

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
2024 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 group financial 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 and which is available on the following link:

<https://senspdf.jse.co.za/documents/2024/jse/isse/ARIM/FY2024.pdf>

The full announcement is also available for inspection free of charge during business hours (excluding weekends and public holidays) from Friday, 06 September 2024 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 hoosain.parker@arm.co.za

Salient features

Financial:

- Headline earnings for the year ended 30 June 2024 (F2024) decreased by 43% to R5 080 million or R25.91 per share (F2023: R8 983 million or R45.82 per share restated)
- Revenue for the year ended 30 June 2024 decreased by 20% to R12 921 million (F2023: R16 097 million)
- A final dividend of R9.00 per share is declared (F2023: R12.00 per share). In addition to the interim dividend of R6.00 per share (F2023: R14.00 per share) paid on 8 April 2024, this brings the total dividend for F2024 to R15.00 per share (F2023: R26.00 per share)
- ARM maintained a robust financial position, with net cash of R7 197 million at 30 June 2024 (30 June 2023: R9 779 million).

Operational:

- The decline in the average US dollar 6E platinum group metals (PGM) basket price and lower thermal coal prices was partially offset by a weaker average rand/US dollar exchange rate and higher average realised export iron ore prices
- Unit costs remained under pressure due to lower production volumes, above-inflation increases in electricity costs, and higher waste-stripping expenses at the iron ore operations.

Safety and Health:

- Regrettably, a team leader was fatally injured in a fall-of-ground accident at Bokoni Platinum Mine. We extend our deepest condolences to his family, friends and colleagues
- The group lost time injury frequency rate (LTIFR) improved to 0.22 per 200 000 man-hours (F2023: 0.27)
- The group total recordable injury frequency rate (TRIFR) improved to 0.50 (F2023: 0.62).

Environmental:

- Water supply to Khumani Mine remains a risk - refurbishment of the Vaal Gamagara pipeline has not yet started, resulting in reliance on the dewatering programmes of neighbouring mines. The long-term solution is the urgent start of phase 2 of refurbishing the Vaal Gamagara pipeline, which is being addressed as a key priority
- Construction of the solar photovoltaic (PV) power plant is on schedule and the project is on target for 100MW of power to be delivered to ARM Platinum by August 2025.

Growth:

- ARM acquired 15% of Surge Copper Corp (Surge) on 31 May 2024. Surge is a Canadian company that owns a large, contiguous mineral-claim package that hosts multiple advanced porphyry deposits with pit-constrained NI 43-101-compliant resources of copper, molybdenum, gold and silver
- A decision was made to put the Two Rivers Merensky project on care and maintenance from July 2024, driven by the current downward cycle in the PGM market. The restart of this project will be evaluated when PGM prices have recovered
- At Bokoni Mine, the current priority is to conserve cash while ramping up production in a phased and measured manner, given depressed commodity prices. This approach will maximise the use of Bokoni's existing surface and concentrator plant infrastructure, reducing capital costs. Subsequent to year end, the construction of a chrome recovery plant was approved by the board.

Safety performance

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

Our operations delivered improved safety performance. The group LTIFR per 200 000 man-hours improved to 0.22 (F2023: 0.27), while the TRIFR1 improved to 0.50 (F2023: 0.62).

Regrettably, there was a fatality at Bokoni Platinum Mine when Mr Thomas Ubisse, a team leader, was fatally injured in a fall-of-ground accident during the dayshift on 16 June 2024 at Middelpunt Hill shaft. Support and counselling was offered to all affected employees and Mr Ubisse's family members through the employee assistance programme. We extend our sincere condolences to his family, friends and colleagues.

Independent root-cause investigations are underway. We continue to work towards ensuring zero harm at our operations.

Black Rock Mine reached 12 million fatality-free shifts and Modikwa Mine 3 million fatality-free shifts, which took 15 years and two years respectively to achieve. Beeshoek Mine has been fatality-free for 21 years.

Financial performance

Headline earnings for F2024 decreased by 43% to R5 080 million or R25.91 per share (F2023: R8 983 million or R45.82 per share restated). The decline in headline earnings was mainly due to the decline in the average US dollar 6E PGM basket price and the lower thermal coal prices. This was partially offset by a weaker average rand/US dollar exchange rate and higher average realised export iron ore prices.

The average realised rand weakened by 5% versus the US dollar to R18.70/US\$ compared to R17.76/US\$ in F2023. For reporting purposes, the closing exchange rate at 30 June 2024 was R18.25/US\$ (30 June 2023: R18.90/US\$).

ARM Ferrous headline earnings were 9% lower at R5 058 million (F2023: R5 528 million), driven by a 90% decrease in headline earnings in the manganese division. This was partially offset by a 19% increase in headline earnings in the iron ore division.

Iron ore headline earnings include a R22 million (pre-tax) negative fair value adjustment on sales (F2023: R279 million negative adjustment). The fair value adjustment comprises a R28 million positive fair value based on confirmed prices and a R50 million negative fair value adjustment based on forward prices.

Lower headline earnings in manganese ore were mainly driven by a decrease in the average realised US dollar manganese ore prices, adjustments in sales mix arising from lower grade products being

sold as well as increased railage tariffs. This was partially offset by higher sales volumes and the weaker rand/US dollar exchange rate. Lower headline earnings in manganese alloys were driven by lower sales volumes due to lower demand, a significant decrease in ferromanganese prices and an increase in provisions for onerous contracts and restoration.

Higher headline earnings in the iron ore division were driven by an increase in average realised US dollar iron ore prices, slightly higher sales volumes, as well as the weaker rand/US dollar exchange rate, partially offset by higher mining costs and higher railage expenses.

ARM Platinum headline earnings decreased 162% to a headline loss of R910 million (F2023: R1 465 million earnings).

Two Rivers Mine headline earnings reduced to R168 million (F2023: R1 262 million), which includes a negative mark-to-market adjustment of R193 million (F2023: R1 065 million negative mark-to-market adjustment). The decrease in headline earnings was mainly due to a 33% decline in the average basket price and a 17% increase in unit cash costs (on a rand per 6E PGM ounce basis). The above-inflationary increase in unit costs results from increased milling of Merensky ore. The Merensky ore arose out of the development of the Merensky shaft and came at a higher cost than UG2 ore.

Modikwa Mine reported a 115% decline in headline earnings to a headline loss of R121 million (F2023: R819 million earnings), largely driven by a 35% decrease in the average basket price. The mine's production increased marginally, while unit cash costs (rand per 6E PGM ounce) increased by 6%.

Bokoni Mine reported a headline loss of R566 million (F2023: R406 million) driven mainly by the mine ramping up to its first PGM ounce production. The first PGMS were produced in November 2023, and unit cash costs are within the range expected from production ramp-up. Bokoni results were included for 10 months in F2023, following its acquisition on 1 September 2022, compared to the 12 months included in F2024.

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.

Nkomati Mine reported an attributable headline loss of R391 million (F2023: R210 million). This was driven mainly by an increase in the provision for rehabilitation in F2024 due to higher water management costs arising from the water treatment plant. The mine was placed on care and maintenance on 15 March 2021. ARM and its joint-venture partner have concluded a purchase and sale agreement.

ARM Coal reported headline earnings of R391 million (F2023: R1 535 million), driven mainly by a reduction in the realised coal price at

GGV and PCB of 33% and 36%, respectively.
GGV Mine's headline earnings were R331 million (F2023: R540 million).
PCB headline earnings were R60 million (F2023: R995 million).

Refer to pages 18 and 19 in the full announcement for a detailed analysis of the GGV and PCB operational profit performance.

ARM Corporate and Other (including Gold) reported headline earnings of R762 million (F2023: R651 million restated). Included in ARM Corporate and Other are dividends received from Harmony of R166 million (F2023: R17 million).

Machadodorp Works headline loss of R221 million (F2023: R196 million) related to research on developing energy-efficient smelting technology.

Basic earnings and impairments

Basic earnings of R3 146 million or R16.04 per share (F2023: R8 080 million or R41.21 per share restated) included attributable impairments as follows:

- An impairment of property, plant and equipment at Two Rivers Mine of R1 097 million after tax and non-controlling interests
- An impairment of property, plant and equipment at Modikwa Mine of R376 million after tax and non-controlling interests
- An impairment of property, plant and equipment at Beeshoek Mine of R422 million after tax
- An impairment of property, plant and equipment at Cato Ridge Works of R29 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 2024, ARM had net cash of R7 197 million (30 June 2023: R9 779 million), a decrease of R2 582 million compared to the end of the 2023 financial year, largely driven by an increase in borrowings of R887 million. This amount excludes attributable cash and cash equivalents held at ARM Ferrous (50% of Assmang) of R4 476 million (30 June 2023: R4 939 million).

Cash generated from operations decreased by R6 319 million to R1 771 million (F2023: R8 090 million) after an outflow in working capital of R130 million (F2023: R1 212 million inflow). This was mainly due to an outflow in trade payables and reduction in receivables inflow.

In F2024, ARM paid R3 529 million in dividends to its shareholders, representing the interim dividend of R6.00 and final dividend of R12.00 per share declared for F2023 (F2023: R6 666 million representing the interim dividend of R14.00 and F2022 final dividend of R20.00 per share).

Net cash outflow from investing activities was R6 556 million (F2023:

R7 511 million) and included R4 742 million additions to property, plant and equipment to expand operations. Of this, R3 138 million was attributable to the Merensky project.

Borrowings of R62 million (F2023: R251 million) were repaid and borrowings of R935 million raised during the period, resulting in gross debt of R1 129 million at 30 June 2024 (30 June 2023: R242 million).

Investing in growth and the existing business

Surge Copper

ARM acquired 15% of Surge Copper Corp (Surge) on 31 May 2024. Surge is a Canadian company that is advancing an emerging critical metals district in a well-developed region of British Columbia, Canada. The company owns a large, contiguous mineral claim package that hosts multiple advanced porphyry deposits with pit-constrained NI 43-101-compliant resources of copper, molybdenum, gold and silver – metals that are critical inputs to the low-carbon energy transition and associated electrification technologies.

Surge owns a 100% interest in the Berg project, which is in the north-western portion of the company's 100%-owned 125 499-hectare contiguous land package in the Berg-Huckleberry-Ootsa district. Surge announced an NI 43-101-compliant maiden preliminary economic assessment (PEA) and an accompanying Mineral Resource estimate on the Berg project in June 2023, outlining a large-scale, long-life project with a simple design and high outputs of critical minerals located in a safe jurisdiction near world-class infrastructure. The Berg deposit contains pit-constrained 43-101-compliant resources of copper, molybdenum, silver and gold in the Measured, Indicated and Inferred categories.

The company also owns a 100% interest in the Ootsa property, an advanced-stage exploration project containing the Seel and Ox porphyry deposits adjacent to the open-pit Huckleberry Copper Mine, owned by Imperial Metals. The Ootsa property contains pit-constrained NI 43-101-compliant resources of copper, gold, molybdenum and silver in the Measured, Indicated and Inferred categories.

Bokoni Mine

The current priority is to conserve cash while ramping up production in a phased and measured manner, given depressed commodity prices. This approach will maximise the use of Bokoni's existing surface and concentrator plant infrastructure, reducing capital costs. Subsequent to year end, the construction of a chrome recovery plant was approved by the board. We remain confident of the long-term profitability of Bokoni.

Existing operations

We continued to invest in our existing operations with segmental capital expenditure of R8 564 million for the period (F2023: R7 201 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 F2024, the board approved and declared a final dividend of 900 cents per share (gross) (F2023: 1 200 cents per share). The amount to be paid is approximately R2 022 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 900 cents per ordinary share for shareholders exempt from dividends tax
- The net local dividend is 720.00000 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 900 cents per ordinary share, being the dividend for the year ended 30 June 2024, has been declared payable on Monday, 7 October 2024 to those shareholders recorded in the books of the Company at the close of business on Friday, 4 October 2024. 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, 4 October 2024. The last day to trade ordinary shares cum dividend is Tuesday, 1 October 2024. Ordinary shares trade ex-dividend from Wednesday, 2 October 2024. The record date is Friday, 4 October 2024 while the payment date is Monday, 7 October 2024.

No dematerialisation or rematerialisation of share certificates may occur between Wednesday, 2 October 2024 and Friday, 4 October 2024, 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 26 to 76 of the full announcement for the financial year ended 30 June 2024 have been reviewed by the Company's registered auditor, KPMG Inc. (the partner in charge is Safeera Loonat 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.

ENDS

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Johannesburg

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