

African Rainbow Minerals Limited (Incorporated  
in the Republic of South Africa) (Registration  
number 1933/004580/06)  
JSE Share code: ARI  
ISIN: ZAE000054045  
("ARM" or the "Company")

**CONDENSED REVIEWED RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE  
2023 (F2023) AND FINAL CASH DIVIDEND DECLARATION**

This short form announcement is the responsibility of the board of directors of ARM (the "Board") who acknowledge their responsibility to ensure the integrity of the condensed results.

The details contained in this announcement are only a summary of the information in the full announcement and do not contain full details of the company's financial performance and position or other relevant information about the business for the financial year under review. Any investment decisions by investors and/or shareholders should therefore be based on the full announcement published on the Company's website at [www.arm.co.za](http://www.arm.co.za) and which is available on the following link:

<https://senspdf.jse.co.za/documents/2023/jse/isse/ARIM/FY2023.pdf>

The full announcement is also available for inspection free of charge during business hours (excluding weekends and public holidays) from Monday, 04 September 2023 at the registered office of ARM at ARM House, 29 Impala Road, Chislehurst, Johannesburg. In addition, copies of the full announcement may be requested by emailing the Company's investor relations department on [ir.admin@arm.co.za](mailto:ir.admin@arm.co.za)

Salient features

Financial:

- Headline earnings decreased by 21% to R8 981 million or R45.81 per share (F2022: R11 338 million or R57.87 per share).
- A final dividend of R12.00 per share is declared (F2022: R20.00 per share).
- We maintained a robust financial position, with net cash of R9 779 million at 30 June 2023 (30 June 2022: R11 175 million).

#### Safety and Health:

- 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 0.27 per 200 000 man-hours (F2022: 0.31).
- The group total recordable injury frequency rate (TRIFR) improved to 0.62 (F2022: 0.69).

#### Operational:

- Iron ore, manganese ore and thermal coal volumes were negatively impacted by logistics challenges.
- Unit production costs remained under pressure due to lower production volumes and above-inflation increases in the costs of explosives, diesel, electricity, consumables, and maintenance costs.

#### Environmental

- Progress was made towards 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.
- ARM, as a member of the International Council on Mining and Metals (ICMM), published its progress towards conformance with the Global Industry Standard on Tailings Management (GISTM) on 5 August 2023.

#### Growth:

- ARM continues to be confident about the long-term profitability of Bokoni. Good progress has been made in advancing the DFS. The project remains robust and is expected to be attractive in terms of industry cost competitiveness. The DFS will now advance to bankable feasibility and then be presented to the board for approval.
- The Black Rock Project was completed in September 2022 and within the approved budget of R7.4 billion. The Black Rock Project was completed with 1.4 million fatality-free shifts and a lost-time injury frequency rate (LTIFR) of 0.219.
- Gloria Project's Raise Section achieved construction completion in June 2023. Project close-out is underway, and the project is forecasted to be formally closed out within the approved budget of R3 billion.

## Safety performance

Our operations delivered improved safety performance. The group LTIFR per 200 000 man-hours improved to 0.27 (F2022: 0.31), while the TRIFR improved to 0.62 (F2022: 0.69).

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 sincere condolences to his family, friends and colleagues.

Independent root cause investigations were done and action plans were implemented and closed out. We continue to work towards ensuring zero harm at our operations.

## Financial performance

### Headline earnings

Headline earnings for F2023 decreased by 21% to R8 981 million or R45.81 per share (F2022: R11 338 million or R57.87 per share).

The F2022 headline earnings included re-measurement losses of R808 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 weakened by 17% versus the US dollar to R17.76/US\$ compared to R15.21/US\$ in F2022. For reporting purposes, the closing exchange rate was R18.90/US\$ (30 June 2022: R16.38/US\$).

ARM Ferrous headline earnings were 17% lower at R5 528 million (F2022: R6 682 million), driven by a 34% decrease in headline earnings in the manganese division and an 11% decrease in the iron ore division.

Lower headline earnings in the iron ore division were driven by a decrease in the average realised US dollar iron ore prices and lower export sales volumes, partially offset by the weaker rand versus US dollar exchange rate and lower freight costs.

Iron ore headline earnings include a R279 million (pre-tax) negative fair value adjustment on iron ore sales (F2022: R618 million negative adjustment), of which 66% is based on confirmed prices and 34% is based on forward prices. Refer to page 8 for further information on the mark-to-market adjustments in ARM Ferrous.

Lower headline earnings in the manganese division were driven by a decrease in the average realised US dollar manganese ore and alloy prices and higher production and railage costs, which were partially offset by the weaker rand versus US dollar exchange rate and lower freight costs.

ARM Platinum headline earnings decreased by 52% to R1 465 million (F2022: R3 066 million).

Two Rivers Mine headline earnings reduced to R1 262 million (F2022: R1 968 million), mainly due to negative mark-to-market adjustments of R1 065 million (F2022: R709 million negative adjustment) and a 24% increase in unit cash costs (on a rand per 6E PGM ounce basis) which is as result of above inflationary pressures on costs.

Challenges with grade persisted at the mine, the head grade reduced to 3.00g/t compared to 3.22g/t last year.

Modikwa Mine reported a 36% decline in headline earnings to R819 million (F2022: R1 270 million), which included negative mark-to-market adjustments of R253 million (F2022: R231 million).

The mine's production volumes decreased by 3% while unit cash costs (on a rand per 6E PGM ounce basis) were up by 21% due to above inflationary pressures on costs.

For more detail and a table showing the mark-to-market adjustments at Two Rivers and Modikwa mines, refer to page 14 of the full announcement.

Bokoni Mine, which is included for the first time in the ARM annual results, reported a headline loss of R406 million for F2023. The early ounce project, approved in March 2023, is on track and the first PGM ounce production is expected in the second quarter of F2024.

Nkomati Mine reported a headline loss of R210 million (F2022: R172 million). The mine was placed on care and maintenance on 15 March 2021. ARM and its joint venture partner are considering various options for the future of Nkomati Mine.

ARM Coal reported headline earnings of R1 535 million (F2022: R928 million) driven mainly by a reduction in re-measurement losses of R1 252 million which resulted from accelerated repayment of the loans owing to shareholders.

GGV Mine's headline earnings were R540 million (F2022: R5 million loss). PCB headline earnings were R995 million (F2022: R933 million).

Refer to pages 18 and 19 of the full announcement for a detailed analysis of the GGV and PCB operational profit performance. No re-measurement losses were included in PCB headline earnings.

ARM Corporate and other (including Gold) reported headline earnings of R649 million (F2022: R826 million). Included in ARM Corporate and other are re-measurement gains of R12 million (F2022: R448 million).

Machadodorp Works headline loss of R196 million (F2022: R164 million) related to research into developing energy-efficient smelting technology.

#### Basic earnings and impairments

Basic earnings of R8 078 million (F2022: R12 426 million) included attributable impairments as follows:

- An impairment of property, plant and equipment at Beeshoek Mine of R773 million after tax
- An impairment of property, plant and equipment at Cato Ridge Works of R38 million after tax
- An impairment of the Assmang investment in Sakura of R150 million after tax.

Refer to note 4 of the condensed group financial statements in the full announcement for further details.

#### Financial position and cash flow

At 30 June 2023, ARM had net cash of R9 779 million (30 June 2022: R11 175 million), a decrease of R1 396 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 R4 939 million (30 June 2022: R5 342 million).

Cash generated from operations decreased by R418 million to R8 090 million (F2022: R8 508 million) after an inflow in working capital of R1 212 million (F2022: R1 640 million outflow), which was mainly due to an inflow in trade receivables.

In F2023, ARM paid R6 666 million in dividends to its shareholders, representing the interim dividend of R14.00 and the final dividend of R20.00 per share declared for F2022 (F2022: R6 270 million representing the interim dividend of R12.00 and the F2021 final dividend of R20.00 per share).

Net cash outflow from investing activities was R7 511 million (F2022: R2 492 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 R251 million (F2022: R109 million) were repaid during the period, resulting in gross debt of R242 million at 30 June 2023 (30 June 2022: R484 million).

The group net asset value per share increased by 7% to R219.04 per share (30 June 2022: R205.45 per share).

#### Investing in growth and the existing business

ARM continues to be confident about the long-term profitability of Bokoni. Good progress has been made in advancing the DFS, which has been based on a phased development approach to reduce peak funding requirements, optimise production ramp-up and minimise project execution risk. The DFS also preserves the optionality to increase production to an optimal production rate in the future.

The DFS indicates higher capital costs relative to the 2021 investment case due to inflationary cost increases and an enhanced scope definition. The project remains robust and is expected to be attractive in terms of industry cost competitiveness. The DFS will now advance to bankable feasibility and then be presented to the board for approval.

The early ounce project that was approved in March 2023 is progressing well, with the first saleable PGM concentrate expected by December 2023. The early ounce project focuses on a combination of mining high-grade UG2 stopes in the 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 early ounces will enable the mine to commence with early development of the underground infrastructure required for the new planned UG2 mine.

We continued to invest in our existing operations with segmental capital expenditure of R7 201 million for the period (F2022: R4 727 million). The increase in capital expenditure was mainly due to the Merensky Project at Two Rivers Mine.

Capital expenditure for the divisions is shown on page 7 of the full announcement and discussed in each division's operational performance section from page 8 of the full announcement.

#### 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 and 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 F2023, the board approved and declared a final dividend of 1 200 cents per share (gross) (F2022: 2 000 cents per share). The amount to be paid is approximately R2 696 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 1 200 cents per ordinary share for shareholders exempt from dividends tax
- The net local dividend is 960.00000 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
- ARM's income tax reference number is 9030/018/60/1.

A gross dividend of 1 200 cents per ordinary share, being the dividend for the year ended 30 June 2023, has been declared payable on Monday, 9 October 2023 to those shareholders recorded in the books of the company at the close of business on Friday, 6 October 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 no later than Friday, 6 October 2023. The last day to trade ordinary shares cum dividend is Tuesday, 3 October 2023. Ordinary shares trade ex-dividend from Wednesday, 4 October 2023. The record date is Friday, 6 October 2023 while the payment date is Monday, 9 October 2023.

No dematerialisation or rematerialisation of share certificates may occur between Wednesday, 4 October 2023 and Friday, 6 October 2023 both dates inclusive, nor may any transfers between registers take place during this period.

Review by independent auditor

The condensed group financial statements set out on pages 28 to 63 of the full announcement for the financial year ended 30 June 2023 have been reviewed by the company's registered auditor, Ernst & Young Inc. (the partner in charge is PD Grobbelaar CA(SA)) who expressed an unmodified conclusion on these results. The full review report can be found on page 25 of the full announcement and on [www.arm.co.za](http://www.arm.co.za).

ENDS

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