“Headline earnings increased by 51% to R4.8 billion including a R1 billion net fair value gain as a result of restructuring of the ARM Coal debt.

A final dividend of R7.50 per share is declared. A maiden interim dividend of R2.50 was paid for 1H F2018 bringing the cumulative dividend for F2018 to R10.00 per share.”

Patrice Motsepe
Executive Chairman
Overview and strategy

Patrice Motsepe, Executive Chairman
Disclaimer

Certain statements in this report constitute forward looking statements that are neither reported financial results nor other historical information. They include but are not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. Such forward looking statements may or may not take into account and may or may not be affected by known or unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa; decreases in the market price of commodities; hazards associated with underground and surface mining; labour disruptions; changes in government regulations, particularly environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the AIDS epidemic 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 unanticipated events.
ARM’s effective interest in Modikwa Mine is 41.5%, local communities hold 8.5%.

ARM’s interest in Two Rivers Mine increased to 54% from 9 November 2017 when the mine’s amended mining right was executed by the Department of Mineral Resources.

ARM’s effective interest in GGV is 26% and 20.2% in PCB.

The disposal of ARM’s 40% effective interest in Lubambe and Lubambe Extension Area was completed on 22 December 2017.
Salient features

Headline earnings increased by 51% to R4 814 million (F2017: R3 196 million), which includes a net fair value gain of R977 million.

The net fair value gain is due to a change in the net present value of loan repayment cash flows as a result of restructuring the ARM Coal debt.

Excluding the net fair value gain, headline earnings are up 20% compared to F2017.

Headline earnings per share were 2 526 cents compared to 1 684 cents in F2017.
Salient features

Final dividend of 750 cents is declared.

A maiden interim dividend of 250 cents per share was declared and paid for the first half of the financial year (1H F2018).

The cumulative dividend for F2018 is 1 000 cents per share (F2017: 650 cents per share).
Basic earnings were R4 562 million (F2017: R1 372 million) and include the net fair value gain of R977 million as a result of restructuring of the ARM Coal debt.

F2017 included attributable impairments of the Nkomati Mine and Modikwa Mine assets of R711 million and R734 million after tax and non-controlling interest, respectively.

US Dollar prices realised for most commodities were higher except for iron ore, platinum and chrome concentrate prices.
The disposal of ARM and Vale’s 80% interest in Lubambe Mine was completed on 22 December 2017.

Dividends received from the Assmang joint venture were R3 000 million (F2017: R2 488 million).

The consolidated net cash/debt position improved by R2 266 million to net cash of R995 million (net debt of R1 271 million as at 30 June 2017).
Safety

We are committed to creating and maintaining a safe work environment for all our employees.

The Ferrous division Lost Time Injury Frequency Rate (LTIFR) improved by 24% to 0.13 per 200,000 man-hours (F2017: 0.17 per 200,000 man-hours).

Black Rock Mine and Khumani Mine recorded 6 million and 2 million fatality-free shifts respectively.
Safety

Beeshoek Mine recorded 16 000 fatality-free production shifts, an accomplishment which took approximately 15 years to achieve.

Nkomati Mine and Two Rivers Mine recorded 6 million and 4 million fatality-free shifts respectively.

Regrettably, Mr Fabian Majoro was fatally injured at Modikwa Mine on 9 October 2017.
It is with regret that we note the fatality of Mr Raymond Anak Edmund Samaie at the Sakura Ferroalloys operation and Mr Bonga Lingeni at Tweefontein Coal Mine.

ARM and its partners would like to express their sincerest condolences to the families, friends and colleagues of those who have lost their lives at our operations.

We also extend our condolences to the families, friends and colleagues of the six people who lost their lives in the tragic incident where a bus carrying Modikwa Mine employees was torched on 2 April 2018.
Headline earnings and dividends per share (cents)

*The F2018 headline earnings per share are 2 526 cents including the net fair value gain of 513 cents as a result of restructuring of the ARM Coal debt. Headline earnings per share, excluding the net fair value gain, were 2 013 cents.
*The F2018 headline earnings were R4 814 million including the net fair value gain of R977 million as a result of restructuring of the ARM Coal debt. Headline earnings, excluding the net fair value gain, were R3 837 million.
Headline earnings analysis (R million)

*Adjusted information presented in the graph above is the responsibility of the directors of the Company and has been prepared for illustrative purposes only.

** Discontinued operations refer to Lubambe Mine (in F2018 and F2017) and Dwarsrivier Mine (in F2017 only).
EBITDA margins by commodity*

**EBITDA margin excluding the fair value gain.

*Copper (Lubambe Mine) and Chrome (Dwarsrivier Mine) EBITDAs are not included in the above graph as they are discontinued operations. Disposal of the Lubambe Mine was completed in F2018 while the disposal of Dwarsrivier Mine was concluded in F2017.

**EBITDA margin excluding the fair value gain.
ARM is focused on maximising margins at each of our operations.
Operational review

Mike Schmidt, Chief Executive Officer
## Headline earnings / (loss) by division / operation

<table>
<thead>
<tr>
<th></th>
<th>12 months ended 30 June</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td><strong>R million</strong></td>
<td></td>
</tr>
<tr>
<td>ARM Platinum</td>
<td>420</td>
</tr>
<tr>
<td>Two Rivers Mine</td>
<td>306</td>
</tr>
<tr>
<td>Modikwa Mine</td>
<td>105</td>
</tr>
<tr>
<td>Nkomati Mine</td>
<td>9</td>
</tr>
<tr>
<td>ARM Ferrous</td>
<td>3 528</td>
</tr>
<tr>
<td>Iron ore division</td>
<td>1 672</td>
</tr>
<tr>
<td>Manganese division</td>
<td>1 904</td>
</tr>
<tr>
<td>Chrome division**</td>
<td>(21)</td>
</tr>
<tr>
<td>Consolidation adjustment</td>
<td>(27)</td>
</tr>
<tr>
<td>ARM Coal*</td>
<td>1 485</td>
</tr>
<tr>
<td>Goedgevonden Mine</td>
<td>852</td>
</tr>
<tr>
<td>PCB Operations</td>
<td>633</td>
</tr>
<tr>
<td>ARM Copper</td>
<td>(6)</td>
</tr>
<tr>
<td>ARM Corporate and other*</td>
<td>(613)</td>
</tr>
<tr>
<td>Headline earnings</td>
<td>4 814</td>
</tr>
</tbody>
</table>

*F2018 includes a fair value gain of R1 210 million at ARM Coal and R233 million fair value loss at ARM Corporate resulting from the derecognition of loans when the ARM Coal debt was restructured.

**The F2017 Chrome division headline earnings include R378 million relating to the sale of ARM’s effective 50% stake in the Dwarsrivier Mine.
The contribution from the manganese division has increased such that the iron ore and manganese divisions are similar contributors to EBITDA.
Changes in sales volumes

F2018 versus F2017 sales volume changes (%)

- Two Rivers chrome concentrate: (17%)
- Nickel: (16%)
- PGMs: (3%)
- Export coal: (2%)
- Eskom coal: 3%
- Iron ore: 3%
- Manganese ore *: 7%
- Manganese alloys **: 25%
- Nkomati chrome concentrate: 36%

* External sales only.
** Includes Sakura Ferroalloys sales volumes.
Changes in average realised US Dollar prices

F2018 versus F2017 average realised US Dollar price changes (%)

R/US$ average exchange rate strengthened by 6% from R13.60/US$ to R12.84/US$.
* Includes GGV Mine and PCB operations.
** Includes Sakura Ferroalloys.
Changes in average realised Rand prices

F2018 versus F2017 average realised Rand price changes (%)

- Includes GGV Mine and PCB operations.
- Includes Sakura Ferroalloys.

R/US$ average exchange rate strengthened by 6% from R13.60/US$ to R12.84/US$.

* Includes GGV Mine and PCB operations.

** Includes Sakura Ferroalloys.
Unit cost changes by operation

F2018 versus F2017 on-mine unit production costs Rand per tonne basis (%)

Iron ore 2%
Sakura 5%
Cato Ridge Works 6%
Coal: GGV 9%
PGM: Modikwa* 9%
PGM: Two Rivers* 10%
Manganese ore 16%
Coal: PCB 19%
Nickel** 22%

--- Mining PPI at 8%

* Modikwa and Two Rivers unit costs are expressed on a Rand per 6E PGM ounce basis.
** Nkomati unit costs are expressed on a C1 cash cost net of by-products basis.
ARM Ferrous: Iron ore

Operational performance – 100% basis

Record volumes of 17.9 million tonnes sold.

The increase in on-mine unit production costs was contained below inflation, at 2%.

Beeshoek Mine commissioned a rail link to the Sishen Saldanha Export Channel and exported 400 000 tonnes.

<table>
<thead>
<tr>
<th></th>
<th>unit</th>
<th>F2018</th>
<th>F2017</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export sales volumes</td>
<td>000</td>
<td>14 302</td>
<td>14 061</td>
<td>2%</td>
</tr>
<tr>
<td>volumes</td>
<td>tonnes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local sales volumes</td>
<td>000</td>
<td>3 572</td>
<td>3 214</td>
<td>11%</td>
</tr>
<tr>
<td>volumes</td>
<td>tonnes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in on-mine unit</td>
<td>%</td>
<td>2</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>production costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>R million</td>
<td>1 781</td>
<td>1 169</td>
<td>52</td>
</tr>
</tbody>
</table>

Sales volumes (million tonnes)
Operational performance – 100% basis

Production volumes increased by 21% to 3.7 million tonnes.

The Manganese Export Capacity Allocation (MECA2) agreement was signed with Transnet in alignment with the ramp-up of Black Rock Mine and is valid until the later of 31 March 2023 or when the Port of Ngqura is fully operational.

Additional capital expenditure has been approved for the modernisation and optimisation of Gloria Mine to increase Black Rock Mine’s flexibility of product specifications.

<table>
<thead>
<tr>
<th>Unit</th>
<th>F2018</th>
<th>F2017</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export sales volumes</td>
<td>000 tonnes</td>
<td>3 080</td>
<td>2 871</td>
</tr>
<tr>
<td>Local sales volumes *</td>
<td>000 tonnes</td>
<td>97</td>
<td>103</td>
</tr>
<tr>
<td>Change in unit production costs</td>
<td>%</td>
<td>16</td>
<td>1</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>R million</td>
<td>1 241</td>
<td>1 617</td>
</tr>
</tbody>
</table>

* Excluding intragroup sales

Sales volumes (000 tonnes)
ARM Ferrous: Manganese alloys

Operational performance – 100% basis

Sakura Ferroalloys is fully ramped up and is producing at higher than design capacity.

Sakura’s unit production costs increased by 5% despite significant increases in raw material input costs (especially manganese ore and reductants).

The number of operating furnaces at Cato Ridge Works was reduced from four in F2017 to three in F2018 as part of the business improvement strategy.
ARM Platinum: PGMs

**Operational performance – 100% basis**

ARM and Angloplat concluded improved terms on the Modikwa Mine purchase of concentrate agreement for three years effective from 1 January 2017.

ARM’s interest in Two Rivers Mine increased from 51% to 54% from 9 November 2017.

Both Modikwa and Two Rivers mines were impacted by grade decline in the year under review. A number of interventions are being implemented to address this.

Grade decline at Modikwa Mine was offset by a 20% increase in tonnes milled, resulting in an 11% increase in PGMs produced at the mine.

<table>
<thead>
<tr>
<th></th>
<th>unit</th>
<th>F2018</th>
<th>F2017</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>6E PGM ounces</td>
<td>792 583</td>
<td>815 188</td>
<td>(3)</td>
</tr>
<tr>
<td>Modikwa cash cost</td>
<td>R/oz 6E</td>
<td>9 197</td>
<td>8 463</td>
<td>9</td>
</tr>
<tr>
<td>Two Rivers cash cost</td>
<td>R/oz 6E</td>
<td>6 822</td>
<td>6 195</td>
<td>10</td>
</tr>
<tr>
<td>Capital expenditure*</td>
<td>R million</td>
<td>1 149</td>
<td>1 273</td>
<td>(10)</td>
</tr>
</tbody>
</table>

* Including Nkomati Mine

**Production volumes (000 ounces)**

![Graph showing production volumes from F2014 to F2021 for Nkomati Nickel, Two Rivers, and Modikwa mines.](image-url)
The mill head grade decreased to 0.24% nickel, mainly due to higher than expected very low grade MMZ material being milled to ensure that both mills operate at optimal capacity.

The grade is expected to improve from F2021 as more MMZ ore is mined on the Western section of the open pit.

Nkomati Mine concluded an amendment to its offtake agreement with Metal Trade Overseas in terms of which short delivery and grade penalties will be relaxed for two years to assist the mine while it ramps up to steady state production levels.
The ARM Coal debt restructuring was concluded and is effective from 1 July 2017. The restructuring significantly improves ARM and ARM Coal’s obligations in terms of these loans.

The changes in future repayment cash flows results in a net fair value gain.

Average realised US Dollar export prices increased 36% and 19% for GGV Mine and the PCB Operations respectively.
Capital expenditure: segmental analysis

Capital expenditure (R million)*

* Capital expenditure includes (i) deferred stripping at Nkomati, Beeshoek and Khumani mines, (ii) Eskom sub-station as a finance lease at Nkomati Mine (iii) financed fleet replacement and sustaining capital expenditure but excludes the Sakura Ferroalloys Project.

** The forecasted capital expenditure for F2020 to F2021 is an estimation based on approved projects and projects under consideration.
Cash and cash equivalents

Cash and cash equivalents* movement from 1 July 2017 to 30 June 2018 (R million)

*Cash and cash equivalent including overdrafts.
## Net cash/ (debt) to equity ratio

<table>
<thead>
<tr>
<th>R million</th>
<th>F2018</th>
<th>F2017</th>
<th>1H F2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents *</td>
<td>3 291</td>
<td>1 488</td>
<td>1 919</td>
</tr>
<tr>
<td>Total borrowings</td>
<td>(2 296)</td>
<td>(2 759)</td>
<td>(3 021)</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>(1 744)</td>
<td>(2 002)</td>
<td>(2 311)</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>(552)</td>
<td>(757)</td>
<td>(710)</td>
</tr>
<tr>
<td><strong>Net cash/ (debt)</strong></td>
<td>995</td>
<td>(1 271)</td>
<td>(1 102)</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>27 378</td>
<td>24 040</td>
<td>24 926</td>
</tr>
<tr>
<td><strong>Net cash/ (debt) to equity ratio</strong></td>
<td>3.6%</td>
<td>(5.3%)</td>
<td>(4.4%)</td>
</tr>
<tr>
<td>Less: Partner loans</td>
<td>(1 345)</td>
<td>(1 719)</td>
<td>(1 692)</td>
</tr>
<tr>
<td>ARM Coal loans from Glencore</td>
<td>(1 231)</td>
<td>(1 605)</td>
<td>(1 578)</td>
</tr>
<tr>
<td>Modikwa loan from Anglo Platinum</td>
<td>(114)</td>
<td>(114)</td>
<td>(114)</td>
</tr>
<tr>
<td>Less: ARM BBEE Trust loans (Nedbank; Harmony)</td>
<td>(470)</td>
<td>(528)</td>
<td>(473)</td>
</tr>
<tr>
<td>Adjusted net cash</td>
<td>2 810</td>
<td>976</td>
<td>1 063</td>
</tr>
<tr>
<td>Attributable cash and cash equivalents at ARM Ferrous *</td>
<td>2 507</td>
<td>3 165</td>
<td>3 198</td>
</tr>
</tbody>
</table>

* Since the F2018 year-end, Assmang declared a dividend of R3 500 million. ARM’s attributable portion of this dividend is R1 750 million.
Thank you

We do it better
Additional slides

We do it better
ARM Coal debt restructuring

Glencore Holdings South Africa Proprietary Limited (GHSA)

PCB / ARM debt

Glencore Operations South Africa Proprietary Limited (GOSA)

49%

PCB / ARM Coal debt

100%

ARM Coal Proprietary Limited (ARM Coal)

51%

GGV Mine (unincorporated JV)

49%

GGV acquisition loan
GGV project facility phase 1 loan
GGV project facility phase 2 loan
RBCT phase V loan

51%

20%

Shareholder loan to PCB

PCB revolving credit facility

Shareholder loan from ARM

Glencore Holdings South Africa Proprietary Limited (GHSA)

100%

African Rainbow Minerals Limited (ARM Limited)

Shareholder loan from GOSA

Glencore Operations South Africa Proprietary Limited (GOSA)

Participative Coal Business (PCB)

PCB - in which Glencore holds a 70% interest and ARM Coal and ARM Limited hold a 20% and 10% interest, respectively, by virtue of their preference shareholding in GOSA

No entity owns shares in the PCB

Glencore Holdings South Africa Proprietary Limited (GHSA)

100%

African Rainbow Minerals Limited (ARM Limited)

100%

Participative Coal Business (PCB)

GGV Mine (unincorporated JV)

49%