ARM
African Rainbow Minerals

Interim results for the six months ended 31 December 2022

Interim results commentary contents

Shareholder information

Issued share capital at 31 December 2022	**224 667 778 shares**
Market capitalisation at 31 December 2022	**ZAR64.70 billion**
Market capitalisation at 31 December 2022	**US$3.82 billion**
Closing share price at 31 December 2022	**R288.00**
Six-month high (1 July 2022 – 31 December 2022)	**R299.95**
Six-month low (1 July 2022 – 31 December 2022)	**R196.60**
Average daily volume traded for the six months	**443 063 shares**
Primary listing	**JSE Limited**
JSE share code	**ARI**
A2X share code	**ARI**

These results have been achieved in conjunction with ARM's partners at the various operations: Anglo American Platinum Limited, Assore South Africa Proprietary Limited, Impala Platinum Holdings Limited, Norilsk Nickel Africa Proprietary Limited and Glencore Operations South Africa (Pty) Ltd.

Interim results for the six months ended 31 December 2022 have been prepared in accordance with IFRS and disclosures are in line with IAS 34 *Interim Financial Reporting*.

Rounding may result in minor computational discrepancies in tables.

Salient features

Financial

- Headline earnings increased by **40%** to **R5 171 million** or **R26.38 per share** (1H F2022: R3 696 million or R18.87 per share).
- An interim dividend of **R14.00 per share** is declared (1H F2022: R12.00 per share).
- We maintained a robust financial position, with net cash of **R9 548 million** at 31 December 2022 (30 June 2022: R11 175 million).
- The purchase consideration for Bokoni Platinum Mine of **R3 500 million** was fully settled in cash on 1 September 2022. The definitive feasibility study for the project is progressing on schedule and post the period end, the board approved bringing forward capital of R1 004 million to enable the project to deliver early ounces.

Health and safety

- Regrettably, Two Rivers Mine had a fatality when a contractor employee was injured and later succumbed to his injuries. We extend our deepest condolences to his family, friends and colleagues.
- The group lost-time injury frequency rate (LTIFR) improved to **0.28** per **200 000** man-hours (1H F2022: 0.36).
- The group total recordable injury frequency rate improved to **0.62** (1H F2022: 0.67).
- **75%** of the workforce was fully vaccinated against Covid-19 at the end of the review period (31 December 2021: 68%).

Operational

- Iron ore, manganese ore and thermal coal volumes were negatively impacted by logistics challenges.
- Unit production costs remained under pressure mainly due to lower production volumes and above-inflation increases for diesel and explosives costs.

Environmental and social

- Progress was made developing decarbonisation pathways to meet the long-term target to achieve net-zero greenhouse gas (GHG) emissions (scope 1 and 2) from mining by 2050.
- All operations are on track to meet the requirements of the Global Industry Standard on Tailings Management (GISTM) by the deadlines.

Operating safely and sustainably

Health and safety

We are committed to maintaining a safe and healthy work environment for all employees and contractors.

The operations delivered improved safety performances, with a group LTIFR of 0.28 per 200 000 man-hours in the period under review compared to 0.36 per 200 000 man-hours in 1H F2022. The total recordable injury frequency rate, which includes the number of fatal injuries, lost-time injuries and medical cases improved to 0.62 from 0.67.

Regrettably, there was a fatality at Two Rivers Mine when a contractor employee, Mr Seutlwadi Esron Ramathesela, an engineering assistant, was injured and later succumbed to his injuries. We extend our deepest condolences to his family, friends and colleagues.

Independent root cause investigations are underway following the accident. In addition, initiatives continue at Two Rivers Mine and all operations to ensure that safety standards are strictly upheld as we work towards zero harm at our operations.

Environmental management

Decarbonisation and the journey to net zero – In F2021, ARM set a long-term target to achieve net-zero greenhouse gas (GHG) emissions (scope 1 and 2) from mining by 2050. Building on this, in F2022 we focused on developing decarbonisation pathways that detail sustainable and financially responsible steps to be taken in the short and medium term to achieve our long-term target.

Increasing access to and use of renewable energy – In the review period, we signed a power-purchase agreement with an independent power producer to wheel 100MW of renewable solar photovoltaic (PV) power to three of the ARM Platinum operations, namely Two Rivers, Bokoni and Nkomati mines. Studies conducted by ARM Platinum indicate that over the course of 20 years,

wheeling the 100MW of renewable energy is expected to generate approximately 4 900 000MWh of electricity and save around 4.8mtCO_2e in carbon emissions.

This agreement is subject to conditions precedent, including approval by the ARM board. Financial close for the project is expected to be reached in the 2023 calendar year, with construction of the solar PV facility commencing in the 2024 financial year (F2024) and completion expected within 18 to 24 months.

The Khumani and Black Rock mines are progressing with a detailed feasibility study for solar PV generation with battery storage systems at each mine. The environmental impact assessment (EIA) process, geotechnical surveys, electrical studies, design development and Eskom application are underway with the detailed feasibility study planned to be completed in August 2023.

Our renewable energy initiatives are an important part of our commitment to decarbonise our mines and secure reliable cost-effective power at our operations.

Financial performance

Headline earnings

Headline earnings for 1H F2023 increased by 40% to R5 171 million or R26.38 per share (1H F2022: R3 696 million or R18.87 per share). Headline earning for the previous period included re-measurement losses of R346 million mainly related to the ARM Coal loans owing to Glencore Operations South Africa. These loans have since been fully settled.

The average realised rand exchange change weakened by 15% versus the US dollar to R17.33/US$ compared to R15.02/US$ in 1H F2022. For reporting purposes, the closing exchange rate was R16.93/US$ (31 December 2021: R15.98/US$).

Headline earnings/(loss) by operation/division

R million	1H F2023	1H F2022	% change
ARM Ferrous	**2 520**	2 428	4
Iron ore division	**1 663**	1 889	(12)
Manganese division	**861**	559	54
Consolidation adjustment	**(4)**	(20)	
ARM Platinum	**1 330**	1 245	7
Two Rivers Mine	**920**	725	27
Modikwa Mine	**615**	594	4
Bokoni Mine	**(150)**	–	
Nkomati Mine	**(55)**	(74)	26
ARM Coal	**1 404**	351	>200
Goedgevonden (GGV) Mine	**516**	351	47
PCB operations*	**888**	–	
ARM Corporate and other	**(83)**	(328)	(75)
Corporate and other (including Gold)	**70**	(237)	130
Machadodorp Works	**(153)**	(91)	(68)
Headline earnings	**5 171**	3 696	40

* *Participative Coal Business.*

ARM Ferrous headline earnings were 4% higher at R2 520 million (1H F2022: R2 428 million) as a 54% increase in headline earnings for the manganese division was largely offset by a 12% decline in headline earnings for the iron ore division. Key factors contributing to lower headline earnings in the iron ore division included:

- Lower average realised US dollar prices for iron ore, in line with the decline in iron ore index prices; and
- A 15% decrease in export iron ore sales volumes, coupled with a 33% decline in local iron ore sales volumes.

These were partially offset by the weaker rand/US dollar exchange rate.

Higher average US dollar prices realised for export manganese ore, coupled with improved manganese ore sales volumes and a weaker rand/US dollar exchange rate contributed positively to the manganese division's headline earnings.

ARM Platinum headline earnings were 7% higher at R1 330 million (1H F2022: R1 245 million). Two Rivers Mine delivered a 27% increase in headline earnings to R920 million (1H F2022: R725 million) while Modikwa Mine headline earnings increased by 4% to R615 million (1H F2022: R594 million) as both operations benefitted from the weaker rand/US dollar exchange rate and comparatively lower negative mark-to-market adjustments*. These benefits were partly offset by above-inflation unit cost increases at both mines.

* *Refer to page 12 for further information on the mark-to-market adjustments in ARM Platinum.*

Bokoni Mine, which is included for the first time in the ARM interim results, reported a headline loss of R150 million for 1H F2023. The mine remains on care and maintenance while the definitive feasibility study progresses.

Refer to page 5 for more details on the latest developments at Bokoni Platinum Mine.

Nkomati Mine reported a headline loss of R55 million (1H F2022: R74 million) with the mine having been placed on care and maintenance on 15 March 2021. ARM continues to engage its joint venture partner on the various options available for the future of Nkomati Mine.

ARM Coal headline earnings were R1 053 million higher at R1 404 million (1H F2022: R351 million) driven mainly by increased export thermal coal prices. Thermal coal sales volumes were under pressure in the review period owing to inland logistics challenges.

ARM Coal headline earnings included a re-measurement and fair value loss of R9 million (1H F2022 gain: R5 million). The majority of this related to the fair value loss on the Richards Bay Coal Terminal (RBCT) entitlement.

ARM Corporate and other (including Gold) reported headline earnings of R70 million (1H F2022: R237 million loss). Included in ARM Corporate and other are re-measurement gains of R12 million (1H F2022: R364 million loss).

Machadodorp Works headline loss of R153 million (1H F2022: R91 million) related to research into developing energy-efficient smelting technology.

Basic earnings and impairments

Basic earnings of R4 387 million (1H F2022: R3 893 million) included attributable impairments as follows:

- An impairment of property, plant and equipment at Beeshoek Mine of R659 million after tax;
- An impairment of property, plant and equipment at Cato Ridge Works of R28 million after tax; and
- An impairment of the investment in Sakura of R149 million after tax.

Refer to note 4 to the interim financial statements for more information on these impairments.

Financial position and cash flow

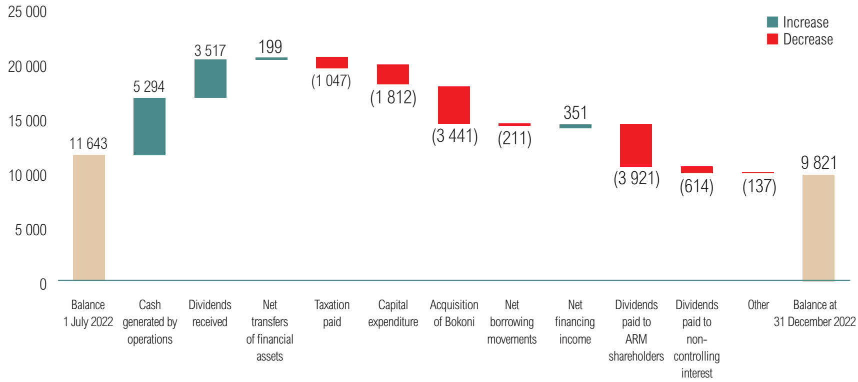
At 31 December 2022, ARM had net cash of R9 548 million (30 June 2022: R11 175 million), a decrease of R1 627 million compared to the end of the 2022 financial year. This amount excludes attributable cash and cash equivalents held at ARM Ferrous (50% of Assmang) of R3 296 million (30 June 2022: R5 342 million). There was no debt at ARM Ferrous in either of the reporting periods.

Dividends received by ARM Corporate

R million	1H F2023	1H F2022
Assmang	**3 500**	3 500
Modikwa Mine*	**–**	415
Two Rivers Mine	**432**	459
Harmony Gold	**17**	20
Total dividends received	**3 949**	4 394

* *In 1H F2023, Modikwa Mine paid a distribution of R525 million to ARM Mining Consortium (ARM MC) which in turn paid a R500 million dividend to ARM Platinum and a R102 million dividend to the communities who are shareholders in ARM MC. At 31 December 2022, ARM Platinum cash and cash equivalents were R1 140 million, most of which has been retained to fund the development of Bokoni Mine. ARM MC is owned 83% by ARM Platinum and holds 50% of Modikwa Mine.*

Analysis of movements in cash and cash equivalents (R million)



Cash generated from operations increased by R469 million to R5 294 million (1H F2022: R4 825 million) after an inflow in working capital of R641 million (1H F2022: R1 036 million) which was mainly due to an inflow in trade receivables.

In 1H F2023, ARM paid R3 921 million in dividends to its shareholders, representing the final dividend of R20.00 per share declared for F2022 (1H F2022: R3 917 million representing the F2021 final dividend of R20.00 per share).

Net cash outflow from investing activities was R5 052 million (1H F2022: R1 167 million) and included the net cash payment for the acquisition of Bokoni Mine of R3 441 million (which represents the gross cash payment of R3 500 million, net of R59 million cash acquired in the transaction).

Borrowings of R211 million (1H F2022: R68 million) were repaid during the period, resulting in gross debt of R289 million at 31 December 2022 (30 June 2022: R484 million).

Investing in growth and our existing business

We are pleased to have concluded the acquisition of Bokoni Mine from Anglo American Platinum and Atlatsa Resources Corporation. The acquisition represents a significant milestone and gives ARM access to Bokoni Mine's large, high-grade resource and existing infrastructure. Bokoni Mine will enable ARM to scale its PGM portfolio, improve global competitiveness and pursue further value-accretive organic growth.

The definitive feasibility study for the mine is progressing well and is focused predominantly on mining the UG2 resource, using appropriate mechanised mining methods, and targeting on-reef development.

In March 2023 (post the period end), the ARM board approved bringing forward R1 004 million of capital for the project to enable the mine to deliver early ounces by mining the UG2 reef. The early ounce project will be focused on a combination of mining high-grade UG2 stopes in Middelpunt Hill Shaft and early on-reef development of the new UG2 mine. Critical orders for long lead items, to de-risk the project schedule, have been placed. The ore will be processed through the existing 60 000 tonnes per month UG2 concentrator plant which will be refurbished as part of the early-ounce project. The early ounces will enable the mine to capitalise on the current strong PGM basket prices and commence with early development of the underground infrastructure required for the new planned UG2 mine. The first saleable PGM concentrate from the early ounces project is planned for the first half of F2024.

We continued to invest in our existing operations with segmental capital expenditure of R2 991 million for the period (1H F2022: R1 933 million). The increase in capital expenditure was mainly due to the Merensky Project at Two Rivers Mine. Capital expenditure for the divisions is shown below and discussed in each division's operational performance section from page 6.

Capital expenditure by operation/division (attributable basis)

R million	1H F2023	1H F2022	% change
ARM Ferrous	**1 039**	1 070	(3)
Iron ore division	**751**	576	30
Manganese division	**332**	542	(39)
Consolidation adjustment	**(44)**	(48)	8
ARM Platinum	**1 715**	792	117
Two Rivers Mine	**1 332**	572	133
Modikwa Mine	**321**	220	46
Bokoni Mine	**62**	–	
ARM Coal (GGV Mine only)	**232**	67	>200
ARM Corporate	**5**	4	25
Total	**2 991**	1 933	55

Operational performance

ARM Ferrous: Iron ore operations

Prices

Average realised US dollar export iron ore prices were 22% lower on a free-on-board (FOB) equivalent basis at US$91 per tonne (1H F2022: US$116 per tonne). The ratio of lump-to-fines sales volumes was 59:41 in 1H F2023 (58:42 in 1H F2022).

Movements in iron ore prices resulted in the following mark-to-mark adjustments:

R million	1H F2023	1H F2022
Fair value adjustments at interim (realised)	**(706)**	(2 569)
Revenue – fair value adjustments current period	**(520)**	(2 090)
Revenue – fair value adjustments previous period sales	**(186)**	(479)
Fair value adjustments at interim (unrealised)	**291**	(133)
Based on confirmed prices	**95**	(225)
Based on forward prices	**196**	92
Total fair value adjustments (realised and unrealised)	**(415)**	(2 702)

Volumes

Total iron ore sales volumes were 1.5 million tonnes lower at 6.7 million tonnes (1H F2022: 8.2 million tonnes).

Export sales volumes were 1.0 million tonnes lower at 5.7 million tonnes (1H F2022: 6.7 million tonnes) mainly due to below average operational performance at Transnet Freight Rail (TFR) driven by an 11-day Transnet strike, backlog in maintenance on the rail network (which reduced train slot capacity), and several derailments on the Sishen-Saldanha rail line.

Local sales volumes declined by 33% to 1.0 million tonnes (1H F2022 at 1.5 million tonnes) and were negatively impacted by reduced offtake by Beeshoek Mine's primary customer together with lower rail performance as the rail line to Vanderbijlpark and Newcastle was affected by vandalism and cable theft.

Iron ore production was 16% lower at 7.0 million tonnes (1H F2022: 8.3 million tonnes) due to lower offtake at Beeshoek Mine and full on-mine stockpiles at Khumani Mine due to the rail logistics constraints described above.

Unit costs

On-mine unit production costs for the iron ore division increased by 16% to R369 per tonne (1H F2022: R319 per tonne).

On-mine unit production costs at Khumani Mine were 8% higher at R354 per tonne (1H F2022: R329 per tonne) mainly due to the 16% decline in production volumes, above inflation increases in the cost of diesel and explosives, which were partially offset by lower maintenance expenses and lower ex-pit mining volumes at Khumani Mine.

Khumani Mine's on-mine unit cash costs (which include capitalised waste stripping costs and certain non-cash adjustments but exclude run-of-mine ore stock movements) were 29% higher at R454 per tonne (1H F2022: R353 per tonne) impacted mainly by the lower volumes, higher diesel and explosives costs and higher work in progress balances (driven by Transnet's underperformance).

Unit cost of sales for the iron ore division were 7% higher in 1H F2023 mainly due to higher on-mine unit production costs, which were partly offset by lower US dollar freight cost and lower marketing commission expense incurred on lower realised pricing.

Capital expenditure

Capital expenditure for the iron ore division was R1 503 million on a 100% basis (1H F2022: R1 152 million). The increase in capital expenditure was mainly due to sustainability capital on fleet and major component cycle replacements. Capitalised waste stripping costs were R539 million (1H F2022: R554 million).

Iron ore operational statistics (100% basis)

	unit	1H F2023	1H F2022	% change
Prices				
Average realised export price*	US$/t	**91**	116	(22)
Volumes				
Export sales	000t	**5 652**	6 657	(15)
Local sales	000t	**1 011**	1 517	(33)
Total sales	000t	**6 662**	8 174	(18)
Production	000t	**6 984**	8 317	(16)
Export sales lump/fines split		**59:41**	58:42	
Export sales CIF/FOB** split		**59:41**	52:48	
Unit costs				
Change in on-mine unit production costs	%	**16**	10	
Change in unit cost of sales	%	**7**	11	
Capital expenditure	R million	**1 503**	1 152	30

* *Average realised export iron ore prices on an FOB-equivalent basis.*
** *CIF – cost, insurance and freight; FOB – free-on-board.*

ARM Ferrous: Manganese ore operations

Manganese ore financial information (100% basis)

R million	1H F2023	1H F2022	% change
Sales	**6 644**	4 888	36
Operating profit	**1 520**	640	138
Headline earnings	**1 076**	436	148
Capital expenditure	**623**	1 058	(41)
Depreciation	**473**	378	25
EBITDA	**1 993**	1 018	96

Prices

The manganese ore operations realised higher prices despite the average Platts manganese ore price index for 44% manganese ore and 37% manganese ore being 4% and 8% lower, respectively in 1H F2023. This was due to the timing of revenue recognition on sales contracts.

Volumes

Manganese ore sales volumes increased by 25% to 2.2 million tonnes (1H F2022: 1.8 million tonnes). Export sales volumes were 6% higher at 1.8 million tonnes (1H F2022: 1.7 million tonnes) while local sales volumes were 405 000 tonnes (1H F2022: 70 000 tonnes).

Production volumes at Black Rock were 5% higher at 2.2 million tonnes (1H F2022: 2.1 million tonnes) as Gloria Mine ramps up production.

Local sales for 1H F2023 were higher mainly due to the sale of ultra-fines product while export sales volumes for 1H F2023 were higher as the 10-day shutdown on the Gqeberha rail line and port was postponed to April 2023. Included in export sales volumes, is approximately 90 000 tonnes which was transported by road to the Saldanha Port.

Transnet's operational challenges, exacerbated by cable theft and vandalism, continued to impact the Gqeberha export channel and the rail line from Black Rock to Cato Ridge Works.

Assmang and other iron ore and manganese ore exporters in South Africa continue to engage regularly with Transnet to address these challenges, seeking improvement for both rail and port operations. This is further enhanced by the recently formed Recovery Steering Committee (RSC) and Oversight Committee, comprising Minerals Council South Africa (MCSA) members and Transnet board members.

Unit costs

Despite the increase in production volumes, Black Rock Mine's on-mine unit production costs and unit cash costs were 8% higher to R712 per tonne (1H F2022: R658 per tonne). The increase is mainly attributed to:

- Higher diesel prices and consumption (on the back of the increased load restriction hours);
- Higher input costs driven by increases in diesel, oil-based products and explosives;
- Increased maintenance costs as a result of premature failure of major equipment components and an ageing fleet; and
- Increased power costs due to rate increases and an increase in the infrastructure footprint.

These were partially offset by increased production volumes which resulted in fixed cost dilution.

Unit cost of sales for the manganese ore operations were 9% lower as higher unit production costs were more than offset by lower US dollar freight cost.

Capital expenditure and projects

Capital expenditure for the manganese division decreased by 39% to R665 million (1H F2022: R1 083 million) on a 100% basis due to lower capital spend on the Black Rock and Gloria Projects. R56 million (1H F2022: R278 million) relates to the modernisation and optimisation of Gloria Mine as approved in F2018 and R61 million (1H F2022: R175 million) relates to the Black Rock Project.

Gloria Project – At December 2022, the Gloria Project was 96% complete with 95% of the approved budget of R3 billion being spent. The Gloria Project is forecasted to be completed in June 2023 due to adverse geotechnical conditions that were encountered in the Raise Section.

Black Rock Project – The Black Rock Project was completed on budget (R7.4 billion) and handed over to operations in September 2022. The planned ramp-up in tonnages from the modernisation of Gloria and Black Rock Mines is constantly being reviewed to align with Transnet's capacity allocation and market fluctuations.

Manganese ore operational statistics (100% basis)

	unit	1H F2023	1H F2022	% change
Volumes				
Export sales	000t	**1 779**	1 681	6
Domestic sales*	000t	**405**	70	>200
Total sales	000t	**2 184**	1 751	25
Production	000t	**2 163**	2 069	5
Unit costs				
Change in on-mine unit production costs	%	**8**	(6)	
Change in unit cost of sales	%	**9**	15	
Capital expenditure	R million	**623**	1 058	(41)

* *Excluding intra-group sales of 105 000 tonnes sold to Cato Ridge Works (1H F2022: 82 000 tonnes).*

ARM Ferrous: Manganese alloy operations

Manganese alloy financial information (100% basis)

R million	1H F2023	1H F2022	% change
Sales	**1 217**	1 299	(6)
Operating profit	**337**	336	–
Contribution to headline earnings	**646**	682	(5)
Capital expenditure	**42**	26	62
Depreciation	**31**	1	>200
EBITDA	**368**	337	9

Prices

Prices for high-carbon manganese alloy dropped as demand slowed. High carbon manganese alloy prices came off by approximately 30% to US$1 150 per tonne while medium carbon prices were relatively stable at US$2 879 per tonne, compared to 1H F2022.

Volumes

High carbon manganese alloy production at Cato Ridge Works was consistent at 61 000 tonnes (1H F2022: 61 000 tonnes). Production for the review period, however, was affected by lower plant availability, loadshedding, poor quality and supply constraints of reductants and ore. In the prior comparative period, production was negatively impacted by the unrest in KwaZulu-Natal. During the restart of the furnaces, Furnace 2 experienced an electrode break while all furnaces had electrode tip losses and experienced long slips.

Medium carbon manganese alloy production at Cato Ridge Alloys was 3% lower at 28 000 tonnes (1H F2022: 29 000 tonnes).

High carbon manganese alloy sales at Cato Ridge Works decreased by 29% to 19 000 tonnes (1H F2022: 27 000 tonnes) due to the production challenges noted above. Medium carbon manganese alloy sales at Cato Ridge Alloys increased by 30% to 26 000 tonnes (1H F2022: 24 000 tonnes) due to higher tonnage placed on contract.

High carbon manganese alloy production at Sakura (100% basis) increased by 47% to 134 000 tonnes (1H F2022: 91 000 tonnes) as both furnaces were operational in the review period, compared to only one furnace in the prior comparative period up to October 2021, after one of the furnaces was temporarily shut due to multiple transformer failures. High carbon manganese alloy sales at Sakura increased by 71% to 121 000 tonnes (1H F2022: 71 000 tonnes).

Unit costs

Unit production costs of high carbon manganese alloy at Cato Ridge Works were 24% higher at R17 575 per tonne (1H F2022: R14 190 per tonne) due to lower production volumes, inflationary increases and furnace efficiency challenges related to ores and reductants. Unit cash costs at Cato Ridge Works increased by 23% to R17 492 per tonne (1H F2022: R14 225 per tonne).

Unit production costs of medium carbon manganese alloy at Cato Ridge Alloys were 21% higher at R29 810 per tonne (1H F2022: R24 543 per tonne) primarily driven by higher molten metal prices.

Unit cash costs at Cato Ridge Alloys increased by 21% to R29 935 per tonne (1H F2022: R24 664 per tonne).

High carbon manganese alloy production unit costs at Sakura increased by 27% due to significant increases in manganese ore and reductant prices, offset by lower fixed costs as a result of higher production volumes and successful cost-saving initiatives implemented to further reduce fixed costs.

Manganese alloy operational statistics (100% basis)

	unit	1H F2023	1H F2022	% change
Volumes				
Cato Ridge Works sales*	000t	**19**	27	(30)
Cato Ridge Alloys sales	000t	**27**	24	13
Sakura sales	000t	**121**	71	70
Cato Ridge Works production	000t	**61**	61	–
Cato Ridge Alloys production	000t	**28**	29	(3)
Sakura production	000t	**134**	91	47
Unit costs – Cato Ridge Works				
Change in unit production costs	%	**24**	11	
Change in unit cost of sales	%	**–**	15	
Unit costs – Cato Ridge Alloys				
Change in unit production costs	%	**21**	34	
Change in unit cost of sales	%	**42**	10	
Unit costs – Sakura				
Change in unit production costs	%	**27**	11	
Change in unit cost of sales	%	**25**	18	

* *Excluding intra-group sales of 34 000 tonnes sold to Cato Ridge Alloys (1H F2022: 35 000 tonnes).*

The ARM Ferrous operations, held through its 50% investment in Assmang Proprietary Limited (Assmang), comprise the iron ore and manganese divisions. Assore South Africa Proprietary Limited, ARM's partner in Assmang, owns the remaining 50%.

ARM Platinum

Prices

Lower US dollar PGM prices, particularly platinum (8% lower), palladium (9% lower) and rhodium (11% lower), were largely offset by a weaker rand/US dollar exchange rate.

The average rand per 6E kilogram basket price for Two Rivers and Modikwa mines rose by 4% and 1% to R1 246 355 per kilogram (1H F2022: R1 201 888 per kilogram) and R1 300 765 per kilogram (1H F2022: R1 284 600 per kilogram), respectively.

Average US dollar metal prices

	unit	1H F2023	1H F2022	% change
Platinum	US$/oz	**929**	1 011	(8)
Palladium	US$/oz	**2 008**	2 202	(9)
Rhodium	US$/oz	**13 171**	14 816	(11)
Nickel	US$/t	**23 690**	19 468	22
Copper	US$/t	**7 873**	9 534	(17)
Cobalt	US$/lb	**24**	27	(11)
UG2 chrome concentrate – Two Rivers (CIF*)	US$/t	**207**	158	31
UG2 chrome concentrate – Modikwa (CIF*)	US$/t	**228**	163	40

* *CIF – cost, insurance and freight.*

Average rand metal prices

	unit	1H F2023	1H F2022	% change
Average exchange rate	R/US$	**17.33**	15.02	15
Platinum	R/oz	**16 091**	15 191	6
Palladium	R/oz	**34 784**	33 077	5
Rhodium	R/oz	**228 204**	222 546	3
Nickel	R/t	**410 467**	292 431	40
Copper	R/t	**136 414**	143 212	(5)
Cobalt	R/lb	**416**	403	3
UG2 chrome concentrate – Two Rivers (CIF*)	R/t	**3 580**	2 373	51
UG2 chrome concentrate – Modikwa (CIF*)	R/t	**3 956**	2 447	62

* *CIF – cost, insurance and freight.*

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 the sale, with adjustments made to the sales price based on movements in the discounted forward commodity prices up to the date of final pricing.

Post refining and delivery, adjustments are made to reflect final pricing.

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

Realised mark-to-market adjustments
A portion of the ARM Platinum receivables as at 30 June 2022 was realised at lower prices following the decline in commodity prices in the first three months of the period under review, which resulted in realised negative mark-to-market adjustments as shown in the table below.

Unrealised mark-to-market adjustments
Revenue related to open sales at 31 December 2022 at Two Rivers and Modikwa mines was initially recognised using provisional prices and revalued at 31 December 2022 per the table below.

Modikwa Mine mark-to-market adjustments

	1H F2023	1H F2022
Realised mark-to-market adjustments	**41**	(255)
Provisional sales value	**2 369**	2 588
Final sales value	**2 410**	2 333
Unrealised mark-to-market adjustments	**(82)**	48
Initial provisional sales recognition	**1 114**	1 062
Period end provisional sales recognition	**1 031**	1 110
Total mark-to-market adjustment	**(41)**	(207)

Two Rivers Mine mark-to-market adjustments

	1H F2023	1H F2022
Realised mark-to-market adjustments	**32**	(722)
Provisional sales value	**5 840**	5 958
Final sales value	**5 872**	5 236
Unrealised mark-to-market adjustments	**(240)**	53
Initial provisional sales recognition	**1 627**	1 491
Period end provisional sales recognition	**1 387**	1 544
Total mark-to-market adjustment	**(207)**	(669)

ARM Platinum: Modikwa Mine

Volumes

Tonnes milled at Modikwa Mine improved by 7%, however an 8% decline in head grade resulted in production volumes decreasing by 4% to 146 921 6E PGM ounces (1H F2022: 152 379 6E PGM ounces). The decline in head grade was mainly due to increased production from on-reef development at North shaft.

Unit costs

Unit production costs increased by 27% to R17 224 per 6E PGM ounce (1H F2022: R13 528 per 6E PGM ounce) and were 14% higher on a rand per tonne basis at R1 953 (1H F2022: R1 706). The steep rise was largely attributable to significant spend on engineering to ensure asset integrity and focus on development, exacerbated by the increase in the provision for the employee profit share scheme and inflationary pressures on consumables (diesel 50% up, explosives 26% higher).

Capital expenditure and projects

Capital expenditure at Modikwa Mine (100% basis) rose by 46% to R642 million (1H F2022: R440 million). Of this, 46% related to fleet replacement in the North and South 2 shafts in line with the switch from contractor development to owner-mining development strategy. The South 2 shaft deepening project and Proximity Detection System for the mining fleet were 9% and 10%, respectively, of the total capital expenditure.

North shaft project – Phase 1 of the underground workshop has been completed. The downcast shaft to provide additional ventilation for mining levels below 10 will be established around level 9. Development has commenced and the underground vent chamber is ready with total remaining meters of 217 metres. The process to secure environmental approval for the access road and the shaft has advanced, with approval envisaged at end of the third quarter of F2023. The project is estimated to be completed in the first quarter of F2025.

South 2 shaft project – Preparation work for the 2.5km underground-to-surface conveyor belt that will enable to ramp up production to 100 000 tonnes per month has started. The conveyor belt is planned for commissioning in the fourth quarter of F2024.

Modikwa Mine operational statistics (100% basis)

	unit	1H F2023	1H F2022	% change
Cash operating profit	R million	**2 216**	2 238	(1)
– PGMs	R million	**2 121**	2 249	(6)
– Chrome	R million	**94**	(11)	>200
Tonnes milled	Mt	**1.30**	1.21	7
Head grade	g/t 6E	**4.21**	4.58	(8)
PGMs in concentrate	6E oz	**146 921**	152 379	(4)
Chrome in concentrate sold	tonnes	**59 957**	10 462	>200
Average basket price	R/kg 6E	**1 300 765**	1 284 600	1
Average basket price	US$/oz 6E	**2 335**	2 660	(12)
Cash operating margin	%	**46**	52	
Cash cost	R/kg 6E	**553 751**	434 935	27
Cash cost	R/tonne	**1 953**	1 706	14
Cash cost	R/Pt oz	**42 994**	34 470	25
Cash cost	R/oz 6E	**17 224**	13 528	27
Cash cost	US$/oz 6E	**994**	901	10

ARM Platinum: Two Rivers Mine

Volumes

PGM production volumes remained largely flat at 147 288 6E PGM ounces (1H F2022: 146 524 6E PGM ounces) despite an increase in both mined and milled tonnes. The grade at Two Rivers Mine remains a constraint as various mining cuts are taken in the multi-split reef areas to optimise grade as far as possible. Following the accelerated development of the declines, mining flexibility is improving and enabling a better mining mix.

Unit costs

Two Rivers Mine unit production costs increased by 14% to R1 096 per tonne milled (1H F2022: R964 per tonne). The rand per 6E PGM ounce operating cost increased by 22% to R13 490 per ounce (1H F2022: R11 015 per ounce), primarily due to inflationary pressure from consumables such as diesel (53% higher), explosives (up 53%) and power (10% higher) compounded by higher diesel consumption (to mitigate the impact of power curtailment from Eskom), grinding media and reagents usage due to ore quality.

Capital expenditure and projects

67% of the R1 332 million capital spent at Two Rivers Mine (1H F2022: R572 million), is attributable to the Two Rivers Merensky project as approved in F2021.

The deepening of the declines at Main and North shafts along with electrical and mechanical installations comprised a further 17% of total capital expenditure. Additionally, 7% was spent on mining fleet replacement.

Merensky project – Two Rivers' shareholders approved the Two Rivers Merensky project which involves mining of the Merensky reef. Total estimated capital expenditure for the project was approved in February 2021 at R5.7 billion (100% basis) to be spent over three years. The project targets annual production of 182 000 6E PGM ounces, 1 600 tonnes nickel and 1 300 tonnes of copper.

Mining of the Merensky reef commenced in February 2022, however, the project has been significantly impacted by:

- Unexpected geotechnical conditions at the plant site which have led to time delays and additional earthworks and civil engineering costs;
- Scope changes, mostly due to regulatory changes and a requirement for additional capital outlays for water and electricity; and
- Global procurement challenges arising mainly from the Covid-19 pandemic and Russia's invasion of Ukraine which delayed contracting and work implementation.

The above mentioned challenges have resulted in delays in the project schedule and an increase in capital costs for the project of R1.5 billion (including contingencies) to R7.2 billion. The concentrator plant commissioning date has shifted from the second quarter of F2024 to the end of the third quarter of F2024. Although the concentrator plant commissioning has been delayed, the overall project completion date still remains unchanged for the second quarter of F2025. The project is still expected to deliver PGM concentrate close to the original planned date of mid-2024.

Certain long-term commodity price and currency expectations have also changed. The Merensky project remains highly profitable and accretive to Two Rivers Mine with the Merensky mine expected to produce PGMs at competitive costs, positioning Two Rivers Mine in the bottom half of the global PGM unit cost curve.

To date, capital expenditure of R1 911 million has been spent (33%), with over R3 billion (64%) committed.

Two Rivers Mine operational statistics (100% basis)

	unit	1H F2023	1H F2022	% change
Cash operating profit	R million	**2 726**	2 316	18
– PGMs	R million	**2 625**	2 276	15
– Chrome	R million	**101**	40	153
Tonnes milled	Mt	**1.81**	1.67	8
Head grade	g/t, 6E	**3.02**	3.20	(6)
PGMs in concentrate	ounces, 6E	**147 288**	146 524	1
Chrome in concentrate sold	tonnes	**92 215**	112 875	(18)
Average basket price	R/kg, 6E	**1 246 355**	1 201 888	4
Average basket price	US$/oz, 6E	**2 237**	2 489	(10)
Cash operating margin	%	**55**	57	
Cash cost	R/kg, 6E	**433 725**	354 124	22
Cash cost	R/tonne	**1 096**	964	14
Cash cost	R/Pt oz	**28 809**	23 678	22
Cash cost	R/oz, 6E	**13 490**	11 015	22
Cash cost	US$/oz, 6E	**779**	733	6

ARM Platinum: Nkomati Mine

Nkomati Mine was placed on care and maintenance on 15 March 2021 in line with the strategy as previously communicated.

At 31 December 2022, the estimated undiscounted rehabilitation costs attributable to ARM were determined to be R818 million (30 June 2022: R771 million) excluding VAT. The discounted rehabilitation costs attributable to ARM were determined to be R686 million (30 June 2022: R676 million). The R13 million increase in the discounted liability was due to unwinding interest recognised against the liability.

At 31 December 2022, R138 million (attributable to ARM) in cash and financial assets were available to fund rehabilitation obligations for Nkomati Mine. The resulting attributable shortfall of R548 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.

ARM Coal

Prices

US dollar prices for thermal coal increased in 1H F2023 largely due to disruptions in the global energy supply market following geopolitical turbulence owing to the conflict between Russia and Ukraine. Sanctions on Russia have increased demand for South African coal. This was also exacerbated by the switch from gas to coal prompted by record Asian Liquefied Natural Gas (LNG) prices.

Goedgevonden Mine's average received export US dollar price increased by 56% to US$184 per tonne in 1H F2023 (1H F2022: US$118 per tonne). PCB's average received export US dollar price increased by 63% from US$115 per tonne in 1H F2022 to US$188 per tonne in 1H F2023.

Since the period end, thermal coal prices have come under significant pressure while export volumes continue to be negatively impacted by logistics challenges.

Approximately 59% and 73% of export volumes at Goedgevonden Mine and PCB respectively, comprised high-quality coal (5 700 – 6 000 net as received (NAR) kcal).

ARM Coal: GGV Mine

Goedgevonden Mine (GGV) attributable headline earnings/(loss) analysis

R million	1H F2023	1H F2022	% change
Cash operating profit	**895**	336	166
Amortisation and depreciation	**(102)**	(109)	6
Imputed interest*	**(39)**	(65)	38
Loan re-measurement and fair value (losses)/gains	**(9)**	246	(104)
Profit before tax	**745**	408	83
Less tax	**(229)**	(57)	>(200)
Headline earnings attributable to ARM	**516**	351	47

* *Post restructuring the ARM Coal loans, all interest expense on partner loans is imputed.*

Volumes

ARM attributable saleable production increased by 8% to 0.81 million tonnes from 0.75 million tonnes in 1H F2022. Total sales volumes, however, increased by 1% as GGV Mine mitigated the impact of operational challenges at TFR by trucking coal to other ports.

Unit costs

On-mine unit production costs per saleable tonne increased by 12% to R601 per tonne (1H F2022: R537 per tonne) largely due to above inflationary increases in explosives (57% increase) and diesel costs (55% increase).

Goedgevonden Mine operational statistics

	unit	1H F2023	1H F2022	% change
Total production and sales (100% basis)				
Saleable production	Mt	**3.13**	2.89	8
Export thermal coal sales	Mt	**1.69**	1.72	(2)
Domestic thermal coal sales	Mt	**1.28**	1.21	6
ARM attributable production and sales				
Saleable production	Mt	**0.81**	0.75	8
Export thermal coal sales	Mt	**0.44**	0.45	(2)
Domestic thermal coal sales	Mt	**0.33**	0.32	3
Average received coal price				
Export (FOB)*	US$/t	**184**	118	56
Domestic (FOT)**	R/t	**431**	298	45
Unit costs				
On-mine saleable cost	R/t	**601**	537	12
Capital expenditure	R million	**892**	256	>200

* *FOB – free-on-board.*
** *FOT – free-on-truck.*

ARM Coal: PCB operations

PCB attributable headline earnings analysis

R million	1H F2023	1H F2022	% change
Cash operating profit	**1 596**	801	99
Imputed interest	**(24)**	(52)	54
Amortisation and depreciation	**(356)**	(398)	11
Loan re-measurement loss	**–**	(241)	
Impairment reversal	**–**	239	
Profit before tax	**1 216**	349	>200
Tax	**(328)**	(110)	198
Basic earnings	**888**	239	>200
Less: Impairment reversal	**–**	(239)	
Headline earnings attributable to ARM	**888**	–	

Volumes
Attributable saleable production was marginally higher at 1.01 million tonnes in 1H F2023 compared to 0.98 million tonnes in 1H F2022.

Attributable export sales volumes were 16% lower at 0.82 million tonnes (1H F2022: 0.98 million tonnes) due to logistics challenges at TFR. Domestic sales volumes declined by 18% from 0.11 million tonnes to 0.09 million tonnes due to the expiration of certain domestic contracts.

Unit costs
On-mine unit production costs per saleable tonne increased by 24% from R619 per tonne in 1H F2022 to R769 per tonne in 1H F2023. The increase in unit costs is due to a 26% increase in repairs and maintenance expenditure together with above inflationary increases in explosives and diesel costs (consistent with Goedgevonden Mine).

Capital expenditure
Capital expenditure at the Goedgevonden and PCB operations were impacted by fleet replacements and an increase in decommissioning assets resulting from an increase in the rehabilitation provision.

PCB operational statistics

	unit	1H F2023	1H F2022	% change
Total production sales (100% basis)				
Saleable production	Mt	**4.99**	4.85	3
Export thermal coal sales	Mt	**4.08**	4.87	(16)
Domestic thermal coal sales	Mt	**0.46**	0.54	(15)
ARM attributable production and sales				
Saleable production	Mt	**1.01**	0.98	3
Export thermal coal sales	Mt	**0.82**	0.98	(16)
Domestic thermal coal sales	Mt	**0.09**	0.11	(18)
Average received coal price				
Export (FOB)*	US$/t	**188**	115	63
Domestic (FOT)**	R/t	**774**	513	51
Unit costs				
On-mine saleable cost	R/t	**769**	619	24
Capital expenditure	R million	**2 302**	649	>200

* *FOB – free-on-board.*
** *FOT – free-on-truck.*

ARM's economic interest in PCB is 20.2%. PCB consists of two large mining complexes in Mpumalanga. ARM has a 26% effective interest in the Goedgevonden Mine near Ogies in Mpumalanga.

Harmony

ARM's investment in Harmony was positively revalued by R510 million in 1H F2023 (1H F2022: R1 033 million) as the Harmony share price increased by 13% from R51.97 per share at 30 June 2022 to R58.80 per share at 31 December 2022.

The Harmony investment is therefore reflected on the ARM statement of financial position at R4 391 million based on its share price at 31 December 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. Harmony headline earnings increased by 18% to 293 cents per share (1H F2022: 248 per share).

Basic earnings increased by 31% to 298 cents per share (1H F2022: 227 cents per share).

Harmony did not declare an interim dividend in respect of the six months ended 31 December 2022 due to the allocation of capital towards near-term copper and growth projects (December 2021: 40 cents per share).

Harmony's results for the six months ended 31 December 2022 can be found on Harmony's website: **www.harmony.co.za**.

Outlook

Macroeconomic events continued to dominate commodity markets for most of 2022 resulting in increased volatility in commodity prices. Key among these, has been concerns about a global recession, multi-decade-high inflation, rising interest rates, surging energy and electricity prices and supply chain disruptions arising from the Covid-19 pandemic. In addition, major economies have been grappling with other concerns including the Russian-Ukraine war, energy security in Europe and the rapid spread of Covid-19 in China, among others. A number of these challenges are expected to persist in 2023 resulting in continuing volatility in global commodity prices. Key factors that are expected to support several commodities in the short term include Chinese policy makers introducing measures to arrest a housing slump in November 2022, China relaxing its zero-Covid policy recently and early indications that global inflation is peaking.

The global effort to decarbonise is expected to be constructive for several commodities in the medium to long term. This is likely to drive the rollout of technologies that will increase the demand for raw materials for battery metals and renewable energy. For some commodities, the increase in consumption arising from the decarbonisation drive is expected to outstrip the mining industry's ability to ramp up supply, resulting in commodity deficits as early as 2024.

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

In manganese ore, the significant investment undertaken over the last 10 years in Black Rock Mine is expected to position the mine to deliver high-quality manganese ore into a seaborne market whose supply of high-grade manganese ore is expected to be constrained.

In PGMs, the recovery in autocatalyst demand and tightening emission standards are expected to be positive for PGM demand in the short to medium term. We are cognisant of the threat that increased production of battery electric vehicles has on PGM demand, however, we believe that platinum will continue to play a significant role in clean mobility (through hydrogen technology) alongside battery electric vehicles. In addition, PGM supply is expected to come under significant pressure owing to challenges being experienced by PGM producers in Russia and South Africa, providing support for PGM prices.

Infrastructure-related challenges including rail and port performance, reliable supply of power and water security remain a significant risk for the ARM operations and are expected to continue putting pressure on volumes and in turn unit costs. We are working with government and other stakeholders to find sustainable solutions that benefit the mining industry and the country.

On 19 December 2022, the Transnet Board and the Minerals Council South Africa established joint collaboration structures to work together to identify and ensure that all the necessary actions are taken to stabilise and improve the transportation of commodities through the various rail lines and ports of South Africa. ARM is actively involved in these structures to ensure that we achieve the goal of improved, efficient and cost-effective transportation of our commodities for the benefit of our shareholders, stakeholders and the country.

Many of our input costs including freight, diesel, explosives, reductants and consumables, are experiencing increases that were significantly higher than inflation. These cost elements remain susceptible to prevailing market conditions. We continue to explore and implement various efficiency and cost-containment initiatives at our operations to mitigate against above-inflation unit cost increases.

We believe that the current challenges require cooperation and partnerships between various stakeholders including the private sector, governments, civil society, and other stakeholders. The mining industry has an important role to play in confronting these challenges. ARM remains fully committed to mutually beneficial relationships with all our stakeholders to ensure that we build a resilient and sustainable business that delivers competitive returns for shareholders.

Dividend declaration

ARM aims to pay ordinary dividends to shareholders in line with our dividend guiding principles. Dividends are 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.

For 1H F2023, the board approved and declared an interim dividend of 1 400 cents per share (gross) (1H F2022: 1 200 cents per share). The amount to be paid is approximately R3 145 million.

The dividend declared will be subject to dividend withholding tax. In line with paragraphs 11.17(a) (i) to (x) and 11.17(c) of the JSE Listings Requirements, the following additional information is disclosed:

- The dividend has been declared out of income reserves
- The South African dividends tax rate is 20%
- The gross local dividend is 1 400 cents per ordinary share for shareholders exempt from dividends tax
- The net local dividend is 1 120.00000 cents per share for shareholders liable to pay dividends tax
- At the date of this declaration, ARM has 224 667 778 ordinary shares in issue, and
- ARM's income tax reference number is 9030/018/60/1.

A gross dividend of 1 400 cents per ordinary share, being the dividend for the six months ended 31 December 2022, has been declared payable on Monday, 3 April 2023 to those shareholders recorded in the books of the company at the close of business on Friday, 31 March 2023. The dividend is declared in the currency of South Africa. Any change in address or dividend instruction applying to this dividend must be received by the company's transfer secretaries or registrar not later than Friday, 31 March 2023. The last day to trade ordinary shares cum dividend is Tuesday, 28 March 2023. Ordinary shares trade ex-dividend from Wednesday, 29 March 2023. The record date is Friday, 31 March 2023 while the payment date is Monday, 3 April 2023.

No dematerialisation or rematerialisation of share certificates may occur between Wednesday, 29 March 2023 and Friday, 31 March 2023 both dates inclusive, nor may any transfers between registers take place during this period.

Changes to Mineral Resources and Mineral Reserves

There has been no material change to ARM's Mineral Resources and Mineral Reserves as disclosed in the integrated annual report for the financial year ended 30 June 2022, other than depletion due to continued mining activities at the operations. ARM's acquisition of Bokoni Platinum Mine which became effective on 1 September 2022 resulted in the following additional Mineral Resources:

Bokoni Platinum Mine: UG2 Reef Mineral Resources as at 31 December 2022

Category	Tonnes (Mt)	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	4E (g/t)	4E (Moz)
Measured	112.6	2.99	3.54	0.58	0.13	7.25	26.2
Indicated	173.0	2.92	3.44	0.58	0.12	7.06	39.3
Measured and Indicated	285.6	2.95	3.48	0.58	0.13	7.13	65.5
Inferred	54.3	2.99	3.49	0.58	0.13	7.19	12.6
Total	340.0	2.95	3.48	0.58	0.13	7.14	78.0

Notes:
- *All tabulated data have been rounded and, as a result, minor computational errors may occur*
- *Mineral Resources are reported on a 100% basis*
- *4E = Platinum (Pt) + Palladium (Pd) + Rhodium (Rh) + Gold (Au); Mt – million tonnes; Moz – million ounces*
- *Cut-off grade of 3.20g/t (4E) was applied*
- *Mineral Resources are reported at a minimum true thickness of 0.9m and have an average true thickness of 0.91m, and*
- *The Mineral Resource estimate was recently completed by the MSA Group Proprietary Limited.*

Bokoni Platinum Mine: Merensky Reef Mineral Resources as at 31 December 2022

Category	Tonnes (Mt)	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	4E (g/t)	4E (Moz)
Measured	27.7	3.19	1.50	0.18	0.33	5.19	4.6
Indicated	78.8	3.21	1.49	0.18	0.32	5.20	13.2
Measured and Indicated	106.5	3.20	1.49	0.18	0.32	5.20	17.8
Inferred	68.1	3.14	1.46	0.17	0.32	5.10	11.2
Total	174.6	3.18	1.48	0.18	0.32	5.16	29.0

Notes:
- *All tabulated data have been rounded and, as a result, minor computational errors may occur*
- *Mineral Resources are reported on a 100% basis*
- *4E = Platinum (Pt) + Palladium (Pd) + Rhodium (Rh) + Gold (Au); Mt – million tonnes; Moz – million ounces*
- *Cut-off grade of 3.59 = g/t (4E) was applied*
- *Mineral Resources are reported at a minimum true thickness of 0.9m and have an average true thickness of 0.94m*
- *The Mineral Resource estimate was recently completed by the MSA Group Proprietary Limited, and*
- *Mineral Reserves will be declared post the conclusion of the feasibility study.*

An updated Mineral Resources and Mineral Reserves Statement will be issued in our F2023 integrated annual report.

Scope of independent auditor

The financial results for the six months ended 31 December 2022 have not been reviewed nor audited by the company's registered auditor, Ernst & Young Inc. (the partner in charge is PD Grobbelaar CA(SA)).

Signed on behalf of the board:

PT Motsepe
Executive Chairman

MP Schmidt
Chief Executive Officer

Johannesburg
6 March 2023

Contents of condensed group interim financial statements

Condensed group interim statement of financial position

	Notes	Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
ASSETS				
Non-current assets				
Property, plant and equipment	4	**13 861**	8 679	9 621
Investment properties		**25**	24	24
Intangible assets		**58**	69	63
Deferred tax assets	5	**968**	174	215
Loans and long-term receivables		**–**	41	–
Non-current financial assets	11	**205**	233	214
Investment in associate	6	**2 936**	239	2 048
Investment in joint venture	7	**20 381**	19 903	22 145
Other investments	8	**4 606**	5 204	4 104
Non-current inventories	9	**259**	–	52
		43 299	34 566	38 486
Current assets				
Inventories		**483**	423	343
Trade and other receivables	10	**6 245**	6 272	7 737
Taxation		**85**	17	116
Financial assets	11	**656**	823	830
Cash and cash equivalents	12	**9 837**	12 082	11 659
		17 306	19 617	20 685
Total assets		**60 605**	54 183	59 171
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital		**11**	11	11
Share premium		**5 267**	5 213	5 267
Treasury shares		**(2 405)**	(2 405)	(2 405)
Other reserves		**2 970**	3 892	2 668
Retained earnings		**41 083**	34 437	40 617
Equity attributable to equity holders of ARM		**46 926**	41 148	46 158
Non-controlling interest		**4 644**	3 819	4 205
Total equity		**51 570**	44 967	50 363
Non-current liabilities				
Long-term borrowings	13	**262**	795	305
Deferred tax liabilities	5	**3 461**	3 100	3 226
Long-term provisions	21	**2 098**	1 934	1 979
		5 821	5 829	5 510
Current liabilities				
Trade and other payables		**2 149**	2 132	2 148
Short-term provisions		**745**	490	716
Taxation		**293**	534	255
Overdrafts and short-term borrowings	13			
– interest bearing		**27**	50	40
– non-interest bearing		**–**	181	139
		3 214	3 387	3 298
Total equity and liabilities		**60 605**	54 183	59 171

Condensed group interim statement of profit or loss

	Notes	Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
Revenue	3	**9 374**	7 709	18 406
Sales	3	**8 744**	7 066	16 917
Cost of sales		**(4 368)**	(3 670)	(7 660)
Gross profit		**4 376**	3 396	9 257
Other operating income		**837**	870	1 983
Other operating expenses		**(1 488)**	(1 361)	(3 239)
Profit from operations		**3 725**	2 905	8 001
Income from investments		**419**	307	685
Finance costs		**(129)**	(130)	(290)
Profit from associate	17	**888**	–	927
Income from joint venture	7	**1 682**	2 387	6 649
Profit before taxation and capital items		**6 585**	5 469	15 972
Capital items	14	**54**	238	1 128
Profit before taxation		**6 639**	5 707	17 100
Taxation	18	**(1 343)**	(1 074)	(2 736)
Profit for the period		**5 296**	4 633	14 364
Attributable to:				
Equity holders of ARM				
Profit for the period		**4 387**	3 893	12 426
Basic earnings for the period		**4 387**	3 893	12 426
Non-controlling interest				
Profit for the period		**909**	740	1 938
		909	740	1 938
Profit for the period		**5 296**	4 633	14 364
Earnings per share				
Basic earnings per share (cents)	15	**2 238**	1 988	6 343
Diluted basic earnings per share (cents)	15	**2 234**	1 968	6 338

Condensed group interim statement of comprehensive income

	Financial instruments at fair value through other comprehensive income Rm	Other Rm	Retained earnings Rm	**Total shareholders of ARM Rm**	Non-controlling interest Rm	**Total Rm**
Six months ended 31 December 2022 (Unaudited)						
Profit for the period	–	–	4 387	**4 387**	909	**5 296**
Total other comprehensive income	400	65	–	**465**	–	**465**
Other comprehensive income that will not be reclassified to the statement of profit or loss in subsequent periods:						
Net impact of revaluation of listed investment	400	–	–	**400**	–	**400**
Revaluation of listed investment[1]	510	–	–	**510**	–	**510**
Deferred tax on above	(110)	–	–	**(110)**	–	**(110)**
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods:						
Foreign currency translation reserve movement	–	65	–	**65**	–	**65**
Total comprehensive income for the period	400	65	4 387	**4 852**	909	**5 761**
Six months ended 31 December 2021 (Unaudited)						
Profit for the period	–	–	3 893	**3 893**	740	**4 633**
Total other comprehensive income	802	110	–	**912**	–	**912**
Other comprehensive income that will not be reclassified to the statement of profit or loss in subsequent periods:						
Net impact of revaluation of listed investment	802	–	–	**802**	–	**802**
Revaluation of listed investment[1]	1 033	–	–	**1 033**	–	**1 033**
Deferred tax on above	(231)	–	–	**(231)**	–	**(231)**
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods:						
Foreign currency translation reserve movement	–	110	–	**110**	–	**110**
Total comprehensive income for the period	802	110	3 893	**4 805**	740	**5 545**
Year ended 30 June 2022 (Audited)						
Profit for the year	–	–	12 426	**12 426**	1 938	**14 364**
Total other comprehensive (loss)/income	(49)	97	–	**48**	–	**48**
Other comprehensive loss that will not be reclassified to the statement of profit or loss in subsequent periods:						
Net impact of revaluation of listed investment	(49)	–	–	**(49)**	–	**(49)**
Revaluation of listed investment[1]	(59)	–	–	**(59)**	–	**(59)**
Deferred tax on above	10	–	–	**10**	–	**10**
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods:						
Foreign currency translation reserve movement	–	97	–	**97**	–	**97**
Total comprehensive (loss)/income for the year	(49)	97	12 426	**12 474**	1 938	**14 412**

[1] *The share price of Harmony Limited at 31 December 2022 was R58.80, R51.97 at 30 June 2022 and R66.60 at 31 December 2021 per share. The valuation of the investment in Harmony is based on a level 1 fair value hierarchy level in terms of IFRS. ARM's shareholding at 31 December 2022 was 12.08% (31 December 2021: 12.11%, 30 June 2022: 12.11%).*

Condensed group interim statement of changes in equity

	Share capital and premium Rm	Treasury shares Rm	Other reserves: Financial instruments at fair value through other compre-hensive income Rm	Other reserves: Share-based payments Rm	Other reserves: Other Rm	Retained earnings Rm	**Total share-holders of ARM Rm**	Non-controlling interest Rm	**Total Rm**
Six months ended 31 December 2022 (Unaudited)									
Balance at 30 June 2022	5 278	(2 405)	2 188	405	75	40 617	**46 158**	4 205	**50 363**
Total comprehensive income for the period	–	–	400	–	65	4 387	**4 852**	909	**5 761**
Profit for the period	–	–	–	–	–	4 387	**4 387**	909	**5 296**
Other comprehensive income	–	–	400	–	65	–	**465**	–	**465**
Conditional shares issued to employees	–	–	–	(214)	–	–	**(214)**	–	**(214)**
Dividend paid	–	–	–	–	–	(3 921)	**(3 921)**	–	**(3 921)**
Dividend declared to non-controlling interests	–	–	–	–	–	–	**–**	(470)	**(470)**
Share-based payment expense	–	–	–	76	–	–	**76**	–	**76**
Other	–	–	–	(25)	–	–	**(25)**	–	**(25)**
Balance at 31 December 2022	5 278	(2 405)	2 588	242	140	41 083	**46 926**	4 644	**51 570**
Six months ended 31 December 2021 (Unaudited)									
Balance at 30 June 2021	5 223	(2 405)	2 237	700	(22)	34 461	**40 194**	3 582	**43 776**
Total comprehensive income for the period	–	–	802	–	110	3 893	**4 805**	740	**5 545**
Profit for the period	–	–	–	–	–	3 893	**3 893**	740	**4 633**
Other comprehensive income	–	–	802	–	110	–	**912**	–	**912**
Share options exercised	1	–	–	–	–	–	**1**	–	**1**
Dividend paid	–	–	–	–	–	(3 917)	**(3 917)**	–	**(3 917)**
Dividend declared to non-controlling interests	–	–	–	–	–	–	**–**	(503)	**(503)**
Share-based payment expense	–	–	–	65	–	–	**65**	–	**65**
Balance at 31 December 2021	5 224	(2 405)	3 039	765	88	34 437	**41 148**	3 819	**44 967**
Year ended 30 June 2022 (Audited)									
Balance at 30 June 2021	5 223	(2 405)	2 237	700	(22)	34 461	**40 194**	3 582	**43 776**
Total comprehensive (loss)/income for the year	–	–	(49)	–	97	12 426	**12 474**	1 938	**14 412**
Profit for the year 30 June 2022	–	–	–	–	–	12 426	**12 426**	1 938	**14 364**
Other comprehensive (loss)/income	–	–	(49)	–	97	–	**48**	–	**48**
Bonus and performance shares issued to employees	55	–	–	(470)	–	–	**(415)**	–	**(415)**
Dividend paid	–	–	–	–	–	(6 270)	**(6 270)**	–	**(6 270)**
Dividend declared to non-controlling interests	–	–	–	–	–	–	**–**	(1 315)	**(1 315)**
Share-based payment expense	–	–	–	175	–	–	**175**	–	**175**
Balance at 30 June 2022	5 278	(2 405)	2 188	405	75	40 617	**46 158**	4 205	**50 363**

Condensed group interim statement of cash flows

	Notes	Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from customers		**10 809**	9 413	18 128
Cash paid to suppliers and employees		**(5 515)**	(4 588)	(9 620)
Cash generated from operations	19	**5 294**	4 825	8 508
Interest received		**380**	267	601
Interest paid		**(29)**	(24)	(46)
Taxation paid		**(1 047)**	(643)	(2 303)
		4 598	4 425	6 760
Dividends received from joint venture	7	**3 500**	3 500	5 500
Dividend received from investments – Harmony		**17**	20	50
		8 115	7 945	12 310
Dividends paid to non-controlling interests		**(614)**	(391)	(1 247)
Dividends paid – equity holders of ARM		**(3 921)**	(3 917)	(6 270)
Net cash inflow from operating activities		**3 580**	3 637	4 793
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of Bokoni net of cash acquired	24	**(3 441)**	–	–
Additions to property, plant and equipment to maintain operations		**(943)**	(485)	(1 739)
Additions to property, plant and equipment to expand operations		**(869)**	(368)	(463)
Proceeds on disposal of property, plant and equipment		**2**	–	6
Investment in financial assets		**(544)**	(555)	(819)
Proceeds from financial assets matured		**743**	241	523
Net cash outflow from investing activities		**(5 052)**	(1 167)	(2 492)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from exercise of share options		**–**	1	7
Cash payments to owners to acquire the entity's shares		**(138)**	–	(225)
Long-term borrowings raised		**–**	2	–
Long-term borrowings repaid		**(49)**	(63)	(95)
Short-term borrowings repaid		**(162)**	(5)	(14)
Net cash outflow from financing activities		**(349)**	(65)	(327)
Net increase in cash and cash equivalents		**(1 821)**	2 405	1 974
Cash and cash equivalents at the beginning of the period		**11 643**	9 655	9 655
Foreign currency translation on cash balances		**(1)**	6	14
Cash and cash equivalents at the end of the period	12	**9 821**	12 066	11 643
Made up as follows:				
– Available		**9 161**	11 164	11 053
– Cash set aside for specific use		**660**	902	590
		9 821	12 066	11 643
Overdrafts	13	**16**	16	16
Cash and cash equivalents per the statement of financial position		**9 837**	12 082	11 659
Cash generated from operations per share (cents)		**2 700**	2 464	4 343

1 STATEMENT OF COMPLIANCE

The condensed group interim financial statements for the six months ended 31 December 2022 have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the South African Institute of Chartered Accountants (SAICA), Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and contains the information required by IAS 34 *Interim Financial Reporting*, requirements of the South African Companies Act and the Listings Requirements of the Johannesburg Stock Exchange (JSE) Limited.

Basis of preparation

The condensed group interim financial statements for the six months ended 31 December 2022 have been prepared on the historical cost basis, except for certain financial instruments, which include listed investments and unlisted investments that are fair valued. The accounting policies used are consistent with those in the most recent annual financial statements except for those listed below and comply with IFRS. The condensed group interim financial statements for the period have been prepared under the supervision of the Finance Director, Ms TTA Mhlanga CA(SA).

The presentation and functional currency is the South African rand and the condensed group interim financial statements are rounded to the nearest R million.

Adoption of new and revised accounting standards

The group has adopted the following new and/or revised standards and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) of the IASB during the period under review. The date of initial application for the group being 1 July 2022.

Standard	Subject	Effective date
IFRS 3	*Business combinations – reference to the conceptual framework –* amendment	1 January 2022
IAS 16	*Property, plant and equipment – proceeds before intended use –* amendment	1 January 2022
IAS 37	*Provisions, contingent liabilities and contingent assets – costs of fulfilling a contract* – amendment	1 January 2022
IFRS 9	*Financial instruments – fees in the '10 per cent' test for derecognition of financial liabilities* – amendment	1 January 2022

The adoption of the above standards and interpretations had no significant effect on the group interim condensed and consolidated financial statements.

1 STATEMENT OF COMPLIANCE continued

Adoption of new and revised accounting standards continued

New standards issued but not yet effective

The following amendments, standards or interpretations have been issued but are not yet effective for the group. The effective date refers to periods beginning on or after, unless otherwise indicated.

Standard	Subject	Effective date
IFRS 17	*Insurance contracts*	1 January 2023
IAS 8	*Accounting policies, changes in accounting estimates and errors – definition of accounting estimates* – amendment	1 January 2023
IAS 1 and Practice statement 2	*Presentation of financial statements – disclosure of accounting policies* – amendment	1 January 2023
IAS 12	*Income taxes – deferred tax related to assets and liabilities arising from a single transaction* – amendment	1 January 2023
IFRS 16	*Leases – lease liability in a sale and leaseback* – amendment	1 January 2024
IAS 1	*Presentation of financial statements – classification of liabilities as current or non-current* – amendment	1 January 2024
IFRS 10	*Consolidated financial statements – sale or contribution of assets between an investor and its associate or joint venture* – amendment	1 January 2024
IAS 28	*Investments in associates and joint ventures – sale or contribution of assets between an investor and its associate or joint venture* – amendment	1 January 2024

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

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

2 SEGMENTAL INFORMATION

Primary segmental information

For management purposes the group is organised into operating divisions. The operating divisions are ARM Platinum (which includes platinum and nickel), ARM Ferrous, ARM Coal and ARM Corporate (which includes Corporate, Machadodorp Works, Gold and other) in the table below.

Attributable	ARM Platinum[1] Rm	ARM Ferrous[2] Rm	ARM Coal Rm	ARM Corporate Rm	**Total Rm**	IFRS adjustment[3] Rm	**Total per IFRS financial statements Rm**
2.1 Six months ended 31 December 2022 (Unaudited)							
Sales	7 147	9 320	1 545	52	**18 064**	(9 320)	**8 744**
Cost of sales	(3 638)	(5 565)	(668)	(25)	**(9 896)**	5 528	**(4 368)**
Other operating income	104	214	29	661	**1 008**	(171)	**837**
Other operating expenses	(506)	(921)	(109)	(873)	**(2 409)**	921	**(1 488)**
Segment result	3 107	3 048	797	(185)	**6 767**	(3 042)	**3 725**
Income from investments	106	183	7	306	**602**	(183)	**419**
Finance cost	(50)	(19)	(59)	(20)	**(148)**	19	**(129)**
Profit from associate	–	–	888	–	**888**	–	**888**
Profit from joint venture	–	178	–	–	**178**	1 504	**1 682**
Capital items before tax[4]	54	(1 093)	–	–	**(1 039)**	1 093	**54**
Taxation	(925)	(611)	(229)	(187)	**(1 952)**	609	**(1 343)**
Profit/(loss) after tax	2 292	1 686	1 404	(86)	**5 296**	–	**5 296**
Non-controlling interest	(908)	–	–	(1)	**(909)**	–	**(909)**
Consolidation adjustment[5]	–	(4)	–	4	**–**	–	**–**
Contribution to basic earnings/(losses)	1 384	1 682	1 404	(83)	**4 387**	–	**4 387**
Contribution to headline earnings/(losses)	1 330	2 520	1 404	(83)	**5 171**	–	**5 171**
Other information							
Segment assets including investment in associate and joint venture	21 414	26 475	5 801	13 009	**66 699**	(6 094)	**60 605**
Investment in associate			2 936		**2 936**		**2 936**
Investment in joint venture						20 381	**20 381**
Segment liabilities	2 615	2 401	655	2 011	**7 682**	(2 401)	**5 281**
Unallocated liabilities – deferred taxation and taxation					**7 447**	(3 693)	**3 754**
Consolidated total liabilities					**15 129**	(6 094)	**9 035**
Cash generated from operations	3 670	2 823	1 640	(16)	**8 117**	(2 823)	**5 294**
Cash inflow/(outflow) from operating activities	2 448	2 482	1 483	(351)	**6 062**	(2 482)	**3 580**
Cash (outflow)/inflow from investing activities	(5 067)	(1 026)	(155)	170	**(6 078)**	1 026	**(5 052)**
Cash outflow from financing activities	(23)	(2)	(139)	(185)	**(349)**	–	**(349)**
Capital expenditure	1 715	1 039	232	5	**2 991**	(1 039)	**1 952**
Amortisation and depreciation	340	578	102	8	**1 028**	(578)	**450**
Impairment loss before tax	–	1 090	–	–	**1 090**	(1 090)	**–**
EBITDA	3 447	3 626	899	(177)	**7 795**	(3 620)	**4 175**

There were no significant inter-company sales.

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

1 *Refer note 2.4 for more detail on the ARM Platinum segment. ARM Platinum includes Bokoni Platinum Mine from 1 September 2022 (refer note 24).*
2 *Refer note 2.7 and note 7 for more detail on the ARM Ferrous segment.*
3 *Includes IFRS 11* joint arrangements *adjustments related to ARM Ferrous.*
4 *Refer note 14 for more detail.*
5 *Relates to capitalised fees in ARM Ferrous.*

2 SEGMENTAL INFORMATION continued

Primary segmental information continued

Attributable	ARM Platinum[1] Rm	ARM Ferrous[2] Rm	ARM Coal Rm	ARM Corporate Rm	Total Rm	IFRS adjust-ment[3] Rm	Total per IFRS financial statements Rm
2.2 Six months ended 31 December 2021 (Unaudited)							
Sales	6 111	9 396	891	64	**16 462**	(9 396)	**7 066**
Cost of sales	(2 992)	(5 795)	(605)	(53)	**(9 445)**	5 775	**(3 670)**
Other operating income	120	72	259	443	**894**	(24)	**870**
Other operating expenses[4]	(480)	(702)	(58)	(823)	**(2 063)**	702	**(1 361)**
Segment result	2 759	2 971	487	(369)	**5 848**	(2 943)	**2 905**
Income from investments	62	143	5	240	**450**	(143)	**307**
Finance cost	(32)	(16)	(84)	(14)	**(146)**	16	**(130)**
Loss from associate[5]	–	–	–	–	**–**	–	**–**
Profit from joint venture	–	215	–	–	**215**	2 172	**2 387**
Capital items before tax[6]	–	(57)	120	118	**181**	57	**238**
Taxation	(805)	(849)	(57)	(204)	**(1 915)**	841	**(1 074)**
Profit/(loss) after tax	1 984	2 407	471	(229)	**4 633**	–	**4 633**
Non-controlling interest	(739)	–	–	(1)	**(740)**	–	**(740)**
Consolidation adjustment[7]	–	(20)	–	20	**–**	–	**–**
Contribution to basic earnings/(losses)	1 245	2 387	471	(210)	**3 893**	–	**3 893**
Contribution to headline earnings/(losses)	1 245	2 428	351	(328)	**3 696**	–	**3 696**
Other information							
Segment assets including investment in associate and joint venture	15 196	26 295	3 061	16 024	**60 576**	(6 393)	**54 183**
Investment in associate			239		**239**		**239**
Investment in joint venture						19 903	**19 903**
Segment liabilities	2 438	2 586	1 711	1 433	**8 168**	(2 586)	**5 582**
Unallocated liabilities – deferred taxation and taxation					**7 441**	(3 807)	**3 634**
Consolidated total liabilities					**15 609**	(6 393)	**9 216**
Cash generated from operations	4 194	5 353	52	579	**10 178**	(5 353)	**4 825**
Cash inflow/(outflow) from operating activities	3 442	4 967	53	(3 358)	**5 104**	(1 467)	**3 637**
Cash outflow from investing activities	(998)	(1 128)	(57)	(112)	**(2 295)**	1 128	**(1 167)**
Cash (outflow)/inflow from financing activities	(23)	(10)	2	(34)	**(65)**	–	**(65)**
Capital expenditure	792	1 070	67	4	**1 933**	(1 070)	**863**
Amortisation and depreciation	318	566	109	5	**998**	(566)	**432**
Impairment loss/(reversal) before tax	–	44	(121)	(118)	**(195)**	(44)	**(239)**
EBITDA	3 077	3 537	596	(364)	**6 846**	(3 509)	**3 337**

There were no significant inter-company sales.

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

[1] *Refer note 2.5 for more detail on the ARM Platinum segment.*
[2] *Refer note 2.7 and note 7 for more detail on the ARM Ferrous segment.*
[3] *Includes IFRS 11* joint arrangements *adjustments related to ARM Ferrous.*
[4] *Included in ARM Corporate is R365 million re-measurement loss, partially offset with a R259 million re-measurement gain in ARM Coal (refer note 16).*
[5] *Includes re-measurement loss on ARM Coal loans of R241 million (refer note 16).*
[6] *Refer note 14 for more detail.*
[7] *Relates to capitalised fees in ARM Ferrous.*

2 SEGMENTAL INFORMATION continued

Primary segmental information continued

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

There were no significant inter-company sales.

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

1 *Refer to ARM Ferrous segment note 2.9 and note 7 for more detail.*
2 *Includes IFRS 11* joint arrangements *adjustments related to ARM Ferrous and other consolidation adjustments.*
3 *The net re-measurement of the ARM Coal loans amounts to R323 million loss with no tax effect.*
The re-measurement adjustment of the Harmony loan amounts to R5 million gain with no tax effect.
4 *The re-measurement of the ARM Coal loans amounts to R490 million loss with no tax effect.*
5 *Refer note 14 for more detail.*
6 *Relates to fees capitalised in ARM Ferrous and reversed upon consolidation.*

2 SEGMENTAL INFORMATION continued

Additional information

The ARM Platinum segment is analysed further into Nkomati, Two Rivers Platinum Proprietary Limited and ARM Platinum Proprietary Limited, which includes 50% of the Modikwa Platinum Mine and 100% of the Bokoni Platinum Mine.

Attributable	Two Rivers Rm	Modikwa Rm	Bokoni[1] Rm	Nkomati Rm	**ARM Platinum Rm**
2.4 Six months ended 31 December 2022 (Unaudited)					
Sales	4 756	2 391	–	–	**7 147**
Cost of sales	(2 279)	(1 359)	–	–	**(3 638)**
Other operating income	54	45	4	1	**104**
Other operating expenses	(225)	(96)	(147)	(38)	**(506)**
Segment result	2 306	981	(143)	(37)	**3 107**
Income from investments	58	42	2	4	**106**
Finance cost	(13)	(6)	(9)	(22)	**(50)**
Capital items before tax	(2)	–	56	–	**54**
Taxation	(649)	(276)	–	–	**(925)**
Profit/(loss) after tax	1 700	741	(94)	(55)	**2 292**
Non-controlling interest	(782)	(126)	–	–	**(908)**
Contribution to earnings/(losses)	918	615	(94)	(55)	**1 384**
Contribution to headline earnings/(losses)	920	615	(150)	(55)	**1 330**
Other information					
Segment and consolidated assets	12 228	5 202	3 826	158	**21 414**
Segment liabilities	1 244	465	140	766	**2 615**
Cash inflow/(outflow) from operating activities	1 974	609	(89)	(46)	**2 448**
Cash outflow from investing activities	(1 304)	(322)	(3 441)	–	**(5 067)**
Cash outflow from financing activities	(2)	(21)	–	–	**(23)**
Capital expenditure	1 332	321	62	–	**1 715**
Amortisation and depreciation	265	75	–	–	**340**
EBITDA	2 571	1 056	(143)	(37)	**3 447**

[1] *ARM (through ARM Platinum) acquired Bokoni Platinum Mine on 1 September 2022 (refer note 24).*

2 SEGMENTAL INFORMATION continued

Additional information continued

The ARM Platinum segment is analysed further into Nkomati, Two Rivers Platinum Proprietary Limited and ARM Platinum Proprietary Limited, which includes 50% of the Modikwa Platinum Mine.

Attributable	Two Rivers Rm	Modikwa Rm	Nkomati Rm	ARM Platinum Rm
2.5 Six months ended 31 December 2021 (Unaudited)				
Sales	3 969	2 160	(18)	**6 111**
Cost of sales	(1 885)	(1 107)	–	**(2 992)**
Other operating income	45	73	2	**120**
Other operating expenses	(287)	(146)	(47)	**(480)**
Segment result	1 842	980	(63)	**2 759**
Income from investments	32	26	4	**62**
Finance cost	(11)	(7)	(14)	**(32)**
Taxation	(521)	(283)	(1)	**(805)**
Profit/(loss) after tax	1 342	716	(74)	**1 984**
Non-controlling interest	(617)	(122)	–	**(739)**
Contribution to basic earnings/(losses)	725	594	(74)	**1 245**
Contribution to headline earnings/(losses)	725	594	(74)	**1 245**
Other information				
Segment and consolidated assets	10 192	4 792	212	**15 196**
Segment liabilities	1 066	681	691	**2 438**
Cash inflow from operating activities	2 307	1 135	–	**3 442**
Cash outflow from investing activities	(572)	(398)	(28)	**(998)**
Cash outflow from financing activities	(8)	(15)	–	**(23)**
Capital expenditure	572	220	–	**792**
Amortisation and depreciation	244	74	–	**318**
EBITDA	2 086	1 054	(63)	**3 077**

2 SEGMENTAL INFORMATION continued

Additional information continued

Attributable	Two Rivers Rm	Modikwa Rm	Nkomati[1] Rm	ARM Platinum Rm
2.6 For the year ended 30 June 2022 (Audited)				
Sales	9 416	4 562	(18)	**13 960**
Cost of sales	(3 927)	(2 319)	–	**(6 246)**
Other operating income	91	122	4	**217**
Other operating expenses	(651)	(300)	(136)	**(1 087)**
Segment result	4 929	2 065	(150)	**6 844**
Income from investments	97	66	8	**171**
Finance cost	(41)	(15)	(28)	**(84)**
Capital items (refer note 14)	(2)	–	2	**–**
Taxation	(1 341)	(586)	(2)	**(1 929)**
Profit/(loss) after tax	3 642	1 530	(170)	**5 002**
Non-controlling interest	(1 676)	(260)	–	**(1 936)**
Contribution to basic earnings/(losses)	1 966	1 270	(170)	**3 066**
Contribution to headline earnings/(losses)	1 968	1 270	(172)	**3 066**
Other information				
Segment and consolidated assets	11 117	4 759	187	**16 063**
Segment liabilities	1 256	659	756	**2 671**
Cash generated from operations	5 862	2 509	(38)	**8 333**
Cash inflow/(outflow) from operating activities	3 805	1 749	(30)	**5 524**
Cash outflow from investing activities	(1 711)	(149)	(51)	**(1 911)**
Cash outflow from financing activities	(4)	(30)	–	**(34)**
Capital expenditure	1 806	353	–	**2 159**
Amortisation and depreciation	500	151	–	**651**
EBITDA	5 429	2 216	(150)	**7 495**

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

2 SEGMENTAL INFORMATION continued

Analysis of the ARM Ferrous segment

	Iron ore division Rm (at 100% basis)	Manganese division Rm (at 100% basis)	ARM Ferrous total Rm (at 100% basis)	ARM share Rm	IFRS adjustment[1] Rm	Total per IFRS financial statements Rm
2.7 Six months ended 31 December 2022 (Unaudited)						
Sales	10 779	7 861	**18 640**	**9 320**	(9 320)	**–**
Cost of sales	(5 682)	(5 448)	**(11 130)**	**(5 565)**	5 565	**–**
Other operating income	71	423	**494**	**214**	(214)	**–**
Other operating expenses	(929)	(979)	**(1 908)**	**(921)**	921	**–**
Segment result	4 239	1 857	**6 096**	**3 048**	(3 048)	**–**
Income from investments	348	18	**366**	**183**	(183)	**–**
Finance cost	(23)	(16)	**(39)**	**(19)**	19	**–**
Profit from joint venture	–	356	**356**	**178**	(178)	**–**
Capital items before tax[2]	(1 816)	(370)	**(2 186)**	**(1 093)**	1 093	**–**
Taxation	(748)	(474)	**(1 222)**	**(611)**	611	**–**
Profit after tax	2 000	1 371	**3 371**	**1 686**	(1 686)	**–**
Consolidation adjustment[3]				**(4)**	4	**–**
Contribution to basic earnings and total comprehensive income	2 000	1 371	**3 371**	**1 682**	–	**1 682**
Contribution to headline earnings	3 326	1 722	**5 048**	**2 520**	–	**2 520**
Other information						
Segment assets	32 692	21 968	**54 660**	**26 475**	(6 094)	**20 381**
Segment liabilities	6 671	5 995	**12 666**	**2 401**	(2 401)	**–**
Cash outflow from operating activities[4]	(1 860)	(177)	**(2 037)**	**2 482**	(2 482)	**–**
Cash outflow from investing activities	(1 422)	(630)	**(2 052)**	**(1 026)**	1 026	**–**
Cash outflow from financing activities	(5)	–	**(5)**	**(2)**	2	**–**
Capital expenditure	1 503	665	**2 168**	**1 039**	(1 039)	**–**
Amortisation and depreciation	727	504	**1 231**	**578**	(578)	**–**
EBITDA	4 966	2 361	**7 327**	**3 626**	(3 626)	**–**
Additional information for ARM Ferrous at 100%						
Non-current assets						
Property, plant and equipment			**30 500**		(30 500)	**–**
Investment in joint venture			**2 345**		(2 345)	**–**
Other non-current assets			**1 367**		(1 367)	**–**
Inventories			**970**		(970)	**–**
Current assets						
Inventories			**6 104**		(6 104)	**–**
Trade and other receivables			**6 436**		(6 436)	**–**
Financial assets			**347**		(347)	**–**
Cash and cash equivalents			**6 592**		(6 592)	**–**
Non-current liabilities						
Other non-current liabilities			**8 826**		(8 826)	**–**
Current liabilities						
Trade and other payables			**2 968**		(2 968)	**–**
Short-term provisions			**646**		(646)	**–**
Other current liabilities			**14**		(14)	**–**
Taxation			**211**		(211)	**–**

Refer note 2.1 and note 7 for more detail on the ARM Ferrous segment.

1 *Includes consolidation and IFRS 11* joint arrangements *adjustments.*
2 *Refer note 14 for more detail.*
3 *Includes consolidation adjustment for capitalised fees.*
4 *Iron ore division includes dividend paid amounting to R3.5 billion included in cash flows from operating activities.*

2 SEGMENTAL INFORMATION continued

Analysis of the ARM Ferrous segment continued

	Iron ore division Rm (at 100% basis)	Manganese division Rm (at 100% basis)	ARM Ferrous total Rm (at 100% basis)	ARM share Rm	IFRS adjustment[1] Rm	Total per IFRS financial statements Rm
2.8 Six months ended 31 December 2021 (Unaudited)						
Sales[2]	12 606	6 187	**18 793**	**9 396**	(9 396)	–
Cost of sales	(6 532)	(5 058)	**(11 590)**	**(5 795)**	5 795	–
Other operating income	1 101	274	**1 375**	**72**	(72)	–
Other operating expenses	(2 210)	(427)	**(2 637)**	**(702)**	702	–
Segment result	4 965	976	**5 941**	**2 971**	(2 971)	–
Income from investments	282	3	**285**	**143**	(143)	–
Finance cost	(21)	(12)	**(33)**	**(16)**	16	–
Profit from joint venture	–	431	**431**	**215**	(215)	–
Capital items before tax	(114)	–	**(114)**	**(57)**	57	–
Taxation	(1 417)	(280)	**(1 697)**	**(849)**	849	–
Profit after tax	3 695	1 118	**4 813**	**2 407**	(2 407)	–
Consolidation adjustment[3]				**(20)**	20	–
Contribution to basic earnings and total comprehensive income	3 695	1 118	**4 813**	**2 387**	–	**2 387**
Contribution to headline earnings	3 777	1 118	**4 895**	**2 428**	–	**2 428**
Other information						
Segment assets	34 563	19 670	**54 233**	**26 295**	(6 392)	**19 903**
Segment liabilities	8 156	5 089	**13 245**	**2 586**	(2 586)	–
Cash inflow from operating activities[4]	2 028	905	**2 933**	**4 967**	(4 967)	–
Cash outflow from investing activities	(1 125)	(1 131)	**(2 256)**	**(1 128)**	1 128	–
Cash outflow from financing activities	(20)	(1)	**(21)**	**(10)**	10	–
Capital expenditure	1 152	1 083	**2 235**	**1 070**	(1 070)	–
Amortisation and depreciation	793	379	**1 172**	**566**	(566)	–
EBITDA	5 758	1 355	**7 113**	**3 537**	(3 537)	–
Additional information for ARM Ferrous at 100%						
Non-current assets						
Property, plant and equipment			**29 971**		(29 971)	–
Investment in joint venture			**1 262**		(1 262)	–
Other non-current assets			**1 443**		(1 443)	–
Inventories			**763**		(763)	–
Current assets						
Inventories			**5 054**		(5 054)	–
Trade and other receivables			**6 726**		(6 726)	–
Financial assets			**157**		(157)	–
Cash and cash equivalents			**8 855**		(8 855)	–
Non-current liabilities						
Other non-current liabilities			**8 708**		(8 708)	–
Current liabilities						
Trade and other payables			**3 463**		(3 463)	–
Short-term provisions			**617**		(617)	–
Taxation			**254**		(254)	–

Refer note 2.2 and note 7 for more detail on the ARM Ferrous segment.

[1] *Includes consolidation and IFRS 11* joint arrangements *adjustments.*
[2] *Refer note 14 for more detail.*
[3] *Includes consolidation adjustment for capitalised fees.*
[4] *Iron ore division includes dividend paid amounting to R3.5 billion included in cash flows from operating activities.*

2 SEGMENTAL INFORMATION continued

Analysis of the ARM Ferrous segment continued

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

Refer note 2.3 and note 7 for more detail on the ARM Ferrous segment.

[1] *Includes consolidation and IFRS 11* joint arrangements *adjustments.*
[2] *Refer note 14 for more detail.*
[3] *Dividend paid amounting to R5.5 billion included in cash flows from operating activities.*

2 SEGMENTAL INFORMATION continued

ARM Corporate as presented in the table on pages 29 to 31 is analysed further into the ARM Corporate and other, Gold and Machadodorp.

	31 December 2022				31 December 2021				30 June 2022			
	Macha-dodorp Works Rm	Corpo-rate and other[1] Rm	Gold Rm	**Total ARM Corpo-rate Rm**	Macha-dodorp Works Rm	Corpo-rate and other[1] Rm	Gold Rm	**Total ARM Corpo-rate Rm**	Macha-dodorp Works Rm	Corpo-rate and other[1] Rm	Gold Rm	**Total ARM Corpo-rate Rm**
2.10				**(Unaudited)**				**(Unaudited)**				**(Audited)**
Sales	52	–		**52**	64	–		**64**	136	–		**136**
Cost of sales	(69)	44		**(25)**	(78)	25		**(53)**	(125)	64		**(61)**
Other operating income	2	659		**661**	2	441		**443**	3	1 574		**1 577**
Other operating expenses	(144)	(729)		**(873)**	(86)	(737)		**(823)**	(216)	(911)		**(1 127)**
Segment result	(159)	(26)		**(185)**	(98)	(271)		**(369)**	(202)	727		**525**
Income from investments	–	289	17	**306**	–	220	20	**240**	–	453	50	**503**
Finance cost	(1)	(19)		**(20)**	(1)	(13)		**(14)**	(25)	(22)		**(47)**
Capital item	–	–		**–**	–	118		**118**	3	743		**746**
Taxation	7	(194)		**(187)**	8	(212)		**(204)**	63	(420)		**(357)**
(Loss)/profit after tax	(153)	50	17	**(86)**	(91)	(158)	20	**(229)**	(161)	1 481	50	**1 370**
Non-controlling interest	–	(1)		**(1)**	–	(1)		**(1)**	–	(2)		**(2)**
Consolidation adjustment[1]	–	4		**4**	–	20		**20**	–	40		**40**
Contribution to basic (losses)/earnings	(153)	53	17	**(83)**	(91)	(139)	20	**(210)**	(161)	1 519	50	**1 408**
Contribution to headline (losses)/earnings	(153)	53	17	**(83)**	(91)	(257)	20	**(328)**	(164)	776	50	**662**
Other information												
Segment assets	96	8 522	4 391	**13 009**	72	10 979	4 973	**16 024**	62	11 573	3 881	**15 516**
Segment liabilities	288	1 723		**2 011**	290	1 143		**1 433**	305	1 675		**1 980**
Cash inflow/(outflow) from operating activities	18	(386)	17	**(351)**	12	(3 390)	20	**(3 358)**	4	(555)	50	**(501)**
Cash inflow/(outflow) from investing activities	–	170		**170**	(3)	(109)		**(112)**	(4)	(452)		**(456)**
Cash (outflow)/inflow from financing activities	–	(185)		**(185)**	–	(34)		**(34)**	–	(292)		**(292)**
Capital expenditure	–	5		**5**	3	1		**4**	4	4		**8**
Amortisation and depreciation	2	6		**8**	1	4		**5**	4	8		**12**
Impairment (reversal) gain/loss before tax	–	–		**–**	–	(118)		**(118)**	(3)	(743)		**(746)**
EBITDA	(157)	(20)		**(177)**	(97)	(267)		**(364)**	(198)	735		**537**

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

		Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
3	**SALES AND REVENUE**			
	Sales	**8 744**	7 066	16 917
	Made up as follows:			
	Local sales	**7 335**	6 287	14 308
	Export sales	**1 409**	779	2 609
	Revenue	**9 374**	7 709	18 406
	Fair value adjustments to revenue	**(505)**	(998)	(1 257)
	Revenue from contracts with customers	**9 879**	8 707	19 663
	Sales – mining and related products	**9 482**	8 170	18 479
	Penalty and treatment charges	**(233)**	(106)	(305)
	Modikwa	**–**	–	–
	Nkomati	**–**	–	–
	Two Rivers	**(233)**	(106)	(305)
	Fees received	**630**	643	1 489
	Sales by geographical area[1]:			
	– South Africa	**7 335**	6 269	14 308
	– Europe	**1 409**	797	2 609
		8 744	7 066	16 917

[1] *Sales by geographical area have been included to provide additional information.*

4 PROPERTY, PLANT AND EQUIPMENT

The increase in 1H F2023 property, plant and equipment is largely as a result of the acquisition of Bokoni property, plant and equipment of R2 477 million and capital expenditure at Two Rivers of R1 332 million, which mainly relates to the Merensky project (refer note 2.4 and 24).

4.1 ARM Ferrous

Property, plant and equipment

Impairment and impairment reversal

Beeshoek Mine

At 31 December 2022, an impairment loss of R1 807 million before tax of R488 million was recognised on property, plant and equipment at the Beeshoek Mine. ARM's attributable share of the impairment loss amounted to R903 million before tax of R244 million (refer note 14).

This impairment was largely due to a combination of:
- price increases are not commensurate with mining cost inflation;
- significant increase in input costs, including diesel and explosives;
- low gross margins forecast;
- forecast export revenue per tonne significantly lower compared to current levels;
- significant increase in the carrying value of stripping costs capitalised on the balance sheet in recent years; and
- increase in market interest rates together with higher cost of equity resulted in a higher discount rate (higher WACC).

4 PROPERTY, PLANT AND EQUIPMENT continued

4.1 ARM Ferrous continued

Property, plant and equipment continued

Impairment and impairment reversal continued

Beeshoek Mine continued

The recoverable amount of Beeshoek was determined based on a value-in-use (VIU) calculation performed in terms of IFRS. A discounted cash flow valuation model was used to determine the VIU of R665 million.

A nominal pre-tax South African discount rate of 17.56% was used in the 31 December 2022 impairment model. The valuation period was based on 12 years.

The following assumptions were used in the valuation model:

		F2024	F2025	F2026	F2027	F2028
Weighted average revenue price	R/t	943	958	993	1 032	1 080

Exchange rate		F2024	F2025	F2026	F2027	F2028
US$/ZAR	ZAR nominal	17.84	17.34	17.94	18.35	18.70

Cato Ridge Works

At 31 December 2022, an impairment of R75 million before taxation of R20 million was recognised on the property, plant and equipment at the Cato Ridge Works operation. It was concluded that a discounted cash flow model was not required for this impairment. The total value of property, plant and equipment was fully impaired at 30 June 2021, the impairment at 31 December 2022 is to fully impair the additions of property, plant and equipment subsequent to 30 June 2021. ARM's attributable share of the impairment loss amounted to R38 million before tax of R10 million (refer note 14).

This impairment was due to a combination of:
- Short remaining life of the operation.
- A decline in recent and forecast high-carbon manganese alloy prices over the short term.

Investments

Impairment and impairment reversal

Sakura

At 31 December 2022, an impairment loss of R299 million with no tax effect was recognised on Assmang's equity-accounted investment in Sakura. ARM's attributable share of the impairment loss amounted to R149 million with no tax effect (refer note 14).

This impairment was due to a combination of:
- A decline in recent and forecast manganese high-carbon alloys prices over the short term.
- Net cash generated by operations expected to be lower than planned.
- Increase in market interest rates.

A discounted cash flow valuation was performed to determine the fair value less cost of disposal of the investment. The valuation was performed in Malaysian ringgit (MYR). This resulted in an impairment of R299 million to the carrying value of Assmang's investment at 31 December 2022.

The recoverable amount of the investment amounted to R1 620 million at 31 December 2022.

A nominal pre-tax Malaysian discount rate of 14.86% was used in the 31 December 2022 impairment model. The Malaysian ringgit valuation was converted to South African Rand using an exchange rate of ZAR3.83 at 31 December 2022 . The level 3 valuation model was calculated over a 20-year period.

4 PROPERTY, PLANT AND EQUIPMENT continued

4.1 ARM Ferrous continued

Investments continued

Impairment and impairment reversal continued

Sakura continued

The following assumptions were used in the valuation model:

		F2024	F2025	F2026	F2027	F2028
Manganese ore price assumptions – 44% Mn	$/dmtu CIF	5.80	5.53	5.46	5.46	5.58
Manganese ore price assumptions – 36% - 38% Mn	$/dmtu CIF	5.17	5.05	4.89	4.89	5.00
Manganese alloy price assumptions – US import	US$/mt DDP	1 534	1 393	1 363	1 392	1 423
Manganese alloy price assumptions – Europe spot	US$/mt DDP	1 270	1 218	1 220	1 242	1 267

Exchange rate		F2024	F2025	F2026	F2027	F2028
US$/MYR	MYR nominal	4.29	4.14	4.04	3.98	3.91
US$/EUR	EUR nominal	0.85	0.82	0.81	0.80	0.80

Khumani Mine

An impairment loss was recognised on property, plant and equipment at Khumani for (F2022: R40 million before tax) (1H F2022: R88 million before tax). This relates to a capital project to fill an underground cavity. The impairment loss was accounted for due to management's assessment of limited future economic benefits associated with the capital spend. ARM's attributable share of the impairment amounted to (F2022: R20 million) (1H F2022: R44 million) before tax of (F2022: R6 million) (1H F2022: R12 million) (refer note 14). This is accounted for in the income from joint venture line in the statement of profit or loss.

4 PROPERTY, PLANT AND EQUIPMENT continued

4.2 ARM Coal

Investments

Impairment and impairment reversal

Participative Coal Business (PCB)

In F2022, 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 amounted to R4 450 million.

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

ARM's attributable share of the impairment reversal amounted to R1 121 million (nil tax impact) (refer notes 6 and 14).

	Gross Rm	Tax Rm	After tax Rm
PCB 20.2%: reversal of impairment (refer note 14)	1 121	–	1 121
Total attributable to ARM	**1 121**	**–**	**1 121**

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

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

4.3 Machadodorp Works

Property, plant and equipment

Impairment and impairment reversal

An impairment reversal was recognised in F2022 on property, plant and equipment for R3 million with no tax effect (refer note 14).

Details of the impairments and impairment reversals were included in the financial results ended 30 June 2022, which can be found on **www.arm.co.za**.

		Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
5	**DEFERRED TAX**			
	Deferred tax assets			
	Opening balance	**215**	274	274
	Bokoni (refer note 24)	**856**	–	–
	Investment in Harmony recognised in other comprehensive income	**(74)**	(64)	10
	Other	**(29)**	(36)	(69)
	Deferred tax assets on the statement of financial position	**968**	174	215
	Deferred tax liabilities			
	Opening balance	**3 226**	2 968	2 968
	Investment in Harmony recognised in other comprehensive income	**36**	167	–
	Two Rivers	**144**	(82)	171
	Modikwa	**43**	(9)	(54)
	ARM Coal	**12**	56	141
	Deferred tax liabilities on the statement of financial position	**3 461**	3 100	3 226
6	**INVESTMENT IN ASSOCIATE**			
	Opening balance	**2 048**	534	534
	Profit from associate per statement of profit or loss	**888**	–	927
	Profit for the period	**888**	241	1 417
	Re-measurement loss on loans	**–**	(241)	(490)
	Movement in loans	**–**	(534)	(534)
	Reversal of impairment on investment (refer note 4.2)	**–**	239	1 121
	Closing balance	**2 936**	239	2 048
7	**INVESTMENT IN JOINT VENTURE**			
	This investment relates to ARM Ferrous and comprises Assmang as a joint venture which includes iron ore and manganese operations.			
	Opening balance	**22 145**	20 938	20 938
	Net income for the period	**1 682**	2 387	6 649
	Income for the period	**1 686**	2 407	6 689
	Consolidation adjustments	**(4)**	(20)	(40)
	Foreign currency translation reserve	**54**	78	58
	Less: dividends received for the period	**(3 500)**	(3 500)	(5 500)
	Closing balance	**20 381**	19 903	22 145

Refer to notes 2.1; 2.2; 2.3; 2.7; 2.8 and 2.9 for further detail relating to the ARM Ferrous segment.

	Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
8 OTHER INVESTMENTS			
Harmony[1]	**4 391**	4 973	3 881
Opening balance	**3 881**	3 940	3 940
Fair value in other comprehensive income	**510**	1 033	(59)
Guardrisk[2]	**6**	10	9
Preference shares[1]	**1**	1	1
Richards Bay Coal Terminal (RBCT)[3]	**208**	220	213
Closing balance	**4 606**	5 204	4 104

1 This is a level 1 valuation in terms of IFRS 13.
2 This is a level 2 valuation in terms of IFRS 13.
Fair value based on the net asset value of the cell captive.
3 This is a level 3 valuation in terms of IFRS 13.

Richards Bay Coal Terminal (RBCT)

The fair value of the RBCT investment was determined by calculating the present value of the future wharfage cost savings by being a shareholder in RBCT as opposed to the wharfage payable by non-shareholders. The fair value is most sensitive to wharfage cost. The current RBCT valuation is based on a wharfage cost differential of between US$45/tonne and US$50/tonne (1H F2022: between US$41/tonne and US$47/tonne) (F2022: between US$44/tonne and US$49/tonne). If increased by 10%, this would result in a R21 million (1H F2022: R22 million) (F2022: R22 million) increase in the valuation on the RBCT investment. If decreased by 10%, this would result in a R21 million (1H F2022: R22 million) (F2022: R22 million) decrease in the valuation on the RBCT investment. The valuation is calculated based on the duration of the RBCT lease agreement with Transnet SOC Limited to 31 December 2038, using a pre-tax discount rate of 21.2% (1H F2022: 19.4%) (F2022: 20.8%).

Level 2 and level 3 fair value losses or gains are included in other operating expenses or other operating income respectively in the statement of profit or loss.

Opening balance	**213**	233	233
Fair value loss	**(5)**	(13)	(20)
Closing balance	**208**	220	213

9 NON-CURRENT INVENTORIES

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

10 TRADE AND OTHER RECEIVABLES

Certain trade and other receivables contain provisional pricing features linked to commodity prices and exchange rates, which have been designated to be measured at fair value through profit or loss because of the embedded derivative. The fair value of trade and other receivables that contain provisional pricing is R4 697 million (1H F2022: R4 763 million) (F2022: R5 172 million). This is a level 2 valuation in terms of IFRS.

Trade and other receivables include a contract asset from Assmang of R610 million (1H F2022: R603 million) (F2022: R985 million). The contract asset results from fee arrangements whereby fees received from Assmang only become payable following receipt by Assmang from the relevant customer.

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

	Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
11 FINANCIAL ASSETS			
Investments in fixed deposits			
Current financial assets[1]			
– ARM Finance Company SA	**–**	268	185
– Two Rivers	**4**	31	31
– Modikwa	**–**	382	–
– Nkomati	**114**	87	114
– Mannequin Captive Cell (Cell AVL 18) (refer note 21)	**531**	55	500
– Other	**7**	–	–
	656	823	830
Non-current financial assets[1]			
– ARM Coal	**55**	48	50
– Modikwa	**3**	1	2
– Mannequin Captive Cell (Cell AVL 18) (refer note 21)	**147**	184	162
	205	233	214
Total	**861**	1 056	1 044

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

The following guarantees issued are included in financial assets:

- Guarantees issued by Two Rivers to DMRE, Eskom and BP Oil amounting to R4 million (1H F2022: R31 million) (F2022: R31 million).
- Guarantees issued by Modikwa to DMRE and Eskom amounting to Rnil (1H F2022: R146 million) (F2022: Rnil).
- Guarantees issued by Nkomati to DMRE and Eskom amounting to R114 million (1H F2022: R87 million) (F2022: R114 million).

Other financial assets include trust funds of R7 million (1H F2022: Rnil) (F2022: Rnil).

		Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
12	**CASH AND CASH EQUIVALENTS**			
	Total cash at bank and on deposit	**9 177**	11 180	11 069
	– African Rainbow Minerals Limited	**6 134**	8 603	8 770
	– ARM BBEE Trust	**6**	6	38
	– ARM Coal	**48**	1	4
	– ARM Finance Company SA	**288**	2	92
	– ARM Platinum Proprietary Limited	**1 140**	827	874
	– Bokoni	**94**	–	–
	– ARM Treasury Investments Proprietary Limited	**44**	42	43
	– Nkomati	**16**	79	52
	– Two Rivers Platinum Proprietary Limited	**1 381**	1 597	1 174
	– Other cash at bank and deposit	**26**	23	22
	Total cash set aside for specific use	**660**	902	590
	– Mannequin Cell Captive[1]	**237**	750	245
	– Rehabilitation trust funds[1]	**103**	64	65
	– Other cash set aside for specific use[1]	**320**	88	280
	Total as per statement of financial position	**9 837**	12 082	11 659
	Less: Overdrafts (refer note 13)	**(16)**	(16)	(16)
	Total as per statement of cash flows	**9 821**	12 066	11 643

Cash at bank and on deposit earns interest at floating rates based on daily bank deposit rates.

[1] *Cash set aside for specific use in respect of the group includes:*
- *Mannequin Captive Cell is used as part of the group insurance programme. The cash held in the cell is invested in highly liquid investments and is used to settle claims as and when they arise as part of the risk finance retention strategy.*
- *The trust funds of R10 million (1H F2022: R15 million) (F2022: R16 million).*
- *African Rainbow Minerals Limited of R37 million (1H F2022: R35 million) (F2022: R37 million).*
- *Guarantees issued by ARM Coal to DMRE amounting to R46 million (1H F2022: R45 million) (F2022: R46 million).*
- *Guarantees issued by Two Rivers to DMRE, Eskom and BP oil amounting to R29 million (1H F2022: Rnil) (F2022: Rnil).*
- *Guarantees issued by Nkomati to DMRE and Eskom amounting to R12 million (1H F2022: R38 million) (F2022: R12 million).*
- *Guarantees issued by Bokoni to DMRE amounting to R55 million (1H F2022: Rnil) (F2022: Rnil).*
- *Guarantees issued by Modikwa to DMRE and Eskom amounting to R234 million (1H F2022: R19 million) (F2022: R234 million).*

	Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
13 BORROWINGS			
Long-term borrowings are held as follows:			
– ARM BBEE Trust	**121**	185	166
– ARM Coal Proprietary Limited	**–**	437	–
– African Rainbow Minerals Limited (lease liability)	**1**	–	–
– Anglo Platinum Limited (lease liability)	**8**	13	9
– Two Rivers Platinum Proprietary Limited (lease liability)	**132**	160	130
	262	795	305
Short-term borrowings are held as follows:			
– Anglo Platinum Limited (lease liability)	**–**	31	20
– ARM Coal Proprietary Limited (partner loans)	**–**	181	139
– ARM Coal Proprietary Limited (lease liability)	**6**	–	–
– African Rainbow Minerals Limited (lease liability)	**1**	3	–
– Two Rivers Platinum Proprietary Limited (lease liability)	**4**	–	4
	11	215	163
Overdrafts are held as follows:			
– Other	**16**	16	16
	16	16	16
Total borrowings	**289**	1 026	484
Overdrafts and short-term borrowings			
– interest bearing	**27**	50	40
– non-interest bearing	**–**	181	139

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

	Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
14 CAPITAL ITEMS			
Loss on sale of property, plant and equipment and intangible assets – ARM Coal	**–**	(1)	–
Reversal of impairment on investment in PCB – ARM Coal (refer note 4.2)	**–**	239	1 121
Reversal of impairment on property, plant and equipment – Machadodorp Works (refer note 4.3)	**–**	–	3
Profit on sale of property, plant and equipment – Nkomati	**–**	–	2
Loss on sale of property, plant and equipment – Two Rivers	**(2)**	–	(2)
Profit on sale of property, plant and equipment – ARM Coal	**–**	–	4
Gain on bargain purchase – Bokoni acquisition	**56**	–	–
Capital items per statement of profit or loss before taxation effect	**54**	238	1 128
Loss on property, plant and equipment accounted for directly in associate – ARM Coal	**–**	–	(9)
Impairment loss on investment in Sakura accounted for directly in joint venture – Assmang (refer note 4.1)	**(149)**	–	–
Impairment loss on property, plant and equipment accounted for directly in joint venture – Assmang (refer note 4.1)	**(941)**	(44)	(20)
Loss on sale of property, plant and equipment accounted for directly in joint venture – Assmang	**(3)**	(13)	(25)
Capital items before taxation effect	**(1 039)**	181	1 074
Taxation accounted for in joint venture – impairment loss of property, plant and equipment and intangible assets – Assmang (refer note 4.1)	**254**	12	6
Taxation accounted for in joint venture – loss on sale of property, plant and equipment – Assmang	**1**	4	6
Taxation accounted for in associate – loss on sale of property, plant and equipment – ARM Coal	**–**	–	3
Taxation on profit on sale of property, plant and equipment – ARM Coal	**–**	–	(1)
Total amount adjusted for headline earnings	**(784)**	197	1 088

		Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
15	**EARNINGS PER SHARE**			
	Headline earnings (R million)	**5 171**	3 696	11 338
	Headline earnings per share (cents)	**2 638**	1 887	5 787
	Basic earnings per share (cents)	**2 238**	1 988	6 343
	Diluted headline earnings per share (cents)	**2 634**	1 868	5 783
	Diluted basic earnings per share (cents)	**2 234**	1 968	6 338
	Number of shares in issue at the end of the period (thousands)	**224 668**	224 459	224 668
	Weighted average number of shares (thousands)	**196 053**	195 840	195 899
	Weighted average number of shares used in calculating diluted earnings per share (thousands)	**196 333**	197 815	196 033
	Net asset value per share (cents)	**20 887**	18 332	20 545
	EBITDA (R million)	**4 175**	3 337	8 854
	Interim dividend declared (cents per share)	**1 400**	1 200	1 200
	Final dividend declared (cents per share)	**–**	–	2 000
	Reconciliation to headline earnings			
	Basic earnings attributable to equity holders of ARM	**4 387**	3 893	12 426
	– Loss on sale of property, plant and equipment and intangible assets – ARM Coal	**–**	1	–
	– Reversal of impairment on investment in PCB – ARM Coal (refer note 4.2)	**–**	(239)	(1 121)
	– Reversal of impairment on property, plant and equipment – Machadodorp Works (refer note 4.3)	**–**	–	(3)
	– Profit on sale of property, plant and equipment – Nkomati	**–**	–	(2)
	– Loss on property, plant and equipment accounted for directly in associate – ARM Coal	**–**	–	9
	– Loss on sale of property, plant and equipment – Two Rivers	**2**	–	2
	– Profit on sale of property, plant and equipment – ARM Coal	**–**	–	(4)
	– Impairment loss of property, plant and equipment in joint venture – Assmang (refer note 4.1)	**941**	44	20
	– Loss on sale of property, plant and equipment accounted for directly in joint venture – Assmang	**3**	13	25
	– Impairment loss on investment in Sakura accounted for directly in joint venture – Assmang (refer note 4.1)	**149**	–	–
	– Gain on bargain purchase – Bokoni acquisition	**(56)**	–	–
		5 426	3 712	11 352
	– Taxation accounted for in joint venture – impairment loss at Assmang	**(254)**	(12)	(6)
	– Taxation accounted for in joint venture – loss on disposal of fixed assets at Assmang	**(1)**	(4)	(6)
	– Taxation accounted for in associate – loss on sale of property, plant and equipment – ARM Coal	**–**	–	(3)
	– Taxation on profit on sale of property, plant and equipment – ARM Coal	**–**	–	1
	Headline earnings	**5 171**	3 696	11 338

		Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
16	**RE-MEASUREMENT AND FAIR VALUE GAINS AND LOSSES**			
	ARM Coal			
	Included in other operating income/(expenses) and profit from associate are re-measurements with no tax effect relating to the GGV and PCB loans. The gain and loss is as a result of a re-measurement of debt between ARM and Glencore Operations South Africa Proprietary Limited (GOSA) and ARM Coal Proprietary Limited.			
	The re-measurement adjustments are as follows:			
	Re-measurement gain in operating income – ARM Coal segment	**–**	259	49
	Re-measurement loss in operating expenses – ARM Coal segment	**(4)**	–	(815)
	Net re-measurement (loss)/gain – ARM Coal segment	**(4)**	259	(766)
	Re-measurement gain in operating income/(loss in operating expenses) – ARM Corporate segment	**4**	(365)	443
	Net re-measurement loss on group profit from operations before capital items	**–**	(106)	(323)
	Income from associate re-measurement loss – (refer note 6)	**–**	(241)	(490)
	Net ARM Coal re-measurement loss	**–**	(347)	(813)
	The re-measurements are as a result of changes in the future repayment cash flows applied to the net present value calculations. The discount rate used in the calculation of the re-measurement is 10%.			
	ARM BBEE Trust (loan from Harmony)			
	The re-measurements are as a result of changes in the future repayment cash flows and changes to the discount rate applied to the net present value calculations. The discount rate used for 1H F2023 is 12.93% (1H F2022: 9.68%) (F2022: 11.69%).			
	Other operating income increase (re-measurement gain on loan) – ARM Corporate segment	**8**	1	5
	Net ARM BBEE Trust re-measurement gain	**8**	1	5
	The carrying amounts of the financial liabilities approximate their fair value.			
17	**PROFIT FROM ASSOCIATE**			
	Profit (before re-measurement/fair value on loans)	**888**	241	1 417
	Re-measurement loss (refer note 16)	**–**	(241)	(490)
	Total	**888**	–	927

for the six months ended 31 December 2022

		Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
18	**TAXATION**			
	South African normal tax – current year	**1 116**	1 073	2 384
	– mining	**928**	883	2 003
	– non-mining	**188**	190	381
	– prior year	**–**	–	25
	Total deferred taxation	**227**	1	327
	Deferred tax	**227**	1	413
	Deferred tax – rate change[1]	**–**	–	(86)
	Total taxation	**1 343**	1 074	2 736

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

		Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
19	**CASH GENERATED FROM OPERATIONS**			
	Cash generated from operations before working capital movement	**4 653**	3 789	10 148
	Working capital inflow/(outflow)	**641**	1 036	(1 640)
	Movement in inventories (outflow)/inflow	**(346)**	47	70
	Movement in payables and provisions outflow	**(210)**	(479)	(973)
	Movement in receivables inflow/(outflow)	**1 197**	1 468	(737)
	Cash generated from operations (per statement of cash flows)	**5 294**	4 825	8 508

20 RELATED PARTIES

The company, in the ordinary course of business, enters into various sale, purchase, service and lease transactions with subsidiaries, associated companies, joint ventures and joint operations. Transactions between the company, its subsidiaries and joint operations related to fees, insurances, dividends, rentals and interest are regarded as intra-group transactions and eliminated on consolidation.

	Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
Amounts accounted in the statement of profit or loss relating to transactions with related parties			
Subsidiaries			
Impala Platinum – sales	**4 756**	3 969	9 416
Rustenburg Platinum Mines – sales[1]	**2 391**	2 160	4 522
Modikwa-related non-controlling interest – dividend declared[1]	**102**	111	255
Joint operations			
Glencore International AG – sales	**1 409**	797	2 627
Glencore Operations SA – management fees	**50**	72	78
Joint venture			
Assmang Proprietary Limited			
– management fees	**630**	638	1 478
– dividends received	**3 500**	3 500	5 500
Amounts outstanding at year end (owing to)/receivable by ARM on current account			
Joint venture			
Assmang – trade and other receivables	**610**	603	985
Joint operations			
Rustenburg Platinum Mines – trade and other receivables[1]	**1 462**	1 505	1 526
Norilsk Nickel – trade and other payables	**–**	(2)	2
Glencore Operations SA – long-term borrowings	**–**	(437)	–
Glencore Operations SA – short-term borrowings	**–**	(181)	(139)
Glencore Operations SA – trade and other receivables	**357**	532	887
Glencore International AG – trade and other receivables	**249**	142	376
Subsidiary			
Impala Platinum – trade and other receivables	**3 235**	3 258	3 646
Impala Platinum – dividend paid	**368**	391	1 060
Modikwa-related non-controlling interest – dividend payable[1]	**–**	77	143

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

		Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
21	**PROVISIONS**			
21.1	**Total long-term provisions**			
	Opening balance	**1 979**	1 883	1 883
	The provision movement is as follows:			
	Modikwa	**15**	6	–
	Bokoni	**96**	–	–
	Nkomati	**1**	(4)	78
	Other	**7**	49	18
	Closing balance	**2 098**	1 934	1 979
21.2	**Silicosis and tuberculosis class action provision**			
	Long-term provision			
	The provision movement is as follows:			
	Opening balance	**159**	146	146
	Interest unwinding	**4**	6	12
	Demographic assumptions changes	**(31)**	–	(13)
	Transfer from short-term provisions	**14**	30	14
	Closing balance	**146**	182	159
	Short-term provision			
	The provision movement is as follows:			
	Opening balance	**16**	60	60
	Settlement payments	**(1)**	(28)	(30)
	Transfer to long-term provisions	**(14)**	(30)	(14)
	Closing balance	**1**	2	16
	Total silicosis and tuberculosis class action provision	**147**	184	175

ARM has a contingency policy in this regard which covers environmental site liability and silicosis liability with Guardrisk Insurance Company Limited (Guardrisk). In turn, Guardrisk has reinsured the specified risks with Mannequin Insurance PCC Limited – Cell AVL 18, Guernsey, which cell captive is held by ARM.

Following the High Court judgment previously reported, the Tshiamiso Trust was registered in November 2019. As part of the settlement, a guarantee of R304 million was issued by Guardrisk on behalf of ARM in favour of the Tshiamiso Trust on 13 December 2019.

Details of the provision were discussed in the 30 June 2022 financial results, which can be found on **www.arm.co.za**.

	Unaudited six months ended 31 December 2022 Rm	Unaudited six months ended 31 December 2021 Rm	Audited year ended 30 June 2022 Rm
22 COMMITMENTS			
Commitments in respect of future capital expenditure which will be funded from operating cash flows and by utilising debt facilities at entity and corporate levels, are summarised below:			
Approved by directors			
– contracted for	**2 203**	998	1 685
– not contracted for	**960**	203	1 848
Total commitments	**3 163**	1 201	3 533

23 CONTINGENT LIABILITIES AND DISPUTES

Contingent liabilities

Nkomati

The Nkomati mine closure may have a potential exposure regarding rehabilitation and management of water post-closure. There are uncertainties regarding the ongoing assessment of long-term water management measures, and anticipated amendments to the existing Water Use License (WUL). Technical studies towards providing an integrated Water Management Plan are underway. The results of the studies will be used as input towards a risk assessment that is required to apply for an amended WUL, such as applying for authorised water discharges. The WUL conditions are not yet known and the subsequent potential water resource impact liability as part of the mine rehabilitation and closure process is uncertain. The obligation will be recognised when it is probable and can be reliably estimated.

The environmental rehabilitation provision at 31 December 2022 is the best independent estimate and is based on the most reliable information currently available. It will be re-assessed on an ongoing basis as engineering designs evolve and new information becomes available, as well as when approvals of a revised Environmental Management Plan and Water Use Licence are secured.

Modikwa

In August 2020, the International Council on Mining and Metals (ICMM) published a Global Industry Standard for Tailings Management (GISTM) that sets a new global benchmark to achieve strong social, environmental and technical outcomes in tailings management, with a strong emphasis on accountability and disclosure.

ICMM members have committed that all tailings storage facilities with 'extreme' or 'very high' potential consequences will be in conformance with the GISTM by August 2023 and all other facilities by August 2025.

ARM, as a member of ICMM, has committed to comply with GISTM by the agreed deadlines.

Modikwa Platinum Mine is proactively investigating gaps between its Tailings Storage Facility (TSF) and the GISTM requirements. The mine commenced with sampling and laboratory testing work during F2022.

As at 31 December 2022, a reliable estimate of the impact cannot be made as the sampling and laboratory testing work is still underway. The results thereof are expected to be available in the first half of F2024.

23 CONTINGENT LIABILITIES AND DISPUTES continued

Disputes

Modikwa

ARM Mining Consortium made an application against the Department of Mineral Resources and Energy (DMRE) and third-party respondents requesting the court to order the DMRE to reassess applications for certain prospecting rights brought by Rustenburg Platinum Mines, ARM Mining Consortium's joint venture partner that had been earlier rejected. Judgment on the matter was granted on 10 July 2020. The court found against ARM Mining Consortium. ARM Mining Consortium applied for leave to appeal the court judgement in the Supreme Court of Appeal (SCA), which was granted. The SCA delivered judgment on the matter on 28 November 2022. It was found against ARM Mining Consortium. ARM Mining Consortium has applied for leave to appeal the SCA judgment to the Constitutional Court.

ARM

Pula Group LLC and Pula Graphite Partners Tanzania Limited is claiming damages in the amount of US$195 000 000 against ARM and other defendants, allegedly arising out of a breach of a confidentiality agreement. The summons was served on ARM on 13 January 2023. The matter is before the High Court of the United Republic of Tanzania (Commercial Division). ARM is defending the litigation and has filed its statement of defence, refuting any liability.

There have been no other significant changes in the contingent liabilities and disputes of the group as disclosed since 30 June 2022 annual financial statements.

For a detailed disclosure of contingent liabilities and disputes, refer to ARM's annual financial statements for the year ended 30 June 2022 available on the group's website (www.arm.co.za).

24 ACQUISITION OF BOKONI PLATINUM MINES PROPRIETARY LIMITED (BPM)

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

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

The significant conditions precedent in the sale and purchase agreement had been fulfilled on 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.

BPM is a platinum group metals (PGM) mining operation located in the Limpopo province of South Africa and forms part of the North-Eastern Limb of the Bushveld Complex.

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

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

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

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

ARM measured the identifiable assets and liabilities of BPM at acquisition-date fair values.

24 ACQUISITION OF BOKONI PLATINUM MINES PROPRIETARY LIMITED (BPM) continued

The values are presented below:

Assets acquired and liabilities assumed

	F2023 Rm
ASSETS	3 672
Non-current assets	3 599
Property, plant and equipment	2 743
Deferred tax asset[1]	856
Current assets	73
Cash and cash equivalents	59
Trade and other receivables	14
LIABILITIES	116
Non-current liabilities	86
Provision for rehabilitation	86
Current liabilities	30
Trade and other payables	30
Total identifiable net assets at fair value	3 556
Gain on bargain purchase	(56)
Purchase price	3 500
Cash and cash equivalents acquired	(59)
Cash outflow on acquisition net of cash acquired	3 441

[1] *A deferred tax asset for unredeemed capital expenditure of R855 million was not recognised. There is no expiry date for unredeemed capital expenditure.*

The purchase price allocation was based on 100% ownership. A 15% shareholding in ARM BMC will be allocated to qualifying employees, local communities and black industrialists who will each hold 5%. ARM BMC is busy with the necessary processes to implement the allocation of this 15% shareholding. At the reporting date no agreements in this regard had been finalised.

Since the acquisition date, no revenue and a net loss of R150 million was included in the consolidated statement of profit or loss for the reporting period. If the acquisition had been at the beginning of the reporting period, no revenue and a net loss of R197 million would have been included in the consolidated statement of profit or loss for the reporting period.

The gain on bargain purchase is as a result of the fair value of net assets acquired differing from the initial estimates. The gain on bargain purchase is included in capital items on the statement of profit or loss.

Trade and other receivables at acquisition is current and receivable within 30 days.

The carrying amount of trade and other receivables approximates their fair value due to the short-term nature of the receivables.

25 EVENTS AFTER REPORTING DATE

Since the period end, ARM received a dividend of R598 million from the Participative Coal Business.

Since the period end, Assmang declared an attributable dividend of R1 500 million to ARM.

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

Contact details and administration

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Forward-looking statements

Certain statements in this report constitute forward-looking statements that are neither reported financial results nor other historical information. They include but are not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. Such forward-looking statements may or may not take into account and may or may not be affected by known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa; decreases in the market price of commodities; hazards associated with underground and surface mining; labour disruptions; changes in government regulations, particularly environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the COVID-19 pandemic. These forward-looking statements speak only as of the date of publication of these pages. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of these pages or to reflect the occurrence of unanticipated events.

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*

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