Dealing with the current commodity cycle.
Disclaimer

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ARM group structure

- **ARM Platinum**
  - PGMs
    - 41.5% Modikwa¹
    - 55% Two Rivers²
  - Nickel, PGMs & Chrome
    - 50% Nkomati
  - PGM Exploration
    - 46% Kalplats³

- **ARM Ferrous**
  - Iron Ore
    - 50% Khumani
    - 50% Beeshoek
  - Manganese Ore
    - 50% Nchwaning
    - 50% Gloria
  - Manganese Alloys
    - 50% Cato Ridge
    - 25% Cato Ridge Alloys
    - 50% Machadodorp
    - 27% Sakura
  - Chrome Ore
    - 50% Dwarsrivier
  - Charge Chrome
    - 50% Machadodorp

- **ARM Coal**
  - Coal
    - 20% Participating Coal Business
    - 51% Goedgevonden

- **ARM Copper**
  - Copper
    - 40% Lubambe and Lubambe Extension
    - 50% Lusaka & Kabwe
  - Copper Exploration
    - 50% Lusaka & Kabwe

- **ARM Exploration**
  - PGMs
  - Manganese Ore
  - Coal
  - Base metals

- **Gold: Harmony**
  - Copper
    - 100% Lusaka & Kabwe

¹, ², ³: Notes or references related to the substrates.
ARM strategy

Operational efficiencies

All operations to be below the 50th percentile

Quality growth continues in ARM’s portfolio of commodities

Ramping up volumes and initiating new growth projects

Acquisitions and partnerships

Continuing to assess acquisitions and joint venture opportunities

Africa

ARM Exploration

Owner operator

Entrepreneurial management

Profit focused

Partner of choice

Employer of choice

World-class management team

Partnering with communities, workers and other stakeholders
Headline earnings and dividends history

Headline earnings and dividends per share (cents per share)

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ARM’s diversified portfolio

EBITDA split by commodity
Commodity markets have become challenging

Most commodity prices have come under pressure in recent months

- Iron ore 62% fines CIF China (US$/t)
- Manganese ore 44% CIF China (US$/mtu)
- Manganese ore 38% FOB Port Elizabeth (US$/t)
- Thermal coal FOB Richards Bay (US$/t)

Most commodity prices have come under pressure in recent months.

Source: INet Bridge
Commodity markets have become challenging

Most commodity prices have come under pressure in recent months

- **Platinum (US$/oz)**
  - Jan 14: 1000
  - Apr 14: 1100
  - Jul 14: 1200
  - Oct 14: 1300
  - Jan 15: 1400

- **Palladium (US$/oz)**
  - Jan 14: 950
  - Apr 14: 900
  - Jul 14: 850
  - Oct 14: 800
  - Jan 15: 750

- **Nickel (US$/t)**
  - Jan 14: 10000
  - Apr 14: 12000
  - Jul 14: 14000
  - Oct 14: 16000
  - Jan 15: 18000

- **Copper (US$/t)**
  - Jan 14: 6500
  - Apr 14: 7000
  - Jul 14: 7500
  - Oct 14: 8000
  - Jan 15: 8500

Source: INet Bridge
The Rand/US Dollar exchange rate has offset some of the decline in US Dollar commodity prices.
Operational efficiencies

ARM’s objective is that all operations to be below the 50th percentile

Commodity
Unit cash cost

Percentile on cost curve (based on cumulative production)
Efficiencies through technology

- Mechanisation.
- Dilution control.
- Sorting.
- Automation.
Efficiencies through technology

• Trucking to conveyor belts.

• Equipment size optimisation.

• Optimising the availability and utilisation of all mining equipment.

• Use of train rapid load-out system which has reduced loading times as follows:
  – Iron ore from 24 hours to 6 hours per train.
  – Manganese ore from 24 hours to less than 6 hours per train.
  – Coal from 10 hours to 4 hours per train.
Efficiencies through technology

ARM Platinum

- Plant upgrades at Nkomati Mine - recoveries improved from 60% to 76% in 3 years.
- Plant upgrades at Two Rivers Mine - recoveries improved from 72% to 85% in 5 years.
- Chrome recovery plant and tertiary milling circuit installed at Two Rivers Mine.
- Mainstream Inert Grinding (MIG) plant installed at Modikwa Mine – 2% improvement in recoveries is expected.
Efficiencies through technology

ARM Ferrous
• Wet High Intensity Magnetic Separation (WHIMS) plant installed at Khumani Mine – 2% improvement in yield.
• Improved smelter technology at the Sakura Ferroalloys Project.
• Optical sorting being implemented at Black Rock Mine - allows the reprocessing of lower grade dumps.

ARM Coal
• Replacement of three smaller and old Coal Handling Processing Plants (CHPP) with one larger and more efficient CHPP at Tweefontein.
Growth

Quality growth in ARM’s portfolio of commodities

Exploration/feasibility

Rovuma Resources Exploration
Kalplats
Lubambe Extension Area
Manganese Ore Expansion beyond 3 mtpa

Project development and ramp-up

Manganese smelters
Manganese ore mines
Two Rivers Platinum Mine
Modikwa Platinum Mine
Nkomati Nickel Mine
Goedgevonden Thermal Coal Mine
Dwarsrivier Chrome Mine
Khumani Iron Ore Mine

Steady state (>15 years life-of-mine)

Beeshoek Iron Ore Mine
Lubambe Copper Mine
Modikwa Platinum Mine Expansion

Declining operations

Modikwa Platinum Mine
Two Rivers Platinum Mine
Nkomati Nickel Mine
Goedgevonden Thermal Coal Mine
Dwarsrivier Chrome Mine
Khumani Iron Ore Mine

Stage of development

Lubambe Village Pit
Sakura Ferroalloys Project
Exploration expenditure is being curtailed.

Expenditure at Rovuma is currently being reviewed.

Emphasis on brownfields studies.
Acquisition and partnerships

Continuing to assess acquisitions and joint venture opportunities

The current environment presents opportunities for consolidation.

ARM continues to assess value accretive mergers and acquisition opportunities.
What is ARM doing to address the current environment?

- Focusing on improving efficiencies at all operations. Improved efficiencies are being achieved through technology and productivity enhancement initiatives.
- Optimising energy usage at all operations.
- Controlling operational and overhead costs.
What is ARM doing to address the current environment?

- Focusing on high quality resources to ensure that ARM consistently supplies high grade, low impurity product to its customers.
- Investigating the potential to lock-in reduced input costs associated with lower oil prices.
- Research and development into earlier beneficiation of waste streams.
What is ARM doing to address the current environment?

- All non-performing assets are being reassessed.
- The smelter operations are being reviewed.
- Detailed plans for Modikwa and Lubambe mines are being updated.
What is ARM doing to address the current environment?

- Revisiting the capital allocation process to focus on high return opportunities and brownfields projects.
- Reviewing all capital expenditure.
- Optimising working capital management to improve cash flow.
What is ARM doing to address the current environment?

- Synchronizing development of the Black Rock Manganese Ore Expansion Project with Transnet’s expansion of the manganese ore export channel.
- Reducing exploration expenditure.
- Non-core assets are being considered for disposal.
Concluding remarks

ARM has quality assets.

In the current environment productivity will be one of the main drivers to ensuring on-going sustainability. Productivity improvements are being achieved through technology, labour and equipment optimisation.

ARM is reviewing all its operations and is focusing on profitability and cash flow.
Thank you