corporate Rm
Year to 30 June 2021				
Sales	136	–		136
Cost of sales	(149)	56		(93)
Other operating income[1]	7	1 740		1 747
Other operating expenses[1]	(130)	(926)		(1 056)
Segment result	(136)	870		734
Income from investments	–	322	82	404
Finance costs	(22)	(37)		(59)
Capital items (refer note 32)	–	(9)		(9)
Taxation	51	(450)		(399)
(Loss)/profit after tax	(107)	696	82	671
Non-controlling interest	–	(2)		(2)
Consolidation adjustment[2]	–	43		43
Contribution to basic (losses)/earnings	(107)	737	82	712
Contribution to headline (losses)/earnings	(107)	746	82	721
Other information				
Segment and consolidated assets	151	10 572	3 940	14 663
Segment liabilities	298	1 401		1 699
Cash inflow/(outflow) from operating activities	(4)	(3 654)	82	(3 576)
Cash outflow from investing activities	(1)	918		917
Cash outflow from financing activities	–	(17)		(17)
Capital expenditure	1	9		10
Amortisation and depreciation	–	8		8
Impairment before tax	–	9		9
EBITDA	(136)	878		742

1 *Corporate and other includes a re-measurement loss on the loans to Modikwa and ARM Coal of R16 million and a fair value gain on the loan from Harmony of R47 million.*
2 *Relates to fees capitalised in ARM Ferrous and reversed on consolidation.*

	Group F2022 Rm	Group F2021 Rm
2. PRIMARY SEGMENTAL INFORMATION continued		
2.6 Segmental information		
Geographical segments		
The group operates principally in South Africa, however Sakura operates in Malaysia.		
Assets by geographical area in which the assets are located are as follows:		
– South Africa	**55 054**	44 199
– Europe	**871**	616
– Americas	**28**	118
– Far and Middle East	**2 640**	7 843
– Other	**578**	313
	59 171	53 089
Sales by geographical area:		
– South Africa	**14 308**	17 266
– Europe	**2 609**	2 391
	16 917	19 657
Sales to major customers which constitute 10% or more of the group sales:		
– Rustenburg Platinum Mines Limited	**4 522**	4 924
– Impala Platinum Limited	**9 416**	11 992
– Glencore International AG	**2 627**	884
Capital expenditure		
– South Africa	**2 277**	1 884
	2 277	1 884

	Group							
	Mine development and decom-missioning assets Rm	Plant and machinery Rm	Land and buildings Rm	Mineral rights Rm	Mine properties Rm	Furniture, equipment and vehicles Rm	Right-of-use assets Rm	Total property, plant and equipment Rm
3. PROPERTY, PLANT AND EQUIPMENT								
Cost								
Balance at 30 June 2020	8 215	5 231	609	2 431	379	1 090	717	18 672
Additions	874	674	–	–	–	258	78	1 884
Change in estimates[1]	–	–	(41)	–	–	–	–	(41)
Reclassifications	(102)	67	–	–	–	35	–	–
Capitalised stock	–	6	–	–	–	–	–	6
Derecognition	–	–	–	–	–	–	(40)	(40)
Disposals	(6)	(92)	(2)	–	–	(96)	–	(196)
Balance at 30 June 2021	8 981	5 886	566	2 431	379	1 287	755	20 285
Additions	**1 445**	**418**	**9**	**–**	**–**	**404**	**1**	**2 277**
Change in estimates[1]	**(30)**	**–**	**–**	**–**	**–**	**–**	**–**	**(30)**
Reclassifications	**(147)**	**128**	**2**	**–**	**–**	**17**	**–**	**–**
Derecognition	**–**	**–**	**–**	**–**	**–**	**–**	**(82)**	**(82)**
Disposals	**(32)**	**(89)**	**–**	**–**	**–**	**(117)**	**–**	**(238)**
Balance at 30 June 2022	**10 217**	**6 343**	**577**	**2 431**	**379**	**1 591**	**674**	**22 212**
Accumulated depreciation and impairment								
Balance at 30 June 2020	5 280	3 055	380	1 701	7	711	327	11 461
Charge for the year	261	188	18	50	–	145	140	802
Derecognition	–	–	–	–	–	–	(40)	(40)
Disposals	(6)	(87)	(2)	–	–	(96)	–	(191)
Impairment (refer note 38)	–	–	9	–	–	–	–	9
Balance at 30 June 2021	5 535	3 156	405	1 751	7	760	427	12 041
Charge for the year	**327**	**165**	**17**	**44**	**–**	**179**	**108**	**840**
Derecognition	**(1)**	**–**	**–**	**–**	**–**	**–**	**(51)**	**(52)**
Disposals	**(32)**	**(89)**	**–**	**–**	**–**	**(114)**	**–**	**(235)**
Impairment	**–**	**–**	**–**	**–**	**(3)**	**–**	**–**	**(3)**
Balance at 30 June 2022	**5 829**	**3 232**	**422**	**1 795**	**4**	**825**	**484**	**12 591**
Carrying value at 30 June 2021	3 446	2 730	161	680	372	527	328	8 244
Carrying value at 30 June 2022	**4 388**	**3 111**	**155**	**636**	**375**	**766**	**190**	**9 621**

[1] *Change in estimates on land and buildings relates to the fair value adjustment made on the variable consideration payable by Two Rivers to Dwarsrivier. The effect in future periods is not disclosed because estimating it is impracticable.*

Borrowing costs

No borrowing costs were capitalised for the year to 30 June 2022 (F2021: Rnil).

Pledged assets

The carrying value of assets pledged as security for loans amounts to R5.4 billion (F2021: R3.1 billion). Refer to note 18 for security granted in respect of loans to ARM Coal.

Refer note 4 for IFRS 16 *Right-of-use assets*.

Registers containing details of mineral and mining rights and land and buildings are available for inspection during business hours at the registered addresses of the respective company or associated entities by members or their duly authorised agents.

Fully depreciated assets still in use

At year end there was R671 million (F2021: R658 million) of assets that were fully depreciated but are still in use. This excludes zero value assets after the impairment in ARM Coal in F2020.

3. PROPERTY, PLANT AND EQUIPMENT continued

	Company							
	Mine development and decom-missioning assets Rm	Plant and machinery Rm	Land and buildings Rm	Mineral rights Rm	Mine properties Rm	Furniture, equipment and vehicles Rm	Right-of-use assets Rm	Total property, plant and equipment Rm
Cost								
Balance at 30 June 2020	3 994	2 580	207	9	574	255	97	7 716
Additions	197	63	–	–	–	10	3	273
Reclassifications	(43)	45	–	–	–	(2)	–	–
Capitalised stock	–	6	–	–	–	–	–	6
Derecognition	–	–	–	–	–	–	(12)	(12)
Disposals	(2)	(64)	–	–	–	(1)	–	(67)
Balance at 30 June 2021	4 146	2 630	207	9	574	262	88	7 916
Additions	**36**	**73**	**1**	**–**	**–**	**7**	**1**	**118**
Change in estimates	**(20)**	**–**	**–**	**–**	**–**	**–**	**–**	**(20)**
Reclassifications	**18**	**(18)**	**2**	**–**	**–**	**(2)**	**–**	**–**
Derecognition	**–**	**–**	**–**	**–**	**–**	**–**	**(3)**	**(3)**
Disposals	**(31)**	**(82)**	**–**	**–**	**–**	**(6)**	**–**	**(119)**
Balance at 30 June 2022	**4 149**	**2 603**	**210**	**9**	**574**	**261**	**86**	**7 892**
Accumulated depreciation and impairment								
Balance at 30 June 2020	3 342	2 181	158	3	312	129	78	6 203
Charge for the year	47	113	2	–	8	4	13	187
Derecognition	–	–	–	–	–	–	(12)	(12)
Disposals	(2)	(65)	–	–	–	(1)	–	(68)
Balance at 30 June 2021	3 387	2 229	160	3	320	132	79	6 310
Charge for the year	**86**	**81**	**3**	**–**	**10**	**6**	**9**	**195**
Disposals	**(30)**	**(82)**	**–**	**–**	**–**	**(6)**	**–**	**(118)**
Derecognition	**–**	**–**	**–**	**–**	**–**	**–**	**(3)**	**(3)**
Impairment (refer note 38)	**–**	**–**	**–**	**(3)**	**–**	**–**	**–**	**(3)**
Balance at 30 June 2022	**3 443**	**2 228**	**163**	**–**	**330**	**132**	**85**	**6 381**
Carrying value at 30 June 2021	759	401	47	6	254	130	9	1 606
Carrying value at 30 June 2022	**706**	**375**	**47**	**9**	**244**	**129**	**1**	**1 511**

Borrowing costs

No borrowing costs were capitalised for the year to 30 June 2022 (F2021: Rnil).

Pledged assets

The carrying value of assets pledged as security for loans amounts to R5.4 billion (F2021: R3.1 billion). Refer to note 18 for security granted in respect of loans to ARM Coal.

Refer note 4 for IFRS 16 *Right-of-use assets*.

Registers containing details of mineral and mining rights and land and buildings are available for inspection during business hours at the registered addresses of the respective company or associated entities by members or their duly authorised agents.

Fully depreciated assets still in use

At year end there was R261 million (F2021: R174 million) of assets that were fully depreciated but are still in use. This excludes zero value assets after the impairment in ARM Coal in F2020.

4. LEASES

The group has lease contracts for various items of land and buildings, plant, machinery, vehicles and other equipment used in its operations. Leases of land and buildings generally have lease terms between two and 24 years, plant and machinery generally have lease terms between three and 15 years, while motor vehicles and other equipment generally have lease terms between three and five years. The group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the group is restricted from assigning and subleasing the leased assets.

	Group			
Right-of-use assets	**Plant and machinery Rm**	**Land and buildings Rm**	**Furniture, equipment and vehicles Rm**	**Total right-of-use assets Rm**
Cost				
Balance at 1 July 2020	597	116	4	717
Additions	21	57	–	78
Derecognition	(40)	–	–	(40)
Balance at 30 June 2021	578	173	4	755
Additions	1	–	–	1
Derecognition	(53)	(29)	–	(82)
Balance at 30 June 2022	**526**	**144**	**4**	**674**
Accumulated depreciation and impairment				
Balance at 1 July 2020	316	9	2	327
Charge for the year	128	12	–	140
Derecognition	(40)	–	–	(40)
Balance at 30 June 2021	404	21	2	427
Charge for the year	98	10	–	108
Derecognition	(51)	–	–	(51)
Balance at 30 June 2022	**451**	**31**	**2**	**484**
Carrying value at 30 June 2021	174	152	2	328
Carrying value at 30 June 2022	**75**	**113**	**2**	**190**

Set out below are the carrying amounts of lease liabilities included under interest-bearing loans and borrowings (refer note 18) and the movements during the period:

	F2022 Rm	F2021 Rm
Reconciliation of lease liabilities		
Opening balance	**222**	376
(Derecognition)/additions	**(23)**	78
Interest	**3**	13
Repayments	**(39)**	(245)
Closing balance	**163**	222
Current	**25**	41
Non-current	**138**	181
The maturity analysis of lease liabilities is disclosed in note 18		
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	**108**	140
Interest expense on lease liabilities	**3**	13
Derecognition of lease expense	**8**	–
Total amount recognised in profit or loss	**119**	153

4. LEASES continued

The company has lease contracts for various items of land and buildings, plant, machinery, vehicles and other equipment used in its operations. Leases of land and buildings generally have lease terms between two and 24 years, plant and machinery generally have lease terms between three and 15 years, while motor vehicles and other equipment generally have lease terms between three and five years. The company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the company is restricted from assigning and subleasing the leased assets.

	Company		
Right-of-use assets	**Plant and machinery Rm**	**Land and buildings Rm**	**Total right-of-use assets Rm**
Cost			
Balance at 1 July 2020	74	23	97
Reclassifications	3	–	3
Derecognition	(12)	–	(12)
Balance at 30 June 2021	65	23	88
Additions	1	–	1
Derecognition	(3)	–	(3)
Balance at 30 June 2022	**63**	**23**	**86**
Accumulated depreciation and impairment			
Balance at 1 July 2020	71	7	78
Charge for the year	6	7	13
Derecognition	(12)	–	(12)
Balance at 30 June 2021	65	14	79
Charge for the year	1	8	9
Derecognition	(3)	–	(3)
Balance at 30 June 2022	**63**	**22**	**85**
Carrying value at 30 June 2021	–	9	9
Carrying value at 30 June 2022	**–**	**1**	**1**

Set out below are the carrying amounts of lease liabilities included under interest-bearing loans and borrowings (refer note 18) and the movements during the period:

	F2022 Rm	F2021 Rm
Reconciliation of lease liabilities		
Opening balance	**11**	23
Additions	**1**	3
Interest	**1**	4
Repayments	**(11)**	(19)
Closing balance	**2**	11
Current	**2**	10
Non-current	**–**	1
The maturity analysis of lease liabilities is disclosed in note 18		
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	**9**	13
Interest expense on lease liabilities	**1**	4
Total amount recognised in profit or loss	**10**	17

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
5. INVESTMENT PROPERTY				
Cost	**24**	24	**24**	24
Accumulated depreciation	**–**	–	**–**	–
Carrying value	**24**	24	**24**	24

Properties at Machadodorp Works that were transferred from property, plant and equipment are now rented out to non-employees.

The rental income received included in the statement of profit or loss is R2 million (F2021: R7 million).

The fair value of the investment property is R24 million (F2021: R24 million) and is therefore not depreciated.

	Group			Company
	Total Rm	**Other Rm**	**RBCT entitlement Rm**	**RBCT entitlement Rm**
6. INTANGIBLE ASSETS				
Cost				
Balance at 30 June 2020	230	1	229	229
Balance at 30 June 2021	230	1	229	229
Balance 30 June 2022	**230**	**1**	**229**	**229**
Accumulated amortisation and impairment				
Balance at 30 June 2020	147	1	146	146
Charge for the year	7	–	7	7
Balance at 30 June 2021	154	1	153	153
Charge for the year	13	–	13	13
Balance at 30 June 2022	**167**	**1**	**166**	**166**
Carrying value at 30 June 2021	76	–	76	76
Carrying value at 30 June 2022	**63**	**–**	**63**	**63**

Finite life intangible assets which are amortised comprise the RBCT entitlement held by the Glencore Operations South Africa Proprietary Limited of R63 million (F2021: R76 million).

There are no indefinite life intangible assets. The RBCT entitlement is amortised on a units of export sales method. The remaining amortisation period of the RBCT entitlement is limited to 13 years (F2021: 14 years).

	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
7. LOANS AND LONG-TERM RECEIVABLES				
Long-term receivables	**–**	40	**–**	574
	–	40	**–**	574
Long-term receivables are held as follows:				
ARM Coal[1]	**–**	40	**–**	40
Loan to PCB from ARM[2]	**–**	–	**–**	534
	–	40	**–**	574

[1] *At 30 June 2022 an amount of R93 million is included in trade and other receivables as it is expected to be repaid within the next 12 months (refer note 13).*
[2] *Settled (non-cash) together with the partner loans during F2022.*

	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
8. OTHER NON-CURRENT FINANCIAL ASSETS				
Insurance reimbursement[1]	**–**	–	**162**	145
Mannequin Captive Cell (Cell AVL 18)	**162**	145	**–**	–
ARM Coal[2]	**50**	46	**50**	46
Modikwa	**2**	1	**–**	–
VBT	**–**	1	**–**	–
	214	193	**212**	191

[1] *The insurance reimbursement relates to the silicosis and tuberculosis class action (refer note 20).*
[2] *Guarantees issued by ARM Coal to the DMRE amounting to R50 million (F2021: R46 million).*

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
9. INVESTMENT IN ASSOCIATE				
Through ARM's 51% investment in ARM Coal and ARM's 10% direct investment, the group holds a 20.2% investment in the Participative Coal Business of Glencore Operations South Africa Proprietary Limited (GOSA).				
Opening balance	**534**	795	**–**	260
Income/(loss) for the current year	**927**	(260)	**–**	–
Income/(loss) for the current year before the re-measurement of loans	**1 417**	(296)	**–**	–
Re-measurement of loans (refer note 29)	**(490)**	36	**–**	–
Movement in loans (non-cash flow)[1]	**(534)**	(1)	**–**	–
Reversal of impairment/(impairment) on investment (refer note 38)	**1 121**	–	**841**	(260)
Total investment	**2 048**	534	**841**	–
PCB at 100%[2]				
Revenue	**24 556**	8 984		
Profit/(loss) from operations	**10 481**	(1 000)		
Profit/(loss) for the year before tax	**10 481**	(1 137)		
Statement of financial position				
Non-current assets	**15 775**	18 045		
Current assets	**3 590**	3 605		
Total assets	**19 365**	21 650		
Less:				
Non-current liabilities	**(7 690)**	(9 079)		
Current liabilities	**(1 536)**	(4 378)		
Net assets	**10 139**	8 193		

[1] *Settled together with the partner loans during F2022.*

[2] *F2021 includes an impairment at ARM Coal for the investment in associate of R1 121 million.*

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
10. INVESTMENT IN JOINT VENTURE				
The investment relates to ARM Ferrous and consists of Assmang as a joint venture which includes iron ore and manganese segments.				
Opening balance	**20 938**	17 545	**259**	259
Net income for the period	**6 649**	7 498	**–**	–
Income for the period[1]	**6 689**	7 541	**–**	–
Consolidation adjustment	**(40)**	(43)	**–**	–
Foreign currency translation reserve	**58**	(105)	**–**	–
Less: Cash dividend received for the period	**(5 500)**	(4 000)	**–**	–
Closing balance	**22 145**	20 938	**259**	259

[1] *Includes reversal of expected credit losses recorded of R126 million less tax of R6 million (F2021: R81 million expected credit losses less tax of R1 million).*

Refer to note 2.1, 2.2 and 2.4 for more detail on the ARM Ferrous segment.

	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
11. OTHER INVESTMENTS				
Listed investment[1]				
Harmony				
Opening balance	**3 940**	5 366	**3 940**	5 366
Financial instruments at fair value through other comprehensive income	**(59)**	(1 426)	**(59)**	(1 426)
	3 881	3 940	**3 881**	3 940
Preference shares	**1**	1		
Total – listed investments classified as fair value through other comprehensive income	**3 882**	3 941	**3 881**	3 940
Market value of listed investments	**3 882**	3 941	**3 881**	3 940
Other investments				
Guardrisk[2]	**9**	36	**9**	36
RBCT[3]	**213**	233	**213**	233
Loans (refer page 115)[4]			**610**	791
Subsidiary companies unlisted				
Cost of investments in subsidiaries (refer page 113)			**1 471**	1 471
Loans owing by subsidiaries (refer page 113)[4]			**20**	20
Total subsidiaries			**1 491**	1 491
Total unlisted investments	**222**	269	**2 323**	2 551
Total carrying amount investments	**4 104**	4 210	**6 204**	6 491

ARM Treasury Investments Proprietary Limited holds R1 million (F2021: R1 million) listed preference shares.

The market value of the listed investment is determined by reference to the market share price at 30 June 2022 and 30 June 2021. Certain listed shares have been pledged as security for the ARM corporate loan which at 30 June 2022 was Rnil (F2021: Rnil) (refer note 18). The book value of the pledged shares amounts to R2 287 million (F2021: R2 321 million).

A report on investments appears on pages 113 to 115.

[1] *Harmony Gold 74 665 545 shares at R51.97 per share at 30 June 2022 (30 June 2021: 74 665 545 shares at R52.76 per share).*
[2] *Fair value based on the net asset value of the cell captive.*
[3] *Unlisted investments subject to adjustment – Investment in Richards Bay Coal Terminal (RBCT).*

This investment is held by ARM Coal which is a jointly controlled operation of ARM and Glencore Operations South Africa Proprietary Limited (GOSA), and hence ARM's share of the investment is recognised in the ARM group and company financial statements.

The fair value of the investment was determined by calculating the present value of the future wharfage cost savings by being a shareholder in RBCT as opposed to the wharfage payable by non-shareholders.

The current financial year's fair value adjustment is accounted for through profit or loss. This is a level 3 valuation in terms of IFRS 13.

The fair value is most sensitive to wharfage cost. The current RBCT valuation is based on a wharfage cost differential ranging between R44/tonne and R49/tonne (F2021: R42/tonne and R48/tonne). If increased by 10% this would result in a R22 million (F2021: R23 million) increase in the valuation on the RBCT investment. If decreased by 10% this would result in a R22 million (F2021: R23 million) decrease in the valuation on the RBCT investment. The valuation is calculated based on the duration of the RBCT lease agreement with Transnet SOC Limited to 31 December 2038, using a pre-tax discount rate of 20.8% (F2021: 19.1%).

	Group F2022 Rm	*Group F2021 Rm*	*Company F2022 Rm*	*Company F2021 Rm*
Opening balance	***233***	*238*	***233***	*238*
Fair value loss	***(20)***	*(5)*	***(20)***	*(5)*
Closing balance	***213***	*233*	***213***	*233*

[4] *These loans are interest free with no fixed terms of repayment except for:*

(i) The loan to Venture Building Trust of R14 million (F2021: R14 million) bears interest at 2% below the prime bank overdraft rate, which is 8.25% at 30 June 2022 (30 June 2021: 7%) per annum.

(ii) On 28 June 2021 ARM advanced a new loan to the ARM BBEE Trust. The proceeds from the new loan was used to settle the old loan. This resulted in a gain for the ARM BBEE Trust and a loss for ARM. The new loan carry interest at zero percent, subject to ARM reserving the right to charge interest in the future. The new loans are fully repayable on or before 30 June 2035. Earlier payments are at the discretion of the ARM BBEE Trust. F2022 includes repayments of R259 million and a re-measurement gain of R9 million.

(iii) In F2021 the interest free non-current liability owed by ARM Mining Consortium Limited to Rustenburg Platinum Mines Limited (Anglo American Platinum Limited) and ARM was remeasured resulting in a cumulative consolidated net fair value loss of R6 million before non-controlling interest. This loan was repaid during F2021.

In F2021 Modikwa Mine fully repaid its partner loans for the company of R1 257 million which included a re-measurement gain of R137 million.

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
12. INVENTORIES				
Non-current inventories				
Ore stockpiles	**52**	–	**–**	–
	52	–	**–**	–
Current inventories				
Consumable stores	**195**	30	**30**	30
Finished goods	**68**	220	**46**	88
Ore stockpiles	**15**	143	**–**	–
Work-in-progress	**65**	74	**66**	74
	343	467	**142**	192

Stockpile quantities are determined using assumptions such as densities and grades which are based on studies, historical data and industry norms. Non-current inventories relate to the Two Rivers Merensky project.

Value of inventories carried at net realisable value is R20 million (F2021: R23 million). Inventories to the value of R122 million (F2021: R169 million) have been pledged as security for loans in ARM Coal (refer note 18).

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
13. TRADE AND OTHER RECEIVABLES				
Other receivables	**230**	157	**108**	41
Related parties (refer note 44)[1]	**7 420**	7 302	**2 248**	1 223
Trade receivables	**87**	366	**118**	374
	7 737	7 825	**2 474**	1 638

Trade and other receivables are non-interest-bearing and are generally on 30- to 90-day payment terms.

The carrying amount of trade and other receivables approximate their fair value.

Payment terms which vary from the norm are:
- PGMs which are paid approximately four months after delivery
- 20% of nickel delivered which is paid approximately five months after delivery

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
Debtors analysis				
Outstanding on normal cycle terms	**7 737**	7 825	**2 474**	1 638
Outstanding longer than 30 days outside normal cycle	**–**	–	**–**	–
Outstanding longer than 60 days outside normal cycle	**–**	–	**–**	–
Outstanding longer than 90 days outside normal cycle	**–**	–	**–**	–
Outstanding longer than 120 days outside normal cycle	**–**	–	**–**	–
Less: expected credit losses[2]	**–**	–	**–**	–
Total	**7 737**	7 825	**2 474**	1 638

[1] *Trade and other receivables include a contract asset from Assmang of R985 million (F2021: R1 156 million). The contract asset resulted from revised fee arrangements whereby fees received from Assmang only become payable following receipt by Assmang from the relevant customer.*
[2] *No expected credit losses have been raised in F2022 on debtors (F2021: Rnil) as the balance is considered recoverable.*

Trade and other receivables include an amount of R93 million relating to ARM Coal which was included in loans and long-term receivable at 30 June 2021 (refer note 7).

	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
14. FINANCIAL ASSETS[1]				
– Two Rivers Platinum Proprietary Limited (Investment in fixed deposit)	**31**	30	**–**	–
– ARM Platinum Proprietary Limited (Investment in fixed deposit)	**–**	203	**–**	–
– Nkomati	**114**	59	**114**	59
– ARM Finance Company SA[2]	**185**	161	**–**	–
– Mannequin Captive Cell (Cell AVL 18)	**500**	61	**–**	–
– Other	**–**	9	**16**	94
	830	523	**130**	153

1 Cash and cash equivalents were invested in fixed deposits with maturities longer than three months to achieve better returns. When these investments mature, to the extent that amounts are not re-invested in new investments with maturities of longer than three months, they will again form part of cash and cash equivalents. The carrying amounts of the financial assets shown above approximate their fair value.

2 ARM Finance Company SA invested R172 million (F2021: R173 million) in fixed deposits with maturities longer than three months. The amount was translated at the 30 June closing exchange rate resulting in a foreign currency translation gain of R13 million (F2021: R12 million loss).

The following guarantees issued are included in financial assets:
– Two Rivers to DMRE, Eskom and BP Oil amounting to R31 million (F2021: R30 million).
– Nkomati to DMRE and Eskom amounting to R114 million (F2021: R59 million).
– Modikwa to DMRE and Eskom amounting to Rnil (F2021: R164 million).

Group other financial assets include trust funds of Rnil (F2021: R9 million). Company other financial assets include trust funds of Rnil (F2021: R9 million) and Insurance reimbursement of R16 million (F2021: R85 million).

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
15. CASH AND CASH EQUIVALENTS				
Cash at bank and on deposit	**11 069**	8 865	**8 829**	7 853
Cash set aside for specific use	**590**	806	**111**	125
Cash and cash equivalents per statement of financial position	**11 659**	9 671	**8 940**	7 978
Less: Overdrafts (refer note 23)	**(16)**	(16)	**(16)**	(16)
Cash and cash equivalents per statement of cash flows	**11 643**	9 655	**8 924**	7 962
The cash per statement of financial position is held as follows:				
Total cash at bank and on deposit	**11 069**	8 865	**8 829**	7 853
– African Rainbow Minerals Limited	**8 770**	7 739	**8 770**	7 739
– ARM BBEE Trust	**38**	4	**–**	–
– ARM Finance Company SA	**92**	81	**–**	–
– ARM Platinum Proprietary Limited	**874**	538	**–**	–
– ARM Treasury Investments Proprietary Limited	**43**	42	**–**	–
– Nkomati	**52**	106	**52**	106
– Two Rivers Platinum Proprietary Limited	**1 174**	329	**–**	–
– Other cash at bank and on deposit	**26**	26	**7**	8
Total cash set aside for specific use	**590**	806	**111**	125
– Mannequin Captive Cell (Cell AVL 18)[1]	**245**	681	**–**	–
– Rehabilitation trust funds[1]	**65**	44	**46**	44
– Other cash set aside for specific use[1]	**280**	81	**65**	81

Cash at bank and on deposit earns interest at floating rates based on daily bank deposit rates. Refer note 1 for accounting policy and definitions on cash and cash set aside for specific use.

[1] *Cash set aside for specific use in respect of group includes:*
- *Mannequin captive cell is used as part of the group insurance programme. The cash held in the cell is invested in highly liquid investments and is used to settle claims as and when they arise as part of the risk finance retention strategy.*
- *African Rainbow Mineral Limited of R37 million (F2021: R35 million).*
- *The trust funds of R16 million (F2021: R6 million).*
- *Guarantees issued by ARM Coal to DMRE amounting to R46 million (F2021: R44 million).*
- *Guarantees issued by Nkomati to DMRE and Eskom amounting to R12 million (F2021: R40 million).*
- *Guarantees issued by Modikwa to DMRE and Eskom amounting to R234 million (F2021: Rnil).*

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
16. SHARE CAPITAL				
Authorised				
500 000 000 (F2021: 500 000 000)	**25**	25	**25**	25
	25	25	**25**	25
Issued				
Opening balance	**11**	11	**11**	11
214 520 (F2021: 1 127 401) additional shares issued[1]	**–**	–	**–**	–
224 667 778 (F2021: 224 453 258); (F2020: 223 325 857)	**11**	11	**11**	11
Share premium	**5 267**	5 212	**5 267**	5 212
– Balance at beginning of the year	**5 212**	4 950	**5 212**	4 950
– Premium on bonus and performance shares issued to employees	**55**	262	**55**	262
Total issued share capital and share premium	**5 278**	5 223	**5 278**	5 223

[1] *The movement in shares issued and repurchased was less than R1 million.*

Shares are held at no par value.

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
17. TREASURY SHARES				
The restructuring of the ARM BBEE Trust in F2016 resulted in ARM effectively controlling 28 614 740 ARM shares (refer note 34).				
The carrying value of these treasury shares are as follows:				
– 12 717 328 shares at R51.19 bought from the ARM BBEE Trust by Opilac Proprietary Limited	**651**	651	**–**	–
– 15 897 412 shares at R110.31 held in the ARM BBEE Trust	**1 754**	1 754	**–**	–
	2 405	2 405	**–**	–

	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
18. LONG-TERM BORROWINGS				
Secured				
ARM Corporate – loan facility ARM Corporate Revolving Credit Facility for an amount of R2 250 million was entered into during September 2018. This facility was available until September 2022. The interest rate has a JIBAR base with an additional margin between 2.20% and 2.45% depending on the utilisation of the facility. At 30 June 2022 and 30 June 2021 this facility was unutilised. This facility had been secured by a pledge of shares (refer note 11).	**–**	–	**–**	–
ARM BBEE Trust – loan facility – Harmony Gold On 28 June 2021 Harmony advanced a new loan to the ARM BBEE Trust. The proceeds from the new loan were used to settle the old loan. This resulted in a gain for the ARM BBEE Trust. The new loans carry interest at zero percent, subject to Harmony reserving the right to charge interest in the future. The new loans are fully repayable on or before 30 June 2035. Earlier payments are at the discretion of the ARM BBEE Trust.	**166**	217	**–**	–
Two Rivers – lease liability Includes leases for land and buildings, plant and machinery and furniture, equipment and vehicles for periods between one and 20 years discounted at an incremental borrowing rate of 5.3%. (F2021: 5.3%) (refer note 4).	**134**	158	**–**	–
Modikwa – lease liability F2022 includes leases for land and buildings for a period of 22 years (F2021: 23 years) discounted at an incremental borrowing rate of 8.55% (F2021: 8.55%) and plant and machinery for a period of two years (F2021: three years) discounted at an incremental borrowing rate of 5.55%. (F2021: 5.55%) (refer note 4).	**29**	59	**–**	–
ARM Corporate – lease liability Leases for land and buildings for a period of one year (F2021: two years) discounted at an incremental borrowing rate of 9.23%. (F2021: 9.23%) (refer note 4).	**–**	4	**2**	10
ARM Coal – lease liability Leases for plant and machinery in F2021 for a remaining period of less than one year discounted at an incremental borrowing rate of 10.90% (refer note 4).	**–**	1	**–**	1
ARM Coal – PCB liability ARM Coal's attributable share of GGV liability owing to PCB for the RBCT entitlement. This loan bears contractual interest of 0%.	**139**	60	**139**	60
ARM Coal – GGV acquisition loan (partner loan) The loan was fully settled at 30 June 2022. (F2021: This loan was repayable by 31 December 2029 with contractual interest of 0%).	**–**	149	**–**	149

	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
18. LONG-TERM BORROWINGS continued				
ARM Coal – GGV project facility phase 1 loan (partner loan) The loan was fully settled at 30 June 2022. (F2021: This loan was repayable by 31 December 2029 with contractual interest of 0%).	**–**	573	**–**	573
ARM Coal – GGV project facility phase 2 loan (partner loan) The loan was fully settled at 30 June 2022. (F2021: This loan was repayable by 31 December 2029 with contractual interest of 0%).	**–**	232	**–**	232
These were secured by: – A cession in favour of GOSA creating a first ranking security interest over ARM Coal's participating interest in the Goedgevonden joint operation – A cession in favour of GOSA creating a first ranking security interest over all the preference shares in GOSA held by ARM Coal – a cession in favour of GOSA creating a first ranking security interest over ARM Coal's right, title and interest in and to the joint venture account – Mortgage bonds to be registered by ARM Coal in favour of GOSA over all immovable property of ARM Coal – Notarial bonds to be registered by ARM Coal in favour of GOSA over all movable assets owned by ARM Coal				
	468	1 453	**141**	1 025
Less: Repayable within one year included in short-term borrowings (refer note 23)	**(163)**	(348)	**(141)**	(317)
Total long-term borrowings	**305**	1 105	**–**	708
Held as follows:				
– ARM BBEE Trust – Harmony	**166**	217	**–**	–
– ARM Coal Proprietary Limited – PCB liability	**–**	60	**–**	60
– ARM Coal Proprietary Limited – GGV project facility phase 1 (partner loan)	**–**	573	**–**	573
– ARM Coal Proprietary Limited – GGV project facility phase 2 (partner loan)	**–**	74	**–**	74
– ARM Corporate	**–**	–	**–**	1
– Modikwa	**9**	29	**–**	–
– Two Rivers Platinum Proprietary Limited	**130**	152	**–**	–
	305	1 105	**–**	708

The group changes in borrowings arising from financing activities were made up of cash repayments of R109 million (F2021: R648 million), borrowings raised of Rnil (F2021: R264 million), re-measurement loss of R318 million (F2021: R115 million re-measurement gain), settlements (non-cash) of R1 318 million (F2021: Rnil) and other changes of R124 million (F2021: R244 million).

The company changes in borrowings arising from financing activities were made up of cash repayments of R10 million (F2021: R18 million), borrowings raised of Rnil (F2021: Rnil), re-measurement loss of R314 million (F2021: R68 million re-measurement gain), settlements (non-cash) of R1 318 million (F2021: Rnil) and other changes of R130 million (F2021: R73 million).

The carrying amount of the long-term borrowings approximate their fair value.

18. LONG-TERM BORROWINGS continued

Group

	Total borrowings F2022 Rm	Discounted cash flows F2023 Rm	Repayments schedule – undiscounted cash flows F2023 Rm	F2024 Rm	F2025 Rm	F2026 Rm	F2027 – onwards Rm	Total Rm
Secured loans								
ARM BBEE Trust – loan facility – Harmony Gold	166	–	–	–	–	–	755	755
ARM Coal – PCB liability	139	139	139	–	–	–	–	139
Modikwa – lease liability	29	20	22	1	1	1	18	43
Two Rivers – lease liability	134	4	4	4	5	5	259	277
Total borrowings at 30 June 2022	**468**	**163**	**165**	**5**	**6**	**6**	**1 032**	**1 214**

Undiscounted cash flows	F2021	F2022	F2022	F2023	F2024	F2025	F2026 – onwards	Total
Total borrowings at 30 June 2021	**1 453**	**348**	**364**	**223**	**81**	**71**	**1 768**	**2 507**

Company

	Total borrowings F2022 Rm	Discounted cash flows F2023 Rm	Repayments schedule – undiscounted cash flows F2023 Rm	F2024 Rm	F2025 Rm	F2026 Rm	F2027 – onwards Rm	Total Rm
Secured loans								
ARM Coal – PCB liability	139	139	139	–	–	–	–	139
ARM Corporate – lease liability	2	2	2	–	–	–	–	2
Total borrowings at 30 June 2022	**141**	**141**	**141**	**–**	**–**	**–**	**–**	**141**

Undiscounted cash flows	F2021	F2022	F2022	F2023	F2024	F2025	F2026 – onwards	Total
Total borrowings at 30 June 2021	**1 025**	**317**	**332**	**197**	**75**	**64**	**805**	**1 473**

19. DEFERRED TAXATION

	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
Deferred tax assets				
Deferred capital loss tax movements on listed investment recognised in other comprehensive income	**74**	64	**74**	64
Property, plant and equipment	**15**	13	**15**	13
Income received in advanced	**(46)**	–	**(46)**	–
Post-retirement healthcare provisions	**21**	24	**21**	24
Provisions	**151**	173	**151**	173
Deferred tax assets on the statement of financial position	**215**	274	**215**	274
Deferred tax liabilities				
Property, plant and equipment	**2 400**	1 905	**384**	227
Intangible assets	**17**	21	**17**	21
Inventories	**552**	745	**–**	–
Deferred capital gains tax movements on listed investment – ARM BBEE Trust	**465**	465	**–**	–
Deferred income	**127**	224	**–**	–
Financial instruments	**8**	12	**2**	12
Deferred tax liabilities	**3 569**	3 372	**403**	260
Assessed loss	**(6)**	(23)	**–**	–
Borrowings	**(43)**	(59)	**–**	–
Provisions	**(294)**	(322)	**(98)**	(95)
Deferred tax assets relating to entities with a net liability position	**(343)**	(404)	**(98)**	(95)
Net deferred tax liabilities on the statement of financial position	**3 226**	2 968	**305**	165
Reconciliation of opening and closing balance				
Opening deferred tax liabilities	**2 968**	2 085	**165**	245
Opening deferred tax assets	**(274)**	–	**(274)**	–
Net deferred tax liabilities/(assets) opening balance	**2 694**	2 085	**(109)**	245
Temporary differences from:	**317**	609	**199**	(354)
Assessed loss	**17**	(23)	**–**	–
Borrowings	**16**	50	**–**	14
Deferred income	**(89)**	224	**–**	–
Inventories	**(166)**	442	**–**	–
Intangible assets	**(3)**	(2)	**(3)**	(2)
Financial instruments	**(4)**	(29)	**(10)**	(29)
Property, plant and equipment	**561**	310	**163**	31
Provisions	**35**	(44)	**15**	(49)
Income received in advance	**46**	–	**46**	–
Change in tax rate	**(86)**	–	**(2)**	–
Revaluation of investment – directly in other comprehensive income	**(10)**	(319)	**(10)**	(319)
Total deferred tax	**3 011**	2 694	**90**	(109)
Deferred tax liabilities	**3 226**	2 968	**305**	165
Deferred tax assets	**(215)**	(274)	**(215)**	(274)

Deferred tax assets are raised only when they can be utilised against future taxable profits after taking possible future uncertainties into account. Future taxable profits are estimated based on approved business plans which include various estimates and assumptions regarding economic growth, interest, inflation, metal prices, exchange rates, taxation rates and competitive forces.

A cumulative deferred tax asset for deductible temporary differences and losses of R294 million (F2021: R281 million) at Nkomati was not raised, as it is not probable that there will be sufficient taxable profit available against which the deductible temporary differences and losses can be utilised.

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
20. LONG-TERM PROVISIONS				
Environmental rehabilitation obligation				
Provision for decommissioning				
Balance at beginning of year	**601**	435	**422**	322
Provision for the year	**(7)**	121	**–**	66
Transfer (to)/from short-term provision	**(6)**	7	**(6)**	7
Transfer to restoration	**–**	(1)	**–**	(1)
Work completed	**(11)**	–	**(11)**	–
Unwinding of discount rate	**48**	39	**32**	28
Balance at end of year	**625**	601	**437**	422
Provision for restoration				
Balance at beginning of year	**828**	763	**762**	716
Provision for the year	**33**	(8)	**25**	(23)
Transfer from short-term provision	**4**	29	**4**	29
Transfer from decommissioning	**–**	1	**–**	1
Unwinding of discount rate	**50**	43	**44**	39
Balance at end of year	**915**	828	**835**	762
Total environmental rehabilitation obligation	**1 540**	1 429	**1 272**	1 184

The net present value of current rehabilitation liabilities is based on discount rates taking into consideration zero coupon swop curve rates of between 5.9% to 9.5% (F2021: between 3.9% and 9.3%), inflation rates of approximately 5.5% and 6.3% (F2021: approximately 3.7% and 6.4%) and life-of-mines of between one and 24 years (F2021: one and 25 years). The South African Reserve Bank has a long-term inflation target of between 3% and 6% (F2021: 3% and 6%). Refer note 25 for amounts held in trust funds.

These provisions are based on estimates of cash flows which are expected to occur at the end of life-of-mines. These assumptions have inherent uncertainties as they are derived from future estimates of mining and financial parameters, such as commodity prices, exchange rates and inflation.

	Group		Company	
Post-retirement healthcare benefits				
Balance at beginning of year	**85**	88	**85**	88
Actuarial loss	**(6)**	(2)	**(6)**	(2)
Benefits paid	**(9)**	(9)	**(9)**	(9)
Unwinding of discount rate	**6**	8	**6**	8
Balance at end of year (refer note 42)	**76**	85	**76**	85

20. LONG-TERM PROVISIONS continued

	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
Silicosis and tuberculosis class action provision[1]				
Balance at beginning of year	**146**	189	**146**	189
Unwinding of discount rate	**12**	16	**12**	16
Demographic assumptions changes	**(13)**	(3)	**(13)**	(3)
Payments made	**–**	–	**–**	–
Transfer from/(to) short-term provisions (refer note 22)	**14**	(56)	**14**	(56)
Balance at end of year	**159**	146	**159**	146
Other long-term provisions[2]				
Balance at beginning of year	**223**	478	**66**	52
Change in estimate of variable purchase price for mine properties	**6**	(134)	**–**	–
Payments made during the year	**(22)**	(14)	**–**	–
Provision for the year	**99**	105	**108**	60
Unwinding of discount rate	**45**	44	**–**	14
Transfer to short-term provisions (refer note 22)	**(147)**	(256)	**(137)**	(60)
Balance at end of year	**204**	223	**37**	66
Total long-term provisions at end of year	**1 979**	1 883	**1 544**	1 481

[1] *ARM has a contingency policy in this regard which covers environmental impairment liability and silicosis liability with Guardrisk Insurance Company Limited (Guardrisk). In turn, Guardrisk has reinsured the specified risks with Mannequin Insurance PCC Limited – Cell AVL 18, Guernsey which cell captive is held by ARM.*
Following the High Court judgment previously reported, the Tshiamiso Trust was registered in November 2019. As part of the settlement a guarantee of R304 million was issued by Guardrisk on behalf of ARM in favour of the Tshiamiso Trust on 13 December 2019 (refer note 8). Details of the provision were discussed in the 30 June 2021 financial results, which can be found on **www.arm.co.za.**

[2] *Other long-term provisions include: (i) long-term incentive schemes aimed at attracting, retaining and rewarding eligible senior employees and (ii) variable consideration payable by Two Rivers to Dwarsrivier due to Dwarsrivier's inability to mine the chrome ore as a result of Two Rivers having a tailings dam on part of the mining area of Dwarsrivier.*

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
21. TRADE AND OTHER PAYABLES				
Trade payables	**668**	495	**230**	159
Related parties (refer note 44)	**2**	–	**2**	–
Insurance cell captive	**784**	764	**–**	–
Other	**694**	681	**109**	93
Total trade and other payables	**2 148**	1 940	**341**	252

Trade and other payables are generally non-interest-bearing and are typically on 30- to 120-day payment terms.

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
22. SHORT-TERM PROVISIONS				
Bonus provision				
Balance at beginning of year	**361**	375	**250**	202
Provision for the year	**524**	597	**218**	276
Payments made during the year	**(514)**	(613)	**(247)**	(230)
Transfer from long-term provision (refer note 20)	**–**	2	**–**	2
Balance at end of year	**371**	361	**221**	250
Leave pay provision				
Balance at beginning of year	**128**	115	**36**	45
Provision for the year	**108**	111	**3**	11
Payments made during the year and leave taken	**(90)**	(98)	**(2)**	(20)
Balance at end of year	**146**	128	**37**	36
Other provisions				
Balance at beginning of year	**409**	247	**213**	249
Provision for the year[1]	**1**	7	**–**	6
Payments made during the year	**(346)**	(121)	**(167)**	(122)
Transfer from long-term provision (refer note 20)	**135**	276	**125**	80
Balance at end of year	**199**	409	**171**	213
Total short-term provisions	**716**	898	**429**	499

[1] *Other provisions for F2022 and F2021 include retrenchment provision, rehabilitation provision for Nkomati and silicosis and tuberculosis class action provision. F2021 also includes the employee profit share scheme.*

The bonus provision is based on the policy as approved by each operation.

The leave pay provision is calculated based on total pensionable salary packages multiplied by the leave days due at year end.

	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
23. OVERDRAFTS AND SHORT-TERM BORROWINGS				
Current portion of long-term borrowings (refer note 18)	**163**	348	**141**	317
Loans from subsidiaries – non-interest-bearing (refer page 113)	**–**	–	**42**	42
Overdrafts (refer note 15)	**16**	16	**16**	16
	179	364	**199**	375
Short-term borrowings are held as follows:				
– Rustenburg Platinum Mines Limited (Anglo American Platinum Limited) lease liability	**20**	30	**–**	–
– ARM Coal Proprietary Limited (partner loan)[1]	**139**	307	**139**	307
– Loans from subsidiaries	**–**	–	**42**	42
– Two Rivers Platinum Proprietary Limited (lease liability)	**4**	6	**–**	–
– ARM Coal Proprietary Limited (lease liability)	**–**	1	**–**	1
– African Rainbow Minerals Limited (lease liability)	**–**	4	**2**	9
	163	348	**183**	359
Overdrafts are held as follows:				
– Other	**16**	16	**16**	16
	16	16	**16**	16
Overdrafts and short-term borrowings	**179**	364	**199**	375
Interest-bearing	**40**	57	**18**	26
Non-interest-bearing	**139**	307	**181**	349
	179	364	**199**	375
Unutilised short-term borrowing and overdraft facilities				
– African Rainbow Minerals Limited	**500**	500	**500**	500
– ARM Mining Consortium Limited	**100**	100	**–**	–
– Nkomati	**60**	60	**60**	60
– Two Rivers Platinum Proprietary Limited	**500**	500	**–**	–
	1 160	1 160	**560**	560

[1] *The short-term liability at 30 June 2022 relates to an operational loan between GGV and PCB.*

Overdrafts accrue interest at floating rates. Short-term borrowings accrue interest at market-related rates. Loans from dormant subsidiaries are interest free and are payable on demand.

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm

24. JOINT OPERATIONS

The share of the following joint operations has been incorporated into the group results:

- 50% share in the Nkomati Mine
- 51% share in ARM Coal Proprietary Limited (consolidated)
- 50% share in Modikwa joint operation which is held as an 83% subsidiary through ARM Mining Consortium and is consolidated as a subsidiary

The company results include the share of the following joint operations:

- 50% share in the Nkomati Mine
- 51% share in ARM Coal Proprietary Limited
- 34% share in Teal Minerals (Barbados) Incorporated joint operation

The share of joint operations in the financial statements are:

	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
Statement of profit or loss				
Sales	**7 365**	7 529	**2 803**	2 605
Cost of sales	**(3 622)**	(4 232)	**(1 303)**	(2 308)
Other operating income	**210**	349	**88**	239
Other operating expenses	**(1 462)**	(707)	**(1 162)**	(182)
Income from investments	**85**	51	**19**	17
Finance costs	**(202)**	(210)	**(187)**	(201)
Profit/(loss) from associate	**927**	(260)	**–**	–
Capital items	**384**	–	**384**	–
Profit before tax	**3 685**	2 520	**642**	170
Taxation	**(1 023)**	(761)	**(437)**	7
Profit for the year after taxation	**2 662**	1 759	**205**	177
Non-controlling interest	**(260)**	(313)	**–**	–
Attributable to equity holders of ARM	**2 402**	1 446	**205**	177
Statement of financial position				
Non-current assets	**4 713**	3 833	**1 812**	1 971
Current assets	**4 483**	3 417	**1 778**	869
Non-current liabilities (interest-bearing)	**8**	736	**–**	707
Non-current liabilities (non-interest-bearing)	**1 998**	1 815	**1 299**	1 063
Current liabilities (non-interest-bearing)	**1 027**	626	**429**	262
Current liabilities (interest-bearing)	**160**	338	**139**	308
Statement of cash flows				
Net cash inflow/(outflow) from operating activities	**1 486**	1 651	**(263)**	317
Net cash outflow from investing activities	**(325)**	(573)	**(176)**	(198)
Net cash outflow from financing activities	**(31)**	(102)	**(1)**	(10)

	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
25. ENVIRONMENTAL REHABILITATION TRUST FUNDS				
Balance at beginning of year	**44**	207	**44**	165
Interest earned (refer note 30)	**2**	3	**2**	3
Total	**46**	210	**46**	168
Transferred from/(to) current and non-current financial assets	**19**	(166)	**–**	(124)
Total (included in cash and cash equivalents) (refer note 15)	**65**	44	**46**	44
Total non-current environmental rehabilitation obligations (refer note 20)	**1 540**	1 429	**1 272**	1 184
Less: Amounts in trust funds (see above)	**(46)**	(210)	**(46)**	(168)
Unfunded portion of liability	**1 494**	1 219	**1 226**	1 016
Part of the unfunded portion of the liability is secured by guarantees in favour of the Department of Mineral Resources and Energy included in other cash set aside for specific use and financial assets of R529 million (F2021: R375 million) (refer note 8, 14 and 15).				
26. SALES AND REVENUE				
Sales – mining and related products	**16 917**	19 657	**2 938**	2 741
Made up as follows:				
Local sales	**14 308**	17 266	**329**	350
Export sales	**2 609**	2 391	**2 609**	2 391
Revenue	**18 406**	21 457	**4 443**	4 554
Fair value adjustments to revenue	**(1 257)**	792	**(15)**	26
Revenue from contracts with customers	**19 663**	20 665	**4 458**	4 528
Sales – mining and related products	**18 479**	19 273	**2 953**	2 773
Penalty and treatment charges	**(305)**	(408)	**–**	(58)
Modikwa	**–**	(2)	**–**	–
Nkomati	**–**	(58)	**–**	(58)
Two Rivers	**(305)**	(348)	**–**	–
Fees received (refer note 28)	**1 489**	1 800	**1 505**	1 813
27. COST OF SALES				
Amortisation and depreciation	**845**	803	**194**	183
Consultants, contractors and other	**499**	466	**71**	107
Electricity	**540**	571	**32**	156
Inventory written down to net realisable value	**–**	41	**–**	41
Provisions – long term	**10**	50	**(33)**	(20)
– short term	**430**	457	**18**	36
Raw materials, consumables used and change in inventories	**2 225**	2 476	**420**	1 104
Railage and road transportation	**260**	282	**206**	239
Diesel rebate	**–**	11	**–**	11
Staff costs	**2 315**	2 258	**223**	340
– salaries and wages	**2 024**	1 979	**215**	328
– pension – defined contribution	**183**	176	**5**	9
– medical aid	**108**	103	**3**	3
Other costs	**536**	485	**297**	261
	7 660	7 900	**1 428**	2 458

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
28. OTHER OPERATING INCOME				
Commission received	**22**	13	**22**	13
Cost recoveries	**51**	38	**50**	37
Fees received	**1 489**	1 800	**1 505**	1 813
Fair value adjustment on loan	**–**	47	**–**	–
Re-measurement gains on loans	**54**	53	**58**	190
Insurance income received	**115**	92	**–**	–
Realised foreign exchange gains	**35**	1	**35**	–
Royalties received	**114**	173	**–**	–
Settlement gain	**–**	24	**–**	–
Other	**103**	137	**1**	21
	1 983	2 378	**1 671**	2 074
29. OTHER OPERATING EXPENSES				
External audit remuneration – audit fees	**19**	28	**12**	16
– other services	**–**	–	**–**	–
Consulting fees	**130**	58	**130**	58
Depreciation	**9**	6	**12**	10
Re-measurement loss on loans	**372**	6	**372**	–
Insurance	**129**	105	**17**	25
Mineral royalty tax	**911**	1 215	**181**	32
Provisions – long term	**27**	(25)	**27**	(25)
– short term	**204**	258	**204**	258
Realised foreign exchange loss	**–**	29	**–**	29
Care and maintenance	**81**	40	**81**	40
Social and enterprise development	**126**	68	**–**	–
Research and development	**166**	105	**166**	105
Secretarial and financial services	**4**	4	**4**	4
Share-based payments expense	**263**	220	**263**	220
Staff cost	**337**	317	**337**	317
– termination benefits	**–**	13	**–**	13
– pension – defined contribution	**9**	9	**9**	9
– salaries and wages	**326**	287	**326**	287
– training	**2**	8	**2**	8
Unrealised foreign exchange loss	**1**	–	**1**	–
Other	**460**	283	**374**	202
	3 239	2 717	**2 181**	1 291

	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
29. OTHER OPERATING EXPENSES continued				
Loan re-measurement				
ARM Coal				
Included in other operating income, other operating expenses and income/(loss) from associate are re-measurements with no tax effect in both years relating to the GGV and PCB loans. The gain and loss is as a result of a re-measurement of debt between ARM and Glencore Operations South Africa Proprietary Limited (GOSA) and ARM Coal Proprietary Limited.				
The re-measurement adjustments are as follows:				
Re-measurement gain in operating income – ARM Coal segment	**49**	206	**49**	206
Re-measurement loss in operating expenses – ARM Coal segment	**(815)**	–	**(815)**	–
Net re-measurement (loss)/gain – ARM Coal segment	**(766)**	206	**(766)**	206
Re-measurement gain in operating income/(loss in operating expenses) – ARM Corporate segment	**443**	(153)	**443**	(153)
Net re-measurement (loss)/gain on group profit from operations before capital items	**(323)**	53	**(323)**	53
Income from associate re-measurement (loss)/gain on loans (refer note 9)	**(490)**	36	**–**	–
Net ARM Coal re-measurement (loss)/gain	**(813)**	89	**(323)**	53

The re-measurements are as a result of changes in the future repayment cash flows applied to the net present value calculations. The discount rate used in the calculation of the re-measurement is 10%. A US$1 increase in commodity prices would decrease the re-measurement gain by Rnil (F2021: R17 million). A US$1 decrease in commodity prices would increase the re-measurement gain by Rnil (F2021: R17 million). As the remaining liabilities are current changes in US$1 commodity prices would be nominal. This is a level 3 valuation in terms of IFRS 13.

The group loans were repaid at 30 June 2022.

	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
29. OTHER OPERATING EXPENSES continued				
Loan re-measurement continued				
Modikwa				
The F2021 re-measurement loss in Modikwa of R143 million is partially eliminated against a re-measurement gain in ARM Corporate of R137 million. The net re-measurement gain attributable to ARM being R18 million.				
Since the loans were repaid in F2021 there are no further re-measurements.				
The re-measurement adjustments are as follows:				
– Other operating expenses increase	**–**	(6)	**–**	137
– ARM Platinum segment (re-measurement loss)	**–**	(143)	**–**	–
– ARM Corporate segment (re-measurement gain)	**–**	137	**–**	137
– Non-controlling interest	**–**	24	**–**	–
Net Modikwa re-measurement	**–**	18	**–**	137
The re-measurements are as a result of changes in the future repayment cash flows applied to the net present value calculations. The discount rate used in the calculation of the re-measurement is 5%. This is a level 3 valuation in terms of IFRS 13.				
ARM BBEE Trust[1]				
Included in other operating income for F2022 is a re-measurement gain of R5 million (F2021: R47 million fair value gain).				
The gain is as a result of the new loans advanced to the ARM BBEE Trust by Harmony.				
The re-measurement/fair value gains are as follows:				
– Other operating income increase – ARM Corporate segment	**5**	47	**9**	–
Net ARM BBEE Trust fair value gain	**5**	47	**9**	–
29.1 Loss on derecognition of financial assets measured at amortised cost				
ARM BBEE Trust[1]				
In F2021 company includes a loss on derecognition of financial assets measured at amortised cost of R363 million. The loss is as a result of the new loans advanced to the ARM BBEE Trust by ARM which were used to settle the old loans.				
– Loss on derecognition of financial assets measured at amortised cost	**–**	–	**–**	(363)
Loss on derecognition of financial assets measured at amortised cost	**–**	–	**–**	(363)

[1] *The fair value at initial recognition is as a result of the difference in the stipulated interest rate the lender may charge in the future in the new loan agreement and the interest rate the ARM BBEE Trust would have to pay if the loan was advanced in an open market. The discount rate used in the calculation of the fair value is 11.69% (F2021: 9.04%).*

The carrying amounts of the financial liabilities approximate their fair value.

		Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
30.	**INCOME FROM INVESTMENTS**				
	Dividend income – listed	**50**	82	**50**	82
	– unlisted	**–**	–	**8 151**	5 937
	Interest received – related parties (refer note 44)	**–**	–	**113**	132
	– environmental trust funds (refer note 25)	**2**	3	**2**	3
	– short-term bank deposits and other	**633**	402	**393**	281
		685	487	**8 709**	6 435
31.	**FINANCE COSTS**				
	Interest on IFRS 16 *Lease liabilities*	**3**	13	**1**	4
	Gross interest on long- and short-term borrowings and overdrafts	**126**	166	**91**	101
	Unwinding of discount rate	**161**	150	**94**	105
		290	329	**186**	210
32.	**CAPITAL ITEMS**				
	Impairment loss on property, plant and equipment – Venture Building Trust	**–**	(9)	**–**	–
	Impairment reversal on property, plant and equipment – Machadodorp Works	**3**	–	**3**	–
	Impairment on investments – Teal Minerals	**–**	–	**–**	(5)
	Impairment reversal of loan – Kalplats	**–**	–	**–**	60
	Profit on sale of property, plant and equipment – Nkomati	**2**	–	**2**	–
	Loss on sale of property, plant and equipment – Two Rivers	**(2)**	–	**–**	–
	Profit on sale of property, plant and equipment – ARM Coal	**4**	–	**4**	–
	Impairment reversal/(impairment) on investment in PCB – ARM	**1 121**	–	**841**	(260)
	Capital items per statement of profit or loss before taxation effect	**1 128**	(9)	**850**	(205)
	Loss on sale of property, plant and equipment accounted for directly in associate – ARM Coal (refer note 38)	**(9)**	–	**–**	–
	Impairment loss on property, plant and equipment accounted for directly in joint venture – Assmang (refer note 38)	**(20)**	(283)	**–**	–
	Impairment loss on investment in Sakura accounted for directly in joint venture – Assmang	**–**	(169)	**–**	–
	Impairment loss on investment in Cato Ridge accounted for directly in joint venture – Assmang	**–**	(48)	**–**	–
	Loss on sale of property, plant and equipment accounted for directly in joint venture – Assmang	**(25)**	(2)	**–**	–
	Capital items before taxation effect	**1 074**	(511)	**850**	(205)
	Taxation accounted for in joint venture – impairment loss on property, plant and equipment – Assmang	**6**	72	**–**	–
	Taxation accounted for in joint venture – loss on disposal of property, plant and equipment – Assmang	**6**	1	**–**	–
	Taxation accounted for in associate – loss on sale of property, plant and equipment – ARM Coal	**3**	–	**–**	–
	Taxation on profit on sale of property, plant and equipment – ARM Coal	**(1)**	–	**(1)**	–
	Total	**1 088**	(438)	**849**	(205)

	Group		Company	
	F2022 Rm	F2021 Rm	F2022 Rm	F2021 Rm
33. TAXATION				
South African normal taxation:				
– current year	**2 253**	2 357	**469**	384
– mining	**2 003**	1 880	**264**	–
– non-mining	**250**	477	**205**	384
– prior year	**25**	(6)	**(2)**	4
Dividends tax	**131**	54	**29**	–
Total current taxation	**2 409**	2 405	**496**	388
Total deferred taxation	**327**	928	**209**	(35)
– deferred taxation	**413**	928	**211**	(35)
– deferred taxation rate change	**(86)**	–	**(2)**	–
Total taxation charge per statement of profit or loss	**2 736**	3 333	**705**	353
Attributable to:				
Profit before capital items	**2 738**	3 333	**704**	353
Capital items (refer note 32)	**(2)**	–	**1**	–
	2 736	3 333	**705**	353
Amounts recognised directly in other comprehensive income or equity:				
Unrealised gain on financial asset held at fair value through other comprehensive income	**(10)**	(319)	**(10)**	(319)
Total movement in deferred tax	**317**	609	**199**	(354)

South African mining tax is calculated based on taxable income less capital expenditure allowances.

Where there is insufficient taxable income to offset capital expenditure, the remaining balance is carried forward as unredeemed capital expenditure.

During the 2022 budget speech held on 23 February 2022, it was announced that the corporate income tax rate will be reduced from 28% to 27% for companies with years of assessment ending on or after 31 March 2023. This change has affected recorded deferred tax assets and liabilities at 30 June 2022 and the standard tax rate in the future.

	Group		Company	
	%	%	%	%
Reconciliation of rate of taxation				
Standard rate of company taxation	**28**	28	**28**	28
Adjusted for:				
Disallowed expenditure[1]	**2**	1	**3**	1
Exempt income[2]	**(1)**	–	**(24)**	(24)
Tax rate adjustment on deferred tax closing balance	**(1)**	–	**–**	–
Share of associate and joint venture income after tax	**(12)**	(11)	**–**	–
Effective rate of taxation	**16**	18	**7**	5

1 *These amounts largely relate to the re-measurement losses in ARM Coal in F2022. F2021 largely relates to loss on derecognition of financial assets in ARM Corporate and impairments.*

2 *In group the amounts largely relate to the impairment reversal on the investment in PCB.*
In company the amounts relate mainly to impairment reversal on the investment in PCB and dividends received.

33. TAXATION continued

	Group %	Group %	Company %	Company %
Reconciliation of rate of taxation before capital items				
Standard rate of company taxation	**28**	28	**28**	28
Adjusted for:				
Disallowed expenditure	**4**	1	**3**	1
Exempt income	**(1)**	–	**(24)**	(24)
Tax rate adjustment on deferred tax closing balance	**(1)**	–	**–**	–
Share of associate and joint venture income after tax	**(13)**	(11)	**–**	–
Effective rate of taxation	**17**	18	**7**	5

	Group Rm	Group Rm	Company Rm	Company Rm
Profit before taxation and capital items per statement of profit or loss	**15 972**	18 814	**9 523**	6 928
Taxation per statement of profit or loss	**2 736**	3 333	**705**	353
Taxation on capital items (refer note 32)	**2**	–	**(1)**	–
Tax – excluding tax on capital items	**2 738**	3 333	**704**	353

	Group %	Group %	Company %	Company %
Percentage on above	**17**	18	**7**	5

	Group Rm	Group Rm	Company Rm	Company Rm
Estimated assessed losses available for reduction of future taxable income[1]	**27**	83	**–**	–
Unredeemed capital expenditure available for reduction of future mining income[1]	**–**	698	**–**	698

[1] *Deferred tax has been raised on these estimated tax benefits.*

The latest tax assessment for the company relates to the year ended June 2021.

All returns due up to and including June 2021 have been submitted.

34. CALCULATIONS PER SHARE

The calculation of basic earnings per share is based on basic earnings of R12 426 million (F2021: R12 626 million basic earnings) and a weighted average of 195 899 thousand (F2021: 195 333 thousand) shares in issue during the year.

The calculation of headline earnings per share is based on headline earnings of R11 338 million (F2021: R13 064 million) and a weighted average of 195 899 thousand (F2021: 195 333 thousand) shares in issue during the year.

The calculation of diluted basic earnings per share is based on basic earnings of R12 426 million (F2021: R12 626 million basic earnings) with no reconciling items to derive at diluted earnings and a weighted average of 196 033 thousand (F2021: 197 314 thousand) shares in issue during the year calculated as follows:

	Group	
	F2022	F2021
Weighted average number of shares used in calculating basic earnings per share (thousands)	**195 899**	195 333
Potential ordinary shares due to long-term share incentives granted (thousands)	**134**	1 981
Weighted average number of shares used in calculating diluted earnings per share (thousands)	**196 033**	197 314

The calculation of diluted headline earnings per share is based on headline earnings of R11 338 million (F2021: R13 064 million) with no reconciling items to derive at diluted headline earnings and a weighted average of 196 033 thousand (F2021: 197 314 thousand) shares.

The calculation of net asset value per share is based on net assets of R46 158 million (F2021: R40 194 million) and the number of shares at year end of 224 668 thousand (F2021: 224 453 thousand) shares.

The calculation of cash generated from operations per share (cents) is based on cash generated from operations of R8 508 million (F2021: R 7 802 million) and the weighted average number of shares in issue of 195 899 thousand (F2021: 195 333 thousand).

	F2022	F2021
Headline earnings (R million)	**11 338**	13 064
Headline earnings per share (cents)	**5 787**	6 688
Basic earnings (R million)	**12 426**	12 626
Basic earnings per share (cents)	**6 343**	6 464
Diluted headline earnings per share (cents)	**5 783**	6 621
Diluted basic earnings per share (cents)	**6 338**	6 399
Number of shares in issue at end of year (thousands)	**224 668**	224 453
Weighted average number of shares (thousands)	**195 899**	195 333
Weighted average number of shares used in calculating diluted earnings per share (thousands)	**196 033**	197 314
Net asset value per share (cents)	**20 545**	17 908
EBITDA (R million)	**8 854**	12 227
Interim dividend declared (cents per share)	**1 200**	1 000
Dividend declared after year end (cents per share)	**2 000**	2 000

34. CALCULATIONS PER SHARE continued

ARM BBEE Trust restructuring effect on weighted and diluted average number of shares

Following the restructuring of the ARM BBEE Trust in F2016, the ARM BBEE Trust is consolidated into the ARM consolidated financial results, as ARM controls the Trust for reporting purposes.

The consolidation of the ARM BBEE Trust results in ARM shares bought back by Opilac, a wholly owned subsidiary of ARM, and the remaining shares owned by the Trust, reducing the number of shares used in the calculation of headline, basic and diluted earnings per share.

The treasury shares are excluded, effectively from 22 April 2016, in the weighted average and diluted average number of shares (refer note 17).

The number of shares in issue are, however, not affected.

Dividend per share

After the year end a dividend of 2 000 cents per share (F2021: 2 000 cents per share; F2020: 700 cents per share) was declared which amounts to R4 493 million (F2021: R4 489 million; F2020: R1 563 million). This dividend was declared on 1 September 2022 (F2021: 6 September 2021; F2020: 31 August 2020), before approval of the financial statements but was not recognised as a distribution to owners during the period to June 2022.

An interim dividend of 1 200 (1H2021: 1 000) cents per share, R2 694 million (1H 2021: R2 244 million) was declared on 3 March 2022 (1H 2021: 3 March 2021).

35. HEADLINE EARNINGS

	Group	
	F2022	F2021
Basic earnings attributable to equity holders of ARM	**12 426**	12 626
– Impairment reversal on property, plant and equipment – Machadodorp Works	**(3)**	–
– Impairment loss on property, plant and equipment – Venture Building Trust	**–**	9
– Profit on sale of property, plant and equipment – Nkomati	**(2)**	–
– Loss on sale of property, plant and equipment – Two Rivers	**2**	–
– Profit on sale of property, plant and equipment – ARM Coal	**(4)**	–
– Impairment reversal on investment in 20.2% PCB – ARM	**(1 121)**	–
– Loss on sale of property, plant and equipment in associate – ARM Coal	**9**	–
– Impairment loss on property, plant and equipment in joint venture – Assmang	**20**	283
– Impairment loss on investment in Sakura accounted for directly in joint venture – Assmang	**–**	169
– Impairment loss on investment in Cato Ridge accounted for directly in joint venture – Assmang	**–**	48
– Loss on sale of property, plant and equipment in joint venture – Assmang	**25**	2
	11 352	13 137
– Taxation accounted for in joint venture – impairment loss at Assmang	**(6)**	(72)
– Taxation accounted for in joint venture – loss sale of property, plant and equipment at Assmang	**(6)**	(1)
– Taxation accounted for in associate – loss on sale of property, plant and equipment – ARM Coal	**(3)**	–
– Taxation accounted for profit on sale of property, plant and equipment – ARM Coal	**1**	–
Headline earnings	**11 338**	13 064

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
36. RECONCILIATION OF NET PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS				
Profit from operations before capital items	**8 001**	11 418	**1 000**	703
Profit/(loss) from associate	**927**	(260)	**–**	–
Income from joint venture	**6 649**	7 498	**–**	–
Capital items (refer note 32)	**1 128**	(9)	**850**	(205)
Profit from operations after capital items	**16 705**	18 647	**1 850**	498
Adjusted for:	**(6 557)**	(5 540)	**205**	1 095
– Amortisation and depreciation of property, plant and equipment and intangible assets	**854**	809	**206**	194
– Re-measurement adjustment on loans	**318**	(94)	**314**	173
– Income from joint venture	**(6 649)**	(7 498)	**–**	–
– Profit on sale on property, plant and equipment and Intangible assets	**(4)**	–	**(6)**	–
– (Reversal of impairment)/impairment loss on property, plant and equipment and Intangible assets	**(3)**	9	**(3)**	–
– (Reversal of impairment)/impairment on investment	**(1 121)**	–	**(841)**	265
– Inventory write down	**–**	41	**–**	41
– (Profit)/loss from associate	**(927)**	260	**–**	–
– Loan impairment reversal	**–**	–	**–**	(60)
– Movement in long- and short-term provisions	**670**	740	**215**	250
– Settlement gain	**–**	(24)	**–**	–
– Share based payments expense	**263**	220	**263**	220
– Foreign exchange movements	**1**	–	**2**	–
– Silicosis	**–**	3	**13**	3
– Revaluation of investments	**47**	(1)	**47**	(1)
– Other non-cash flow items	**(6)**	(5)	**(5)**	10
Cash from operations before working capital changes	**10 148**	13 107	**2 055**	1 593
Increase in inventories	**70**	54	**48**	155
Decrease in payables and provisions	**(973)**	(729)	**(291)**	(537)
Increase in receivables	**(737)**	(4 630)	**(1 640)**	(1 060)
Cash generated from operations	**8 508**	7 802	**172**	151
37. TAXATION PAID				
Balance at beginning of year (receivable)/payable	**85**	(29)	**31**	12
South African taxation	**2 409**	2 405	**496**	388
Current tax (refer note 33)	**2 409**	2 405	**496**	388
Other	**(52)**	–	**16**	–
Balance at year end (payable)/receivable	**(139)**	(85)	**(57)**	(31)
Tax payable at year end	**(255)**	(155)	**(123)**	(31)
Tax receivable at year end	**116**	70	**66**	–
Taxation paid	**2 303**	2 291	**486**	369

38. IMPAIRMENT AND IMPAIRMENT REVERSAL

38.1 ARM Ferrous

Property, plant and equipment impairment

Khumani Mine

An impairment loss was recognised in F2022 on property, plant and equipment at Khumani for R40 million before tax. This relates to a capital project to fill an underground cavity. The impairment loss was accounted for due to management's assessment of limited future economic benefits associated with the capital spend. ARM's attributable share of the impairment amounted to R20 million before tax of R6 million (refer note 32). This is accounted for in the income from joint venture line in the statement of profit or loss.

Tshenolo Mining Company

An impairment loss was recognised in F2021 on property, plant and equipment for R52 million with no tax effect. ARM's attributable share of the impairment amounted to R26 million with no tax effect (F2020: R7 million before tax of R2 million). The impairment loss relates to the prospecting right carried at cost in the Assmang subsidiary company Tshenolo Mining Company which was written down to zero. This is accounted for in the income from joint venture in the statement of profit and loss (refer note 32).

Cato Ridge Works

An impairment loss of R514 million before tax of R144 million was recognised in F2021 on property, plant and equipment. ARM's attributable share of the impairment loss amounted to R257 million before tax of R72 million (refer note 32).

This impairment was due to a combination of:

- An increase in long-term manganese ore prices (market prices) (production cost)
- A decline in long-term high carbon manganese alloys prices (sales prices)
- The strengthening of the rand to the US$.

Impairment indicators were identified at the Cato Ridge Works cash-generating unit (CGU). A discounted cash flow valuation was performed to determine the fair value less cost of disposal of the CGU. The net discounted cash flow valuation resulted in a negative net present value (NPV), which resulted in the impairment of the total net asset value of Cato Ridge Works. The recoverable amount of the CGU amounted to Rnil at 30 June 2021.

The level 3 valuation model was calculated using a nominal pre-tax South African discount rate of 15.89%. The valuation period was based on two years. The short valuation period is due to the CGU generating negative cash flows from year one in the impairment model. The recoverable amount of the CGU amounted to Rnil at 30 June 2021.

The following assumptions were used in the valuation model:

		F2022	F2023
Manganese ore price assumptions (37% and 44%)	$/dmtu CIF	**4.82 – 5.16**	5.10 – 5.54
HCFeMn Export Lumpy USA 77	US$/mt Ex Whse (USA)	**1 384**	1 268
HCFeMn Export Lumpy EUR 77	US$/mt DDP (Europe)	**1 236**	1 193
HCFeMn Export Lumpy OTH 77	US$/mt DDP (China)	**1 150**	1 226
Exchange rates			
US$/ZAR	ZAR nominal	**14.82**	14.94
EUR/ZAR	ZAR nominal	**18.37**	18.92
US$/EUR	EUR nominal	**0.81**	0.81

38. IMPAIRMENT AND IMPAIRMENT REVERSAL continued

38.1 ARM Ferrous continued

Investments

Cato Ridge Alloys

An impairment loss of R97 million with no tax effect was recognised in F2021 on Assmang's equity-accounted investment in Cato Ridge Alloys. ARM's attributable share of the impairment loss amounted to R48 million with no tax effect (refer note 32).

This impairment was due to a combination of:
- A decline in long-term medium carbon manganese alloys prices
- The strengthening of the rand against the US$.

A discounted cash flow valuation was performed to determine the fair value less cost of disposal of the investment.

The level 3 valuation model was calculated using a nominal pre-tax South African discount rate of 15.89%. The valuation period was based on two years. The short valuation period is due to Cato Ridge Alloys generating losses from year one in the impairment model.

The following assumptions were used in the valuation model for the equity investment:

		F2022	F2023
HC FeMn Molten metal purchase price	ZAR/mt	**14 505**	14 785
MCFeMn Lumpy USA 80	US$/mt CIF (US)	**1 883**	1 826
MCFeMn Export Lumpy OTH 80	US$/mt CIF (US)	**1 629**	1 652
MCFeMn Export Lumpy EUR 80	EUR/mt DDP	**1 568**	1 447
Exchange rates			
US$/ZAR	ZAR nominal	**14.82**	14.94
EUR/ZAR	ZAR nominal	**18.37**	18.92
US$/EUR	EUR nominal	**0.81**	0.81

Sakura

An impairment loss of R337 million after tax was recognised in F2021 on Assmang's equity-accounted investment, Sakura Ferroalloys Sdh Bhd. ARM's attributable share of the impairment loss amounted to R169 million after tax (refer note 32).

This impairment was due to a combination of:
- A consistent decline in the long-term manganese alloys prices
- Lower sale volumes compared to prior year forecast.

A discounted cash flow valuation was performed to determine the fair value less cost of disposal of the investment. The valuation was performed in Malaysian ringgit (MYR). The recoverable amount of the attributable investment amounted to R200 million at 31 December 2020, with no further impairment recognised at 30 June 2021.

The level 3 valuation model was calculated over a 15-year period with no terminal value assumptions at the end of year 15. A pre-tax Malaysian discount rate of 10.33% was used in the impairment calculation. The MYR valuation was converted to South African rand using an exchange rate of R3.62 at 31 December 2020.

The following assumptions were used in the valuation model:

		F2022	F2023	F2024	F2025
Manganese ore price assumptions – 44% Mn	$/dmtu CIF	**4.42**	4.46	4.80	5.08
Manganese ore price assumptions – 36%–38% Mn	$/dmtu CIF	**4.16**	4.09	4.43	4.61
Manganese alloy price assumptions – US import	US$/mt DDP	**1 178**	1 248	1 306	1 338
Manganese alloy price assumptions – Europe spot	US$/mt DDP	**1 033**	1 077	1 116	1 144
Exchange rates					
US$/MYR	MYR nominal	**4.15**	4.15	4.10	4.00
US$/EUR	EUR nominal	**0.85**	0.87	0.84	0.82

38. IMPAIRMENT AND IMPAIRMENT REVERSAL continued

38.2 ARM Coal

Investments

Participative Coal Business (PCB)

At 30 June 2022 previous impairment losses recognised against the investment in PCB was reversed by ARM, mainly due to an earlier than anticipated settlement of PCB loans.

A discounted cash flow valuation model was prepared to determine the net present value of the investment in PCB. The recoverable amount of ARM's net investment in PCB amounted to R4 450 million.

The level 3 valuation recoverable amount of the investment in the PCB cash generating unit was determined based on the fair value less cost of disposal calculation performed in terms of IFRS.

ARM's attributable share of the impairment reversal amounted to R1 121 million (nil tax impact) for group and R841 million (nil tax impact) for company (refer note 9 and 32).

	Group			Company		
	Gross Rm	Tax Rm	After tax Rm	Gross Rm	Tax Rm	After tax Rm
PCB 20.2%: reversal of impairment (refer note 9 and 32)	1 121	–	1 121	841	–	841
Total attributable to ARM	1 121	–	1 121	841	–	841

A pre-tax discount rate of 20.5% was used for the discounted cash flow valuation model together with the following commodity prices and exchange rates:

	F2023 Real	F2024 Real	Long-term Real
R/US$	15.66	15.28	15.15
US$/t	184	136	80

Company – ARM Coal investment

At 30 June 2021, an impairment loss in the investment in PCB was recognised by ARM company, due to a decline in saleable production.

A discounted cash flow valuation model was performed to determine the fair value less cost of disposal of the investment in PCB. The recoverable amount of ARM's net investment in PCB amounted to Rnil at 30 June 2021.

The level 3 valuation recoverable amount of the investment in PCB was determined based on the fair value less cost of disposal calculation performed in terms of IFRS. ARM's attributable share of the impairment losses amounted to R260 million (refer note 32).

	Gross Rm	Tax Rm	After tax Rm
PCB 20.2%: impairment of investment (refer note 32)	260	–	260
Total attributable to ARM	260	–	260

A pre-tax discount rate of 19.1% was used for the impairment calculation together with the following commodity prices and exchange rates:

		F2022 Real	F2023 Real	F2024 Real	Long-term Real
Exchange rate	R/US$	**14.51**	14.52	14.65	14.65
Richards Bay free-on-board (FOB) price	US$/t	**87.23**	81.00	78.00	74.00

38. IMPAIRMENT AND IMPAIRMENT REVERSAL continued

38.3 Machadodorp Works

An impairment reversal was recognised in F2022 on property, plant and equipment for R3 million with no tax effect (refer note 32).

38.4 Venture Building Trust

An impairment loss was recognised in F2021 on property, plant and equipment for R9 million with no tax effect (refer note 32).

38.5 Teal

An impairment loss was recognised in F2021 on the investment in Teal for R5 million with no tax effect (refer note 32).

38.6 Impairment summary

				Group		Company	
Summary	**Impairment/ (Impairment reversal) Rm**	**Taxation Rm**	**Net Rm**	**F2022 Rm**	F2021 Rm	**F2022 Rm**	F2021 Rm
F2022							
ARM Coal	**(1 121)**	**–**	**(1 121)**	**(1 121)**	–	**(841)**	–
ARM Ferrous	**20**	**(6)**	**14**	**14**	–	**–**	–
Machadodorp Works	**(3)**	**–**	**(3)**	**(3)**	–	**(3)**	–
Total				**(1 110)**	–	**(844)**	–
F2021							
ARM Ferrous	500	(72)	428	–	428	–	–
Venture Building Trust	9	–	9	–	9	–	–
Teal	–	–	–	–	–	–	5
ARM Coal	–	–	–	–	–	–	260
Total				–	437	–	265

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The group is exposed to certain financial risks in the normal course of its operations. To manage these risks, a treasury risk management committee monitors transactions involving financial instruments. The group does not acquire, hold or issue derivative instruments for trading purposes. The following risks are managed through the policies adopted below:

Currency risk

The commodity market is predominantly priced in US dollars which exposes the group's cash flows to foreign exchange currency risks (refer note 39 for sensitivity analysis). In addition, there is currency risk on long lead-time capital items which may be denominated in US dollars, euros or other currencies. Derivative instruments which may be considered to hedge the position of the group against these risks include forward sale and purchase contracts as well as forward exchange contracts. There were no derivatives taken out at year end. The use of these derivative instruments is considered when appropriate for long lead-time capital items.

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Currency risk continued

Below is a summary of amounts included in the statement of financial position denominated in a foreign currency.

	Group		Company	
	Foreign currency amount	Year-end exchange rate R/US$	Foreign currency amount	exchange rate R/US$
Financial assets				
Foreign currency denominated items included in receivables:				
30 June 2022	**US$115 million**	**16.38**	**US$23 million**	**16.38**
30 June 2021	US$127 million	14.27	US$5 million	14.27
Foreign currency denominated items included in cash and cash equivalents and financial assets:				
30 June 2022	**US$18 million**	**16.38**	**US$nil**	**16.38**
30 June 2021	US$18 million	14.27	US$nil	14.27

Liquidity risk management

The group's executives meet regularly to review long- and mid-term plans as well as short-term forecasts of cash flow. Funding requirements are met by arranging banking facilities and/or structuring finance as applicable. All funding and related structures are approved by the board of directors.

The table below summarises the maturity profile of the group's financial liabilities at 30 June 2022 and 30 June 2021 based on discounted cash flows. For undiscounted amounts refer note 18.

Trade and other payables and overdrafts and short-term borrowings are due to their nature the same for discounted and undiscounted cash flows.

	Group F2022				Company F2022			
	Within one year	2 – 4 years	Over 5 years	Total	Within one year	2 – 4 years	Over 5 years	Total
Long-term and short-term borrowings (refer notes 18 and 23)	**163**	**12**	**293**	**468**	**141**	**–**	**–**	**141**
Trade and other payables (refer note 21)	**2 148**	**–**	**–**	**2 148**	**341**	**–**	**–**	**341**
Overdrafts (refer note 23)	**16**	**–**	**–**	**16**	**58**	**–**	**–**	**58**
Total	**2 327**	**12**	**293**	**2 632**	**540**	**–**	**–**	**540**

	Group F2021				Company F2021			
	Within one year	2 – 4 years	Over 5 years	Total	Within one year	2 – 4 years	Over 5 years	Total
Long-term and short-term borrowings (refer notes 18 and 23)	348	309	796	1 453	317	274	434	1 025
Trade and other payables (refer note 21)	1 940	–	–	1 940	252	–	–	252
Overdrafts (refer note 23)	16	–	–	16	58	–	–	58
Total	2 304	309	796	3 409	627	274	434	1 335

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Liquidity risk management continued

	Group		Company	
	F2022	F2021	**F2022**	F2021
Overdrafts and short-term borrowings (including short-term portion of long-term borrowings) are held as follows:				
– ABSA Bank Limited	**–**	347	**–**	316
– Interest free loans – subsidiaries	**–**	–	**42**	42
– Partner loans – short term	**139**	–	**139**	–
– Other	**40**	17	**18**	17
	179	364	**199**	375

Credit risk

Credit risk arises from possible defaults on payments by business partners or bank counterparties. The group minimises credit risk by evaluating counterparties before concluding transactions in order to ensure the creditworthiness of such counterparties. The maximum exposure for trade receivables is the carrying amounts disclosed in notes 7, 11 and 13. Major trade and other receivables include Impala Platinum R3 646 million (F2021: R4 324 million), Rustenburg Platinum Mines R1 526 million (F2021: R1 755 million), Norilsk Nickel Rnil (F2021: R67 million), Glencore Operations SA R887 million (F2021: R218 million) and Glencore International AG R376 million (F2021: R120 million). Cash is only deposited with institutions which have exceptional credit ratings with the amounts distributed appropriately among these institutions to minimise credit risk through diversification. The maximum exposure is the carrying values as per notes 8, 14 and 15. The fair value through other comprehensive income financial asset (which is the Harmony investment) exposure is the carrying value of this asset as per note 11.

	Group		Company	
	F2022	F2021	**F2022**	F2021
Cash and cash equivalents and financial assets are held as follows:				
– ABSA Bank Limited	**3 371**	2 040	**1 101**	1 183
– Barclays Private Clients International	**11**	55	**–**	–
– Deutsche Bank	**92**	81	**–**	–
– Investec Limited	**345**	344	**345**	344
– FirstRand Limited	**604**	225	**604**	218
– HSBC	**168**	213	**–**	–
– Lloyds Bank Plc	**66**	234	**–**	–
– Nedbank Limited	**2 448**	2 324	**2 388**	2 304
– Ninety one	**1 260**	1 060	**1 260**	1 060
– Royal Bank of Canada – Barbados	**–**	16	**–**	5
– Royal Bank of Scotland International Limited	**–**	180	**–**	–
– Stanlib	**1 910**	–	**1 910**	–
– Financial assets	**1 044**	716	**342**	344
– The Standard Bank of South Africa Limited	**1 359**	2 872	**1 329**	2 860
– Other	**25**	27	**3**	4
	12 703	10 387	**9 282**	8 322

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Treasury risk management

The treasury function is outsourced to Andisa Capital Proprietary Limited (Andisa), specialists in the management of third-party treasury operations. Together with ARM financial executives, Andisa coordinates the short-term cash requirements in the South African domestic money market.

A treasury committee, consisting of senior managers in the company including the finance director and representatives from Andisa meet on a regular basis to analyse currency and interest rate exposures as well as future funding requirements within the group. The committee reviews the treasury operation's dealings to ensure compliance with group policies and counterparty exposure limits.

Commodity price risk

Commodity price risk arises from the possible adverse effect of fluctuations in commodity prices on current and future earnings. Most of these prices are US dollar based and are internationally determined in the open market. From these base prices, contracts are negotiated. ARM does not actively hedge future commodity revenues of the commodities that it produces against price fluctuations.

The Nkomati, Two Rivers and Modikwa operations recognise revenue using the discounted forward commodity price relating to the month in which the sale will be finalised. There is a risk that the spot price does not realise when the metal price fixes on out-turn at the refinery. Management is of the opinion that this method of revenue recognition is the most appropriate. The risk is that where there are significant changes in metal prices after a reporting period end that the next reporting period is impacted. The value of accounts receivable for these three entities included in trade and other receivables (refer note 13) amounts to R5 172 million (F2021: R6 146 million). Refer to the sensitivity below on page 102.

Interest rate risk

The group's exposure to market risk for changes in interest rates relates primarily to the group's long-term debt obligations (refer to note 39 sensitivity). The group manages its interest cost using a mix of fixed and variable rates. Fluctuations in interest rates give rise to interest rate risks through the impact these fluctuations have on the value of short-term cash investments and financing activities. Fixed interest rate loans carry a fair value risk due to change in market rates. Cash is managed to ensure that surplus funds are invested in a manner to achieve maximum returns while minimising risks.

The table quantifies the interest rate risk.

	Group		
Cash and cash equivalents and financial assets	**Book value at year end Rm**	**Maturity date[1]**	**Effective interest rate**
Year ended 30 June 2022			
Cash – financial institutions	**92**	**Overnight**	**0 – 2%**
– financial institutions	**11 322**	**call deposit**	**0 – 8%**
– fixed	**245**	**July 22**	**0 – 5%**
Fixed deposits	**1 044**	**3 – 12 months**	**0 – 7%**
	12 703		
Year ended 30 June 2021			
Cash – financial institutions	98	Overnight	0 – 2%
– financial institutions	8 892	call deposit	0 – 8%
– fixed	681	July 21	0 – 5%
Fixed deposits	716	3 – 12 months	0 – 7%
	10 387		

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Interest rate risk continued

	Company		
Cash and cash equivalents and financial assets	Book value at year end Rm	Maturity date[1]	Effective interest rate
Year ended 30 June 2022			
Cash – financial institutions	**8 940**	**Call deposits**	**5 – 9%**
Fixed deposits	**342**	**3 – 12 months**	**0 – 7%**
	9 282		
Year ended 30 June 2021			
Cash – financial institutions	7 978	Call deposits	5 – 9%
Fixed deposits	344	3 – 12 months	0 – 7%
	8 322		

	Group		
Financial liabilities	Book value at year end Rm	Maturity date[1]	Effective interest rate
Year ended 30 June 2022			
Long-term borrowings			
ARM BBEE Trust – loan facility – Harmony Gold	**166**	**2035**	**Interest free**
ARM Corporate – lease liability	**–**	**2022**	**9.2%**
Two Rivers – lease liability	**134**	**2040**	**8.3%**
Modikwa – lease liability	**29**	**2023 – 2044**	**5.6% – 8.6%**
ARM Coal – GGV acquisition loan (partner loan) RBCT	**139**	**2029**	**Interest free**
ARM Coal – GGV acquisition loan (partner loan)	**–**	**2029**	**Interest free**
ARM Coal – GGV project facility phase 1 loan (partner loan)	**–**	**2029**	**Interest free**
ARM Coal – GGV project facility phase 2 loan (partner loan)	**–**	**2029**	**Interest free**
	468		
Less: Transferred to short-term borrowings	**(163)**		
Total	**305**		

Summary of variable and fixed rates

	Group		
	Total	Transfer to short term	Long term
Variable rates	**–**	**–**	**–**
Fixed rates – interest free	**468**	**(163)**	**305**
Total	**468**	**(163)**	**305**

[1] *This relates to the financial year.*

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Interest rate risk continued

Financial liabilities	Group Book value at year end Rm	Maturity date	Effective interest rate
Year ended 30 June 2021			
Long-term borrowings			
ARM BBEE Trust – loan facility – Harmony Gold	217	2035	Interest free
ARM Corporate – lease liability	4	2022	9.2%
Two Rivers – lease liability	158	2040	8.3%
Modikwa – lease liability	59	2023 – 2044	5.6% – 8.6%
ARM Coal – lease liability	1	2021	10.9%
ARM Coal – GGV acquisition loan (partner loan) RBCT	60	2029	Interest free
ARM Coal – GGV acquisition loan (partner loan)	149	2029	Interest free
ARM Coal – GGV project facility phase 1 loan (partner loan)	573	2029	Interest free
ARM Coal – GGV project facility phase 2 loan (partner loan)	232	2029	Interest free
	1 453		
Less: Transferred to short-term borrowings	(348)		
Total	1 105		

Summary of variable and fixed rates

	Group Total	Transfer to short term	Long term
Variable rates	–	–	–
Fixed rates – interest free	1 453	(348)	1 105
Total	1 453	(348)	1 105

Short-term financial liabilities	Group Book value at year end	Repricing date	Maturity date	Effective interest rate
Year ended 30 June 2022				
Financial institutions	**40**	**30/06/2022**	**30/06/2023**	**Variable rate between 2% and 11%**
ARM Coal	**139**	**30/06/2022**	**30/06/2023**	**Interest free**
Total (refer note 23)	**179**			

Short-term financial liabilities	Group Book value at year end	Repricing date	Maturity date	Effective interest rate
Year ended 30 June 2021				
Financial institutions	57	30/06/2021	30/06/2022	Variable rate between 2% and 11%
Anglo American Platinum (partner loan)	307	30/06/2021	30/06/2022	No interest
Total (refer note 23)	364			

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Interest rate risk continued

Financial liabilities	Company Book value at year end Rm	Maturity date[1]	Effective interest rate
Year ended 30 June 2022			
Long-term borrowings			
ARM Corporate – lease liability	**2**	**2022**	**9.20%**
ARM Coal – GGV acquisition loan (partner loan) RBCT	**139**	**2029**	**Interest free**
ARM Coal – GGV acquisition loan (partner loan)	**–**	**2029**	**Interest free**
ARM Coal – GGV project facility phase 1 loan (partner loan)	**–**	**2029**	**Interest free**
ARM Coal – GGV project facility phase 2 loan (partner loan)	**–**	**2029**	**Interest free**
	141		
Less: Transferred to short-term borrowings	**(141)**		
Total	**–**		

[1] *This relates to the financial year.*

Summary of variable and fixed rates

	Company Total	Transfer to short term	Long term
Variable rates	**–**	**–**	**–**
Fixed rates – interest free	**141**	**(141)**	**–**
Total	**141**	**(141)**	**–**

	Company Book value at year end Rm	Maturity date	Effective interest rate
Year ended 30 June 2021			
Long-term borrowings			
ARM Corporate – lease liability	10	2022	9.20%
ARM Coal – lease liability	1	2021	10.90%
ARM Coal – GGV acquisition loan (partner loan) RBCT	60	2029	Interest free
ARM Coal – GGV acquisition loan (partner loan)	149	2029	Interest free
ARM Coal – GGV project facility phase 1 loan (partner loan)	573	2029	Interest free
ARM Coal – GGV project facility phase 2 loan (partner loan)	232	2029	Interest free
	1 025		
Less: Transferred to short-term borrowings	(317)		
Total	708		

Notes to the financial statements continued

for the year ended 30 June 2022

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Summary of variable and fixed rates continued

	Company		
	Total	Transfer to short term	Long term
Variable rates	–	–	–
Fixed rates – interest free	1 025	(317)	708
Total	1 025	(317)	708

	Company			
Short-term financial liabilities	**Book value at year end**	**Repricing date**	**Maturity date**	**Effective interest rate**
Year ended 30 June 2022				
Financial institutions	**18**	**30/06/2022**	**30/06/2023**	**10.25%**
ARM Coal	**139**			**No interest**
Loans from subsidiaries	**42**			**No interest**
Total (refer note 23)	**199**			

	Company			
Short-term financial liabilities	Book value at year end	Repricing date	Maturity date	Effective interest rate
Year ended 30 June 2021				
Financial institutions	26	30/06/2021	30/06/2022	10.25%
ARM Coal	307			No interest
Loans from subsidiaries	42			No interest
Total (refer note 23)	375			

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Fair value risk

The carrying amounts of other receivables, cash and cash equivalents, financial assets and trade and other payables approximate their fair value because of the short-term duration of these instruments.

Fair value hierarchy

The group uses the following hierarchy for determining the level of confidence in the valuation technique used:
Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2 – A technique where all inputs that have an impact on the value are observable, either directly or indirectly
Level 3 – A technique where all inputs that have an impact on the value are not observable

Financial instruments by categories

	Group F2022				
Category	**Fair value hierarchy level**	**At fair value through profit or loss Rm**	**Financial instruments at fair value through other comprehensive income Rm**	**Total book value Rm**	**Total fair value Rm**
Investments – listed (refer note 11)	**1**	**1**	**3 881**	**3 882**	**3 882**
Investments – Guardrisk (refer note 11)	**2**	**9**	**–**	**9**	**9**
Investments – RBCT (refer note 11)	**3**	**213**	**–**	**213**	**213**
Trade receivables[1]	**2**	**5 172**	**–**	**5 172**	**5 172**

	Group F2021				
Category	Fair value hierarchy level	At fair value through profit or loss Rm	Financial instruments at fair value through other comprehensive income Rm	Total book value Rm	Total fair value Rm
Investments – listed (refer note 11)	1	1	3 940	3 941	3 941
Investments – Guardrisk (refer note 11)	2	36	–	36	36
Investments – RBCT (refer note 11)	3	233	–	233	233
Trade receivables[1]	2	6 146	–	6 146	6 146

[1] *For inputs used refer note 39 sensitivity.*

	Company F2022				
Category	**Fair value hierarchy level**	**At fair value through profit or loss Rm**	**Financial instruments at fair value through other comprehensive income Rm**	**Total book value Rm**	**Total fair value Rm**
Investments – listed (refer note 11)	**1**	**–**	**3 881**	**3 881**	**3 881**
Investments – Guardrisk (refer note 11)	**2**	**9**	**–**	**9**	**9**
Investments – RBCT (refer note 11)	**3**	**213**	**–**	**213**	**213**

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Fair value hierarchy continued

Financial instruments by categories continued

Category	Company F2021 Fair value hierarchy level	At fair value through profit or loss Rm	Financial instruments at fair value through other comprehensive income Rm	Total book value Rm	Total fair value Rm
Investments – listed (refer note 11)	1	–	3 940	3 940	3 940
Investments – Guardrisk (refer note 11)	2	36	–	36	36
Investments – RBCT (refer note 11)	3	233	–	233	233
Trade receivables[1]	2	67	–	67	67

[1] *For inputs used refer note 39 sensitivity.*

Acquisition risk

Acquisition risk is the risk that acquisitions do not realise expected returns. This risk is mitigated by ensuring that all major investments are reviewed by the ARM investment committee after being proposed by management.

Capital risk management

The management and maintenance of capital in ARM is a central focus of the board and senior management. The ability to continue as a going concern and to safeguard assets while optimally funding capital expenditure is continually monitored. Capital is mainly monitored on the basis of the net gearing ratio while giving due consideration to life-of-mine plans and business plans. Capital structure is maintained and improved by ensuring an appropriate level of borrowings, adjusting dividends and reviewing returns from operations. ARM does not have a fixed policy on gearing but targets a net gearing threshold of 30% for external funding. Total capital is defined as total equity on the statement of financial position plus debt.

Sensitivity

The sensitivity calculations are performed on the variances in prices, exchange rates and interest rate changes. The assumptions are calculated individually while keeping all other variables constant. The effect is calculated only on the financial instruments as at year end. It is relevant to note that the accounts receivable balance in note 13 of R5 172 million (F2021: R6 146 million) was valued using the following parameters: (i) rand/US dollar exchange rate of R16.38 (F2021: R14.27), (ii) platinum price of US$985/oz (F2021: US$1 045/oz), (iii) palladium price of US$2 174/oz (F2021: US$2 453/oz), rhodium of US$16 275/oz (F2021: US$19 221/oz), and a nickel price of US$23 319 (F2021: US$16 447/tonne.)

The sensitivity was applied to profit or loss before taxation and non-controlling interest. There is no other impact on equity.

	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
The increase in profit before tax if:				
The rand/US dollar exchange rate weakens by R1	**95**	175	**–**	–
The price of PGM increases by 10%	**171**	250	**NA**	NA
The interest rate increases by 1%	**123**	93	**98**	88
The decrease in profit before tax if:				
The rand/US dollar exchange rate strengthens by R1	**(95)**	(175)	**–**	–
The price of PGM decreases by 10%	**(171)**	(250)	**NA**	NA
The interest rate decreases by 1%	**(123)**	(93)	**(98)**	(88)

The interest rate change impact is calculated on the net financial instruments at reporting date and does not take into account any repayments of long- or short-term borrowings. The prices of all other commodities are contractually fixed and are thus not impacted by price fluctuations after the reporting date.

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm

40. COMMITMENTS, CONTINGENT LIABILITIES, DISPUTES AND GUARANTEES

Commitments

	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
Commitments in respect of capital expenditure:				
Approved by directors				
– contracted for	**1 684**	677	**97**	23
– not contracted for	**1 848**	126	**–**	–
Total commitments	**3 532**	803	**97**	23
Commitments allocated as follows:				
ARM Mining Consortium Limited	**343**	197	**–**	–
ARM Coal Proprietary Limited	**97**	23	**97**	23
Two Rivers Platinum Proprietary Limited	**3 092**	583	**–**	–
	3 532	803	**97**	23

It is anticipated that this expenditure, which mainly relates to mine development and plant and equipment, will be financed from operating cash flows and by utilising available cash and borrowing resources.

Contingent liabilities

Nkomati

The Nkomati Mine closure may have a potential exposure regarding rehabilitation and management of water post closure. There are uncertainties regarding the ongoing assessment of long-term water management measures, and anticipated amendments to the existing water use licence (WUL).

Water monitoring has been ongoing for the past 18 months and it is anticipated to be completed in March 2023. The outcome of the study will be used for ground water and surface water numerical modelling. The results of the numerical modelling will inform the option for water management solutions, as well as the size and quantum of the water management system. The integrated specialist studies, which includes the outcome numerical modelling, will be used to define and apply for appropriate closure water use licence closure conditions. Potential water resource impact liability and the quantum for water management remains uncertain, the obligation will be recognised when it is probable and can be reliably estimated.

The environmental rehabilitation provision at 30 June 2022 is the best independent estimate and is based on the most reliable information currently available.

It will be re-assessed on an ongoing basis as engineering designs evolve and new information becomes available, as well as when approvals of a revised environmental management plan and water use licence are secured.

Disputes

ARM Mining Consortium made an application against the Department of Mineral Resources and Energy (DMRE) and third-party respondents requesting the court to order the DMRE to reassess applications for certain prospecting rights brought by Rustenburg Platinum Mines, ARM Mining Consortium's joint venture partner, that had been earlier rejected. Judgment on the matter was granted on 10 July 2020. The court found against ARM Mining Consortium. ARM Mining Consortium applied for leave to appeal the court judgment in the Supreme Court of Appeal (SCA) in Bloemfontein, which was granted. The Appeal Record was served and filed at the SCA on 15 April 2021. Both parties (applicants and respondents) have filed their heads of argument. ARM Mining Consortium's appeal against the decision of the High Court of South Africa in Limpopo was heard by the Supreme Court of Appeal on 1 March 2022. Judgment was reserved in the matter.

40. COMMITMENTS, CONTINGENT LIABILITIES, DISPUTES AND GUARANTEES continued

Guarantees

A back-to-back guarantee to Assore Limited (Assore) in respect of ARM's share of the guarantees issued to bankers by Assore to secure a short-term export finance agreement facility of R180 million (F2021: R180 million) by Assmang. Short-term export finance loans negotiated in terms of the above facility in the ordinary course of business at 30 June 2022 were Rnil (F2021: Rnil).

Guarantees to the Department of Mineral Resources for rehabilitation provision amounting to R577 million (F2021: R375 million). Guarantees to Eskom amounting to R124 million (F2021: R90 million).

During the year Sakura's debt was restructured, which resulted in the United Overseas Bank (UOB) guarantee reducing from US$60 million to US$27.4 million. This guarantee relates to the US$27.4 million (100%) credit facility from UOB to Sakura. US$21 million (100%) of the facility was drawn down by Sakura at 30 June 2022.

During F2022 Sakura's net debt position improved and Sakura settled the remaining US$15 million of the Mizuho loan facility and the US$20 million of the SMBC loan facility. The Mizuho guarantee expired on 25 May 2022 and it was not renewed, the SMBC guarantee is still in place and will expire in September 2023. Assmang's SMBC guarantee at 54.36% is US$11.3 million (F2021: US$11.3 million). ARM's 50% interest in Assmang would equate to US$5.7 million (F2021: US$5.7 million).

41. RETIREMENT PLANS

The group facilitates pension plans and provident funds substantially covering all employees. These are composed of defined contribution pension plans, which are governed by the Pension Funds Act, 1956, and defined contribution provident funds administered by employee organisations within the industries in which members are employed.

The benefits provided by the defined contribution plans are determined by accumulated contributions and returns on investment.

Members contribute between 5.0% and 7.5% and employers contribute between 6.2% and 20.0% of pensionable salaries to the funds. Members' contribution for the current year amounts to R192 million (F2021: R187 million)

42. POST-RETIREMENT HEALTHCARE BENEFITS

The group has obligations to fund a portion of certain pensioners' and retiring employees' medical aid contributions based on the cost of benefits in terms of a defined benefit plan. The anticipated liabilities arising from these obligations have been actuarially determined using the projected unit credit method and a corresponding liability has been raised.

	Group		Company	
	F2022 Rm	F2021 Rm	**F2022 Rm**	F2021 Rm
The post-retirement healthcare benefits are provided for in the following entity:				
African Rainbow Minerals Limited	**65**	75	**65**	75
Machadodorp Works	**11**	10	**11**	10
	76	85	**76**	85

42. POST-RETIREMENT HEALTHCARE BENEFITS continued

The liability is assessed at three-yearly intervals by an independent actuary. The assumptions used are as follows:

- A real discount rate of 2.1% per annum (F2021: 1.8% per annum)
- An increase in healthcare costs at a rate of between 8.3% and 8.5% per annum (F2021: 7% and 9% per annum)
- A 1% change in the healthcare inflation rate used is estimated to have an impact of plus 7% or less 6% (F2021: plus 7% or less 8%) on the liability
- The normal retirement age was assumed to be 60 years. It was assumed that all members would become entitled to full post-employment subsidies from normal retirement age, and the liabilities were assumed to be fully accrued at retirement age.

The provisions raised in respect of post-retirement healthcare benefits amounted to R76 million (F2021: R85 million) at the end of the year. For movements refer note 20.

The liabilities raised based on present values of the post-retirement benefit, have been recognised in full. An actuarial valuation is carried out in respect of this liability at three-yearly intervals. No new employees get this benefit and the liability is relatively stable. The last actuarial valuation was carried out in F2022.

At retirement members are given the choice to have an actuarially determined amount paid into their pension fund to cover the expected cost of the post-retirement health cover. Alternatively the group will continue to fund a portion of the retiring employee's medical aid contributions.

43. SHARE-BASED PAYMENT PLANS

Equity-settled plan

The company uses plans to attract, retain, motivate and reward eligible employees who are able to influence the performance of ARM on a basis which aligns their interest with those of the company's shareholders.

Share options

Between F2008 and F2014 annual allocations of share options were made on a much reduced scale due to the adoption of the share plan. No share options have been allocated since the end of F2014 (refer remuneration report).

The company granted share options to certain employees under the share incentive scheme. The exercise price of the options was equal to the market price of the shares on the date of the grant. Before July 2008 the options started to vest one year after the grant date in three equal tranches over three years and from 1 July 2008 the options vested after three years. Both schemes were subject to continued employment.

The contract life of each option is eight years from the grant date.

	F2022 Share options	F2021 Share options	**F2022 Average price cents**	F2021 Average price cents
Outstanding at beginning of year	**39 829**	343 541	**19 989**	18 719
Forfeited/cancelled/lapsed	**–**	(68 482)	**–**	18 255
Exercised during the year	**(39 829)**	(235 230)	**19 989**	18 745
Outstanding at end of year	**–**	39 829	**–**	19 989
Exercisable at end of year	**–**	39 829		
Range of strike prices of options exercised (cents)			**19 114 to 20 075**	16 837 to 20 075
Range of strike prices of outstanding options (cents)				19 114 to 20 075

43. SHARE-BASED PAYMENT PLANS continued

Bonus shares

Bonus shares are conditional rights to shares which were allocated annually, which allocations were determined according to a specified ratio of the annual cash incentive accruing to senior executives. Bonus shares vest and are settled between three and four years, subject to continued employment. Other than bonus shares awarded in terms of the bonus share/co-investment scheme method and the waived bonus method, no bonus shares have been awarded since 2015. If a senior executive leaves due to a fault termination (eg resignation or dismissal), all unvested awards are forfeited. If a senior executive leaves due to a no-fault termination (eg retirement), all bonus shares awarded prior to December 2014 are settled in full (refer remuneration report).

Deferred bonus/co-investment scheme

The deferred bonus/co-investment scheme was implemented to closely align the interests of shareholders and senior executives by rewarding superior performance and by encouraging senior executives to build up a shareholding in the company, as well as to enhance the retention characteristics of the current reward of senior executives. The company is of the view that the deferral of a portion of immediate cash bonuses demonstrates a heightened commitment to performance and shareholder alignment, and promotes the retention of key employees and enhances the performance and shareholder alignment characteristics of the share plan.

Senior executives are offered the opportunity, before the end of March each year, to elect that a portion of any cash bonus calculated at the end of the performance year, be deferred and converted into an equivalent value of deferred bonus shares.

To encourage senior executives to take up the deferral(s), the deferred bonus shares are matched with the equivalent number of performance shares. The remainder of the deferred cash bonus, after any deferral, will accrue to senior executives and be paid out in cash.

Scheme to F2016: Senior executives could defer 25%, 33% or a maximum of 50%.

Scheme with effect from F2018: Senior executives may defer 25%, 33%, 50%, 75% or 100% (refer remuneration report).

The deferred bonus/co-investment scheme was discontinued in October 2019.

Waived bonus method

The waived bonus method was implemented to closely align the interests of shareholders and senior executives by rewarding superior performance and by encouraging senior executives to build up a shareholding in the company, and to enhance the retention characteristics of the current reward of senior executives.

In advance of the F2016 bonus being quantified or declared, and before any such bonus accrued, the executive chairman elected to waive and receive delivery of 100% of the value of any cash bonus which might accrue to him in respect of the F2016 performance year, on a pre-tax basis, in the form of 100% of the value of the waived F2016 bonus in bonus shares and the matching equivalent number of performance shares (refer remuneration report).

	F2022 Bonus shares	F2021 Bonus shares
Outstanding at beginning of year	**102 812**	221 348
Forfeited/cancelled/lapsed	**–**	(449)
Shares vested	**(102 812)**	(118 087)
Outstanding at end of year	**–**	102 812
Fair value (Rm)	**–**	13

43. SHARE-BASED PAYMENT PLANS continued

Performance shares method

Performance shares are conditional rights to shares which are typically awarded on an annual basis in order to reduce the risk of unanticipated outcomes arising out of share price volatility and cyclical factors. Performance shares vest and are settled between three and four years, subject to the achievement of pre-determined performance criteria.

For awards made from May 2015, total shareholder return (TSR) in terms of the JSE Limited Resources 10 Index (RESI 10) and the 20-day volume weighted average price (VWAP) were used to determine the number of performance shares that vest. The RESI 10 was discontinued from December 2015, after which the number of companies in the peer group was increased to 20 (excluding gold and diamond companies). From May 2017, the performance measurement graph was clarified to provide for situations where there were less than 20 mining companies in a peer group. The comparator groups for benchmarking were selected through a rigorous process to ensure the overall competitiveness of ARM's remuneration. Refer remuneration report.

	F2022 Performance shares	F2021 Performance shares
Outstanding at beginning of year	**102 812**	1 359 602
Forfeited/cancelled/lapsed	**(3 375)**	(4 070)
Shares vested	**(99 437)**	(1 252 720)
Outstanding at end of year	**–**	102 812
Fair value (Rm)	**–**	16

Conditional share plan 2018

Awards of conditional shares are made to eligible participants (Paterson grade D to F band) under the 2018 conditional share plan. Conditional shares are settled after three years, subject to the company achieving prescribed performance criteria over this period. Refer remuneration report.

	F2022 Conditional shares	F2021 Conditional shares
Outstanding at beginning of year	**1 768 428**	1 400 873
Awarded during the year	**419 694**	459 554
Forfeited/cancelled/lapsed	**(172 018)**	(91 999)
Settled during the year	**(703 426)**	–
Closing balance	**1 312 678**	1 768 428
Fair value (Rm)	**390**	401

Cash-settled conditional share plan 2018

Awards of conditional shares are made to eligible participants (Paterson grade D to E band) under the 2018 cash-settled conditional share plan. Conditional shares are settled after three years, subject to the company achieving prescribed performance criteria over this period. Refer remuneration report.

	F2022 Cash-settled conditional shares	F2021 Cash-settled conditional shares
Outstanding at beginning of year	**807 617**	633 172
Awarded during the year	**204 828**	196 834
Forfeited/cancelled/lapsed	**(16 271)**	(22 389)
Settled during the year	**(290 147)**	–
Closing balance	**706 027**	807 617
Fair value (Rm)	**179**	232

43. SHARE-BASED PAYMENT PLANS continued

Modification

In order for retirees to enjoy the maximum benefit of their Unvested Awards without pro-rated vesting, they agreed to waive and forfeit the Unvested Awards in exchange for receiving Conditional Replacement Cash-Settled Awards. The accounting treatment is based on a modification and not cancellation.

This is seen as a replacement award, and the incremental fair value has been recognised for the replacement award. The net incremental fair value recognised of R40 million was calculated as the difference between the fair value of the replacement award and the fair value of the waived/forfeited award at the modification date.

Assumptions used were as follows:
The conditional share plan valuation was done using a Monte Carlo simulation on a comparator group of 20 mining company shares (excluding gold and diamond shares), assuming no dividends on all shares.

All volatilities and correlation matrices were determined using historical data with no weighting applied.

The TSR performance curve used in these calculations is taken from the supplied "Illustrative Example" provided in the share plan.

Under the accounting standards prescribed in IFRS 2 (2004), non-market-related performance conditions, such as continued employment, are not taken into account when calculating the fair value of a share scheme. Adjustments according to these performance conditions should be made afterwards, at each accounting date.

The following table lists the range of inputs to the models used on the grant date for the years ended 30 June 2022 and 30 June 2021:

	F2022	F2021
Dividend yield %[1]	**N/A**	N/A
Expected volatility %	**44.50**	44.77
Risk-free interest rate %	**6.65**	3.93
Expected life of performance shares (years)	**1 – 3**	1 – 3
Average share price (cents)	**24 294**	24 502
The effect on the statement of profit or loss was a charge of (R million)	**263**	220
Equity-settled expense	**175**	148
Cash-settled expense	**88**	72

[1] *No options granted anymore.*

The cash settled liability for F2022 is R86 million (F2021: R117 million).

44. RELATED PARTY TRANSACTIONS

The company in the ordinary course of business enters into various sale, purchase, service and lease transactions with subsidiaries, associated companies, joint ventures and joint operations.

Transactions between the company, its subsidiaries and joint operations relate to fees, insurances, dividends, rentals and interest and are regarded as intra-group transactions and eliminated on consolidation.

A report on investments in subsidiaries, associated companies, joint ventures and joint operations, that indicates the relationship and degree of control exercised by the company and balances owed by entities, appears on pages 113 to 115.

For sales to related parties refer note 2.6.

	Group F2022 Rm	Group F2021 Rm	Company F2022 Rm	Company F2021 Rm
44. RELATED PARTY TRANSACTIONS continued				
Amounts accounted in the statement of profit or loss relating to transactions with related parties				
Joint operations				
Glencore International AG – sales	**2 627**	884	**2 627**	884
Norilsk Nickel – sales	**–**	1 507	**–**	1 507
Norilsk Nickel – management fees	**–**	13	**–**	13
Glencore Operations SA – management fees	**78**	68	**78**	68
Joint venture				
Assmang				
– Management fees	**1 478**	1 770	**1 478**	1 770
– Dividends received	**5 500**	4 000	**5 500**	4 000
Subsidiaries				
Impala Platinum – sales	**9 416**	11 992	**–**	–
Rustenburg Platinum Mines – sales[1]	**4 522**	4 924	**–**	–
Opilac Proprietary Limited – dividend received	**–**	–	**406**	216
Modikwa-related – dividend received[1]	**–**	–	**1 000**	289
Modikwa-related non-controlling interest – dividend declared[1]	**255**	72	**–**	–
Two Rivers Platinum				
– Dividend received	**–**	–	**1 245**	1 431
– Provision of services	**–**	–	**14**	13
Venture Building Trust Proprietary Limited – interest received	**–**	–	**1**	1
ARM BBEE Trust – imputed interest	**–**	–	**68**	95
Associate				
PCB – imputed interest	**–**	–	**45**	36
Amounts outstanding at year end (owing to)/ receivable by ARM on current account				
Associate				
PCB – loans and long-term receivables	**–**	–	**–**	534
Joint venture				
Assmang – trade and other receivables	**985**	1 156	**985**	1 156
Joint operations				
Rustenburg Platinum Mines – trade and other receivables[1]	**1 526**	1 755	**–**	–
Norilsk Nickel – trade and other payables	**2**	–	**2**	–
Norilsk Nickel – trade and other receivables	**–**	67	**–**	67
Glencore Operations SA – long-term borrowings	**–**	(707)	**–**	(707)
Glencore Operations SA – short-term borrowings	**(139)**	(307)	**(139)**	(307)
Glencore Operations SA – trade and other receivables	**887**	218	**887**	218
Glencore International AG – trade and other receivables	**376**	120	**376**	120
Subsidiary				
Impala Platinum – trade and other receivables	**3 646**	4 324	**–**	–
Impala Platinum – dividend paid	**1 060**	1 219	**–**	–
Modikwa-related non-controlling interest – dividend payable[1]	**143**	77	**–**	–

[1] *These transactions and balances for joint operations do not meet the definition of a related party as per IAS 24 but have been included to provide additional information.*

Notes to the financial statements continued

for the year ended 30 June 2022

44. RELATED PARTY TRANSACTIONS continued

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity and comprise members of the board of directors and senior management. (refer to directors' report).

Senior management compensation	F2022 Rm	F2021 Rm
Salary	**36**	43
Accrued bonuses	**35**	49
Pension scheme contributions	**3**	4
Reimbursive allowances	**2**	2
Total	**76**	98

Share options	Number of options	Average price cents
Held on 1 July 2020	48 896	18 686
Exercised during the year	(35 086)	18 561
Lapsed during the year	(4 571)	16 837
Held on 30 June 2021	9 239	20 075
Exercised during the year	(9 239)	20 075
Held on 30 June 2022	**–**	**–**

Bonus and performance shares	Number of bonus shares	Number of performance shares	Number of conditional shares	Number of conditional awards
Held on 1 July 2020	36 791	274 728	474 023	–
Granted/awarded during the year	–	–	190 847	16 445
Settled during the year	(9 094)	(252 355)	–	–
Staff movements	–	5 324	–	15 791
Held on 30 June 2021	27 697	27 697	664 870	32 236
Granted/awarded during the year	–	–	152 339	–
Settled during the year	(27 697)	(27 697)	(320 349)	(8 385)
Held on 30 June 2022	**–**	**–**	**496 860**	**23 851**

Details relating to directors emoluments and prescribed officers, share options and shareholdings in the company are disclosed in the directors' report.

Shareholders

The principal shareholders of the company are detailed in the shareholder analysis report.

ARM's executive chairman, Dr Patrice Motsepe, is involved through shareholdings and/or directorships in various other companies and trusts. The company rents office space from one of the entities as disclosed below.
Dr Motsepe's director's emoluments, share options, bonus shares, performance shares and shareholding in the company are disclosed in the directors' report.

	F2022 Rm	F2021 Rm
Rental paid for offices at 29 Impala Road, Chislehurston, Sandton	**2**	2

This rental is similar to rentals paid to third parties in the same area for similar buildings.

45. EVENTS AFTER THE REPORTING DATE

45.1 Subsequent to year end ARM received a dividend from Assmang of R3 500 million.

45.2 Harmony declared a final dividend of 22 cents per share, bringing their total dividend for F2022 to 62 cents per share. At 30 June 2022 and at the date of this report, ARM owned 74 665 545 Harmony shares.

45.3 ARM declared a dividend of R20.00 per share on 1 September 2022.

45.4 Acquisition of Bokoni Platinum Mine Proprietary Limited (BPM)

On 20 December 2021 ARM entered into a sale and purchase agreement which provides for ARM Platinum, a wholly owned subsidiary of ARM, to acquire all of the shares (100%) of BPM from Bokoni Platinum Holdings Proprietary Limited (BPH), in turn owned by Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Anglo American Platinum Limited (AAPL), and Plateau Resources Proprietary Limited (Plateau), a wholly owned subsidiary of Atlatsa Resources Corporation (Atlatsa), through a newly formed entity ARM Bokoni Mining Consortium Proprietary Limited (ARM BMC), for a consideration of R3 500 million payable in cash.

The sale and purchase agreement included various conditions to the purchase becoming effective, most notably approval for the transfer of the controlling interest in BPM to ARM BMC in terms of Section 11 of the Mineral and Petroleum Resources Development Act 28 of 2002, as well as the approval of the acquisition by the Competition Commission.

As at the date of authorising these financial statements, the significant conditions precedent in the sale and purchase agreement had been fulfilled and the closing date was 1 September 2022.

ARM BMC transferred the consideration of R3 500 million in cash, on 1 September 2022. This was funded by ARM through the subscription of an additional 99 000 shares in ARM Platinum. ARM Platinum thereafter subscribed for 254 900 ordinary shares and 175 000 preference shares in ARM BMC.

The following are the primary objectives of the transaction:
- Long-life ore body favourably impacting medium-term production. Adding a long-life operation greater than 24 years with significant opportunity for further value accretive growth
- Provides exposure to a high-grade UG2 resource that has an attractive prill split with high concentration of palladium and rhodium, and favourable iridium and ruthenium contributions
- Improves ARM's portfolio mix and competitiveness, with the addition of a mechanised underground operation (in new mining areas) that is expected to lower ARM's overall PGM cost curve position
- Provides for potential scale benefits and opportunities for operational optimisation, given its proximity to ARM's other Eastern limb PGM operations.

On 11 June 2022, approval was granted to transfer a controlling interest in BPM (the mining right holder) to ARM BMC for which consent was obtained in terms of section 11 of the Mineral and Petroleum Resources Development Act 28 of 2002 from the Department of Minerals Resources and Energy.

On 2 August 2022, the Competition Commission approved the proposed acquisition of BPM, pending Competition Tribunal clearance. Competition Tribunal clearance was granted on 11 August 2022.

In terms of IFRS 3 *Business combinations*, ARM has concluded that the acquisition of BPM is considered to be a "business combination" as defined in IFRS 3, with an acquisition date of 1 September 2022, in line with transfer of control, being the effective date as per the sale and purchase agreement.

45. EVENTS AFTER THE REPORTING DATE continued

45.4 Acquisition of Bokoni Platinum Mine Proprietary Limited (BPM) continued

As a result of the timing of the Competition Tribunal clearance and the uncertainties associated with potential directives which may have been issued by the Competition Commission in their consideration of the proposed structure of the sale and purchase agreement, as well as the different mining approaches (conventional vs mechanised) to be determined after the various feasibility studies are completed, the fair value for each major class of assets acquired and liabilities assumed, cannot yet be accurately determined. The option analysis (conventional vs mechanised) to restart the mine has an impact on the mine plan. The final mine plan and resultant valuation of assets can therefore only be accurately determined once all the feasibility studies have been completed. This is a complex process as it involves different sites, and an assessment of which option will yield the best outcome.

ARM Platinum has appointed a valuator in order to conduct a fair value valuation of at-acquisition identifiable assets and liabilities through a purchase price allocation (PPA) mechanism, at which point an amount of either goodwill or gain on bargain purchase will be determined.

Since BPM is currently on care maintenance and not generating income from sale goods, the amounts of revenue and profit or loss have not been disclosed. Included in operating expenditure (refer note 29), is an amount of R28 million relating to the acquisition costs of Bokoni. These acquisition costs do not include depreciation or amortisation of the Bokoni Platinum Mine or any of the assets which are being acquired.

45.5 Subsequent to year end, prices for iron ore, manganese ore and manganese alloys decreased which will negatively impact the sales and debtors subject to provisional pricing and inventory net realisable values at Assmang and ultimately the equity-accounted earnings. The financial impact will only be determined on actual final pricing of sales and inventory realisation. This is considered a non-adjusting subsequent event.

No other significant events have occurred subsequent to the reporting date that could materially effect the reported results or require further disclosure.

46. MAJOR SHAREHOLDERS AND SHAREHOLDER SPREAD

Please refer to major shareholders at 30 June 2022 on page 126 of the shareholder analysis at 30 June 2022 on page 123 of the shareholder analysis.

Principal subsidiary companies

for the year ended 30 June 2022

		Issued capital amount Rm		Direct interest in capital %		Book value of the company's interests: Shares Rm		Book value of the company's interests: Indebtedness by/(to) Rm	
Name	Class	**F2022**	F2021	**F2022**	F2021	**F2022**	F2021	**F2022**	F2021
African Rainbow Minerals Platinum Proprietary Limited	Ord	**–**	–	**100**	100	**257**	257	**–**	–
African Rainbow Minerals Finance Company SA	Ord	**–**	–	**100**	100	**1 296**	1 296		
Provision ARM Finance Company						**(1 129)**	(1 129)		
Sub total						**167**	167		
Atscot Proprietary Limited	Ord	**1**	1	**100**	100	**10**	10	**(23)**	(23)
Avmin Limited	Ord	**–**	–	**100**	100			**(17)**	(17)
Bitcon's Investments Proprietary Limited	Ord	**–**	–	**100**	100	**2**	2	**(2)**	(2)
Jesdene Limited	Ord	**–**	–	**100**	100			**6**	6
ARM Treasury Investments Proprietary Limited	Ord	**–**	–	**100**	100	**35**	35		
Mannequin Insurance PCC Limited (Cell AVL18)[1]	Ord	**4**	4	**100**	100	**4**	4		
Opilac Proprietary Limited	Ord	**–**	–	**100**	100	**651**	651		
Two Rivers Platinum Proprietary Limited	Ord	**914**	914	**54**	54	**331**	331		
Teal Minerals (Barbados) Incorporated						**13**	13		
Venture Building Trust Proprietary Limited	Ord	**–**	–	**100**	100	**1**	1	**14**	14
Total value of unlisted investment in subsidiaries[2]						**1 471**	1 471		
Amounts owing to subsidiaries								**(42)**	(42)
Amounts owing by subsidiaries								**20**	20

Notes

Ord – Ordinary shares.

All these balances eliminate at group level.

Unless otherwise stated, all companies are incorporated and carry on their principal operations in South Africa. Interests are shown to the extent that this information is considered material. A schedule with details of all other subsidiaries is available from the registered office.

1 *Incorporated in Guernsey and has a March year end. June figures are consolidated.*

2 *The indirect subsidiary investment in Teal Minerals is included as part of joint operations.*

Principal associate companies, joint ventures, joint operations and other investments

for the year ended 30 June 2022

	Group					
	Number of shares held		Effective percentage holding		Value of investment Rm	
Name of company	**F2022**	F2021	**F2022**	F2021	**F2022**	F2021
Associated companies						
Unlisted						
Glencore Operations South Africa Proprietary Limited[1]						
Non-convertible participating preference shares	**384**	384	**20.2**	20.2	**2 048**	534
Investment in other companies						
Listed						
Harmony Gold Mining Company Limited						
Ordinary shares	**74 665 545**	74 665 545	**12.1**	12.1	**3 881**	3 940
On 12 July 2018 ARM acquired a further 11 032 623 shares						
Unlisted						
Business Partners Limited	**323 177**	323 177	**0.2**	0.2	**–**	–
Guardrisk Insurance Company Limited Cell no 00298	**1**	1	**100.0**	100.0	**9**	36
Joint operations and partnerships						
ARM Coal Proprietary Limited (including Goedgevonden)	**51**	51	**51**	51	**–**	–
Modikwa joint operation[1]	**–**	–	**41.5**	41.5	**–**	–
Nkomati joint operation[2]	**–**	–	**50**	50	**–**	–
Vale/ARM joint operation[3]			**–**	–	**–**	–
– investment held directly by ARM						
– investment held indirectly by ARM (subsidiary)						
Assmang Proprietary Limited (including Cato Ridge Alloys joint venture and Sakura Ferro Alloys Sdn Bhd joint venture)	**–**	–	**50**	50	**22 145**	20 938
K2018259017 (South Africa) Proprietary Limited[4]			**5.01**	6.08		
Division						
Machadodorp Works						
Impairment						
Sub total						
Trust						
ARM BBEE Trust (refer notes 11 and 17)[5]	**–**	–	**–**	–	**–**	–

1 *December year end, audited June figures are consolidated.*
2 *Eliminates on a company level, as Nkomati joint operation is an unincorporated joint operation.*
3 *ARM owns 16% indirectly and 34% directly in Teal Minerals (Barbados) Incorporated (amount above is after non-controlling interest). These amounts are less than R1 million.*
4 *As part of the silicosis and tuberculosis class action settlement agreement, the Agent K2018259017 (South Africa) Proprietary Limited was set up to administrate the founders' interests in the Tshiamiso Trust claimants and their dependants.*
5 *February year end June figures are consolidated.*

	Company					
	Number of shares held		Value of investment Rm		Indebtedness Rm	
Name of company	**F2022**	F2021	**F2022**	F2021	**F2022**	F2021
Associated companies						
Unlisted						
Glencore Operations South Africa Proprietary Limited[1]						
Non-convertible participating preference shares	**384**	384	**841**	–	**–**	–
Investment in other companies						
Listed						
Harmony Gold Mining Company Limited						
Ordinary shares	**74 665 545**	74 665 545	**3 881**	3 940	**–**	–
On 12 July 2018 ARM acquired a further 11 032 623 shares						
Unlisted						
Business Partners Limited	**323 177**	323 177	**–**	–	**–**	–
Guardrisk Insurance Company Limited Cell no 00298	**1**	1	**9**	36	**–**	–
Joint operations and partnerships						
ARM Coal Proprietary Limited (including Goedgevonden)	**51**	51	**409**	409	**–**	–
Modikwa joint operation[1]	**–**	–	**–**	–	**–**	–
Nkomati joint operation[2]	**–**	–	**–**	–	**650**	650
Vale/ARM joint operation[3]	**–**	–	**–**	–	**–**	–
– investment held directly by ARM	**–**	–				
– investment held indirectly by ARM (subsidiary)	**–**	–			**–**	–
Assmang Proprietary Limited (including Cato Ridge Alloys joint venture and Sakura Ferro Alloys Sdn Bhd joint venture)	**1 774 103**	1 774 103	**259**	259	**–**	–
K2018259017 (South Africa) Proprietary Limited[4]					**–**	–
Division						
Machadodorp Works[2]			**113**	113	**512**	294
Impairment			**(113)**	(113)		
Sub total			**–**	–		
Trust						
ARM BBEE Trust (refer note 11 and 17)[5]					**610**	791

[1] *December year end, audited June figures are consolidated.*
[2] *Eliminates on a company level, as Nkomati joint operation is an unincorporated joint operation and Machadodorp Works is a division.*
[3] *ARM owns 16% indirectly and 34% directly in Teal Minerals (Barbados) Incorporated (amount above is after non-controlling interest). These amounts are less than R1 million.*
[4] *As part of the silicosis and tuberculosis class action settlement agreement, the Agent K2018259017 (South Africa) Proprietary Limited was set up to administrate the founders' interests in the Tshiamiso Trust claimants and their dependants.*
[5] *February year end June figures are consolidated.*

Convenience translation into US dollars

For the benefit of international investors, the statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity and the statement of cash flows of the group presented in South African rand and set out on pages 24 to 30, have been translated into United States dollars and are presented on this page and pages 117 to 122. This information is only supplementary and is not required by any accounting standard and does not represent US GAAP.

The statement of financial position is translated at the rate of exchange ruling at the close of business at 30 June each year and the statements of profit or loss and statement of cash flows are translated at the average exchange rates for the years reported, except for the opening and closing cash balances of cash flows which are translated at the rate ruling at the close of business at 30 June each year.

The statement of comprehensive income is translated at the average rate of the years reported.

The statement of changes in equity is translated at the rate ruling at the close of business at 30 June each year.

The following exchange rates were used:

	30 June 2022 R/US$	30 June 2021 R/US$
Closing rate	**R16.38**	R14.27
Average rate	**R15.21**	R15.39

The US dollar-denominated statement of financial position, statements of profit or loss, statement of comprehensive income, statement of changes in equity and statements of cash flows should be read in conjunction with the accounting policies of the group as set out on pages 31 to 49 and with the notes to the financial statements on pages 50 to 112.

US dollar statement of financial position

at 30 June 2022

CONVENIENCE TRANSLATION

	Notes	Group F2022 US$m	Group F2021 US$m
ASSETS			
Non-current assets			
Property, plant and equipment	3	**587**	578
Investment properties	5	**1**	2
Intangible assets	6	**4**	5
Deferred tax assets	19	**13**	19
Loans and long-term receivables	7	**–**	3
Other financial assets	8	**13**	14
Investment in associate	9	**125**	37
Investment in joint venture	10	**1 352**	1 467
Other investments	11	**251**	295
Non-current inventories	12	**3**	–
		2 349	2 420
Current assets			
Inventories	12	**21**	33
Trade and other receivables	13	**472**	548
Taxation	37	**7**	5
Financial assets	14	**51**	37
Cash and cash equivalents	15	**712**	678
		1 263	1 301
Total assets		**3 612**	3 721
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital	16	**1**	1
Share premium	16	**322**	365
Treasury shares	17	**(147)**	(169)
Other reserves		**163**	204
Retained earnings		**2 480**	2 415
Equity attributable to equity holders of ARM		**2 819**	2 816
Non-controlling interest		**257**	251
Total equity		**3 076**	3 067
Non-current liabilities			
Long-term borrowings	18	**19**	77
Deferred tax liabilities	19	**197**	208
Long-term provisions	20	**121**	132
		337	417
Current liabilities			
Trade and other payables	21	**129**	137
Short-term provisions	22	**44**	63
Taxation	37	**16**	11
Overdrafts and short-term borrowings – interest-bearing	23	**2**	4
– non-interest-bearing	23	**8**	22
		199	237
Total equity and liabilities		**3 612**	3 721

US dollar statement of profit or loss

for the year ended 30 June 2022

CONVENIENCE TRANSLATION

	Notes	Group F2022 US$m	Group F2021 US$m
Revenue	26	**1 210**	1 394
Sales	26	**1 112**	1 277
Cost of sales	27	**(504)**	(513)
Gross profit		**608**	764
Other operating income	28	**130**	154
Other operating expenses	29	**(213)**	(177)
Profit from operations before capital items		**525**	741
Income from investments	30	**45**	32
Finance costs	31	**(19)**	(21)
Profit/(loss) from associate	9	**61**	(17)
Income from joint venture	10	**437**	487
Profit before taxation and capital items		**1 049**	1 222
Capital items	32	**74**	(1)
Profit before taxation		**1 123**	1 221
Taxation	33	**(179)**	(217)
Profit for the year		**944**	1 004
Attributable to:			
Equity holders of ARM			
Profit for the year		**817**	819
Basic earnings for the year		**817**	819
Non-controlling interest			
Profit for the year		**127**	185
Profit for the year		**944**	1 004
Earnings per share			
Basic earnings per share (cents)	34	**417**	420
Diluted basic earnings per share (cents)	34	**417**	416

US dollar statement of comprehensive income

for the year ended 30 June 2022

CONVENIENCE TRANSLATION

	Notes	Available for-sale reserve US$m	Other US$m	Retained earnings US$m	Share-holders of ARM US$m	Non-controlling interest US$m	Total US$m
For the year ended 30 June 2021							
Profit for the year to 30 June 2021		–	–	819	819	185	1 004
Other comprehensive income that will not be reclassified to the statement of profit or loss in subsequent periods							
Net impact of revaluation of listed investment		(72)	–	–	(72)	–	(72)
Revaluation of listed investment	11	(93)	–	–	(93)	–	(93)
Deferred tax on above	19	21	–	–	21	–	21
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods							
Foreign currency translation reserve movement		–	(10)	–	(10)	–	(10)
Total other comprehensive loss		(72)	(10)	–	(82)	–	(82)
Total comprehensive (loss)/income for the year		(72)	(10)	819	737	185	922
For the year ended 30 June 2022							
Profit for the year to 30 June 2022		**–**	**–**	**817**	**817**	**127**	**944**
Other comprehensive income that will not be reclassified to the statement of profit or loss in subsequent periods							
Net impact of revaluation of listed investment		**(3)**	**–**	**–**	**(3)**	**–**	**(3)**
Revaluation of listed investment	11	**(4)**	**–**	**–**	**(4)**	**–**	**(4)**
Deferred tax on above	19	**1**	**–**	**–**	**1**	**–**	**1**
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods							
Foreign currency translation reserve movement		**–**	**6**	**–**	**6**	**–**	**6**
Total other comprehensive (loss)/income		**(3)**	**6**	**–**	**3**	**–**	**3**
Total comprehensive (loss)/income for the year		**(3)**	**6**	**817**	**820**	**127**	**947**

US dollar statement of changes in equity

for the year ended 30 June 2022

CONVENIENCE TRANSLATION

	Notes	Share capital and premium US$m	Treasury shares US$m	Financial instruments at fair value through other comprehensive income US$m	Share-based payments US$m	Other US$m	Retained profit US$m	Shareholders of ARM US$m	Non-controlling interest US$m	Total US$m
Balance at 30 June 2020		286	(139)	193	51	8	1 449	1 848	117	1 965
Total comprehensive (loss)/income for the year		–	–	(72)	–	(10)	820	738	185	923
Profit for the year to 30 June 2021		–	–	–		–	820	820	185	1 005
Other comprehensive loss		–	–	(72)	–	(10)	–	(82)	–	(82)
Bonus and performance shares issued to employees		17	–	–	(22)	–	–	(5)	–	(5)
Dividend paid	16	–	–	–	–	–	(216)	(216)	–	(216)
Dividend declared to non-controlling interests	34	–	–	–	–	–	–	–	(84)	(84)
Share-based payments expense		–	–	–	10	–	–	10	–	10
Translation adjustment		63	(30)	36	10	–	362	441	33	474
Balance at 30 June 2021		**366**	**(169)**	**157**	**49**	**(2)**	**2 415**	**2 816**	**251**	**3 067**
Total comprehensive (loss)/income for the year		**–**	**–**	**(3)**	**–**	**6**	**817**	**820**	**127**	**947**
Profit for the year to 30 June 2022		**–**	**–**	**–**	**–**	**–**	**817**	**817**	**127**	**944**
Other comprehensive (loss)/income		**–**	**–**	**(3)**	**–**	**6**	**–**	**3**	**–**	**3**
Bonus and performance shares issued to employees		**4**	**–**	**–**	**(31)**	**–**	**–**	**(27)**	**–**	**(27)**
Dividend paid	16	**–**	**–**	**–**	**–**	**–**	**(412)**	**(412)**	**–**	**(412)**
Dividend declared to non-controlling interests	34	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(86)**	**(86)**
Share-based payments expense		**–**	**–**	**–**	**12**	**–**	**–**	**12**	**–**	**12**
Translation adjustment		**(47)**	**22**	**(20)**	**(5)**	**–**	**(340)**	**(390)**	**(35)**	**(425)**
Balance at 30 June 2022		**323**	**(147)**	**134**	**25**	**4**	**2 480**	**2 819**	**257**	**3 076**

US dollar statement of cash flows

for the year ended 30 June 2022

CONVENIENCE TRANSLATION

	Note	F2022 US$m	F2021 US$m
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		**1 192**	1 117
Cash paid to suppliers and employees		**(633)**	(610)
Cash generated from operations	36	**559**	507
Translation adjustment		**(96)**	89
Interest received		**40**	23
Interest paid		**(3)**	(3)
Taxation paid	37	**(151)**	(149)
		349	467
Dividends received from joint venture	10	**362**	260
Dividends received from investments – Harmony		**3**	5
		714	732
Dividend paid to non-controlling interests		**(82)**	(79)
Dividend paid to shareholders	34	**(412)**	(216)
Net cash inflow from operating activities		**220**	437
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment to maintain operations		**(114)**	(80)
Additions to property, plant and equipment to expand operations		**(30)**	(28)
Investments in financial assets		**(54)**	(20)
Proceeds from financial assets matured	8, 14	**34**	73
Net cash outflow from investing activities		**(164)**	(55)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		**–**	3
Cash payments to owners to acquire the entity's shares		**(15)**	–
Long-term borrowings raised		**–**	17
Long-term borrowings repaid		**(6)**	(30)
Short-term borrowings repaid		**(1)**	(12)
Net cash outflow from financing activities		**(22)**	(22)
Net increase in cash and cash equivalents		**34**	360
Cash and cash equivalents at beginning of year		**677**	317
Cash and cash equivalents at end of year	15	**711**	677
Cash generated from operations per share (US cents)	34	**285**	260

Financial summary (US dollar)

for the year ended 30 June 2022

	F2022 US$m	F2021 US$m	Restated F2020 US$m	F2019 US$m	F2018 US$m	F2017 US$m	F2016 US$m	F2015 US$m	F2014 US$m	F2013 US$m	F2012 US$m
Statement of profit or loss											
Sales	**1 112**	1 277	743	623	634	600	563	809	966	831	2 256
Headline earnings	**745**	849	353	368	375	235	72	152	397	423	444
Basic earnings/(loss) per share (US cents)	**417**	420	130	130	186	53	(18)	5	147	86	207
Headline earnings per share (US cents)	**381**	435	182	192	197	124	34	70	183	197	208
Dividend declared after year end per share (US cents)	**122**	140	40	64	55	48	15	29	56	51	58
Statement of financial position											
Total assets	**3 612**	3 721	3 721	2 640	2 501	2 472	2 393	2 901	3 430	3 407	4 327
Cash and cash equivalents	**712**	678	329	329	240	114	90	186	202	198	437
Shareholders' equity	**3 076**	3 067	3 067	2 109	1 996	1 844	1 674	2 213	2 652	2 563	2 990
Statement of cash flows											
Cash generated from operations	**559**	507	507	149	151	118	85	219	200	177	768
Net cash outflow from investing activities	**(164)**	(55)	(55)	(90)	(30)	(47)	(54)	(174)	(118)	(195)	(525)
Net cash (outflow)/inflow from financing activities	**(22)**	(22)	(22)	(83)	(27)	(137)	(39)	(26)	(73)	54	22
JSE Limited performance											
Ordinary shares (US cents)											
– high	**2 012**	1 995	1 233	1 325	1 098	933	790	1 773	2 316	2 367	2 561
– low	**1 177**	1 059	523	754	608	493	238	710	1 380	1 574	2 046
– year end	**1 305**	1 789	974	1 292	795	644	627	680	1 759	1 508	2 035

Shareholder analysis

as at 30 June 2022

SHARES HELD

	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	8 580	86.83	803 337	0.36
1 001 – 10 000 shares	752	7.61	2 763 763	1.23
10 001 – 100 000 shares	420	4.25	13 804 826	6.14
100 001 – 1 000 000 shares	110	1.11	29 275 022	13.03
1 000 001 shares and above	20	0.20	178 020 830	79.24
Total	**9 882**	**100.00**	**224 667 778**	**100.00**

DISTRIBUTION OF SHAREHOLDERS

	Excluding treasury shares		Including treasury shares	
Category	Number of shares held	%	Number of shares held	%
Black economic empowerment	106 594 318	50.29	106 594 318	47.45
Pension funds	32 037 637	15.12	32 037 637	14.26
Unit trusts	27 677 607	13.06	27 677 607	12.32
Own shares*			12 717 328	5.66
Sovereign wealth	8 733 548	4.12	8 733 548	3.89
Mutual fund	8 690 834	4.10	8 690 834	3.87
Trading position	4 325 759	2.04	4 325 759	1.93
Exchange-traded fund	3 662 705	1.73	3 662 705	1.63
Private investor	3 343 705	1.58	3 343 705	1.49
Insurance companies	2 670 233	1.26	2 670 233	1.19
Custodians	847 824	0.40	847 824	0.38
Investment trust	643 976	0.30	643 976	0.29
Medical aid scheme	348 761	0.16	348 761	0.16
Corporate holding	287 804	0.14	287 804	0.13
Delivery by value (collateral)	281 940	0.13	281 940	0.13
Local authority	244 150	0.12	244 150	0.11
Hedge fund	159 711	0.08	159 711	0.07
Charity	116 970	0.06	116 970	0.05
University	105 932	0.05	105 932	0.05
Stock brokers	24 846	0.01	24 846	0.01
Remainder	11 152 190	5.26	11 152 190	4.96
Total	**211 950 450**	**100.00**	**224 667 778**	**100.00**

** Own shares refers to treasury shares held by the 100% ARM-owned subsidiary, Opilac (Pty) Ltd.*

Shareholder analysis continued

as at 30 June 2022

INVESTMENT MANAGEMENT WITH MORE THAN 3% INTEREST (INCLUDING OWN SHARES)

	Number of shares held	%
African Rainbow Minerals & Exploration (Pty) Ltd	89 584 574	39.87
Public Investment Corporation (PIC)	19 854 561	8.84
ARM Broad-Based Economic Empowerment Trust	15 897 412	7.08
Opilac (Pty) Ltd*	12 717 328	5.66
Fairtree Asset Management (Pty) Ltd	7 692 247	3.42
Total	**145 746 122**	**64.87**

* *Opilac (Pty) Ltd is a 100% held subsidiary of ARM.*

BENEFICIAL INTEREST SHAREHOLDING MORE THAN 3% INTEREST (INCLUDING OWN SHARES)

	Number of shares held	%
African Rainbow Minerals & Exploration	89 584 574	39.87
Government Employees Pension Fund	20 935 824	9.32
ARM Broad-Based Economic Empowerment Trust	15 897 412	7.08
Opilac (Pty) Ltd*	12 717 328	5.66
Total	**139 135 138**	**61.93**

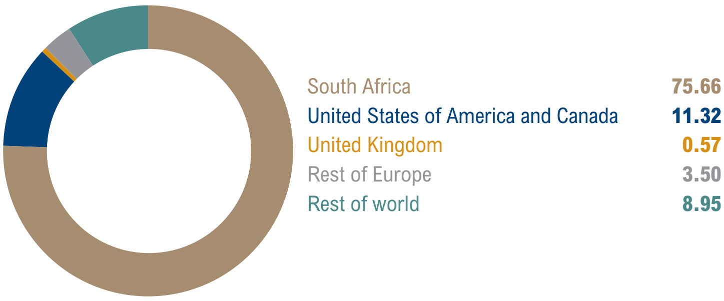
* *Opilac (Pty) Ltd is a 100% held subsidiary of ARM.*

PUBLIC/NON-PUBLIC SHAREHOLDERS

	Number of holders	% of total shareholders	Number of shares	% of issued capital
Public shareholders	**9 872**	**99.90**	**104 204 670**	**46.38**
Non-public shareholders*	**10**	**0.10**	**120 463 108**	**53.62**
ARM & Exploration Investment (Pty) Ltd	**1**	**0.01**	**89 584 574**	**39.87**
Botho-Botho Commercial Enterprises (Pty) Ltd	**1**	**0.01**	**1 112 332**	**0.50**
ARM Broad-Based Economic Empowerment Trust	**1**	**0.01**	**15 897 412**	**7.08**
Opilac (Pty) Ltd	**1**	**0.01**	**12 717 328**	**5.66**
Directors	**6**	**0.06**	**1 151 462**	**0.51**
Total	**9 882**	**100.00**	**224 667 778**	**100.00**

* *Non-public shareholders consist of directors (whose interests are set out in the table on page 13 of the annual financial statements), the ARM Broad-Based Economic Trust, Opilac (Pty) Ltd, African Rainbow Minerals & Exploration (Pty) Ltd (ARMI) and Botho-Botho Commercial Enterprises (Pty) Ltd (BBCE). The shares of ARMI and BBCE are held indirectly by trusts, all of which, with the exception of The Motsepe Foundation, hold those shares for the benefit of Dr Motsepe and his immediate family.*

Geographical split of beneficial shareholders
%



Shareholder analysis continued

as at 30 June 2022

TOP 20 SHAREHOLDERS

		Number of shares held	% of holding shares in issue
1	African Rainbow Minerals & Exploration (Pty) Ltd	**89 584 574**	**39.87**
2	PIC	**19 854 561**	**8.84**
3	ARM Broad-Based Economic Empowerment Trust	**15 897 412**	**7.08**
4	Opilac (Pty) Ltd*	**12 717 328**	**5.66**
5	Fairtree Asset Management (Pty) Ltd	**7 692 247**	**3.42**
6	Allan Gray (Pty) Ltd	**6 739 406**	**3.00**
7	BlackRock Inc.	**5 253 180**	**2.34**
8	The Vanguard Group Inc.	**4 062 677**	**1.81**
9	LSV Asset Management	**4 048 363**	**1.80**
10	Dimensional Fund Advisors	**2 596 062**	**1.16**
11	Marathon Asset Management Ltd	**2 203 815**	**0.98**
12	Acadian Asset Management	**1 919 383**	**0.85**
13	Sanlam Investment Management	**1 849 976**	**0.82**
14	State Street Global Advisors Ltd	**1 702 667**	**0.76**
15	Mellon Investments Corporation	**1 701 143**	**0.76**
16	GIC Asset Management Pte Ltd	**1 617 127**	**0.72**
17	Old Mutual Ltd	**1 426 449**	**0.63**
18	ABSA Capital Securities (Pty) Ltd	**1 224 699**	**0.55**
19	Botho-Botho Commercial Enterprises (Pty) Ltd	**1 112 332**	**0.50**
20	RMB Morgan Stanley (Pty) Ltd	**1 106 570**	**0.49**

** Opilac (Pty) Ltd is a 100% held subsidiary of ARM.*

Investor relations report

ARM's primary listing is on the JSE Limited.

SHARE INFORMATION

Ticker code	ARI
Sector	General mining
Nature of business	ARM is a diversified mining and minerals company with assets in ferrous metals, platinum group metals, thermal coal and nickel. ARM holds an interest in the gold mining sector through its 12.1% shareholding in Harmony.
Issued share capital at 30 June 2022	224 667 778 shares
Market capitalisation at 30 June 2022	R48.02 billion US$2.93 billion
Closing share price at 30 June 2022	R213.75
12-month high (1 July 2021 – 30 June 2022)	R306.41
12-month low (1 July 2021 – 30 June 2022)	R178.95
Average volume traded for the 12 months	464 445 shares per day

SHAREHOLDERS' DIARY

Annual general meeting	1 December 2022
Financial year end	30 June 2023
Integrated annual report issued	October 2023
Interim results announcement	March 2023
Provisional results announcement	August 2023

SHAREHOLDERS' LIQUIDITY

Number of shares traded on the JSE Limited during F2022:

Month	Volumes
June 2022	**7 248 962**
May 2022	**7 986 325**
April 2022	**9 558 775**
March 2022	**12 990 428**
February 2022	**8 657 918**
January 2022	**6 104 855**
December 2021	**6 174 045**
November 2021	**8 551 822**
October 2021	**15 912 982**
September 2021	**14 347 606**
August 2021	**11 220 404**
July 2021	**7 357 137**
Total	**116 111 259**

Source: JSE Limited.

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

ARM House
29 Impala Road
Chislehurston
Sandton 2196

PO Box 786136, Sandton 2146
Telephone: +27 11 779 1300
E-mail: ir.admin@arm.co.za
Website: www.arm.co.za

Group company secretary and governance officer

Alyson D'Oyley BCom, LLB, LLM
Telephone: +27 11 779 1300
E-mail: cosec@arm.co.za

Investor relations

Jongisa Magagula
Executive director: Investor relations and new business development
Telephone: +27 11 779 1507
E-mail: jongisa.magagula@arm.co.za

Auditors

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

External assurance provider

IBIS ESG Consulting Africa Proprietary Limited

Bankers

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

Sponsors

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
E-mail: web.queries@computershare.co.za
Website: www.computershare.co.za

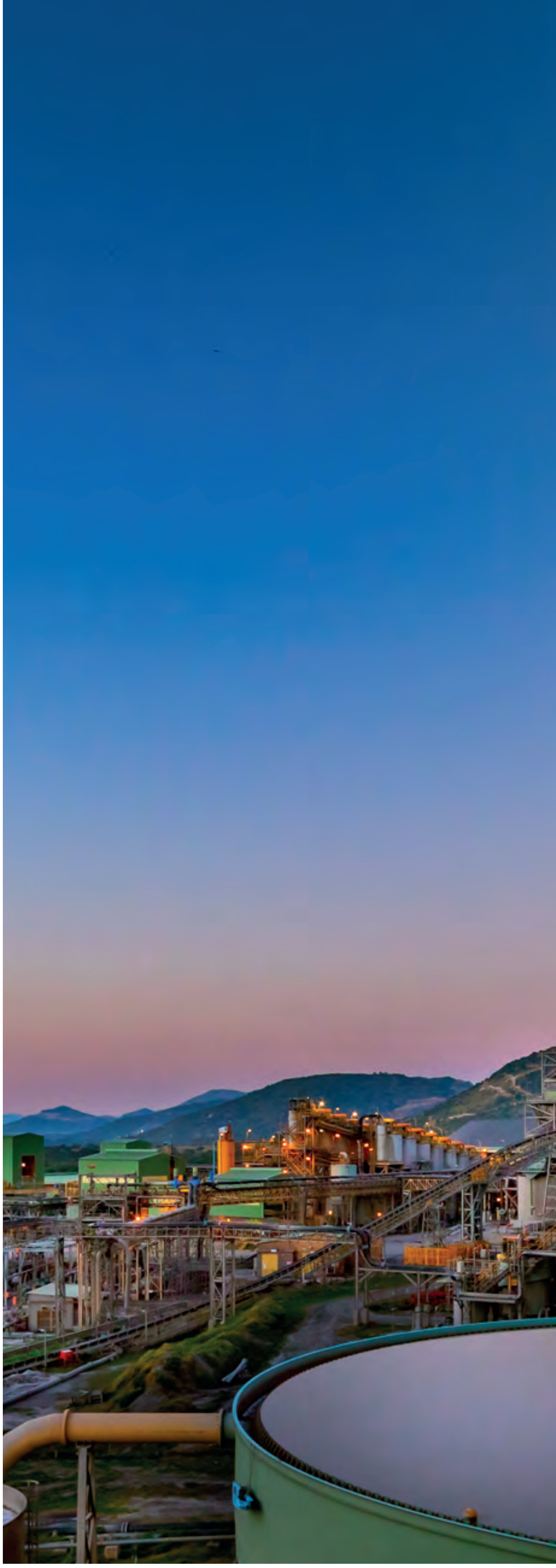
Directors

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

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

Forward-looking statements

Certain statements in this document constitute forward-looking statements that are neither reported financial results nor other historical information. They include statements that predict 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 actual results, performance or achievements of the company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include: 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, health and safety and tax regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; electricity supply disruptions, constraints and cost increases; supply chain shortages and increases in the price of production inputs; the unavailability of mining and processing equipment or transportation infrastructure; the impact of the Covid-19 pandemic; and the impact of tuberculosis. The forward-looking statements apply 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 any unanticipated events.



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