African Rainbow Minerals

Provisional results for the financial year ended 30 June 2022

Contents

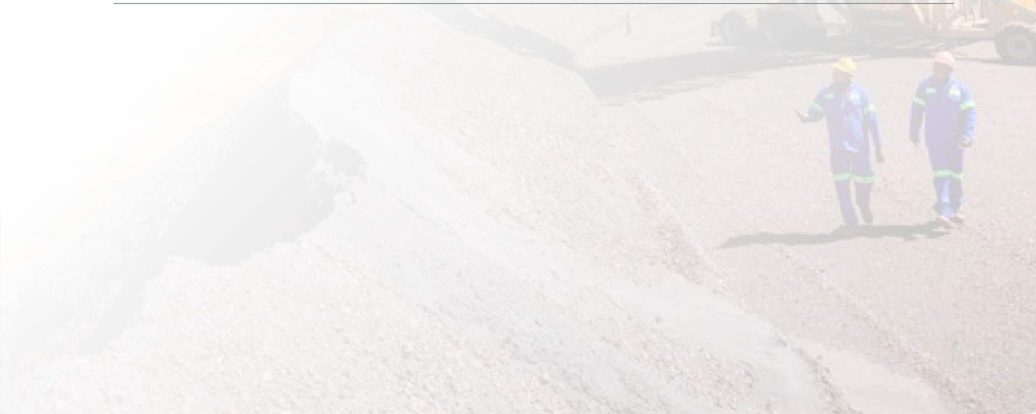
Provisional results commentary

Shareholder information

Issued share capital at 30 June 2022	**224 667 778 shares**
Market capitalisation at 30 June 2022	**ZAR48.02 billion**
Market capitalisation at 30 June 2022	**US$2.93 billion**
Closing share price at 30 June 2022	**R213.75**
12-month high (1 July 2021 – 30 June 2022)	**R306.41**
12-month low (1 July 2021 – 30 June 2022)	**R178.95**
Average daily volume traded for the 12 months	**464 445 shares**
Primary listing	**JSE Limited**
JSE share code	**ARI**
A2X share code	**ARI**

SALIENT FEATURES
for the year ended 30 June 2022

- Headline earnings for the year ended 30 June 2022 (F2022) **decreased by 13%** to **R11 338 million** or R57.87 per share (F2021: R13 064 million or R66.88 per share).
- A final dividend of **R20.00** per share is declared (F2021: R20.00 per share). In addition to the interim dividend of R12.00 per share paid on 4 April 2022, this brings the total dividend related to F2022 to **R32.00** per share (F2021: R30.00 per share).
- The acquisition of Bokoni Platinum Mine was completed on 12 August 2022. The purchase consideration of **R3 500 million** will be fully settled in early September 2022.
- ARM Ferrous headline earnings **decreased by 16%** to R6 682 million (F2021: R7 927 million) mainly as a result of lower iron ore prices.
- ARM Platinum headline earnings **decreased by 34%** to R3 066 million (F2021: R4 666 million), largely due to a negative mark-to-market adjustment as a portion of the ARM Platinum receivables as at 30 June 2021 was subsequently realised at lower prices following the decline in rhodium and palladium prices.
- Significantly higher export coal prices drove a **R1 178 million increase** in ARM Coal headline earnings to R928 million (F2021: R250 million headline loss).
- ARM Coal loans owing to Glencore Operations South Africa (GOSA) were fully **settled** following a significant increase in operating profits at the ARM Coal operations.
- Net cash improved by **R2 973 million** to **R11 175 million** at 30 June 2022 (30 June 2021: R8 202 million).



OPERATING SAFELY AND SUSTAINABLY

Safety and health

The operations delivered improved safety performances as the group lost-time injury frequency rate (LTIFR) per 200 000 man-hours improved to 0.31 (F2021: 0.41). The total recordable injury frequency rate (TRIFR)* improved to 0.69 from 0.81.

Regrettably, two colleagues were fatally injured in separate accidents in the review period. At Two Rivers Mine, an employee was fatally injured in a fall-of-ground accident at North Decline on 1 September 2021.

At Modikwa Platinum Mine, two contractor employees were struck by a run-away load-haul-dump (LHD) tyre that was being fitted. One employee was fatally injured, while the other was treated in hospital and has fully recovered from her injuries.

We extend our sincere condolences to the families, friends and colleagues of the employees who lost their lives at our operations. We continue to work towards ensuring zero harm at all operations.

Black Rock Mine achieved 10 million fatality-free shifts and Beeshoek Mine achieved 5 million fatality-free shifts, which took 13 and 18 years respectively to achieve.

Environmental management

In F2021, ARM set the long-term target of achieving 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 the short and medium-term steps needed to achieve this long-term target. We are working to identify appropriate and just transition options for each operation that are sustainable and financially responsible in this regard.

ARM Platinum has signed an agreement subject to certain conditions precedent to purchase solar power from Sola Group. As part of the power-purchase agreement (PPA), Sola Group will build a solar photovoltaic (PV) facility and wheel the electricity generated by that facility to ARM Platinum's operations in Limpopo and Mpumalanga provinces. The project will deliver clean, low-cost energy while enabling these operations to reduce daytime loadshedding.

Creating sustainable value for stakeholders

Despite lower commodity prices for our key commodities, including iron ore and platinum group metals (PGMs), we improved our net cash from R8 202 million at 30 June 2021 to R11 175 million at 30 June 2022. This robust financial position gives ARM the flexibility to opportunistically pursue value-enhancing growth prospects.

** TRIFR includes the number of fatal injuries, number of lost-time injuries and number of medical cases.*

In F2022, total value created was R27.5 billion (F2021: R30.6 billion) on a segmental basis which was distributed to stakeholders and reinvested in our business as shown below.

R million	F2022	F2021
Salaries and fringe benefits to employees	**4 214**	3 895
Taxes to government	**6 545**	8 895
Income tax	**4 817**	6 506
Royalty tax	**1 728**	2 389
Finance costs, dividends and non-controlling interest to capital providers	**8 532**	6 534
Dividends	**6 270**	3 322
Non-controlling interest	**1 938**	2 846
Finance costs	**324**	366
Total value distributed	**19 291**	19 324
Reinvested in the group	**8 198**	11 239
Amortisation	**2 042**	1 935
Reserves retained	**6 156**	9 304
Total value	**27 489**	30 563

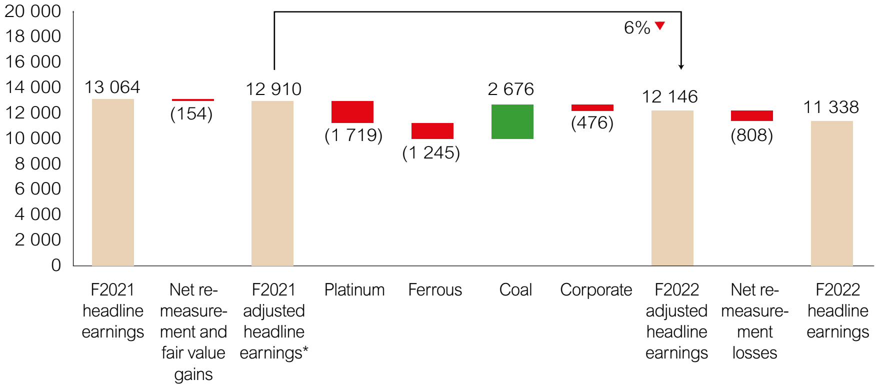
We are pleased that ARM Mining Consortium declared a dividend of R255 million (F2021: R71 million) to communities that have an effective 8.5% shareholding in Modikwa Mine. These dividends will be invested in projects that will benefit the communities neighbouring Modikwa Mine.

FINANCIAL PERFORMANCE

Headline earnings for the year ended 30 June 2022 decreased by 13% to R11 338 million (or R57.87 per share) compared to the corresponding period headline earnings of R13 064 million (or R66.88 per share). The F2022 headline earnings include re-measurement losses of R808 million.

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

Headline earnings variance analysis



* *Adjusted headline earnings exclude re-measurement and fair value gains and losses as summarised on the table on slide 45 of the F2022 results presentation. The adjusted headline earnings are included for illustrative purposes and are the responsibility of the board of directors. They should be considered in addition to, and not as a substitute for, or superior to, measures of financial performance, financial position or cash flows reported in line with IFRS.*

The average realised rand strengthened by 1% versus the US dollar to R15.21/US$ in F2022 compared to R15.39/US$ in F2021. For reporting purposes, the closing exchange rate at 30 June 2022 was R16.38/US$ (30 June 2021: R14.27/US$).

ARM Ferrous headline earnings were 16% lower at R6 682 million (F2021: R7 927 million), driven by a R2 868 million decrease in headline earnings in the iron ore division which was partially offset by a R1 620 million increase in the headline earnings in the manganese division.

The iron ore division was negatively impacted by lower average realised US dollar prices, lower sales volumes, higher freight rates and the stronger rand versus US dollar exchange rate. In addition, iron ore headline earnings included a R618 million (pre-tax) negative fair value adjustment on iron ore sales (F2021: R881 million positive adjustment), of which 45% is based on confirmed prices and 55% is based on forward prices.

Higher headline earnings in the manganese division were driven by an increase in the average realised US dollar manganese ore and manganese alloy prices, partially offset by higher freight rates and the stronger rand versus US dollar exchange rate.

ARM Platinum headline earnings decreased by 34% to R3 066 million (F2021: R4 666 million).

Modikwa Mine reported a 17% decline in headline earnings to R1 270 million (F2021: R1 529 million), which included negative mark-to-market adjustments of R231 million (F2021: R299 million positive mark-to-market adjustments). The mine increased production volumes by 17% and achieved a below-inflation increase in production unit costs (on a rand per 6E PGM ounce basis) of 2%.

Two Rivers Mine headline earnings reduced to R1 968 million (F2021: R2 972 million), mainly due to negative mark-to-market adjustments of R709 million (F2021: R795 million positive mark-to-market adjustments) and a 12% increase in production unit costs (on a rand per

6E PGM ounce basis). Challenges with grade persisted at the mine as the head grade reduced to 3.20g/t compared to 3.43g/t last year.

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

Nkomati Mine reported a headline loss of R172 million (F2021: R165 million headline earnings). 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 R928 million (F2021 headline loss: R250 million). These included a re-measurement loss of R1 256 million (F2021 re-measurement gain: R242 million) which came about as a result of accelerated repayment of the loans owing to Glencore.

Adjusted headline earnings for the ARM Coal division were R2 676 million higher at R2 184 million (F2021: R8 million adjusted headline loss) driven by increased export thermal coal prices, which were partially offset by lower sales volumes due mainly to Transnet Freight Rail (TFR) logistics challenges.

Given the significant acceleration in loan repayment of the ARM Coal loans to Glencore, a R766 million re-measurement loss is included in the GGV headline earnings. GGV Mine adjusted headline earnings, which exclude these re-measurement losses, were R761 million (F2021: R196 million adjusted headline loss). Refer to pages 18 and 19 for a detailed analysis of the GGV and PCB operational profit performance. Re-measurement losses of R490 million are included in PCB headline earnings. PCB adjusted headline earnings were R1 423 million (F2021: R296 million adjusted headline loss).

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

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

Headline earnings/(loss) by operation/division

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

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

PCB refers to Participative Coal Business.

Basic earnings and impairments

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

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

Refer to note 8 of the financial statements for further details.

Financial position and cash flow

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

Dividends received by ARM Corporate

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

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

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

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

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

Investing in growth and the existing business

We continued to evaluate opportunities to grow our company, deliver competitive returns to shareholders and create sustainable value for all stakeholders.

We are pleased to have concluded the acquisition of the Bokoni Platinum Mine from Anglo American Platinum and Atlatsa Resources Corporation.

Bokoni Mine was placed on care and maintenance in October 2017 amid adverse market conditions. A new mine plan is being developed which will focus predominantly on mining the UG2 resource and will aim to employ mechanised mining methods where practical and sustainable in new mining areas and target predominantly on-reef development. This plan targets better ground conditions and higher-grade mining areas, while fully leveraging existing mining and processing infrastructure. We are concurrently evaluating early mining opportunities to capitalise on the current strong PGM basket prices. The new mine plan is expected to improve efficiencies, reduce unit costs and provide early revenue.

The focus for the next 12 months will be to finalise a definitive feasibility study, which will be completed in 2H F2023. This will enable ARM to begin mining operations in 2023. ARM envisages development capital of approximately R5.3 billion (in real 2021 terms) to be spent over three years to ramp up the mine to a steady-state production of approximately 300 000 6E PGM ounces and 255 000 tonnes of chromite concentrate per annum. Steady state is expected to be achieved from 2028.

Segmental capital expenditure for F2022 was R4 727 million (F2021: R4 105 million). This included attributable capitalised waste stripping at the iron ore operations of R650 million (F2021: R426 million). Capital expenditure for the divisions is shown below and discussed in each division's operational performance section from page 8 of this report.

Capital expenditure by operation/division (attributable basis)

R million	F2022	F2021
ARM Ferrous	**2 450**	2 221
Iron ore division	**1 445**	1 198
Manganese division	**1 110**	1 124
Consolidation adjustment	**(105)**	(101)
ARM Platinum	**2 159**	1 611
Two Rivers Mine	**1 806**	1 281
Modikwa Mine	**353**	330
Nkomati Mine	**–**	–
ARM Coal (Goedgevonden Mine)	**110**	263
ARM Corporate	**8**	10
Total	**4 727**	4 105

Provisional results for the year ended 30 June 2022 have been prepared in accordance with IFRS and disclosures are in line with IAS 34 Interim financial reporting.

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.

Rounding may result in minor computational discrepancies in tables.

OPERATIONAL PERFORMANCE

ARM Ferrous

Iron ore division

Prices

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

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

Volumes

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

The export sales lump/fines ratio increased from 58:42 in F2021 to 60:40 in F2022.

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

Total iron ore production volumes increased by 2% to 16.2 million tonnes (F2021: 15.9 million tonnes), with 13.0 million tonnes at Khumani Mine (F2021: 12.6 million tonnes) and 3.1 million tonnes at Beeshoek Mine (F2021: 3.3 million tonnes).

Water supply to the Northern Cape mines remains a risk. The mines, through the Northern Cape Mines Leadership Forum (MLF) and in collaboration with the Mineral Council of South Africa (MCSA), are continuously engaging with the Department of Water and Sanitation and its officials to address this risk. Mines are contributing to the maintenance and repairs of the Vaal Gamagara Pipeline and the Assmang operations are also putting measures in place to supplement water supply from neighbouring mines' excess water. At this early stage, these measures have had a positive effect on water supply to the mines, but the long-term solution will be the refurbishment of the Vaal Gamagara Pipeline, which is being addressed as a key priority between the department and the mines.

Unit costs

On-mine production unit costs for the iron ore division increased by 12% to R317 per tonne (F2021: R283 per tonne) mainly due to inflation-related cost escalations, lower production volumes at Beeshoek Mine, together with above-inflation increases in the costs of diesel, explosives, consumables and maintenance. The cost of diesel and explosives, which comprised approximately 20% of total costs, were 57% and 42% higher, respectively.

On-mine unit cash costs for the iron ore division increased by 10% to R375 per tonne (F2021: R340 per tonne). On-mine production unit costs at Khumani Mine increased by 10% to R319 per tonne (F2021: R289 per tonne) while on-mine unit cash costs (which exclude run-of-mine ore stock movements, and include capitalised waste-stripping costs and certain non-cash adjustments) were R361 per tonne (F2021: R329 per tonne).

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

Unit costs of sales for the iron ore division, which include marketing and distribution costs, were 8% higher mainly due to the increase in on-mine production costs (as discussed above) and a 60% average increase in freight rates. Sales and marketing costs, which are determined based on free-on-board revenue, were lower owing to the decline in US dollar iron ore prices in F2022.

Capital expenditure

Capital expenditure for the iron ore division was R2 890 million on a 100% basis (F2021: R2 397 million), including capitalised waste-stripping costs of R1 318 million (F2021: R851 million). Capitalised waste-stripping costs were higher at both Khumani and Beeshoek mines due to increased capital mining areas and higher mining costs.

Iron ore operational statistics (100% basis)

	unit	F2022	F2021	% change
Prices				
Average realised export price*	US$/t	**121**	156	(22)
Volumes				
Export sales	000t	**13 176**	13 269	(1)
Local sales	000t	**2 888**	3 148	(8)
Total sales	000t	**16 064**	16 417	(2)
Production	000t	**16 201**	15 928	2
Export sales lump/fines split	%	**60:40**	58:42	
Export sales CIF/FOB** split	%	**56:44**	55:45	
Unit costs				
Change in on-mine production unit costs	%	**12**	13	
Change in unit cash costs	%	**10**		
Change in unit cost of sales	%	**8**	16	
Capital expenditure	R million	**2 890**	2 397	21

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

Manganese ore operations

Manganese ore financial information (attributable basis)

R million	F2022	F2021	% change
Sales	**6 005**	5 118	17
Operating profit	**1 363**	601	127
Contribution to headline earnings	**1 051**	412	155
Capital expenditure	**1 067**	1 030	4
Depreciation	**450**	358	26
EBITDA	**1 813**	959	89

Prices

Average realised US dollar prices for export manganese ore increased by 30% as the average index price for 44% manganese ore was US$6.18/dmtu (CIF) for F2022 (F2021: US$4.63/dmtu (CIF)). The average index price for 37% manganese ore was US$4.82/dmtu (CIF) in F2022 (F2021: US$4.30/dmtu (CIF)).

Volumes

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

Export manganese ore volumes of 3.7 million tonnes were achieved for F2022 through Gqeberha Bulk Ore Terminal (BOT) and Saldanha Multi-Purpose Terminal (MPT). Delivery by TFR and Transnet Port Terminals (TPT) was negatively impacted by operational challenges, including derailments caused by rain-related flooding, cable theft and Eskom challenges.

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

Production volumes at Black Rock Mine increased by 3% to 4.1 million tonnes (F2021: 4.0 million tonnes).

Unit costs

On-mine unit production costs and on-mine unit cash costs at Black Rock Mine decreased by 1% from R698 per tonne in F2021 to R694 per tonne in F2022. Despite significant above-inflation cost pressures, unit production and cash costs were lower due to the dilution of fixed costs as a result of increased production volumes, coupled with various on-mine cost-saving initiatives.

Unit production costs are expected to reduce further in real terms as the Black Rock Mine is modernised and optimised as part of the Black Rock and Gloria projects.

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

Capital expenditure

Total capital expenditure for the manganese ore operations was R2 133 million on a 100% basis (F2021: R2 060 million), of which R451 million (F2021: R845 million) relates to the Gloria Project. The increase in sustaining capital is primarily due to expenditure on battery electric vehicles, a new central control room, the Gloria Mine slimes facility and the dedicated reserve access and ventilation development costs.

At 30 June 2022, 92.5% of the approved capital of R3 billion was spent on the Gloria Project and 98.7% of the approved capital of R7.4 billion was spent on the Black Rock Project. The estimated date of completion for the Black Rock Project is September 2022.

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

Completion dates for both the Gloria and Black Rock projects have been aligned with the production ramp-up plan, which has been carefully synchronised with the Transnet rail and export capacity and considers expected market conditions.

Manganese ore operational statistics (100% basis)

	unit	F2022	F2021	% change
Volumes				
Export sales	000t	**3 666**	3 823	(4)
Domestic sales*	000t	**291**	143	103
Total sales	000t	**3 957**	3 966	–
Production	000t	**4 147**	4 041	3
Unit costs				
Change in on-mine production unit costs	%	**(1)**	18	
Change in unit cost of sales	%	**13**	8	
Capital expenditure	R million	**2 133**	2 060	4

** Excluding intra-group sales of 168 000 tonnes sold to Cato Ridge Works (F2021: 187 000 tonnes).*

Manganese alloy operations

Manganese alloy financial information (attributable basis)

R million	F2022	F2021	% change
Sales	**1 359**	978	39
Operating profit	**392**	81	>200
Contribution to headline earnings	**1 017**	37	>200
Capital expenditure	**44**	94	(53)
Depreciation	**5**	29	(83)
EBITDA	**397**	110	>200

Prices

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

Volumes

High-carbon manganese alloy production at Sakura (100% basis) increased to 211 000 tonnes (F2021: 191 000 tonnes). Production in F2021 and F2022 was impacted by multiple transformer failures.

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

High-carbon manganese alloy production at Cato Ridge Works decreased by 4% to 119 000 tonnes (F2021: 123 500 tonnes) mainly due to the challenges caused by the civil unrest and floods in KwaZulu-Natal, coupled with various operational challenges.

Medium-carbon manganese alloy production at Cato Ridge Alloys (100% basis) increased by 17% to 56 000 tonnes (F2021: 48 000 tonnes) and sales decreased by 14% to 50 000 tonnes (F2021: 58 000 tonnes). High-carbon manganese alloy sales at Cato Ridge Works decreased by 36% to 49 000 tonnes (F2021: 76 000 tonnes).

The decrease in manganese alloy sales was mainly attributable to shipping constraints and the lower demand for manganese alloy in the second half of the year.

Unit costs

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

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

Capital expenditure

Capital expenditure for Cato Ridge Works decreased by 54% to R87 million (F2021: R188 million) after furnace-rebuild costs incurred in F2021.

Manganese alloy operational statistics (100% basis)

	unit	F2022	F2021	% change
Volumes				
Cato Ridge Works sales*	000t	**49**	76	(36)
Cato Ridge Alloys sales	000t	**50**	58	(14)
Sakura sales	000t	**192**	218	(12)
Cato Ridge Works production	000t	**119**	124	(4)
Cato Ridge Alloys production	000t	**56**	48	17
Sakura production	000t	**211**	191	10
Unit costs – Cato Ridge Works				
Change in unit production costs	%	**16**	11	
Change in unit cost of sales	%	**24**	5	
Unit costs – Cato Ridge Alloys				
Change in production unit costs	%	**57**	(1)	
Change in unit cost of sales	%	**37**	–	
Unit costs – Sakura				
Change in production unit costs	%	**21**	1	
Change in unit cost of sales	%	**21**	1	

** Excluding intra-group sales of 67 000 tonnes sold to Cato Ridge Alloys (F2021: 57 000 tonnes).*

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

ARM Platinum

Prices

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

Average US dollar metal prices

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

** CIF – cost, insurance and freight; FOT – free-on-truck.*

Average rand metal prices

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

** CIF – cost, insurance and freight; FOT – free-on-truck.*

Mark-to-market adjustments

Two Rivers and Modikwa mines recognise revenue using provisional pricing. The sales price of the concentrate is determined on a provisional basis at the date of sale, with adjustments 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 mark-to-market adjustments.

Realised mark-to-market adjustments – A portion of the ARM Platinum receivables as at 30 June 2021 was realised at lower prices after the sharp decline in rhodium and palladium prices in the first three months of the review period. This 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 30 June at Two Rivers and Modikwa mines was initially recognised using provisional prices and subsequently revalued at 30 June per the tables below.

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

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

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

Modikwa Mine

Volumes

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

Unit costs

Unit production costs increased below inflation by 2% to R14 644 per 6E PGM ounce (F2021: R14 300 per 6E PGM ounce) and correspondingly higher on a rand per tonne basis at R1 798 (F2021: R1 757). This is largely attributable to the 17% increase in production.

Capital expenditure

Capital expenditure at Modikwa Mine (100% basis) rose by 7% to R706 million (F2021: R660 million). Of this, 26% (R181 million) related to fleet refurbishment and critical spares, 23% (R164 million) to capital development, 9% (R60 million) to the Merensky project and 6% (R41 million) to the installation of a proximity detection system for the mining fleet.

North shaft project – level 9 infrastructure works have been completed. The main decline development has reached level 10 and the reef access decline is being established.

A downcast shaft to provide additional ventilation for mining of levels below level 10 will be established around level 9. The process to secure environmental approval for the access road and the shaft has advanced with approval envisaged in 1H F2023.

South 2 shaft project – South 2 shaft has ramped up to steady-state production. The shaft achieved an average production run rate of 66 738 tonnes per month, which is above the 55 000 ore tonnes per month target. Preparation work for the 2.5km underground-to-surface conveyor belt that will enable South 2 shaft to ramp-up production to 100 000 tonnes per month is currently taking place.

Merensky – the bord-and-pillar Merensky shaft was reopened on a trial basis after a pre-feasibility study that indicated a positive business case. The shaft was dewatered, and infrastructure established to enable ramp-up of production to 30 000tpm while confirming the project viability before commencing with the bankable feasibility study.

Modikwa Mine operational statistics (100% basis)

	unit	F2022	F2021	% change
Cash operating profit	R million	**4 767**	6 248	(24)
– PGMs	R million	**4 749**	6 248	(24)
– Chrome	R million	**19**	–	–
Tonnes milled	Mt	**2.40**	2.05	17
Head grade	g/t 6E	**4.48**	4.51	(1)
PGMs in concentrate	6E oz	**294 541**	251 755	17
Chrome in concentrate sold	Tonnes	**38 081**	–	–
Average basket price	ZAR/kg 6E	**1 319 104**	1 457 843	(10)
Average basket price	US$/oz 6E	**2 698**	2 945	(8)
Operating margin	%	**52**	63	
Operating cost	ZAR/kg 6E	**470 819**	459 745	2
Operating cost	ZAR/tonne	**1 798**	1 757	2
Operating cost	ZAR/Pt oz	**37 042**	36 405	2
Operating cost	ZAR/oz 6E	**14 644**	14 300	2
Operating cost	US$/oz 6E	**963**	929	4

Two Rivers Mine

Volumes

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

Unit costs

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

Capital expenditure

Of the R1 806 million spent at Two Rivers Mine, 41% (R748 million) was spent on the Merensky project as approved in F2021.

Deepening of the declines at Main and North shafts, along with electrical and mechanical installations, accounted for 23% (R405 million) of total capital expenditure. Additionally, 8% (R136 million) was spent on the tailings storage facility and 12% (R208 million) on mining fleet replacement.

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

Construction of the new tailings storage facility was completed and it was commissioned in February 2022.

Projects

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

Mining of the Merensky Reef commenced as planned in February 2022 and it is ramping up after initial lower production rates. Surface earthworks in both the mining development and concentrator plant areas have commenced. The concentrator plant is scheduled to be commissioned in December 2023. The project completion date remains November 2024.

Capital expenditure of R824 million has been spent to date (14.3%), with R2 028 million (35.2%) committed to date.

Two Rivers Mine operational statistics (100% basis)

	unit	F2022	F2021	% change
Cash operating profit	R million	**5 981**	8 949	(33)
– PGMs	R million	**5 811**	8 832	(34)
– Chrome	R million	**170**	118	44
Tonnes milled	Mt	**3.46**	3.28	5
Head grade	g/t, 6E	**3.22**	3.43	(6)
PGMs in concentrate	Ounces, 6E	**301 935**	300 172	1
Chrome in concentrate sold	Tonnes	**214 735**	242 945	(12)
Average basket price	ZAR/kg, 6E	**1 240 977**	1 349 148	(8)
Average basket price	US$/oz, 6E	**2 533**	2 724	(7)
Operating margin	%	**62**	73	(15)
Operating cost	ZAR/kg, 6E	**357 375**	318 075	12
Operating cost	ZAR/tonne	**971**	905	7
Operating cost	ZAR/Pt oz	**23 917**	21 341	12
Operating cost	ZAR/oz, 6E	**11 116**	9 893	12
Operating cost	US$/oz, 6E	**731**	643	14

Nkomati Mine

Nkomati Mine was placed on care and maintenance on 15 March 2021. ARM is evaluating various options regarding the way forward for the mine.

Estimated rehabilitation costs

At 30 June 2022, the estimated undiscounted rehabilitation costs attributable to ARM were determined to be R771 million (30 June 2021: R679 million) excluding VAT. The discounted rehabilitation costs attributable to ARM were determined to be R676 million (30 June 2021: R596 million). The increase in the undiscounted liability of R92 million is attributed mainly to annual escalation increases and the impact of the increase in the diesel price from R14.66/l in June 2021 compared to R23.09/l in June 2022.

At 30 June 2022, R178 million (attributable to ARM) in cash and financial assets was available to fund rehabilitation obligations for Nkomati Mine. The resulting attributable shortfall in discounted rehabilitation costs of R498 million is expected to be funded by ARM.

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

ARM Coal

Prices

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

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

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

Goedgevonden Mine

Goedgevonden Mine attributable headline earnings/(loss) analysis

R million	F2022	F2021	% change
Cash operating profit	**1 525**	148	>200
Amortisation and depreciation	**(190)**	(182)	(4)
Imputed interest*	**(120)**	(170)	29
Profit on sale of assets	**4**	–	–
Loan re-measurement and fair value (losses)/gains	**(786)**	206	–
Profit before taxation	**434**	2	>200
Less: Profit on sale of assets	**(4)**	–	–
Less: Taxation	**(435)**	8	–
Headline (loss)/earnings attributable to ARM	**(5)**	10	–

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

Volumes

Total sales volumes increased by 11% as the Goedgevonden Mine reduced the impact of TFR's underperformance by trucking coal to other ports. ARM attributable saleable production increased by 9% to 1.65 million tonnes from 1.5 million tonnes in F2021.

Unit costs

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

Goedgevonden Mine operational statistics

	unit	F2022	F2021	% change
Total production and sales (100% basis)				
Saleable production	Mt	**6.33**	5.79	9
Export thermal coal sales	Mt	**3.93**	3.89	1
Domestic thermal coal sales	Mt	**2.47**	1.90	30
ARM attributable production and sales				
Saleable production	Mt	**1.65**	1.50	10
Export thermal coal sales	Mt	**1.02**	1.01	1
Domestic thermal coal sales	Mt	**0.64**	0.49	31
Average received coal price				
Export (FOB)*	US$/t	**167.72**	56.73	196
Domestic (FOT)**	ZAR/t	**371**	354	5
Unit costs				
On-mine saleable cost	ZAR/t	**508**	506	0
Capital expenditure	R million	**422**	1 011	(58)

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

Rounding of figures may result in minor computational discrepancies.

Participative Coal Business (PCB)

PCB attributable headline (loss)/earnings analysis

R million	F2022	F2021	% change
Cash operating profit	**2 801**	299	>200
Imputed interest	**(87)**	(104)	(16)
Amortisation and depreciation	**(702)**	(569)	23
Loan re-measurement (loss)/gain	**(490)**	36	
Loss on sale of assets	**(9)**	–	–
Impairment reversal	**748**	–	–
Profit/(loss) before taxation	**2 261**	(338)	–
Less: Impairment reversal	**(739)**	–	–
Less: Taxation	**(589)**	78	
Headline earnings/(loss) attributable to ARM	**933**	(260)	–

Volumes

Export sales volumes were 22% higher at 9.8 million tonnes (F2021: 8 million tonnes). Domestic sales volumes declined by 64% from 2.9 million tonnes to 1.04 million tonnes due to the expiry of certain domestic contracts.

Production at the PCB operations was negatively impacted by operational challenges at Transnet, resulting in high product stockpiles. ARM attributable saleable production was 2.06 million tonnes in F2022 compared to 2.34 million tonnes in F2021.

Unit costs

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

PCB operational statistics

	unit	F2022	F2021	% change
Total production sales (100% basis)				
Saleable production	Mt	**10.18**	11.58	(12)
Export thermal coal sales	Mt	**9.79**	8.00	22
Domestic thermal coal sales	Mt	**1.04**	2.90	(64)
ARM attributable production and sales				
Saleable production	Mt	**2.06**	2.34	(12)
Export thermal coal sales	Mt	**1.98**	1.62	22
Domestic thermal coal sales	Mt	**0.21**	0.59	(64)
Average received coal price				
Export (FOB)*	US$/t	**160.54**	56.97	182
Domestic (FOT)**	ZAR/t	**558**	678	(18)
Unit costs				
On-mine saleable cost	ZAR/t	**633**	520	22
Capital expenditure	R million	**1 126**	1 226	(8)

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

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

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

OUTLOOK

Increasing global debt levels, a recovery in global supply chains following Covid-19-related disruptions, intermittent Covid-19 lockdowns in China, rising global inflation, and a dislocation in energy markets following geopolitical turbulence owing to the conflict between Russia and Ukraine have all contributed to heightened levels of uncertainty in commodity and capital markets over the past year. In addition, accelerated tightening of interest rates in developed markets and recession risks in the US and Europe have compounded volatility.

After starting off the 2022 financial year at over US$200 per tonne, iron ore prices fell to below US$100 per tonne in December 2021. Prices have since recovered, stabilising around the US$110 to US$120 per tonne level. The iron ore market is expected to be largely balanced for calendar year 2022, which supports current price stability. Concerns remain, however, that increased iron ore supply from major producers and pressure on China's crude steel production are likely to move the market into surplus into 2023 and beyond, placing downward pressure on prices. Our focus remains on cost containment and improving our global cost position, as well as ensuring that our iron ore operations benefit from the move to reduce carbon emissions in the steel industry globally, which in turn is expected to result in greater demand for high-quality lumpy iron ore products.

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

In PGMs, a recovery in autocatalyst demand and tightening emission standards are expected to be positive for PGM demand in the short to medium term. We are cognisant of the threat that battery electric vehicles may have on PGM demand. PGMs, however, particularly platinum, are expected to play a significant role in clean mobility (through hydrogen technology) alongside battery electric vehicles. Constrained growth in supply is also expected to result in robust fundamentals for PGM markets and therefore provide price support. We are pleased with the progress that Modikwa and Two Rivers mines have made in improving their position on the global PGM unit cost curve in recent years.

ARM's confidence in the fundamentals of the PGM sector is evidenced through its recent acquisition of Bokoni Platinum Mine which is the second-largest PGM resource in South Africa. This is an opportunity to develop Bokoni Mine's large, high-grade resource which will enable ARM to scale its PGM portfolio, improve its global competitiveness and pursue further value-accretive organic growth.

The success of ARM's operations relies heavily on the efficient provision of utilities and logistics infrastructure within South Africa. Although there are numerous challenges in the performance of logistics channels, the reliable supply of power, and water security, we are working with government and all stakeholders to find sustainable solutions that benefit the mining sector and the country.

These and other input cost escalations are expected to continue putting pressure on unit costs across the South African mining industry. In the period under review many of our input costs including freight, diesel, explosives, reductants and consumables, experienced increases that were much beyond inflation impacted by global market disruptions. These cost elements remain susceptible to prevailing market conditions. We continue to implement various efficiency and cost-containment initiatives at our operations to mitigate against above-inflation unit cost increases.

We remain 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.

DIVIDENDS

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 F2022, the board approved and declared a final dividend of 2 000 cents per share (gross) (F2021: 2 000 cents per share). The amount to be paid is approximately R4 493 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 2 000 cents per ordinary share for shareholders exempt from dividends tax
- The net local dividend is 1 600 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 2 000 cents per ordinary share, being the final dividend for the financial year ended 30 June 2022, has been declared payable on Monday, 3 October 2022 to those shareholders recorded in the books of the company at the close of business on Friday, 30 September 2022. 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, 30 September 2022. The last day to trade ordinary shares cum dividend is Tuesday, 27 September 2022. Ordinary shares trade ex-dividend from Wednesday, 28 September 2022. The record date is Friday, 30 September 2022 while the payment date is Monday, 3 October 2022.

No dematerialisation or rematerialisation of share certificates may occur between Wednesday, 28 September 2022 and Friday, 30 September 2022, 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 2021, other than depletion due to continued mining activities at the operations. An updated Mineral Resources and Mineral Reserves statement will be issued in our 2022 integrated annual report.

On 20 December 2021, ARM announced that it had entered into a sale and purchase agreement to acquire all the shares of Bokoni Platinum Mines Proprietary Limited. Bokoni Mine is located in the Eastern Limb of the Bushveld Complex in the Limpopo province of South Africa.

All the conditions precedent to the Bokoni Mine transaction have now been fulfilled as announced on 12 August 2022. The details of the Mineral Resources and/or Mineral Reserves of this asset will be reported by ARM during F2023.

REVIEW BY INDEPENDENT AUDITOR

The condensed group financial statements set out on pages 25 to 56 for the financial year ended 30 June 2022 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 the ARM website at **www.arm.co.za** or at our registered offices.

Signed on behalf of the board:

PT Motsepe Executive Chairman	**MP Schmidt** Chief Executive Officer

Johannesburg
1 September 2022

Condensed group provisional financial statements

Condensed group statement of financial position

at

	Notes	30 June 2022 Rm	30 June 2021 Rm
ASSETS			
Non-current assets			
Property, plant and equipment		**9 621**	8 244
Investment properties		**24**	24
Intangible assets		**63**	76
Deferred tax assets		**215**	274
Loans and long-term receivables	5	**–**	40
Other financial assets	12	**214**	193
Investment in associate	6	**2 048**	534
Investment in joint venture	7	**22 145**	20 938
Other investments	10	**4 104**	4 210
Non-current inventories		**52**	–
		38 486	34 533
Current assets			
Inventories		**343**	467
Trade and other receivables	11	**7 737**	7 825
Taxation		**116**	70
Financial assets	12	**830**	523
Cash and cash equivalents	13	**11 659**	9 671
		20 685	18 556
Total assets		**59 171**	53 089
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital		**11**	11
Share premium		**5 267**	5 212
Treasury shares		**(2 405)**	(2 405)
Other reserves		**2 668**	2 915
Retained earnings		**40 617**	34 461
Equity attributable to equity holders of ARM		**46 158**	40 194
Non-controlling interest		**4 205**	3 582
Total equity		**50 363**	43 776
Non-current liabilities			
Long-term borrowings	14	**305**	1 105
Deferred tax liabilities		**3 226**	2 968
Long-term provisions	22	**1 979**	1 883
		5 510	5 956
Current liabilities			
Trade and other payables		**2 148**	1 940
Short-term provisions		**716**	898
Taxation		**255**	155
Overdrafts and short-term borrowings – interest bearing	14	**40**	57
– non-interest bearing	14	**139**	307
		3 298	3 357
Total equity and liabilities		**59 171**	53 089

Condensed group statement of profit or loss

for the year ended 30 June

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

Condensed group statement of comprehensive income

for the year ended 30 June

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

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

Condensed group statement of changes in equity

for the year ended 30 June

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

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

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

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

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

Condensed group statement of cash flows

for the year ended 30 June

	Notes	F2022 Rm	F2021 Rm
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		**18 128**	17 189
Cash paid to suppliers and employees		**(9 620)**	(9 387)
Cash generated from operations	20	**8 508**	7 802
Interest received		**601**	358
Interest paid		**(46)**	(45)
Taxation paid		**(2 303)**	(2 291)
		6 760	5 824
Dividends received from joint venture	7	**5 500**	4 000
Dividends received from investments – Harmony		**50**	82
Dividend paid to non-controlling interests		**(1 247)**	(1 219)
Dividend paid to shareholders		**(6 270)**	(3 322)
Net cash inflow from operating activities		**4 793**	5 365
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment to maintain operations		**(1 739)**	(1 224)
Additions to property, plant and equipment to expand operations		**(463)**	(433)
Proceeds on disposal of property, plant and equipment		**6**	3
Investments in financial assets		**(819)**	(308)
Proceeds from financial assets matured		**523**	1 124
Net cash outflow from investing activities		**(2 492)**	(838)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		**7**	44
Cash payments to owners to acquire the entity's shares		**(225)**	–
Long-term borrowings raised		**–**	264
Long-term borrowings repaid		**(95)**	(461)
Short-term borrowings repaid		**(14)**	(187)
Net cash outflow from financing activities		**(327)**	(340)
Net increase in cash and cash equivalents		**1 974**	4 187
Cash and cash equivalents at beginning of year		**9 655**	5 512
Net foreign exchange difference		**14**	(44)
Cash and cash equivalents at end of year		**11 643**	9 655
Made up as follows:			
– Available	13	**11 053**	8 849
– Cash set aside for specific use	13	**590**	806
		11 643	9 655
Overdrafts	14	**16**	16
Cash and cash equivalents per statement of financial position		**11 659**	9 671
Cash generated from operations per share (cents)		**4 343**	3 994

Notes to the condensed group financial statements

for the year ended 30 June 2022 (Reviewed)

1 STATEMENT OF COMPLIANCE

The condensed group provisional results for the financial year under review have been prepared in accordance with the framework concepts and the measurement and recognition requirements of the 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 contain 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 provisional results for the financial year under review have been prepared under the supervision of the finance director, Ms TTA Mhlanga CA(SA). The condensed group provisional results for the financial year under review have been prepared on the historical cost basis, except for certain financial instruments that are fairly valued. The accounting policies used are in terms of IFRS and are consistent with those applied in the most recent annual financial statements, apart from the new standards adopted in the current year.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the group's financial position, performance and cash flow since the last annual financial statements.

Adoption of new and revised accounting standards

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

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 3	*Business combinations* – amendments	1 January 2022
IAS 16	*Property, plant and equipment* – amendments	1 January 2022
IAS 37	*Provisions, contingent liabilities and contingent assets* – amendments	1 January 2022
IFRS 9	*Financial instruments* – amendments	1 January 2022
IFRS 17	*Insurance contracts*	1 January 2023
IAS 1	*Presentation of financial statements* – amendments	1 January 2023
IAS 8	*Accounting policies, changes in accounting estimates and errors* – amendments	1 January 2023
IAS 12	*Income taxes* – amendments	1 January 2023

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 is not expected to have a significant effect on the group financial statements.

2 PRIMARY SEGMENTAL INFORMATION

Business segments

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

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

There were no significant inter-company sales.
Segment results take into account inter-company eliminations with the exception of inter-company re-measurements.

1 *Refer to ARM Ferrous segment note 2.4 and note 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 *Relates to fees capitalised in ARM Ferrous and reversed upon consolidation.*

Notes to the condensed group financial statements continued

for the year ended 30 June 2022

2 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
2.2 Year to 30 June 2021 (Audited)							
Sales	18 463	24 907	1 058	136	**44 564**	(24 907)	**19 657**
Cost of sales	(6 687)	(11 046)	(1 078)	(93)	**(18 904)**	11 004	**(7 900)**
Other operating income[3]	293	81	236	1 747	**2 357**	21	**2 378**
Other operating expenses[3]	(1 611)	(2 914)	(50)	(1 056)	**(5 631)**	2 914	**(2 717)**
Segment result	10 458	11 028	166	734	**22 386**	(10 968)	**11 418**
Income from investments	72	245	11	404	**732**	(245)	**487**
Finance cost	(95)	(37)	(175)	(59)	**(366)**	37	**(329)**
Loss from associate[4]	–	–	(260)	–	**(260)**	–	**(260)**
Loss from joint venture	–	(3)	–	–	**(3)**	7 501	**7 498**
Capital items before tax (refer note 8)	–	(502)	–	(9)	**(511)**	502	**(9)**
Taxation	(2 925)	(3 190)	8	(399)	**(6 506)**	3 173	**(3 333)**
Profit/(loss) after tax	7 510	7 541	(250)	671	**15 472**	–	**15 472**
Non-controlling interest	(2 844)	–	–	(2)	**(2 846)**	–	**(2 846)**
Consolidation adjustment[5]	–	(43)	–	43	**–**	–	**–**
Contribution to basic earnings/(losses)	4 666	7 498	(250)	712	**12 626**	–	**12 626**
Contribution to headline earnings/(losses)	4 666	7 927	(250)	721	**13 064**	–	**13 064**
Other information							
Segment assets, including investment in associate	14 403	27 441	3 085	14 663	**59 592**	(6 503)	**53 089**
Investment in associate			534		**534**	–	**534**
Investment in joint venture						20 938	**20 938**
Segment liabilities	2 644	2 997	1 847	1 699	**9 187**	(2 997)	**6 190**
Unallocated liabilities (tax and deferred tax)					**6 629**	(3 506)	**3 123**
Consolidated total liabilities					**15 816**	(6 503)	**9 313**
Cash generated from operations	7 758	9 836	197	(153)	**17 638**	(9 836)	**7 802**
Cash inflow/(outflow) from operating activities	4 742	7 255	199	(3 576)	**8 620**	(3 255)	**5 365**
Cash (outflow)/inflow from investing activities	(1 562)	(2 345)	(193)	917	**(3 183)**	2 345	**(838)**
Cash outflow from financing activities	(313)	(19)	(10)	(17)	**(359)**	19	**(340)**
Capital expenditure	1 611	2 221	263	10	**4 105**	(2 221)	**1 884**
Amortisation and depreciation	619	1 126	182	8	**1 935**	(1 126)	**809**
Impairment before tax	–	500	–	9	**509**	(500)	**9**
EBITDA	11 077	12 154	348	742	**24 321**	(12 094)	**12 227**

There were no significant inter-company sales.
Segment results take into account inter-company eliminations with the exception of inter-company re-measurements.

1. *Refer to ARM Ferrous segment note 2.4 and note 7 for more detail.*
2. *Includes IFRS 11 Joint Arrangements adjustments related to ARM Ferrous.*
3. *The re-measurement of the ARM Coal loans amounts to R53 million gain with no tax effect.*
   The re-measurement of the Modikwa loans amounts to R6 million loss with no tax effect.
   The fair value adjustment of the Harmony loan amounts to R47 million gain with no tax effect.
4. *The re-measurement of the ARM Coal loans amounts to a gain of R36 million with no tax effect.*
5. *Relates to fees capitalised in ARM Ferrous and reversed upon consolidation.*

2 PRIMARY SEGMENTAL INFORMATION continued

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

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

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

2 PRIMARY SEGMENTAL INFORMATION continued

2.3 Year to 30 June 2021 (Audited) continued

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

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

2 PRIMARY SEGMENTAL INFORMATION continued

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

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

[1] *Includes consolidation and IFRS 11* Joint Arrangements *adjustments.*

[2] *Dividend paid amounting to R5.5 billion included in cash flows from operating activities.*

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

2 PRIMARY SEGMENTAL INFORMATION continued

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

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

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

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

2 PRIMARY SEGMENTAL INFORMATION continued

2.5 Additional information

ARM Corporate as presented in the table on pages 32 and 33 is analysed further into the Machadodorp Works, Corporate and other, and Gold segments.

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

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

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

2 PRIMARY SEGMENTAL INFORMATION continued

2.5 Additional information continued

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

[1] *Corporate and other includes a re-measurement loss on the loans to Modikwa and ARM Coal of R16 million and a fair value gain on the loan from Harmony of R47 million.*

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

3 REVENUE AND SALES

	Reviewed F2022 Rm	Audited F2021 Rm
Sales	**16 917**	19 657
Local sales	**14 308**	17 266
Export sales	**2 609**	2 391
Revenue	**18 406**	21 457
Fair value adjustments to revenue	**(1 257)**	792
Revenue from contracts with customers	**19 663**	20 665
Sales – mining and related products	**18 479**	19 273
Penalty and treatment charges	**(305)**	(408)
Modikwa	**–**	(2)
Nkomati	**–**	(58)
Two Rivers	**(305)**	(348)
Fees received	**1 489**	1 800

4 IMPAIRMENT AND IMPAIRMENT REVERSAL

4.1 ARM Ferrous

Property, plant and equipment

Khumani Mine

An impairment loss was recognised in F2022 on property, plant and equipment at Khumani for R40 million before tax. This relates to a capital project to fill an underground cavity. The impairment loss was accounted for due to management's assessment of limited future economic benefits associated with the capital spend. ARM's attributable share of the impairment amounted to R20 million before tax of R6 million (refer note 8). This is accounted for in the income from joint venture line in the statement of profit or loss.

Tshenolo Iron Ore Mine

An impairment loss was recognised in F2021 on property, plant and equipment for R52 million with no tax effect. ARM's attributable share of the impairment loss amounted to R26 million with no tax effect (refer note 8).

Cato Ridge Works

An impairment loss of R514 million before tax of R144 million was recognised in F2021 on property, plant and equipment. ARM's attributable share of the impairment amounted to R257 million before tax of R72 million (refer note 8).

Investments

Cato Ridge Alloys

An impairment loss of R97 million with no tax effect was recognised in F2021 on Assmang's equity-accounted investment in Cato Ridge Alloys. ARM's attributable share of the impairment loss amounted to R48 million with no tax effect (refer note 8).

Sakura

An impairment loss of R337 million with no tax effect was recognised in F2021 on Assmang's equity-accounted investment, Sakura Ferroalloys Sdh Bhd. ARM's attributable share of the impairment loss amounted to R169 million with no tax effect (refer note 8).

4 IMPAIRMENT AND IMPAIRMENT REVERSAL continued

4.2 ARM Coal

Investments

Participative Coal Business (PCB)

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

A discounted cash flow valuation model was prepared to determine the net present value of the investment in PCB. The recoverable amount of ARM's net investment in PCB 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 8).

	Gross Rm	Tax Rm	After tax Rm
PCB 20.2%: reversal of impairment (refer notes 6 and 8)	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

An impairment reversal was recognised in F2022 on property, plant and equipment for R3 million with no tax effect (refer note 8).

4.4 Venture Building Trust

An impairment loss was recognised in F2021 on property, plant and equipment for R9 million with no tax effect (refer note 8).

Details of the F2021 impairments were included in the financial results for the year ended 30 June 2021, which can be found on **www.arm.co.za.**

		Reviewed F2022 Rm	Audited F2021 Rm
5	**LOANS AND LONG-TERM RECEIVABLES**		
	ARM Coal[1]	–	40
	Total	**–**	40

[1] *F2022 includes an amount of R93 million in trade and other receivables as it is expected to be repaid within the next 12 months (refer note 11).*

		Reviewed F2022 Rm	Audited F2021 Rm
6	**INVESTMENT IN ASSOCIATE**		
	Through ARM's 51% investment in ARM Coal and ARM's 10% direct investment, the group holds a 20.2% investment in the Participative Coal Business (PCB) of Glencore Operations South Africa Proprietary Limited (GOSA).		
	Opening balance	**534**	795
	Income/(loss) for the current year	**927**	(260)
	Income/(loss) for the current year before the re-measurement of loans	**1 417**	(296)
	Re-measurement of loans (refer note 15)	**(490)**	36
	Movement in loans (non-cash flow)[1]	**(534)**	(1)
	Reversal of impairment on investment (refer notes 4.2 and 8)	**1 121**	–
	Closing balance	**2 048**	534

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

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

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

Refer notes 2.1 and 2.4 for more detail on the ARM Ferrous segment.

		Reviewed F2022 Rm	Audited F2021 Rm
8	**CAPITAL ITEMS**		
	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)**	–
	Profit on sale of property, plant and equipment – ARM Coal	**4**	–
	Reversal of impairment on investment in PCB – ARM Coal (refer notes 4.2 and 6)	**1 121**	–
	Impairment loss on property, plant and equipment – Venture Building Trust (refer note 4.4)	**–**	(9)
	Capital items per statement of profit or loss before taxation effect	**1 128**	(9)
	Loss on property, plant and equipment accounted for directly in associate – ARM Coal	**(9)**	–
	Impairment loss on property, plant and equipment accounted for directly in joint venture – Assmang (refer note 4.1)	**(20)**	(283)
	Impairment loss on investment in Sakura accounted for directly in joint venture – Assmang (refer note 4.1)	**–**	(169)
	Impairment loss on investment in Cato Ridge accounted for directly in joint venture – Assmang (refer note 4.1)	**–**	(48)
	Loss on sale on property, plant and equipment accounted for directly in joint venture – Assmang	**(25)**	(2)
	Capital items before taxation effect	**1 074**	(511)
	Taxation accounted for in joint venture – impairment loss on property, plant and equipment – Assmang	**6**	72
	Taxation accounted for in joint venture – loss on disposal of property, plant and equipment – Assmang	**6**	1
	Taxation accounted for in associate – loss on sale of property, plant and equipment – ARM Coal	**3**	–
	Taxation on profit on sale of property, plant and equipment – ARM Coal	**(1)**	–
	Total	**1 088**	(438)

		Reviewed F2022 Rm	Audited F2021 Rm
9	**EARNINGS PER SHARE**		
	Headline earnings (Rm)	**11 338**	13 064
	Headline earnings per share (cents)	**5 787**	6 688
	Basic earnings per share (cents)	**6 343**	6 464
	Diluted headline earnings per share (cents)	**5 783**	6 621
	Diluted basic earnings per share (cents)	**6 338**	6 399
	Number of shares in issue at end of year (thousands)	**224 668**	224 453
	Weighted average number of shares (thousands)	**195 899**	195 333
	Weighted average number of shares used in calculating diluted earnings per share (thousands)	**196 033**	197 314
	Net asset value per share (cents)	**20 545**	17 908
	EBITDA (Rm)	**8 854**	12 227
	Interim dividend declared (cents per share)	**1 200**	1 000
	Dividend declared after year end (cents per share)	**2 000**	2 000
	Reconciliation to headline earnings (Rm)		
	Basic earnings attributable to equity holders of ARM	**12 426**	12 626
	– Profit on sale of property, plant and equipment – ARM Coal	**(4)**	–
	– Profit on sale of property, plant and equipment – Nkomati	**(2)**	–
	– Loss on sale of property, plant and equipment in associate – ARM Coal	**9**	–
	– Loss on sale of property, plant and equipment – Two Rivers	**2**	–
	– Impairment loss on property, plant and equipment in joint venture – Assmang	**20**	283
	– Loss on sale of property, plant and equipment in joint venture – Assmang	**25**	2
	– Impairment loss on investment in Sakura accounted for directly in joint venture – Assmang	**–**	169
	– Impairment loss on investment in Cato Ridge accounted for directly in joint venture – Assmang	**–**	48
	– Impairment loss on property, plant and equipment – Venture Building Trust	**–**	9
	– Impairment reversal on property, plant and equipment – Machadodorp Works	**(3)**	–
	– Impairment reversal on investment in 20.2% PCB – ARM	**(1 121)**	–
		11 352	13 137
	– Taxation accounted for in joint venture – impairment loss at Assmang	**(6)**	(72)
	– Taxation accounted for in joint venture – loss on sale of property, plant and equipment at Assmang	**(6)**	(1)
	– Taxation accounted for in associate – loss on sale of property, plant and equipment – ARM Coal	**(3)**	–
	– Taxation accounted for profit on sale of property, plant and equipment – ARM Coal	**1**	–
	Headline earnings	**11 338**	13 064

		Reviewed F2022 Rm	Audited F2021 Rm
10	**OTHER INVESTMENTS**		
	Harmony[1]	**3 881**	3 940
	Opening balance	**3 940**	5 366
	Fair value loss in other comprehensive income	**(59)**	(1 426)
	Guardrisk[2]	**9**	36
	Preference shares	**1**	1
	Richards Bay Coal Terminal[3]	**213**	233
	Closing balance	**4 104**	4 210

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

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

11 TRADE AND OTHER RECEIVABLES

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. This is a level 2 valuation in terms of IFRS.

Trade and other receivables include a contract asset from Assmang of R985 million (F2021: R1 156 million). The contract asset resulted from revised fee arrangements in the prior year, whereby fees received from Assmang only become payable following receipt by Assmang from the relevant customer.

Trade and other receivables include an amount of R93 million relating to ARM Coal which was included in loans and long-term receivables in F2021 (refer note 5).

		Reviewed F2022 Rm	Audited F2021 Rm
12	**FINANCIAL ASSETS**		
	Investments in fixed deposits		
	Current financial assets[1]		
	– ARM Finance Company SA[2]	**185**	161
	– Two Rivers	**31**	30
	– Modikwa	**–**	203
	– Nkomati	**114**	59
	– Mannequin Captive Cell (Cell AVL 18)	**500**	61
	– Other	**–**	9
		830	523
	Non-current financial assets[1]		
	– ARM Coal (investment in fixed deposit)	**50**	46
	– Mannequin Captive Cell (Cell AVL 18) (refer note 22.2)	**162**	145
	– Modikwa	**2**	1
	– Venture Building Trust	**–**	1
		214	193
	Total	**1 044**	716

[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 reinvested in new investments with maturities of longer than three months, they will again form part of cash and cash equivalents. The carrying amounts of the financial assets shown above approximate their fair value.*

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

The following guarantees issued are included in financial assets:
- Two Rivers to DMRE, Eskom and BP Oil amounting to R31 million (F2021: R30 million)
- Nkomati to DMRE and Eskom amounting to R114 million (F2021: R59 million)
- Modikwa to DMRE and Eskom amounting to Rnil (F2021: R164 million)
- ARM Coal to DMRE amounting to R50 million (F2021: R46 million).

Other financial assets include trust funds of Rnil (F2021: R9 million).

		Reviewed F2022 Rm	Audited F2021 Rm
13	**CASH AND CASH EQUIVALENTS**		
	Total cash at bank and on deposit	**11 069**	8 865
	– African Rainbow Minerals Limited	**8 770**	7 739
	– ARM BBEE Trust	**38**	4
	– ARM Finance Company SA	**92**	81
	– ARM Platinum Proprietary Limited	**874**	538
	– ARM Treasury Investments Proprietary Limited	**43**	42
	– Nkomati	**52**	106
	– Two Rivers Platinum Proprietary Limited	**1 174**	329
	– Other cash at bank and on deposit	**26**	26
	Total cash set aside for specific use	**590**	806
	– Mannequin Captive Cell (Cell AVL 18)[1]	**245**	681
	– Rehabilitation trust funds[1]	**65**	44
	– Other cash set aside for specific use[1]	**280**	81
	Total as per statement of financial position	**11 659**	9 671
	Less: Overdrafts (refer note 14)	**(16)**	(16)
	Total as per statement of cash flows	**11 643**	9 655

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 R16 million (F2021: R6 million)*
- *African Rainbow Minerals Limited of R37 million (F2021: R35 million)*
- *Guarantees issued by ARM Coal to DMRE amounting to R46 million (F2021: R44 million)*
- *Guarantees issued by Modikwa to DMRE and Eskom amounting to R234 million (F2021: Rnil)*
- *Guarantees issued by Nkomati to DMRE and Eskom amounting to R12 million (F2021: R40 million).*

		Reviewed F2022 Rm	Audited F2021 Rm
14	**BORROWINGS**		
	Long-term borrowings are held as follows:		
	ARM Coal Proprietary Limited (partner loans)[1]	**–**	707
	ARM BBEE Trust (loan from Harmony Gold)[2]	**166**	217
	Anglo Platinum Limited (lease liability)	**9**	29
	Two Rivers Platinum Proprietary Limited (lease liability)	**130**	152
		305	1 105
	Short-term borrowings		
	African Rainbow Minerals Limited (lease liability)	**–**	4
	Anglo Platinum Limited (lease liability)	**20**	30
	ARM Coal Proprietary Limited (partner loans)[1]	**139**	307
	ARM Coal (lease liability)	**–**	1
	Two Rivers Platinum Proprietary Limited (lease liability)	**4**	6
		163	348
	Overdrafts (refer note 13)		
	ARM Treasury Operations	**16**	16
		16	16
	Overdrafts and short-term borrowings – interest bearing	**40**	57
	– non-interest bearing	**139**	307
	Overdrafts and short-term borrowings	**179**	364
	Total borrowings	**484**	1 469

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

[1] *ARM Coal loans from Glencore were settled at 30 June 2022 from cash generated by the GGV and PCB operations. In terms of the loan agreements, cash generated available for distribution to ARM Coal is utilised by Glencore to settle the outstanding GGV and PCB loans. Therefore these settlements did not result in any cash flows to or from ARM Coal. The short-term liability at 30 June 2022 relates to an operational loan between GGV and PCB.*

[2] *On 28 June 2021 ARM and Harmony advanced new loans to the ARM BBEE Trust. The proceeds from the new loans were used to settle the old loans. This resulted in a gain for the ARM BBEE Trust. The new loans carry interest at zero percent, subject to the lenders reserving the right to charge interest in the future. The new loans are fully repayable on or before 30 June 2035. Earlier payments are at the discretion of the ARM BBEE Trust. F2022 includes repayments of R65 million and re-measurements of R5 million.*

		Reviewed F2022 Rm	Audited F2021 Rm
15	**RE-MEASUREMENT GAINS AND LOSSES**		
	ARM Coal		
	Included in other operating income and income/(loss) from associate are re-measurements with no tax effect in both years relating to the GGV and PCB loans. The gain and loss are as a result of a re-measurement of debt between ARM and Glencore Operations South Africa Proprietary Limited (GOSA) and ARM Coal Proprietary Limited.		
	The re-measurement adjustments are as follows:		
	Re-measurement gain in operating income – ARM Coal segment	**49**	206
	Re-measurement loss in operating expenses – ARM Coal segment	**(815)**	–
	Net re-measurement (loss)/gain – ARM Coal segment	**(766)**	206
	Re-measurement gain in operating income/(loss in operating expenses) – ARM Corporate segment	**443**	(153)
	Net re-measurement (loss)/gain on group profit from operations before capital items	**(323)**	53
	Income from associate re-measurement (loss)/gain on loans (refer note 6)	**(490)**	36
	Net ARM Coal re-measurement (loss)/gain	**(813)**	89

The re-measurements are as a result of changes in the future repayment cash flows applied to the net present value calculations. The discount rate used in the calculation of the re-measurement is 10%. A US$1 increase in commodity prices would decrease the re-measurement gain by Rnil (F2021: R17 million). A US$1 decrease in commodity prices would increase the re-measurement gain by Rnil (F2021: R17 million). As the remaining liabilities are current, changes in US$1 commodity prices would be nominal. This is a level 3 valuation in terms of IFRS 13. The group loans were repaid at 30 June 2022.

Modikwa

The F2021 re-measurement loss in Modikwa of R143 million is partially eliminated against a re-measurement gain in ARM company of R137 million. The net re-measurement gain attributable to ARM being R18 million. Since the loans were repaid in F2021 there are no further re-measurements.

	Reviewed F2022 Rm	Audited F2021 Rm
The re-measurement adjustments are as follows:		
Other operating expense increase	**–**	(6)
ARM Platinum segment (re-measurement loss)	**–**	(143)
ARM Corporate segment (re-measurement gain)	**–**	137
Non-controlling interest	**–**	24
Net Modikwa re-measurement gain	**–**	18

The re-measurements are as a result of changes in the future repayment cash flows applied to the net present value calculations. The discount rate used in the calculation of the re-measurement is 5%. This is a level 3 valuation in terms of IFRS 13.

		Reviewed F2022 Rm	Audited F2021 Rm
15	**RE-MEASUREMENT GAINS AND LOSSES** continued		
	ARM BBEE Trust (loan from Harmony)		
	Included in other operating income for F2022 is a re-measurement gain of R5 million (F2021: R47 million fair value gain). The gain is as a result of the new loans advanced to the ARM BBEE Trust by Harmony in F2021.		
	The re-measurement/fair value gains are as follows:		
	Other operating income increase – ARM Corporate segment	**5**	47
	Net ARM BBEE Trust gain	**5**	47

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

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

		Reviewed F2022 Rm	Audited F2021 Rm
16	**OTHER OPERATING INCOME**		
	Management fees	**1 489**	1 800
	Cost recoveries	**51**	50
	Insurance income	**115**	92
	Realised foreign exchange gains	**35**	1
	Royalties received	**114**	173
	Loan fair value gain (refer note 15)	**–**	47
	Loan re-measurement gains (refer note 15)	**54**	53
	Other	**125**	162
	Total	**1 983**	2 378

		Reviewed F2022 Rm	Audited F2021 Rm
17	**OTHER OPERATING EXPENSES**		
	Provisions	**231**	233
	Mineral royalty tax	**911**	1 215
	Staff cost	**337**	317
	Loan re-measurement loss (refer note 15)	**372**	6
	Consulting fees	**130**	58
	Share-based payments expense	**263**	220
	Insurance	**129**	105
	Research and development	**166**	105
	Other	**700**	458
	Total	**3 239**	2 717
18	**INCOME/(LOSS) FROM ASSOCIATE**		
	Income/(loss) from associate before the re-measurement of loans	**1 417**	(296)
	Loan re-measurement (loss)/gain (refer note 15)	**(490)**	36
	Total	**927**	(260)
19	**TAXATION**		
	South African normal taxation		
	– current year	**2 384**	2 411
	– mining	**2 003**	1 880
	– non-mining	**381**	531
	– prior year	**25**	(6)
	Total deferred taxation	**327**	928
	Deferred taxation	**413**	928
	Deferred tax – rate change[1]	**(86)**	–
	Total tax	**2 736**	3 333

[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 at 30 June 2022 and the effective tax rate in the future.*

		Reviewed F2022 Rm	Audited F2021 Rm
20	**CASH GENERATED FROM OPERATIONS**		
	Cash generated from operations before working capital changes	**10 148**	13 107
	Working capital outflow	**(1 640)**	(5 305)
	Movement in inventories inflow	**70**	54
	Movement in receivables outflow	**(737)**	(4 630)
	Movement in payables and provisions outflow	**(973)**	(729)
	Cash generated from operations	**8 508**	7 802

		Reviewed F2022 Rm	Audited F2021 Rm
21	**COMMITMENTS**		
	Commitments in respect of future capital expenditure, which will be funded from operating cash flows and by utilising available cash and/or borrowing resources, are summarised below:		
	Commitments		
	Commitments in respect of capital expenditure:		
	Approved by directors		
	– contracted for	**1 684**	677
	– not contracted for	**1 848**	126
	Total commitments	**3 532**	803
22	**PROVISIONS**		
22.1	**Nkomati restoration and decommissioning provision**[1]		
	Long-term provisions		
	Opening balance	**567**	525
	Provision for the period[1]	**55**	(13)
	Transfer from/(to) short-term provisions	**(2)**	34
	Unwinding of discount rate	**25**	21
	Closing balance	**645**	567
	Short-term provision		
	Opening balance	**29**	63
	Transfer from/(to) long-term provisions	**2**	(34)
	Closing balance	**31**	29
	Total Nkomati restoration and decommissioning provision	**676**	596

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

		Reviewed F2022 Rm	Audited F2021 Rm
22	**PROVISIONS** continued		
22.2	**Silicosis and tuberculosis class action provision**		
	Long-term provision		
	The provision movement is as follows:		
	Opening balance	**146**	189
	Interest unwinding	**12**	16
	Demographic assumptions changes	**(13)**	(3)
	Transfer from/(to) short-term provisions	**14**	(56)
	Closing balance	**159**	146
	Short-term provision		
	Opening balance	**60**	51
	Settlement payments	**(30)**	(47)
	Transfer (to)/from long-term provisions	**(14)**	56
	Closing balance	**16**	60
	Total silicosis and tuberculosis class action provision	**175**	206

ARM has a contingency policy in this regard that 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 2021 financial results, which can be found on **www.arm.co.za**.

Notes to the condensed group financial statements continued

for the year ended 30 June 2022

23 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.

	Reviewed F2022 Rm	Audited F2021 Rm
Amounts accounted in the statement of profit or loss relating to transactions with related parties		
Subsidiaries		
Impala Platinum – sales	**9 416**	11 992
Joint operations		
Rustenburg Platinum Mines – sales[1]	**4 522**	4 924
Modikwa non-controlling interest – dividend declared[1]	**255**	72
Glencore International AG – sales	**2 627**	884
Norilsk Nickel – sales	**–**	1 507
Norilsk Nickel – management fees	**–**	13
Glencore Operations SA – management fees	**78**	68
Joint venture		
Assmang Proprietary Limited		
– Management fees	**1 478**	1 770
– Dividends received	**5 500**	4 000
Amounts outstanding at year end (owing to)/receivable by ARM on current account		
Joint venture		
Assmang – trade and other receivables	**985**	1 156
Joint operations		
Rustenburg Platinum Mines – trade and other receivables[1]	**1 526**	1 755
Norilsk Nickel – trade and other payables	**2**	–
Norilsk Nickel – trade and other receivables	**–**	67
Glencore Operations SA – long-term borrowings	**–**	(707)
Glencore Operations SA – short-term borrowings	**(139)**	(307)
Glencore Operations SA – trade and other receivables	**887**	218
Glencore International AG – trade and other receivables	**376**	120
Subsidiary		
Impala Platinum – trade and other receivables	**3 646**	4 324
Impala Platinum – dividend paid	**1 060**	1 219

[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.*

24 CONTINGENT LIABILITIES

Nkomati

The Nkomati Mine closure may have a potential exposure regarding rehabilitation and management of water post-closure. There are uncertainties regarding the ongoing assessment of long-term water management measures and anticipated amendments to the existing water use licence (WUL). 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 30 June 2022 is the best independent estimate and is based on the most reliable information currently available. It will be reassessed 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 WUL are secured.

There have been no other significant changes in the contingent liabilities of the group as disclosed since the 30 June 2021 annual financial statements.

For a detailed disclosure on contingent liabilities, refer to ARM's annual financial statements for the year ended 30 June 2021 available on the group's website, **www.arm.co.za**.

25 EVENTS AFTER REPORTING DATE

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

Acquisition of Bokoni Platinum Mine Proprietary Limited (BPM)

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

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

As part of fulfilling the closing deliverables, ARM BMC will transfer the consideration of R3 500 million payable in cash. This consideration will be funded through the subscription by ARM of an additional 99 000 shares in ARM Platinum. ARM Platinum thereafter will subscribe for 255 000 ordinary shares and 200 000 preference shares in ARM BMC.

25 EVENTS AFTER REPORTING DATE continued

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 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.

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

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

Since BPM is currently on care maintenance and not generating income from the sale of goods, the amounts of revenue and profit or loss have not been disclosed. Included in operating expenditure (refer note 17) is an amount of R28 million relating to the acquisition costs of ARM BMC. These acquisition costs do not include depreciation or amortisation of BPM or any of the assets which are being acquired.

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

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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

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