African Rainbow Minerals

2023

Condensed reviewed results for the financial year ended 30 June and cash dividend declaration

Contents

Shareholder information

Issued share capital at 30 June 2023	**224 667 778 shares**
Market capitalisation at 30 June 2023	**ZAR44.71 billion**
Market capitalisation at 30 June 2023	**US$2.37 billion**
Closing share price at 30 June 2023	**R199.01**
12-month high (1 July 2022 – 30 June 2023)	**R319.00**
12-month low (1 July 2022 – 30 June 2023)	**R191.00**
Average daily volume traded for the 12 months	**400 696 shares**
Primary listing	**JSE Limited**
JSE share code	**ARI**

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

Condensed results for the year ended 30 June 2023 have been prepared in accordance with IFRS and disclosures are in line with IAS 34 Interim Financial Reporting.

Rounding may result in minor computational discrepancies in tables.

Salient features

FINANCIAL

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

OPERATIONAL

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

SAFETY AND HEALTH

- Regrettably, Two Rivers Mine had a fatality when a contractor employee was injured and later succumbed to his injuries. We extend our deepest condolences to his family, friends and colleagues.
- The group lost-time injury frequency rate (LTIFR) improved to **0.27** per 200 000 man-hours (F2022: 0.31).
- The group total recordable injury frequency rate (TRIFR) improved to **0.62** (F2022: 0.69).

ENVIRONMENTAL

- Progress was made towards developing decarbonisation pathways to meet the long-term target to achieve net-zero greenhouse gas (GHG) emissions (scope 1 and 2) from mining by 2050.
- ARM, as a member of the International Council on Mining and Metals (ICMM), published its progress towards conformance with the Global Industry Standard on Tailings Management (GISTM) on 5 August 2023.

GROWTH

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

Operating safely and sustainably

Safety and health

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

Our operations delivered improved safety performance. The group LTIFR per 200 000 man-hours improved to 0.27 (F2022: 0.31), while the TRIFR[1] improved to 0.62 (F2022: 0.69).

- In February 2023, Black Rock Mine achieved 11 million fatality-free shifts over approximately 14 years; the last fatality was in April 2009
- In March 2023, Khumani achieved five million fatality-free shifts over approximately eight years; the last fatality was in April 2015
- In March 2023, Modikwa achieved one million fatality-free shifts over approximately nine months; the last fatality was in June 2022
- In June 2023, Cato Ridge achieved three million fatality-free shifts over approximately 15 years; the last fatality was in February 2008

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

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

The World Health Organization (WHO) declared that Covid-19 is no longer a public health emergency of international concern. The South African Department of Health eased all Covid-19 regulations and protocols, but ARM operations continue with Covid-19 management as dictated by the outcomes of the risk assessments.

Environmental management

Decarbonisation and journey to net-zero

In F2021, ARM set a long-term target of achieving net-zero greenhouse gas (GHG) emissions (scope 1 and 2) from mining by 2050. Building on this, in F2022 and F2023, we focused on developing decarbonisation pathways that detail the short and medium-term steps needed to achieve this long-term target. We will be focusing on ways to implement these pathways, including allocating capital to renewable energy and other measures, developing executive incentives to drive operational action, and developing data systems to improve the quality and efficiency of our reporting.

Increasing access to and use of renewable energy

At ARM Platinum mining operations, specific options were explored to wheel renewable power supply. In April 2023, a 20-year power purchase agreement (PPA) was concluded with SOLA Group and financial close was reached for wheeling 100MW of solar photovoltaic (PV) power to ARM Platinum's mining operations, namely Two Rivers, Bokoni and Nkomati mines. This PPA is expected to generate circa 4 900 000MWh of renewable electricity and save circa 4 800 000tCO_2e over 20 years. Construction of the solar PV facility commenced in July 2023. Electrical energy from the facility is expected to commence supply to ARM Platinum's mining operations in F2026.

Eskom is currently building a new 132kV transmission line to meet increased electricity requirements associated with the Two Rivers Merensky Project. Construction completion and commissioning are planned for F2024 in time for the new Merensky concentrator plant's power requirements. This investment in network infrastructure would further contribute to the potential for wheeling renewable power to the mine.

At ARM Ferrous mining operations, a feasibility study commissioned in 2021 exploring experienced performance challenges and the contract has been terminated. The Northern Cape mines are now progressing with a prefeasibility study to explore the correct energy mix for the mines that will cater to the baseload demand. The study will also explore the best option between outright ownership versus sourcing power from independent power producers.

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

Water management

Water supply to Khumani Mine remains a risk since phase 2 of the refurbishment of the Vaal Gamagara Pipeline has not yet started, resulting in more down-time and higher operating and maintenance costs of the pipeline.

This challenge impacts other mines in the Northern Cape and communities as well. Therefore, Assmang in partnership with the mines in the area are engaging with Vaal Central Water Board (VCWB) and the Department of Water and Sanitation and its officials to mitigate the risk by expediting the refurbishment project and supporting VCWB with financial assistance for the day-to-day operations and maintenance of the pipeline.

Assmang operations have successfully implemented measures to supplement water supply from neighbouring mines' stormwater since February 2023. This arrangement has worked well but is unfortunately not sustainable and currently Khumani Mine is again reliant on all its water from VCWB. The long-term solution is the refurbishment of the Vaal Gamagara Pipeline, which is being addressed as a key priority between the department and the Northern Cape mines.

Tailings management

ARM, as a member of the International Council on Mining and Metals (ICMM), published its progress towards conformance with the Global Industry Standard on Tailings Management (GISTM) on 5 August 2023. The report was published on the company website at www.arm.co.za and is available on the following link: https://arm.co.za/wp-content/uploads/2023/08/ARM-GISTM-Report-2023-1.pdf

Creating sustainable value for stakeholders

Despite lower commodity prices for our key commodities, including iron ore and platinum group metals (PGMs), we maintained our robust financial position with net cash of R9 779 million at 30 June 2023 (F2022: R11 175 million). This gives ARM the flexibility to opportunistically pursue value-enhancing growth prospects.

In F2023, total value created was R21 240 million (F2022: R27 489 million) on a segmental basis which was distributed to stakeholders and reinvested in our business as shown below.

R million	F2023	F2022
Salaries and fringe benefits to employees	**4 893**	4 214
Taxes to government	**4 541**	6 545
Income tax	**3 469**	4 817
Royalty tax	**1 072**	1 728
Finance costs, dividends and non-controlling interest to capital providers	**8 239**	8 532
Dividends	**6 666**	6 270
Non-controlling interest	**1 242**	1 938
Finance costs	**331**	324
Total value distributed	**17 673**	19 291
Reinvested in the group	**3 567**	8 198
Amortisation	**2 155**	2 042
Reserves retained	**1 412**	6 156
Total value	**21 240**	27 489

We are pleased to have declared a dividend of R102 million (F2022: R255 million) to communities who 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 F2023 decreased by 21% to R8 981 million or R45.81 per share (F2022: R11 338 million or R57.87 per share). The F2022 headline earnings included re-measurement losses of R808 million mainly related to the ARM Coal Loans owing to Glencore Operations South Africa. These loans have since been fully settled.

The average realised rand weakened by 17% versus the US dollar to R17.76/US$ compared to R15.21/US$ in F2022. For reporting purposes, the closing exchange rate was R18.90/US$ (30 June 2022: R16.38/US$).

Headline earnings/(loss) by operation/division

R million	F2023	F2022	% change
ARM Ferrous	**5 528**	6 682	(17)
Iron ore division	**4 158**	4 654	(11)
Manganese division	**1 372**	2 068	(34)
Consolidation adjustment	**(2)**	(40)	95
ARM Platinum	**1 465**	3 066	(52)
Two Rivers Mine	**1 262**	1 968	(36)
Modikwa Mine	**819**	1 270	(36)
Bokoni Mine	**(406)**	–	–
Nkomati Mine	**(210)**	(172)	(22)
ARM Coal	**1 535**	928	65
Goedgevonden Mine	**540**	(5)	
PCB operations*	**995**	933	7
ARM Corporate and other	**453**	662	(32)
Corporate and other (including Gold)	**649**	826	(21)
Machadodorp Works	**(196)**	(164)	(20)
Headline earnings	**8 981**	11 338	(21)

*** PCB refers to Participative Coal Business.*

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

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

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

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

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

Two Rivers Mine headline earnings reduced to R1 262 million (F2022: R1 968 million), mainly due to negative mark-to-market adjustments of R1 065 million (F2022: R709 million negative adjustment) and a 24% increase in unit cash costs (on a rand per 6E PGM ounce basis) which is as result of above inflationary pressures on costs. Challenges with grade persisted at the mine, the head grade reduced to 3.00g/t compared to 3.22g/t last year.

Modikwa Mine reported a 36% decline in headline earnings to R819 million (F2022: R1 270 million), which included negative mark-to-market adjustments of R253 million (F2022: R231 million). The mine's production volumes decreased by 3% while unit cash costs (on a rand per 6E PGM ounce basis) were up by 21% due to above inflationary pressures on costs.

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

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

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

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

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

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

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

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

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

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

Refer to note 4 of the condensed group financial statements for further details on these impairments.

Financial position and cash flow

At 30 June 2023, ARM had net cash of R9 779 million (30 June 2022: R11 175 million), a decrease of R1 396 million compared to the end of the 2022 financial year. This amount excludes attributable cash and cash equivalents held at ARM Ferrous (50% of Assmang) of R4 939 million (30 June 2022: R5 342 million).

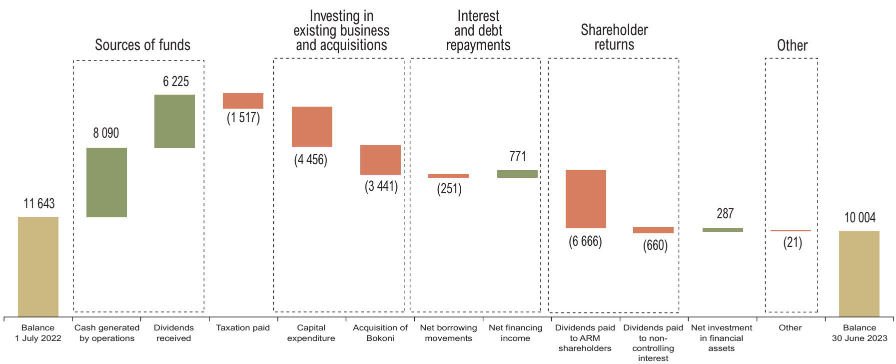
Dividends received by ARM Corporate

R million	F2023	F2022
Assmang	5 000	5 500
Modikwa Mine*	–	1 000
Participative Coal Business (PCB)**	598	–
Two Rivers Mine	486	1 245
Harmony Gold	17	50
Total dividends received	6 101	7 795

* *Modikwa paid distributions of R875 million to ARM Mining Consortium (ARM MC), which in turn paid R500 million to ARM Platinum during F2023. ARM MC is owned 83% by ARM Platinum and holds 50% of Modikwa Mine.*

** *PCB paid a R598 million dividend to ARM Corporate for its 10% direct investment in PCB. PCB also paid a R1 196 million (R610 million attributable to ARM) dividend to ARM Coal for its 20% investment.*

Analysis in movements in cash and cash equivalents



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

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

Net cash outflow from investing activities was R7 511 million (F2022: R2 492 million) and included the net cash payment for the acquisition of Bokoni Mine of R3 441 million (which represents the gross cash payment of R3 500 million, net of R59 million cash acquired in the transaction).

Borrowings of R251 million (F2022: R109 million) were repaid during the period, resulting in gross debt of R242 million at 30 June 2023 (30 June 2022: R484 million).

Investing in growth and our existing business

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

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

The early ounce project that was approved in March 2023 is progressing well, with the first saleable PGM concentrate expected by December 2023. The early ounce project focuses on a combination of mining high-grade UG2 stopes in the Middelpunt Hill shaft and early on-reef development of the new UG2 mine. Critical orders for long lead items, to de-risk the project schedule, have been placed. The early ounces will enable the mine to commence with early development of the underground infrastructure required for the new planned UG2 mine.

We continued to invest in our existing operations with segmental capital expenditure of R7 201 million for the period (F2022: R4 727 million). The increase in capital expenditure was mainly due to the Merensky Project at Two Rivers Mine. Capital expenditure for the divisions is shown below and discussed in each division's operational performance section from page 8.

Capital expenditure by operation/division (attributable basis)

R million	F2023	F2022	% change
ARM Ferrous	**2 440**	2 450	–
Iron ore division	**1 707**	1 445	18
Manganese division	**841**	1 110	(24)
Consolidation adjustment	**(108)**	(105)	–
ARM Platinum	**4 420**	2 159	104
Two Rivers Mine	**3 167**	1 806	75
Modikwa Mine	**561**	353	59
Bokoni Mine	**692**	–	–
ARM Coal (Goedgevonden Mine only)	**331**	110	>200
ARM Corporate	**10**	8	25
Total	**7 201**	4 727	52

Operational performance

ARM Ferrous: Iron ore operations

Prices

Average realised US dollar export iron ore prices were 13% lower on a free-on-board (FOB) equivalent basis at US$105 per tonne (F2022: US$121 per tonne).

Iron ore prices moderated in the second quarter of the year due to slowing global economic growth and an easing in the rate of recovery of Chinese steel production.

Following a strong rebound in prices to the peak of over US$130 per tonne in March 2023, the benchmark iron ore price fell to around US$105 per tonne at the beginning of July 2023.

The recent price falls reflect lower demand from Chinese mills due to blast furnace maintenance and the introduction of restrictions on steel production in China's leading steel-making centre, Tangshan. Some steel plants reduced capacity by 30% to 50% during July 2023. These measures are taken to improve air quality in the region.

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

R million	F2023	F2022
Fair value adjustments realised during the year	(828)	(4 490)
Revenue – fair value adjustments current period	(456)	(3 532)
Revenue – fair value adjustments previous period sales	(372)	(958)
Fair value adjustments at interim (unrealised)	**(557)**	(1 235)
Based on confirmed prices	(368)	(555)
Based on forward prices	(189)	(681)
Total revenue – fair value adjustments	**(1 385)**	(5 725)
Realised fair value adjustments for the period	(828)	(4 490)
Unrealised fair value adjustments for the period	(557)	(1 235)

Volumes

Total iron ore sales volumes decreased by 12% to 14.2 million tonnes (F2022: 16.1 million tonnes). Export sales volumes were 9% lower at 12.0 million tonnes (F2022: 13.2 million tonnes) due to poor operational logistics performance, including backlog maintenance on the rail network (reduced slot capacity), Transnet strikes, several derailments, and equipment breakdowns in the port.

Local sales volumes decreased by 22% to 2.2 million tonnes (F2022: 2.9 million tonnes). The decrease in local sales volumes is attributable to the lower offtake, due to internal and external constraints experienced by our local customer.

The sales lump-to-fines ratio decreased from 60:40 in F2022 to 56:44 in F2023.

Total iron ore production volumes decreased by 14% to 13.9 million tonnes (F2022:16.2 million tonnes).

Khumani Mine reduced production due to logistical challenges and full stockpiles.

Unit costs

On-mine unit production costs for the iron ore division increased by 15% to R364 per tonne (F2022: R317 per tonne) mainly due to 14% lower production volumes, above-inflation increases in the costs of explosives, diesel and maintenance costs.

Cash cost per tonne for the iron ore division increased by 28% to R482 per tonne (F2022: R375 per tonne) mainly due to lower production volumes, higher production costs (as discussed above).

On-mine unit production costs at Khumani Mine increased by 8% to R344 per tonne (F2022: R319 per tonne) mainly due to lower production volumes, above-inflation increase of explosives, diesel, and consumable maintenance costs.

Khumani Mine's on-mine unit cash costs (which include capitalised waste stripping costs and certain non-cash adjustments but exclude run-of-mine ore stock movements) were 26% higher at R455 per tonne (F2022: R361 per tonne) mainly due to above-inflation increases in the costs of diesel and explosives, as well as higher maintenance costs on King loading equipment.

On-mine unit production costs at Beeshoek Mine increased by 45% mainly due to 19% lower production volumes at 2.5 million tonnes (F2022: 3.1 million tonnes) and above-inflation increases in the costs of diesel, explosives, consumables and maintenance.

Beeshoek Mine's unit cash costs were 39% higher mainly due to higher production costs and a 19% decrease in production volumes.

Unit cost of sales for the iron ore division, which includes marketing and distribution costs, were 9% higher, mainly due to an increase in the on-mine production costs (as discussed above) offset by lower freight costs and lower sales and marketing costs driven by the lower sales volumes during F2023.

Water supply to Khumani Mine remains a risk since phase 2 of the refurbishment of the Vaal Gamagara pipeline has not yet started, resulting in more down-time and higher operating and maintenance costs of the pipeline.

This challenge impacts other mines in the Northern Cape and communities as well. Therefore, Assmang in partnership with the mines in the area are engaging with Vaal Central Water Board (VCWB) and the Department of Water and Sanitation and its officials to mitigate the risk by expediting the refurbishment project and supporting VCWB with financial assistance for the day-to-day operations and maintenance of the pipeline.

Measures have been implemented to supplement water supply from neighbouring mines' stormwater since February 2023. This arrangement has worked well but is unfortunately not sustainable and currently Khumani Mine is again reliant on VCWB for all its water. The long-term solution is the refurbishment of the Vaal Gamagara pipeline, which is being addressed as a key priority between the Department of Water and Sanitation and the Northern Cape mines.

Capital expenditure

Capital expenditure (100% basis) was R3 414 million (F2022: R2 890 million), which includes capitalised waste stripping costs of R1 362 million (F2022: R1 318 million).

Khumani Mine's capital expenditure (100% basis) increased by 28% to R2 711 million (F2022: R2 117 million) mainly because of higher capitalised waste stripping costs of R952 million (F2022: R806 million) and above-inflation increases in the costs of explosives and diesel. The higher waste stripping costs at Khumani were due to the mining of more capital waste intensive areas.

Beeshoek Mine's capital expenditure (100% basis) decreased by 8% to R703 million (F2022: R773 million) mainly due to decreased capitalised waste stripping costs of R410 million (F2022: R512 million) due to lower production.

Iron ore operational statistics (100% basis)

	unit	F2023	F2022	% change
Prices				
Average realised export price*	US$/t	105	121	(13)
Volumes				
Export sales	000t	11 966	13 176	(9)
Local sales	000t	2 244	2 888	(22)
Total sales	000t	14 210	16 064	(12)
Production	000t	13 886	16 201	(14)
Export sales lump/fines split	%	56:44	60:40	
Export sales CIF/FOB** split	%	56:44	56:44	
Unit costs				
Change in on-mine unit production costs	%	15	12	
Change in unit cost of sales	%	9	8	
Capital expenditure	R million	3 414	2 890	18

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

ARM Ferrous: manganese ore operations

Manganese ore financial information (attributable basis)

R million	F2023	F2022	% change
Sales	6 487	6 005	8
Operating profit	1 362	1 363	–
Contribution to headline earnings	1 065	1 051	1
Capital expenditure	809	1 067	(24)
Depreciation	487	450	8
EBITDA	1 849	1 813	2

Prices

The manganese ore operations realised lower prices during F2023, with the average 44% manganese ore (CIF) and 37% manganese ore (CIF) index prices decreasing by 16% and 13%, respectively.

Volumes

Manganese ore sales volumes in F2023 increased by 9% to 4.3 million tonnes (F2022: 3.96 million tonnes). Export sales volumes were marginally lower at 3.6 million tonnes (F2022: 3.7 million tonnes) due to challenges on the export rail capacity from TFR, and local sales volumes were higher at 0.73 million tonnes (F2022: 0.29 million tonnes). In addition, the poor condition of vessels since September 2022 has impacted the export of ore.

Production volumes at Black Rock Mine rose by 3% to 4.3 million tonnes (F2022: 4.1 million tonnes). Completing the Black Rock and Gloria projects has contributed positively to the Black Rock Mine.

Unit costs

On-mine unit production costs and on-mine unit cash costs at the Black Rock Mine increased from R694 per tonne in F2022 to R732 per tonne in F2023 due to above-inflation increases in the costs of explosives, diesel, consumables, maintenance and electricity as well as the significant expenditure towards the operation of emergency generators during load curtailment.

Unit cost of sales (which include marketing and distribution costs) decreased by 4% due to lower freight rates, offset by higher production costs and higher logistics costs as a result of the substitution of lost rail logistics with road freight, as well as increased depreciation due to the Black Rock and Gloria projects having been commissioned.

Capital expenditure and projects

Total capital expenditure for the manganese ore operations was R 1 618 million on a 100% basis (F2022: R2 133 million), of which R118 million (F2022: R451 million) relates to the Gloria Project.

Black Rock Project

The Black Rock Project was completed in September 2022 and within the approved budget of R7.4 billion. The Black Rock Project was completed with a 1.4 million fatality-free shifts and a lost-time injury frequency rate (LTIFR) of 0.219.

Gloria Project

Gloria Project's Raise Section achieved construction completion in June 2023. Project close-out is underway, and the project is forecasted to be formally closed out within the approved budget of R3 billion.

Manganese ore operational statistics (100% basis)

	unit	F2023	F2022	% change
Volumes				
Export sales	000t	**3 589**	3 666	(2)
Domestic sales*	000t	**735**	291	153
Total sales*	000t	**4 325**	3 957	9
Production	000t	**4 272**	4 147	3
Unit costs				
Change in on-mine unit production costs	%	**5**	(1)	
Change in unit cost of sales	%	**(4)**	13	
Capital expenditure	R million	**1 618**	2 133	(24)

* *Excluding intra-group sales of 195 000 tonnes sold to Cato Ridge Works (F2022: 168 000 tonnes).*

ARM Ferrous: manganese alloy operations

Manganese alloy financial information (attributable basis)

R million	F2023	F2022	% change
Sales	**1 158**	1 359	(15)
Operating profit	**200**	392	(49)
Contribution to headline earnings	**307**	1 017	(70)
Capital expenditure	**32**	44	(25)
Depreciation	**5**	5	–
EBITDA	**204**	397	(49)

Prices

During F2023, the US dollar index price for high carbon and medium carbon-manganese alloys decreased by 22% and 30% respectively due to weaker market demand exacerbated by the conflict in Ukraine.

Volumes

High carbon-manganese alloy production at Sakura (100% basis) increased to a record 253 000 tonnes (F2022: 211 000 tonnes). High carbon-manganese alloy sales (100% basis) increased by 23% to 237 000 tonnes (F2022: 192 000 tonnes). Both the production and sales volumes increased significantly from the prior year as Sakura returned to full production capacity during October 2021, after one furnace was left non-operational after multiple transformer failures. High carbon-manganese alloy production at Cato Ridge Works decreased by 3% to 116 000 tonnes (F2022: 119 000 tonnes), mainly due to the switching out of Furnace 1 in February 2023 and Eskom loadshedding.

Medium carbon-manganese alloy production at Cato Ridge Alloys (100% basis) increased by 1% to 56 400 tonnes (F2022: 56 000 tonnes).

High carbon-manganese alloy sales at Cato Ridge Works decreased by 11% to 43 000 tonnes (F2022: 49 000 tonnes) due to the decrease in market demand. Medium carbon-manganese alloy sales at Cato Ridge Alloys (100% basis) increased by 7% to 54 000 tonnes (F2022: 50 000 tonnes). The increase in the medium carbon-manganese alloy sales was mainly attributable to an expansion of the customer base.

Unit costs

Production costs at Sakura increased by 7% in F2023. The increase is mainly due to an increase in realised ore and reductant prices offset by successful cost-saving initiatives implemented to further reduce fixed costs.

Production costs at Cato Ridge Works increased by 15% in F2023. The significant increase is mainly due to a reduction in production volumes, above-inflation increases in power costs, and above-inflation increases in various raw material prices.

Medium carbon-manganese alloy production costs at Cato Ridge Alloys decreased by 6% in F2023, primarily due to the decrease in the price of molten metal.

Capital expenditure

Capital expenditure for Cato Ridge Works decreased by 25% to R65 million (F2022: R87 million).

Manganese alloy operational statistics (100% basis)

	unit	F2023	F2022	% change
Volumes				
Cato Ridge Works sales*	000t	**43**	49	(12)
Cato Ridge Alloys sales	000t	**54**	50	8
Sakura sales	000t	**237**	192	23
Cato Ridge Works production	000t	**116**	119	(3)
Cato Ridge Alloys production	000t	**56**	56	–
Sakura production	000t	**253**	211	21
Unit costs – Cato Ridge Works				
Change in unit production costs	%	**15**	16	
Change in unit cost of sales	%	**13**	24	
Unit costs – Cato Ridge Alloys				
Change in production unit costs	%	**(6)**	57	
Change in unit cost of sales	%	**9**	37	
Unit costs – Sakura				
Change in unit production costs	%	**7**	21	
Change in unit cost of sales	%	**10**	21	

* *Excluding intra-group sales of 68 000 tonnes sold to Cato Ridge Alloys (F2022: 67 000 tonnes).*

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

ARM Platinum

Prices

US dollar PGM prices were lower compared to prices achieved in 2022, particularly palladium (20% lower) and rhodium (30% lower). The average rand per 6E kilogramme basket price for Modikwa and Two Rivers declined by 10% and 8% to R1 183 603 per kilogramme (F2022: R1 319 104 per kilogramme) and R1 136 405 per kilogramme (F2022: R1 240 977 per kilogramme), respectively.

Average US dollar metal prices

	unit	F2023	F2022	% change
Platinum	US$/oz	970	1 003	(3)
Palladium	US$/oz	1 758	2 206	(20)
Rhodium	US$/oz	10 811	15 543	(30)
Nickel	US$/t	23 957	23 514	2
Copper	US$/t	8 289	9 644	(14)
Cobalt	US$/lb	20	32	(38)
UG2 chrome concentrate – Two Rivers (CIF*)	US$/t	236	184	28
UG2 chrome concentrate – Modikwa (CIF*)	US$/t	260	222	17

* *CIF – cost, insurance and freight.*

Average rand metal prices

	unit	F2023	F2022	% change
Average exchange rate	ZAR/US$	17.76	15.21	17
Platinum	ZAR/oz	17 230	15 247	13
Palladium	ZAR/oz	31 227	33 543	(7)
Rhodium	ZAR/oz	192 050	236 373	(19)
Nickel	ZAR/t	425 570	357 606	19
Copper	ZAR/t	147 247	146 672	–
Cobalt	ZAR/lb	350	483	(28)
UG2 chrome concentrate – Two Rivers (CIF*)	ZAR/t	4 185	2 791	50
UG2 chrome concentrate – Modikwa (CIF*)	ZAR/t	4 619	3 371	37

* *CIF – cost, insurance and freight.*

Two Rivers and Modikwa mines recognise revenue using provisional pricing. The sales price of the concentrate is determined on a provisional basis at the date of 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

The sharp decline in platinum, palladium and rhodium prices in the second half of F2023 resulted in realised negative mark-to-market adjustments from the date of provisional recognition to final price realisation as shown in the table on the following page.

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 on the following page.

Two Rivers Mine mark-to-market adjustments

R million	F2023	F2022
Realised mark-to-market adjustments	**(696)**	(505)
Provisional sales value	**10 313**	10 696
Final sales value	**9 617**	10 191
Unrealised mark-to-market adjustments	**(369)**	(203)
Initial provisional sales recognition	**1 260**	1 967
Period-end provisional sales recognition	**891**	1 764
Total mark-to-market adjustments	**(1 065)**	(709)

The average palladium and rhodium prices decreased by approximately 4% and 9% 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 mark-to-market adjustments

R million	F2023	F2022
Realised mark-to-market adjustments	**(135)**	(165)
Provisional sales value	**4 392**	4 860
Final sales value	**4 258**	4 695
Unrealised mark-to-market adjustments	**(118)**	(65)
Initial provisional sales recognition	**815**	1 181
Period-end provisional sales recognition	**697**	1 116
Total mark-to-market adjustments	**(253)**	(231)

The average palladium and rhodium prices decreased by approximately 4% and 9% 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.

ARM Platinum: Two Rivers Mine

Volumes

Tonnes milled were 3% higher compared to F2022, as a result of the additional mill capacity commissioned in December 2021, despite the negative impact of power supply disruptions. The grade remains a constraint due to the splitreef (as was reported previously) combined with the blending of the Merensky reef. As a result, PGM production volumes decreased by 2% to 295 441 6E PGM ounces (F2022: 301 935 6E PGM ounces). Following the accelerated development of the declines, mining flexibility is improving and enabling a better mining mix to improve the grade.

Unit costs

Two Rivers Mine unit cash costs increased by 17% to R1 105 per tonne milled (F2022: R941 per tonne). The rand per 6E PGM ounce cash cost increased by 24% to R13 376 per ounce (F2022: R10 773 per ounce), primarily due to above-inflation increases in the costs of consumables such as explosives (up 18%), fuel (up 20%) and electricity (up 19%) compounded by higher diesel consumption to mitigate the impact of load curtailment from Eskom. This was partially offset by increasing the UG2 stockpile while Merensky ore was blended into the mill feed.

Capital expenditure and projects

Of the R3 167 million spent at Two Rivers Mine, R1 967 million (62%) was attributable to the Merensky project. Deepening of the declines at main and north shafts, along with electrical and mechanical installations, amounted to R454 million (14%) of total capital expenditure. Additionally, R213 million was spent on mining fleet replacement.

Merensky project

Two Rivers' shareholders approved the Two Rivers Merensky project to mine the Merensky reef. Total estimated capital expenditure for the project is R7.2 billion (100% basis). To date, capital expenditure of R3 248 million has been spent.

The majority of the remaining R3 952 million, R2 000 million of which is already committed, will be spent in F2024. The project targets annual production of 182 000 6E PGM ounces, 1 600 tonnes of nickel and 1 300 tonnes of copper.

Both the mining of the Merensky reef and construction works in the mining areas are progressing as planned. The unexpected geotechnical challenges in the concentrator area have been addressed successfully with the plant commissioning date still forecasted for the third quarter of F2024.

The overall project completion date remains unchanged for the second quarter of F2025. The project is scheduled to start producing PGM concentrate as per the planned date of mid-2024. The long-term prospects for the Merensky project remain profitable and accretive to Two Rivers Mine, and are planned to produce PGMs at competitive costs, positioning Two Rivers Mine in the 50th percentile of the global PGM unit cost curve.

Two Rivers Mine operational statistics (100% basis)

	unit	F2023	F2022	% change
Cash operating profit	R million	**3 774**	5 981	(37)
– PGMs	R million	**3 432**	5 811	(41)
– Chrome	R million	**342**	170	101
Tonnes milled	Mt	**3.58**	3.46	3
Head grade	g/t, 6E	**3.00**	3.22	(7)
PGMs in concentrate	Ounces, 6E	**295 441**	301 935	(2)
Chrome in concentrate sold	Tonnes	**190 165**	214 735	(11)
Average basket price	ZAR/kg, 6E	**1 136 405**	1 240 977	(8)
Average basket price	US$/oz, 6E	**1 990**	2 533	(21)
Cash operating margin	%	**46**	62	
Cash cost	ZAR/kg, 6E	**430 046**	346 345	24
Cash cost	R/tonne	**1 105**	941	17
Cash cost	ZAR/Pt oz	**28 673**	23 179	24
Cash cost	ZAR/oz, 6E	**13 376**	10 773	24
Cash cost	US$/oz, 6E	**753**	708	6

ARM Platinum: Modikwa Mine

Volumes

Tonnes milled improved by 5% as a result of the processing of Merensky ore. The grade, however, decreased by 6%, resulting in a 3% reduction in production volumes to 285 910 6E PGM ounces (F2022: 294 541 6E PGM ounces).

Unit costs

Unit cash costs were up by 21% to R17 728 per 6E PGM ounce (F2022: R14 668 per 6E PGM ounce) and correspondingly higher on a rand-per-tonne basis at R2 021 (F2022: R1 801). The steep rise was largely attributable to spend on engineering, the Merensky setup and above-inflation increases in the costs of consumables (explosives up by 25%, diesel 53% higher, and electricity 16% higher than the prior period).

Capital expenditure and projects

Capital expenditure at Modikwa Mine (100% basis) rose by 59% to R1 122 million (F2022: R706 million). Of this, R490 million (43%) related to fleet refurbishment and critical spares, R138 million (12%) to capital development and R74 million (7%) to the installation of a proximity detection system for the mining fleet. An additional R72 million related to the Merensky project and R82 million to the replacement of conveyor belts.

North shaft project

The downcast shaft to provide additional ventilation for mining levels below 10 is now estimated to be completed in quarter 3 of F2025 due to the delay of the environmental permit which was approved in March 2023. Site establishment works are forecast for September 2023.

South 2 shaft project

Work has started on the 2.5km underground-to-surface conveyor belt that will enable South 2 shaft to ramp up production by an average of 70 000 tonnes per month to an average of 100 000 tonnes per month by 2026. The project is expected to be completed in June 2024.

Merensky project

The bord-and-pillar Merensky shaft was reopened on a trial basis after a prefeasibility study. The shaft reached and maintained the expected 30 000 tonnes per month level since February 2023. Production is planned to ramp up to 50 000 tonnes per month by December 2023.

Modikwa Mine operational statistics (100% basis)

	unit	F2023	F2022	% change
Cash operating profit	R million	**2 836**	4 767	(41)
– PGMs	R million	**2 664**	4 749	(44)
– Chrome	R million	**172**	19	>200
Tonnes milled	Mt	**2.51**	2.40	5
Head grade	g/t 6E	**4.20**	4.48	(6)
PGMs in concentrate	6E oz	**285 910**	294 541	(3)
Chrome in concentrate sold	Tonnes	**99 476**	38 081	161
Average basket price	ZAR/kg 6E	**1 183 603**	1 319 104	(10)
Average basket price	US$/oz 6E	**2 072**	2 698	(23)
Cash operating margin	%	**36**	52	
Cash cost	ZAR/kg 6E	**569 974**	471 578	21
Cash cost	ZAR/tonne	**2 021**	1 801	12
Cash cost	ZAR/Pt oz	**43 887**	37 102	18
Cash cost	ZAR/oz 6E	**17 728**	14 668	21
Cash cost	US$/oz 6E	**998**	964	3

ARM Platinum: Bokoni Mine

Progress to date

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

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

Capital expenditure

Of the R692 million spent at Bokoni (100% basis), R378 million related to the early ounce project. A further R88 million related to the purchase of mining fleet and R78 million was spent on the DFS.

ARM Platinum: Nkomati Mine

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

At 30 June 2023, the estimated undiscounted rehabilitation costs attributable to ARM were determined to be R932 million (30 June 2022: R771 million) excluding VAT.

The increase in the undiscounted liability of R161 million is attributed mainly to the provision for the short to medium-term water management costs.

The discounted rehabilitation costs attributable to ARM were determined to be R802 million (30 June 2022: R676 million).

At 30 June 2023, R141 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 R661 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. Refer to note 26 in the condensed group financial statements.

ARM Coal

Prices

The European energy crises following the sanctions on Russia have increased demand for coal.

In 1H F2023, this was exacerbated by the switch from gas to coal prompted by record Liquefied Natural Gas (LNG) prices. LNG and coal prices reduced in 2H F2023, resulting in June 2023 coal prices at two-year lows of US$100/tonne. Concerns of oversupply from India and Indonesia also negatively impacted the coal price in 2H F2023.

During the second half of F2023, China shut down various coal mines for safety-improvement measures that positively impacted coal prices. The possible reopening of these mines could negatively impact coal prices going forward.

Approximately 60% of export volumes at Goedgevonden Mine comprised high-quality coal, while PCB's exports of high-quality coal totalled 73%.

ARM Coal: Goedgevonden Mine (GGV)

GGV attributable headline earnings/(loss) analysis

R million	F2023	F2022	% change
Cash operating profit	**1 220**	1 525	(20)
Amortisation and depreciation	**(187)**	(190)	2
Imputed interest*	**(73)**	(120)	39
Profit on sale of assets	**2**	4	50
Loan re-measurement and fair value losses	**(13)**	(786)	98
Profit before taxation	**949**	434	119
Profit on sale of assets	**(2)**	(4)	(50)
Less: Taxation	**(407)**	(435)	(6)
Headline earnings/(loss) attributable to ARM	**540**	(5)	>200

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

Volumes

Total sales volumes increased by 3% as the Goedgevonden Mine reduced the impact of TFR underperformance by trucking coal to other ports. ARM attributable saleable production increased by 5% to 1.72 million tonnes from 1.65 million tonnes in F2022.

Unit costs

On-mine unit production costs per saleable tonne increased to R580 per tonne (F2022: R508 per tonne). Cost increases were driven primarily by above-inflationary diesel (up by 57%) and explosives prices (55% higher), offset by increased saleable production.

Goedgevonden Mine operational statistics

	unit	F2023	F2022	% change
Total production and sales (100% basis)				
Saleable production	Mt	**6.63**	6.33	5
Export thermal coal sales	Mt	**3.93**	3.93	–
Domestic thermal coal sales	Mt	**2.65**	2.47	7
ARM attributable production and sales				
Saleable production	Mt	**1.72**	1.65	5
Export thermal coal sales	Mt	**1.02**	1.02	–
Domestic thermal coal sales	Mt	**0.69**	0.64	7
Average received coal price				
Export (FOB)*	US$/t	**131.49**	167.72	(22)
Domestic (FOT)**	ZAR/t	**416**	371	12
Unit costs				
On-mine saleable cost	ZAR/t	**580**	508	14
Capital expenditure	R million	**1 273**	422	>200

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

ARM Coal: Participative Coal Business (PCB) operations

PCB attributable headline earnings analysis

R million	F2023	F2022	% change
Cash operating profit	**2 041**	2 801	(27)
Imputed interest	**–**	(87)	(100)
Amortisation and depreciation	**(657)**	(702)	(6)
Loan re-measurement loss	**–**	(490)	(100)
Profit/(loss) on sale of assets	**16**	(9)	–
Impairment reversal	**–**	748	(100)
Profit before taxation	**1 400**	2 261	(38)
Add: profit on sale of assets/impairment reversal	**(16)**	(739)	(98)
Less: Taxation	**(389)**	(589)	(34)
Headline earnings attributable to ARM	**995**	933	7

Volumes

Export sales volumes at PCB were 7% lower at 9.1 million tonnes (F2022: 9.8 million tonnes). Domestic sales volumes declined by 6% to 0.98 million tonnes (F2022: 1.04 million tonnes) due to the expiry of certain domestic contracts.

Production at the PCB operations was negatively impacted by operational challenges at TFR, resulting in high product stockpiles. ARM attributable saleable production was 2.02 million tonnes in F2023 compared to 2.06 million tonnes in F2022.

Unit costs

Unit production costs per saleable tonne increased to R815 per tonne (F2022: R633 per tonne). The 29% increase in unit costs is due to the lower saleable production, together with above-inflationary diesel (up 57%) and explosives (55% higher) price increases.

PCB operational statistics

	unit	F2023	F2022	% change
Total production sales (100% basis)				
Saleable production	Mt	**10.01**	10.18	(2)
Export thermal coal sales	Mt	**9.12**	9.79	(7)
Domestic thermal coal sales	Mt	**0.98**	1.04	(6)
ARM attributable production and sales				
Saleable production	Mt	**2.02**	2.06	(2)
Export thermal coal sales	Mt	**1.84**	1.98	(7)
Domestic thermal coal sales	Mt	**0.20**	0.21	(6)
Average received coal price				
Export (FOB)*	US$/t	**133.34**	160.54	(17)
Domestic (FOT)**	ZAR/t	**810**	558	45
Unit costs				
On-mine saleable cost	ZAR/t	**815**	633	29
Capital expenditure	R million	**1 761**	1 126	56

* *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 positively revalued by R2 037 million in F2023 (F2022: R59 million loss) as the Harmony share price increased by 52% from R51.97 per share at 30 June 2022 to R79.25 per share at 30 June 2023. The Harmony investment is therefore reflected on the ARM statement of financial position at R5 918 million (F2022: R3 881 million) based on its share price.

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 2023 can be found on its website: **www.harmony.co.za**.

Outlook

Volatility in global commodity markets continues to be driven by multiple sources of uncertainty, including a potential slowdown in growth in both China and the rest of the world, continued high inflation, tightening monetary policy across major economies, lingering economic repercussions from COVID-19 as well the conflict in Ukraine. Global commodity markets have further been impacted by a series of supply shocks, which have mostly been driven by weather-related events.

Sentiment relating to China's growth expectations continues to disappoint as economic data surprises on the downside. The recovery in China's metal demand has fallen behind market expectations and is expected to remain sluggish in the second half of 2023, putting pressure on metal prices.

In the medium to long term, slowing infrastructure spend and crude steel production in China are expected to put pressure on demand for iron ore, however, iron ore producer cost pressure is expected to provide some support to prices. Additional supply from new projects in Africa could bring in low-cost production, further increasing the downward risk to prices.

Platinum group metal prices have come under immense pressure with the US dollar basket prices reducing by more than 30% since the beginning of the 2023 calendar year. In the medium term, we are cognisant of the threat from increased battery vehicle production. However, recovery in autocatalyst demand and tightening emission standards are expected to be positive for PGM demand, while the role of platinum in clean mobility (through hydrogen technology) is expected to provide price support in the longer term.

Infrastructure-related challenges in South Africa, including rail and port performance, reliable supply of power and water security, remain a significant risk for the ARM operations and are expected to continue putting pressure on volumes and in turn unit costs. We are working with government and other stakeholders to find sustainable solutions that benefit the mining industry and the country. Though Transnet's and Eskom's operational challenges remain significant, there have been some positive shifts recently that point to a constructive longer-term reform trajectory. These include the establishment of the government-business logistics recovery steering committee, and corporates pledging to support government, which bodes well for structural reform and investment. We are encouraged by these developments, though such momentum will need to be maintained and deepened in the coming months.

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

Dividend declaration

ARM aims to pay ordinary dividends to shareholders in line with our dividend guiding principles. Dividends are at the discretion of the board of directors, which considers the company's capital allocation guiding principles and other relevant factors such as financial performance, commodities outlook, investment opportunities, gearing levels as well as solvency and liquidity requirements of the Companies Act.

For F2023, the board approved and declared a final dividend of 1 200 cents per share (gross) (F2022: 2 000 cents per share). The amount to be paid is approximately R2 696 million.

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

- The dividend has been declared out of income reserves
- The South African dividends tax rate is 20%
- The gross local dividend is 1 200 cents per ordinary share for shareholders exempt from dividends tax
- The net local dividend is 960.00000 cents per share for shareholders liable to pay dividends tax
- At the date of this declaration, ARM has 224 667 778 ordinary shares in issue
- ARM's income tax reference number is 9030/018/60/1.

A gross dividend of 1 200 cents per ordinary share, being the dividend for the year ended 30 June 2023, has been declared payable on Monday, 9 October 2023 to those shareholders recorded in the books of the company at the close of business on Friday, 6 October 2023. The dividend is declared in the currency of South Africa. Any change in address or dividend instruction applying to this dividend must be received by the company's transfer secretaries or registrar no later than Friday, 6 October 2023. The last day to trade ordinary shares cum dividend is Tuesday, 3 October 2023. Ordinary shares trade ex-dividend from Wednesday, 4 October 2023. The record date is Friday, 6 October 2023 while the payment date is Monday, 9 October 2023.

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

Changes to Mineral Resources and Mineral Reserves

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

Bokoni Mine: UG2 reef Mineral Resources as at 30 June 2023

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

Notes:

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

Bokoni Mine: Merensky reef Mineral Resources as at 30 June 2023

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

Notes:

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

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

Changes to board of directors

As previously announced on the JSE Stock Exchange News Service (SENS), the following changes to the board took place:

- Mr Mike Schmidt stepped down as Chief Executive Officer (CEO) and executive director with effect from 1 May 2023
- Mr Phillip Tobias was appointed as CEO and executive director with effect from 1 May 2023
- Ms Jongisa Magagula stepped down as the executive director: investor relations and new business development with effect from 31 July 2023.

Approval of the condensed results for the financial year ended 30 June 2023

Signed on behalf of the board:

PT Motsepe
Executive Chairman

VP Tobias
Chief Executive Officer

Review by independent auditor

Independent auditor's review report on the condensed group financial statements

To the shareholders of African Rainbow Minerals Limited

We have reviewed the condensed group financial statements ('financial statements') of African Rainbow Minerals Limited ('ARM' or 'Group') set out on pages 28 to 62, contained in the accompanying condensed financial statements "*African Rainbow Minerals Condensed reviewed results for the financial year ended 30 June 2023 and cash dividend declaration*", which comprise the condensed group statement of financial position as at 30 June 2023, and the condensed group statement of profit or loss, condensed group statement of comprehensive income, condensed group statement of changes in equity, and condensed group statement of cash flows for the year then ended, and selected explanatory notes.

Directors' responsibility for the condensed group financial statements

The directors are responsible for the preparation and presentation of these condensed group financial statements in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed group financial statements of African Rainbow Minerals Limited for the year ended 30 June 2023 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements, as set out in note 1 to the condensed group financial statements, and the requirements of the Companies Act of South Africa.

Ernst & Young Inc.
Director – Philippus Dawid Grobbelaar
Registered Auditor
Chartered Accountant (SA)

4 September 2023

102 Rivonia Road
Sandton
2146

Condensed group financial statements

Condensed group statement of financial position

at 30 June

	Notes	Reviewed 30 June 2023 Rm	Audited 30 June 2022 Rm
ASSETS			
Non-current assets			
Property, plant and equipment	4	16 173	9 621
Investment properties		24	24
Intangible assets		55	63
Deferred tax assets	5	935	215
Other financial assets	13	128	214
Investment in associate	6	1 847	2 048
Investment in joint venture	7	21 814	22 145
Other investments	10	6 148	4 104
Non-current inventories	11	427	52
		47 551	38 486
Current assets			
Inventories		488	343
Trade and other receivables	12	5 227	7 737
Taxation		178	116
Financial assets	13	661	830
Cash and cash equivalents	14	10 021	11 659
		16 575	20 685
Total assets		64 126	59 171
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital		11	11
Share premium		5 267	5 267
Treasury shares		(2 405)	(2 405)
Other reserves		4 310	2 668
Retained earnings		42 029	40 617
Equity attributable to equity holders of ARM		49 212	46 158
Non-controlling interest		4 931	4 205
Total equity		54 143	50 363
Non-current liabilities			
Long-term borrowings	15	206	305
Deferred tax liabilities	5	3 787	3 226
Long-term provisions	23	2 257	1 979
		6 250	5 510
Current liabilities			
Trade and other payables		2 419	2 148
Short-term provisions		834	716
Taxation		444	255
Overdrafts and short-term borrowings – interest bearing	15	36	40
– non-interest bearing	15	–	139
		3 733	3 298
Total equity and liabilities		64 126	59 171

Condensed group statement of profit or loss

for the year ended 30 June

	Notes	Reviewed F2023 Rm	Audited F2022 Rm
Revenue	3	**16 097**	18 406
Sales	3	**14 662**	16 917
Cost of sales		**(8 836)**	(7 660)
Gross profit		**5 826**	9 257
Other operating income	17	**1 817**	1 983
Other operating expenses	18	**(2 692)**	(3 239)
Profit from operations before capital items		**4 951**	8 001
Income from investments		**868**	685
Finance costs		**(286)**	(290)
Income from associate	19	**1 007**	927
Income from joint venture	7	**4 557**	6 649
Profit before taxation and capital items		**11 097**	15 972
Capital items before tax	8	**56**	1 128
Profit before taxation		**11 153**	17 100
Taxation	20	**(1 833)**	(2 736)
Profit for the year		**9 320**	14 364
Attributable to:			
Equity holders of ARM			
Profit for the year		**8 078**	12 426
Basic earnings for the year		**8 078**	12 426
Non-controlling interest			
Profit for the year		**1 242**	1 938
		1 242	1 938
Profit for the year		**9 320**	14 364
Earnings per share			
Basic earnings per share (cents)	9	**4 120**	6 343
Diluted basic earnings per share (cents)	9	**4 111**	6 338

Condensed group statement of comprehensive income

for the year ended 30 June

	Financial instruments at fair value through other comprehensive income Rm	Other Rm	Retained earnings Rm	**Total shareholders of ARM Rm**	Non-controlling interest Rm	**Total Rm**
For the year ended 30 June 2022 (audited)						
Profit for the year to 30 June 2022	–	–	12 426	**12 426**	1 938	**14 364**
Other comprehensive loss that will not be reclassified to the statement of profit or loss in subsequent periods						
Net impact of revaluation of listed investment	(49)	–	–	**(49)**	–	**(49)**
Revaluation of listed investment[1]	(59)	–	–	**(59)**	–	**(59)**
Deferred tax on above	10	–	–	**10**	–	**10**
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods						
Foreign currency translation reserve movement	–	97	–	**97**	–	**97**
Total 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**
For the year ended 30 June 2023 (reviewed)						
Profit for the year to 30 June 2023	–	–	8 078	**8 078**	1 242	**9 320**
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	1 597	–	–	**1 597**	–	**1 597**
Revaluation of listed investment[1]	2 037	–	–	**2 037**	–	**2 037**
Deferred tax on above	(440)	–	–	**(440)**	–	**(440)**
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods						
Foreign currency translation reserve movement	–	151	–	**151**	–	**151**
Total other comprehensive income	1 597	151	–	**1 748**	–	**1 748**
Total comprehensive income for the year	1 597	151	8 078	**9 826**	1 242	**11 068**

[1] *The share price of Harmony increased from R51.97 per share at 30 June 2022 to R79.25 at 30 June 2023 and decreased from R52.76 at 30 June 2021 to R51.97 per share at 30 June 2022. The valuation of the investment in Harmony is based on a level 1 fair value hierarchy level 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 2021 (audited)	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 payment expense	–	–	–	175	–	–	175	–	175
Balance at 30 June 2022 (audited)	5 278	(2 405)	2 188	405	75	40 617	46 158	4 205	50 363
Total comprehensive income for the year	–	–	1 597	–	151	8 078	9 826	1 242	11 068
Profit for the year to 30 June 2023	–	–	–	–	–	8 078	8 078	1 242	9 320
Other comprehensive income	–	–	1 597	–	151	–	1 748	–	1 748
Conditional shares issued to employees	–	–	–	(220)	–	–	(220)	–	(220)
Dividend paid[2]	–	–	–	–	–	(6 666)	(6 666)	–	(6 666)
Dividend declared to non-controlling interests[3]	–	–	–	–	–	–	–	(516)	(516)
Share-based payment expense	–	–	–	147	–	–	147	–	147
Other	–	–	–	(33)	–	–	(33)	–	(33)
Balance at 30 June 2023 (reviewed)	5 278	(2 405)	3 785	299	226	42 029	49 212	4 931	54 143

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

	F2023 Rm	F2022 Rm	F2021 Rm
Dilution in Two Rivers	(26)	(26)	(26)
Foreign currency translation reserve – Assmang	232	120	62
Foreign currency translation reserve – other entities	91	52	13
Capital redemption and prospecting loans written off	28	28	28
Tamboti assets sale to Two Rivers	(99)	(99)	(99)
Total	226	75	(22)

[2] *Interim dividend paid of 1 400 cents (F2022: 1 200 cents) per share and final dividend paid of 2 000 cents (F2022: 2 000 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	Reviewed F2023 Rm	Audited F2022 Rm
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		18 697	18 128
Cash paid to suppliers and employees		(10 607)	(9 620)
Cash generated from operations	21	8 090	8 508
Interest received		840	601
Interest paid		(69)	(46)
Taxation paid		(1 517)	(2 303)
		7 344	6 760
Dividends received from joint venture	7	5 000	5 500
Dividends received from associate	6	1 208	–
Dividends received from investments – Harmony		17	50
Dividend paid to non-controlling interests		(660)	(1 247)
Dividend paid to shareholders		(6 666)	(6 270)
Net cash inflow from operating activities		6 243	4 793
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Bokoni net of cash acquired	24	(3 441)	–
Additions to property, plant and equipment to maintain operations		(1 995)	(1 739)
Additions to property, plant and equipment to expand operations		(2 461)	(463)
Proceeds on disposal of property, plant and equipment		6	6
Investments in financial assets		(724)	(819)
Proceeds from financial assets matured		1 011	523
Proceeds from loans		93	–
Net cash outflow from investing activities		(7 511)	(2 492)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		–	7
Cash payments to owners to acquire the entity's shares		(141)	(225)
Long-term borrowings repaid		(80)	(95)
Short-term borrowings repaid		(171)	(14)
Net cash outflow from financing activities		(392)	(327)
Net (decrease)/increase in cash and cash equivalents		(1 660)	1 974
Cash and cash equivalents at beginning of year		11 643	9 655
Net foreign exchange difference		21	14
Cash and cash equivalents at end of year		10 004	11 643
Made up as follows:			
– Available	14	9 183	11 053
– Cash set aside for specific use	14	821	590
		10 004	11 643
Overdrafts	15	17	16
Cash and cash equivalents per statement of financial position		10 021	11 659
Cash generated from operations per share (cents)		4 127	4 343

Notes to the condensed group financial statements

for the year ended 30 June 2023 (Reviewed)

1 STATEMENT OF COMPLIANCE

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

Basis of preparation

The condensed group financial statements for the financial year under review have been prepared under the supervision of the finance director, Ms TTA Mhlanga CA(SA). The condensed group financial statements 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 adopted the following new and/or revised standards and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) of the International Accounting Standards Board (IASB) during the period under review. The date of initial application for the group being 1 July 2022.

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

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

1 STATEMENT OF COMPLIANCE continued

New standards issued but not yet effective

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

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

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

The group has performed an assessment for the impact of IFRS 17. The group, by virtue of Cell AVL 18 (Mannequin) being consolidated, has issued insurance contracts as defined by IFRS only to the extent that the underlying parties insured by Cell AVL 18 (via Guardrisk) are not consolidated by the group. Accordingly, IFRS 17 is applicable to the condensed group financial statements of the group only to this extent. IFRS 17 experts are being engaged to assist with closing out the impact on the group.

ARM continuously evaluates the impact of these standards and amendments, the adoption of which are not expected to have a significant effect on the condensed 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 adjustment[2] Rm	Total per IFRS financial statements Rm
2.1 Year to 30 June 2023 (Reviewed)							
Sales	11 857	20 179	2 689	116	34 841	(20 179)	14 662
Cost of sales	(7 298)	(11 822)	(1 475)	42	(20 553)	11 717	(8 836)
Other operating income	208	454	31	1 470	2 163	(346)	1 817
Other operating expenses[3]	(965)	(1 922)	(193)	(1 534)	(4 614)	1 922	(2 692)
Segment result	3 802	6 889	1 052	94	11 837	(6 886)	4 951
Income from investments	256	415	17	595	1 283	(415)	868
Finance cost	(120)	(45)	(123)	(43)	(331)	45	(286)
Income from associate	–	–	1 007	–	1 007	–	1 007
Income from joint venture	–	206	–	–	206	4 351	4 557
Capital items before tax (refer note 8)	53	(1 269)	2	1	(1 213)	1 269	56
Taxation	(1 232)	(1 637)	(407)	(193)	(3 469)	1 636	(1 833)
Profit after tax	2 759	4 559	1 548	454	9 320	–	9 320
Non-controlling interest	(1 240)	–	–	(2)	(1 242)	–	(1 242)
Consolidation adjustment[4]	–	(2)	–	2	–	–	–
Contribution to basic earnings	1 519	4 557	1 548	454	8 078	–	8 078
Contribution to headline earnings	1 465	5 528	1 535	453	8 981	–	8 981
Other information							
Segment assets, including investment in associate	22 466	28 432	5 016	14 831	70 745	(6 619)	64 126
Investment in associate			1 847		1 847		1 847
Investment in joint venture						21 814	21 814
Segment liabilities	3 409	3 089	689	1 654	8 841	(3 089)	5 752
Unallocated liabilities (tax and deferred tax)					7 761	(3 530)	4 231
Consolidated total liabilities					16 602	(6 619)	9 983
Cash generated from operations	6 124	8 005	1 827	139	16 095	(8 005)	8 090
Cash inflow/(outflow) from operating activities	4 774	6 614	2 148	(679)	12 857	(6 614)	6 243
Cash (outflow)/inflow from investing activities	(7 610)	(2 012)	(222)	321	(9 523)	2 012	(7 511)
Cash outflow from financing activities	(24)	(6)	(146)	(222)	(398)	6	(392)
Capital expenditure	4 420	2 440	331	10	7 201	(2 440)	4 761
Amortisation and depreciation	682	1 277	187	9	2 155	(1 277)	878
Impairment before tax	–	1 261	–	–	1 261	(1 261)	–
EBITDA	4 484	8 166	1 239	103	13 992	(8 163)	5 829

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 re-measurement adjustment of the Harmony loan amounts to R8 million gain with no tax effect.*
[4] *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 2023

2 PRIMARY SEGMENTAL INFORMATION continued

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
2.2 Year to 30 June 2022 (Audited)							
Sales	13 960	21 291	2 821	136	38 208	(21 291)	16 917
Cost of sales	(6 246)	(11 988)	(1 303)	(61)	(19 598)	11 938	(7 660)
Other operating income[3]	217	240	84	1 577	2 118	(135)	1 983
Other operating expenses[3]	(1 087)	(1 692)	(1 025)	(1 127)	(4 931)	1 692	(3 239)
Segment result	6 844	7 851	577	525	15 797	(7 796)	8 001
Income from investments	171	285	11	503	970	(285)	685
Finance cost	(84)	(34)	(159)	(47)	(324)	34	(290)
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 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.*

2 PRIMARY SEGMENTAL INFORMATION continued

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

	Attributable	Two Rivers Rm	Modikwa Rm	Bokoni Rm	Nkomati Rm	ARM Platinum total Rm
2.3	**Year to 30 June 2023 (Reviewed)**					
	Sales	7 896	3 961	–	–	11 857
	Cost of sales	(4 612)	(2 686)	–	–	(7 298)
	Other operating income	103	97	7	1	208
	Other operating expenses	(263)	(136)	(396)	(170)	(965)
	Segment result	3 124	1 236	(389)	(169)	3 802
	Income from investments	129	109	8	10	256
	Finance costs	(42)	(4)	(25)	(49)	(120)
	Capital items (refer note 8)	(3)		56	–	53
	Taxation	(876)	(354)	–	(2)	(1 232)
	Profit/(loss) after tax	2 332	987	(350)	(210)	2 759
	Non-controlling interest	(1 072)	(168)	–	–	(1 240)
	Contribution to basic earnings/(losses)	1 260	819	(350)	(210)	1 519
	Contribution to headline earnings/(losses)	1 262	819	(406)	(210)	1 465
	Other information					
	Segment and consolidated assets	13 025	4 832	4 440	169	22 466
	Segment liabilities	1 368	758	412	871	3 409
	Unallocated liabilities (tax and deferred tax)					2 775
	Consolidated total liabilities					6 184
	Cash inflow/(outflow) from operating activities	3 908	1 327	(365)	(96)	4 774
	Cash (outflow)/inflow from investing activities	(3 128)	(561)	(3 922)	1	(7 610)
	Cash outflow from financing activities	(4)	(20)	–	–	(24)
	Capital expenditure	3 167	561	692	–	4 420
	Amortisation and depreciation	534	136	12	–	682
	EBITDA	3 658	1 372	(377)	(169)	4 484

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

2 PRIMARY SEGMENTAL INFORMATION continued

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

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

2 PRIMARY SEGMENTAL INFORMATION continued

2.4 Analysis of the ARM Ferrous segment on a 100% Assmang 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 2023 (Reviewed)						
Sales	25 069	15 290	40 359	20 179	(20 179)	–
Cost of sales	(12 468)	(11 177)	(23 645)	(11 822)	11 822	–
Other operating income	319	773	1 092	454	(454)	–
Other operating expenses	(2 266)	(1 762)	(4 028)	(1 922)	1 922	–
Segment result	10 654	3 124	13 778	6 889	(6 889)	–
Income from investments	775	54	829	415	(415)	–
Finance costs	(48)	(42)	(90)	(45)	45	–
Profit from joint venture		414	414	206	(206)	–
Capital items before tax (refer note 8)	(2 124)	(415)	(2 539)	(1 269)	1 269	–
Taxation	(2 491)	(782)	(3 273)	(1 637)	1 637	–
Profit after tax	6 766	2 353	9 119	4 559	(4 559)	–
Consolidation adjustments				(2)	2	–
Contribution to basic earnings	6 766	2 353	9 119	4 557	–	4 557
Contribution to headline earnings	8 316	2 744	11 060	5 528	–	5 528
Other information						
Consolidated total assets	36 405	22 164	58 569	28 432	(6 619)	21 814
Consolidated total liabilities	8 000	5 716	13 716	3 089	(3 089)	–
Capital expenditure	3 414	1 682	5 096	2 440	(2 440)	–
Amortisation and depreciation	1 781	982	2 763	1 277	(1 277)	–
Cash inflow from operating activities[2]	2 952	416	3 368	6 614	(6 614)	–
Cash outflow from investing activities	(2 919)	(1 244)	(4 163)	(2 012)	2 012	–
Cash outflow from financing activities	(11)	–	(11)	(6)	6	–
EBITDA	12 435	4 106	16 541	8 166	(8 166)	
Additional information for ARM Ferrous at 100% Assmang						
Non-current assets						
Property, plant and equipment			31 570		(31 570)	–
Investment in joint venture			2 559		(2 559)	–
Other non-current assets			2 455		(2 455)	–
Current assets						
Inventories			5 744		(5 744)	–
Trade and other receivables			6 072		(6 072)	–
Taxation			168		(168)	
Financial assets			125		(125)	–
Cash and cash equivalents			9 877		(9 877)	–
Non-current liabilities						
Other non-current liabilities			8 863		(8 863)	–
Current liabilities						
Trade and other payables			3 876		(3 876)	–
Short-term provisions			949		(949)	–

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

[2] *Dividend paid amounting to R5 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% Assmang 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 2022 (Audited)						
Sales	27 856	14 727	42 583	21 291	(21 291)	–
Cost of sales	(13 006)	(10 969)	(23 975)	(11 988)	11 988	–
Other operating income	105	697	802	240	(240)	–
Other operating 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	4 393[2]	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% Assmang						
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

2.5 Additional information

ARM Corporate as presented in the table on pages 35 and 36 is analysed further into Machadodorp, Corporate and other, and Gold segments.

	Machadodorp Works Rm	Corporate and other Rm	Gold Rm	Total ARM Corporate Rm
Year to 30 June 2023 (Reviewed)				
Sales	116	–		**116**
Cost of sales	(75)	117		**42**
Other operating income	4	1 466		**1 470**
Other operating expenses	(288)	(1 246)		**(1 534)**
Segment result	(243)	337		**94**
Income from investments	–	578	17	**595**
Finance costs	(24)	(19)		**(43)**
Capital item (refer note 8)	–	1		**1**
Taxation	71	(264)		**(193)**
(Loss)/profit after tax	(196)	633	17	**454**
Non-controlling interest	–	(2)		**(2)**
Consolidation adjustments[1]	–	2		**2**
Contribution to basic (losses)/earnings	(196)	633	17	**454**
Contribution to headline (losses)/earnings	(196)	632	17	**453**
Other information				
Segment and consolidated assets	123	8 790	5 918	**14 831**
Segment liabilities	262	1 392		**1 654**
Cash (outflow)/inflow from operating activities	–	(696)	17	**(679)**
Cash inflow from investing activities	–	321		**321**
Cash outflow from financing activities	–	(222)		**(222)**
Capital expenditure	–	10		**10**
Amortisation and depreciation	1	8		**9**
EBITDA	(242)	345		**103**

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

Notes to the condensed group financial statements continued

for the year ended 30 June 2023

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 2022 (Audited)				
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.*

3 REVENUE AND SALES

	Reviewed F2023 Rm	Audited F2022 Rm
Sales	14 662	16 917
Local sales	12 253	14 308
Export sales	2 409	2 609
Revenue	16 097	18 406
Fair value adjustments to revenue	(1 481)	(1 257)
Revenue from contracts with customers	17 578	19 663
Sales – mining and related products	16 536	18 479
Penalty and treatment charges	(393)	(305)
Two Rivers	(393)	(305)
Fees received	1 435	1 489
Sales by geographical area[1]:		
– South Africa	12 253	14 308
– Europe	2 409	2 609
	14 662	16 917

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

4 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENTS

The increase in F2023 property, plant and equipment is largely as a result of the acquisition of Bokoni property, plant and equipment of R2 477 million, R266 million for mineral rights and total capital expenditure at Two Rivers of R3 167 million, which mainly relates to the Merensky project (refer note 2.4 and 24).

4.1 ARM Ferrous

Property, plant and equipment

Impairment

Beeshoek Mine

At 30 June 2023, an impairment loss of R2 110 million before tax of R570 million was recognised on property, plant and equipment at the Beeshoek Mine. ARM's attributable share of the impairment loss amounted to R1 055 million before tax of R282 million (refer note 8).

This impairment was largely due to a combination of:
- Export sales, which used to be sold at higher average prices compared to local sales, have now ceased
- Inadequate sale price increases to keep up with mining cost inflation
- Significant increase in input costs, including diesel and explosives
- Forecast low gross margins
- The continuous capitalisation of stripping costs has been maintained
- Higher discount rate (WACC) resulting from increased market interest rates.

The recoverable amount of Beeshoek was determined based on a value-in-use (VIU) calculation performed in terms of IFRS. A discounted cash flow valuation model was used to determine the VIU of R496 million. ARM's attributable share amounted to R248 million.

A nominal pre-tax South African discount rate of 18.29% was used in the 30 June 2023 impairment model. The level 3 valuation model was calculated over a 12-year period.

4 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENTS continued

4.1 ARM Ferrous continued

Property, plant and equipment continued

Impairment continued

Beeshoek Mine continued

The following assumptions were used in the valuation model:

		F2024	F2025	F2026	F2027	F2028
Weighted average revenue price	R/t	933	972	1 012	1 053	1 087
US$/ZAR	ZAR nominal	17.80	17.28	17.59	18.29	19.02
SA PPI	%	4.40	4.19	4.10	4.10	4.10

Cato Ridge Works

At 30 June 2023, an impairment of R112 million before taxation of R37 million was recognised on the property, plant and equipment at the Cato Ridge Works operation. It was concluded that a discounted cash flow model was not required for this impairment. The total value of property, plant and equipment was fully impaired at 30 June 2021, the impairment at 30 June 2023 is to fully impair the additions of property, plant and equipment subsequent to 30 June 2021. ARM's attributable share of the impairment loss amounted to R56 million before tax of R18 million (refer note 8).

This impairment was due to a combination of:
- Short remaining life of the operation
- Closure of one of the three remaining furnaces in February 2023
- A decline in recent and forecast high-carbon manganese alloys prices over the short term.

Investments

Impairment

Sakura

At 31 December 2022, an impairment loss of R299 million with no tax effect was recognised on Assmang's equity-accounted investment in Sakura. ARM's attributable share of the impairment loss amounted to R150 million with no tax effect (refer note 8).

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

A discounted cash flow valuation was performed to determine the fair value less cost of disposal of the investment. The valuation was performed in Malaysian ringgit (MYR). This resulted in an impairment of R299 million to the carrying value of Assmang's investment at 31 December 2022. The recoverable amount of the investment amounted to R1 620 million at 31 December 2022. ARM's attributable share amounted to R810 million.

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

4 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENTS continued

4.1 ARM Ferrous continued

Investments continued

Impairment continued

Sakura continued

The following assumptions were used in the valuation model:

		F2024	F2025	F2026	F2027	F2028
Manganese ore price assumptions – 44% Mn	$/dmtu CIF	5.80	5.53	5.46	5.46	5.58
Manganese ore price assumptions – 36% – 38% Mn	$/dmtu CIF	5.17	5.05	4.89	4.89	5.00
Manganese alloy price assumptions – US import	USD/mt DDP	1 534	1 393	1 363	1 392	1 423
Manganese alloy price assumptions – Europe spot	USD/mt DDP	1 270	1 218	1 220	1 242	1 267
Exchange rates						
US$/MYR	MYR nominal	4.29	4.14	4.04	3.98	3.91
US$/EUR	EUR nominal	0.85	0.82	0.81	0.80	0.80

No further impairment was recognised at 30 June 2023.

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.

4.2 ARM Coal

Investments

Impairment reversal

Participative Coal Business (PCB)

At 30 June 2022 previous impairment losses recognised against the investment in PCB was 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 note 6 and 8).

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).

Details of the F2022 impairments and impairment reversals were included in the financial results ended 30 June 2022, which can be found on **www.arm.co.za**.

		Reviewed F2023 Rm	Audited F2022 Rm
5	**DEFERRED TAX**		
	Deferred tax assets on the statement of financial position – Opening balance	**215**	274
	Movements:		
	Investment in Harmony recognised in other comprehensive income	**(74)**	10
	Bokoni	**856**	–
	Other	**(62)**	(69)
	Deferred tax assets on the statement of financial position – Closing balance	**935**	215
	Deferred tax liabilities on the statement of financial position – Opening balance	**3 226**	2 968
	Movements:		
	Investment in Harmony recognised in other comprehensive income	**366**	–
	Two Rivers	**282**	171
	Modikwa	**(21)**	(54)
	ARM Coal	**(7)**	141
	Other	**(59)**	–
	Deferred tax liabilities on the statement of financial position – Closing balance	**3 787**	3 226

		Reviewed F2023 Rm	Audited F2022 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 PCB of Glencore Operations South Africa Proprietary Limited (GOSA).		
	Opening balance	2 048	534
	Income for the current year	1 007	927
	Income for the current year before the re-measurement of loans (refer note 19)	1 007	1 417
	Re-measurement of loans (refer note 16)	–	(490)
	Dividend received (refer statement of cash flows)[1]	(1 208)	
	Movement in loans (non-cash flow)[2]	–	(534)
	Reversal of impairment on investment (refer notes 4.2 and 8)	–	1 121
	Closing balance	1 847	2 048

[1] *Subsequent to the repayment of the PCB loans, dividends were declared to ARM and ARM Coal.*
[2] *Settled together with the partner loans during F2022.*

		Reviewed F2023 Rm	Audited F2022 Rm
7	**INVESTMENT IN JOINT VENTURE**		
	The investment relates to ARM Ferrous and consists of Assmang as a joint venture which include iron ore and manganese segments.		
	Opening balance	22 145	20 938
	Net income for the period	4 557	6 649
	Income for the period[1]	4 559	6 689
	Consolidation adjustment	(2)	(40)
	Foreign currency translation reserve	112	58
	Less: Cash dividend received for the period	(5 000)	(5 500)
	Closing balance	21 814	22 145

[1] *Includes expected credit losses recorded of R19 million less tax of R1 million (F2022: R126 million reversal of expected credit losses less tax of R6 million).*

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

		Reviewed F2023 Rm	Audited F2022 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	(3)	(2)
	Profit on sale of property, plant and equipment – ARM Coal	2	4
	Profit on sale of property, plant and equipment – ARM Corporate	1	–
	Gain on bargain purchase – Bokoni acquisition (refer note 24)	56	–
	Reversal of impairment on investment in PCB – ARM Coal (refer note 4.2 and 6)	–	1 121
	Capital items per statement of profit or loss before taxation effect	56	1 128
	Profit/(loss) on sale of property, plant and equipment accounted for directly in associate – ARM Coal	16	(9)
	Impairment on investment in Sakura accounted directly in joint venture – Assmang (refer note 4.1)	(150)	–
	Impairment loss on property, plant and equipment accounted for directly in joint venture – Assmang (refer note 4.1)	(1 111)	(20)
	Impairment loss on property, plant and equipment accounted for directly in joint venture – Cato Ridge Alloys	(4)	–
	Loss on sale of property, plant and equipment accounted for directly in joint venture – Assmang	(8)	(25)
	Capital items before taxation effect	(1 201)	1 074
	Taxation accounted for in joint venture – impairment loss on property, plant and equipment – Assmang	300	6
	Taxation accounted for in joint venture – loss on disposal of property, plant and equipment – Assmang	2	6
	Taxation accounted for in associate – (profit)/loss on sale of property, plant and equipment – ARM Coal	(4)	3
	Taxation on loss on sale of property, plant and equipment – Two Rivers	1	–
	Taxation on profit on sale of property, plant and equipment – ARM Coal	(1)	(1)
	Total	(903)	1 088

		Reviewed F2023 Rm	Audited F2022 Rm
9	**EARNINGS PER SHARE**		
	Headline earnings (Rm)	8 981	11 338
	Headline earnings per share (cents)	4 581	5 787
	Basic earnings per share (cents)	4 120	6 343
	Diluted headline earnings per share (cents)	4 571	5 783
	Diluted basic earnings per share (cents)	4 111	6 338
	Number of shares in issue at end of year (thousands)	224 668	224 668
	Weighted average number of shares (thousands)	196 053	195 899
	Potential ordinary shares due to long-term share incentives granted (thousands)	435	134
	Weighted average number of shares used in calculating diluted earnings per share (thousands)	196 488	196 033
	Net asset value per share (cents)	21 904	20 545
	EBITDA (Rm)	5 829	8 854
	Interim dividend declared (cents per share)	1 400	1 200
	Dividend declared after year end (cents per share)	1 200	2 000
	Reconciliation to headline earnings (Rm)		
	Basic earnings attributable to equity holders of ARM	8 078	12 426
	– Profit on sale of property, plant and equipment – ARM Coal	(2)	(4)
	– Profit on sale of property, plant and equipment – Nkomati	–	(2)
	– (Profit)/loss on sale of property, plant and equipment – ARM Coal	(16)	9
	– Loss on sale of property, plant and equipment – Two Rivers	3	2
	– Profit on sale of property, plant and equipment – ARM Corporate	(1)	–
	– Gain on bargain purchase – Bokoni	(56)	–
	– Impairment reversal on property, plant and equipment – Machadodorp Works	–	(3)
	– Impairment reversal on investment in 20.2% PCB – ARM	–	(1 121)
	– Impairment loss on property, plant and equipment in joint venture – Assmang	1 111	20
	– Impairment loss on investment Sakura in joint venture – Assmang	150	–
	– Impairment loss on property, plant and equipment in joint venture – Cato Ridge Alloys	4	–
	– Loss on sale of property, plant and equipment in joint venture – Assmang	8	25
		9 279	11 352
	– Taxation accounted for in joint venture – impairment loss at Assmang	(300)	(6)
	– Taxation accounted for in joint venture – loss sale of property, plant and equipment at Assmang	(2)	(6)
	– Taxation accounted for in associate – loss on sale of property, plant and equipment – ARM Coal	4	(3)
	– Taxation accounted for in associate – loss on sale of property, plant and equipment – Two Rivers	(1)	–
	– Taxation accounted for profit on sale of property, plant and equipment – ARM Coal	1	1
	Headline earnings	8 981	11 338

		Reviewed F2023 Rm	Audited F2022 Rm
10	**OTHER INVESTMENTS**		
	Harmony[1]	5 918	3 881
	Opening balance	3 881	3 940
	Fair value gain/(loss) in other comprehensive income	2 037	(59)
	Guardrisk[2]	25	9
	Preference shares[1]	1	1
	Richards Bay Coal Terminal[3]	204	213
	Closing balance	**6 148**	**4 104**

[1] *This is a level 1 valuation in terms of IFRS 13.*

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

[3] *This is a level 3 valuation in terms of IFRS 13.*

Richards Bay Coal Terminal (RBCT)

The fair value of the RBCT investment was determined by calculating the present value of the future wharfage cost savings by being a shareholder in RBCT as opposed to the wharfage payable by non-shareholders. The fair value is most sensitive to wharfage cost. The current RBCT valuation is based on a wharfage cost differential ranging between R50/tonne and R55/tonne (F2022: R44/tonne and R49/tonne). If increased by 10% this would result in a R21 million (F2022: R22 million) increase in the valuation on the RBCT investment. If decreased by 10% this would result in a R21 million (F2022: R22 million) decrease in the valuation on the RBCT investment. The valuation is calculated based on the duration of the RBCT lease agreement with Transnet SOC Limited to 31 December 2038, using a pre-tax discount rate of 21.4% (F2022: 20.8%).

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

	Reviewed F2023 Rm	Audited F2022 Rm
Opening balance	213	233
Fair value loss	(9)	(20)
Closing balance	**204**	**213**

11 NON-CURRENT INVENTORIES

Non-current inventories relate to the Two Rivers Merensky project. Stockpile quantities are determined using assumptions such as densities and grades which are based on studies, historical data and industry norms. The non-current inventories will be milled when the Two Rivers Merensky plant is complete. Milling is not expected within the following 12 months from the end of 30 June 2023.

12 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 has reduced mainly due to a decrease in platinum group metals (PGM) and coal commodity prices.

Trade and other receivables include a contract asset from Assmang of R810 million (F2022: R985 million). The contract asset results from revised fee arrangements, whereby fees received from Assmang only become payable following receipt by Assmang from the relevant customer.

13 FINANCIAL ASSETS

	Reviewed F2023 Rm	Audited F2022 Rm
Investments in fixed deposits		
Current financial assets[1]		
– ARM Finance Company SA[2]	–	185
– ARM Coal	51	–
– Two Rivers	30	31
– Nkomati	117	114
– Mannequin Captive Cell (Cell AVL 18)	456	500
– Other	7	–
	661	830
Non-current financial assets[1]		
– ARM Coal	56	50
– Mannequin Captive Cell (Cell AVL 18) (refer note 23.2)	68	162
– Modikwa	4	2
	128	214
Total	789	1 044

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

2 *ARM Finance Company SA invested Rnil (F2022: R172 million) in fixed deposits with maturities longer than three months. The amount was translated at the 30 June closing exchange rate in prior year, resulting in a foreign currency translation gain of R13 million for F2022. Since 30 June 2022, ARM Finance Company SA returned U$15 million to ARM as a part return of share capital.*

The following guarantees issued are included in financial assets:
- Two Rivers to the Department of Mineral Resources and Energy (DMRE), Eskom and BP Oil amounting to R30 million (F2022: R31 million)
- Nkomati to DMRE and Eskom amounting to R117 million (F2022: R114 million)
- Modikwa to DMRE and Eskom amounting to Rnil (F2022: Rnil)
- ARM Coal to DMRE amounting to R107 million (F2022: R50 million).

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

		Reviewed F2023 Rm	Audited F2022 Rm
14	**CASH AND CASH EQUIVALENTS**		
	Total cash at bank and on deposit	**9 200**	11 069
	– African Rainbow Minerals Limited	**6 378**	8 770
	– ARM BBEE Trust	**43**	38
	– ARM Coal	**227**	–
	– ARM Finance Company SA	**38**	92
	– ARM Platinum Proprietary Limited (excluding Bokoni)	**930**	874
	– Bokoni	**23**	–
	– ARM Treasury Investments Proprietary Limited	**45**	43
	– Nkomati	**27**	52
	– Two Rivers Platinum Proprietary Limited	**1 460**	1 174
	– Other cash at bank and on deposit	**29**	26
	Total cash set aside for specific use	**821**	590
	– Mannequin Captive Cell (Cell AVL 18)[1]	**454**	245
	– Rehabilitation trust funds[1]	**77**	65
	– Other cash set aside for specific use[1]	**290**	280
	Total as per statement of financial position	**10 021**	11 659
	Less: Overdrafts (refer note 15)	**(17)**	(16)
	Total as per statement of cash flows	**10 004**	11 643

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

[1] *Cash set aside for specific use in respect of the group includes:*
- *Mannequin Captive Cell is used as part of the group insurance programme. The cash held in the cell is invested in highly liquid investments and is used to settle claims as and when they arise as part of the risk finance retention strategy*
- *The trust funds of R10 million (F2022: R16 million)*
- *African Rainbow Minerals Limited of R37 million (F2022: R37 million)*
- *Guarantees issued by ARM Coal to DMRE amounting to Rnil (F2022: R46 million)*
- *Guarantees issued by Modikwa to DMRE and Eskom amounting to R236 million (F2022: R234 million)*
- *Guarantees issued by Bokoni to DMRE and Eskom amounting to R68 million (F2022: Rnil)*
- *Guarantees issued by Two Rivers to DMRE and Eskom amounting to R4 million (F2022: Rnil)*
- *Guarantees issued by Nkomati to DMRE and Eskom amounting to R12 million (F2022: R12 million).*

		Reviewed F2023 Rm	Audited F2022 Rm
15	**BORROWINGS**		
	Long-term borrowings are held as follows:		
	ARM Coal Proprietary Limited (lease liability)	18	–
	ARM BBEE Trust (loan from Harmony Gold)[1]	100	166
	Anglo Platinum Limited (lease liability)	7	9
	Two Rivers Platinum Proprietary Limited (lease liability)	81	130
		206	305
	Short-term borrowings		
	African Rainbow Minerals Limited (lease liability)	1	–
	Anglo Platinum Limited (lease liability)	1	20
	ARM Coal Proprietary Limited (partner loans)[2]	–	139
	ARM Coal (lease liability)	13	–
	Two Rivers Platinum Proprietary Limited (lease liability)	4	4
		19	163
	Overdrafts (refer note 14)		
	ARM Treasury Operations	17	16
		17	16
	Overdrafts and short-term borrowings – interest bearing	36	40
	– non-interest bearing	–	139
	Overdrafts and short-term borrowings	36	179
	Total borrowings	242	484

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

[1] *Includes repayments of R74 million (F2022: R65 million), re-measurements of R8 million (F2022: R5 million) and interest of R16 million (F2022: R18 million).*

[2] *ARM Coal loans from Glencore were settled at 30 June 2022 from cash generated by the Goedgevonden (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 in the prior year. The short-term liability at 30 June 2022 relates ARM Coal's attributable share of the GGV liability owing to PCB for the RBCT entitlement. The short-term liability at 30 June 2023 between GGV and PCB has been settled in cash.*

	Reviewed F2023 Rm	Audited F2022 Rm
16 RE-MEASUREMENT GAINS AND LOSSES		
ARM Coal		
Included in other operating income and income/(loss) from associate are re-measurements with no tax effect relating to the GGV and PCB loans. The gain and loss is as a result of a re-measurement of debt between ARM and Glencore Operations South Africa Proprietary Limited (GOSA) and ARM Coal Proprietary Limited.		
The re-measurement adjustments are as follows:		
Re-measurement gain in operating income – ARM Coal segment	–	49
Re-measurement loss in operating expenses – ARM Coal segment	(4)	(815)
Net re-measurement loss – ARM Coal segment	(4)	(766)
Re-measurement gain in operating income – ARM Corporate segment	4	443
Net re-measurement loss on group profit from operations before capital items	–	(323)
Income from associate re-measurement loss on loans (refer note 6)	–	(490)
Net ARM Coal re-measurement loss	–	(813)
The re-measurements are as a result of changes in the future repayment cash flows applied to the net present value calculations. The discount rate used in the calculation of the re-measurement is 10%.		
This is a level 3 valuation in terms of IFRS 13.		
ARM BBEE Trust (loan from Harmony)		
Included in other operating income for F2023 is a re-measurement gain of R8 million (F2022: R5 million). The gain is as a result of the 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	8	5
Net ARM BBEE Trust gain	8	5

The re-measurement is 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 is 13.85% (F2022: 11.69%).

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

Notes to the condensed group financial statements continued

for the year ended 30 June 2023

		Reviewed F2023 Rm	Audited F2022 Rm
17	**OTHER OPERATING INCOME**		
	Management fees	1 435	1 489
	Cost recoveries	60	51
	Insurance income	64	115
	Realised foreign exchange gains	30	35
	Royalties received	87	114
	Loan re-measurement gains (refer note 16)	8	54
	Other	133	125
	Total	1 817	1 983
18	**OTHER OPERATING EXPENSES**		
	Provisions	209	231
	Mineral royalty tax	363	911
	Staff cost	476	337
	Loan re-measurement loss (refer note 16)	–	372
	Consulting fees	210	130
	Share-based payments expense	254	263
	Insurance	63	129
	Research and development	212	166
	Other	905	700
	Total	2 692	3 239
19	**INCOME FROM ASSOCIATE**		
	Income from associate before the re-measurement of loans	1 007	1 417
	Loan re-measurement loss (refer note 16)	–	(490)
	Total	1 007	927
20	**TAXATION**		
	South African normal taxation		
	– current year	1 692	2 384
	– mining	1 262	2 003
	– non-mining	430	381
	– prior year	(116)	25
	Total deferred taxation	257	327
	Deferred taxation	257	413
	Deferred tax – rate change[1]	–	(86)
	Total tax	1 833	2 736

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

		Reviewed F2023 Rm	Audited F2022 Rm
21	**CASH GENERATED FROM OPERATIONS**		
	Cash generated from operations before working capital changes	6 878	10 148
	Working capital inflow/(outflow)	1 212	(1 640)
	Movement in inventories – (outflow)/inflow	(518)	70
	Movement in receivables – inflow/(outflow)	2 127	(737)
	Movement in payables and provisions – outflow	(397)	(973)
	Cash generated from operations	**8 090**	**8 508**
22	**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	3 141	1 684
	– not contracted for	1 624	1 848
	Total commitments	**4 765**	**3 532**
23	**PROVISIONS**		
23.1	**Nkomati restoration and decommissioning provision[1]**		
	Long-term provisions		
	Opening balance	645	567
	Provision for the period[1]	90	55
	Transfer to short-term provisions	(3)	(2)
	Unwinding of discount rate	45	25
	Closing balance	**777**	**645**
	Short-term provision		
	Opening balance	31	29
	Transfer from long-term provisions	3	2
	Settlement payments	(9)	–
	Closing balance	**25**	**31**
	Total Nkomati restoration and decommissioning provision	**802**	**676**

[1] *The current year provision mainly relates to Nkomati providing for the short to medium-term water management costs (refer note 26).*

	Reviewed F2023 Rm	Audited F2022 Rm
23 PROVISIONS continued		
23.2 Silicosis and tuberculosis class action provision		
Long-term provision		
The provision movement is as follows:		
Opening balance	**159**	146
Interest unwinding	**6**	12
Changes in assumptions[1]	**(106)**	(13)
Transfer from short-term provisions	**8**	14
Closing balance	**67**	159
Short-term provision		
Opening balance	**16**	60
Settlement payments	**(2)**	(30)
Transfer to long-term provisions	**(8)**	(14)
Closing balance	**6**	16
Total silicosis and tuberculosis class action provision	**73**	175

[1] *The main reason for the decrease in the silicosis settlement estimate is the lower severity of silicosis found in eligible Trust claimants with ARM service over the past three years than originally expected. The silicosis benefit increases with impairment and hence lower disease severity results in a lower benefit payment. Other reasons for the decrease in the estimate are that fewer claimants have confirmed ARM service than originally estimated and a change in the financial assumptions including changes in economic conditions.*

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

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

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

24 ACQUISITION OF BOKONI PLATINUM MINES PROPRIETARY LIMITED (BPM)

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

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

The significant conditions precedent in the sale and purchase agreement had been fulfilled on 1 September 2022.

ARM BMC transferred the consideration of R3 500 million in cash, on 1 September 2022. This was funded by ARM through the subscription of an additional 99 000 shares in ARM Platinum. ARM Platinum thereafter subscribed for 254 900 ordinary shares and 175 000 preference shares in ARM BMC.

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

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

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

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

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

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

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

The values are presented below:

Assets acquired and liabilities assumed

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

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

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

Since the acquisition date, no revenue and a net loss of R350 million was included in the consolidated statement of profit or loss for the reporting period. If the acquisition had been at the beginning of the reporting period, no revenue and a net loss of R397 million would have been included in the consolidated statement of profit or loss for the reporting period.

The gain on bargain purchase is as a result of the fair value of net assets acquired differing from the initial estimates.

The gain on bargain purchase is included in capital items on the statement of profit or loss.

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

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

25 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 F2023 Rm	Audited F2022 Rm
Amounts accounted in the statement of profit or loss relating to transactions with related parties		
Subsidiaries		
Impala Platinum – sales	7 896	9 416
Joint operations		
Rustenburg Platinum Mines – sales[1]	3 961	4 522
Modikwa non-controlling interest – dividend declared[1]	102	255
Glencore International AG – sales	2 409	2 627
Glencore Operations SA – management fees	103	78
Joint venture		
Assmang Proprietary Limited		
– Management fees	1 433	1 478
– Dividends received	5 000	5 500
Amounts outstanding at year end (owing to)/receivable by ARM on current account		
Joint venture		
Assmang – trade and other receivables	812	985
Joint operations		
Rustenburg Platinum Mines – trade and other receivables[1]	997	1 526
Modikwa-related non-controlling interest – dividend payable[1]	–	143
Norilsk Nickel – trade and other payables	–	2
Glencore Operations SA – short-term borrowings	–	(139)
Glencore Operations SA – trade and other receivables	533	887
Glencore International AG – trade and other receivables	185	376
Subsidiary		
Impala Platinum – trade and other receivables	2 266	3 646
Impala Platinum – dividend paid	414	1 060

[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.*

26 CONTINGENT LIABILITIES AND DISPUTES

Contingent liabilities

Nkomati

Nkomati has provided for the short to medium-term water management costs, however, there remain 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 a long-term 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 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 2023 is the best independent estimate and is based on the most reliable information currently available. It will be re-assessed on an ongoing basis as engineering designs evolve and new information becomes available, as well as when approvals of a revised environmental management plan and WUL are secured.

Modikwa

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

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

ARM, as a member of ICMM, published its progress towards conformance with GISTM on 5 August 2023.

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

As at 30 June 2023, a reliable estimate of the impact cannot be made as the sampling and laboratory testing work is still underway. The results thereof are expected to be available in the third quarter of F2024.

26 CONTINGENT LIABILITIES AND DISPUTES continued

Disputes

Modikwa

ARM Mining Consortium Limited (ARMMC) made an application against the DMRE and third-party respondents requesting the court to order the DMRE to reassess applications for certain prospecting rights of Rustenburg Platinum Mines Limited, ARMMC's joint venture partner, that had been earlier rejected. Judgment on the matter was granted on 10 July 2020. The court found against ARMMC. ARMMC applied for leave to appeal the judgment to the Supreme Court of Appeal (SCA), which application was granted. The SCA delivered judgment on the matter on 28 November 2022. It found against ARMMC. ARMMC filed an application for leave to appeal to the Constitutional Court. On 18 July 2023, the Constitutional Court issued an order dismissing the application for leave to appeal. The resources under dispute have no impact on the existing life-of-mine plan.

ARM

Pula Group LLC and Pula Graphite Partners Tanzania Limited claimed damages in the amount of US$195 000 000 against ARM and other defendants, allegedly arising out of a breach of a confidentiality agreement. The summons was served on ARM on 13 January 2023. The matter appeared before the High Court of the United Republic of Tanzania (Commercial Division) on 9 May 2023. The court dismissed the plaintiffs' action and ordered that each party must pay its own legal costs.

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

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

27 EVENTS AFTER REPORTING DATE

Subsequent to year end Assmang declared a dividend of R3 000 million attributable to ARM.

Harmony declared a final dividend of 75 cents per share. At 30 June 2023 and at the date of this report, ARM owned 74 665 545 Harmony shares.

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

Contact details and administration

AFRICAN RAINBOW MINERALS LIMITED
Incorporated in the Republic of South Africa
Registration number 1933/004580/06
ISIN code: ZAE000054045

Registered office
ARM House
29 Impala Road
Chislehurston, Sandton, 2196
South Africa

PO Box 786136, Sandton, 2146
South Africa

Telephone: +27 11 779 1300

Email: ir.admin@arm.co.za

Website: **http://www.arm.co.za**

Transfer secretaries
Computershare Investor Services
Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank, Johannesburg, 2196

Private Bag X9000
Saxonwold, 2132

Telephone: +27 11 370 5000

Email: web.queries@computershare.co.za

Website: http://www.computershare.co.za

Sponsor
Investec Bank Limited

Forward-looking statements
Certain statements in this report constitute forward-looking statements that are neither reported financial results nor 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/or unknown risks, unpredictables and other important factors that could cause the actual results, performance and/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, unpredictables 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, including environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the health-related epidemics and pandemics, including Covid-19, HIV and Aids in South Africa.

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 unpredictable events.

Directors
Dr PT Motsepe (Executive Chairman), VP Tobias (Chief Executive Officer), F Abbott*, M Arnold**, TA Boardman*, AD Botha*, JA Chissano (Mozambican)*, WM Gule*, B Kennedy*, AK Maditsi*, TTA Mhlanga, HL Mkatshana, PJ Mnisi*, DC Noko*, B Nqwababa*, Dr RV Simelane*, JC Steenkamp*
* *Independent non-executive.*
** *Non-executive.*

Investor relations
Thabang Thlaku
Executive: Investor Relations and New Business Development
Telephone: +27 11 779 1300
Email: thabang.thlaku@arm.co.za

Group company secretary and governance officer
Alyson D'Oyley, BCom, LLB, LLM
Telephone: +27 11 779 1300
Email: alyson.doyley@arm.co.za

THE OAK TREE GROUP

www.arm.co.za

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