“Headline earnings increased by 9% to R5.2 billion as the iron ore division delivered its highest reported earnings.

A final dividend of R9.00 per share is declared. An interim dividend of R4.00 per share was paid in April 2019 bringing the total dividend for F2019 to R13.00 per share.”

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 and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa; decreases in the market price of commodities; hazards associated with underground and surface mining; labour disruptions; changes in government regulations, particularly environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the 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.

*Rounding of figures may result in minor computational discrepancies.*
Results overview

Executive Chairman: Patrice Motsepe
ARM’s effective interest in Modikwa Mine is 41.5%, local communities hold 8.5%.

1 ARM acquired Machadodorp Works effective from 28 February 2019. Machadodorp Works is currently being used to explore more efficient and cost effective ways of smelting.

2 ARM’s effective interest in Modikwa Mine is 41.5%, local communities hold 8.5%.

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

The Lost Time Injury Frequency Rate (LTIFR) increased from 0.38 to 0.42 per 200 000 man-hours.

Despite our commitment to zero harm at all our operations a colleague, Mr Thomas Maluleke, was fatally injured at Modikwa Mine on 27 March 2019.

Khumani Mine achieved a LTIFR of 0.08 per 200 000 man-hours, the lowest in the history of the mine.
Salient features: Earnings

**Headline earnings**
- 9% to R5.2 billion
- F2018: R4.8 billion*

**Adjusted headline earnings**
- 35% to R5.2 billion
- F2018: R3.8 billion

**Segmental EBITDA**
- 16% to R9.3 billion
- F2018: R8.0 billion*

**Basic earnings**
- 22% to R3.6 billion
- F2018: R4.6 billion*

* The F2018 headline and basic earnings and EBITDA included a net fair value gain of R977 million on the ARM Coal debt restructure.
** Adjusted headline earnings refer to reported headline earnings adjusted for a net fair value gain of R977 million on the ARM Coal loans in F2018 and net fair value and re-measurement gains on loans of R49 million in F2019.
Salient features: Dividends and financial position

**Total dividend**
- 30% to R13.00 per share
  - F2018: R10.00 per share

**Dividends received from Assmang**
- R3.3 billion
  - F2018: R3.0 billion

**Attributable ARM Coal debt**
- 10% to R1.8 billion
  - F2018: R2.0 billion

**Net cash at 30 June 2019**
- 161% to R2.6 billion
  - At 30 June 2018: R1.0 billion
The F2018 headline earnings included a net fair value gain of R977 million on restructuring of the ARM Coal debt.

** F2019 headline earnings include net fair value and re-measurement gains on loans equal to R49 million.
**Headline earnings and dividends (cents per share)**

* F2018 headline earnings included a net fair value gain of 513 cents per share on restructuring of the ARM Coal debt.

** F2019 headline earnings include net fair value and re-measurement gains on loans of 25 cents per share.
Capital allocation guiding principles

Application of funds

INVEST IN EXISTING BUSINESS

GROW EXISTING BUSINESS

DEBT REPAYMENT

MERGERS AND ACQUISITIONS

DIVIDEND PAYMENTS

SHARE REPURCHASE AND/OR SPECIAL DIVIDENDS
Guiding dividend formula

ARM will aim to pay ordinary dividends to shareholders equal to approximately 40-70% of annual dividends received from its group companies.

ARM will aim to pay an interim and a final dividend. The weighting between the interim and final dividends is likely to result in the final dividend being higher than the interim dividend.

Where appropriate, the Board will consider supplementing ordinary dividends with special dividends.

ARM will not borrow funds to pay dividends.
ARM is focused on maximising margins at each operation.
Operational review
Chief Executive Officer:
Mike Schmidt

Two Rivers Platinum Mine
# Headline earnings/(loss) by division / operation

### 12 months ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Reviewed 2019</th>
<th>Audited 2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ARM Platinum</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARM Platinum</td>
<td>112</td>
<td>420</td>
<td>(73)</td>
</tr>
<tr>
<td>Two Rivers Mine</td>
<td>322</td>
<td>306</td>
<td>5</td>
</tr>
<tr>
<td>Modikwa Mine*</td>
<td>105</td>
<td>105</td>
<td>-</td>
</tr>
<tr>
<td>Nkomati Mine</td>
<td>(315)</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td><strong>ARM Ferrous</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iron ore division</td>
<td>3 397</td>
<td>1 672</td>
<td>103</td>
</tr>
<tr>
<td>Manganese division</td>
<td>1 611</td>
<td>1 904</td>
<td>(15)</td>
</tr>
<tr>
<td>Chrome division**</td>
<td>(3)</td>
<td>(21)</td>
<td>86</td>
</tr>
<tr>
<td>Consolidation adjustment</td>
<td>(45)</td>
<td>(27)</td>
<td>(67)</td>
</tr>
<tr>
<td><strong>ARM Coal</strong>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goedgevonden Mine</td>
<td>137</td>
<td>852</td>
<td>(84)</td>
</tr>
<tr>
<td>PCB Operations</td>
<td>274</td>
<td>633</td>
<td>(57)</td>
</tr>
<tr>
<td><strong>ARM Corporate and other</strong></td>
<td>(257)</td>
<td>(613)</td>
<td>139</td>
</tr>
<tr>
<td><strong>Headline earnings</strong></td>
<td>5 226</td>
<td>4 814</td>
<td>9</td>
</tr>
</tbody>
</table>

* In F2019 Modikwa Mine includes a fair value loss of R156 million on the re-measurement of inter-company loans in accordance with new IFRS 9 accounting standard. This fair value loss is largely eliminated at the ARM Corporate and other segment with a R19 million net effect on the group consolidated headline earnings.

** In F2018 the Chrome Division comprised of Machadodorp Works. ARM acquired Machadodorp in F2019 and it is now included in ARM Corporate and other segment.

*** Includes a R245 million re-measurement gain on the ARM Coal loans which were restructured in F2018. R215 million of this fair value gain is eliminated in the ARM Corporate and other segment. In F2018 a fair value gain of R1 210 million was included in the ARM Coal headline earnings R233 of which was eliminated in ARM Corporate and other.
Headline earnings analysis
(R million)

F2018 headline earnings: 4,814
Net fair value gain: (977)
F2018 adjusted headline earnings*: 3,837
Platinum: (152)
Ferrous: 1,432
Coal: (109)
Corporate: 169
F2019 adjusted headline earnings*: 5,177
Net fair value and re-measurement gains: 49
F2019 headline earnings: 5,226

*Adjusted headline earnings refer to headline earnings adjusted for a net fair value gain of R977 million on the restructured ARM Coal loans in F2018 and a net fair value gain and net re-measurement gain of R49 million in F2019.
Diversified earnings

EBITDA split by commodity (%)

F2015
- PGM: 46%
- Nickel: 8%
- Iron Ore: 12%
- Manganese: 25%
- Chrome: 5%
- Coal (GGV): 3%
- Copper: (3%)

F2016
- PGM: 58%
- Nickel: 14%
- Iron Ore: 14%
- Manganese: 30%
- Chrome: 3%
- Coal (GGV): (6%)
- Copper: (6%)

F2017
- PGM: 50%
- Nickel: 4%
- Iron Ore: 27%
- Manganese: 17%
- Chrome: 2%
- Coal (GGV): 17%
- Copper: 3%

F2018
- PGM: 37%
- Nickel: 2%
- Iron Ore: 38%
- Manganese: 19%
- Chrome: 19%
- Coal (GGV): 16%
- Copper: (3%)

F2019
- PGM: 54%
- Nickel: 4%
- Iron Ore: 4%
- Manganese: 16%
- Chrome: 38%
- Coal (GGV): 29%
- Copper: (3%)
EBITDA margin by commodity

Nickel (16%) 11%
Manganese alloy ** 14%
Coal (GGV only) * 26%
PGMs 25%
Manganese ore 42%
Iron ore 39%

* Excludes fair value and re-measurement adjustments.
** Excludes Sakura Ferroalloys.
F2019 vs F2018 unit cost changes

- The change in nickel unit costs refers to C1 cash costs net of by-products on a US Dollar per pound basis.

- The change in PGM unit costs refers to cost per 6E ounce.

- Manganese alloy: Sakura
  - Change: 18%

- Manganese ore
  - Change: 15%

- Coal: GGV and PCB
  - Change: 14%

- Manganese alloy: South African Operations
  - Change: 14%

- PGM: Two Rivers and Modikwa**
  - Change: 13%

- Nickel*
  - Change: 10%

- Iron ore
  - Change: 8%

---

* The change in nickel unit costs refers to C1 cash costs net of by-products on a US Dollar per pound basis.

** The change in PGM unit costs refers to cost per 6E ounce.
ARM Ferrous

Khumani Iron Ore Mine
**Attributable profit before tax variance analysis (R million)**

![Graph showing profit variance analysis](image)

**Changes in on-mine unit production costs (%)**

- Sakura: 18%
- Manganese ore: 15%
- SA manganese alloy operations: 14%
- Iron ore: 8%

**Changes in sales volumes (%)**

- Iron ore *: (2%) increase, (4%) decrease
- Manganese ore *: 8% increase
- Manganese alloys**: 5% increase

**Changes in average realised US Dollar prices (%)**

- Manganese alloys ($/t)**: (3%) decrease
- Export manganese ore ($/t): (1%) decrease
- Export iron ore ($/t): 34% increase

*External sales only

**Includes Sakura Ferroalloy sales

The average realised exchange rate weakened by 11% from R14.19/US$ to R12.84/US$.**
Iron ore (100% basis)

Salient features

- Headline earnings up 103%.
- Sales volumes lump ratio increased from 54% to 60%.
- Average realised price increased by 34% (on an FOB equivalent basis).
- On-mine unit production costs increased by 8% mainly due to lower production volumes.
- Capital expenditure were higher due to capitalised waste stripping and fleet replacement.

<table>
<thead>
<tr>
<th></th>
<th>unit</th>
<th>F2019</th>
<th>F2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export sales volumes</td>
<td>000 tonnes</td>
<td>14 430</td>
<td>14 302</td>
<td>1</td>
</tr>
<tr>
<td>Local sales volumes</td>
<td>000 tonnes</td>
<td>3 114</td>
<td>3 572</td>
<td>(13)</td>
</tr>
<tr>
<td>Sales lump:fines ratio</td>
<td></td>
<td>60:40</td>
<td>54:46</td>
<td></td>
</tr>
<tr>
<td>Change in on-mine unit production costs</td>
<td>%</td>
<td>8</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>R million</td>
<td>2 097</td>
<td>1 781</td>
<td>18</td>
</tr>
</tbody>
</table>

Sales volumes (million tonnes)

- Export
- Local

Iron ore unit cost analysis

All in export iron ore unit costs on a 62% Fe equivalent basis (US$/t)

<table>
<thead>
<tr>
<th>Category</th>
<th>Increase</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-mine costs</td>
<td>16.00</td>
<td></td>
</tr>
<tr>
<td>Logistics, freight and marketing</td>
<td>29.90</td>
<td></td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>6.79</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>7.80</td>
<td></td>
</tr>
<tr>
<td>64% to 65% Fe delivered cost</td>
<td>60.49</td>
<td>14.33</td>
</tr>
<tr>
<td>Quality differential</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F2019</td>
<td>46.16</td>
<td></td>
</tr>
</tbody>
</table>
Manganese ore (100% basis)

**Salient features**

- Production volumes were 8% lower due to shut-down of the Gloria Mine conveyor and commissioning of new infrastructure (as part of the Black Rock Project).

- Sales volumes increased by 8% as ore was sold out of inventory.

- On-mine unit production costs increased by 15% mainly due to lower volumes and higher electricity, diesel and labour costs.

- Capital expenditure increased mainly due to Gloria Project.

<table>
<thead>
<tr>
<th></th>
<th>unit</th>
<th>F2019</th>
<th>F2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export sales volumes</td>
<td>000 tonnes</td>
<td>3 321</td>
<td>3 080</td>
<td>8</td>
</tr>
<tr>
<td>Local sales volumes</td>
<td>000 tonnes</td>
<td>113</td>
<td>97</td>
<td>16</td>
</tr>
<tr>
<td>Change in on-mine unit production costs</td>
<td>%</td>
<td>15</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>R million</td>
<td>2 310</td>
<td>1 241</td>
<td>86</td>
</tr>
</tbody>
</table>
Manganese alloys

Salient features

- Manganese alloys sales volumes at the South African operations increased by 9%.

- Sakura reported an attributable headline loss of R278 million owing to low alloy prices and high input costs (manganese ore and reductants).

- Sakura assets and investment were impaired by R507 million (attributable after tax).

<table>
<thead>
<tr>
<th></th>
<th>unit</th>
<th>F2019</th>
<th>F2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales volumes: South African operations</td>
<td>000 tonnes</td>
<td>150</td>
<td>138</td>
<td>9</td>
</tr>
<tr>
<td>Sales volumes: Sakura</td>
<td>000 tonnes</td>
<td>248</td>
<td>240</td>
<td>3</td>
</tr>
<tr>
<td>Change in unit production costs: South African operations</td>
<td>%</td>
<td>14</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Change in unit production costs: Sakura</td>
<td>%</td>
<td>18</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

Sales volumes (000 tonnes)
ARM Platinum

Modikwa Platinum Mine
The average realised exchange rate weakened by 11% from R14.19/US$ to R12.84/US$.
PGMs (100% basis)

Salient features

• Rand PGM basket prices increased by 29% and 26% for Modikwa and Two Rivers mines, respectively.

• Total PGM production volumes were 8% lower mainly due to a decline in grades.

• Two Rivers Mine unit production costs were negatively impacted by lower production volumes.

<table>
<thead>
<tr>
<th></th>
<th>unit</th>
<th>F2019</th>
<th>F2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>6E PGM ounces</td>
<td>729 833</td>
<td>792 583</td>
<td>(8)</td>
</tr>
<tr>
<td>Modikwa cash cost</td>
<td>R/oz 6E</td>
<td>10 027</td>
<td>9 197</td>
<td>9</td>
</tr>
<tr>
<td>Two Rivers cash cost</td>
<td>R/oz 6E</td>
<td>8 001</td>
<td>6 822</td>
<td>17</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>R million</td>
<td>1 183</td>
<td>1 149</td>
<td>3</td>
</tr>
</tbody>
</table>
Update on Two Rivers Mine grade

- UG2 grades mined in Main and North declines ranged from 3.5g/t to 5.0 g/t (6E).

- Mineral reserve grades West and South of the mined areas are lower.

- The partners are considering installing additional milling capacity to increase PGM volumes to approximately 380 000 ounces.

- Two Rivers Mine remains a quality long-life operation which continues to be positioned below the 50th percentile of the global PGM cost curve.
Nickel (100% basis)

Salient features

- Earnings impacted by a negative mark-to-market adjustment of R130 million.
- Nickel production volumes increased by 7%.
- Chrome concentrate average realised prices decreased by 31%.
- A plan to scale down Nkomati Mine has been agreed by the joint venture partners.
- Nkomati Mine assets were impaired by R1 070 million (attributable after tax).

C1 unit cash costs net of by-products

<table>
<thead>
<tr>
<th></th>
<th>unit</th>
<th>F2019</th>
<th>F2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-mine cash cost*</td>
<td>US$/lb</td>
<td>10.88</td>
<td>10.95</td>
<td>(1)</td>
</tr>
<tr>
<td>Off-mine cash cost</td>
<td>US$/lb</td>
<td>0.82</td>
<td>0.83</td>
<td>(1)</td>
</tr>
<tr>
<td>By-product credits</td>
<td>US$/lb</td>
<td>(5.23)</td>
<td>(5.93)</td>
<td>(12)</td>
</tr>
<tr>
<td>C1 cash cost net of by-products</td>
<td>US$/lb</td>
<td>6.47</td>
<td>5.86</td>
<td>10</td>
</tr>
<tr>
<td>On-mine cash cost*</td>
<td>R/t milled</td>
<td>394</td>
<td>339</td>
<td>17</td>
</tr>
<tr>
<td>Off-mine cash cost</td>
<td>R/t milled</td>
<td>14</td>
<td>26</td>
<td>(46)</td>
</tr>
<tr>
<td>Total unit cost</td>
<td>R/t milled</td>
<td>408</td>
<td>365</td>
<td>12</td>
</tr>
</tbody>
</table>

Production volumes (tonnes)
ARM Coal

Goedgevonden Coal Mine
ARM Coal

Attributable profit before tax variance analysis (R million)

Changes in on-mine unit production costs (%)

Changes in sales volumes (%)

ARM attributable debt (R million)

* Adjusted refers to profit before tax excluding fair value and re-measurement adjustments.
GGV and PCB (100% basis)

Salient features

- Earnings were negatively impacted by a decline in seaborne coal prices.
- R362 million was repaid on the ARM Coal debt.
- PCB unit production costs increased by 18% mainly due to lower volumes and the occurrence of sinkholes in the areas mined.

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>F2019</th>
<th>F2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export sales volumes</td>
<td>Mt</td>
<td>14.22</td>
<td>16.29</td>
<td>(13)</td>
</tr>
<tr>
<td>Domestic sales volumes</td>
<td>Mt</td>
<td>8.18</td>
<td>5.59</td>
<td>46</td>
</tr>
<tr>
<td>GGV on-mine production costs</td>
<td>R/t</td>
<td>380</td>
<td>351</td>
<td>8</td>
</tr>
<tr>
<td>PCB on-mine production costs</td>
<td>R/t</td>
<td>391</td>
<td>330</td>
<td>18</td>
</tr>
<tr>
<td>Capital expenditure (GGV)</td>
<td>Rm</td>
<td>937</td>
<td>538</td>
<td>74</td>
</tr>
<tr>
<td>Capital expenditure (PCB)</td>
<td>Rm</td>
<td>2 780</td>
<td>2 042</td>
<td>36</td>
</tr>
</tbody>
</table>

Attributable production volumes (000 tonnes)
Capital allocation

FD: Abigail Mukhuba
Secures long-term sustainability of our business (longevity)

Healthy gearing levels create a flexible platform for sustainable growth

Underpinned by metrics that measure the sustainability of value creation for stakeholders (minimum rate of return; other hurdle rates; payback periods; return on assets; return on capital employed; dividend pay-out, etc)
Allocation of capital

Analysis of movements in net cash and cash equivalents (R million)*

Sources of funds
- Cash generated by operations: 2 123
- Dividends received: 3 323
- Taxation paid: (309)

Investing in existing business
- Capital expenditure: (931)
- Investments: (341)

Interest and debt repayments
- Net borrowing movements: (281)
- Net financing income: 184

Dividends paid
- Dividends paid to ARM shareholders: (2 206)
- Other: (233)*

Balance
- Balance 1 July 2018: 2 910
- Balance 30 June 2019: 4 239

* Analysis of cash and cash equivalents net of overdrafts.
** Includes dividends paid by Two Rivers Mine to Impala Platinum Limited of R241 million (F2018: R253 million).
## Net cash and debt position

<table>
<thead>
<tr>
<th>R million</th>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and cash equivalents (before borrowings)</strong>*</td>
<td>4 632</td>
<td>3 291</td>
</tr>
<tr>
<td><strong>Total borrowings</strong></td>
<td>(2 031)</td>
<td>(2 296)</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>(1 095)</td>
<td>(1 744)</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>(936)</td>
<td>(552)</td>
</tr>
<tr>
<td><strong>Net cash</strong>*</td>
<td>2 601</td>
<td>995</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>29 703</td>
<td>27 378</td>
</tr>
<tr>
<td><strong>Net cash to equity ratio</strong></td>
<td>8.8%</td>
<td>3.6%</td>
</tr>
<tr>
<td><strong>Add back</strong> Partner loans</td>
<td>1 124</td>
<td>1 345</td>
</tr>
<tr>
<td>ARM Coal loans from Glencore</td>
<td>1 023</td>
<td>1 231</td>
</tr>
<tr>
<td>Modikwa loan from Anglo Platinum</td>
<td>101</td>
<td>114</td>
</tr>
<tr>
<td><strong>Add back: ARM BBEE Trust loans (Nedbank; Harmony)</strong></td>
<td>368</td>
<td>470</td>
</tr>
<tr>
<td><strong>Adjusted net cash</strong></td>
<td>4 093</td>
<td>2 810</td>
</tr>
<tr>
<td><strong>Attributable cash and cash equivalents at ARM Ferrous</strong></td>
<td>3 053</td>
<td>2 507</td>
</tr>
</tbody>
</table>

* Excludes cash and cash equivalents at ARM Ferrous.
Capital expenditure: Segmental analysis*

* Capital expenditure includes (i) deferred stripping at Nkomati 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 F2020e to F2022e is an estimation based on approved projects and projects under consideration.
Beeshoek Iron Ore Mine

Additional slides
Six-monthly headline earnings (R million)

<table>
<thead>
<tr>
<th>Year</th>
<th>First half (1H)</th>
<th>Second half (2H)</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2014</td>
<td>2 341</td>
<td>1 767</td>
</tr>
<tr>
<td>F2015</td>
<td>1 026</td>
<td>718</td>
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