ARM
African Rainbow Minerals

Integrated annual report

2022

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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 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

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.

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

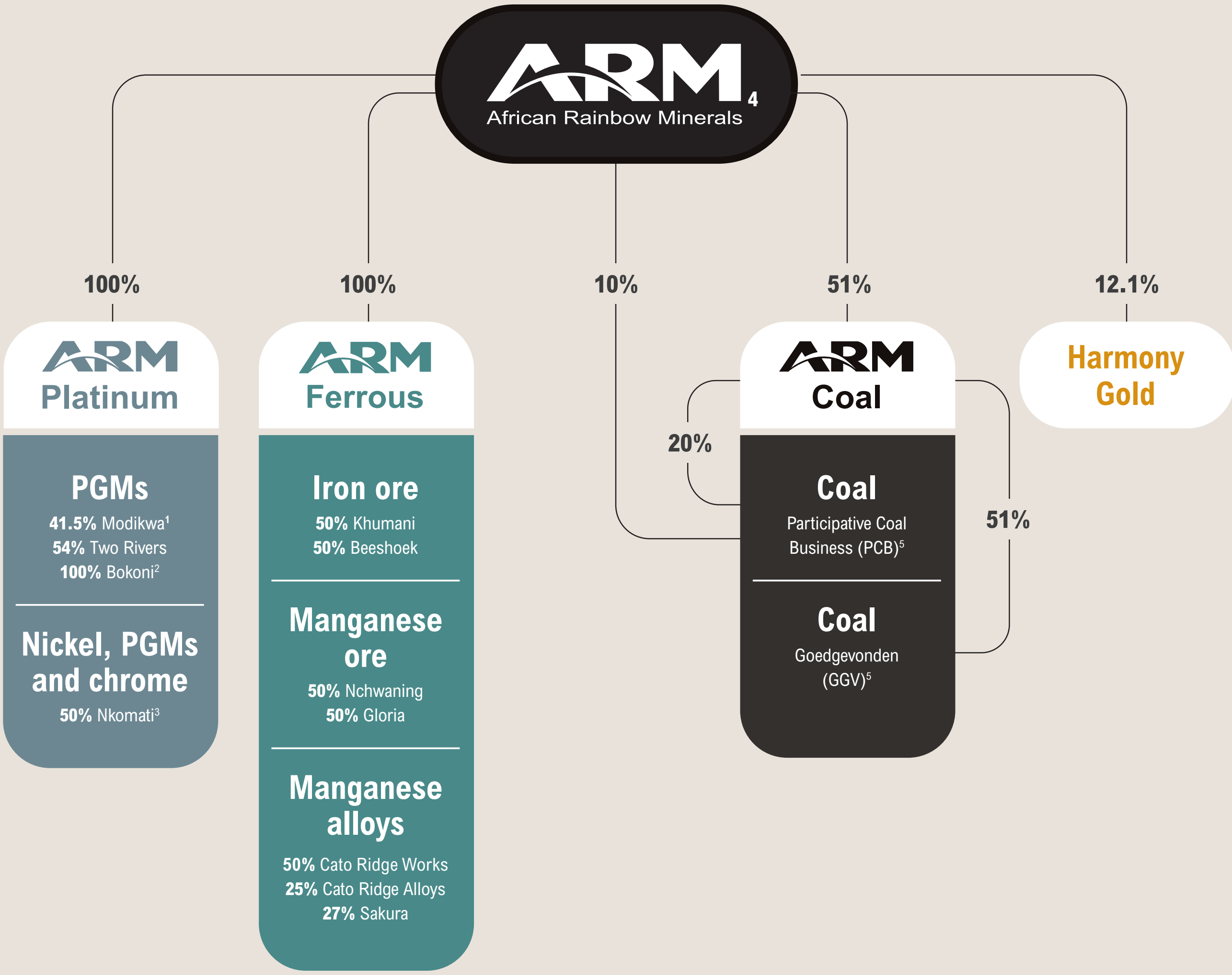
Information available elsewhere in our reports

How to navigate our reports

In F2022, we have attempted to reduce duplication in our reporting suite. We have therefore added cross-referencing to detail in other documents. These are hyperlinked for the users' convenience and denoted using the colour-coded boxes above.

Our business

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



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

F2022 in review and investment case

ARM's quality diversified portfolio enabled the company to navigate volatility and challenges in F2022 well, delivering an improved net cash position and higher dividends.

Key features of F2022 illustrate the effectiveness of our strategy and actions in navigating short-term impacts while preserving longer-term value.

Headwinds

- Operational challenges on rail and port infrastructure
- Security of water supply in the Northern Cape
- Unit cost pressures
- Volatility in commodity markets

Tailwinds

- Commodity price rally in the last quarter of F2022
- Robust financial position
- Pipeline of quality growth projects

Financial

Headline earnings decreased by **13% to R11.3 billion** (F2021: R13.1 billion)

Total dividend increased to **R32 per share** (F2021: R30 per share)

Robust net cash of **R11.2 billion**

Acquisition of Bokoni Mine completed post the financial year end

ARM Coal loans to Glencore Operations South Africa (GOSA) **fully settled**

Health and safety

Two fatalities, one at Modikwa Mine and one at Two Rivers Mine

Lost-time injury frequency (LTIFR) rate improved to **0.31 per 200 000 man-hours** (F2021: 0.41)

Total recordable injury frequency rate **improved to 0.69** (F2021: 0.81)

Black Rock Mine **achieved 10 million fatality-free shifts** over 13 years

Beeshoek Mine **achieved 5 million fatality-free shifts** over 18 years

73% of workforce vaccinated against Covid-19

Operational

Iron ore, manganese ore and thermal coal volumes impacted by logistical challenges

Unit production costs were under pressure, mainly due to volume pressures and above-inflation increases for diesel, explosives and freight costs

Environmental

Scope 1 and 2 emissions were reduced by **8% to 0.9mt CO_2e** through emission-reduction initiatives

Development of **decarbonisation pathways** is under way

Water withdrawn decreased by **13% to 17.3 million m^3**

Implementation of **global industry standards on tailings management (GISTM)** is progressing on schedule

Social

R151 million invested in corporate social responsibility

ARM Mining Consortium **declared a R255 million dividend** to communities who have an effective 8.5% shareholding in Modikwa Mine

R198 million invested in skills development and training

Continuing positive relationships with communities neighbouring our mines

Investment case for ARM

Diversified portfolio of commodities

Quality, long-life assets and orebodies

Robust financial position to create and sustain value

Continuing positive relationships with communities neighbouring our mines

Strong pipeline of quality growth projects

Focused capital allocation to deliver competitive shareholder returns and ensure sustainability of the business

Experienced and entrepreneurial management

Proven track record in project execution and delivery

Good relationships with communities and local businesses which contributes to stability and sustainability of the operations

Integrated environmental, social and governance (ESG) strategy

High standards of governance and transparent reporting on operational, financial and sustainability performance

ARM is a constituent of the FTSE4Good Index Series

FTSE4Good

Where we operate

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

[1] *The acquisition of Bokoni Mine became effective after the financial year-end on 1 September 2022.*

Khumani

◆	Open-pit mechanised mine
●	13.1Mt iron ore
LoM	24 years
EMPL	3 792
LTIFR	0.20

page 72

Beeshoek

◆	Open-pit mechanised mine
●	3.1Mt iron ore
LoM	13 years
EMPL	1 242
LTIFR	0.06

page 72

Nchwaning and Gloria
(collectively Black Rock)

◆	Underground mechanised mine
●	4.1Mt manganese ore
LoM	>30 years
EMPL	5 316
LTIFR	0.13

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Cato Ridge

◆	Smelter
●	119 000t high-carbon ferromanganese 56 000t medium-carbon ferromanganese
EMPL	663
LTIFR	0.33

page 72

Sakura Ferroalloys

◆	Smelter
●	211 000t ferromanganese
EMPL	Not reported by ARM
LTIFR	Not reported by ARM

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◆ Mine/operation type

● F2022 production volumes (100% basis)

LoM Approximate life-of-mine (* including resources not yet converted to reserves)

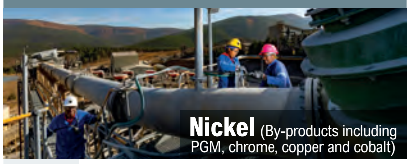
EMPL Number of employees at 30 June 2022 (full-time employees and contractors)

LTIFR F2022 lost-time injury frequency rate (LTIFR) per 200 000 man-hours

Mt million tonnes **t** tonnes **oz** ounces

PGM platinum group metals

Nkomati



◆	Open-pit mechanised mine
●	Currently on care and maintenance
LoM	Currently on care and maintenance
EMPL	118
LTIFR	0.00

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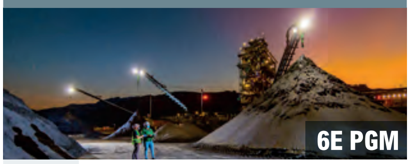
Modikwa



◆	Underground mine
●	295 000 6E PGM ounces
LoM	>30 years*
EMPL	5 478
LTIFR	0.56

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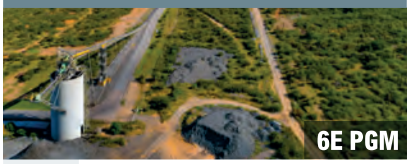
Two Rivers



◆	Underground mechanised mine
●	302 000 6E PGM ounces
LoM	>30 years*
EMPL	4 495
LTIFR	0.25

page 62

Machadodorp

◆	Smelter
●	Currently being utilised to develop energy-efficient smelting
EMPL	240
LTIFR	0.68

Goedgevonden (GGV)

◆	Open-pit mechanised mine
●	6.3Mt saleable thermal coal
LoM	24 years
EMPL	Not reported by ARM
LTIFR	Not reported by ARM

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Participative Coal Business (PCB)

◆	Open-pit mechanised mine
●	10.2Mt saleable thermal coal
LoM	12 years
EMPL	Not reported by ARM
LTIFR	Not reported by ARM

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Business model

Impacts of the operating environment

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

See pages 30 to 32.

What differentiates ARM

ARM's investment case as set out on page 2 of this report is supported by our strategic pillars

Strategic objectives

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

See page 14.

Inputs – our capitals

People (human)

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

Financial

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

Manufactured

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

Social and relationship

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

Natural

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

Innovation (intellectual)

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

Operating environment
See pages 30 to 32.

Managing our risks
See pages 35 to 37.

Strategy
See pages 14 to 17.

Outputs[1]

Sales volumes

596 476
6E PGM ounces

291 000t
manganese alloys

16.1Mt
iron ore

17.2Mt
thermal coal

4.0Mt
manganese ore

252 816t
chrome concentrate

Environmental outputs

6 793t
waste recycled

921 717t CO_2e
scope 1 and scope 2 emissions

17.3 million m^3
water withdrawn

Safety outcomes

LTIFR improved **24%** to **0.31** per **200 000 man-hours**

Two fatalities, one at Two Rivers Mine and one at Modikwa Mine

[1] *100% basis and excluding Bokoni Mine, the acquisition of which was concluded post the financial year end.*

Operational reviews
See pages 62 to 90.

Trade offs

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

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

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

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

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

Outcomes – stakeholder value

People (human)

- R4.2 billion paid in salaries and wages
- R198 million spent on skills development
- Improved safety performance
- 21 610 people employed
- Stable and constructive relationship with employees and representative trade unions

Financial

- Segmental EBITDA of R17.8 billion
- Dividends of R7 185 million declared
- Return on capital employed of 30.5%

Manufactured

- Segmental capital expenditure of R4 727 million

Social and relationship

- R151 million in corporate social responsibility (CSR) expenditure
- R6.5 billion taxes and mineral royalties paid
- Good partnerships with host communities
- Good relationships with government

Natural

- 8% decrease in scope 1 and 2 emissions
- Water withdrawn down 13% to 17.3 million m^3
- Water reuse efficiency improved to 79%

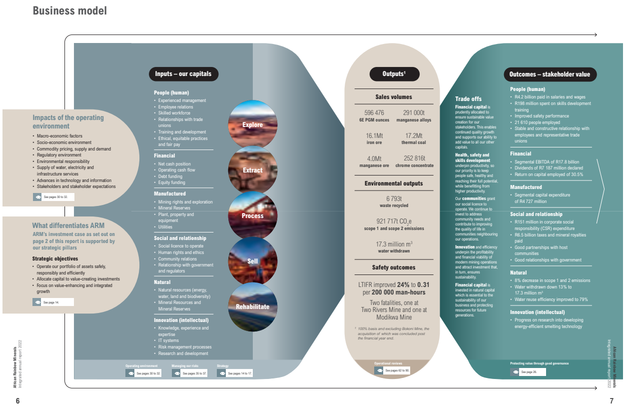
Innovation (intellectual)

- Progress on research into developing energy-efficient smelting technology

Protecting value through good governance
See page 26.

Business model continued

Outcomes: Our dependencies, impacts and influence on the capitals



Financial	Manufactured	Human/ Intellectual	Social	Natural
Dependencies: What we **rely on** for capital value retention/protection				
• Cash flow • Robust financial position • Debt.	• Efficient and reliable plant and machinery • Reliable operations across the value chain • Reliable infrastructure including rail, ports, energy and water.	• A safe and healthy workforce • Diverse skills and talent • Innovative capability • Intellectual property • Capable service networks • Supplier ESG management.	• Socio-economic stability • Good working relationships with the communities neighbouring our mines • Trust in the business sector • Relationships with government and regulators • Regulatory stability.	• Access to land and minerals • Energy and water security • Mineral Resources and Reserves.
Impacts: What happens to our capital stocks/flows as a result of what we **do**				
• Profitability • Cash flow generation • Robust financial position • Competitive shareholder returns • Sustainable income.	• Sustaining capital expenditure • Growth capital expenditure • Disposals • Community infrastructure investment.	• Employee health and safety • Employment (temporary/ permanent; direct/indirect) • Diversity and inclusion • Remuneration, benefits • Skills development • Ethical working conditions • Fair pay for performance • Culture of high governance standards • Good working relationship with representative trade unions.	• Wealth creation (local/national) • Job creation • Community health impacts • Community education and skills development • Infrastructure development for the benefit of communities • Business stability/ resilience • Local business opportunities and support • Anti-corruption/ fraud • Socio-economic development (SED)/ CSI initiatives.	• Water use/impacts • Habitat/biodiversity impact • Atmospheric emissions • GHG emissions/ energy use • Waste generation • Rehabilitation activities • Product role in transition to low-carbon/circular economy.

Value distributed

The value created by our activities is distributed to a range of stakeholders. In F2022, R27.1 billion of financial value on a segmental basis was distributed as illustrated below.

Total value distributed in
F2022: R27.1 billion
(F2021: R30.2 billion)

Distributed to:

Employee salaries	Shareholder dividends	Government taxes and royalties	Non-controlling interest[1]
R4.2 billion	**R6.3 billion**	**R6.5 billion**	**R1.9 billion**
(F2021: R3.9 billion)	(F2021: R3.3 billion)	(F2021: R8.9 billion)	(F2021: R2.8 billion)

Reinvested in the business
R8.2 billion
(F2021: R11.2 billion)

[1] *This relates to profit attributable to the non-controlling interests.*

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

- **R25.2 billion** paid as taxes and royalties[1]
- **R783 million** invested in community development
- **757** bursaries provided
- Paid **R19.6 billion**[1] to employees as salaries, wages and benefits
- Invested **R1.1 billion** in training initiatives to improve the skills of employees
- **R33 billion** paid in procurement. Preferential procurement at the operations aims to increase procurement of goods and services from HDSA, women- and youth-owned companies
- Providing employment for **21 610 employees** and contractors (at 30 June 2022)
- Improved **HDP representation** in management from **55%** in F2017 to **68%** in F2022
- Provided adult education and training to **456 employees** and **1 125 community members** at ARM facilities, increasing their confidence and employability

[1] *On a segmental basis.*

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

Stakeholders – hot topics in F2022

Our ability to achieve our strategic goals depends on the value we create for others. Equally, the sustainability of our operations requires that we balance stakeholder needs, interests and expectations with those of the company.

Key stakeholder topics and our responses

Shareholders, potential shareholders, analysts and other investors

Topics raised

- Capital allocation
- Dividends
- Perceived discount in trading value
- Growth
- ESG matters
- Project execution risk, particularly related to the Bokoni Mine development.

Response

- Focus on operating assets efficiently
- Focus on disciplined allocation of capital
- ARM's investor relations department communicates continually with institutional shareholders, potential investors, research analysts and the media in a timely, comprehensive and efficient manner
- Discussions with management, the board and JV partners to raise awareness of the concerns and expectations of research analysts and institutional fund managers
- Summaries of decisions taken at shareholders meetings are disclosed on our website after each meeting
- Transparent and comprehensive disclosures on ESG matters.

Bankers and insurers

Topics raised

- Merger and acquisition opportunities (bankers)
- Funding (bankers)
- Insurance cover and costs (with particular focus on cybersecurity, SASRIA and tailings storage facility cover) (insurers).

Response

- Responsible management of our financial position to enable ARM to pursue value-enhancing growth opportunities
- Comprehensive risk financing and transfer programme.

ESG Refer to page 42 of the ESG report for detailed disclosure on stakeholder engagement and management.

Joint-venture partners

Topics raised

- Operational strategy and performance
- Financial performance
- Environmental, social and performance matters
- Governance.

Response

- ARM holds itself to the highest ethical and governance standards in dealing with all stakeholders, including joint-venture partners
- Continuous and open engagement on operational, financial and ESG matters with joint-venture partners
- Exco committees and boards include representatives from joint-venture shareholders.

Employees and organised labour

Topics raised

- Health and safety
- Safe working conditions
- Training
- Remuneration
- Transformation.

Response

- Human resources strategies aim to make ARM an employer of choice, including maintaining good relationships with trade unions
- Commitment to fair treatment and remuneration of employees
- Focus on skills development and career-planning programmes to assist employees to develop their full potential
- Recognition agreements with unions where the required representation levels are reached
- Investing in building a talent pipeline.

Communities, civil society and non-governmental organisations

Topics raised

- Community needs, including socio-economic development, infrastructure development, employment, support and opportunities for local businesses
- Status of social projects, operational changes and expansions
- Environmental issues affecting communities
- Employment of local community members
- Service-delivery challenges
- Transformation.

Response

- Engaging with communities at specialised discussions/meetings to understand their specific concerns
- Attendance registers and minutes of engagement meetings
- Community open days support information sharing and relationship building
- The ARM BBEE Trust invests in uplifting rural communities across South Africa by partnering with traditional and other community leaders
- Changes or expansions to our current operations require engaging with interested and affected parties through stakeholder consultation as prescribed by NEMA and other relevant legislation
- Coordinated industry-level and direct community support during Covid-19.

Stakeholders – hot topics in F2022 continued

Government

Topics raised	Response
• Social investment • Health and safety • Environmental management • Transformation • Compliance with governing regulations • Regular progress reports and updates • Support for government Covid-19 priorities, including the vaccination roll-out.	• Implementation and monitoring of local economic development (LED) projects • Compliance with the relevant safety and environmental legislation • Engaging with national government on policy matters as required • Regular reports submitted by the operations on social labour plans (SLP) projects • Annual mining charter scorecard reports submitted to the DMRE by each mine • Coordinated industry-level and direct support for employees, communities and government during Covid-19 • Vaccinations against Covid-19 continue to be rolled out at five of ARM's operations.

Industry associations*

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

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

Customers

Topics raised

- Product quality
- Sustainability issues.

Response

- Processes are in place to ensure consistent product quality
- ARM follows global good practice in managing sustainability matters and is committed to transparent and comprehensive reporting to stakeholders.

Suppliers and local businesses

Topics raised

- Local economic development
- Industry issues
- Fair payment terms
- Fair treatment
- Valid BEE certification
- Ethics
- Sustainability issues.

Response

- Support for local enterprise development through CSR initiatives
- Payment terms align with industry standards
- ARM operates ethically and does not tolerate unfair discrimination
- ARM requires valid BBBEE certificates to support transformation in its supply chain.

Media

Topics raised

- Operational, financial and ESG performance raised during results presentations
- Plans for Bokoni Mine
- Impact of operational challenges of Transnet on ARM.

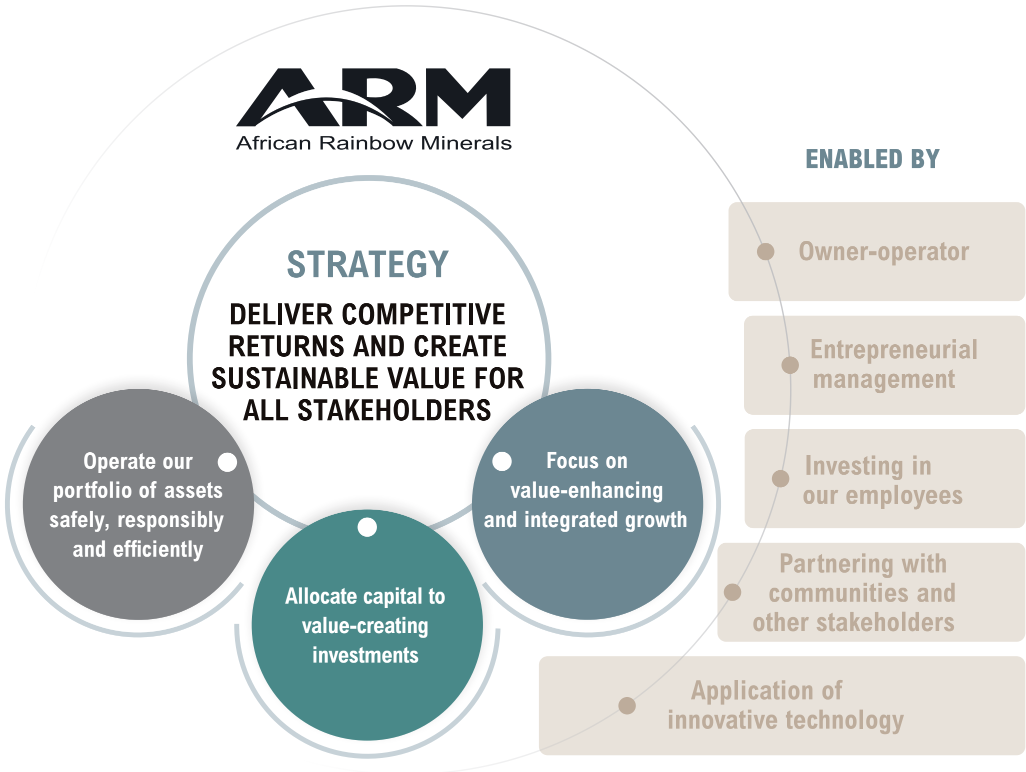
Response

- ARM's investor relations department communicates with the investment community and media, facilitating access to information and management where possible.

Strategy

Deliver competitive returns and sustainable value

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



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

Underpinned by our values

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

Delivering on our strategy

Responsible

WHY

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

HOW

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

MEASURED BY

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

Resilient

WHY

Create and sustain value through prudent management of financial capital

HOW

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

MEASURED BY

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

Ready

WHY

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

HOW

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

MEASURED BY

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

Strategy continued

Current and future growth projects

Black Rock and Gloria projects	Ramp up to 4.6 million tonnes saleable product per annum by F2025	Commissioning on the Black Rock project was completed successfully and the system was handed over to the operations on 30 September 2022
Two Rivers plant expansion	Additional 40 000 tonnes per month milling capacity	Successfully commissioned
Two Rivers Merensky project	Additional 182 000 6E PGM oz, 1 600t nickel and 1 300t copper per annum	Plant commissioning in Q2 F2024
Bokoni Platinum Mine	Targeted steady-state production of 300 000 6E PGM oz per annum	Bankable feasibility study underway for completion during F2023

Managing performance through remuneration

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

The remuneration committee supports the board by applying a remuneration strategy that is focused on attracting, motivating, rewarding and retaining talent through competitive remuneration practices, while creating shareholder value.

Stakeholder feedback is considered in regular reviews of our remuneration policy, which gives effect to our remuneration strategy by supporting business objectives in the wider operating environment and offering a balanced remuneration mix based on the principles set out below.

Fair and responsible

Taking care of our employees

We aim to maximise our employee value proposition. We are committed to offering equitable, market-related and competitive wages to all employees. We operate various wellness programmes to support our employees' mental health and wellbeing.

Monitoring our fair and responsible pay

We periodically monitor the pay gap, enhance policies supporting gender mainstreaming in the workplace and develop more robust employment equity plans and targets. Percentage increases granted to our more junior employees generally exceed those granted to management and executives.

Pay-for-performance

We focus on pay-for-performance in designing our variable pay structures, particularly at senior levels. Our in-house performance-enhancing system creates an opportunity to contract on performance goals, review performance, track developmental areas, assess performance and reward appropriately. This process also promotes staff engagement, constructive feedback for development and performance improvement.

Training and developing our talent

We invest in the development and skills of our employees to maximise learning potential through study assistance and bursaries as well as career-development opportunities based on our talent management strategy.

Fixed pay

The board approved cost-to-company salary increases in the corporate office from 1 July 2022 based on the current and forecast consumer price index (CPI), as follows:

Paterson grade	Role	F2023 increase	F2022 increase
F-band	• Executives (including executive directors)	5% (CPI – 1.5%)	5.2% CPI[1]
D- and E-bands	• Middle and senior management	5% (CPI – 1.5%)	6.2% (CPI + 1%)
A- to C-bands	• General staff	6.5% (CPI)[2]	7.2% (CPI + 2%)

[1] *CPI of 5.2% at May 2021 as published by StatsSA.*
[2] *CPI of 6.5% at May 2022 as published by StatsSA.*

At the bargaining-unit level for our managed operations, wage agreements for employees at Two Rivers in the A- and B-bands and Cato Ridge Works as well as the Northern Cape mines' labour forces expired on 30 June 2021 and multi-year agreements have been negotiated. The Machadodorp Works, Modikwa and Two Rivers C-band bargaining units started wage negotiations in June 2022 and agreements have been concluded at Machadodorp Works and Modikwa. Negotiations at Two Rivers (C-band) are still in progress.

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

Executive remuneration

ARM's executive remuneration philosophy aims to attract and retain high-calibre executives and to motivate and reward them for developing and implementing the company's strategy of delivering consistent and sustainable shareholder value.

The remuneration policy conforms to international best practice and is based on:

- **Total cost-to-company** of base salary plus benefits
- **Short-term incentives (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 shareholders and responsibly implemented to avoid exposing shareholders to unreasonable or unexpected financial impact.

Short-term incentives

Performance measurement

For the executive chairman, chief executive officer, finance director, other executive directors and other senior executives (excluding those from ARM Ferrous, ARM Platinum and ARM Coal), financial performance indicators are calculated as:

- 50% – profit from operations
- 50% – unit cost of sales (a weighted scorecard).

For operational senior executives (from ARM Ferrous, ARM Platinum and ARM Coal), financial performance indicators are calculated for each division as:

- 25% – ARM overall profit from operations against target
- 25% – ARM overall unit cost of sales against target (a weighted scorecard)
- 25% – divisional profit from operations against target
- 25% – divisional unit cost of sales against target (a weighted scorecard).

Safety modifier

A safety modifier is applied after a cash bonus has been calculated for each senior executive. This is based on the lost-time injury frequency rate for each division or operation. If the safety target is met, participants will receive an additional 5% of their cash bonus.

There is a sliding scale for outperformance or underperformance for each division or operation:

- If participants outperform their targets by 10% or more, they will receive an additional 10% of their cash bonus
- If safety targets are not met, between 1% and 10% would be deducted for each percentage point below target, to a maximum 10% deduction.

After the safety modifier has been determined on the basis of the lost-time injury frequency rate performance for the year, the board will further consider any fatalities for the year and, at its discretion, adjust the modifier, taking into account the context of such fatalities.

Personal performance modifier

A personal performance modifier is applied after the cash bonus has been calculated and the safety modifier applied for each senior executive, except the executive chairman and chief executive officer. If KPIs are met, up to 10% of their bonus may be added. If KPIs are not met, up to 30% of their bonus will be forfeited. No personal performance modifiers apply to short-term incentives payable to the executive chairman and chief executive officer, because their performance is best measured by the performance of the company.

Performance targets

The targets for each metric are in line with the board-approved one-year business plan, and measures are reviewed annually to ensure they are appropriate, given the economic climate and performance expectations for the company. As targets are related to the budget and considered commercially sensitive information, they are not disclosed. F2023 PBIT targets relative to F2022 PBIT targets are set out on page 164 of the ESG report. The requirement for the achievement of the maximum bonus award (as a percentage of target) has been increased to 125% for F2023 compared to 120% for F2022 due to the reduction in the target to be achieved to receive on-target awards. F2023 cost target percentages are unchanged from F2022.

ESG Refer to page 164 of the ESG report for more detail.

Long-term incentives

2018 conditional share plan (F2023)

Performance conditions and vesting

Performance conditions*	Weight	Threshold	Target	Stretch
Relative total shareholder return (TSR) against a comparator group of 20 mining companies (excluding gold and diamond companies).	25%	Threshold and target are set at the median of the comparator group (100% vesting)		Upper quartile of the comparator group (200% vesting)
Average free cash flow return on equity US$ operating free cash flow/US$ equity over the three-year performance period, where operating free cash flow (for the year) is defined as: Net increase/decrease in cash and cash equivalents **Plus** dividends paid to shareholders and non-controlling interest **Plus** expansion capital expenditure **Plus** repayments of debt.	25%	US$ cost of equity of the company (50% vesting)	US$ cost of equity of the company +3% (100% vesting)	US$ cost of equity of the company +6% (200% vesting)
Consistent and sustainable cost performance as measured against the mining producer price index (PPI). Compound annual growth rate of company's unit costs over three-year performance period compared with mining PPI.	25%	Increase equal to mining PPI (50% vesting)	90% of the increase equal to mining PPI (100% vesting)	80% of the increase equal to mining PPI (200% vesting)
Sustainable business Improved safety performance as measured by lost-time injury frequency rate (LTIFR).	10%	Improvement of 3% over period (50% vesting)	Improvement of 4% over period (100% vesting)	Improvement of 5% over period (200% vesting)
Improvement in the BBBEE score.	10%	Maintain current level (50% vesting)	Improvement of 2% (100% vesting)	Improvement of 5% (200% vesting)
Environmental compliance (see climate-change performance targets alongside).	5%	→		

Climate-change performance targets

Description: absolute reduction in greenhouse gas emissions through initiatives that reduce:

- Emissions from direct production activities (ie scope 1 emissions)
- Emissions from electricity consumption (ie scope 2 emissions) due to emission-reduction initiatives determined at the end of the performance period from 1 July 2022 to 30 June 2025 (F2023 performance period), relative to the saving for F2022.

Threshold: maintain level of savings in F2022, ie maintain initiatives implemented since F2018 and still actively reducing emissions at the beginning of the F2023 performance period (50% vesting).

Target: 2% further absolute reductions in aggregate of scope 1 and 2 emission levels at the end of the F2023 performance period against level of savings at the beginning of the F2023 performance period (100% vesting).

Stretch: equal to or greater than 3% further absolute reduction in aggregate of scope 1 and 2 emission levels at the end of the F2023 performance period against level of savings at the beginning of the F2023 performance period (200% vesting).

Measurement: measuring these performance targets is based on reductions relative to a business-as-usual baseline. The approach is based on an industry-accepted methodology (ie Greenhouse Gas Protocol policy and action standard).

* *Should an event occur at any point during the performance period which causes the board to consider that a performance condition is no longer appropriate, it may substitute or vary the performance condition in a manner that is reasonable in the circumstances and produces a fairer measure of performance that is not materially less or materially more difficult to satisfy.*

Managing performance through remuneration continued

Performance against bonus targets for F2022 was as follows:

Profitability*	Cost targets	Safety modifier**
Above target	**Overall worse than plan**	**Maximum achieved**
ARM Ferrous	ARM Ferrous	ARM Ferrous
ARM Platinum	ARM Platinum	ARM Coal
ARM Coal	ARM Coal	**Between target and maximum**
ARM group	ARM group	ARM group
		Not achieved
		ARM Platinum

* Based on profit before interest and taxes.
** Safety modifier adjusted for fatalities.

F2022 short-term incentive performance outcomes: executive directors and prescribed officers

	F2022 % on-target bonus	F2022 % maximum bonus (before safety and personal performance modifiers)	F2022 performance multiple[4]	F2022 % bonus (before safety and personal performance modifiers)[5]	F2022 safety modifier adjusted for fatalities[6]	F2022 % bonus (after safety and before personal performance modifiers)[7]	F2022 personal performance modifier	F2022 % bonus (after safety and personal performance modifiers)[8]	F2022 total annual package before incentives (excluding non-cash benefits) (R000)[9]	F2022 short-term incentives (cash bonus) (R000)[10]
Executive directors										
Dr PT Motsepe[1]	62%	124%	1.82	113.0%	6.25%	120.0%		120.0%	8 998	10 760
MP Schmidt[2]	50%	100%	1.82	90.8%	6.25%	96.4%		96.4%	9 396	9 061
J Magagula	45%	90%	1.82	81.7%	6.25%	86.8%	4.67%	91.5%	4 157	3 801
TTA Mhlanga	45%	90%	1.82	81.7%	6.25%	86.8%	3.86%	90.6%	5 377	4 874
HL Mkatshana	45%	90%	1.82	81.7%	6.25%	86.8%	4.12%	90.9%	5 043	4 584
Prescribed officers										
A Joubert	45%	90%	1.64	73.6%	10.00%	81.0%	2.75%	83.7%	5 764	4 825
VP Tobias[3]	45%	90%	1.82	81.7%	6.25%	86.9%	4.34%	91.3%	4 408	4 023

OTB = on-target bonus.
The percentage values and multipliers displayed are rounded to three significant digits.

1,2 *The executive chairman and chief executive officer have overall responsibility for the performance of the company, and their personal performance is thus not determined separately from that of the company.*

3 *Mr VP Tobias was appointed chief operating officer from 14 November 2021 and the cost-to-company portion of the total annual package is the amount received for the applicable portion of the full financial year.*

4 *In terms of the board-approved remuneration policy for F2022, the performance multiple before safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00. Refer to the scorecards in part III of the remuneration report in the ESG report for the performance multiples.*

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

6 *As independently assured by Bowmans. Refer to the scorecards in part III of the remuneration report in the ESG report for the safety modifiers.*

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

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

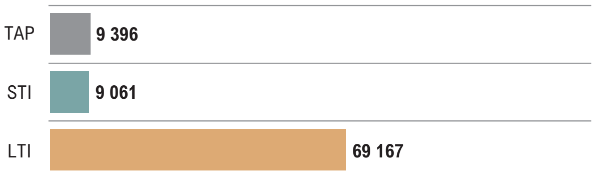
9 *Per the single-figure remuneration table in part III of the remuneration report in the ESG report.*

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

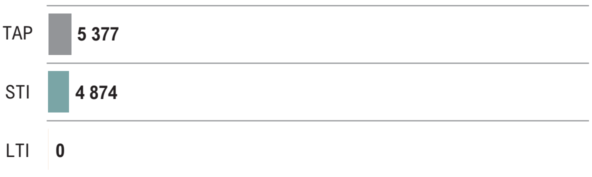
Total remuneration outcomes: F2022

Executive chairman
(R million)

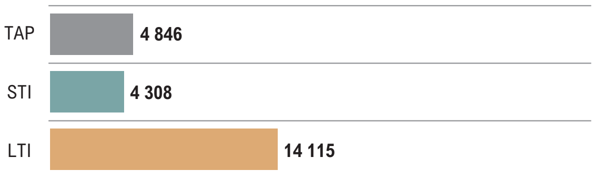
Chief executive officer
(R million)



Finance director[1]
(R million)



Other executive directors and prescribed officers[2]
(R million)



■ *TAP – Total annual package* ■ *STI – Short-term incentive* ■ *LTI – Long-term incentive*

1 *Ms TTA Mhlanga was appointed as finance director from 1 October 2020. No LTI is reflected in the total single-figure remuneration for the finance director because the LTI is only reflected three years after the end of the performance period when the performance conditions are measured, and not when the award is granted.*

2 *Average remuneration for Messrs VP Tobias, HL Mkatshana, A Joubert and Ms J Magagula. Mr Tobias was appointed chief operating officer from 14 November 2021. No LTI is reflected for Mr Tobias for the reasons set out under footnote 1 above.*

Executive chairman's report

Dr Patrice Motsepe: Executive chairman

Dear shareholder and stakeholder

ARM's quality diversified portfolio enabled us to improve our financial position despite lower prices for iron ore and platinum group metals (PGMs).

Our net cash increased from R8.2 billion to R11.2 billion enabling ARM to continue investing in our existing business, pay dividends and pursue value-enhancing growth.

Headline earnings for the financial year under review were 13% lower at R11.3 billion (F2021: R13.1 billion) impacted mainly by lower commodity prices.

In line with our strategy to deliver competitive returns to our shareholders and create sustainable value for all stakeholders, we continued to focus on:

- Maintaining a safe and healthy work environment
- Managing costs and improving productivity and efficiencies through appropriate mechanisation and technology and other productivity and efficiency-enhancing measures
- Optimising our diversified portfolio of assets
- Pursuing and delivering on value-enhancing growth
- Implementing and adhering to our commitment to support the goals of the Paris Agreement to limit the increase in the global average temperature to 2°C and pursue efforts to limit the increase to 1.5°C
- Complying with our environmental, social and governance (ESG) framework and undertakings
- Investing in our employees
- Contributing to improving the living conditions and standards of living of the people in the communities neighbouring our mining operations
- Cooperating and partnering with all stakeholders.

We declared total dividends of R32.00 per share for F2022; up 7% from R30.00 per share in the prior year. This represented a 13% dividend yield and a pay-out ratio of 88% of the dividends received from the underlying operations.

Maintaining a safe and healthy work environment

Our continued focus and commitment to maintaining a safe and healthy work environment for all employees and contractors was reflected in the improvement of key safety metrics including the lost-time injury frequency rate (LTIFR) which improved by 24% to 0.31 per 200 000 man-hours in F2022 (F2021: 0.41 per 200 000 man-hours).

Regrettably, two of our colleagues were fatally injured in separate accidents at Modikwa and Two Rivers mines during the year. We extend our sincere condolences to the families, colleagues and friends of those who lost their lives at our operations and continue with initiatives and measures to ensure zero harm.

The roll-out of vaccinations against Covid-19 continued in F2022 at five accredited ARM sites. These sites are rolling out vaccinations for the benefit of employees, contractors and members of communities living near our mining operations. At the time of preparing this report, approximately 73% of our employees had been vaccinated.

Managing costs and improving productivity and efficiencies through appropriate mechanisation and technology and other productivity and efficiency-enhancing measures

Unit production costs were under immense pressure in F2022, with above-inflation increases across all operations except the Modikwa, Black Rock and Goedgevonden mines.

Subsequent to the year end, the R10.4 billion Black Rock Mine modernisation and expansion project was completed and handed over to the operations for production. As a result, unit production costs at Black Rock Mine are expected to reduce further in real terms over the next few years.

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

Optimising our diversified portfolio of assets

In F2022, we invested R4.7 billion in attributable capital expenditure across our operations, R889 million of which was expansionary capital.

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

- We will ramp up production at the Black Rock Mine to 4.6 million tonnes per annum by F2025
- We increased milling capacity by 40 000 tonnes per month at Two Rivers Mine, enabling the mine to ramp up to 360 000 6E PGM ounces per annum by F2023. In addition, as part of the R5.7 billion Merensky Project at Two Rivers, which was approved last year, mining of the Merensky Reef will increase production volumes by 182 000 6E PGM ounces, 1 600 tonnes of nickel and 1 300 tonnes of copper, at Two Rivers by F2024
- We are investing in Modikwa Mine to enable the mine to increase production volumes to 380 000 6E PGM ounces per annum by F2026.

Pursuing and delivering on value-enhancing growth

Growth is core to our strategy. We are pleased to have concluded the acquisition of Bokoni Platinum Mine with the full purchase consideration of R3.5 billion settled on 1 September 2022.

We now own a significant South African PGM mine that complements our current PGM portfolio of assets based on the Eastern Limb of the Bushveld Complex in Limpopo province.

The strategic acquisition of this quality asset enables ARM to scale its PGM portfolio and improve our global competitiveness. The chief executive officer's report on pages 38 to 43 of this report details our plans and time frames for the development of Bokoni Mine. This mine is expected to more than double our attributable PGM ounces over the next five years.

In addition to delivering competitive returns for shareholders, the development of Bokoni Mine allows ARM to create sustainable value for a broad range of stakeholders including local communities, employees and black industrialists who will together own 15% of the mine. As we build and operate the mine, we will create approximately 5 000 jobs, of which 2 500 will be permanent jobs.

Implementing and adhering to our commitment to support the goals of the Paris Agreement to limit the increase in the global average temperature to 2°C and pursue efforts to limit the increase to 1.5°C

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

Accordingly, our broader environmental initiatives are focused on reducing carbon emissions, as well as the responsible and efficient use of water and energy.

In recent years, the escalating pace of natural events globally, from floods to droughts and wildfires have brought to the fore the urgency of significant and effective global action to combat climate change.

We are participating in the global response to reduce carbon emissions and mitigate the impacts of climate change. ARM produces metals that are critical to creating a low-carbon future.

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

We are actively developing technologies and processes to enhance energy efficiency and reduce our carbon footprint; aiming to achieve net-zero greenhouse gas emissions from mining before 2050.

In F2022, we focused on developing decarbonisation pathways that detail the short and medium-term steps needed to achieve this target. We are working to identify appropriate carbon reduction initiatives for each operation that are sustainable and financially responsible.

Post the financial year-end and pending board and regulatory approval, ARM Platinum signed an agreement to purchase solar power from Sola Group. In terms of the power purchase agreement, Sola will build a solar photovoltaic (PV) facility and wheel the renewable energy generated at this facility to our PGM operations in Limpopo and Mpumalanga. This project, which will be completed over the next three years, will deliver clean, low-cost energy, accounting for approximately one-third of the division's power consumption, while enabling these operations to reduce the impact of daytime loadshedding. Plans to generate approximately 80MW of solar energy in our ferrous division are well advanced.

We are also focusing on reducing the use of diesel across our operations in the next five years. There is currently a pilot project underway at Black Rock Mine, which uses battery electric haul trucks.

Investing in our employees

In F2022, the ARM workforce comprised approximately 22 000 employees and contractors.

We invested R198 million or 7.1% of payroll in F2022 for skills training across our operations (F2021: R239 million or 6.9% of payroll).

We are committed to ensuring that our workforce and management represent South Africa's demographics, as an inclusive and multiracial workforce enriches both our company and our country. At year end, 68% of management at all levels was represented by historically disadvantaged South Africans.

Contributing to improving the living conditions and standards of living of the people in the communities neighbouring our mining operations

Our commitment to creating sustainable value for all stakeholders, including the communities neighbouring our mines, remains resolute.

In the financial year under review, our operations invested R151 million in community projects with an emphasis on supporting women, youth, historically disadvantaged people and those living with disabilities. Focus areas included:

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

We also contributed to increasing the pool of entrepreneurial and business-specific skills in the communities neighbouring our mines and supported the development of local small and medium businesses.

ESG Further details appear in the operational reviews in this report and in our 2022 ESG report.

We are pleased that the ARM Mining Consortium declared a dividend of R255 million (F2021: R71 million) to the seven communities with an effective 8.5% shareholding in Modikwa Mine. These dividends will be invested in sustainable community upliftment and development projects that will benefit the approximately 100 000 people residing in the communities neighbouring Modikwa Mine.

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

The South African mining industry[1]

Mining remains an important contributor to South Africa's fiscus. In the calendar year 2021, the industry employed approximately 459 000 people, contributed R481 billion or 8.6% directly to gross domestic product (GDP) and exported R842 billion worth of commodities, almost one-quarter of the country's total exports. Collectively, the industry paid over R150 billion in wages, salaries and benefits to employees who, in turn, support an estimated 4.6 million dependants. Taxes paid by the South African mining industry included corporate income tax of R78 billion, R15 billion in value added taxes and R28 billion in mineral royalties.

Last year, the South African mining industry passed a notable milestone, when the total value of the minerals produced exceeded R1 trillion for the first time.

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

We believe that the South African mining industry will continue to be a globally competitive investment destination for domestic and international investors.

Recognition

We are fortunate to have a skilled and experienced board which is committed to good governance practices. The collective contribution of our directors has been invaluable as we focus on achieving our strategic objectives for the sustainable benefit of our shareholders and all stakeholders.

My deepest gratitude to each of our directors for their ongoing guidance and commitment.

Subsequent to the financial year-end, we appointed and welcomed two experienced independent non-executive directors to the board.

Bongani Nqwababa brings extensive financial experience gained over three decades as chief financial officer in a number of large, listed companies in the mining and energy sectors.

Brian Kennedy has over 30 years' experience in financial services, much of which was spent in corporate and investment banking.

We believe that Bongani and Brian will enrich the skills and expertise of our board and look forward to their valuable contributions.

I would also like to thank our employees and world-class management for their continued hard work, dedication and commitment. Mike Schmidt has done great work as CEO of ARM.

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

Conclusion

The global repercussions of the Covid-19 pandemic have been a stark reminder of the interconnectedness of today's world.

The current global, health, social, environmental and economic challenges require cooperation and partnerships, involving governments, the private sector, civil society and all stakeholders.

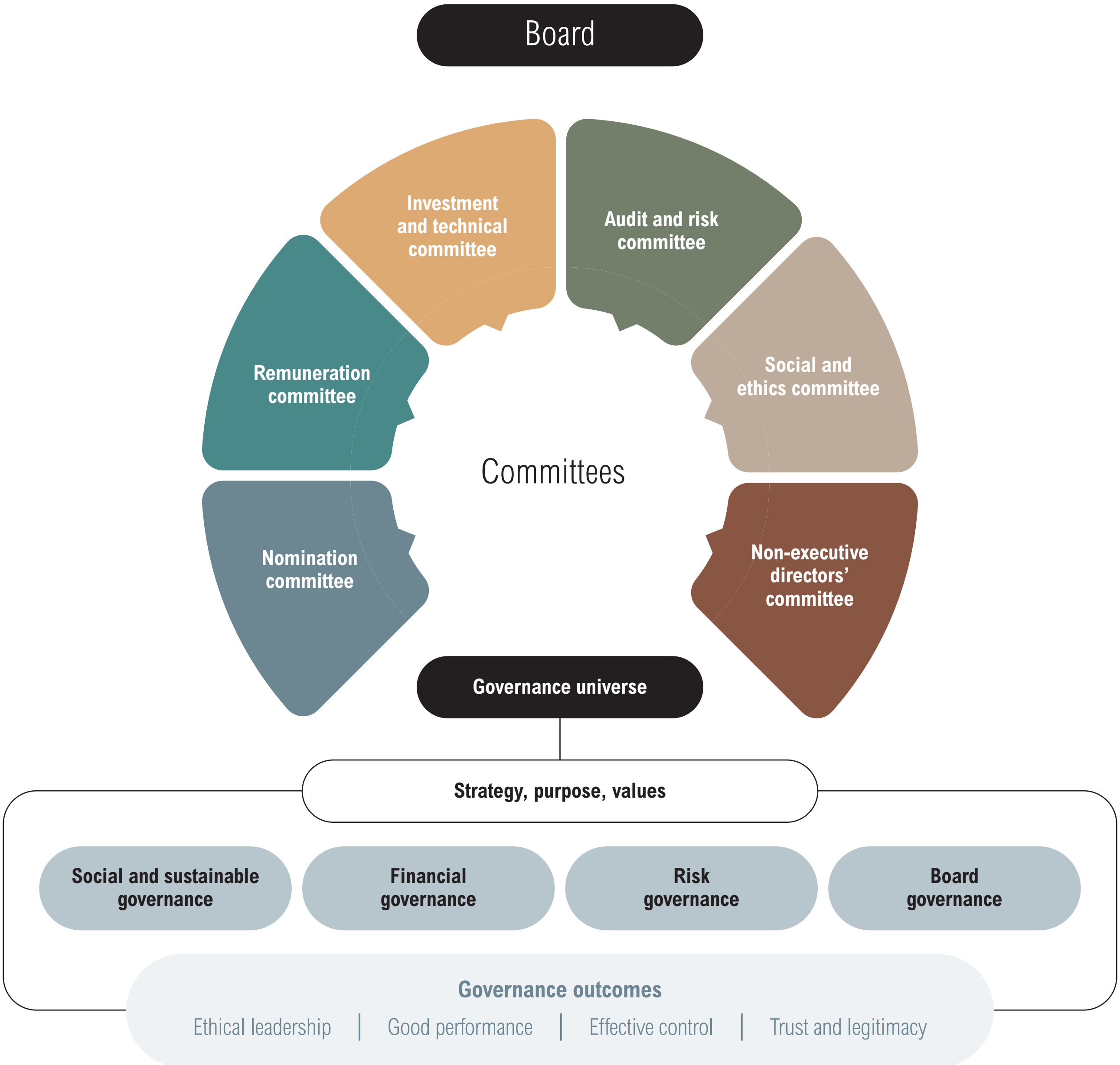
The mining industry is an important partner in confronting and solving these global challenges. ARM is committed to play its role and make the appropriate contributions for the long-term benefit of its shareholders and stakeholders.

Dr Patrice Motsepe
Executive chairman

7 October 2022

[1] *Minerals Council South Africa: Facts and figures 2021; published May 2022.*

Protecting value through good governance



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

Understanding that our stakeholders are central to achieving our strategic priorities, the ARM team engages regularly and constructively with our stakeholder groups at all levels (detailed on page 10).

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

All this feedback informs decisions taken at meetings of the board, which has transitioned seamlessly to the new hybrid way of working in the post-pandemic world. At the same time, board effectiveness has become increasingly important in rapidly changing markets. The effectiveness of the board and its committees was again externally assessed this year, with positive results.

ESG See page 114 of the ESG report.

These reviews are instrumental in developing the board's objectives and work plan for F2023 and beyond.

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

Key actions in F2022

Refer to page 14 for more detail on our strategy.

Strategic objectives

Responsible	Resilient	Ready
Operate our portfolio of assets safely, responsibly and efficiently	**Allocate capital to investments that create and preserve value**	**Focus on value-enhancing, integrated growth**
The board approved targets and governance enhancements that underpin our long-term environmental objectives A board-level diversity and inclusion policy was approved, reinforcing the approach and targets at company level for employment equity, diversity and inclusion	Approving the investment to support hybrid working through robust technology and systems The board approved the R3.5 billion acquisition of Bokoni Platinum Mine, which is a significant value-accretive opportunity for the company In collaboration with peers and industry bodies, approving appropriate capital and expertise to address key infrastructural risks, ie logistics, water and energy	ARM's growth depends on good governance. The board and its committees regularly review information about our safety and health culture and performance, approach to assessing and monitoring risk, and real-time sustainability-related data. ARM is on track to implementing global best practice in tailings storage facilities, as per ICMM GISTM

ESG Detailed committee reports begin on page 130 of the ESG report.

Board of directors

A deliberate blend of skills and experience

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

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

Mike Schmidt (64)

Chief executive officer

Mine manager's certificate, MDP (INSEAD), PrCertEng

Appointed to the board in 2011.

Value added to the board: commercial and business acumen, engineering, executive leadership, financial acumen, governance and ethics, human capital best practice, international experience, legal and regulatory compliance, mining strategy, mining technical expertise, health and safety, operational experience, risk management, stakeholder engagement, strategic leadership, sustainability best practice, technical insight, technology and information, transformation best practice

Tsundzukani Mhlanga (40)

Finance director

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

Appointed to the board in 2020.

Value added to the board: commercial and business acumen, executive leadership, financial acumen, financial expert, governance and ethics, international experience, legal and regulatory compliance, mining strategy, risk management, strategic leadership, tax expertise, technology and information

Alex Maditsi (60)

Lead independent non-executive director

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

Appointed to the board in 2004.

Value added to the board: commercial and business acumen, executive leadership, governance and ethics, government relations, human capital best practice, international experience, legal and regulatory compliance, health and safety, operational experience, stakeholder engagement, strategic leadership

Dr Patrice Motsepe (60)

Executive chairman

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

Value added to the board: commercial and business acumen, executive leadership, financial acumen, governance and ethics, government relations, international experience, legal and regulatory compliance, mining strategy, risk management, stakeholder engagement, strategic leadership, sustainability best practice, transformation best practice

Jongisa Magagula (40)

Executive director: Investor relations and new business development

BBusSci (finance) (hons) (UCT)

Appointed to the board in 2019.

Value added to the board: commercial and business acumen, economics, executive leadership, financial acumen, governance and ethics, international experience, mining strategy, stakeholder engagement, strategic leadership

Thando Mkatshana (53)

Executive director and chief executive: ARM Platinum

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

Appointed to the board in 2015.

Value added to the board: commercial and business acumen, engineering, executive leadership, financial acumen, governance and ethics, government relations, human capital best practice, international experience, mining technical expertise, mining strategy, health and safety, operational experience, risk management, stakeholder engagement, strategic leadership, sustainability best practice, technical insight

Frank Abbott (67)

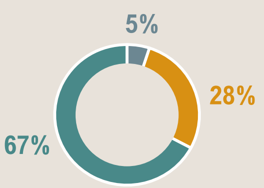
Independent non-executive director

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

Appointed to the board in 2004.

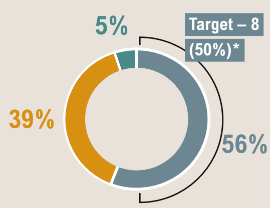
Value added to the board: commercial and business acumen, executive leadership, financial acumen, financial expert, governance and ethics, international experience, legal and regulatory compliance, strategic leadership, tax expertise

Mix



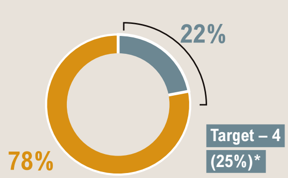
1 Non-executive directors
5 Executive directors
12 Independent non-executive directors

Diversity



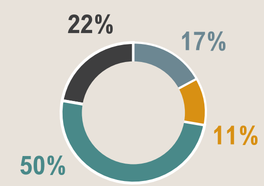
10 Black 7 White 1 Other African

Gender



4 Female 14 Male

Age**



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

* *Target in terms of the board-approved policy.*
** *At the date of the 2022 annual general meeting.*

Tom Boardman (72)

Independent non-executive director

BCom (Wits), CA(SA)

Appointed to the board in 2011.

Value added to the board: commercial and business acumen, executive leadership, financial acumen, financial expert, governance and ethics, human capital best practice, international experience, legal and regulatory compliance, mining strategy, risk management, stakeholder engagement, strategic leadership, sustainability best practice, transformation best practice

Dr Rejoice Simelane (70)

Independent non-executive director

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

Appointed to the board in 2004.

Value added to the board: economics, executive leadership, financial acumen, governance and ethics, government relations, human capital best practice, international experience, legal and regulatory compliance, mining strategy, health and safety, risk management, stakeholder engagement, strategic leadership, sustainability best practice, transformation best practice

Mike Arnold (65)

Non-executive director

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

Appointed to the board in 2009.

Value added to the board: commercial and business acumen, engineering, executive leadership, financial acumen, financial expert, governance and ethics, international experience, legal and regulatory compliance, mining strategy, mining technical expertise, risk management, strategic leadership, tax expertise, technical insight

Anton Botha (69)

Independent non-executive director

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

Appointed to the board in 2009.

Value added to the board: commercial and business acumen, economics, executive leadership, financial acumen, financial expert, governance and ethics, human capital best practice, international experience, legal and regulatory compliance, mining strategy, stakeholder engagement, strategic leadership, sustainability best practice, tax expertise, technology and information, transformation best practice

David Noko (65)

Independent non-executive director

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

Appointed to the board in 2017.

Value added to the board: commercial and business acumen, engineering, executive leadership, governance and ethics, government relations, human capital best practice, international experience, legal and regulatory compliance, mining strategy, health and safety, operational experience, risk management, stakeholder engagement, strategic leadership, sustainability best practice, technical insight

Joaquim Chissano (82)*

Independent non-executive director

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

Appointed to the board in 2005.

Value added to the board: governance and ethics, government relations, human capital best practice, international experience, strategic leadership

* Non-South African.

Pitsi Mnisi (39)

Independent non-executive director

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

Appointed to the board in 2020.

Value added to the board: commercial and business acumen, executive leadership, financial acumen, financial expert, governance and ethics, human capital best practice, international experience, legal and regulatory compliance, mining strategy, health and safety, operational experience, strategic leadership, tax expertise

Brian Kennedy (62)

Independent non-executive director

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

Appointed to the board in 2022.

Value added to the board: commercial, business and financial acumen, governance and ethics, government relations experience, human capital best practice, stakeholder engagement, strategic and executive leadership

Mangisi Gule (70)

Independent non-executive director

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

Appointed to the board in 2004.

Value added to the board: executive leadership, governance and ethics, human capital best practice, mining strategy, health and safety, stakeholder engagement, strategic leadership, transformation best practice

Jan Steenkamp (68)

Independent non-executive director

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

Appointed to the board in 2017.

Value added to the board: commercial and business acumen, engineering, executive leadership, financial acumen, governance and ethics, international experience, mining strategy, mining technical expertise, health and safety, operational experience, risk management, stakeholder engagement, strategic leadership, sustainability best practice, technical insight, transformation best practice

Bongani Nqwababa (56)

Independent non-executive director

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

Appointed to the board in 2022.

Value added to the board: commercial and business acumen, financial expert, governance and ethics, government relations experience, mining strategy, risk management, stakeholder engagement, strategic and executive leadership, sustainability best practice

Operating environment

Key trends, risks and opportunities influencing our value creation

External trends

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

- Climate change and drive to net zero
- Pressures of economic inequality and unemployment
- Shift to stakeholder capitalism/ ESG expectations
- Technology shifts – digital and other innovations

Key ARM risks

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

- Operational challenges on rail and port infrastructure in South Africa
- Security of water supply in Northern Cape
- Project execution risk

Strategic opportunities to create value from trends and mitigate risks

(in descending order from greatest potential for business model innovation)

- Responsible and sustainable transition to low-carbon economy
- Creating employment
- Contributing to sustainable projects for the benefit of host communities

New ways of working – impact on talent

Global macro-economic uncertainty

Supply chain and logistical issues

Radical transformation in energy/transport systems

Volatility in commodity and global markets

Unit cost pressures

Social unrest

Addressing water-security and other infrastructure challenges

Strengthening partnerships with stakeholders

Realising a reflection of full value through share price performance

Approach to ESG performance

How we govern and manage sustainable value creation

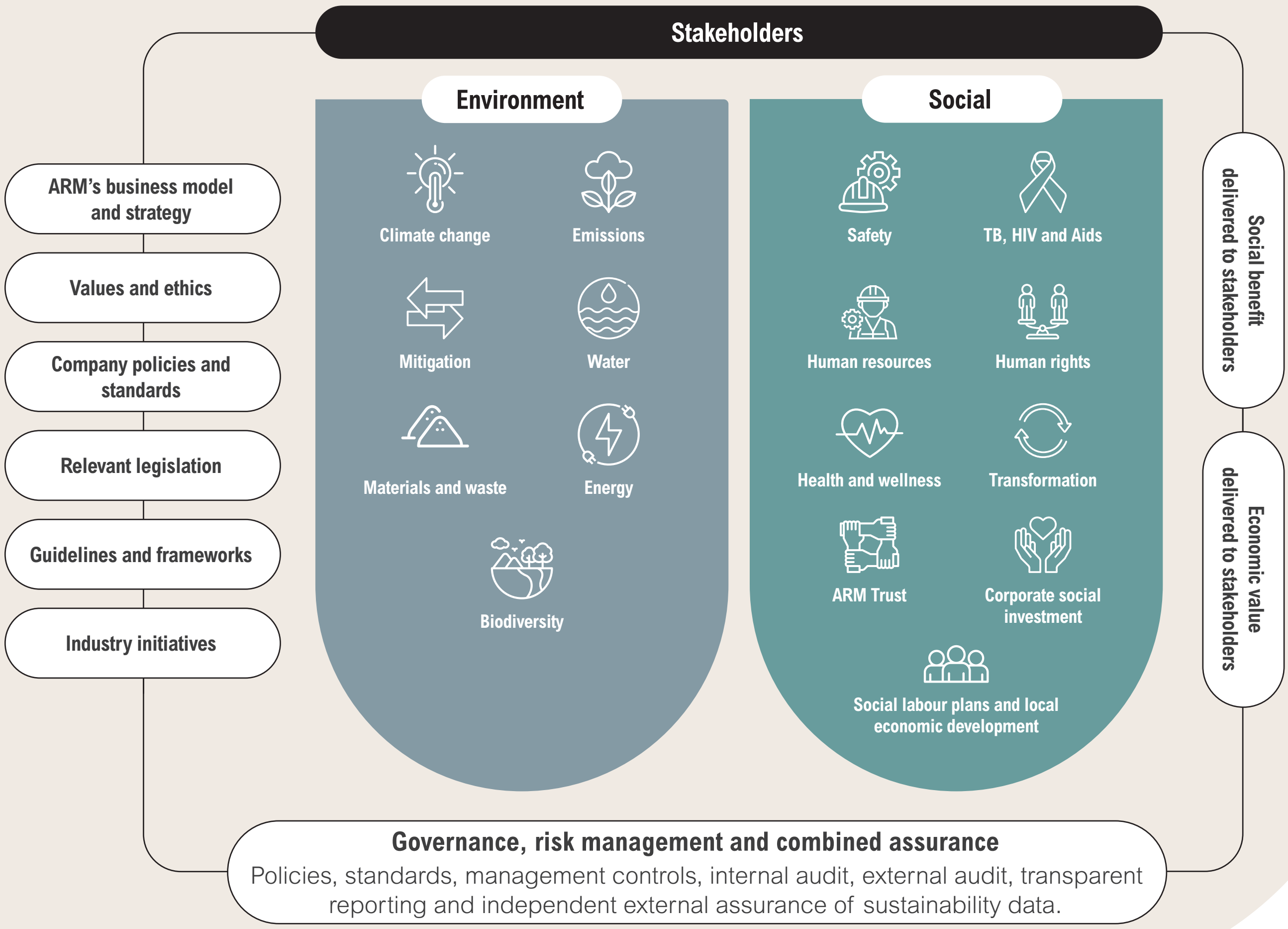
ARM's sustainable development model

Our approach to sustainable development and doing business is shaped by insights from ongoing engagements with our key stakeholders, governance and risk management frameworks, as well as our combined assurance model.

ESG Detailed on page 30 of the ESG report.

The model below illustrates the inputs that shape our approach and the environmental, social and governance (ESG) aspects we consider in creating value. The table summarises key metrics that monitor performance and progress on our most material issues:

Sustainable development model



Sustainability performance for F2022

Refer to detailed data tables online.

Performance indicator as at 30 June	Assured	F2022	F2021	F2020	F2019	F2018
Employee indicators (100% basis)						
Total number of ARM employees and contractors[1]		**21 610**	20 928	20 998	21 417	21 862
– Employees (permanent)		**12 707**	12 335	12 678	12 771	12 420
– Contractors (mainly used in capital projects)		**8 903**	8 593	8 320	8 646	9 442
Employee turnover (excluding contractors) (%)		**5.2**	10.1	6.3	5.7	6.9
Investment in employee training and development						
– Total expenditure (Rm)		**198**	239	225	239	239
– % of payroll		**7.1**	6.9	6.8	7.7	8.8
Employment equity (% previously disadvantaged groups per category)						
– Top management		**67**	65	61	56	56
– Senior management		**64**	57	52	51	50
– Professionally qualified		**73**	69	68	66	64
– Technically qualified		**82**	80	79	77	75
Safety and health						
– Fatality frequency rate (FFR)	✓	**0.010**	0.010	0.010	0.005	0.004
– Lost-time injury frequency rate (LTIFR)[2]	✓	**0.31**	0.41	0.45	0.42	0.38
– Total recordable injury frequency rate	✓	**0.70**	0.81	0.92	0.96	0.81
– Reportable/serious accidents		**42**	55	63	76	68
– Occupational diseases submitted for compensation	✓	**13**	18	19	35	129
– New TB cases[3]	✓	**18**	34	46	66	94
– Employees and contractors receiving antiretroviral treatment at ARM operations	✓	**1 398**	2 575	3 168	4 767	6 379
Number of lost man-days due to industrial action		**–**	110	–	8	5 904
Environmental indicators – on a 100% basis						
Total water withdrawn (m^3) (municipal, surface and groundwater)	✓	**17 393 796**	20 034 604	20 267 668	21 773 440	18 296 551
Water output (m^3)	✓	**242 836**	866 552	1 045 647	437 868	N/R
Total energy used (GJ)[5]	✓	**7 577 456**	8 444 099	8 642 520	9 476 810	9 400 186
Energy usage						
– Electricity (MWh)	✓	**1 380 623**	1 542 908	1 563 311	1 658 629	1 656 263
– Diesel (000 litres)	✓	**71 241**	78 852	82 572	96 055	94 234
Emissions						
Carbon emissions (equivalent tonnes CO_2) (100%)[4]						
– Scope 1 and 2	✓	**1 879 503**	2 016 832	2 060 511	2 248 620	2 095 475
Direct emissions						
– NO_x (tonnes)		**366**	372	398	434	461
– SO_x (tonnes)		**257**	263	274	298	312
– Particulate matter (tonnes)		**276**	290	267	274	202
Corporate social responsibility (100%)						
Total CSI and LED spend (Rm)	✓	**150.4**	170.4	130.3	175.3	167.0
– CSI (Rm)		**34.6**	45.2	44.7	27.4	20.5
– LED (Rm)		**115.8**	125.3	85.6	147.9	135.3
ARM B-BBEE Trust (Rm) (Projects)		**19.8**	10.9	14.5	16.4	11.2

Non-financial data is stated on a 100% basis, unless otherwise indicated.

1 *Total number of ARM employees and contractors as at 30 June 2022.*

2 *LTIFR: injury rates are measured per 200 000 man-hours and include both ARM employees and contractor incidents.*

3 *Reported for the 12 months to December in line with the regulatory reporting requirements.*

4 *In previous years, scope 1 and 2 emissions were disclosed on an attributable basis (according to the Group's shareholding in each operation). From F2022, we are disclosing on a 100% basis (as if ARM held 100% of each operation). Prior-year comparatives have been amended accordingly.*

5 *Total energy used was assured for the first time in F2022.*

✓ *Assured by independent third-party assurance provider.*

Value contribution

The commodities produced by ARM operations are an integral part of our society and contribute to many aspects of modern life. Our commodities also have important roles in emerging solutions that support a lower-carbon future and contribute to aspirations articulated in the United Nations Sustainable Development Goals (SDGs).

As a responsible mining company, ARM is contributing positively to the implementation of a number of the SDGs in many ways (refer ESG report). Below we summarise the link between what we are monitoring and specific SDGs.

SDG	ARM indicators
Ensure healthy lives and promote wellbeing for all at all ages	• Pulmonary TB • HIV prevalence • Employees and contractors receiving ART • Number of fatalities • LTIFR • Percentage of employees and contractors vaccinated against Covid-19
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Training spend per employee • Training days per employee • Training spend as % of payroll • Adult basic education • Bursaries awarded • Bursars employed by ARM • Bursaries to children of ARM employees • Studies funded for ARM employees
Achieve gender equality and empower all women and girls	• Workforce breakdown at organisational level by race and gender • Female representation in the workforce (%) • Female representation in management (%) • Female representation on the board (%)
Ensure availability and sustainable management of water and sanitation for all	• Water recycling and reuse • Water use efficiency • Water stress • Water reuse efficiency (%) • Water supplied to neighbouring communities, farms and other users (m^3)
Ensure access to affordable, reliable, sustainable and modern energy for all	• Energy consumption intensity per unit of output per commodity • Investment in renewable energy and energy optimisation • Energy-related community investment
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Value added, net value added • FIFR, LTIFR, TRIFR • % of workforce belonging to a trade union • Number of employees and contractors • Procurement of goods and services from host communities (R billion)
Climate action	• Target – zero GHG mining by 2050

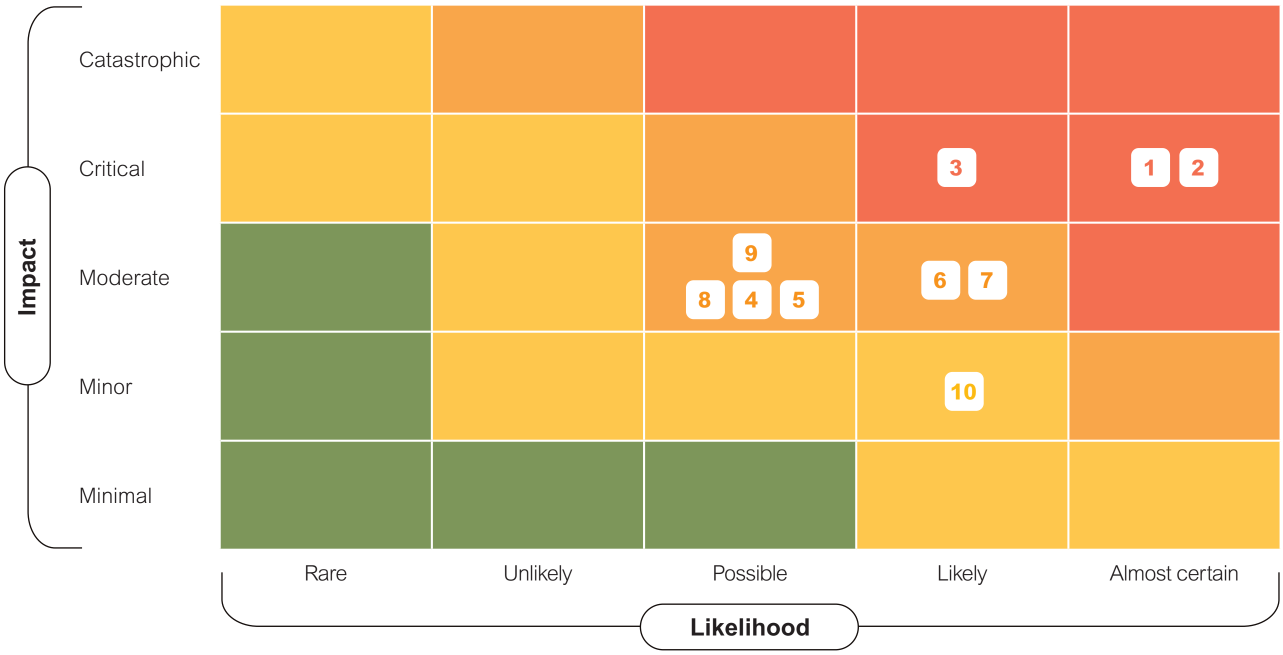
Managing our risks

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

ESG Refer to page 142 of the ESG report for detailed disclosure.

Residual risk dashboard

Our top 10 risk profile as at end May 2022



Risk	Our response
1 Suboptimal performance by Transnet Operational challenges at Transnet Freight Rail (TFR) continue as characterised by train cancellations and a short supply of wagons for the iron ore and manganese operations. In addition, infrastructure challenges at port terminals negatively impact the amount of iron ore that is railed.	• Weekly engagement with Transnet by a dedicated executive • Revised annual production in line with Transnet's performance • Road-haul contingency for manganese ore

Managing our risks continued

Risk	Our response
2 Unreliable water supply in the Northern Cape Unreliable water supply from Sedibeng Water in the Northern Cape affects the achievement of operational objectives, and has a negative socio-economic impact on surrounding communities.	• Project Steering Committee has been established by the Department of Water and Sanitation, Bloem Water and the Northern Cape Mines Leadership Forum to co-create a sustainable solution for the pipeline. • Northern Cape Mines Leadership Forum continues to provide technical, financial, governance and driving collaborative engagements through the Minerals Council of South Africa. This collaboration includes stakeholder engagements with neighbouring mines to sustain their dewatering activities to ensure a continuous supply of water. • An intra-mine water transfer project has been commissioned to reduce Khumani's dependence on the pipeline by up to 40% per annum. • Efficiency improvement in water recovery and recycling of process water, and efficiency improvement at Beeshoek Mine to reduce process water consumption.
3 Increased unit costs ARM operations have recorded significant increases in the cost of production due to geopolitical and other factors that have impacted supply chains, availability and cost of transportation, exchange rates, and more. The increase in cost of diesel, explosives, shipping and steel have been most significant. These costs also impact the feasibility of capital projects.	• Five-year business plans allows for forward planning over the short and medium term • Mid-year business plan review to assess the impact of the new economic outlook and output of scenario analysis • Developing business initiatives to reduce costs and optimise the process
4 Business continuity preparedness (including cyber) Over the past two years, there has been a significant increase in cyber attacks globally. It is imperative that ARM has the operational resilience to monitor, detect, prevent and recover from any type of disruptive event in a timely and coordinated manner.	• Segmentation of information technology and operational technology systems • Business continuity management policy in place • Cybersecurity strategy in place • Emergency response plans in place
5 Agile culture that enables response to change The nature of our business warrants agility to adapt to changes in the internal and external environments to ensure the strategic objectives of the business are achieved in line with the business values. This risk relates to ARM's ability to identify, react and adapt to changes.	• Member of ICMM • Continued engagements with industry via various forums, etc to detect and respond to changes • Financial provision for closure in place • Project risk management framework in place

Risk	Our response
6 **Deteriorating national socio-economic conditions in areas where we operate** Communities surrounding ARM operations have been impacted by rising unemployment, increased cost of living and the after-effects of the pandemic. This has led to an increase in demands on operations.	• Supplier development and enterprise development programmes in place • Participation in local economic initiatives • Committed to and quarterly monitoring of mining charter and dtic targets • Social and labour plans in place, with progress monitored quarterly • Section 21 company representation (Modikwa Platinum Mine)
7 **Management/misalignment of community expectations** Incidents of community unrest that interrupt operations do occur. In several instances, (the issues raised are not within the control of ARM) or its managed operations, but rather within the control of municipality, surrounding mines, etc. At times, due to the adverse socio-economic environment, community expectations are unrealistic.	• Formal community engagement forums in place to ensure active and constructive engagement with communities • Stakeholder engagement teams liaise with the community through formal structures to establish common ground
8 **Security and increased cost of electricity supply** Eskom remains constrained in meeting the country's electricity demand. This, combined with the unreliability of its infrastructure, warrants the implementation of loadshedding and load curtailment, impacting production and the associated cost to operate back-up diesel generators. The increase in the cost of electricity also has adverse impacts on the profitability and sustainability of some operations.	• ARM representation at Ferro Alloys Producers Association • Back-up generators keep safety systems operational • Participation in load-curtailment/reduction schemes • Ongoing engagement with Eskom
9 **Increased ESG responsibilities** There is increasing pressure on ARM to conduct and report on mining activities that support responsible environmental custodianship, impactful social contributions and governance reporting in line with international standards and practices.	• Committed to being carbon-neutral by 2050 • ARM suite of annual reports provides comprehensive disclosure • ESG principles are inherent in company business processes, systems and decisions • Alignment to Global Industry Standard on Tailings Management (GISTM) underway • Robust governance structures in place • Financial provision for closure in place
10 **Safety, health and environment** Safety, health and environmental risks are inherent to our operations. ARM strives to ensure that these aspects are managed in a way that minimises and eliminates any adverse impacts.	• Zero tolerance for safety incidents at all operations • Visible felt leadership (VFL) where mine management identify gaps and improvements in management systems and behaviour while demonstrating their commitment to safety, health and environment • International Standards Organisation (ISO) accreditation for relevant disciplines • Employee wellness programmes in place • Employees are made aware of their right to refuse to work in an unsafe environment • Risk assessments (baseline, issue-based, etc) in place • Environmental management plans in place

Chief executive officer's report

Mike Schmidt: Chief executive officer (CEO)

Operating safely and responsibly

In a year that presented multiple challenges, our operations delivered and improved safety performance reducing the group LTIFR by 24%. The total recordable injury frequency rate improved by 15% to 0.69 (F2021: 0.81). This performance was, however, marred by the loss of two colleagues in F2022.

As noted in the executive chairman's report, two colleagues were fatally injured in separate accidents in the financial year under review. At Two Rivers Mine, Mr Jacob Puleng Leshaba was fatally injured in a fall of ground accident on 1 September 2021. At Modikwa Platinum Mine, Ms Phasoana Rheina Malatji, was fatally injured after being struck by a run-away load haul dump (LHD) tyre on 10 June 2022. We continue to focus on initiatives across our operations to ensure ongoing safety training and that safety standards are strictly upheld.

Our commitment to zero harm is reflected in safety being a key performance indicator in executive remuneration. Safety achievements during the year included:
- Black Rock Mine completed 10 million fatality-free shifts over 13 years
- Beeshoek Mine achieved 5 million fatality-free shifts over 18 years
- Modikwa, Two Rivers and Black Rock mines improved their LTIFR by 30%, 40% and 60% respectively.

The health and wellbeing of our people remain a key priority. We continued to assist our host communities, suppliers and other stakeholders to the fullest extent possible through these uncertain times, as detailed in the ESG report.

Creating sustainable value

In F2022, ARM created total value of R27.5 billion (F2021: R30.6 billion). Of the value created, R6.3 billion was paid to shareholders as dividends and approximately R2.3 billion[1] to providers of capital. We also reinvested R8.2 billion in the group to support our continued growth.

[1] *This figure includes value attributable to non-controlling interests of R1.9 billion.*

The financial and operational reviews included on pages 44 to 61 of this report detail our performance for the year. My review therefore focuses on progress against strategic objectives more broadly and the significant infrastructure challenges facing our operations.

Scaling our PGM portfolio

As noted by the executive chairman, the acquisition of Bokoni Mine presents a significant value creating opportunity for ARM. Home to the second-largest PGM resource in South Africa, Bokoni Mine has operated since 1969 but was placed on care and maintenance in October 2017 due to adverse market conditions.

The higher-grade UG2 reef accounts for two-thirds of the mine's mineral resources of 153 million 4E PGM ounces (measured, indicated and inferred). With an average grade of 6.56g/t), the UG2 mineral resource has a favourable prill split for palladium (49%) and rhodium (8%), with platinum comprising 41% on a 4E basis.

Mining infrastructure includes two decline production shafts: Brakfontein for the extraction of Merensky ore and Middelpunt Hill for extracting UG2 ore. In addition, there are separate concentrator plants for processing UG2 and Merensky ore, a village, a clinic and ancillary assets in the mining right area.

We will consider using both existing shafts and plant infrastructure while investing in new infrastructure as part of our business plan to mechanise Bokoni. The new mine plan will focus on exploiting the UG2 resource with mechanised mining, where practical and sustainable, in new mining areas and target mainly on-reef development.

Central to this mine plan is improving efficiencies, reducing unit costs and providing early revenue. We will concurrently evaluate the opportunity of mining the Merensky Reef while developing the UG2 mine to capitalise on current strong PGM basket prices.

A definitive feasibility study will be completed in the second half of F2023, enabling mining operations to begin in the latter half of the 2023 calendar year, pending the required mining approvals.

We envisage development capital of around R5.3 billion (in real 2021 terms) over three years to ramp the mine up to steady-state production of some 300 000 ounces of 6E PGM and 255 000 tonnes of chromite concentrate per annum from 2028.

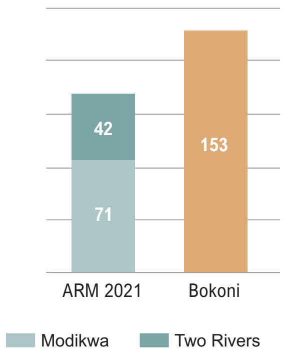
By comparison, for Bokoni Mine's last operational financial year (31 December 2016), the mine produced approximately 159 000 4E PGM ounces. At the time, both Merensky and UG2 were mined with annual production output of 593 000 tonnes of Merensky from Brakfontein and 572 000 tonnes of UG2 output from Middelpunt Hill.

Bokoni – fast facts

- **Long-life ore body supporting medium-term production:**
  - Long-life operation (23 years) with significant opportunity for value-accretive growth
  - Increases our medium-term attributable production by some 300 000 ounces of 6E PGM and 255 000 tonnes of chrome concentrate per annum at steady state
  - Positions ARM as a significant global primary PGM producer.
- **Sector-leading UG2 resource base:**
  - Enhances the size and quality of our PGM resource base
  - Exposure to a high-grade UG2 resource with an attractive prill split – high concentration of palladium and rhodium, favourable iridium and ruthenium contributions
  - UG2 resource grade of 6.56 4E g/t, among the highest in South Africa, plus high nickel and copper grades.
- **Improve ARM's portfolio mix and competitiveness:**
  - Fully mechanised underground operation that is expected to lower our overall PGM cost-curve position
  - New mine plan expected to position Bokoni in the bottom half of the PGM cost curve.
- **Attractive financial metrics:**
  - New mine plan should position Bokoni for sustained earnings and cash-flow generation over the medium to long term.
- **Sharing the benefits:**
  - In total, 15% of Bokoni will be held by communities, employees and black industrialists. Through special purpose vehicles, each grouping will own 5% in Bokoni Mine.

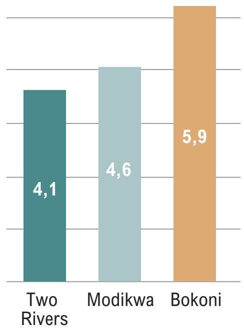
Chief executive officer's report continued

Substantially increased resource base (100% basis)
(MOZ 4E)



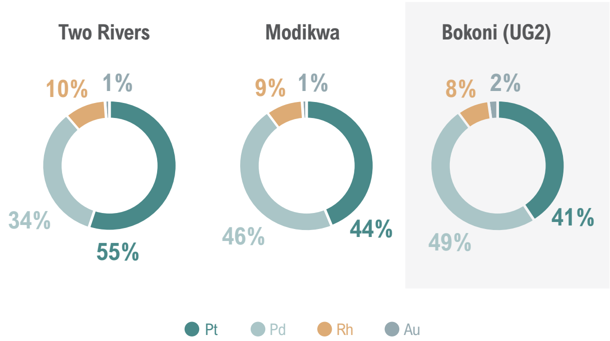
+135% to
266Moz (4E PGM) resource

Strong improvement to portfolio mineral resource grade
(g/t 4E)



+0,8 g/t to
5,3 g/t 4E average grade

An attractive UG2 4E prill split
Provides greater exposure to palladium



Attractive Eastern Limb portfolio

Close proximity to existing ARM mining operations

Lowers ARM's cost curve position

↓

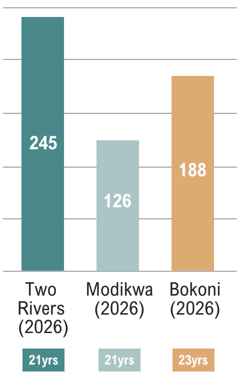
Moves portfolio down the cost curve

Two Rivers –
2nd quartile asset on cost curve

Modikwa –
3rd quartile asset on cost curve

Bokoni –
bottom half asset on cost curve

Enhances ARM's attributable production base and life-of-mine
(4E Koz)



+137% to
636Koz (4E PGM) production (2026)

Expected attributable production in 2025 terms.
Includes additional production ounces anticipate from growth projects.

Overview of F2022

Our operations rely on the efficient provision of utilities and logistics infrastructure in South Africa. There have been numerous challenges in the reliable supply of power, water security and performance on logistics channels. In the review period, these had varying impacts across our operations:

- Export sales volumes in our ferrous division were lower due to logistical challenges as Transnet Freight Rail (TFR) faced derailments, excessive rain and other operational and maintenance issues, as well as Eskom challenges
- The unit cost increase in our iron ore and manganese segments was impacted by an approximate 60% increase in freight rates
- To mitigate lower volume capacity at Transnet, manganese export volumes were supplemented with more expensive road transport
- In our coal division, Goedgevonden Mine reduced the impact of TFR's underperformance by trucking coal to other ports.

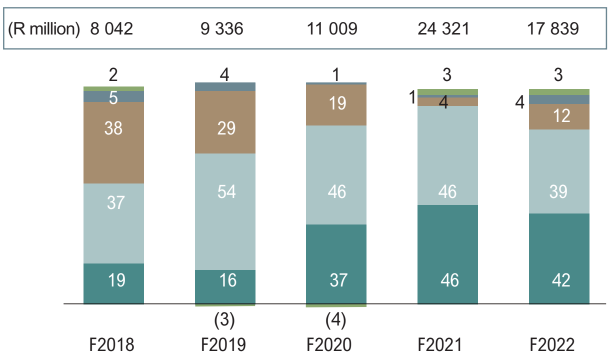
As detailed in the risk section on pages 35 to 37 of this report, infrastructure constraints in both rail and port, and unreliable water supply in the Northern Cape are our top two risks and have a direct bearing on our number three risk, increased unit costs.

Infrastructure constraints and input cost escalations are expected to continue putting pressure on unit costs across the South African mining industry. We remain fully committed to working with government and all stakeholders to find sustainable solutions to these challenges.

We are implementing efficiency-improvement and cost-containment initiatives at all operations to mitigate above-inflation unit cost increases. Extensive work is also underway to identify opportunities to sustainably reduce our carbon emissions. Refer to the executive chairman's report for further details.

Our diversified portfolio of commodities again benefited the group in a year characterised by volatile commodity prices. As illustrated below, this diversification positions ARM well as we continue to focus on operating a world-class business in a challenging sector.

Segmental EBITDA split by commodity (%)



Significant segmental EBITDA contribution from PGMs and iron ore

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

In summary:

- ARM Ferrous headline earnings decreased by 16% to R6.7 billion (F2021: R7.9 billion) mainly on lower iron ore prices
- ARM Platinum headline earnings declined 34% to R3.1 billion (F2021: R4.7 billion), largely due to negative mark-to-market adjustments (discussed further on page 45 of this report)
- Higher export coal prices drove a R1.2 billion increase in ARM Coal headline earnings to R928 million (F2021: R250 million headline loss). Divisional loans owing to Glencore Operations South Africa (GOSA) were fully settled after the rally in thermal coal prices generated positive cash flows.

Looking ahead to F2023

Increasing global debt levels, a recovery in global supply chains after pandemic-related disruptions, intermittent Covid-19 lockdowns in China, rising global inflation, and a dislocation in energy markets following geopolitical turbulence from the conflict between Russia and Ukraine have all contributed to heightened levels of uncertainty in commodity and capital markets over the past year.

In addition, accelerated tightening of interest rates in developed markets and recession risks in the US and Europe have compounded volatility.

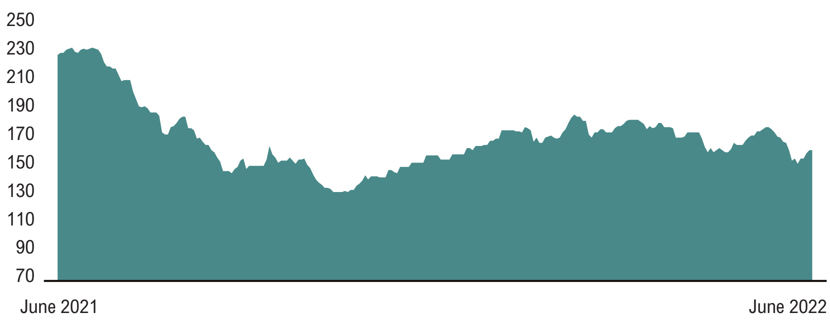
After starting F2022 at over US$200 per tonne, iron ore prices fell to below US$100 in December 2021. Prices recovered in the last quarter of the financial year under review, before declining subsequent to year end. The iron ore market is expected to be largely balanced for calendar year 2022, which supports current price stability.

Concerns remain, however, that increased iron ore supply from major producers and pressure on China's crude steel production are likely to move the market into surplus from 2023, placing downward pressure on prices. Our focus remains on cost containment and improving our global cost position as well as ensuring our iron ore operations benefit from the move to reduce carbon emissions in the steel industry globally. This in turn is expected to increase demand for high-quality lumpy iron ore products.

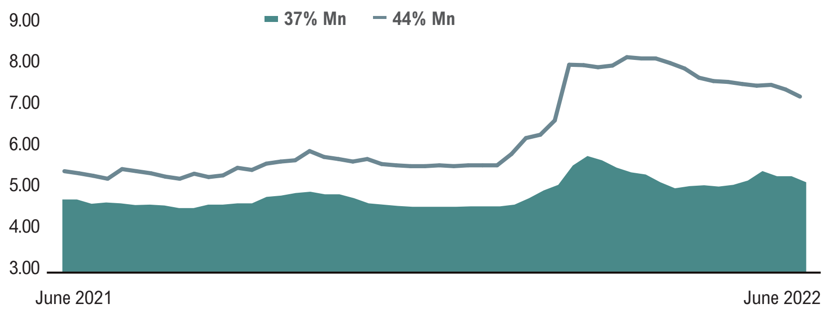
Similarly, in manganese ore, the significant investment over the last ten years in Black Rock Mine is expected to position the mine to deliver high-quality manganese ore into a seaborne market whose supply of the same is expected to be constrained.

In PGMs, a recovery in autocatalyst demand and tightening emission standards are expected to be positive for PGM demand in the short to medium term. While we are cognisant of the threat that battery electric vehicles may have on demand, PGMs – particularly platinum – are expected to play a significant role in clean mobility (through hydrogen technology) alongside battery electric vehicles. Constrained supply growth is also expected to underpin robust fundamentals for PGM markets and provide price support.

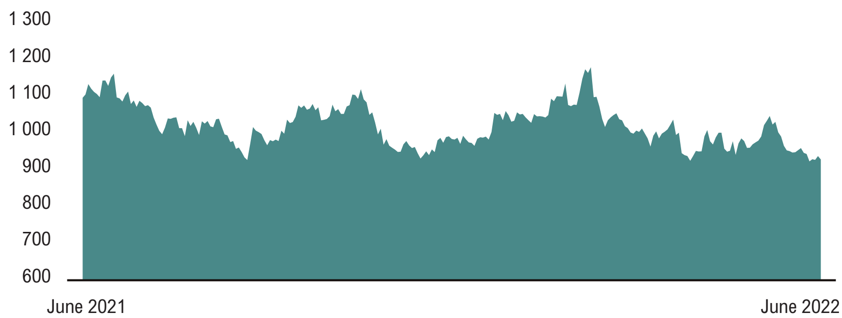
62% iron ore fines spot price (CIF) (US$/t)



Manganese ore spot price (US$/mtu)

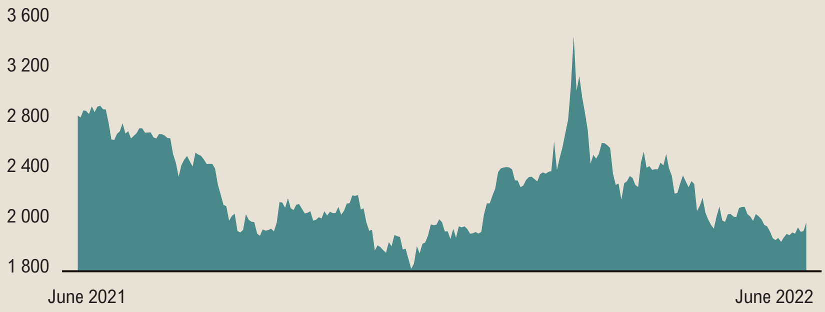


Platinum spot price (US$/ounces)

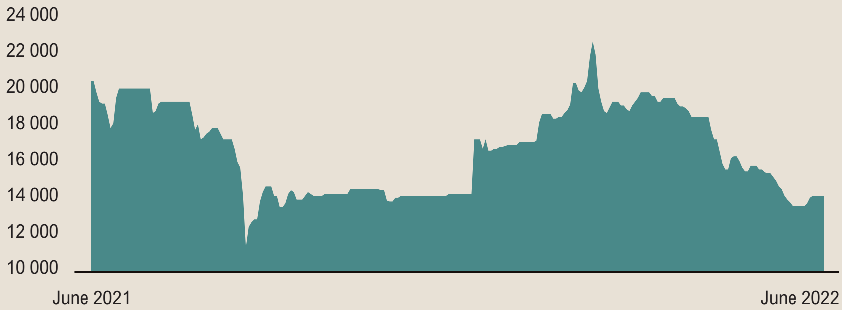


Our focus remains on cost containment and improving our global cost position as well as ensuring our iron ore operations benefit from the move to reduce carbon emissions in the steel industry globally.

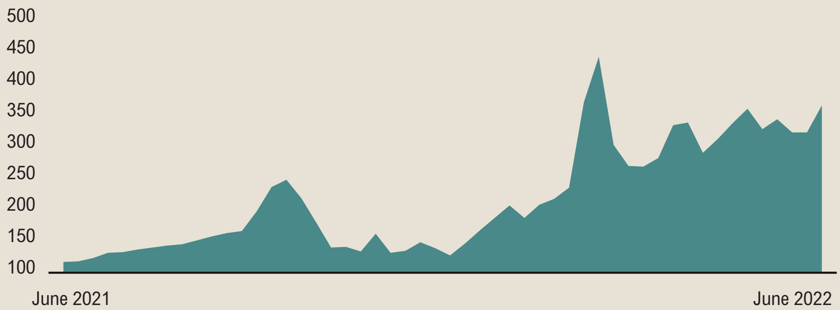
Palladium spot price (US$/ounces)



Rhodium spot price (US$/ounces)



API 4 thermal coal prices for Richards Bay (US$/t)



Source: All graphs Iress.

We are pleased with the progress made by Modikwa and Two Rivers mines to improve their position on the global PGM unit cost curve in recent years. Our confidence in the fundamentals of the PGM sector is evidenced through our acquisition of Bokoni Platinum Mine, discussed earlier.

Recognition

The commitment and dedication of our employees underpins our ability to create sustainable value. As we navigate the challenges of doing business in the prevailing global uncertainty, I thank each of my colleagues for their contributions, as well as our executive chairman and the board for their expert direction and counsel.

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

Mike Schmidt
CEO

7 October 2022

Financial review

Tsundzukani Mhlanga: Finance director

	JSE/IFRS[1]	Adjusted[2]
Headline earnings	↓ 13%	↓ 6%
Basic earnings	↓ 2%	↑ 6%
Dividends per share (DPS)	R32.00	R32.00
Net cash to equity ratio	22.2%	22.6%

[1] *JSE Limited/International Financial Reporting Standards.*

[2] *Excludes net re-measurement and fair value losses of R808 million in F2022 and R154 million gain in F2021, which are detailed on page 46.*

Headline earnings/(loss) by operation/division

R million	F2022	F2021	% change
ARM Ferrous	**6 682**	7 927	(16)
Iron ore division	**4 654**	7 522	(38)
Manganese division	**2 068**	448	>200
Consolidation adjustment	**(40)**	(43)	7
ARM Platinum	**3 066**	4 666	(34)
Two Rivers Mine	**1 968**	2 972	(34)
Modikwa Mine	**1 270**	1 529	(17)
Nkomati Mine	**(172)**	165	(204)
ARM Coal[1]	**928**	(250)	
Goedgevonden Mine	**(5)**	10	(150)
PCB operations	**933**	(260)	
ARM Corporate and other	**662**	721	(8)
Corporate and other (including Gold)	**826**	828	–
Machadodorp Works	**(164)**	(107)	(53)
Headline earnings	**11 338**	13 064	(13)

[1] *Given the significant accelerated loan repayment of the ARM Coal loans to Glencore, a R766 million re-measurement loss is included in the GGV headline earnings. GGV Mine adjusted headline earnings, which exclude these re-measurement losses, were R761 million (F2021: R196 million adjusted headline loss). Re-measurement losses of R490 million are included in PCB headline earnings. PCB adjusted headline earnings were R1 423 million (F2021: R296 million adjusted headline loss).*

PCB refers to Participative Coal Business.

Salient features

Headline earnings for the year ended 30 June 2022 (F2022) **decreased by 13%** to **R11.3 billion** or R57.87 per share (F2021: R13.1 billion or R66.88 per share).

A final dividend of **R20.00** per share is declared (F2021: R20.00). In addition to the interim dividend of R12.00 per share paid on 4 April 2022 (1H F2021: R10.00). This brings the total dividend for F2022 to **R32.00** per share (F2021: R30.00).

The acquisition of Bokoni Platinum Mine was completed on 12 August 2022. The purchase consideration of **R3.5 billion** was fully settled in early September 2022.

ARM Ferrous headline earnings **decreased by 16%** to R6 682 million (F2021: R7 927 million) mainly as a result of lower iron ore prices.

ARM Platinum headline earnings **decreased by 34%** to R3.1 billion (F2021: R4.7 billion), largely due to negative mark-to-market adjustments as a portion of the ARM Platinum receivables as at 30 June 2021 was realised at lower prices after the decline in rhodium and palladium prices.

Significantly higher export coal prices drove a **R1.2 billion increase** in ARM Coal headline earnings to R928 million (F2021: R250 million headline loss).

ARM Coal loans owing to Glencore Operations South Africa (GOSA) were fully **settled** after a significant increase in operating profits.

Net cash improved by **R3.0 billion** to **R11.2 billion** at 30 June 2022 (30 June 2021: R8.2 billion).

See operating reviews from pages 62 to 90 for details on divisional headline earnings.

Items of significance affecting the financial performance in F2022

Impairment reversal of ARM Coal PCB investment

At 30 June 2022, previous impairment losses recognised against the investment in PCB were 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 was 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 was R1 121 million (nil tax impact) for group and R841 million (nil tax impact) for company (refer note 9 and 32).

Mark-to-market adjustments

Two Rivers and Modikwa mines recognise revenue using provisional pricing. The sales price of the concentrate is determined on a provisional basis at the date of sale, with adjustments to that price based on movements in discounted forward commodity prices up to the date of final pricing. Post refining and delivery, adjustments are made to reflect final pricing. Any differences between provisional and final commodity prices after the reporting period result in the next reporting period's earnings being impacted by mark-to-market adjustments.

Two Rivers Mine (R million)	F2022	F2021
Realised mark-to-market adjustments	**(505)**	1 259
Provisional sales value	**10 696**	8 856
Final sales value	**10 191**	10 115
Unrealised mark-to-market adjustments	**(203)**	(464)
Initial provisional sales recognition	**1 967**	2 611
Year-end provisional sales recognition	**1 764**	2 147
Total mark-to-market adjustments	**(709)**	795

Modikwa Mine (R million)	F2022	F2021
Realised mark-to-market adjustments	**(165)**	468
Provisional sales value	**4 860**	3 784
Final sales value	**4 695**	4 252
Unrealised mark-to-market adjustments	**(65)**	(169)
Initial provisional sales recognition	**1 181**	1 458
Year-end provisional sales recognition	**1 116**	1 289
Total mark-to-market adjustments	**(231)**	299

Average palladium and rhodium prices decreased by approximately 8% and 3% respectively from the date of provisional recognition to final price realisation, which together with movements in other PGM commodity prices, resulted in the realised mark-to-market adjustments.

Acquisition of Bokoni Platinum Mine (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 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.

Subsequent to the financial year end, the conditions precedent of the sale and purchase agreement were 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.

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, which 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.

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 to conduct a fair value valuation of at-acquisition identifiable assets and liabilities through a purchase-price allocation 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 of 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 being acquired.

Refer to the CEO's report on pages 38 to 43 for further details and discussion on the benefits and rationale for the acquisition.

Re-measurement gains and losses

The ARM Coal loans are revalued at each period end, based on the expected operational cash flows derived from the life-of-mine plans using the most relevant macro and operational assumptions.

The higher thermal coal prices resulted in accelerated repayment of the loans.

The accelerated repayment of the loans resulted in the re-measurement loss of R813 million in the statement of profit or loss.

Summary of re-measurement and fair value gains/(losses)

	F2022 Rm	F2021 Rm
ARM Mining Consortium (Modikwa)	**–**	(119)
ARM Mining Consortium (Modikwa) – intercompany	**–**	(137)
Anglo American Platinum	**–**	(6)
Non-controlling interest	**–**	24
ARM Coal	**(1 256)**	242
Goedgevonden Mine	**(766)**	206
PCB operations	**(490)**	36
ARM Corporate and other	**488**	31
ARM Mining Consortium (Modikwa) – intercompany	**–**	137
ARM BBEE Trust	**5**	47
ARM Coal	**443**	(153)
ARM Group	**(808)**	154

Adjusted headline earnings excluding re-measurement losses were R761 million at GGV and R1 423 million at PCB as shown in the table below

R million	F2022 Rm	F2021 Rm
GGV adjusted headline (loss)/earnings	**761**	(196)
GGV re-measurement (losses)/gains	**(766)**	206
GGV headline (loss)/earnings	**(5)**	10
PCB adjusted headline earnings	**1 423**	(296)
PCB re-measurement (losses)/gains	**(490)**	36
PCB headline earnings/(loss)	**933**	(260)

For more information on group headline earnings, see page 48.

Financial performance

Headline earnings for the year ended 30 June 2022 decreased by 13% to R11 338 million (or R57.87 per share) compared to the corresponding period headline earnings of R13 064 million (or R66.88 per share).

F2022 headline earnings include re-measurement losses of R808 million (F2021: R154 million re-measurement and fair value gains).

Adjusted headline earnings, excluding these re-measurement and fair value gains and losses, were down only 6% at R12 146 million (F2021: R12 910 million).

The average realised rand strengthened by 1% versus the US dollar to R15.21/US$ in F2022 compared to R15.39/US$ in F2021.

For reporting purposes, the closing exchange rate at 30 June 2022 was R16.38/US$ (30 June 2021: R14.27/US$).

Corporate and other (including Gold) reported headline earnings of R826 million (F2021: R828 million). Headline earnings include higher re-measurement gains of R448 million (F2021: R31 million), which were partially offset by reduced management fees received of R1 489 million (F2021: R1 800 million).

Machadodorp Works reported a headline loss of R164 million (F2021: R107 million) as research into developing energy-efficient smelting technologies progressed.

For detail on ARM operational headline earnings, refer to the operational reviews from page 62.

Basic earnings and impairments

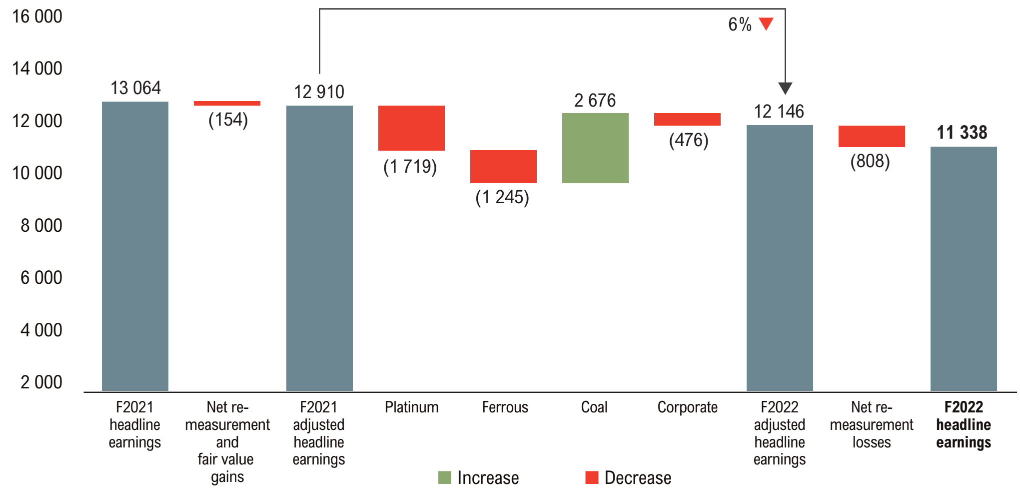
Basic earnings of R12 426 million (F2021: R12 626 million) included an attributable impairment of property, plant and equipment at Khumani Mine of R20 million (before tax of R6 million), and impairment reversals as follows:

- Impairment losses previously recognised against the investment in PCB were reversed mainly due to earlier-than-anticipated settlement of the PCB loans. ARM's attributable share of the impairment reversal amounted to R1 121 million (with no tax effect)
- An impairment reversal was recognised at Machadodorp Works of R3 million (with no tax effect).

Refer to note 38 of the annual financial statements for further details.

Financial review continued

Headline earnings variance analysis (R million)



Adjusted headline earnings exclude re-measurement and fair value gains and losses as summarised in the table on page 46 of this report. The adjusted headline earnings are included for illustrative purposes and are the responsibility of the board of directors. They should be considered in addition to, and not as a substitute for, or superior to, measures of financial performance, financial position or cash flows reported in line with IFRS.

Group statement of profit or loss

for the year ended 30 June 2022

	F2022 Rm	F2021 Rm
Revenue	**18 406**	21 457
Sales	**16 917**	19 657
Cost of sales	**(7 660)**	(7 900)
Gross profit	**9 257**	11 757
Other operating income	**1 983**	2 378
Other operating expenses	**(3 239)**	(2 717)
Profit from operations before capital items	**8 001**	11 418
Income from investments	**685**	487
Finance costs	**(290)**	(329)
Income/(loss) from associate	**927**	(260)
Income from joint venture	**6 649**	7 498
Profit before taxation and capital items	**15 972**	18 814
Capital items before tax	**1 128**	(9)
Profit before taxation	**17 100**	18 805
Taxation	**(2 736)**	(3 333)
Profit for the year	**14 364**	15 472
Attributable to:		
Equity holders of ARM		
Profit for the year	**12 426**	12 626
Basic earnings for the year	**12 426**	12 626
Non-controlling interest		
Profit for the year	**1 938**	2 846
	1 938	2 846
Profit for the year	**14 364**	15 472
Earnings per share		
Basic earnings per share (cents)	**6 343**	6 464
Diluted basic earnings per share (cents)	**6 338**	6 399

Impact of lower realised US dollar PGM prices, particularly rhodium and palladium.

Impacted by material increases in freight rates, and cost of diesel and explosives.

Reduced management fees from Assmang.

Includes net re-measurement losses.

Rally in thermal coal prices resulted in significant improvement in PCB earnings.

Impact of lower iron ore prices which were partially offset by higher manganese ore prices.

Includes a reversal of impairment on the investment in PCB due to earlier-than-anticipated settlement of PCB loans.

Financial position

At 30 June 2022, ARM's net cash was R11 175 million (30 June 2021: R8 202 million). This amount excludes attributable cash and cash equivalents held at ARM Ferrous (50% of Assmang) of R5 342 million (30 June 2021: R4 099 million). There was no debt at ARM Ferrous in either of these reporting periods.

Group statement of financial position

at 30 June 2022

	30 June 2022 Rm	30 June 2021 Rm
ASSETS		
Non-current assets		
Property, plant and equipment	**9 621**	8 244
Investment properties	**24**	24
Intangible assets	**63**	76
Deferred tax assets	**215**	274
Loans and long-term receivables	**–**	40
Non-current financial assets	**214**	193
Investment in associate	**2 048**	534
Investment in joint venture	**22 145**	20 938
Other investments	**4 104**	4 210
Non-current inventories	**52**	–
	38 486	34 533
Current assets		
Inventories	**343**	467
Trade and other receivables	**7 737**	7 825
Taxation	**116**	70
Financial assets	**830**	523
Cash and cash equivalents	**11 659**	9 671
	20 685	18 556
Total assets	**59 171**	53 089
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary share capital	**11**	11
Share premium	**5 267**	5 212
Treasury shares	**(2 405)**	(2 405)
Other reserves	**2 668**	2 915
Retained earnings	**40 617**	34 461
Equity attributable to equity holders of ARM	**46 158**	40 194
Non-controlling interest	**4 205**	3 582
Total equity	**50 363**	43 776
Non-current liabilities		
Long-term borrowings	**305**	1 105
Deferred tax liabilities	**3 226**	2 968
Long-term provisions	**1 979**	1 883
	5 510	5 956
Current liabilities		
Trade and other payables	**2 148**	1 940
Short-term provisions	**716**	898
Taxation	**255**	155
Overdrafts and short-term borrowings		
– interest bearing	**40**	57
– non-interest bearing	**139**	307
	3 298	3 357
Total equity and liabilities	**59 171**	53 089

Year-on-year movement due to reversal of impairment on investment in PCB and increased earnings in PCB following the rally in thermal coal prices.

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

Movement due to the settlement of partner loans owing to Glencore Operations South Africa.

Cash flow analysis

Cash generated from operations increased by R706 million to R8 508 million (F2021: R7 802 million) after an outflow in working capital of R1 640 million (F2021: R5 305 million outflow), mainly due to an outflow in trade receivables and trade payables.

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

Dividends received by ARM Corporate

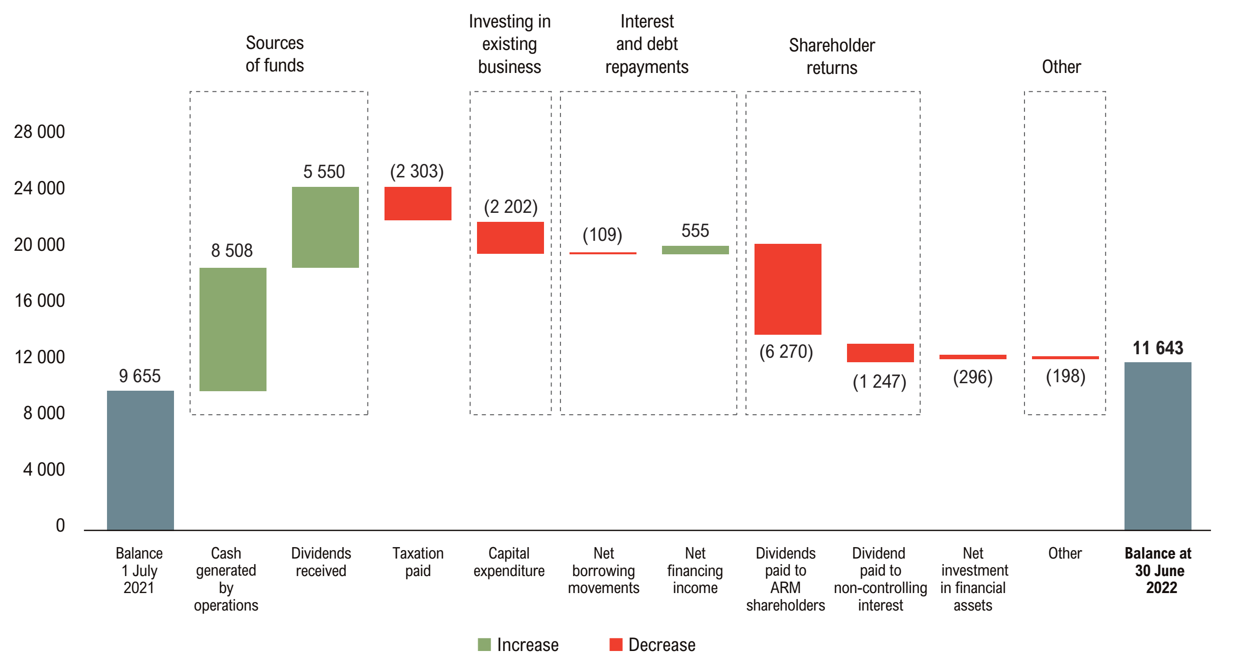
R million	F2022	F2021	% change
Assmang	**5 500**	4 000	38
Modikwa Mine	**1 000**	290	>200
Two Rivers Mine	**1 245**	1 431	(13)
Harmony Gold	**50**	82	(39)
Total dividends received	**7 795**	5 803	34

In F2022, ARM paid R6 270 million in dividends to its shareholders, representing the final dividend of R20.00 per share declared for F2021 and the 1H F2022 interim dividend of R12.00 per share (F2021: R3 322 million was paid, representing the F2020 final dividend of R7.00 per share and the 1H F2021 interim dividend of R10.00 per share).

Borrowings of R109 million (F2021: R648 million) were repaid during the period, resulting in gross debt of R484 million at 30 June 2022 (30 June 2021: R1 469 million).

The group net asset value per share increased by 15% to R205.45 per share (30 June 2021: R179.08 per share).

Cash flow analysis* (R million)



** Excludes ARM attributable cash and cash equivalents at Assmang.*

Group statement of cash flows

for the year ended 30 June 2022

	F2022 Rm	F2021 Rm
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers	**18 128**	17 189
Cash paid to suppliers and employees	**(9 620)**	(9 387)
Cash generated from operations	**8 508**	7 802
Interest received	**601**	358
Interest paid	**(46)**	(45)
Taxation paid	**(2 303)**	(2 291)
	6 760	5 824
Dividends received from joint venture	**5 500**	4 000
Dividends received from investments – Harmony	**50**	82
Dividend paid to non-controlling interests	**(1 247)**	(1 219)
Dividend paid to shareholders	**(6 270)**	(3 322)
Net cash inflow from operating activities	**4 793**	5 365
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment to maintain operations	**(1 739)**	(1 224)
Additions to property, plant and equipment to expand operations	**(463)**	(433)
Proceeds on disposal of property, plant and equipment	**6**	3
Investments in financial assets	**(819)**	(308)
Proceeds from financial assets matured	**523**	1 124
Net cash outflow from investing activities	**(2 492)**	(838)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	**7**	44
Cash payments to owners to acquire the entity's shares	**(225)**	–
Long-term borrowings raised	**–**	264
Long-term borrowings repaid	**(95)**	(461)
Short-term borrowings repaid	**(14)**	(187)
Net cash outflow from financing activities	**(327)**	(340)
Net increase in cash and cash equivalents	**1 974**	4 187
Cash and cash equivalents at beginning of year	**9 655**	5 512
Net foreign exchange difference	**14**	(44)
Cash and cash equivalents at end of year	**11 643**	9 655
Made up as follows:		
– Available	**11 053**	8 849
– Cash set aside for specific use	**590**	806
	11 643	9 655
Overdrafts	**16**	16
Cash and cash equivalents per statement of financial position	**11 659**	9 671
Cash generated from operations per share (cents)	**4 343**	3 994

Dividends received from Assmang joint venture.

F2022 interim dividend of R2 353 million and F2021 final dividend of R3 917 million.

Shares purchased in open market to settle share-based payment.

Financial review continued

Dividend guiding principles and declaration

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

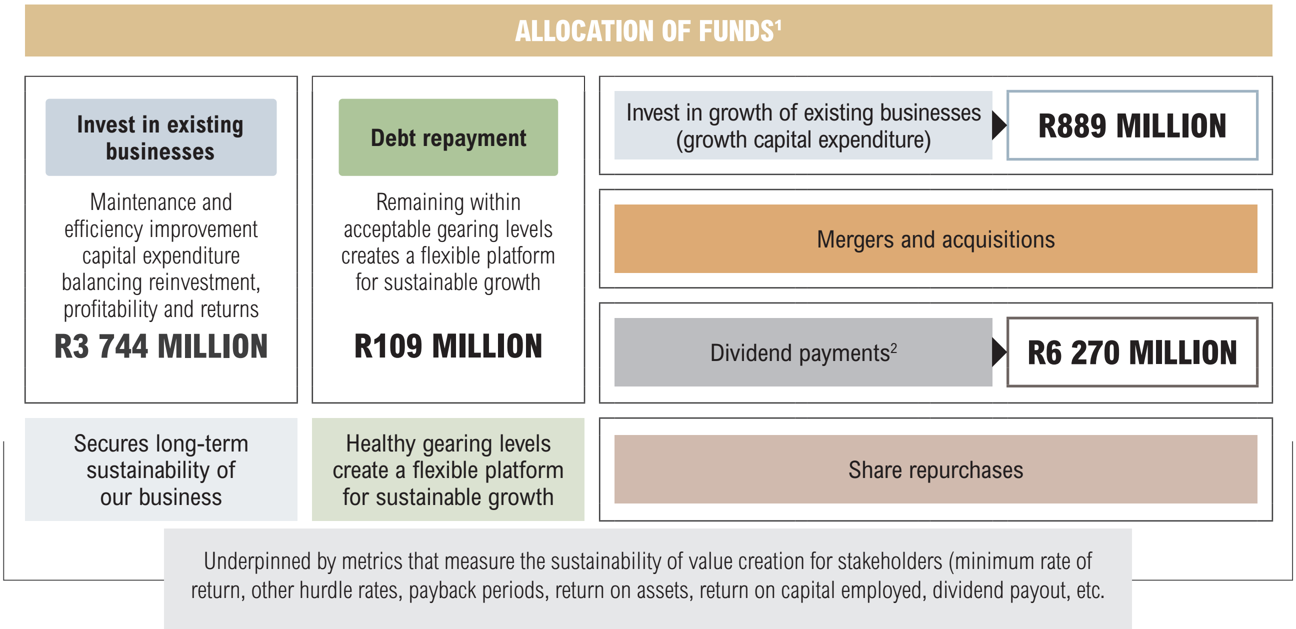
Dividends remain at the discretion of the board of directors which considers the company's capital allocation guiding principles as well as other relevant factors such as financial performance, commodities outlook, investment opportunities, gearing levels as well as solvency and liquidity requirements of the Companies Act.

ARM aims to pay an interim and final dividend. The weighting between the interim and final dividend is likely to result in the final dividend being higher than the interim dividend. ARM does not borrow funds to pay dividends.

For F2022, the board has approved and declared a final dividend of 2 000 cents per share (gross) (F2021: 2 000 cents per share). Subsequent to year end, the amount that was paid was approximately R4 493 million.

Dividends declared as a percentage of dividends received from underlying operations was 88% (F2021: 113%).

Capital allocation (on a segmental basis)



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

Funds allocated to debt repayment

Borrowings of Rnil were raised and borrowings of R109 million (F2021: R648 million) were repaid in the period, reducing gross debt to R484 million (30 June 2021: R1 469 million).

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

Funds allocated to dividend payments

A final dividend of 2 000 cents per share was declared for F2022 in addition to an interim dividend of 1 200 cents per share paid in April 2021, bringing the cumulative dividend for F2022 to 3 200 cents per share.

Dividends paid to ARM shareholders in F2022 include R3 917 million in October 2021 as a final dividend for F2021 and R2 353 million in April 2022 as an interim dividend for F2022, bringing the total dividend paid in F2022 to R6 270 million.

External auditor rotation

ARM is required to rotate Ernst & Young Inc. (EY) as its external auditor before the 2024 financial year in order to comply with the Mandatory Audit Firm Rotation ruling of the Independent Regulatory Board for Auditors (IRBA). Following the conclusion of a tender process, the board has endorsed the proposed appointment of KPMG Inc. (KPMG) as the external auditor of ARM in respect of the financial year ending 30 June 2024.

Subject to the reappointment of EY as external auditor at the company's AGM in December 2022, the incumbent, EY, will remain as the external auditor in respect of the financial year ending 30 June 2023 with their appointment terminating upon the conclusion of the audit of the financial year ending 30 June 2023. During this period, KPMG will be able to observe the audit work of EY and familiarise itself with the group's reporting processes and controls, assisting in ensuring a smooth and efficient handover. We would like to thank EY for their diligence and dedication through the years and look forward to working with KPMG.

Events after reporting date

- Subsequent to year end, ARM received a dividend from Assmang of R3 500 million.
- Harmony declared a final dividend of 22 cents per share, bringing its 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.
- ARM declared a dividend of R20.00 per share on 1 September 2022.
- Acquisition of Bokoni Platinum Mine Proprietary Limited (BPM).
- 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.

Refer to page 38 for more detail on the acquisition of Bokoni.

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

AFS Please refer to events after reporting date included on page 13 of the directors' report.

Tsundzukani Mhlanga
Finance director

7 October 2022

Primary segmental information

Attributable R million	Nkomati	Two Rivers	Modikwa	Total ARM Platinum	Iron ore division	Manga-nese division	Total ferrous segment	Group adjust-ment	Total group ARM Ferrous
	ARM Platinum				ARM Ferrous				
Year to 30 June 2022									
Sales	(18)	9 416	4 562	13 960	13 927	7 364	21 291		21 291
Cost of sales	–	(3 927)	(2 319)	(6 246)	(6 504)	(5 484)	(11 988)		(11 988)
Other operating income[2]	4	91	122	217	53	349	402	(162)	240
Other operating expenses[2]	(136)	(651)	(300)	(1 087)	(1 381)	(473)	(1 854)	162	(1 692)
Segment results	**(150)**	**4 929**	**2 065**	**6 844**	**6 095**	**1 756**	**7 851**		**7 851**
Income from investments	8	97	66	171	279	6	285		285
Finance cost	(28)	(41)	(15)	(84)	(21)	(13)	(34)		(34)
Profit from associate[3]	–	–	–	–	–	–	–		–
Income from joint venture[4]	–	–	–	–	–	728	728		728
Capital items before taxation	2	(2)	–	–	(37)	(8)	(45)		(45)
Taxation	(2)	(1 341)	(586)	(1 929)	(1 690)	(406)	(2 096)		(2 096)
(Loss)/profit after taxation	(170)	3 642	1 530	5 002	4 626	2 063	6 689		6 689
Non-controlling interest	–	(1 676)	(260)	(1 936)			–		–
Consolidation adjustment	–	–	–	–			–	(40)	(40)
Contribution to basic earnings	(170)	1 966	1 270	3 066	4 626	2 063	6 689	(40)	6 649
Contribution to headline earnings	(172)	1 968	1 270	3 066	4 654	2 068	6 722	(40)	6 682
Other information									
Segment assets including investment in associate	187	11 117	4 759	16 063	17 388	11 714	29 102	(850)	28 252
Investment in associate	–	–	–	–			–		–
Investment in joint venture	–	–	–	–			–		–
Segment liabilities	756	1 256	659	2 671	3 487	2 859	6 346	(3 858)	2 488
Unallocated liabilities (taxation and deferred taxation)									
Consolidated total liabilities									
Cash (outflow)/inflow generated from operations	(38)	5 862	2 509	8 333	9 173	1 663	10 836		10 836
Cash (outflow)/inflow from operating activities	(30)	3 805	1 749	5 524	2 197	1 475	3 672	5 500	9 172
Cash (outflow)/inflow from investing activities	(51)	(1 711)	(149)	(1 911)	(1 315)	(1 100)	(2 415)		(2 415)
Cash (outflow)/inflow from financing activities	–	(4)	(30)	(34)	(14)		(14)		(14)
Capital expenditure	–	1 806	353	2 159	1 445	1 110	2 555	(105)	2 450
Amortisation and depreciation	–	500	151	651	783	456	1 239	(50)	1 189
Impairment before tax	–	–	–	–	20		20		20
EBITDA	(150)	5 429	2 216	7 495	6 879	2 211	9 090	(50)	9 040

There were no significant inter-company sales.

[1] *Includes IFRS 11 – Joint Arrangements – adjustments related to ARM Ferrous.*
[2] *The re-measurement of the ARM Coal loans had an impact of R323 million loss with no tax effect.*
The re-measurement of the Harmony loans amount to R5 million gain with no tax effect.
[3] *The re-measurement of the ARM Coal loans had an impact of R490 million loss with no tax effect. Impairment reversal included in income from associate is R9 million less tax of R3 million.*
[4] *Relates to capitalised fees in ARM Ferrous and reversed upon consolidation.*

	ARM Corporate					IFRS			
ARM Coal	**Machadodorp Works**	**Corporate and other**	**Gold**	**Total Corporate**	**Total**	**ARM Ferrous[1]**	**Other**	**Total IFRS**	**Total**
2 821	136	–		136	38 208	(21 291)		(21 291)	16 917
(1 303)	(125)	64		(61)	(19 598)	11 988	(50)	11 938	(7 660)
84	3	1 574		1 577	2 118	(240)	105	(135)	1 983
(1 025)	(216)	(911)		(1 127)	(4 931)	1 692		1 692	(3 239)
577	**(202)**	**727**		**525**	**15 797**	**(7 851)**	**55**	**(7 796)**	**8 001**
11	–	453	50	503	970	(285)		(285)	685
(159)	(25)	(22)		(47)	(324)	34		34	(290)
927	–	–		–	927	–		–	927
–	–	–		–	728	(728)	6 649	5 921	6 649
382	3	743		746	1 083	45		45	1 128
(435)	63	(420)		(357)	(4 817)	2 096	(15)	2 081	(2 736)
1 303	(161)	1 481	50	1 370	14 364	–		–	14 364
–		(2)		(2)	(1 938)			–	(1 938)
–		40		40	–	–		–	–
1 303	(161)	1 519	50	1 408	12 426	–		–	12 426
928	(164)	776	50	662	11 338	–		–	11 338
5 448	62	11 573	3 881	15 516	65 279	(28 252)	22 145	(6 107)	59 171
2 048					2 048			–	2 048
–					–		22 145	22 145	22 145
676	305	1 675		1 980	7 815	(2 488)		(2 488)	5 327
					7 101		(3 620)	(3 620)	3 481
					14 916			(6 108)	8 808
(46)	5	216		221	19 344	(10 836)		(10 836)	8 508
(230)	4	(555)	50	(501)	13 965	(9 172)		(9 172)	4 793
(125)	(4)	(452)		(456)	(4 907)	2 415		2 415	(2 492)
(1)	–	(292)		(292)	(341)	14		14	(327)
110	4	4		8	4 727	(2 450)		(2 450)	2 277
190	4	8		12	2 042	(1 189)		(1 189)	853
(378)	(3)	(743)		(746)	(1 104)	(20)		(20)	(1 124)
767	(198)	735		537	17 839	(9 040)	55	(8 985)	8 854

Financial review continued

Primary segmental information continued

Attributable R million	Nkomati	Two Rivers	Modikwa	Total ARM Platinum	Iron ore division	Manga-nese division	Total ARM Ferrous	Group adjust-ment	Total ARM Ferrous group
	ARM Platinum				ARM Ferrous				
Year to 30 June 2021									
Sales	1 547	11 992	4 924	18 463	18 811	6 096	24 907		24 907
Cost of sales	(1 230)	(3 533)	(1 924)	(6 687)	(6 143)	(4 903)	(11 046)		(11 046)
Other operating income[2]	3	180	110	293	665	84	749	(668)	81
Other operating expenses[2]	(134)	(952)	(525)	(1 611)	(2 987)	(595)	(3 582)	668	(2 914)
Segment results	**186**	**7 687**	**2 585**	**10 458**	**10 346**	**682**	**11 028**		**11 028**
Income from investments	6	32	34	72	238	7	245		245
Finance cost	(26)	(60)	(9)	(95)	(31)	(6)	(37)		(37)
Loss from associate	–	–	–	–	–	–	–		–
Income from joint venture	–	–	–	–	–	(3)	(3)		(3)
Capital items before taxation	–	–	–	–	(24)	(478)	(502)		(502)
Taxation	(1)	(2 156)	(768)	(2 925)	(3 033)	(157)	(3 190)		(3 190)
Profit/(loss) after taxation	164	5 502	1 842	7 510	7 496	45	7 541		7 541
Non-controlling interest	–	(2 531)	(313)	(2 844)	–	–	–		–
Consolidation adjustment[4]	–	–	–	–	–	–	–	(43)	(43)
Contribution to basic earnings	164	2 971	1 529	4 666	7 496	45	7 541	(43)	7 498
Contribution to headline earnings	165	2 972	1 529	4 666	7 521	449	7 970	(43)	7 927
Other information									
Segment assets including investment in associate	284	9 709	4 410	14 403	17 831	10 403	28 234	(793)	27 441
Investment in associate	–	–	–	–	–	–	–		–
Investment in joint venture	–	–	–	–	–	–	–		–
Segment liabilities	690	1 402	552	2 644	3 423	3 303	6 726	(3 729)	2 997
Unallocated liabilities (taxation and deferred taxation)									
Consolidated total liabilities									
Cash generated from operations	115	5 878	1 765	7 758	9 066	770	9 836		9 836
Cash inflow/(outflow) from operating activities	119	3 289	1 334	4 742	5 239	(1 984)	3 255	4 000	7 255
Cash (outflow)/inflow from investing activities	(6)	(1 182)	(374)	(1 562)	(1 232)	(1 113)	(2 345)		(2 345)
Cash (outflow)/inflow from financing activities	–	(221)	(92)	(313)	(19)	–	(19)		(19)
Capital expenditure	–	1 281	330	1 611	1 199	1 124	2 323	(102)	2 221
Amortisation and depreciation	–	488	131	619	781	388	1 169	(43)	1 126
Impairment before tax	–	–	–	–	25	475	500		500
EBITDA	186	8 175	2 716	11 077	11 128	1 069	12 197	(43)	12 154

There were no significant inter-company sales.

[1] *Includes IFRS 11 Joint Arrangements – adjustments related to ARM Ferrous.*

[2] *The re-measurement of the ARM Coal loans had an impact of R53 million gain with no tax effect.*
The re-measurement of the Modikwa loans amount 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.

[3] *The re-measurement of the ARM Coal amounts to a gain of R36 million with no tax effect.*

[4] *Relates to capitalised fees in ARM Ferrous and reversed upon consolidation.*

	ARM Corporate					IFRS adjustment			
ARM Coal	**Machado-dorp Works**	**Corporate and other**	**Gold**	**Total Corporate**	**Total**	**ARM Ferrous[1]**	**Other**	**Total IFRS adjust-ment**	**Total per IFRS**
1 058	136	–		136	44 564	(24 907)		(24 907)	19 657
(1 078)	(149)	56		(93)	(18 904)	11 046	(42)	11 004	(7 900)
236	7	1 740		1 747	2 357	(81)	102	21	2 378
(50)	(130)	(926)		(1 056)	(5 631)	2 914		2 914	(2 717)
166	**(136)**	**870**		**734**	**22 368**	**(11 028)**	**60**	**(10 968)**	**11 418**
11	–	322	82	404	732	(245)		(245)	487
(175)	(22)	(37)		(59)	(366)	37		37	(329)
(260)	–	–		–	(260)	–		–	(260)
–	–	–		–	(3)	3	7 498	7 501	7 498
–	–	(9)		(9)	(511)	502		502	(9)
8	51	(450)		(399)	(6 506)	3 190	(17)	3 173	(3 333)
(250)	(107)	696	82	671	15 472	–		–	15 472
–		(2)		(2)	(2 846)	–		–	(2 846)
–		43		43	–	–		–	–
(250)	(107)	737	82	712	12 626	–		–	12 626
(250)	(107)	746	82	721	13 064	–		–	13 064
3 085	151	10 572	3 940	14 663	59 592	(27 441)	20 938	(6 503)	53 089
534					534			–	534
–					–		20 938	20 938	20 938
1 847	298	1 401		1 699	9 187	(2 997)		(2 997)	6 190
					6 629		(3 506)	(3 506)	3 123
					15 816			(6 503)	9 313
197	(3)	(150)		(153)	17 638	(9 836)		(9 836)	7 802
199	(4)	(3 654)	82	(3 576)	8 620	(7 255)	4 000	(3 255)	5 365
(193)	(1)	918		917	(3 183)	2 345		2 345	(838)
(10)	–	(17)		(17)	(359)	19		19	(340)
263	1	9		10	4 105	(2 221)		(2 221)	1 884
182	0	8		8	1 935	(1 126)		(1 126)	809
–	–	9		9	509	(500)		(500)	9
348	(136)	878		742	24 321	(12 154)	60	(12 094)	12 227

Financial review continued

Financial summary and statistics

R million, unless stated otherwise	Definition number	Group F2022	F2021	Restated F2020
Income statement				
Sales		**16 917**	19 657	11 653
Basic earnings		**12 426**	12 626	3 965
Headline earnings		**11 338**	13 064	5 534
Basic earnings per share (cents)		**6 343**	6 464	2 042
Headline earnings per share (cents)		**5 787**	6 688	2 850
Interim dividend declared per share (cents)		**1 200**	1 000	500
Final dividend declared per share (cents)		**2 000**	2 000	700
Total dividend declared per share (cents)		**3 200**	3 000	1 200
Statement of financial position				
Total assets		**59 171**	53 089	42 601
Cash and cash equivalents		**11 659**	9 671	5 715
Total interest bearing borrowings		**345**	1 163	1 978
Shareholders' equity		**50 363**	43 776	34 108
Statement of cash flows				
Cash generated from operations		**8 508**	7 802	3 866
Net cash outflow from investing activities		**(2 492)**	(838)	(2 343)
Net cash (outflow)/inflow from financing activities		**(327)**	(340)	(274)
Exchange rates				
Average rate US$1 = R		**15.21**	15.39	15.68
Closing rate US$1 = R		**16.38**	14.27	17.36
JSE Limited performance				
Ordinary shares (rand)				
– high		**306**	307	193
– low		**179**	163	82
– year end		**214**	255	169
Volume of shares traded		**464 445**	154 691	168 667
Number of ordinary shares in issue (000)		**224 668**	224 453	223 326
Financial statistics	Definition number			
Liquidity ratios (times)				
Current ratio	1	**6.3**	5.5	3.8
Quick ratio	2	**6.2**	5.4	3.6
Cash ratio	3	**481.6**	232.6	27.2
Profitability (%)				
Return on operational assets	4	**26.4**	42.6	17.9
Return on capital employed	5	**30.5**	42.3	21.8
Return on equity	6	**24.6**	32.5	17.2
Gross margin	7	**54.7**	59.8	35.7
Operating margin	8	**47.3**	58.1	28.1
Debt leverage				
Interest cover (times)	9	**56.1**	58.1	20.6
Gross debt to equity ratio (%)	10	**1**	3	6
Net debt to equity ratio (%)	11	**(22)**	(19)	(11)
Other				
Net asset value per share (R/share)	12	**205**	179	144
Market capitalisation	13	**48 023**	57 314	37 776
Dividend cover (times)	14	**2.89**	3.34	4.07
EBITDA	15	**8 854**	12 227	3 923
EBITDA margin (%)	16	**52**	62	34
Effective tax rate	17	**16**	18	18
Effective tax rate excluding capital items	18	**17**	18	16

The financial information above is in accordance with International Financial Reporting Standards.
Various corporate transactions were entered into during the past ten years and restatement due to IFRS 11 in 2013 for example, makes direct comparison for years not always meaningful.

Group

F2019	F2018	F2017	F2016	F2015	F2014	F2013
8 834	8 142	8 158	8 164	9 263	10 004	7 342
3 554	4 562	1 372	(565)	104	3 289	1 634
5 226	4 814	3 196	1 051	1 744	4 108	3 737
1 848	2 393	723	(265)	48	1 521	759
2 718	2 526	1 684	494	803	1 900	1 735
400	250					
900	750	650	225	350	600	510
1 300	1 000	650	225	350	600	510
37 216	34 305	32 246	35 127	35 283	36 458	33 839
4 632	3 291	1 488	1 316	2 257	2 150	1 965
2 030	2 296	2 759	5 551	3 882	3 502	3 992
29 703	27 378	24 040	24 581	26 905	28 199	25 463
2 123	1 934	1 611	1 225	2 508	2 073	1 565
(1 271)	(381)	(640)	(799)	(1 980)	(1 222)	(1 720)
(281)	(355)	(1 865)	(558)	(304)	(759)	474
14.19	12.84	13.60	14.68	11.45	10.36	8.83
14.09	13.72	13.05	14.51	12.16	10.63	9.93
188	141	127	116	203	240	209
107	78	67	35	81	143	139
182	109	84	92	83	187	150
141 460	161 439	212 900	202 914	124 582	110 911	113 003
222 008	219 709	218 702	224 453	217 491	216 748	215 625
2.4	2.6	1.7	1.2	1.7	1.9	1.9
2.2	2.4	1.4	1.0	1.5	1.6	1.5
8.5	19.3	5.0	1.8	4.0	3.6	6.5
5.2	12.0	1.8	4.2	5.8	9.3	7.1
17.5	19.1	12.3	5.8	6.9	15.0	14.1
18.5	18.6	13.6	4.4	6.8	15.4	15.5
15.7	17.3	14.8	9.9	15.2	24.7	20.1
8.9	20.5	2.6	8.0	11.2	16.7	16.0
19.1	16.7	9.2	6.1	9.3	19.1	21.9
7	8	11	23	14	12	16
(9)	(4)	5	17	6	5	8
127	118	107	109	118	123	112
40 405	23 948	18 371	20 058	17 993	40 538	32 292
3.02	3.37	2.59	2.19	2.29	3.17	3.40
1 476	2 443	794	1 185	2 087	2 620	1 982
17	30	10	14	23	26	27
6	10	(35)	(1)	83	13	(5)
9	10	7	2	23	14	10

Financial review continued

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Operational reviews

ARM Platinum

Thando Mkatshana
Chief executive – ARM Platinum

Key features for F2022

- **34% decrease** in headline earnings
- **Production and sales volumes** at Two Rivers **impacted** by the **fatality** and **grade challenges**
- Modikwa Mine increased **production volumes by 17%**
- **Decline** in average realised US dollar PGM prices
- **Commencement** of Merensky mining at Two Rivers Mine
- Nkomati Mine remains on **care and maintenance**
- ARM Mining Consortium declared a **R255 million dividend** to communities

Material matters

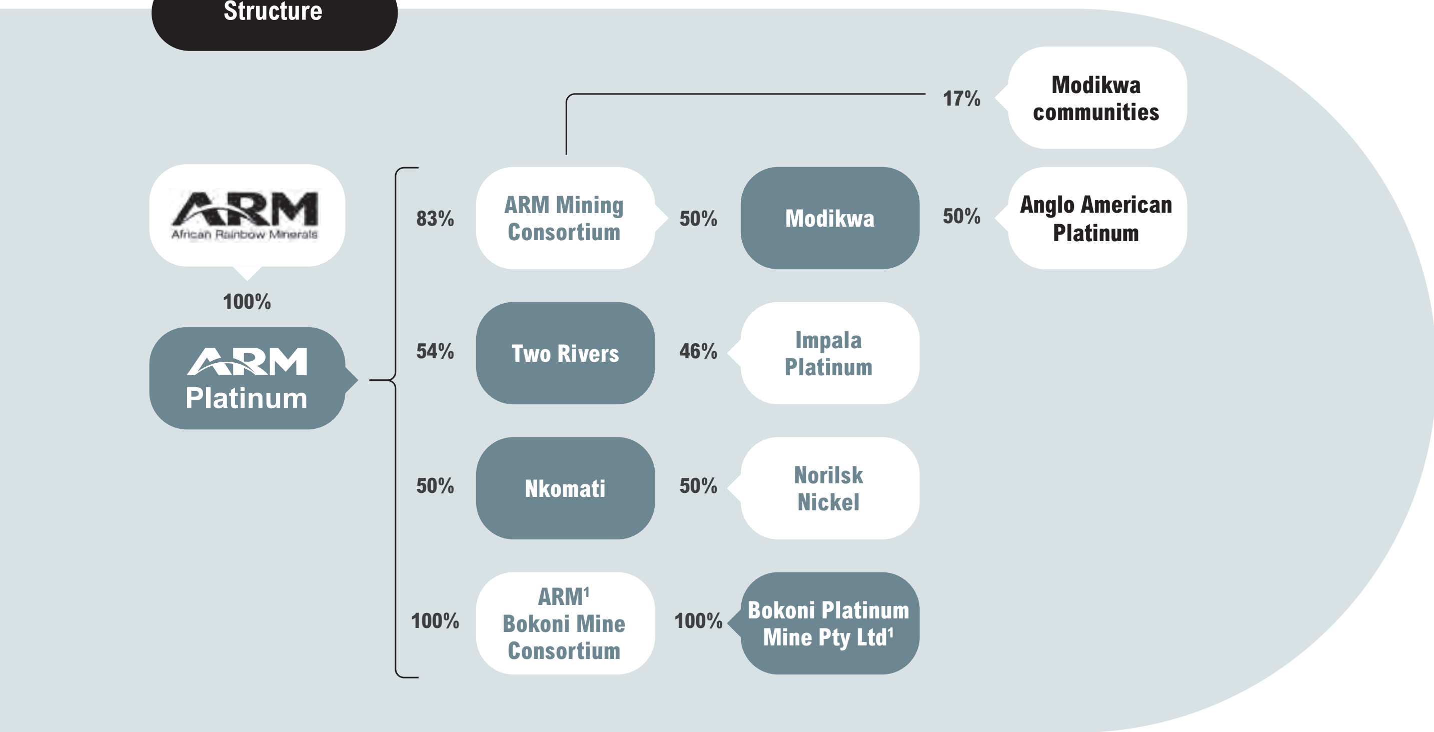
- Two Rivers Merensky mining production ramp up
- Above-inflation cost increases.

- Two fatalities, one at Modikwa Mine and another at Two Rivers Mine
- Improving safety performance at Modikwa Mine and Two Rivers Mine.

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

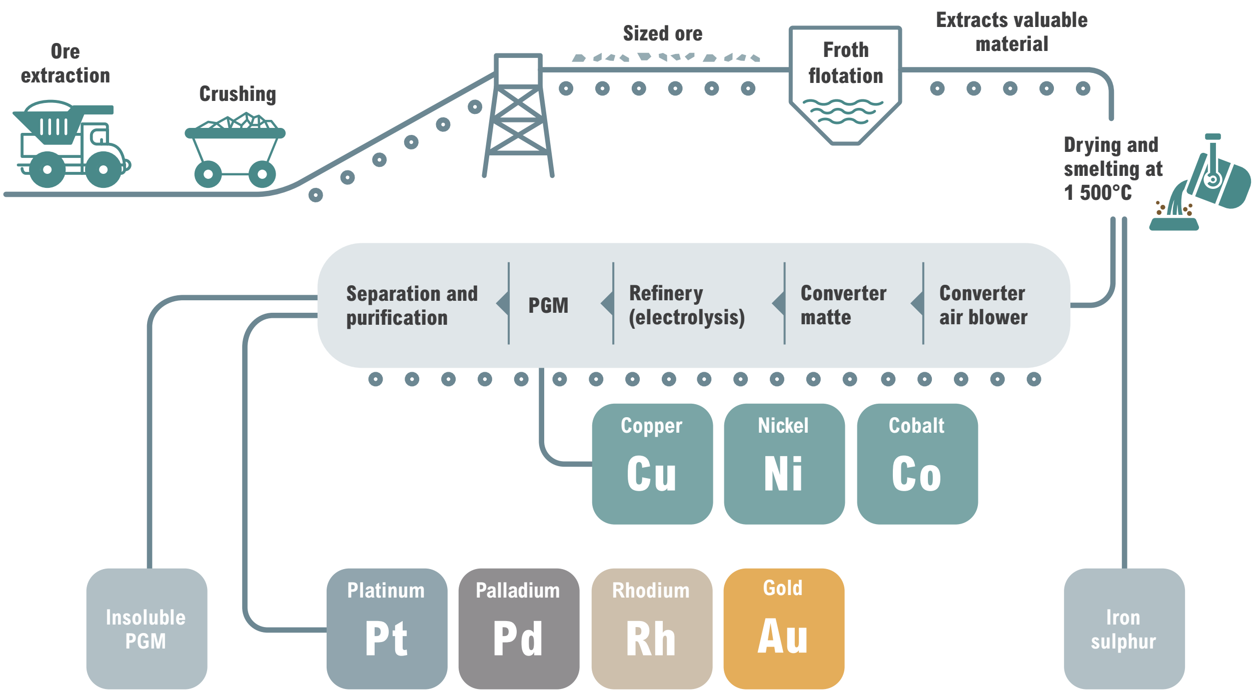
[1] *The acquisition of Bokoni Mine became effective post financial year end on 1 September 2022.*

Structure



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

PGM production process



Operational reviews continued

ARM Platinum continued

Scorecard

Modikwa Mine

F2022 objectives	Achieved/Not achieved	F2023 objectives
Produce 270 000 6E PGM ounces with a continued focus on improving mine's position on global PGM cost curve	**Achieved** Production volumes were 295 000 6E PGM ounces and position on the global cost curve improved	Produce 305 000 6E PGM ounces with a continued focus on further improving mine's position on global PGM cost curve
Continue South 2 shaft ramp-up and achieve 60 000 tonnes per month	**Achieved** South 2 shaft system produced an average of 67 000 tonnes per month	Construct and commission the underground-to-surface conveyor system Ramp up volumes to an average of 70 000 tonnes per month
Produce 100 000 tonnes of chrome concentrate	**Not achieved** The chrome plant was commissioned in August 2021. Chrome concentrate production volumes were 42 709 tonnes	Produce 125 000 tonnes of chrome concentrate
		Start Merensky trial mining with average of 30 000 tonnes pm

Two Rivers Mine

F2022 objectives	Achieved/Not achieved	F2023 objectives
Produce 310 000 6E PGM ounces. Focus on improving mine's position on global PGM cost curve	**Not achieved** Production volumes of 303 216 6E PGM ounces	Produce 315 000 6E PGM ounces. Focus on improving the mine's position on global PGM cost curve
Ramp up concentrator plant to full capacity by F2023	**Achieved** The plant expansion was commissioned successfully and achieved its full ramp up.	
Sales volumes of 251 000 tonnes of chrome concentrate	**Not achieved** Chrome concentrate sales volumes were 215 000 tonnes	Sales volumes of 221 000 tonnes of chrome concentrate
Commission Merensky mining in Q4 F2022	**Achieved**	Ramp up Merensky mining production to 45 000 tonnes per month Complete surface earthworks and commence plant construction

Bokoni Mine

F2023 objectives		
Complete the bankable feasibility study during F2023 for consideration and board approval in Q1 F2024	Evaluate value accretive early ounce production opportunities	Placement of orders for long lead delivery items to de-risk the project execution schedule

Commodity prices

US dollar PGM prices were lower compared to the record prices achieved in 2021, particularly palladium (9% lower) and rhodium (11% lower). The average rand per 6E kilogram basket price for Modikwa and Two Rivers declined by 10% and 8% to R1 319 104 per kilogram (F2021: R1 457 843 per kilogram) and R1 240 977 per kilogram (F2021: R 1 349 148 per kilogram), respectively.

Average US dollar metal prices

	Unit	F2022	F2021	% change
Platinum	US$/oz	**1 003**	1 046	(4)
Palladium	US$/oz	**2 206**	2 427	(9)
Rhodium	US$/oz	**15 543**	17 478	(11)
Nickel	US$/t	**23 514**	16 447	43
Copper	US$/t	**9 644**	8 086	19
Cobalt	US$/lb	**32**	18	78
UG2 chrome concentrate – Two Rivers (CIF)*	US$/t	**184**	137	34
UG2 chrome concentrate – Modikwa (CIF)*	US$/t	**222**	–	
High sulphur chrome concentrate – Nkomati (FOT)*	US$/t	**–**	43	

** CIF – Cost, insurance and freight; FOT – Free-on-truck.*

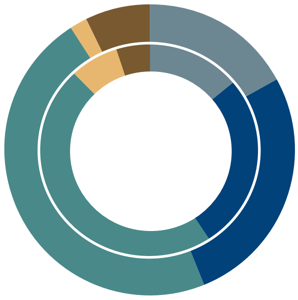
Average rand metal prices

	Unit	F2022	F2021	% change
Average exchange rate	ZAR/US$	**15.21**	15.39	(1)
Platinum	ZAR/oz	**15 247**	16 107	(5)
Palladium	ZAR/oz	**33 543**	37 360	(10)
Rhodium	ZAR/oz	**236 373**	269 071	(12)
Nickel	ZAR/t	**357 606**	253 194	41
Copper	ZAR/t	**146 672**	124 482	18
Cobalt	ZAR/lb	**483**	283	70
UG2 chrome concentrate – Two Rivers (CIF)*	ZAR/t	**2 791**	2 107	32
UG2 chrome concentrate – Modikwa (CIF)*	ZAR/t	**3 371**	–	
High-sulphur chrome concentrate – Nkomati (FOT)*	ZAR/t	**–**	662	

** CIF – Cost, insurance and freight; FOT – Free-on-truck.*

ARM Platinum revenue per commodity

F2021 is represented in the inner circle



	F2022	F2021
Platinum	**17%**	14%
Palladium	**27%**	27%
Rhodium	**47%**	47%
Nickel	**2%**	7%
Other	**7%**	5%

Financial performance

ARM Platinum headline earnings decreased by 34% to R3.1 billion (F2021: R4.7 billion), largely due to negative mark-to-market adjustments as a portion of receivables at 30 June 2021 was subsequently realised at lower prices after the decline in rhodium and palladium prices. For more detail and a table showing the mark-to-market adjustments refer to page 45 in the financial review.

- Modikwa Mine reported a 17% decline in headline earnings to R1.3 billion (F2021: R1.5 billion), which included negative mark-to-market adjustments of R231 million (F2021: R299 million positive adjustments).
- Two Rivers Mine headline earnings reduced to R2.0 billion (F2021: R3.0 billion), mainly due to negative mark-to-market adjustments of R709 million (F2021: R795 million positive adjustments).
- Nkomati Mine reported a headline loss of R172 million (F2021: R165 million headline earnings). This mine was placed on care and maintenance in March 2021.

Operational performance

Modikwa Mine

Tonnes milled improved significantly, increasing production volumes 17% to 294 541 6E PGM ounces (F2021: 251 755 6E PGM ounces). The optimal blending of ore from normal stoping and on-reef development sources contributed to tonnes milled and consequently to PGM ounces.

Unit production costs increased by 2% to R14 644 per 6E PGM ounce (F2021: R14 300 per 6E PGM ounce) and to R1 798 per tonne (F2021: R1 757 per tonne). This was largely attributable to the strong increase in production.

Two Rivers Mine

Tonnes milled were 5% higher after commissioning of additional milling capacity in December 2021. The grade remains a constraint due to the split reef, as reported previously. As a result, PGM production volumes increased by 1% from 300 172 6E PGM ounces in F2021 to 301 935 6E PGM ounces in F2022. Following accelerated development of the declines, mining flexibility is improving and enabling a better mining mix.

Unit production cost increased by 7% to R971 (F2021: R905) per tonne milled. The rand per 6E PGM ounce operating cost rose 12% to R11 116 (F2021: R9 893), primarily due to the utilisation of stockpiles which impacted operating costs.

Nkomati Mine

This mine was placed on care and maintenance in March 2021. ARM and its joint-venture partner are evaluating various options on the way forward for Nkomati Mine.

At 30 June 2022, the estimated undiscounted rehabilitation costs attributable to ARM were R771 million (30 June 2021: R679 million) excluding VAT. Discounted rehabilitation costs attributable to ARM were R676 million (30 June 2021: R596 million). The R92 million increase in the undiscounted liability mainly reflects annual escalation increases and the impact of the diesel price rising from R14.66/l in June 2021 to R23.09/l in June 2022. At 30 June 2022, R178 million (attributable to ARM) in cash and financial assets was available to fund rehabilitation obligations for Nkomati Mine. The resulting attributable shortfall in discounted rehabilitation costs of R498 million is expected to be funded by ARM.

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

Investing in the current business

Total attributable capital expenditure for ARM Platinum increased to R2.2 billion from R1.6 billion in the prior year.

R million	F2022	F2021
ARM Platinum	**2 159**	1 611
Modikwa Mine	**353**	330
Two Rivers Mine	**1 806**	1 281
Nkomati Mine	**–**	–

Capital expenditure at **Modikwa Mine** (100% basis) rose 7% to R706 million (F2021: R660 million). Of this, R181 million related to fleet refurbishment and critical spares, R164 million to capital development, R60 million to the Merensky project and R41 million to installation of a proximity detection system for the mining fleet. Key points on projects include:

- North shaft – level 9 infrastructure works have been completed. The main decline development has reached level 10 and the reef access decline is being established. A downcast shaft to provide additional ventilation for mining levels below 10 will be established around level 9. The process to secure environmental approval for the access road and shaft has advanced, with approval envisaged in 1H F2023
- South 2 shaft – the shaft has ramped up to steady state production. It achieved an average production run rate of 66 738 tonnes per month, well above the 55 000 tonnes target. Preparation work for the 2.5km underground-to-surface conveyor belt that will enable South 2 shaft to ramp up production to 100 000 tonnes per month is underway
- Merensky – the bord-and-pillar Merensky shaft was reopened on a trial basis after a prefeasibility study. The shaft was dewatered, and infrastructure established to ramp up production to 30 000 tonnes per month while confirming the project viability before starting the bankable feasibility study.

Of the R1.8 billion spent at **Two Rivers Mine**, R748 million was spent on the Merensky project approved in F2021.

Deepening declines at Main and North shafts, along with electrical and mechanical installations, accounted for R405 million, R136 million was spent on the tailings storage facility and R208 million on mining fleet replacement.

The plant expansion project, which is expected to add 40 000 tonnes per month milling capacity, was approved in December 2019 and successfully commissioned in the review period, achieving its design run rate.

The new tailings storage facility was commissioned in February 2022.

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

Mining the Merensky Reef commenced as planned in February 2022 and is ramping up. Surface earthworks in both the mining development and concentrator plant areas have begun. The concentrator plant is scheduled to be commissioned in December 2023. The project completion date remains November 2024. Capital expenditure of R824 million has been spent to date (14.3%), with over R2.0 billion (35.2%) committed to date.

Ensuring a safe, healthy and appropriately skilled workforce

As a result of the expansion projects at Two Rivers and Modikwa mines, total employees at ARM Platinum operations increased by 21% to 10 091 at 30 June 2022 (30 June 2021: 8 324): 66% of employees were full-time and 34% contractors. The number of employees at Nkomati Mine at 30 June 2022 reduced to 118 with the mine being placed on care and maintenance. Investment in training decreased to R75 million in F2022 (F2021: R103 million).

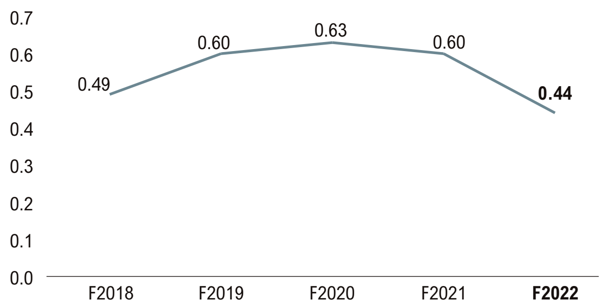
Safety and health

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

Regrettably two colleagues were fatally injured in F2022, one at Two Rivers Mine and one at Modikwa Mine.

ARM Platinum's lost-time injury frequency rate (LTIFR) improved to 0.44 per 200 000 man-hours (30 June 2021: 0.60 per 200 000 man-hours), with Modikwa Mine reporting a 30% reduction in LTIFR and Two Rivers achieving a 40% reduction. Ensuring compliance to safety standards and conducting safety training are ongoing priorities. The focused safety improvement initiative at Modikwa Mine has resulted in a 38% improvement in LTIFR since F2019.

LTIFR (per 200 000 man-hours)



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

Mental health support is available to employees through the toll-free helpline in the employee assistance programme and through the on-site psychological support programme.

13 928 Audiometric tests

23 845 TB screening tests

23 863 HIV counselling sessions

Operations continue with daily health screenings at all access points in line with mandatory Covid-19 protocols as per their specific health risk assessments. In F2022, 1 326 employees were tested with 587 positive cases and a 98% recovery rate. Regrettably, five employees succumbed to Covid-19.

Modikwa and Two Rivers mines are approved by the DoH as Covid-19 vaccination sites to support the government-led rollout: 1 912 employees were vaccinated at these sites during the year.

Environmental performance

Carbon emissions and energy use

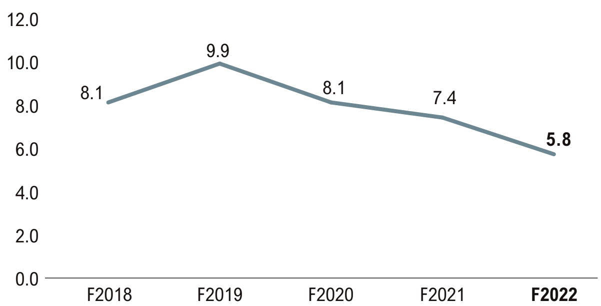
ARM Platinum's combined estimated scope 1 (direct) and scope 2 (indirect) carbon emissions decreased by 25% as Nkomati Mine was placed on care and maintenance, offsetting production-related increases at Two Rivers and Modikwa mines. Excluding Nkomati Mine, scope 1 and 2 carbon emissions increased 12% in F2022. Carbon emissions per tonne of PGM ore milled at Modikwa and Two Rivers combined increased to 0.106tCO_2e/tonne (F2021: 0.104tCO_2e/tonne).

Electricity consumption excluding Nkomati Mine increased by 11% to 548 810 megawatt hours (MWh) on a 100% basis (F2021: 496 640MWh). Modikwa Mine accounted for 55% of ARM Platinum's F2022 total emissions, Two Rivers Mine 43% and Nkomati Mine 1%.

Water management

We continued to improve our reporting against the revised water accounting framework of the ICMM, which has deepened our understanding of water reuse efficiency, a key indicator of monitoring and managing consumption and losses. In F2022, water withdrawn by the division decreased by 22%. Excluding Nkomati Mine, water withdrawn increased by 4%. Modikwa Mine accounted for 72% of the division's total, Two Rivers Mine 25% and Nkomati Mine 3%.

Water withdrawn (million m^3)



Tailings storage facilities (TSFs)

The sustainable development committees of each mine, represented by both joint-venture partners, consider details on the status and compliance of TSFs at quarterly meetings. Implementation plans for the ARM TSF management policy and standard, which align with the ICMM's GISTM, are in place at all operations, together with reporting dashboards on critical compliance elements.

Each operation reports TSF compliance and status to the joint-venture partners at quarterly steering committee and sustainable development committee meetings. The implementation status of recommendations from the independent external reviews and dam-breach analyses is monitored and reported at quarterly sustainable development committee meetings. Full implementation of the GISTM is scheduled for completion in August 2023.

Supporting host communities

ARM Platinum invests in community initiatives undertaken as part of local economic development and social and labour plans. Projects implemented in F2022 included electricity infrastructure and lighting for local communities, constructing and upgrading of roads and a project to remove alien invasive plants along local rivers to improve access to water and support the local agricultural economy.

	Unit	F2022	F2021	F2020	F2019	F2018
Employee indicators						
Average number[1]		**7 397**	8 394	8 215	9 058	9 452
– Permanent employees		**5 322**	5 557	5 554	5 913	6 045
– Contractors		**2 075**	2 837	2 661	3 145	3 407
LTIFR per 200 000 man-hours		**0.44**	0.60	0.62	0.60	0.49
Environmental indicators (100 basis)						
Scope 1 and 2 carbon emissions[2]	tCO_2e	**619 030**	822 338	914 603	981 694	903 699
Total water withdrawn[3]	million m^3	**5.8**	7.4	8.1	9.9	8.1
Energy usage						
– Electricity	MWh	**556 273**	736 913	794 940	832 037	826 710
– Diesel	000 litres	**10 005**	19 585	25 417	34 936	35 071
Community investment indicators						
Total corporate social responsibility (CSR)	R million	**57**	63	13	46	51
Corporate social investment (CSI)	R million	**2**	2	3	9	10
Local economic development (LED)	R million	**55**	61	11	37	41

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

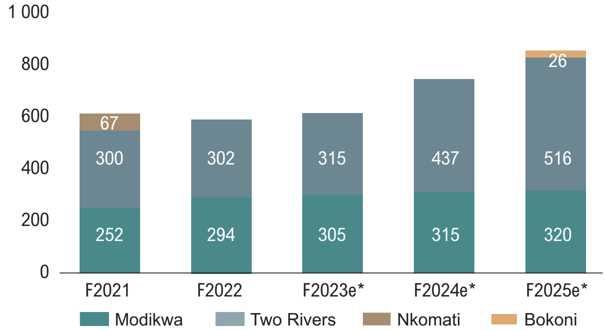
2 *In previous years, ARM disclosed scope 1 and 2 emissions on an attributable basis (according to the group's shareholding in each operation). From F2022, we are disclosing on a 100% basis (as if ARM held 100% of each operation). Prior-year comparatives have been amended accordingly.*

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

Outlook

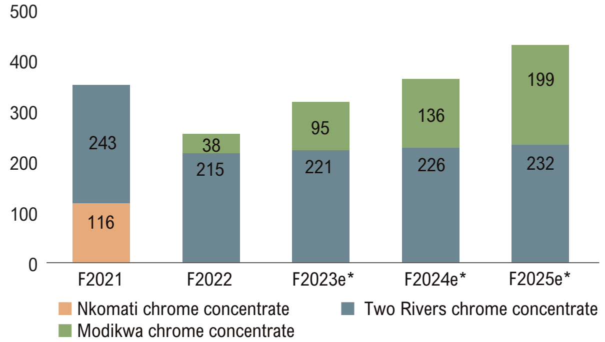
ARM Platinum production and sales volumes – 100% basis

PGM volumes (000 ounces 6E)



* *F2023, F2024, F2025 are estimated volumes.*

Chrome concentrate (000t)



* *F2023, F2024, F2025 are estimated volumes.*

ARM Platinum continued

Summary operational and financial indicators – 100% basis

Two Rivers Mine

Ownership
ARM owns 54%,
Impala Platinum owns 46%

Management
Managed by ARM

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

	Unit	F2022	F2021	F2020	F2019	F2018
OPERATIONAL						
Production volumes						
Platinum	oz	**140 327**	139 155	122 407	147 235	162 543
Palladium	oz	**85 828**	84 532	73 213	85 962	96 569
Rhodium	oz	**24 514**	23 963	21 226	25 617	28 553
Gold	oz	**2 236**	2 310	1 929	2 321	2 528
Ruthenium	oz	**40 688**	41 113	34 409	42 145	46 937
Iridium	oz	**9 343**	9 100	7 840	10 126	11 274
PGMs	oz	**301 935**	300 172	261 024	313 406	348 405
Nickel	t	**609**	609	481	552	606
Copper	t	**297**	281	229	240	274
Chrome sold	t	**214 735**	242 945	172 368	219 566	229 642
Other operational indicators						
Tonnes milled	Mt	**3.46**	3.28	3.02	3.40	3.46
Head grade	g/t 6E	**3.22**	3.43	3.45	3.52	3.63
Average basket price	R/kg 6E	**1 240 977**	1 349 148	775 857	467 994	370 755
Operating cost	R/t	**971**	905	857	736	688
Operating cost	R/oz 6E	**11 116**	9 893	9 908	8 001	6 822
Operating cost	R/Pt oz	**23 917**	21 341	21 127	17 031	14 623
Operating cost	R/kg 6E	**357 375**	318 075	318 534	257 244	219 334
Cash cost	R/t	**941**	877	895	730	694
Cash cost	R/oz 6E	**10 773**	9 591	10 346	7 926	6 878
Cash cost	R/Pt oz	**23 179**	20 688	22 061	16 871	14 743
Cash cost	R/kg 6E	**346 345**	308 342	332 616	254 817	221 137
FINANCIAL						
Sales	R million	**9 416**	11 992	6 173	3 994	3 741
On-mine cash operating costs	R million	**(3 356)**	(2 970)	(2 586)	(2 508)	(2 377)
Off-mine cash operating costs	R million	**(305)**	(348)	(303)	(305)	(142)
Chrome cash costs	R million	**(79)**	(72)	(52)	(54)	(50)
Total cash operating profit	R million	**5 981**	8 949	3 535	1 433	1 314
Cash operating profit – PGMs	R million	**5 811**	8 832	3 435	1 264	1 104
Cash operating profit – chrome	R million	**170**	118	100	168	210
Capital expenditure	R million	**1 806**	1 281	813	587	455
Dividend paid	R million	**2 305**	2 650	1 230	524	543

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

Summary operational and financial indicators – 100% basis

Modikwa Mine

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

Management
Jointly managed by ARM and Anglo American Platinum

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

	Unit	F2022	F2021	F2020	F2019	F2018
OPERATIONAL						
Production volumes						
Platinum	oz	**116 442**	98 889	101 012	121 033	131 725
Palladium	oz	**110 623**	94 631	97 820	114 389	124 057
Rhodium	oz	**23 265**	20 144	20 729	24 388	26 693
Gold	oz	**3 158**	2 435	2 554	3 064	3 320
Ruthenium	oz	**33 153**	28 782	30 069	35 218	38 993
Iridium	oz	**7 900**	6 874	7 176	8 340	9 098
PGMs	oz	**294 541**	251 755	259 360	306 930	333 888
Nickel	t	**600**	449	500	557	628
Copper	t	**374**	284	310	345	384
Chrome sold	t	**38 081**	–	–	–	–
Other operational indicators						
Tonnes milled	Mt	**2.40**	2.05	1.94	2.29	2.43
Head grade	g/t 6E	**4.48**	4.51	4.82	4.92	4.98
Average basket price	R/kg 6E	**1 319 104**	1 457 843	850 909	491 723	380 603
Operating cost	R/t	**1 798**	1 757	1 598	1 345	1 265
Operating cost	R/PGM oz	**14 644**	14 300	11 974	10 027	9 197
Operating cost	R/Pt oz	**37 042**	36 405	30 746	25 427	23 311
Operating cost	R/kg 6E	**470 819**	459 745	384 984	322 360	295 685
Cash cost	R/t	**1 801**	1 751	1 594	1 355	1 256
Cash cost	R/PGM oz	**14 668**	14 249	11 945	10 097	9 136
Cash cost	R/Pt oz	**37 102**	36 275	30 670	25 605	23 157
Cash cost	R/kg 6E	**471 578**	458 110	384 036	324 627	293 722
FINANCIAL						
Sales	R million	**9 124**	9 848	6 185	4 134	3 592
Total cash operating costs	R million	**(4 313)**	(3 600)	(3 106)	(3 077)	(3 071)
Cash operating profit/(loss)	R million	**4 767**	6 248	3 079	1 057	521
Cash operating profit – PGMs	R million	**4 749**	6 248	3 079	1 057	521
Cash operating profit – chrome	R million	**19**	–	–	–	–
Capital expenditure	R million	**706**	660	638	260	266
Partner loan repaid (to ARM)	R million	**–**	1 257	450	–	–

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

Operational reviews continued

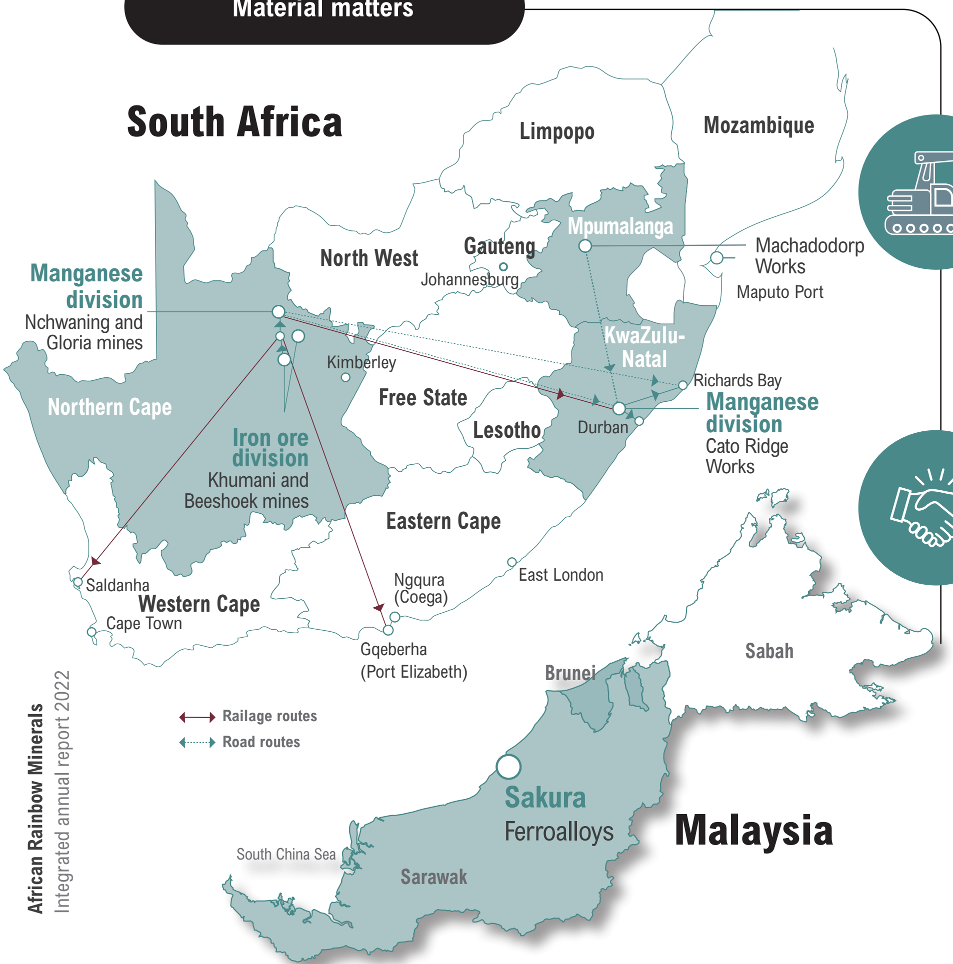
ARM Ferrous

André Joubert
Chief executive – ARM Ferrous

Key features for F2022

- **World-class** safety performance
- **Improved** free cash flow generation
- **Record dividends** declared by Assmang
- Smelters **return to profitability**

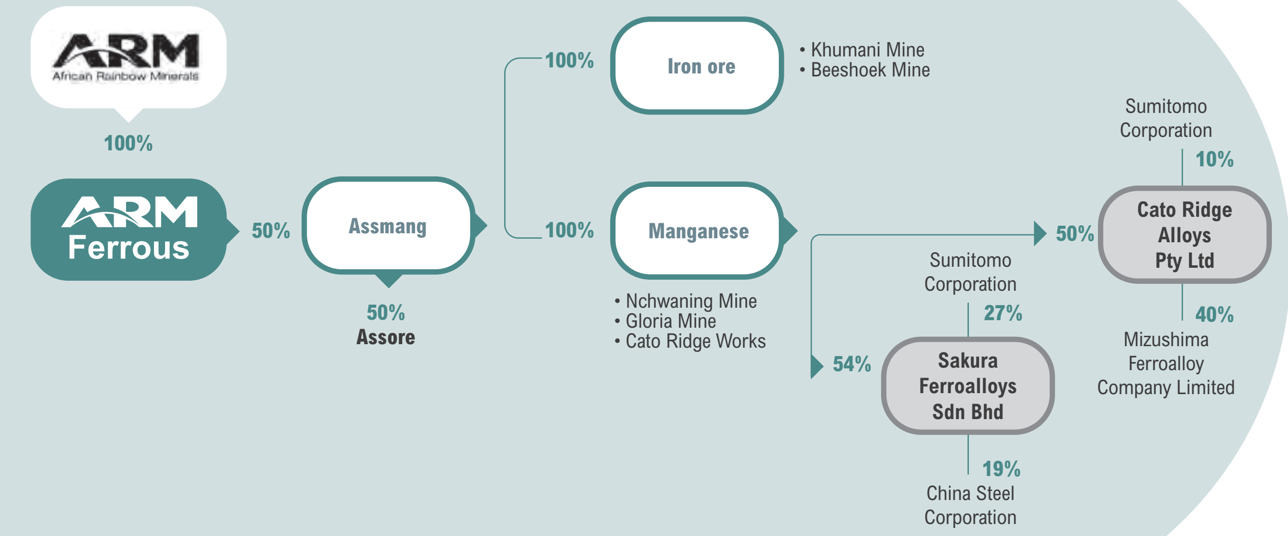
Material matters



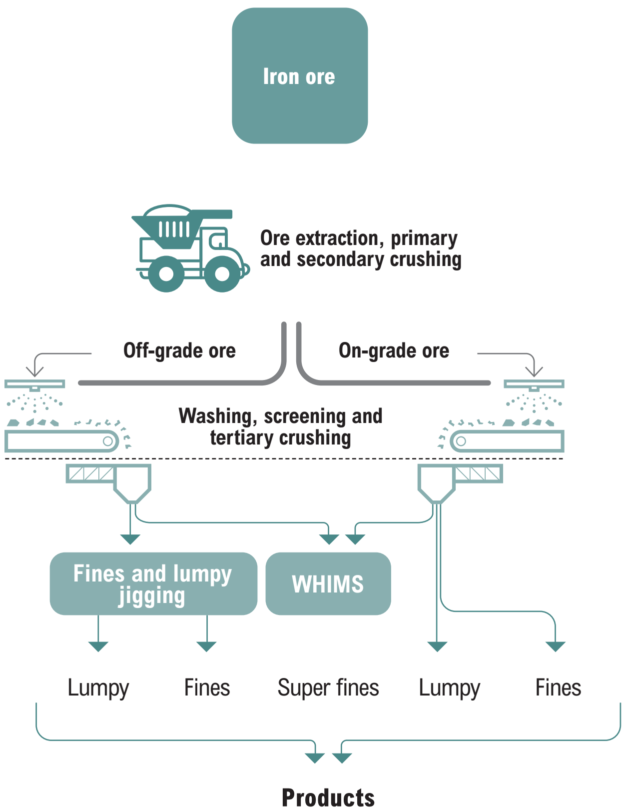
- Operational challenges at Transnet
- Security of water supply for Khumani Mine
- Good progress of the Black Rock and Gloria projects

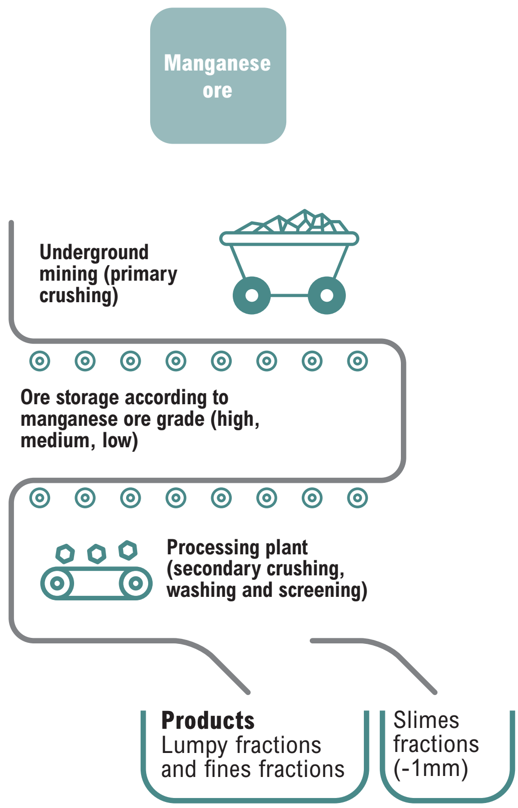
- Increased community-related disruptions

Structure



Production process





ARM Ferrous continued

Scorecard

Khumani Mine Iron ore

F2022 objectives	Achieved/Not achieved	F2023 objectives
Ensure LTIFR below a tolerance level of 0.15 per 200 000 man-hours	**Not achieved** – LTIFR was 0.20 per 200 000 man-hours	Ensure LTIFR below a tolerance level of 0.15 per 200 000 man-hours
Production volumes planned at 13.5 million tonnes to accommodate operational challenges at Transnet and water-supply disruptions	**Not achieved** – however, revised target of 13 million tonnes exceeded at 13.1 million tonnes	Production planned at 13 million tonnes to accommodate Transnet performance and Sedibeng water-supply disruptions
Lumpy production ratio of 55%	**Achieved** – exceeded at 58%	Lumpy production ratio of 57%
King Pit mining ratio of 65%	**Not achieved –** Mining from the King Pit was 61% which falls within the current life-of-mine (LOM) King:Bruce mining ratio of 60:40	King Pit mining ratio to be maintained at 65%
Sales volumes planned at 13.8 million tonnes to accommodate risk of Transnet operational challenges during F2022	**Not achieved** – Sales volumes were 13.2 million tonnes	Sales volumes planned at 13.9 million tonnes to accommodate risk of Transnet performance during F2023
Target unit production cost increases below inflation	**Not achieved** – Mainly due to above-inflation increases in explosives and diesel costs together with lower-than-plan production volumes	Target unit cash cost (pre-charge out cash cost on mine) increases below inflation to maintain competitiveness at R392/tonne for F2023

Beeshoek Mine Iron ore

F2022 objectives	Achieved/Not achieved	F2023 objectives
Ensure LTIFR below tolerance level of 0.20 per 200 000 man-hours	**Achieved** – LTIFR of 0.06 for F2022	Ensure LTIFR below tolerance level of 0.20 per 200 000 man-hours
Maintain production at 3.0 million tonnes per annum	**Achieved** – 3.1 million tonnes produced during F2022	Maintain production at 3.0 million tonnes per annum
Maintain sales volumes at steady state of 2.65 million tonnes to local markets and 350 000 tonnes to export market	**Achieved** – Local sales volumes were 2.9 million tonnes and 356 000 tonnes to export market	Maintain sales volumes at steady state of 2.7 million tonnes to local markets and 350 000 tonnes to export market
Maintain unit production cost increases below inflation	**Not achieved** – unit production costs increased by 19% in F2022	Target unit production cash costs of R541 per tonne

Black Rock Mine Manganese ore

F2022 objectives	Achieved/Not achieved	F2023 objectives
Reduce LTIFR to 0.25 per 200 000 man-hours	**Achieved** – LTIFR for F2022 was 0.13 per 200 000 man-hours	Ensure LTIFR below 0.27 per 200 000 man-hours
Target production volumes of 4.5 million tonnes	**Not achieved** – production volumes were 4.1 million tonnes. The main contributors were the delays in handover of various Gloria project systems, as well as increased community protests which impacted production	Target production volumes of 4.35 million tonnes
Deliver export sales volume of 4.0 million tonnes	**Not achieved** – Export sales volumes were 3.7 million tonnes impacted by ongoing challenges at Transnet	Deliver export sales volume of 3.9 million tonnes
Targeted unit production cost increases below inflation	**Achieved** – Year-on-year unit production cost decreased by 1%	Target unit production cost increases below inflation

Cato Ridge Works Manganese alloy

F2022 objectives	Achieved/Not achieved	F2023 objectives
Maintain zero lost-time injuries and good safety performance	**Achieved** – Zero lost-time injuries for the financial year.	Maintain zero lost-time injuries and a good safety performance
Sinter plant to be commissioned in March 2022	**Partially achieved** – Commissioning commenced in August 2022. Full production is expected in October 2022.	Stabilise quality of ore feed into furnaces
Introduce alternate higher-quality sweetener in recipe	**Achieved**	Optimisation of manganese ore ultra-fines in the BRIX recipe
Continuous optimisation of BRIX recipe	**Achieved**	Continuous optimisation of the BRIX recipe

Operational reviews continued

ARM Ferrous continued

Sakura Ferroalloys Manganese alloy

F2022 objectives	Achieved/Not achieved	F2023 objectives
Maintain safety performance, ensuring LTIFR below tolerance level of 0.18 per 200 000 man-hours	**Not achieved** – Sakura recorded LTIFR of 0.34	Improve safety performance, ensuring LTIFR below tolerance level of 0.18 per 200 000 man-hours
Target production volumes of 234 000 tonnes	**Not achieved** – production volumes were 211 000 tonnes due to delays in repairing the two failed transformers that were planned to be returned in August but only reached Sakura in October 2021	Target production volumes of 249 000 tonnes
Target sales volumes of 227 000 tonnes	**Not achieved** – sales volumes were 192 000 tonnes as a result of transformer failures	Target sales volumes of 254 000 tonnes
Maintain furnace efficiencies and improve unit costs by implementing cost-saving initiatives	**Achieved** – overall furnace ore efficiencies improved 1.3% and power efficiencies by 0.5%. Multiple cost-saving initiatives throughout the year reduced unit cost and impact of increased reductant prices	Maintain furnace efficiencies and improve unit costs by implementing cost-saving initiatives
Complete hot commissioning for phase 1 and phase 2 of the water-treatment plant project	**Achieved** – hot commissioning of phase 1 and phase 2 of project was completed in June 2022.	Finalise, sign agreement and commence project to construct sinter plant at Sakura during first quarter of F2023

Commodity prices

Iron ore prices were subdued as Chinese crude steel production remained under pressure for much of the 2022 calendar year. Early 2022 saw output cuts in some regions during the winter Olympics, while Covid-19 lockdowns in China impacted both steel demand and supply in later months.

Average realised US dollar export iron ore prices were 22% lower on a free-on-board (FOB) equivalent basis at US$121 per tonne (F2021: US$156 per tonne) as the 62% iron ore fines index dropped from peak levels above US$230 per tonne at the beginning of July 2021.

Average realised US dollar prices for export manganese ore rose 30% as the average index price for 44% manganese ore was US$6.18/dmtu (CIF) for F2022 (F2021: US$4.63/dmtu (CIF)).

The average index price for 37% manganese ore was US$4.82/dmtu (CIF) (F2021: US$4.30/dmtu (CIF)).

The US dollar index price for high-carbon and medium-carbon manganese alloys increased by 76% and 101% respectively, mainly due to a temporary shortage of alloys in the market to meet increased steel demand after the recovery from Covid-19 lockdowns.

Financial performance

ARM Ferrous headline earnings were 16% lower at R6.7 billion (F2021: R7.9 billion) as a 38% decrease in the iron ore division's headline earnings was partially offset by a 361% increase in the manganese division's headline earnings.

Operational performance

Iron ore division

Total iron ore sales volumes decreased 2% to 16.1 million tonnes (F2021: 16.4 million tonnes). Export sales volumes were 1% lower at 13.2 million tonnes (F2021: 13.3 million tonnes) due to logistical challenges as Transnet Freight Rail (TFR) was impacted by derailments, excessive rain and other operational and maintenance challenges. Assmang and other iron ore exporters in South Africa continue to engage regularly with Transnet to address these challenges, seeking improvement for both rail and port operations. The export sales lump/fines ratio increased from 58:42 in F2021 to 60:40 in F2022.

Local sales volumes decreased 8% to 2.9 million tonnes (F2021: 3.1 million tonnes) due to lower offtake from Beeshoek Mine's sole customer.

Total iron ore production volumes increased 2% to 16.2 million tonnes (F2021: 15.9 million tonnes), with 13.1 million tonnes at Khumani Mine (F2021: 12.6 million tonnes) and 3.1 million tonnes at Beeshoek Mine (F2021: 3.3 million tonnes).

Water supply to the Northern Cape Mines remains a risk. Following the disestablishment of Sedibeng Water by the Minister of Water and Sanitation, Vaal Gamagara Water Supply Scheme (VGWSS) has officially been transferred to Bloem Water. The mines, through the Northern Cape Mines Leadership Forum, in collaboration with the Minerals Council of South Africa, Bloem Water and the Department of Water and Sanitation have repositioned their engagements to focus on co-creating a sustainable solution for the water pipeline. A project steering committee, chaired by the Deputy Director General of the Department of Water and Sanitation has been established to fast-track the mitigation strategies for the sustainable supply of water.

Mines are contributing to the operations and maintenance of the pipeline, including technical and financial support and governance oversight. The Assmang mines have progressed, in partnership with neighbouring mines, to supplement the supply of water from neighbouring mines with excess water. This collaboration has the potential to reduce dependence on the pipeline by approximately 40% per annum for Khumani Mine. The operations and maintenance support being provided by the mines on the pipeline, together with the continuous dewatering activities from neighbouring mines, have resulted in improved water supply in the region.

As part of the long-term mitigation strategy, Phase 1 of the pipeline refurbishment was completed and was fully funded by the Department of Water and Sanitation. Phase 2 is part of the agenda of the project steering committee, and is proposed to be co-funded by the mines and government at 56% and 44% respectively.

On-mine production unit costs for the division increased by 12% to R317 per tonne (F2021: R283 per tonne) mainly due to inflation-related cost escalations, lower production volumes at Beeshoek Mine, and above-inflation increases in the costs of diesel, explosives, consumables and maintenance. Divisional on-mine unit cash costs increased by 10% to R375 per tonne (F2021: R340 per tonne).

The cost of diesel and explosives, which comprised approximately 20% of total costs, were 57% and 42% higher, respectively.

Operational reviews continued

ARM Ferrous continued

On-mine production unit costs at Khumani Mine increased by 10% to R319 per tonne (F2021: R289 per tonne) while on-mine unit cash costs (which exclude run-of-mine ore stock movements, and include capitalised waste-stripping costs and certain non-cash adjustments) were R361 per tonne (F2021: R329 per tonne).

On-mine production unit costs at Beeshoek Mine increased by 19% while unit cash costs increased by 13%.

Unit cost of sales, which includes marketing and distribution costs, were 8% higher mainly due to the increase in unit production costs and a 60% average increase in freight rates. Sales and marketing costs, which are determined based on free-on-board revenue, were lower owing to the decline in US dollar iron ore prices in F2022.

Manganese ore

Total manganese ore sales volumes in F2022 were flat at 3.96 million tonnes. Export sales volumes were marginally lower at 3.7 million tonnes (F2021: 3.8 million tonnes) while local sales volumes were higher at 0.29 million tonnes (F2021: 0.14 million tonnes).

Exports through Gqeberha Bulk Ore Terminal and Saldanha Multi-Purpose Terminal were impacted by Transnet's operational challenges at both rail and ports, including derailments caused by rain-related flooding, cable theft and Eskom issues.

Assmang and other manganese export producers continue to engage Transnet to seek improvement of the rail and port systems. To mitigate lower volume capacity at Transnet, export volumes were supplemented with 55 000 tonnes of ore transported via road during the year.

Production volumes at Black Rock Mine rose 3% to 4.1 million tonnes as the Black Rock and Gloria projects near completion (over 90%).

On-mine unit production costs and unit cash costs at Black Rock Mine decreased 1% from R698 per tonne in F2021 to R694 per tonne in F2022. Despite significant above-inflation cost pressures, unit production and cash costs were lower due to the dilution of fixed costs on increased production volumes, coupled with on-mine cost-saving initiatives. Unit production costs are expected to reduce further in real terms as the Black Rock Mine is modernised and optimised as part of the Black Rock and Gloria projects.

Unit costs of sales (which include marketing and distribution costs) rose 13% due to higher sales and marketing costs (driven by higher revenue), a 63% increase in freight rates, and increased depreciation due to the Black Rock and Gloria projects moving to commissioning phase.

Manganese alloys

High-carbon manganese alloy production at Sakura (100% basis) increased to 211 000 tonnes (F2021: 191 000 tonnes). Production in both years was affected by multiple transformer failures.

High-carbon manganese alloy sales (100% basis) decreased 12% to 192 000 tonnes (F2021: 218 000 tonnes). The impact of the transformer failures was substantial in the first half of F2022 as only one furnace was operational. Consignment stock warehouses and pipelines had to be sufficiently restocked after the successful resumption of the non-operational furnace in October 2021.

High-carbon manganese alloy production at Cato Ridge Works decreased 4% to 119 000 tonnes (F2021: 123 500 tonnes) mainly due to the impact of civil unrest and floods in KwaZulu-Natal, coupled with some operational challenges. Medium-carbon manganese alloy production at Cato Ridge Alloys (100% basis) increased by 17% to 56 000 tonnes (F2021: 48 000 tonnes).

Lower sales volumes for both high- and medium-carbon manganese (down 17% and 36%, respectively) are mainly attributable to shipping constraints and lower demand for manganese alloy in the second half.

Production costs at Sakura increased by 21% in F2022 due to significant increases in ore and reductant prices, offset by successful cost-saving initiatives to further reduce fixed costs.

Production costs at Cato Ridge Works increased by 16% in F2022 mainly due to lower production volumes, above-inflation power cost escalations and the variability of the ore grade. Medium-carbon manganese alloy production costs at Cato Ridge Alloys increased 57% primarily due to the increase in cost for molten metal.

Investing in the current business

Capital expenditure (100% basis) for the iron ore division was R2.9 billion (F2021: R2.4 billion), including capitalised waste-stripping costs of R1.3 billion (F2021: R851 million). These were higher at both Khumani and Beeshoek mines due to increased capital mining areas and higher mining costs.

Total capital expenditure for the manganese ore operations (100% basis) was up slightly to R2.1 billion, of which R451 million (F2021: R845 million) relates to the Gloria project. The increase in sustaining capital reflects expenditure on battery electric vehicles, a new central control room, the Gloria Mine slimes facility as well as the dedicated reserve access and ventilation development costs.

Adverse ground conditions at Nchwaning III's satellite tip 2 necessitated extra secondary support which affected the completion date. The Nchwaning II main drive North system and Nchwaning III satellite tip 2 system were commissioned and handed over to operations in September 2022. The Gloria surface plant and underground silo system and conveyors were successfully commissioned and handed over to operations in October 2021 and May 2022 respectively.

The Black Rock and Gloria projects will modernise and expand the mine's output by increasing volumes and flexibility to produce various grades of manganese ore at the three operating shafts while improving efficiencies. Ramp up is being closely synchronised with Transnet's rail availability and informed by prevailing market conditions.

At year end, over 92% of the approved capital of R3 billion had been spent on the Gloria project and almost 99% of the approved capital of R7.4 billion on the Black Rock project. Commissioning on the Black Rock project was completed successfully and the system was handed over to the operations on 30 September 2022.

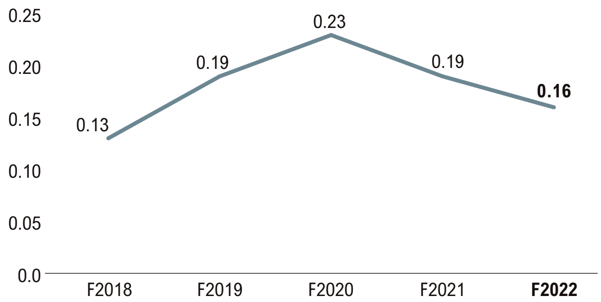
Ensuring a safe, healthy and appropriately skilled workforce

Total employees at ARM Ferrous decreased 9% to 11 253 at 30 June 2022 (30 June 2021: 12 358), with 51% full-time employees and 49% contractors. ARM Ferrous invested R116 million in training.

Safety and health

There have been no fatalities at ARM Ferrous since 2015. The divisional LTIFR improved to 0.16 per 200 000 man-hours in F2022 (F2021: 0.19). Black Rock Mine completed 10 million fatality-free shifts and 13 consecutive years fatality free. Beeshoek Mine achieved 5 million fatality free-shifts and 19 consecutive years fatality free.

LTIFR (per 200 000 man-hours)



Operation	Total fatality-free shifts worked*	Last fatality	Fatality free
Beeshoek Mine	5 145 751	Mar-03	19 years
Black Rock Mine	10 415 226	Apr-09	13 years
Khumani Mine	4 574 518	Apr-15	7 years
Cato Ridge Works	2 860 494	Feb-08	14 years
Machadodorp Works	1 215 273	Feb-11	11 years

* *As at 30 June 2022.*

Risk-based occupational medical surveillance programmes at the operations identify and address specific health risks in each workplace and occupation, particularly TB, HIV and Aids, and NIHL. Chronic conditions are monitored by specific occupational exposure profiles for high-risk roles. Programmes to promote physical activity and create awareness on diet and lifestyle choices are underway to assist in addressing hypertension in the workforce. Employees can access psychological support through a toll-free helpline in the employee assistance programme and the on-site psychological support programme.

18 923
Audiometric tests

32 299
TB screening tests

6 372
HIV counselling sessions

Daily Covid-19 health screenings at all access points align with mandatory protocols per specific operational health risk assessments. In F2022, 6 390 employees were tested, with 1 304 positive cases and a 99% recovery rate. Regrettably, seven employees succumbed to Covid-19.

Khumani, Black Rock and Beeshoek mines were approved by the DoH as Covid-19 vaccination sites to support the government-led rollout. In F2022, 5 383 employees and 713 community members were vaccinated at these sites.

Environmental performance

Carbon emissions and energy use

Estimated scope 1 and 2 carbon emissions increased 5.5%. The Cato Ridge smelter contributed 53% to ARM Ferrous total scope 1 and 2 emissions.

Scope 1 and 2 carbon emissions per tonne of iron ore produced remained at 0.025tCO_2e and emissions per tonne of manganese ore produced increased to 0.043tCO_2e from 0.041tCO_2e in F2021. Scope 1 and 2 carbon emissions per tonne of manganese alloy produced increased to 3.8tCO_2e (F2021: 3.6tCO_2e).

Electricity consumed accounted for 69% of ferrous division's scope 1 and 2 emissions and increased 2% year on year. ARM Ferrous is a member of the Energy Intensive Users Association and has a charter to map its development and implementation of energy-efficient practices.

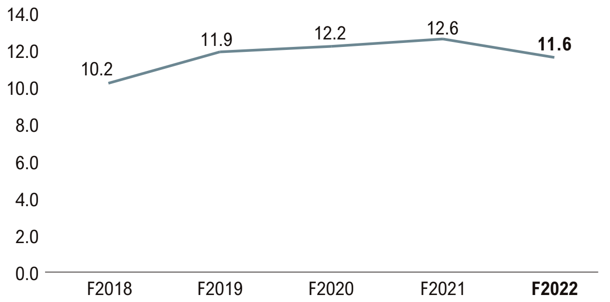
Water management

ARM Ferrous' mines are located in the water-scarce Northern Cape. Cost and continuity of water supply remain a risk and are compounded by loadshedding (which affects water distribution). Mitigating measures are detailed in our 2022 report on climate change and water.

ARM Ferrous continued

We are making progress in reporting against the revised water accounting framework of the ICMM. This has improved our understanding of water reuse efficiency, a key indicator in monitoring and managing consumption and losses. Total reported water withdrawn decreased to 11.6 million m^3 (F2021: 12.6 million m^3). Beeshoek Mine accounted for 43% of ARM Ferrous water withdrawn, Khumani Mine 40% and Black Rock Mine 15%.

Water withdrawn (million m^3)



Tailings storage facilities (TSFs)

The Assmang exco and social and ethics committee consider TSF compliance and status reports at each quarterly meeting.

The three ARM Ferrous mines are implementing the GISTM, with the full implementation scheduled to be complete by August 2023 for Khumani and Black Rock mines. The TSF at Beeshoek Mine has been classified as low hazard, and implementation is consequently due by August 2025.

An accountable executive has been appointed for the safe and responsible management of TSFs in the ferrous division, and the TSF management policy and standard is being implemented. All facilities are being reclassified in terms of GISTM criteria. Dam-breach analyses of the facilities at Khumani and Black Rock mines against risk criteria in GISTM were completed and emergency response plans updated. Currently, all facilities are operated within the required structural stability parameters.

Supporting host communities

ARM Ferrous participates in the shared-value working committee with other Northern Cape manganese producers and the Minerals Council in creating innovative projects with a meaningful benefit for communities. Programmes to promote economic development and job creation in local communities include training, mentoring, coaching and some financial support to local black-owned businesses including SMMEs through enterprise and supplier development initiatives. Where viable, businesses are promoted into the mining supply chain and participate in the ARM Ferrous procurement system.

ARM Ferrous invests in community infrastructure and socio-economic development as part of local economic development and social and labour plans, as well as through its corporate social investment initiatives. In F2022, projects included constructing roads, an early childhood development (ECD) centre and a hardware store as well as essential water, sanitation and waste infrastructure.

Donations included school uniforms to ECD learners and supplies to mitigate the spread of Covid-19. Khumani Mine refurbished a hospital ward and Black Rock Mine is running a three-year health screening and education programme at 29 local schools.

	Unit	**F2022**	F2021	F2020	F2019	F2018
Employee indicators						
Average number[1]		**12 034**	12 097	10 430	11 426	10 247
– Permanent employees		**5 498**	5 501	5 222	5 293	5 017
– Contractors		**6 536**	6 595	5 207	6 133	5 230
LTIFR per 200 000 man-hours		**0.16**	0.19	0.23	0.19	0.13
Environmental indicators (100 basis)						
Scope 1 and 2 carbon emissions[2]	tCO_2e	**1 260 064**	1 194 037	1 145 463	1 266 199	1 191 593
Total water withdrawn[3]	million m^3	**11.6**	12.6	12.2	11.9	10.2
Energy usage						
– Electricity	MWh	**824 098**	805 557	767 952	825 906	829 371
– Diesel	000 litres	**61 232**	59 267	57 155	61 118	59 163
Community investment indicators						
Total corporate social responsibility (CSR)	R million	**91**	106	109	120	102
Corporate social investment (CSI)	R million	**30**	42	33	9	6
Local economic development (LED)	R million	**61**	64	75	111	63

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

[2] *In previous years, ARM disclosed scope 1 and 2 emissions on an attributable basis (according to the group's shareholding in each operation). From F2022, we are disclosing on a 100% basis (as if ARM held 100% of each operation). Prior-year comparatives have been amended accordingly.*

[3] *Includes rainfall and runoff water harvested, surfacewater withdrawn from rivers, municipal water and groundwater.*

Summary operational and financial indicators – 100% basis

Iron ore division

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

Ownership
ARM owns 50% of Assmang and Assore owns 50%

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

	Unit	F2022	F2021	F2020	F2019	F2018
OPERATIONAL						
Production volumes	000t	**16 201**	15 929	16 092	17 786	18 578
Khumani Mine	000t	**13 074**	12 675	13 100	14 145	14 694
Beeshoek Mine	000t	**3 127**	3 254	2 993	3 641	3 884
Sales volumes	000t	**16 064**	16 417	15 568	17 543	17 874
Export iron ore	000t	**13 176**	13 269	13 129	14 430	14 315
Local iron ore	000t	**2 888**	3 148	2 439	3 114	3 559
Unit cost of changes						
On-mine production unit costs	%	**12**	13	10	8	2
Unit cost of sales	%	**8**	16	10	15	6
FINANCIAL						
Sales revenue	R million	**27 856**	37 621	20 638	20 827	14 534
Total costs	R million	**15 769**	16 927	11 065	12 000	10 304
Operating profit	R million	**12 192**	20 694	9 573	8 827	4 230
EBITDA	R million	**13 758**	22 255	10 992	10 284	5 631
Headline earnings	R million	**9 307**	15 046	7 376	6 795	3 343
Capital expenditure	R million	**2 890**	2 397	2 223	2 097	1 780

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

Operational reviews continued

ARM Ferrous continued

Summary operational and financial indicators – 100% basis

Manganese division

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

Ownership
ARM owns 50% of Assmang and Assore owns 50%

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

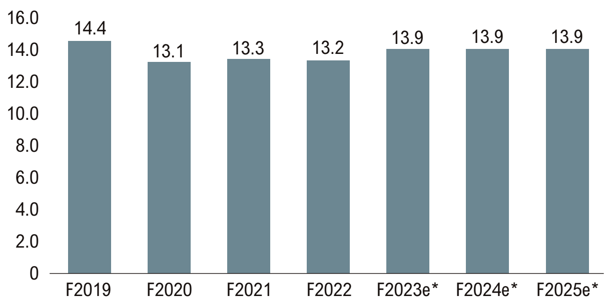
	Unit	F2022	F2021	F2020	F2019	F2018
OPERATIONAL						
Production volumes						
Manganese ore	000t	**4 147**	4 041	3 619	3 409	3 717
Ferromanganese	000t	**385**	362	409	455	450
Sales volumes						
Manganese ore*	000t	**3 957**	3 966	3 227	3 434	3 177
Ferromanganese	000t	**291**	353	323	398	360
Unit cost changes – manganese ore						
On-mine production unit costs	%	**(1)**	18	(2)	15	16
Unit cost of sales	%	**15**	8	–	17	13
FINANCIAL						
Manganese ore						
Sales revenue	R million	**12 009**	10 236	9 005	12 493	10 495
Total costs	R million	**9 841**	9 034	6 410	7 796	(6 017)
Operating profit	R million	**2 726**	1 202	2 595	4 697	4 478
EBITDA	R million	**3 626**	1 918	3 183	5 307	5 015
Headline earnings	R million	**2 101**	823	1 846	3 449	3 192
Capital expenditure	R million	**2 133**	2 060	2 228	2 256	1 240
Ferromanganese						
Sales revenue	R million	**2 718**	1 956	1 791	2 293	2 338
Total costs	R million	**2 074**	1 794	1 651	2 038	(1 711)
Operating profit	R million	**784**	162	140	255	627
EBITDA	R million	**795**	220	189	356	684
Headline earnings	R million	**2 035**	74	(174)	(228)	616
Capital expenditure	R million	**87**	188	86	54	45

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

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

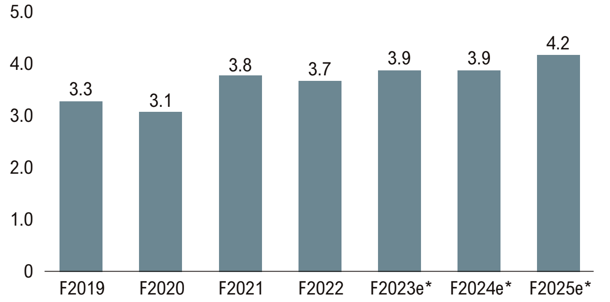
Outlook sales volumes – 100% basis

Export iron ore (million tonnes)



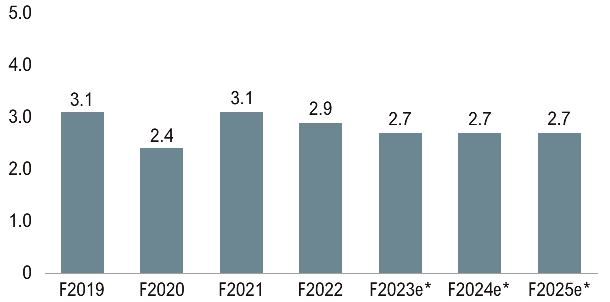
* F2023, F2024, F2025 are estimated volumes.

Export manganese ore (million tonnes)



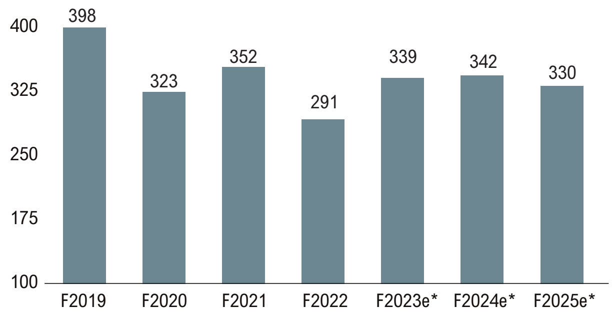
* F2023, F2024, F2025 are estimated volumes.

Local iron ore (million tonnes)



* F2023, F2024, F2025 are estimated volumes.

Manganese alloys (000 tonnes)



* F2023, F2024, F2025 are estimated volumes.

Operational reviews continued

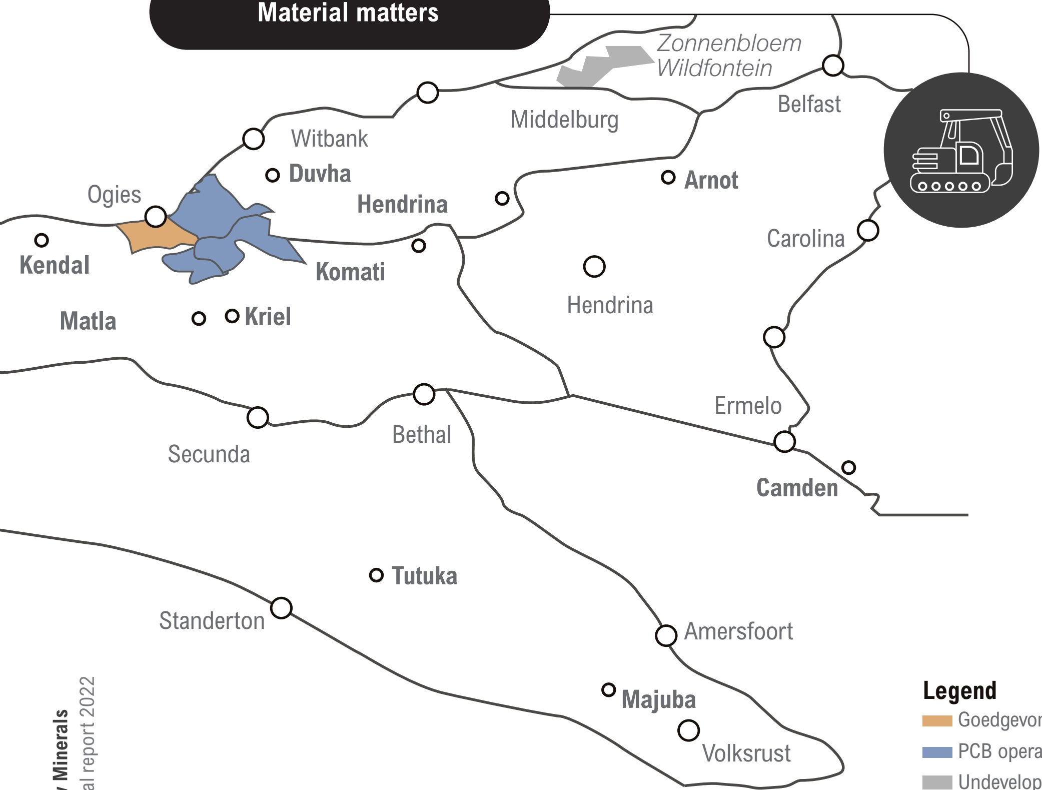
ARM Coal

Key features for F2022

Surging export thermal coal price

Increased operating profit in both GGV and PCB

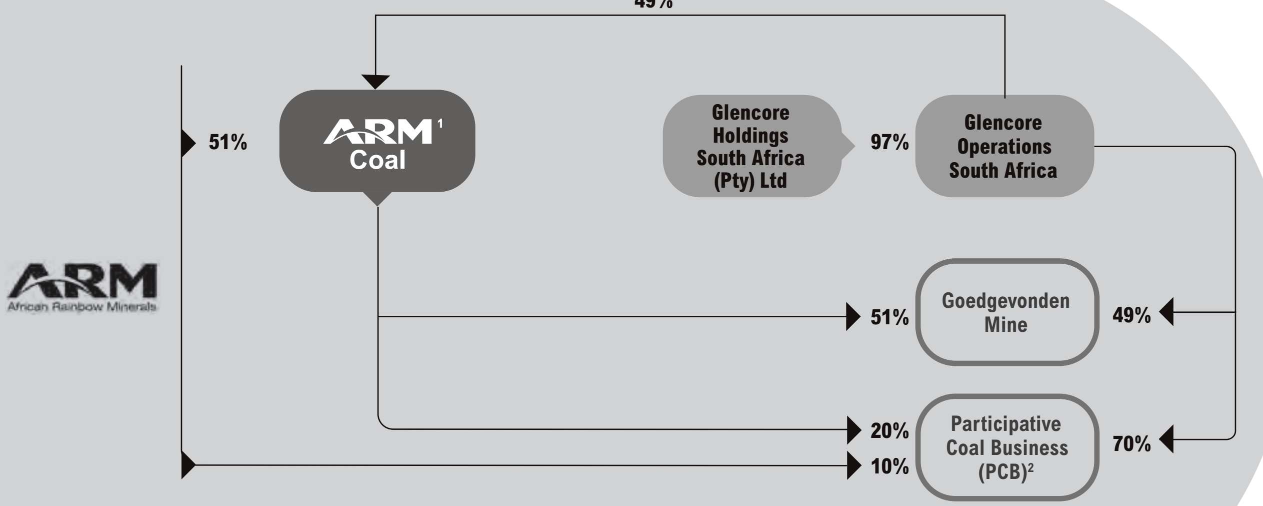
Material matters



Legend
Goedgevonden Mine
PCB operations
Undeveloped resources

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

Structure

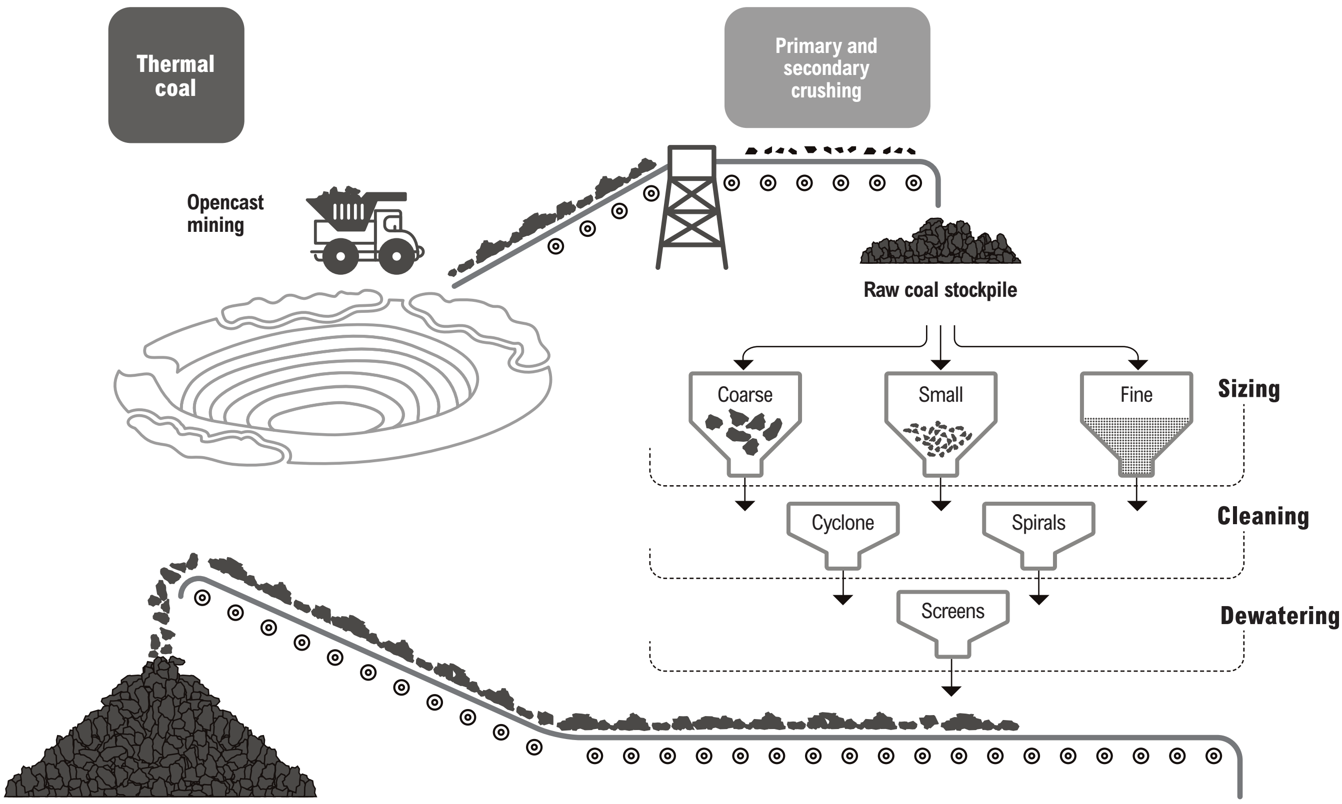


[1] ARM Coal holds:

- Access to Glencore Operations South Africa's interest and entitlement in the Richards Bay Coal Terminal (RBCT).
- An export entitlement of 3.2Mtpa in the phase V expansion at RBCT.

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

Production process



Operational reviews continued

ARM Coal continued

Scorecard

Goedgevonden Mine

F2022 objectives	Achieved/Not achieved	F2023 objectives
Continued focus on containing unit cost escalations below inflation	Achieved	Continued focus on containing unit cost escalations below inflation

Participative Coal Business (PCB)

F2022 objectives	Achieved/Not achieved	F2023 objectives
Continued focus on containing unit cost escalations below inflation	Not achieved	Continued focus on containing unit cost escalations below inflation

Commodity prices

US dollar prices for thermal coal reached record levels in F2022, largely due to disruptions in the global supply market amid geopolitical turbulence from the conflict between Russia and Ukraine. Sanctions on Russia have increased European demand for South African coal. This was exacerbated by Asian liquefied natural gas (LNG) prices reaching record levels (prompting a switch from gas to coal). Prices were further supported by the Indonesia ban on coal exports, which was lifted in January 2022.

The average received export US dollar price for Goedgevonden Mine rose 195% to US$168 per tonne in F2022 (F2021: US$57). The average received export US dollar price for PCB was up 182% from US$57 per tonne in F2021 to US$161 per tonne in F2022.

Around 60% of export volumes at Goedgevonden Mine comprised high-quality coal, while PCB's exports of high-quality coal totalled 69%.

Financial performance

ARM Coal reported headline earnings of R928 million (F2021 headline loss: R250 million). This included a re-measurement loss of R1 256 million (F2021 re-measurement gain: R242 million) after accelerated repayment of loans owing to Glencore.

Adjusted headline earnings were R2 184 million (F2021: R8 million adjusted headline loss), driven by increased export thermal coal prices. This was partially offset by lower sales volumes due mainly to Transnet Freight Rail (TFR) logistics challenges.

Given the significant acceleration in repayment of ARM Coal loans to Glencore, a R766 million re-measurement loss is included in GGV headline earnings. GGV Mine adjusted headline earnings, which exclude these re-measurement losses, were R761 million (F2021: R196 million adjusted headline loss).

Re-measurement losses of R490 million are included in PCB headline earnings. PCB adjusted headline earnings were R1 423 million (F2021: R296 million adjusted headline loss).

Refer to note 2 to the annual financial statements for the ARM Coal segmental information.

Operational performance

Goedgevonden Mine

Total sales volumes rose 11% as the mine reduced the impact of TFR's underperformance by trucking coal to other ports. ARM attributable saleable production increased 10% to 1.65 million tonnes (F2021: 1.5 million tonnes).

On-mine unit production costs per saleable tonne were flat at R508 per tonne (F2021: R506 per tonne).

PCB

Export sales volumes were 22% higher at 9.8 million tonnes (F2021: 8 million tonnes). Domestic sales volumes declined 64% from 2.9 million tonnes to 1.04 million tonnes after some domestic contracts expired.

Production was impacted by operational challenges at Transnet, resulting in high product stockpiles. ARM attributable saleable production was 2.06 million tonnes (F2021: 2.34 million tonnes).

Unit production costs per saleable tonne increased from R520 in F2021 to R633 in F2022. The 22% increase in unit costs reflects lower saleable production, together with above-inflation diesel and explosives price increases.

ARM Coal continued

Summary operational and financial indicators – 100% basis

Goedgevonden Mine

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

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

	Unit	F2022	F2021	F2020	F2019	F2018
OPERATIONAL – 100% BASIS						
Production and sales						
Saleable production	Mt	**6.33**	5.79	6.77	6.99	6.05
Total thermal coal sales	Mt	**6.40**	5.79	6.53	6.84	6.11
Export thermal coal sales	Mt	**3.93**	3.89	4.29	3.27	2.85
Domestic thermal coal sales	Mt	**2.47**	1.90	2.25	3.57	3.26
Average received prices						
Export (FOB)[1]	US$/t	**167.72**	56.73	47.87	71.10	84.57
Domestic (FOT)[2]	R/t	**371.38**	354	305	275	235
Unit costs						
On-mine saleable cost per tonne	R/t	**508**	506	431	380	351
FINANCIAL – ATTRIBUTABLE						
Sales revenue	R million	**2 847**	1 058	1 056	1 162	1 028
Total costs	R million	**1 323**	896	1 000	870	32
Operating profit/(loss)	R million	**1 524**	162	56	292	1 060
EBITDA	R million	**349**	348	264	326	335
Capital expenditure	R million	**109**	263	197	244	140
Cash operating profit	R million	**1 524**	148	56	292	335
Less:	R million					
– Imputed interest expense[3]	R million	**(120)**	(170)	(160)	(144)	(157)
– Interest received	R million	**–**	–	–	–	3
– Depreciation/amortisation	R million	**(190)**	(182)	(197)	(163)	(167)
– Re-measurement adjustments	R million	**(786)**	206	207	190	885
– Impairment loss	R million	**(4)**	–	(559)	–	–
Profit/(loss) before tax	R million	**433**	2	(653)	174	899
Tax	R million	**(435)**	8	56	(38)	(47)
Headline earnings/(loss) attributable to ARM		**(2)**	10	(38)	136	852

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

AFS Refer to the notes in the annual financial statements for the ARM Coal segmental information.

PCB operations

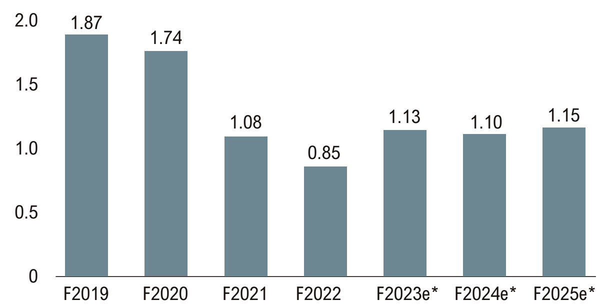
Ownership
ARM holds an effective 20.2% in PCB, Glencore owns the remaining 79.8%

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

	Unit	F2022	F2021	F2020	F2019	F2018
OPERATIONAL – 100% BASIS						
Production and sales						
Saleable production	Mt	**10.18**	11.58	13.34	15.49	16.64
Impunzi	Mt	**4.72**	4.85	6.1	6.7	6.77
Tweefontein	Mt	**5.46**	6.73	7.24	8.79	10.04
Total thermal coal sales	Mt	**10.83**	10.90	13.46	15.56	15.78
Export thermal coal sales	Mt	**9.79**	8.00	7.73	10.95	13.44
Domestic thermal coal sales	Mt	**1.04**	2.90	5.74	4.61	2.34
Average received prices						
Export (FOB)[1]	US$/t	**160.54**	56.97	50.54	64.88	73.51
Domestic (FOT)[2]	R/t	**558**	678	666	582	368
Unit costs						
On-mine saleable cost per tonne	R/t	**633**	520	484	391	330
FINANCIAL – ATTRIBUTABLE						
Sales revenue	R million	**4 946**	1 815	2 008	2 605	2 765
Total costs	R million	**2 146**	1 516	1 702	1 707	1 835
Operating profit/(loss)	R million	**2 801**	299	306	898	930
EBITDA	R million		378	304	898	1 030
Capital expenditure	R million	**228**	248	425	562	413
Cash operating profit	R million	**2 801**	299	304	898	1 030
Plus: Interest received	R million	**–**	–	–	–	5
Less:						
– Interest paid	R million	**(87)**	(104)	(118)	(138)	(164)
– Depreciation/amortisation	R million	**(702)**	(569)	(479)	(424)	(425)
– Re-measurement adjustments	R million	**(490)**	36	278	55	325
(Impairment loss)/reversal of impairment	R million	**748**	–	(1 121)	3	
(Loss)/profit before tax	R million	**2 270**	(338)	(1 138)	394	771
Tax	R million	**(588)**	78	51	(118)	(138)
Headline (loss)/earnings attributable to ARM	R million	**1 683**	(260)	36	274	633

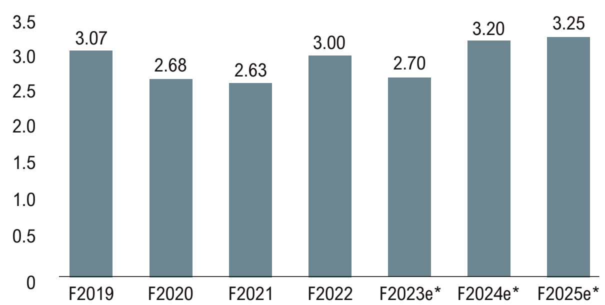
Outlook sales volumes

Local sales (million tonnes)



** F2023, F2024, F2025 are estimated volumes.*

Export sales (million tonnes)



** F2023, F2024, F2025 are estimated volumes.*

Harmony Gold Mining Company Limited

Key features for F2022

Headline earnings per share decreased 49% to 499 cents per share

Total dividend per share of 62 cents

	Unit	F2022	F2021
Gold produced	Kg	**46 236**	47 755
	000oz	**1 486 517**	1 535 352
Cash operating costs	R/kg	**701 024**	600 592
	US$/oz	**1 434**	1 213
Financial performance			
Revenue	R million	**42 645**	41 733
Costs of sales	R million	**(41 927)**	(35 657)
Impairment of assets	R million	**(4 433)**	(1 124)
Gross profit	R million	**718**	6 244
Net profit/(loss) for the year	R million	**(1 012)**	5 124
Total headline earnings/(loss)	Cents per share	**499**	987
Total capital expenditure	R million	**6 214**	5 142
Market performance			
Average gold price received	R/kg	**894 218**	851 045
	US$/oz	**1 829**	1 719
Market capitalisation	R billion	**32.0**	32.5

Financial and operational performance

ARM's investment in Harmony was negatively revalued by R59 million in F2022 (F2021: R1 426 million negative revaluation) as the Harmony share price decreased by 1% from R52.76 per share at 30 June 2021 to R51.97 per share at 30 June 2022. The Harmony investment is therefore reflected on the ARM statement of financial position at R3 881 million based on its share price at 30 June 2022.

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

Subsequent to year end, Harmony declared a final dividend of 22 cents per share, bringing its dividend for F2022 to 62 cents per share.

Harmony's financial performance in F2022 reflects a net loss of R1 012 million compared to a net profit of R5 124 million in F2021. Headline earnings per share decreased 49% to 499 cents for F2022 from 987 cents for F2021.

Group revenue for the period increased by 2% to R42 645 million from R41 733 million in F2021 mainly as a result of a R497 million hedge gain and a full year's production from Mponeng and related assets in F2022 compared to only nine months in F2021.

Group gold production for the period decreased 3% year on year to 46 236kg (1 486 517oz) from 47 755kg (1 535 352oz) mainly as a result of safety-related stoppages, mining constraints and supply-chain disruptions at operations in South Africa. In Papua New Guinea, production was severely impacted by the overland conveyor-belt failure at Hidden Valley and geotechnical instability.

As at 30 June 2022, net debt increased by R215 million to R757 million. This was mainly attributable to a lower cash position due to increased capital expenditure and lower production.

Harmony's results for the year ended 30 June 2022 can be found on its website: **www.harmony.co.za**.

Summarised Mineral Resources and Mineral Reserves report

at 30 June 2022

Adding value

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

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

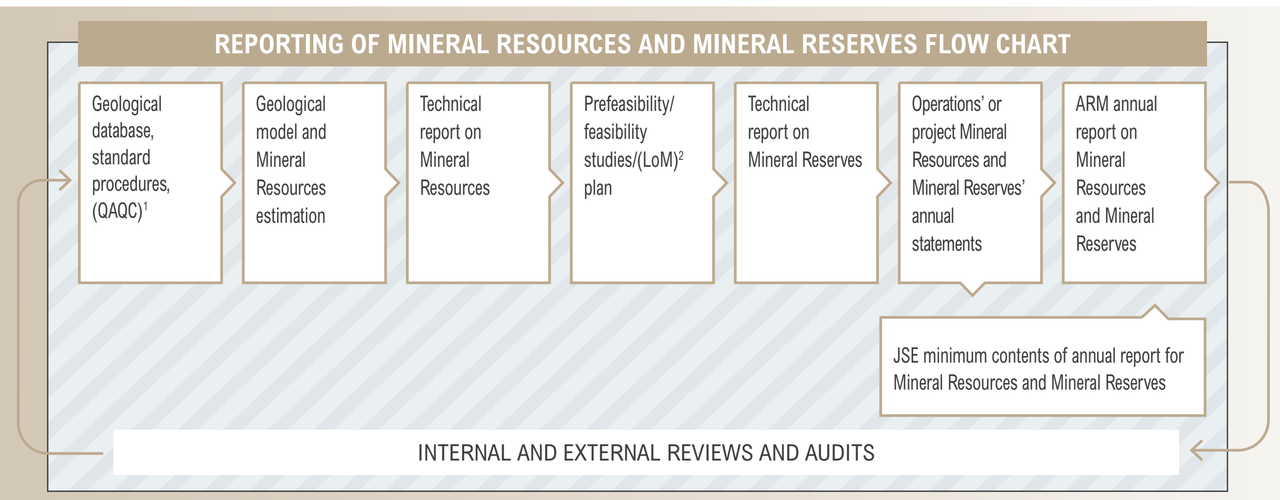
MRMR A Mineral Resources and Mineral Reserves report is issued annually to inform shareholders and potential investors of the mineral assets held by African Rainbow Minerals Limited (ARM). This summary should be read with the detailed 2022 ARM Mineral Resources and Mineral Reserves report on our website.

Introduction

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

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

The SAMREC Code, 2016 edition sets out minimum standards, recommendations and guidelines for Public Reporting of Exploration Results, Mineral Resources and Mineral Reserves in South Africa. It was launched and adopted by the JSE in May 2016. The 2022 ARM Mineral Resources and Mineral Reserves report is based on the SAMREC Code, 2016 edition. The reporting of Mineral Resources and Mineral Reserves is done annually according to the following flow chart:



[1] *QAQC: quality assurance quality control.*
[2] *LoM: Life-of-mine.*

Formal guidelines have been formulated to assist Competent Persons in the estimation, classification and reporting of Mineral Resources and Mineral Reserves. The guidelines are available at the corporate offices on the Mineral Resources Management (MRM) server.

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

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

The convention adopted in this report is that the Measured and Indicated Mineral Resources estimates are reported inclusive of that portion converted to Mineral Reserves. Inferred Mineral Resources have not been included in feasibility studies or life-of-mine plans. Mineral Resources and Mineral Reserves estimates are quoted as at 30 June 2022 unless stated otherwise.

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

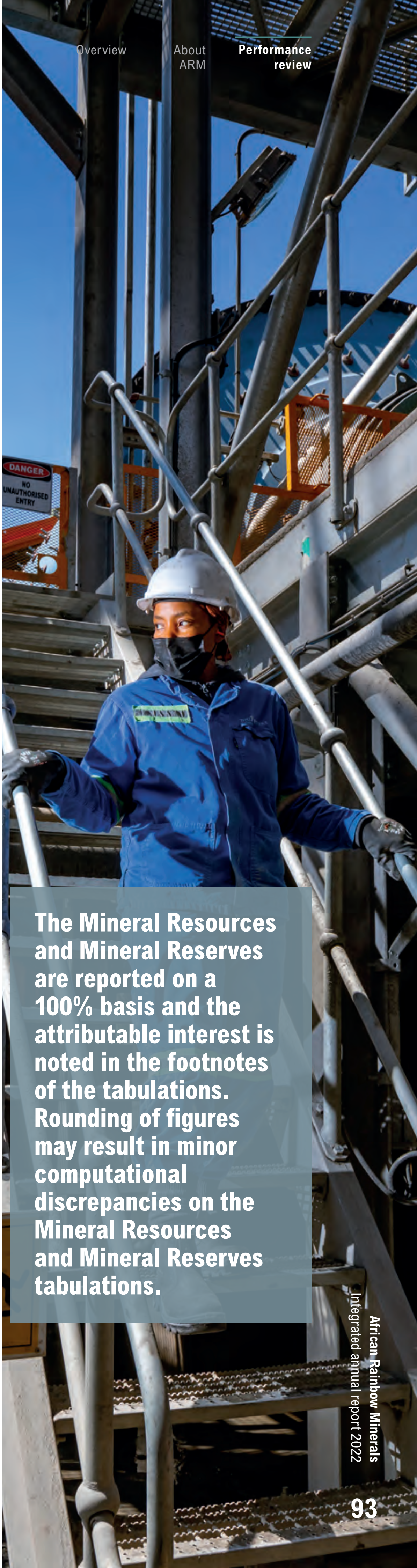
The classification into Measured, Indicated and Inferred Mineral Resources is done by consideration of geostatistical parameters, spacing of boreholes, geological structures and continuity of the mineralisation.

External consulting firms audit the Mineral Resources and Mineral Reserves of the ARM operations when substantial geological borehole data has been added to the previously established database or every three years, whichever comes first. During the past reporting cycle, the following operations were externally audited:

- Black Rock Mine: Mineral Resources were audited by Pivot Mining while Mineral Reserves were audited by Fraser McGill – Mining and Minerals Advisory
- Khumani Mine: Mineral Resources and Mineral Reserves were audited by Ukwazi.

The findings from these audits provided recommendations to improve some aspects of Mineral Resources and Mineral Reserves estimations, but also noted some areas of good practice.

Management of risk factors that relate to environmental, social and governance (ESG) aspects that could impact on the Mineral Resources and Mineral Reserves estimates are reported in this report, in the operating environment, sustainability performance for F2022 and managing our risk sections. It is also reported in the ESG report in our approach to ESG and value creation, environment and social sections.



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

F2022 Mineral Resources and Mineral Reserves summary continued

at 30 June 2022

Competence

The lead Competent Person with overall responsibility for the compilation of the 2022 Mineral Resources and Mineral Reserves report is Shepherd Kadzviti, an ARM employee. He confirms that the information in this report complies with the SAMREC Code, 2016 edition and that it may be published in the form and context in which it was intended.

Shepherd Kadzviti graduated with a BSc in geology and mathematics and an MSc in exploration geology from the University of Zimbabwe. He later completed a graduate diploma in mining engineering (GDE) at the University of the Witwatersrand. He worked at RioZim's Renco Gold Mine for 14 years in various capacities as geologist, technical services superintendent and mine manager. In 2005, he joined Anglo American Platinum at Union Mine as an evaluation geologist with responsibilities for geological database management and Mineral Resource estimation. After two years at the mine, he was transferred to the Anglo American Platinum corporate office where he was appointed resource geologist. He then joined ARM as mineral resources specialist in 2008, and was involved in the evaluation of various mineral deposits for the group. In 2012, he was appointed group mineral resources manager for ARM. He is registered with the South African Council for Natural Scientific Professions (SACNASP) as a professional natural scientist (PrSciNat) in the field of practice of geological science, registration number 400164/05. SACNASP is based in the Management Enterprise Building, Mark Shuttleworth Street, Innovation Hub, Pretoria, 0087, South Africa. He has a total of 32 years' experience in various aspects of mining and exploration geology, database management and Mineral Resource estimation and as such is considered to be a Competent Person.

All Competent Persons at the ARM corporate office and the operations have sufficient relevant experience in the type of deposit and in the activity for which they have taken responsibility. The Competent Persons consent to the inclusion of the Exploration Results, Mineral Resources and Mineral Reserves information in this report, in the form and context in which it appears. Details of ARM's Competent Persons are available from the company secretary on written request.

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

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

Shepherd Kadzviti *PrSciNat*
Group mineral resources manager

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

7 October 2022

Salient features for F2022

ARM Platinum

Two Rivers Mine

Mineral Reserves for the UG2 Reef decreased from 71.14 million tonnes at a grade of 3.47 g/t 6E to 70.72 million tonnes at 3.30 g/t 6E mainly due to mining depletion. The UG2 Mineral Reserves 6E ounces decreased by 5% from 7.93 to 7.51 million ounces.

Modikwa Mine

The UG2 Reef Mineral Reserves at Modikwa decreased to 40.33 million tonnes at 4.25 g/t 4E when compared with the F2021 statement of 44.26 million tonnes at 4.21 g/t 4E. This was mainly due to production, design changes and modifying factor changes. The UG2 Mineral Reserves 4E ounces decreased by 8% from 5.99 to 5.51 million ounces.

Nkomati Mine

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

ARM Ferrous

Black Rock Mine

Gloria Mine Mineral Reserves for Seam 1 increased by 19% from 105.70 million tonnes at 37.25% Mn to 125.51 million tonnes at 36.90% Mn due to the significant increase in Indicated Mineral Resources from which the additional Mineral Reserves have been converted. The incorporation of new infill surface drilling information contributed to the increase in the Indicated Mineral Resources which accounted for the increase in Mineral Reserves.

Beeshoek Mine

Measured and Indicated Mineral Resources increased by 8% from 86.45 million tonnes at 64.13% Fe to 93.45 million tonnes at 64.19% Fe. The increase is mainly due to the increase in Mineral Resources for Village pit and Oppikoppie area after the completion of geological and grade model updates.

Khumani Mine

Open-pit Mineral Reserves decreased by 5% from 414.16 million tonnes at 62.27% Fe to 395.09 million tonnes at 62.28% Fe, mainly due to mining production as well as consideration of pillar constraints at Mokaning.

ARM Coal

Goedgevonden Coal Mine

Coal Reserves (ROM) decreased by 4% from 270 million tonnes to 260 million tonnes mainly due to mining production.

F2022 Mineral Resources and Mineral Reserves summary continued

at 30 June 2022

The tables below are summaries of ARM Mineral Resources and Mineral Reserves.

ARM Platinum operations

Platinum group elements

Mineral Resources and Mineral Reserves are reported on a 100% basis*	MINERAL RESOURCES								MINERAL RESERVES						
	Measured		Indicated		Measured and Indicated		Inferred		Proved		Probable		Total Reserves		
	Mt	Grade g/t	Mt	Grade g/t	Mt	Grade g/t	Mt	Grade g/t	Mt	Grade g/t	Mt	Grade g/t	Mt	Grade g/t	Moz
Two Rivers Mine															
2022 UG2 (grade reported as 6E)	**17.81**	**5.52**	**77.21**	**5.74**	**95.02**	**5.70**	**80.69**	**5.38**	**12.21**	**3.18**	**58.51**	**3.33**	**70.72**	**3.30**	**7.51**
2021 UG2 (grade reported as 6E)	16.26	5.72	84.29	5.73	100.55	5.73	83.53	5.23	9.24	3.46	61.90	3.47	71.14	3.47	7.93
2022 Merensky (grade reported as 6E)			**75.73**	**3.42**	**75.73**	**3.42**	**61.39**	**4.32**			**50.41**	**2.89**	**50.41**	**2.89**	**4.68**
2021 Merensky (grade reported as 6E)			75.73	3.42	75.73	3.42	61.39	4.32			49.62	2.89	49.62	2.89	4.60
Modikwa Mine															
2022 UG2 (grade reported as 4E)	**81.28**	**5.90**	**102.23**	**5.90**	**183.51**	**5.90**	**78.10**	**6.21**	**11.05**	**4.48**	**29.28**	**4.16**	**40.33**	**4.25**	**5.51**
2021 UG2 (grade reported as 4E)	83.50	5.93	102.10	5.91	185.60	5.92	77.50	6.22	15.59	4.33	28.67	4.14	44.26	4.21	5.99
2022 Merensky (grade reported as 4E)	**20.61**	**3.16**	**53.85**	**2.90**	**74.45**	**2.97**	**139.33**	**2.84**							
2021 Merensky (grade reported as 4E)	20.70	3.15	53.88	2.90	74.58	2.97	139.33	2.84							

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

Nickel

Mineral Resources are reported on a 100% basis*	MINERAL RESOURCES							
	Measured		Indicated		Measured and Indicated		Inferred	
	Mt	Ni%	Mt	Ni%	Mt	Ni%	Mt	Ni%
Nkomati Mine								
2022 MMZ+PCMZ	**72.89**	**0.32**	**94.62**	**0.37**	**167.51**	**0.35**	**46.35**	**0.40**
2021 MMZ+PCMZ	72.89	0.32	94.62	0.37	167.51	0.35	46.35	0.40
2022 MMZ stockpiles	**0.10**	**0.30**			**0.10**	**0.30**		
2021 MMZ stockpiles	0.10	0.30			0.10	0.30		
2022 PCMZ stockpiles	**0.24**	**0.18**			**0.24**	**0.18**		
2021 PCMZ stockpiles	0.24	0.18			0.24	0.18		

MMZ *– Main Mineralised Zone;* ***PCMZ*** *– Chromititic Peridotite Mineralised Zone.*
Nkomati Mine MMZ Mineral Resources also contain Cu, Co, and PGEs – details available in the 2022 detailed ARM Mineral Resource and Mineral Reserve report.
Nkomati Mine PCMZ Mineral Resources also contain Cu, Co, PGEs and Cr_2O_3 – details available in the 2022 detailed ARM Mineral Resource and Mineral Reserve report.
**** Nkomati Mine attributable interests (ARM 50%; Norilsk Nickel Africa (Pty) Ltd 50%).***

ARM Platinum operations continued

Chrome

Mineral Resources are reported on a 100% basis*	MINERAL RESOURCES: Measured		Indicated		Measured and Indicated	
	Mt	Cr_2O_3%	Mt	Cr_2O_3%	Mt	Cr_2O_3%
Nkomati Mine						
2022 Oxidised massive chromitite	**0.13**	**27.16**	**0.05**	**23.28**	**0.18**	**26.14**
2021 Oxidised massive chromitite	0.13	27.16	0.05	23.28	0.18	26.14
2022 Un-oxidised massive chromitite	**0.12**	**25.16**	**0.21**	**24.43**	**0.32**	**24.89**
2021 Un-oxidised massive chromitite	0.12	25.16	0.21	24.43	0.32	24.89

**** Nkomati Mine attributable interests (ARM 50%; Norilsk Nickel Africa (Pty) Ltd 50%).***

ARM Ferrous operations

Manganese

Mineral Resources and Minera Reserves are reported on a 100% basis*	MINERAL RESOURCES: Measured		Indicated		Measured and Indicated		Inferred		MINERAL RESERVES: Proved		Probable		Total Reserves	
	Mt	Mn%	Mt	Mn%	Mt	Mn%	Mt	Mn%	Mt	Mn%	Mt	Mn%	Mt	Mn%
Black Rock Mine (Nchwaning Mine)														
2022 Seam 1	**94.14**	**45.27**	**39.69**	**39.68**	**133.83**	**43.61**			**31.43**	**45.41**	**23.01**	**42.35**	**54.44**	**44.12**
2021 Seam 1	79.72	45.03	39.03	40.29	118.75	43.47			35.01	44.42	27.38	42.06	62.39	43.38
2022 Seam 2	**118.62**	**42.63**	**59.51**	**41.95**	**178.13**	**42.40**			**74.35**	**42.53**	**27.66**	**42.67**	**102.00**	**42.57**
2021 Seam 2	106.08	42.81	68.83	42.20	174.91	42.57			70.44	42.49	35.57	42.86	106.01	42.61
Black Rock Mine (Koppie area)														
2022 Seam 1	**15.80**	**40.00**	**23.00**	**39.30**	**38.80**	**39.60**	**25.20**	**41.10**						
2021 Seam 1	15.80	40.00	23.00	39.30	38.80	39.60	25.20	41.10						
2022 Seam 2	**7.30**	**39.10**	**8.00**	**35.80**	**15.30**	**37.40**	**18.70**	**38.20**						
2021 Seam 2	7.30	39.10	8.00	35.80	15.30	37.40	18.70	38.20						
Black Rock Mine (Gloria Mine)														
2022 Seam 1	**80.56**	**37.25**	**122.30**	**36.97**	**202.86**	**37.08**			**42.79**	**37.10**	**82.72**	**36.79**	**125.51**	**36.90**
2021 Seam 1	77.41	37.29	90.11	37.49	167.52	37.40	33.90	36.77	44.10	37.20	61.60	37.28	105.70	37.25
2022 Seam 2			**31.06**	**28.46**	**31.06**	**28.46**	**109.04**	**29.65**						
2021 Seam 2			30.97	28.35	30.97	28.35	121.28	30.00						

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

F2022 Mineral Resources and Mineral Reserves summary continued

at 30 June 2022

ARM Ferrous operations continued

Iron ore

Mineral Resources and Mineral Reserves are reported on a 100% basis*	MINERAL RESOURCES								MINERAL RESERVES					
	Measured		Indicated		Measured and Indicated		Inferred		Proved		Probable		Total Reserves	
	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%
Beeshoek Mine														
2022 All pits	**84.45**	**64.30**	**9.00**	**63.14**	**93.45**	**64.19**	**2.50**	**60.00**	**52.01**	**64.10**	**6.12**	**60.24**	**58.13**	**63.32**
2021 All pits	80.99	64.18	5.46	63.37	86.45	64.13	5.49	62.70	55.50	64.17	6.19	60.20	61.69	63.77
2022 Stockpiles											**0.64**	**57.09**	**0.64**	**57.09**
2021 Stockpiles											1.37	58.45	1.37	58.45
2022 Low-grade stockpiles	**2.41**	**56.46**	**14.64**	**52.72**	**17.05**	**53.25**								
2021 Low-grade stockpiles	2.41	56.46	14.64	52.72	17.05	53.25								
Khumani Mine														
2022 Bruce and King/ Mokaning	**511.85**	**63.00**	**58.61**	**62.32**	**570.46**	**62.94**	**7.20**	**62.73**	**371.72**	**62.29**	**23.37**	**62.18**	**395.09**	**62.28**
2021 Bruce and King/ Mokaning	507.49	62.91	76.31	62.53	583.80	62.86	10.53	59.96	380.70	62.29	33.46	61.97	414.16	62.27
2022 Stockpiles											**6.36**	**59.48**	**6.36**	**59.48**
2021 Stockpiles											6.02	59.59	6.02	59.59
2022 Low-grade stockpiles			**23.26**	**54.22**	**23.26**	**54.22**								
2021 Low-grade stockpiles			20.76	54.24	20.76	54.24								

*The Mineral Resources are **inclusive** of those modified to produce Mineral Reserves.*

**** Iron ore operations attributable interests (ARM 50%; Assore 50%).***

ARM Coal operations

Coal

Coal Resources and Coal Reserves are reported on a 100% basis*	COAL RESOURCES								COAL RESERVES (ROM)						COAL RESERVES (SALEABLE)					
	Measured		Indicated		Measured and Indicated		Inferred		Proved		Probable		Total Reserves		Proved		Probable		Total Reserves	
	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)	Mt	CV (MJ/kg)
Goedgevonden Coal Mine																				
2022 (Coal Resources reported as MTIS)**	**460**	**19.76**	**10**	**18.28**	**470**	**19.73**			**260**	**19.57**			**260**	**19.57**	**168**	**^**			**168**	**^**
2021 (Coal Resources reported as MTIS**)	480	19.76	7	18.28	487	19.74	1	16.72	270	19.57			270	19.57	167	^^			167	^^

*The Coal Resources are **inclusive** of those modified to produce Coal Reserves.*

*** Mineable tonnes in situ (MTIS) coal resources are now reported as per SAMREC Code, 2016 edition requirements.*

^ 2022 [HG export (68 Mt; CV 6 000 Kcal/kg)] and [LG export (99 Mt; CV 21.50 MJ/kg)].

^^ 2021 [HG export (71 Mt; CV 6 000 Kcal/kg)] and [LG export (96 Mt; CV 21.50 MJ/kg)].

**** Goedgevonden Coal Mine attributable interests (ARM 26%; Glencore Operations 74%).***

Harmony Gold Mining Company Limited (Harmony)

ARM owns 12.11% of Harmony's issued share capital. Harmony is separately run by its own management team. Mineral Resources and Mineral Reserves of the Harmony mines are the responsibility of the Harmony team and are published in Harmony's annual report.

Approach to reporting

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

Integrated reporting

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

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

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

Dynamic materiality

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

ESG reporting

Targets all stakeholders wanting to understand our sustainability impacts

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

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

Financial reporting

Targets primarily investors and capital markets

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

Ore Reserves and Mineral Resources reporting

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

Companies Act 2008, JSE Listings Requirements, King IV

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

Reporting scope and boundary

This report covers the period 1 July 2021 to 30 June 2022 (F2022), and follows a similar structure to the prior report (F2021).

Our environmental and social objectives and performance are reported only for operations where we have direct or joint management and exclude ARM Coal, Sakura and Harmony.

Materiality

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

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

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

- Guidelines and frameworks
- Industry initiatives
- Peer reporting
- Media monitoring.

Combined assurance

ARM's combined assurance model defines appropriate levels according to the six lines of assurance. A combined assurance report (see 2022 ESG report) identifies potential gaps and duplication in assurance and provides input on strengthening the control environment. The interrelationship between our ERM processes, internal audit, external audit and related initiatives by specialists/subject-matter experts reinforces our comprehensive management assurance processes and reporting.

ESG

Certain material ESG disclosures have been externally assured, with the assurance statement on page 190 of the 2022 ESG report.

AFS

For financial disclosure, the opinion of the independent external auditor appears on page 7 of the 2022 annual financial statements.

Board approval

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

The audit and risk committee, which has oversight responsibility for this report, recommended it for approval to the board. The board confirms it has assessed the report and believes the report represents all material matters and presents fairly the company's integrated performance and ability to create value. The board has therefore approved the release of the 2022 integrated annual report.

Dr Patrice Motsepe
Executive chairman

Mike Schmidt
Chief executive officer

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

Glossary of terms and acronyms

1H/2H	First/second six months of the financial year
3E	Platinum, palladium and gold
4E	Platinum, palladium, rhodium and gold
6E	Platinum, palladium, rhodium, gold, ruthenium and iridium
Anglo Platinum	Anglo American Platinum Limited
ARM	African Rainbow Minerals Limited
ARM Trust/ARM BBEE Trust	ARM Broad-Based Economic Empowerment Trust
Assmang	Assmang Proprietary Limited
Assore	Assore South Africa Proprietary Limited
BEE	Black economic empowerment
BBBEE	Broad-based black economic empowerment
Covid-19	Coronavirus disease of 2019
CIF	Cost, insurance and freight
CPI	Consumer price index
CSI	Corporate social investment
CSR	Corporate social responsibility, which includes CSI and LED expenditure
CVT	Counselling and voluntary testing
Divisions	ARM Platinum, ARM Ferrous and ARM Coal
DMRE	Department of Mineral Resources and Energy
dtic	Department of Trade, Industry and Competition
e	In tables and graphic analysis refers to estimated numbers
ERM	Enterprise risk management
F2021	Financial year from 1 July 2020 to 30 June 2021
F2022	Financial year from 1 July 2021 to 30 June 2022
FOB	Free-on-board
FOR	Free-on-rail
FOT	Free-on-truck
Goedgevonden/ GGV	Goedgevonden Thermal Coal Mine
GOSA	Glencore Operations South Africa Proprietary Limited
GRI	Formerly Global Reporting Initiative
Harmony/ Harmony Gold	Harmony Gold Mining Company Limited
HDP	Historically disadvantaged person
HDSA	Historically disadvantaged South African
HIV	Human immuno-deficiency virus
ICMM	International Council on Mining and Metals
IFRS	International Financial Reporting Standards
Impala Platinum/ Implats	Impala Platinum Holdings Limited

IRS	Impala Refining Services Limited
JSE Limited	Johannesburg's stock exchange
JV	Joint venture
King IV™	King Report on Corporate Governance for South Africa, 2016
LED	Local economic development
LoM	Life-of-mine
LTIs	Lost-time injuries
LTIFR	Lost-time injury frequency rate – expressed per 200 000 man-hours for a work-related injury that results in the employee being unable to attend work at their place of work, performing their assigned duties on the next calendar day (whether a scheduled work day or not) after the day of injury
MCSA	Minerals Council South Africa
MDR TB	Multi-drug resistant tuberculosis
Mining charter	Broad-based socio-economic empowerment charter, latest iteration signed in 2018
MMZ	Main mineralised zone plant
MPRDA	Minerals and Petroleum Resources Development Act
MQA	Mining Qualifications Authority
Mt	Million tonnes
Mtpa	Million tonnes per annum
NEMA	National Environmental Management Act
N/R	Not reported
oz	Ounces
PCB	Participative Coal Business
PCMZ	Peridotite chromititic mineralised zone
PTB	Pulmonary tuberculosis
PV	Photovoltaic, as in solar PV panels
RBCT	Richards Bay Coal Terminal
SAMREC Code	South African Code for Reporting Mineral Resources and Mineral Reserves
SLP	Social and labour plans
SME	Small and medium enterprise
SMME	Small, medium and micro enterprise
t	Tonnes
TB	Tuberculosis
TCFD	Task-force on Climate-related Financial Disclosures
tCO_2	Tonnes of carbon dioxide
tCO_2e	Tonnes of carbon dioxide equivalent
TPI	Transition Pathways Initiative
UG2	Upper group 2 – second level of three chromitite layers
WHIMS	Wet high-intensity magnetic-separation plant

Contact details

African Rainbow Minerals Limited

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

Registered and corporate office
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.*

We appreciate your feedback

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

Forward-looking statements

Certain statements in this document constitute forward-looking statements that are neither reported financial results nor 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.

We do it better