

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

**REVIEWED PROVISIONAL RESULTS FOR THE FINANCIAL YEAR ENDED 30
JUNE 2022 (F2022) AND FINAL CASH DIVIDEND DECLARATION**

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

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

<https://senspdf.jse.co.za/documents/2022/jse/isse/ARIM/FY2022.pdf>

The full announcement is also available for inspection free of charge during business hours (excluding weekends and public holidays) from Thursday, 01 September 2022 at the registered office of ARM at ARM House, 29 Impala Road, Chislehurst, Johannesburg. In addition, copies of the full announcement may be requested by emailing the Company's investor relations department on jade.kunstler@arm.co.za

Salient features

- Headline earnings for the year ended 30 June 2022 (F2022) decreased by 13% to R11 338 million or R57.87 per share (F2021: R13 064 million or R66.88 per share).
- A final dividend of R20.00 per share is declared (F2021: R20.00 per share). In addition to the interim dividend of R12.00 per share paid on 4 April 2022, this brings the total dividend related to F2022 to R32.00 per share (F2021: R30.00 per share).
- The acquisition of Bokoni Platinum Mine was completed on 12 August 2022. The purchase consideration of R3 500 million will be fully settled in early September 2022.

- ARM Ferrous headline earnings decreased by 16% to R6 682 million (F2021: R7 927 million) mainly as a result of lower iron ore prices.
- ARM Platinum headline earnings decreased by 34% to R3 066 million (F2021: R4 666 million), largely due to a negative mark-to-market adjustment as a portion of the ARM Platinum receivables as at 30 June 2021 was subsequently realised at lower prices following the decline in rhodium and palladium prices.
- Significantly higher export coal prices drove a R1 178 million increase in ARM Coal headline earnings to R928 million (F2021: R250 million headline loss).
- ARM Coal loans owing to Glencore Operations South Africa (GOSA) were fully settled following a significant increase in operating profits at the ARM Coal operations.
- Net cash improved by R2 973 million to R11 175 million at 30 June 2022 (30 June 2021: R8 202 million).

Safety performance

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

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

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

We extend our sincere condolences to the families, friends and colleagues of the employees who lost their lives at our operations.

We continue to work towards ensuring zero harm at all operations.

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

Financial performance

Headline earnings

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

The F2022 headline earnings include re-measurement losses of R808 million.

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

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

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

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

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

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

Modikwa Mine reported a 17% decline in headline earnings to R1 270 million (F2021: R1 529 million), which included negative mark-to-market adjustments of R231 million (F2021: R299 million positive mark-to-market adjustments).

The mine increased production volumes by 17% and achieved a below-inflation increase in production unit costs (on a rand per 6E PGM ounce basis) of 2%.

Two Rivers Mine headline earnings reduced to R1 968 million (F2021: R2 972 million), mainly due to negative mark-to-market adjustments of R709 million (F2021: R795 million positive mark-to-market adjustments) and a 12% increase in production unit costs (on a rand per 6E PGM ounce basis). Challenges with grade persisted at the mine as the head grade reduced to 3.20g/t compared to 3.43g/t last year.

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

Nkomati Mine reported a headline loss of R172 million (F2021: R165 million headline earnings). The mine was placed on care and maintenance on 15 March 2021. ARM and its joint-venture partner are considering various options for the future of Nkomati Mine.

ARM Coal reported headline earnings of R928 million (F2021 headline loss: R250 million).

These included a re-measurement loss of R1 256 million (F2021 re-measurement gain: R242 million) which came about as a result of accelerated repayment of the loans owing to Glencore.

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

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

Refer to pages 18 and 19 of the full announcement for a detailed analysis of the GGV and PCB (Participative Coal Business) operational profit performance.

Re-measurement losses of R490 million are included in PCB headline earnings. PCB adjusted headline earnings were R1 423 million (F2021: R296 million adjusted headline loss).

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

R1 489 million (F2021: R1 800 million).

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

Basic earnings and impairments

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

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

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

Financial position and cash flow

At 30 June 2022, ARM's net cash was R11 175 million (30 June 2021: R8 202 million).

This amount excludes attributable cash and cash equivalents held at ARM Ferrous (50% of Assmang) of R5 342 million (30 June 2021: R4 099 million). There was no debt at ARM Ferrous in either of these reporting periods.

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

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

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

(30 June 2021: R1 469 million).

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

Capital expenditure

Segmental capital expenditure for F2022 was R4 727 million (F2021: R4 105 million). This included attributable capitalised waste stripping at the iron ore operations of R650 million (F2021: R426 million). Capital expenditure for the divisions is shown on page 7 of the full announcement and discussed in each division's operational performance section from page 8 of the full announcement.

Investing in growth and the existing business

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

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

Bokoni Mine was placed on care and maintenance in October 2017 amid adverse market conditions. A new mine plan is being developed which will focus predominantly on mining the UG2 resource and will aim to employ mechanised mining methods where practical and sustainable in new mining areas and target predominantly on-reef development. This plan targets better ground conditions and higher-grade mining areas, while fully leveraging existing mining and processing infrastructure.

We are concurrently evaluating early mining opportunities to capitalise on the current strong PGM basket prices. The new mine plan is expected to improve efficiencies, reduce unit costs and provide early revenue.

The focus for the next 12 months will be to finalise a definitive feasibility study, which will be completed in 2H F2023. This will enable ARM to begin mining operations in 2023.

Dividend declaration

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

opportunities, gearing levels as well as solvency and liquidity requirements of the Companies Act.

For F2022, the board approved and declared a final dividend of 2 000 cents per share (gross) (F2021: 2 000 cents per share). The amount to be paid is approximately R4 493 million.

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

- The dividend has been declared out of income reserves
- The South African dividends tax rate is 20%
- The gross local dividend is 2 000 cents per ordinary share for shareholders exempt from dividends tax
- The net local dividend is 1 600 cents per share for shareholders liable to pay dividends tax
- At the date of this declaration, ARM has 224 667 778 ordinary shares in issue
- ARM's income tax reference number is 9030/018/60/1.

A gross dividend of 2 000 cents per ordinary share, being the final dividend for the financial year ended 30 June 2022, has been declared payable on Monday, 3 October 2022 to those shareholders recorded in the books of the company at the close of business on Friday, 30 September 2022. The dividend is declared in the currency of South Africa. Any change in address or dividend instruction applying to this dividend must be received by the company's transfer secretaries or registrar not later than Friday, 30 September 2022. The last day to trade ordinary shares cum dividend is Tuesday, 27 September 2022. Ordinary shares trade ex-dividend from Wednesday, 28 September 2022. The record date is Friday, 30 September 2022 while the payment date is Monday, 3 October 2022.

No dematerialisation or rematerialisation of share certificates may occur between Wednesday, 28 September 2022 and Friday, 30 September 2022, both dates inclusive, nor may any transfers between registers take place during this period.

Review by independent auditor

The condensed group financial statements set out on pages 25 to 56 of the full announcement for the financial year ended 30 June 2022 have been reviewed by the company's registered auditor, Ernst & Young Inc. (the partner in charge is PD Grobbelaar CA(SA)) who expressed an unmodified conclusion on these results. The full review report can be found on the ARM website at www.arm.co.za or at our registered offices.

ENDS

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